GOLDMAN SACHS GROUP INC
Form 424B2
November 29, 2018
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Filed pursuant to Rule 424(b)(2)

Registration Statement No. 333-219206

GS Finance Corp.

$16,282,000

Capped GEARS Linked to the Vanguard FTSE Developed Markets ETF due 2020

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not bear interest. The amount that you will be paid on your notes on the stated maturity date (January 30, 2020) is based on the performance of the Vanguard FTSE Developed Markets ETF (ETF) as measured from the trade date (November 27, 2018) to and including the determination date (January 27, 2020).

The return on your notes is linked to the performance of the ETF, and not to that of the FTSE® Developed All Cap ex US Index (index) on which the ETF is based. The performance of the ETF may significantly diverge from that of the index. Further, as discussed in more detail below, the ETF began tracking the index in June 2016. Therefore, there is limited historical performance information available for the ETF while tracking the index.

If the final ETF price (the closing price of the ETF on the determination date) is greater than the initial ETF price of $39.50, then the return on the notes will be positive and equal the *product* of the ETF return (the percentage increase or decrease in the final ETF price from the initial ETF price) *multiplied* by 3.0, subject to the maximum settlement amount of $11.87 for each $10 face amount of your notes. If the final ETF price is less than the initial ETF price, the return on your notes will be negative. **You could receive less than the face amount of your notes at maturity and you will lose your entire investment in the notes if the final ETF price is zero.**

At maturity, for each $10 face amount of your notes you will receive an amount in cash equal to:

- if the final ETF price is *greater than* the initial ETF price, subject to the maximum settlement amount, the sum of (a) $10 *plus* (b) the *product* of the ETF return *times* $10 *times* 3.0; or

- if the final ETF price is *equal to* or *less than* the initial ETF price, the sum of (a) $10 *plus* (b) the *product* of the ETF return *times* $10, resulting in a loss proportionate to any negative ETF return.

In addition, any sales prior to maturity could result in a loss even if the price of the Vanguard FTSE Developed Markets ETF is greater than the initial ETF price at the time of such sale.

You should read the disclosure herein to better understand the terms and risks of your investment, including the credit risk of GS Finance Corp. and The Goldman Sachs Group, Inc. See page S-11.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately $9.71 per $10 face amount. For a discussion of the estimated value and the price at which Goldman Sachs & Co. LLC would initially buy or sell your notes, if it makes a market in the notes, see the following page.

Original issue date:	November 30, 2018	**Original issue price:**	100.00% of the face amount
Underwriting discount:	2.10% of the face amount*	**Net proceeds to the issuer:**	97.90% of the face amount

*UBS Financial Services Inc., the selling agent, will receive a selling concession not in excess of 2.00% of the face amount.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense. The notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank.

Goldman Sachs & Co. LLC **UBS Financial Services Inc.**

Selling Agent

Prospectus Supplement No. 4,727 dated November 27, 2018.

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The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this prospectus supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in notes will depend in part on the issue price you pay for such notes.

GS Finance Corp. may use this prospectus in the initial sale of the notes. In addition, Goldman Sachs & Co. LLC or any other affiliate of GS Finance Corp. may use this prospectus in a market-making transaction in a note after its initial sale***. Unless GS Finance Corp. or its agent informs the purchaser otherwise in the confirmation of sale, this prospectus is being used in a market-making transaction.***

Estimated Value of Your Notes

The estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by Goldman Sachs & Co. LLC (GS&Co.) and taking into account our credit spreads) is equal to approximately $9.71 per $10 face amount, which is less than the original issue price. The value of your notes at any time will reflect many factors and cannot be predicted; however, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would initially buy or sell notes (if it makes a market, which it is not obligated to do) and the value that GS&Co. will initially use for account statements and otherwise is equal to approximately the estimated value of your notes at the time of pricing, plus an additional amount (initially equal to $0.24 per $10 face amount).

Prior to November 27, 2019, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market, which it is not obligated to do) will equal approximately the sum of (a) the then-current estimated value of your notes (as determined by reference to GS&Co. s pricing models) plus (b) any remaining additional amount (the additional amount will decline to zero on a straight-line basis over the period from the time of pricing through November 26, 2019). On and after November 27, 2019, the price (not including GS&Co. s customary bid and ask spreads) at which GS&Co. would buy or sell your notes (if it makes a market) will equal approximately the then-current estimated value of your notes determined by reference to such pricing models.

About Your Prospectus

The notes are part of the Medium-Term Notes, Series E program of GS Finance Corp. and are fully and unconditionally guaranteed by The Goldman Sachs Group, Inc. This prospectus includes this prospectus supplement and the accompanying documents listed below. This prospectus supplement constitutes a supplement to the documents listed below and should be read in conjunction with such documents:

- Prospectus supplement dated July 10, 2017
- Prospectus dated July 10, 2017

The information in this prospectus supplement supersedes any conflicting information in the documents listed above. In addition, some of the terms or features described in the listed documents may not apply to your notes.

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SUMMARY INFORMATION

We refer to the notes we are offering by this prospectus supplement as the offered notes or the notes . Each of the offered notes has the terms described below and under Specific Terms of Your Notes on page S-23. Please note that in this prospectus supplement, references to GS Finance Corp. , we , our and us mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc. , our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, and references to the accompanying prospectus supplement mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. References to the indenture in this prospectus supplement mean the senior debt indenture, dated as of October 10, 2008, as supplemented by the First Supplemental Indenture, dated as of February 20, 2015, each among us, as issuer, The Goldman Sachs Group, Inc., as guarantor, and The Bank of New York Mellon, as trustee. This indenture, as so supplemented and as further supplemented thereafter, is referred to as the GSFC 2008 indenture in the accompanying prospectus supplement.

Key Terms

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Underlying ETF: the Vanguard FTSE Developed Markets ETF (Bloomberg symbol, VEA), see The Underlying ETF on page S-31

Underlying index: the FTSE® Developed All Cap ex US Index

Specified currency: U.S. dollars ($)

Face amount: each note will have a face amount of $10; $16,282,000 in the aggregate for all the offered notes; the aggregate face amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this prospectus supplement

Denominations: $10 and integral multiples of $10 in excess thereof

Minimum purchase amount: in connection with the initial offering of the notes, the minimum face amount of notes that may be purchased by any investor is $1,000

Supplemental plan of distribution: GS Finance Corp. has agreed to sell to Goldman Sachs & Co. LLC (GS&Co.), and GS&Co. has agreed to purchase from GS Finance Corp., the aggregate face amount of the offered notes specified on the front cover of this prospectus supplement. GS&Co. proposes initially to offer the notes to the public at the original issue price set forth on the cover page of this prospectus supplement, and to UBS Financial Services Inc. at such price less a concession not in excess of 2.00% of the face amount. See Supplemental Plan of Distribution on page S-47

Cash settlement amount: on the stated maturity date, for each $10 face amount of your notes you will receive an amount in cash equal to:

- if the final underlying ETF price is *greater than or equal to* the cap level, the maximum settlement amount;

- if the final underlying ETF price is *greater than* the initial underlying ETF price but *less than* the cap level, the *sum* of (a) $10 *plus* (b) the *product* of the underlying ETF return *times* $10 *times* the upside gearing; or

- if the final underlying ETF price is *equal to* or *less than* the initial underlying ETF price, the *sum* of (a) $10 *plus* (b) the product of the underlying ETF return *times* $10, resulting in a loss proportionate to any negative underlying ETF return.

Purchase at amount other than face amount: the amount we will pay you at the stated maturity date for your notes will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to face amount and hold them to the stated maturity date, it could affect your investment in a number of ways. The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at face amount. Additionally, the cap level (the price of the underlying ETF at or above which the maximum settlement amount is payable), would be reached at a lower (or higher) percentage return than indicated below, relative to your initial investment. See Additional Risk Factors Specific to Your Notes If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will be Negatively Affected

Supplemental discussion of U.S. federal income tax consequences: you will be obligated pursuant to the terms of the notes in the absence of a change in law, an administrative determination or a judicial ruling to the contrary to characterize each note for all tax purposes as a pre-paid derivative contract in respect of the underlying ETF, as described under Supplemental Discussion of U.S. Federal Income Tax Consequences herein. Pursuant to this approach, it is the opinion of Sidley Austin LLP that upon the sale, exchange or maturity of your notes, it would be reasonable for you to recognize capital gain or loss equal to the difference, if any, between the amount of cash you receive at such time and your tax basis in your notes. No statutory, judicial or administrative authority directly discusses how your notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the notes are uncertain and alternative characterizations are possible. The Internal Revenue Service might assert that a treatment other than that described above is more appropriate (including on a retroactive basis) and the timing and character of income in respect of the notes might differ from the treatment described above.

Trade date: November 27, 2018

Original issue date (settlement date): November 30, 2018

Initial underlying ETF price: $39.50

Final underlying ETF price: the closing price of the underlying ETF on the determination date, subject to anti-dilution adjustments as described under Specific Terms of Your Notes Anti-dilution Adjustments on page S-25, except in the limited circumstances described under Specific Terms of Your Notes Payment of Principal on Stated Maturity Date Consequences of a Market Disruption Event or a Non-Trading Day on page S-25 and subject to adjustment as provided under Specific Terms of Your Notes Payment of Principal on Stated Maturity Date Discontinuance or Modification of the Underlying ETF on page S-25

Closing price: as described under Specific Terms of Your Notes Special Calculation Provisions Closing Price on page S-27, subject to anti-dilution adjustments as described under Specific Terms of Your Notes Anti-dilution Adjustments on page S-25

Underlying ETF return: the *quotient* of (i) the final underlying ETF price *minus* the initial underlying ETF price *divided* by (ii) the initial underlying ETF price, expressed as a positive or negative percentage

Upside gearing: 3.0

Cap level: approximately 106.233% of the initial underlying ETF price. The cap level represents (i) the maximum return (as specified below) divided by the upside gearing plus (ii) 100% and is the price of the underlying ETF at or above which you will receive the maximum settlement amount. If the final underlying ETF price is greater than the cap level (in which case the *product of* the underlying ETF return *times* the upside gearing is *greater than* the maximum return), you will not receive more than the maximum settlement amount

Maximum settlement amount: $11.87, which corresponds to a maximum return on the notes of 18.70%

Stated maturity date: January 30, 2020, subject to adjustment as described under Specific Terms of Your Notes Stated Maturity Date on page S-24

Determination date: January 27, 2020, subject to adjustment as described under Specific Terms of Your Notes Determination Date on page S-25

No interest: the notes do not bear interest

No redemption: the notes will not be subject to redemption right or price dependent redemption right

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No listing: the notes will not be listed on any securities exchange or interdealer market quotation system

Calculation agent: GS&Co.

Business day: as described under Specific Terms of Your Notes Special Calculation Provisions Business Day on page S-27

Trading day: as described under Specific Terms of Your Notes Special Calculation Provisions Trading Day on page S-27

CUSIP no.: 36256M627

ISIN no.: US36256M6277

FDIC: the notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency, nor are they obligations of, or guaranteed by, a bank

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HYPOTHETICAL EXAMPLES

(Hypothetical terms only. Actual terms may vary.)

The following examples are provided for purposes of illustration only. It should not be taken as an indication or prediction of future investment results and is intended merely to illustrate the impact that the various hypothetical final underlying ETF prices on the determination date could have on the cash settlement amount at maturity assuming all other variables remain constant.

The examples below are based on a range of final underlying ETF prices that are entirely hypothetical; no one can predict what the underlying ETF price will be on any day throughout the life of your notes, and no one can predict what the final underlying ETF price will be on the determination date. The underlying ETF has been highly volatile in the past meaning that the underlying ETF price has changed considerably in relatively short periods and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the offered notes assuming that they are purchased on the original issue date at the face amount and held to the stated maturity date. If you sell your notes in a secondary market prior to the stated maturity date, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the examples below, such as interest rates, the volatility of the underlying ETF, the creditworthiness of GS Finance Corp., as issuer, and the creditworthiness of The Goldman Sachs Group, Inc., as guarantor. In addition, the estimated value of your notes at the time the terms of your notes are set on the trade date (as determined by reference to pricing models used by GS&Co.) is less than the original issue price of your notes. For more information on the estimated value of your notes, see Additional Risk Factors Specific to Your Notes The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes on page S-11 of this prospectus supplement. The information in the examples also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions	
Face amount	$10
Upside gearing	3.0
Cap level	approximately 106.233% of the initial underlying ETF price
Maximum settlement amount	$11.87 (i.e., a 18.70% maximum return)
Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date	
No change in or affecting the underlying ETF, any of the underlying ETF stocks or the policies of the underlying ETF s investment advisor or the method by which the underlying index sponsor calculates the underlying index	
Notes purchased on original issue date at the face amount and held to the stated maturity date	

For these reasons, the actual performance of the underlying ETF over the life of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical underlying ETF prices shown elsewhere in this prospectus supplement. For information about the historical prices of the underlying ETF during recent periods, see The Underlying ETF Historical Closing Prices of the Underlying ETF below. Before investing in the offered notes, you should consult publicly available information to determine the prices of the underlying ETF between the date of this prospectus supplement and the date of your purchase of the offered notes.

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Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the underlying ETF stocks.

The prices in the left column of the table below represent hypothetical final underlying ETF prices and are expressed as percentages of the initial underlying ETF price. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlying ETF price (expressed as a percentage of the initial underlying ETF price), and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each $10 of the outstanding face amount of the offered notes on the stated maturity date would equal 100.000% of the face amount of a note, based on the corresponding hypothetical final underlying ETF price (expressed as a percentage of the initial underlying ETF price) and the assumptions noted above.

Hypothetical Final Underlying ETF Price (as Percentage of Initial Underlying ETF Price)	**Hypothetical Cash Settlement Amount** (as Percentage of Face Amount)
140.000%	118.700%
125.000%	118.700%
110.000%	118.700%
106.233%	**118.700%**
104.000%	112.000%
102.000%	106.000%
100.000%	**100.000%**
75.000%	75.000%
50.000%	50.000%
25.000%	25.000%
0.000%	**0.000%**

If, for example, the final underlying ETF price were determined to be 25.000% of the initial underlying ETF price, the cash settlement amount that we would deliver on your notes at maturity would be 25.000% of the face amount of your notes, as shown in the table above. As a result, if you purchased your notes on the original issue date at the face amount and held them to the stated maturity date, you would lose 75.000% of your investment, which is proportionate to the decline of the underlying ETF from the trade date to the determination date (if your purchased your notes at a premium to face amount you would lose a correspondingly higher percentage of your investment).

If, however, the final underlying ETF price were determined to be 104.000% of the initial underlying ETF price, the cash settlement amount that we would deliver on your notes at maturity would be 112.000% of the face amount of your notes, as shown in the table above. Because the hypothetical final underlying ETF price is greater than the initial underlying ETF price, the underlying ETF return is enhanced by the upside gearing.

In addition, if the final underlying ETF price were determined to be 140.000% of the initial underlying ETF price, the cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount (expressed as a percentage of the face amount), or 118.700% of each $10 face amount of your notes, as shown in the table above. In such case, the maximum return will be 18.70%, which represents the percentage difference between the maximum settlement amount of $11.87 and the face amount of $10. As a result, if you held your notes to the stated maturity date, you would not benefit from any increase in the final underlying ETF price over approximately 106.233% (the cap level) of the initial underlying ETF price. This is because the cap level represents (i) the maximum return of 18.70% divided by the upside gearing of 3.0 plus (ii) 100%.

The following chart also shows a graphical illustration of the hypothetical cash settlement amounts (expressed as a percentage of the face amount of your notes) that we would pay on your notes on the stated maturity date, if the final underlying ETF price (expressed as a percentage of the initial underlying

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ETF price) were any of the hypothetical prices shown on the horizontal axis. The chart shows that any hypothetical final underlying ETF price (expressed as a percentage of the initial underlying ETF price) of less than 100.000% (the section left of the 100.000% marker on the horizontal axis) would result in a hypothetical cash settlement amount of less than 100.000% of the face amount of your notes (the section below the 100.000% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. In addition, the chart shows that any hypothetical final underlying ETF price (expressed as a percentage of the initial underlying ETF price) of greater than 100.000% (the section right of the 100.000% marker on the horizontal axis) but less than approximately 106.233% (the section left of the 106.233% marker on the horizontal axis) would result in the underlying ETF return being enhanced by the upside gearing. The chart also shows that any hypothetical final underlying ETF price (expressed as a percentage of the initial underlying ETF price) of greater than or equal to approximately 106.233% (the section right of the 106.233% marker on the horizontal axis) would result in a capped return on your investment.

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The cash settlement amounts shown above are entirely hypothetical; they are based on market prices for the underlying ETF that may not be achieved on the determination date and on assumptions that may prove to be erroneous. The actual market value of your notes on the stated maturity date or at any other time, including any time you may wish to sell your notes, may bear little relation to the hypothetical cash settlement amounts shown above, and these amounts should not be viewed as an indication of the financial return on an investment in the offered notes. The hypothetical cash settlement amounts on notes held to the stated maturity date in the examples above assume you purchased your notes at their face amount and have not been adjusted to reflect the actual issue price you pay for your notes. The return on your investment (whether positive or negative) in your notes will be affected by the amount you pay for your notes. If you purchase your notes for a price other than the face amount, the return on your investment will differ from, and may be significantly lower than, the hypothetical returns suggested by the above examples. Please read Additional Risk Factors Specific to the Notes The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors on page S-13.

Payments on the notes are economically equivalent to the amounts that would be paid on a combination of other instruments. For example, payments on the notes are economically equivalent to a combination of a bond bought by the holder and one or more options entered into between the holder and us. Therefore, the terms of the notes may be impacted by the various factors mentioned on page S-13 in the section Additional Risk Factors Specific to the Notes The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors . The discussion in this paragraph does not modify or affect the terms of the notes or the U.S. federal income tax treatment of the notes, as described elsewhere in this prospectus supplement.

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We cannot predict the actual final underlying ETF price or what the market value of your notes will be on any particular trading day, nor can we predict the relationship between the underlying ETF price and the market value of your notes at any time prior to the stated maturity date. The actual amount that you will receive, if any, at maturity and the rate of return on the offered notes will depend on the actual final underlying ETF price determined by the calculation agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes, if any, on the stated maturity date may be very different from the information reflected in the examples above.

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ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks and considerations described in the accompanying prospectus and in the accompanying prospectus supplement. You should carefully review these risks and considerations as well as the terms of the notes described herein and in the accompanying prospectus and the accompanying prospectus supplement. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the underlying ETF stocks, i.e., the stocks comprising the underlying ETF to which your notes are linked. You should carefully consider whether the offered notes are suited to your particular circumstances.

The Estimated Value of Your Notes At the Time the Terms of Your Notes Are Set On the Trade Date (as Determined By Reference to Pricing Models Used By GS&Co.) Is Less Than the Original Issue Price Of Your Notes

The original issue price for your notes exceeds the estimated value of your notes as of the time the terms of your notes are set on the trade date, as determined by reference to GS&Co. s pricing models and taking into account our credit spreads. Such estimated value on the trade date is set forth above under Estimated Value of Your Notes ; after the trade date, the estimated value as determined by reference to these models will be affected by changes in market conditions, the creditworthiness of GS Finance Corp., as issuer, the creditworthiness of The Goldman Sachs Group, Inc., as guarantor, and other relevant factors. The price at which GS&Co. would initially buy or sell your notes (if GS&Co. makes a market, which it is not obligated to do), and the value that GS&Co. will initially use for account statements and otherwise, also exceeds the estimated value of your notes as determined by reference to these models. As agreed by GS&Co. and the distribution participants, this excess (i.e., the additional amount described under Estimated Value of Your Notes) will decline to zero on a straight line basis over the period from the date hereof through the applicable date set forth above under Estimated Value of Your Notes . Thereafter, if GS&Co. buys or sells your notes it will do so at prices that reflect the estimated value determined by reference to such pricing models at that time. The price at which GS&Co. will buy or sell your notes at any time also will reflect its then current bid and ask spread for similar sized trades of structured notes.

In estimating the value of your notes as of the time the terms of your notes are set on the trade date, as disclosed above under Estimated Value of Your Notes , GS&Co. s pricing models consider certain variables, including principally our credit spreads, interest rates (forecasted, current and historical rates), volatility, price-sensitivity analysis and the time to maturity of the notes. These pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. As a result, the actual value you would receive if you sold your notes in the secondary market, if any, to others may differ, perhaps materially, from the estimated value of your notes determined by reference to our models due to, among other things, any differences in pricing models or assumptions used by others. See The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors below.

The difference between the estimated value of your notes as of the time the terms of your notes are set on the trade date and the original issue price is a result of certain factors, including principally the underwriting discount and commissions, the expenses incurred in creating, documenting and marketing the notes, and an estimate of the difference between the amounts we pay to GS&Co. and the amounts GS&Co. pays to us in connection with your notes. We pay to GS&Co. amounts based on what we would pay to holders of a non-structured note with a similar maturity. In return for such payment, GS&Co. pays to us the amounts we owe under your notes.

In addition to the factors discussed above, the value and quoted price of your notes at any time will reflect many factors and cannot be predicted. If GS&Co. makes a market in the notes, the price quoted by GS&Co. would reflect any changes in market conditions and other relevant factors, including any deterioration in our creditworthiness or perceived creditworthiness or the creditworthiness or perceived creditworthiness of The Goldman Sachs Group, Inc. These changes may adversely affect the value of your notes, including the price you may receive for your notes in any market making transaction. To the extent that GS&Co. makes a market in the notes, the quoted price will reflect the estimated value determined by reference to GS&Co. s pricing models at that time, plus or minus its then current bid and

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ask spread for similar sized trades of structured notes (and subject to the declining excess amount described above).

Furthermore, if you sell your notes, you will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount. This commission or discount will further reduce the proceeds you would receive for your notes in a secondary market sale.

There is no assurance that GS&Co. or any other party will be willing to purchase your notes at any price and, in this regard, GS&Co. is not obligated to make a market in the notes. See Your Notes May Not Have an Active Trading Market below.

The Notes Are Subject to the Credit Risk of the Issuer and the Guarantor

Although the return on the notes will be based on the performance of the underlying ETF, the payment of any amount due on the notes is subject to the credit risk of GS Finance Corp., as issuer of the notes, and the credit risk of The Goldman Sachs Group, Inc., as guarantor of the notes. The notes are our unsecured obligations. Investors are dependent on our ability to pay all amounts due on the notes, and therefore investors are subject to our credit risk and to changes in the market s view of our creditworthiness. Similarly, investors are dependent on the ability of The Goldman Sachs Group, Inc., as guarantor of the notes, to pay all amounts due on the notes, and therefore are also subject to its credit risk and to changes in the market s view of its creditworthiness. See Description of the Notes We May Offer Information About Our Medium-Term Notes, Series E Program How the Notes Rank Against Other Debt on page S-4 of the accompanying prospectus supplement and Description of Debt Securities We May Offer Guarantee by The Goldman Sachs Group, Inc. on page 42 of the accompanying prospectus.

The Cash Settlement Amount on Your Notes Is Not Linked to the Price of the Underlying ETF at Any Time Other than the Determination Date

The final underlying ETF price will be based on the closing price of the underlying ETF on the determination date (subject to adjustment as described elsewhere in this prospectus supplement). Therefore, if the closing price of the underlying ETF dropped precipitously on the determination date, the cash settlement amount for your notes may be significantly less than it would have been had the cash settlement amount been linked to the closing price of the underlying ETF prior to such drop in the price of the underlying ETF. Although the actual price of the underlying ETF on the stated maturity date or at other times during the life of your notes may be higher than the final underlying ETF price, you will not benefit from the closing price of the underlying ETF at any time other than on the determination date.

You May Lose Your Entire Investment in the Notes

You can lose your entire investment in the notes. The cash payment on your notes, if any, on the stated maturity date will be based on the performance of the Vanguard FTSE Developed Markets ETF as measured from the initial underlying ETF price to the closing price on the determination date. If the final underlying ETF price is *less than* the initial underlying ETF price, the amount in cash you will receive on your notes on the stated maturity date, if any, will be less than the face amount of your notes and you will incur a loss on the face amount proportionate to the decline of the underlying ETF from the trade date to the determination date.

Thus, you may lose your entire investment in the notes, which would include any premium to face amount you paid when you purchased the notes.

Also, the market price of your notes prior to the stated maturity date may be significantly lower than the purchase price you pay for your notes. Consequently, if you are able to sell your notes before the stated maturity date, you may receive far less than the amount of your investment in the notes.

Your Notes Do Not Bear Interest

You will not receive any interest payments on your notes. As a result, even if the cash settlement amount payable for each of your notes on the stated maturity date exceeds the face amount of your notes, the overall return you earn on your notes may be less than you would have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate.

The Potential for the Value of Your Notes to Increase Will Be Limited

Your ability to participate in any change in the value of the underlying ETF over the life of your notes will be limited. The maximum settlement amount will limit the cash settlement amount you may receive for each of your notes at maturity, no matter how much the price of the underlying ETF may rise beyond the cap level over the life of your notes. Accordingly, the amount payable for each of your notes may be significantly less than it would have been had you invested directly in the underlying ETF.

Past Underlying ETF Performance is No Guide to Future Performance

The actual performance of the underlying ETF over the life of the notes, as well as the amount payable at maturity, may bear little relation to the historical closing price of the underlying ETF or to the hypothetical return examples set forth elsewhere in this prospectus supplement. We cannot predict the future performance of the underlying ETF.

We May Sell an Additional Aggregate Face Amount of the Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate face amount of the notes subsequent to the date of this prospectus supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the original issue price you paid as provided on the cover of this prospectus supplement.

If You Purchase Your Notes at a Premium to Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at Face Amount and the Impact of Certain Key Terms of the Notes Will be Negatively Affected

The return on your notes will be based on the underlying ETF return, which is the percentage increase or decrease in the final underlying ETF price on the determination date from the initial underlying ETF price. If the final underlying ETF price is less than the initial underlying ETF price, you will receive less than the face amount of your notes. If the final underlying ETF price is zero, you will lose your entire investment in the notes. The cash settlement amount you will be paid for your notes on the stated maturity date will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the face amount of the notes, then the return on your investment in such notes held to the stated maturity date will differ from, and may be substantially less than, the return on notes purchased at face amount. If you purchase your notes at a premium to face amount and hold them to the stated maturity date the return on your investment in the notes will be lower than it would have been had you purchased the notes at face amount or a discount to face amount. In addition, the impact of the cap level on the return on your investment will depend upon the price you pay for your notes relative to face amount. For example, if you purchase your notes at a premium to face amount, the cap level will only permit a lower percentage increase in your investment in the notes than would have been the case for notes purchased at face amount or a discount to face amount. In such cases, your return will be less than the maximum return.

The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

When we refer to the market value of your notes, we mean the value that you could receive for your notes if you chose and are able to sell them in the open market before the stated maturity date. A number of factors, many of which are beyond our control and impact the value of bonds and options generally, will influence the market value of your notes, including:

- the price of the underlying ETF;

- the volatility i.e., the frequency and magnitude of changes in the price of the underlying ETF;

- the dividend rates of the underlying ETF stocks;

- economic, financial, regulatory, political, military and other events that affect stock markets generally and the underlying ETF stocks, and which may affect the price of the underlying ETF;

- other interest rates and yield rates in the market;

- the time remaining until your notes mature; and

- our creditworthiness and the creditworthiness of The Goldman Sachs Group, Inc., whether actual or perceived, including actual or anticipated upgrades or downgrades in our credit ratings or the credit ratings of The Goldman Sachs Group, Inc. or changes in other credit measures.

These factors will influence the price you will receive if you sell your notes before maturity, including the price you may receive for your notes in any market-making transaction. If you sell your notes before maturity, you may receive less than the face amount of your notes or less than you would have received had you held your notes to maturity.

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You cannot predict the future prices of the underlying ETF based on its historical fluctuations. The actual price of the underlying ETF over the life of the notes may bear little or no relation to the historical closing price of the underlying ETF or to the hypothetical examples shown elsewhere in this prospectus supplement.

If the Price of the Underlying ETF Changes, the Market Value of Your Notes May Not Change in the Same Manner

Your notes may trade quite differently from the performance of the underlying ETF. Changes in the price of the underlying ETF may not result in a comparable change in the market value of your notes. Even if the price of the underlying ETF increases above the initial underlying ETF price during the life of the notes, the market value of your notes may not increase by the same amount. We discuss some of the reasons for this disparity under The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors above.

The Return on Your Notes Will Not Reflect Any Dividends Paid on the Underlying ETF, or the Underlying ETF Stocks

The return on your notes will not reflect the return you would realize if you actually owned the underlying ETF and received the distributions paid on the shares of such ETF. You will not receive any dividends that may be paid on any of the underlying ETF stocks by the underlying ETF stock issuers or the shares of the underlying ETF. See You Have No Shareholder Rights or Rights to Receive Any Shares of the Underlying ETF or Any Underlying ETF Stock below for additional information.

You Have No Shareholder Rights or Rights to Receive Any Shares of the Underlying ETF or Any Underlying ETF Stock

Investing in your notes will not make you a holder of any shares of the underlying ETF or any underlying ETF stocks. Neither you nor any other holder or owner of your notes will have any rights with respect to the underlying ETF or the underlying ETF stocks, including any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the underlying ETF or the underlying ETF stocks or any other rights of a holder of the underlying ETF or the underlying ETF stocks. Your notes will be paid in cash and you will have no right to receive delivery of any shares of the underlying ETF or the underlying ETF stocks.

Other Investors in the Notes May Not Have the Same Interests as You

Other investors in the notes are not required to take into account the interests of any other investor in exercising remedies or voting or other rights in their capacity as security holders or in making requests or recommendations to Goldman Sachs as to the establishment of other transaction terms. The interests of other investors may, in some circumstances, be adverse to your interests. For example, certain investors may take short positions (directly or indirectly through derivative transactions) on assets that are the same or similar to your notes, underlying ETF, underlying ETF stocks or other similar securities, which may adversely impact the market for or value of your notes.

Anticipated Hedging Activities by Goldman Sachs or Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to be Contrary to Those of Investors in the Notes

Goldman Sachs expects to hedge our obligations under the notes by purchasing listed or over-the-counter options, futures and/or other instruments linked to the underlying ETF. Goldman Sachs also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the underlying ETF or the underlying ETF stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the determination date for your notes. Alternatively, Goldman Sachs may hedge all or part of our obligations under the notes with unaffiliated distributors of the notes which we expect will undertake similar market activity. Goldman Sachs may also enter into, adjust and unwind hedging transactions relating to other ETF-linked notes whose returns are linked to changes in the price of the underlying ETF or the underlying ETF stocks, as applicable.

In addition to entering into such transactions itself, or distributors entering into such transactions, Goldman Sachs may structure such transactions for its clients or counterparties, or otherwise advise or assist clients or counterparties in entering into such transactions. These activities may be undertaken to

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achieve a variety of objectives, including: permitting other purchasers of the notes or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the notes; hedging the exposure of Goldman Sachs to the notes including any interest in the notes that it reacquires or retains as part of the offering process, through its market-making activities or otherwise; enabling Goldman Sachs to comply with its internal risk limits or otherwise manage firmwide, business unit or product risk; and/or enabling Goldman Sachs to take directional views as to relevant markets on behalf of itself or its clients or counterparties that are inconsistent with or contrary to the views and objectives of the investors in the notes.

Any of these hedging or other activities may adversely affect the price of the underlying ETF directly or indirectly by affecting the price of the underlying ETF stocks and therefore the market value of your notes and the amount we will pay on your notes, if any, at maturity. In addition, you should expect that these transactions will cause Goldman Sachs or its clients, counterparties or distributors to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the notes. Neither Goldman Sachs nor any distributor will have any obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the notes, and may receive substantial returns on hedging or other activities while the value of your notes declines. In addition, if the distributor from which you purchase notes is to conduct hedging activities in connection with the notes, that distributor may otherwise profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the notes to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

Goldman Sachs Trading and Investment Activities for its Own Account or for its Clients, Could Negatively Impact Investors in the Notes

Goldman Sachs is a global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and individuals. As such, it acts as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker and lender. In those and other capacities, Goldman Sachs purchases, sells or holds a broad array of investments, actively trades securities, derivatives, loans, commodities, currencies, credit default swaps, indices, baskets and other financial instruments and products for its own account or for the accounts of its customers, and will have other direct or indirect interests, in the global fixed income, currency, commodity, equity, bank loan and other markets. Any of Goldman Sachs financial market activities may, individually or in the aggregate, have an adverse effect on the market for your notes, and you should expect that the interests of Goldman Sachs or its clients or counterparties will at times be adverse to those of investors in the notes.

Goldman Sachs regularly offers a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to your notes, or similar or linked to the underlying ETF or underlying ETF stocks. Investors in the notes should expect that Goldman Sachs will offer securities, financial instruments, and other products that will compete with the notes for liquidity, research coverage or otherwise.

Goldman Sachs Market-Making Activities Could Negatively Impact Investors in the Notes

Goldman Sachs actively makes markets in and trades financial instruments for its own account and for the accounts of customers. These financial instruments include debt and equity securities, currencies, commodities, bank loans, indices, baskets and other products. Goldman Sachs activities include, among other things, executing large block trades and taking long and short positions directly and indirectly, through derivative instruments or otherwise. The securities and instruments in which Goldman Sachs takes positions, or expects to take positions, include securities and instruments of the underlying ETF or underlying ETF stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated. Market making is an activity where Goldman Sachs buys and sells on behalf of customers, or for its own account, to satisfy the expected demand of customers. By its nature, market making involves facilitating transactions among market participants that have differing views of securities and instruments. As a result, you should expect that Goldman Sachs will take positions that are inconsistent with, or adverse to, the investment objectives of investors in the notes.

If Goldman Sachs becomes a holder of any securities of the underlying ETF or underlying ETF stocks in its capacity as a market-maker or otherwise, any actions that it takes in its capacity as securityholder, including voting or provision of consents, will not necessarily be aligned with, and may be inconsistent with, the interests of investors in the notes.

You Should Expect That Goldman Sachs Personnel Will Take Research Positions, or Otherwise Make Recommendations, Provide Investment Advice or Market Color or Encourage Trading Strategies That Might Negatively Impact Investors in the Notes

Goldman Sachs and its personnel, including its sales and trading, investment research and investment management personnel, regularly make investment recommendations, provide market color or trading ideas, or publish or express independent views in respect of a wide range of markets, issuers, securities and instruments. They regularly implement, or recommend to clients that they implement, various investment strategies relating to these markets, issuers, securities and instruments. These strategies include, for example, buying or selling credit protection against a default or other event involving an issuer or financial instrument. Any of these recommendations and views may be negative with respect to the underlying ETF or underlying ETF stocks or other securities or instruments similar to or linked to the foregoing or result in trading strategies that have a negative impact on the market for any such securities or instruments, particularly in illiquid markets. In addition, you should expect that personnel in the trading and investing businesses of Goldman Sachs will have or develop independent views of the underlying ETF or underlying ETF stocks, the relevant industry or other market trends, which may not be aligned with the views and objectives of investors in the notes.

Goldman Sachs Regularly Provides Services to, or Otherwise Has Business Relationships with, a Broad Client Base, Which May Include the Investment Advisor of the Underlying ETF or the Issuers of the Underlying ETF Stocks or Other Entities That Are Involved in the Transaction

Goldman Sachs regularly provides financial advisory, investment advisory and transactional services to a substantial and diversified client base, and you should assume that Goldman Sachs will, at present or in the future, provide such services or otherwise engage in transactions with, among others, the investment advisor of the underlying ETF or the issuers of the underlying ETF stocks, or transact in securities or instruments or with parties that are directly or indirectly related to the foregoing. These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that Goldman Sachs, in providing such services, engaging in such transactions, or acting for its own account, may take actions that have direct or indirect effects on the underlying ETF or underlying ETF stocks, as applicable, and that such actions could be adverse to the interests of investors in the notes. In addition, in connection with these activities, certain Goldman Sachs personnel may have access to confidential material non-public information about these parties that would not be disclosed to Goldman Sachs employees that were not working on such transactions as Goldman Sachs has established internal information barriers that are designed to preserve the confidentiality of non-public information. Therefore, any such confidential material non-public information would not be shared with Goldman Sachs employees involved in structuring, selling or making markets in the notes or with investors in the notes.

In this offering, as well as in all other circumstances in which Goldman Sachs receives any fees or other compensation in any form relating to services provided to or transactions with any other party, no accounting, offset or payment in respect of the notes will be required or made; Goldman Sachs will be entitled to retain all such fees and other amounts, and no fees or other compensation payable by any party or indirectly by holders of the notes will be reduced by reason of receipt by Goldman Sachs of any such other fees or other amounts.

The Offering of the Notes May Reduce an Existing Exposure of Goldman Sachs or Facilitate a Transaction or Position That Serves the Objectives of Goldman Sachs or Other Parties

A completed offering may reduce Goldman Sachs existing exposure to the underlying ETF or underlying ETF stocks, securities and instruments similar to or linked to the foregoing or the currencies in which they are denominated, including exposure gained through hedging transactions in anticipation of this offering.

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An offering of notes will effectively transfer a portion of Goldman Sachs exposure (and indirectly transfer the exposure of Goldman Sachs hedging or other counterparties) to investors in the notes.

The terms of the offering (including the selection of the underlying ETF or underlying ETF stocks, and the establishment of other transaction terms) may have been selected in order to serve the investment or other objectives of Goldman Sachs or another client or counterparty of Goldman Sachs. In such a case, Goldman Sachs would typically receive the input of other parties that are involved in or otherwise have an interest in the offering, transactions hedged by the offering, or related transactions. The incentives of these other parties would normally differ from and in many cases be contrary to those of investors in the notes.

As Calculation Agent, GS&Co. Will Have the Authority to Make Determinations that Could Affect the Value of Your Notes, When Your Notes Mature and the Amount You Receive at Maturity

As calculation agent for your notes, GS&Co. will have discretion in making various determinations that affect your notes, including determining the final underlying ETF price on the determination date, which we will use to determine the amount we must pay on the stated maturity date; anti-dilution adjustments; determining whether to postpone the determination date because of a market disruption event or a non-trading day; the stated maturity date; the default amount and any amount payable on your notes. See Specific Terms of Your Notes below. The calculation agent also has discretion in making certain adjustments relating to a discontinuation or modification of the underlying ETF. See Specific Terms of Your Notes Discontinuance or Modification of the Underlying ETF below. The exercise of this discretion by GS&Co. could adversely affect the value of your notes and may present GS&Co. with a conflict of interest. We may change the calculation agent at any time without notice and GS&Co. may resign as calculation agent at any time upon 60 days written notice to us.

Your Investment in the Notes Is Subject to Risks Associated with Foreign Securities

The value of your notes is linked to an underlying ETF that is comprised of stocks issued by foreign companies. Investments linked to the value of foreign equity securities involve particular risks. Any foreign securities market may be less liquid, more volatile and affected by global or domestic market developments in a different way than are the U.S. securities market or other foreign securities markets. Both government intervention in a foreign securities market, either directly or indirectly, and cross-shareholdings in foreign companies, may affect trading prices and volumes in that market. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission. Further, foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

The prices of securities in a foreign country are subject to political, economic, financial and social factors that are unique to such foreign country s geographical region. These factors include: recent changes, or the possibility of future changes, in the applicable foreign government s economic and fiscal policies; the possible implementation of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities; fluctuations, or the possibility of fluctuations, in currency exchange rates; and the possibility of outbreaks of hostility, political instability, natural disaster or adverse public health developments. The United Kingdom has voted to leave the European Union (popularly known as Brexit). The effect of Brexit is uncertain, and Brexit has and may continue to contribute to volatility in the prices of securities of companies located in Europe and currency exchange rates, including the valuation of the euro and British pound in particular. Any one of these factors, or the combination of more than one of these factors, could negatively affect such foreign securities market and the price of securities therein. Further, geographical regions may react to global factors in different ways, which may cause the prices of securities in a foreign securities market to fluctuate in a way that differs from those of securities in the U.S. securities market or other foreign securities markets. Foreign economies may also differ from the U.S. economy in important respects, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency, which may have a positive or negative effect on foreign securities prices.

Because foreign exchanges may be open on days when the underlying ETF is not traded, the value of the securities underlying the underlying ETF may change on days when shareholders will not be able to purchase or sell shares of the underlying ETF.

Your Investment in the Notes Will Be Subject to Foreign Currency Exchange Rate Risk

The underlying ETF holds assets that are denominated in non-U.S. dollar currencies. The value of the assets held by the underlying ETF that are denominated in non-U.S. dollar currencies will be adjusted to reflect their U.S. dollar value by converting the price of such assets from the non-U.S. dollar currency to U.S. dollars. Consequently, if the value of the U.S. dollar strengthens against the non-U.S. dollar currency in which an asset is denominated, the price of the underlying ETF may not increase even if the non-dollar value of the asset held by the underlying ETF increases.

Foreign currency exchange rates vary over time, and may vary considerably during the term of your notes. Changes in a particular exchange rate result from the interaction of many factors directly or indirectly affecting economic and political conditions. Of particular importance are:

- existing and expected rates of inflation;
- existing and expected interest rate levels;
- the balance of payments among countries;
- the extent of government surpluses or deficits in the relevant foreign country and the United States; and
- other financial, economic, military and political factors.

All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of the relevant foreign countries and the United States and other countries important to international trade and finance.

The market price of the notes and price of the underlying ETF could also be adversely affected by delays in, or refusals to grant, any required governmental approval for conversions of a local currency and remittances abroad or other de facto restrictions on the repatriation of U.S. dollars.

It has been reported that the U.K. Financial Conduct Authority and regulators from other countries are in the process of investigating the potential manipulation of published currency exchange rates. If such manipulation has occurred or is continuing, certain published exchange rates may have been, or may be in the future, artificially lower (or higher) than they would otherwise have been. Any such manipulation could have an adverse impact on any payments on, and the value of, your notes and the trading market for your notes. In addition, we cannot predict whether any changes or reforms affecting the determination or publication of exchange rates or the supervision of currency trading will be implemented in connection with these investigations. Any such changes or reforms could also adversely impact your notes.

The Policies of the Underlying ETF s Investment Advisor, The Vanguard Group Inc., and FTSE Russell, the Sponsor of the Underlying Index, Could Affect the Amount Payable on Your Notes and Their Market Value

The underlying ETF s investment advisor, The Vanguard Group Inc. (Vanguard or the underlying ETF investment advisor) may from time to time be called upon to make certain policy decisions or judgments with respect to the implementation of policies of the underlying ETF investment advisor concerning the calculation of the net asset value of the underlying ETF, additions, deletions or substitutions of securities in the underlying ETF and the manner in which changes affecting the underlying index are reflected in the underlying ETF that could affect the market price of the shares of the underlying ETF, and therefore, the amount payable on your notes on the stated maturity date. The amount payable on your notes and their market value could also be affected if the underlying ETF investment advisor changes these policies, for example, by changing the manner in which it calculates the net asset value of the underlying ETF, or if the underlying ETF investment advisor discontinues or suspends calculation or publication of the net asset value of the underlying ETF, in which case it may become difficult or inappropriate to determine the market value of your notes.

If events such as these occur, the calculation agent which initially will be GS&Co. may determine the closing price of the underlying ETF on the determination date and thus the amount payable on the maturity date, if any in a manner, in its sole discretion, it considers appropriate. We describe the discretion that the calculation agent will have in determining the closing underlying

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ETF price on the determination date and the amount payable on your notes more fully under Specific Terms of Your Notes Discontinuance or Modification of the Underlying ETF and Anti-dilution Adjustments on page S-25.

In addition, FTSE Russell (the underlying index sponsor) owns the underlying index and is responsible for the design and maintenance of the underlying index. The policies of the underlying index sponsor concerning the calculation of the underlying index, including decisions regarding the addition, deletion or substitution of the equity securities included in the underlying index, could affect the level of the underlying index and, consequently, could affect the market prices of shares of the underlying ETF and, therefore, the amount payable on your notes and their market value.

There Are Risks Associated with the Underlying ETF

Although the underlying ETF s shares are listed for trading on NYSE Arca, Inc. (the NYSE Arca) and a number of similar products have been traded on the NYSE Arca or other securities exchanges for varying periods of time, there is no assurance that an active trading market will continue for the shares of the underlying ETF or that there will be liquidity in the trading market.

In addition, the underlying ETF is subject to management risk, which is the risk that the underlying ETF investment advisor s investment strategy may not produce the intended results. For example, the underlying ETF investment advisor utilizes a sampling investment approach that attempts to approximate the investment performance of the underlying index by investing in a portfolio of securities that generally approximates the underlying index, but the underlying ETF may also invest in derivatives and other securities. The underlying ETF is also not actively managed and may be affected by a general decline in market segments relating to the underlying index. The underlying ETF investment advisor invests in securities included in, or representative of, the underlying index regardless of their investment merits. The underlying ETF investment advisor does not attempt to take defensive positions in declining markets.

In addition, the underlying ETF is subject to custody risk, which refers to the risks in the process of clearing and settling trades and to the holding of securities by local banks, agents and depositories. Low trading volumes and volatile prices in less developed markets make trades harder to complete and settle, and governments or trade groups may compel local agents to hold securities in designated depositories that are not subject to independent evaluation. The less developed a country s securities market is, the greater the likelihood of custody problems.

The Underlying ETF Has Not Consistently Tracked the Same Underlying Index and the Underlying ETF Has Limited Historical Information Tracking the FTSE® Developed All Cap ex US Index

The notes are linked to the performance of the underlying ETF, which has changed the underlying index it tracks on multiple occasions. Most recently, the underlying ETF began tracking the FTSE Developed All Cap ex US Index on June 1, 2016. As a result, historical information for you to consider in making an independent investigation into the performance of the underlying ETF tracking the FTSE Developed All Cap ex US Index is only available since June 1, 2016, which may make it difficult for you to make an informed decision with respect to the notes. Any historical information about the performance of the underlying ETF for any period before June 1, 2016 was during a period in which the underlying ETF tracked a different index, and therefore should not be considered information relevant to how the underlying ETF will perform tracking the FTSE Developed All Cap ex US Index. You should not take the historical performance of the underlying ETF while tracking the FTSE Developed All Cap ex US Index as an indication of the future performance of the underlying ETF. In addition, there can be no assurance that the underlying ETF will not further change the underlying index it tracks in the future. See The Underlying ETF below for more information on the indices the underlying ETF previously tracked.

The Underlying ETF and the Underlying Index are Different and the Performance of the Underlying ETF May Not Correlate with the Performance of the Underlying Index

Although the underlying ETF generally invests in the securities included in the underlying index it tracks, it may invest in derivatives and other instruments. Further, although the underlying ETF seeks to track the performance of the underlying index as closely as possible, the underlying ETF s return may not match or achieve a high degree of correlation with the return of the underlying index due to, among other things, transaction costs.

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In addition, the performance of the underlying ETF will reflect additional transaction costs and fees that are not included in the calculation of the underlying index and this may increase the tracking error of the underlying ETF (i.e., decrease the correlation between the return of the underlying ETF and the return of the underlying index it tracks). Also, corporate actions with respect to the sample of equity securities (such as mergers and spin-offs) may impact the performance differential between the underlying ETF and the underlying index. Finally, because the shares of the underlying ETF are traded on the NYSE Arca and are subject to market supply and investor demand, the market value of one share of the underlying ETF may differ from the net asset value per share of the underlying ETF.

For all of the foregoing reasons, the performance of the underlying ETF may not correlate with the performance of the underlying index. Consequently, the return on the notes will not be the same as investing directly in the underlying ETF or in the underlying index or in the underlying ETF stocks or in the underlying index stocks, and will not be the same as investing in a debt security with payments linked to the performance of the underlying index.

Periods of Higher Market Volatility May Exacerbate Tracking Error

Tracking error is the difference between the performance of the underlying ETF and the underlying index it tracks. Although the underlying ETF seeks to track the performance of the underlying index as closely as possible, the underlying ETF s return may not match or achieve a high degree of correlation with the return of the underlying index due to, among other things, transaction costs. In addition, in periods of high market volatility, the underlying ETF s ability to manage the portfolio to closely track the underlying index may be adversely impacted given the rapid changes in the underlying index. As a result, in periods of high market volatility, the underlying ETF may not closely track the underlying index, which may have an adverse impact on your notes.

You Will Have Limited Anti-dilution Protection

GS&Co., as calculation agent for your notes, may adjust the closing price for certain events that may affect the underlying ETF, but only in the situations we describe in Specific Terms of Your Notes Anti-dilution Adjustments . The calculation agent will not be required to make an adjustment for every event that may affect the underlying ETF and will have broad discretion to determine whether and to what extent an adjustment is required

Except to the Extent GS&Co. and One or More of Our Other Affiliates Act as Authorized Participants in the Distribution of, and, at Any Time, May Hold, Shares of the Underlying ETF, There Is No Affiliation Between the Underlying ETF Investment Advisor and Us

GS&Co. and one or more of our other affiliates may act, from time to time, as authorized participants in the distribution of shares of the underlying ETF, and, at any time, may hold shares of the underlying ETF. Goldman Sachs is not otherwise affiliated with the underlying ETF investment advisor or the underlying ETF stock issuers. We or our affiliates may currently or from time to time in the future engage in business with the underlying ETF investment advisor or the issuers of the underlying ETF stocks. Neither we nor any of our affiliates have participated in the preparation of any publicly available information or made any due diligence investigation or inquiry with respect to the underlying ETF or the underlying ETF stock issuers. You, as an investor in your notes, should make your own investigation into the underlying ETF and the underlying ETF stock issuers.

Neither the underlying ETF investment advisor nor any underlying ETF stock issuer are involved in this offering of your notes in any way and none of them have any obligation of any sort with respect to your notes. Neither the underlying ETF investment advisor nor any such issuer have any obligation to take your interests into consideration for any reason, including when taking any corporate actions that might affect the value of your notes.

Your Notes May Not Have an Active Trading Market

Your notes will not be listed or displayed on any securities exchange or included in any interdealer market quotation system, and there may be little or no secondary market for your notes. Even if a secondary market for your notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

The Calculation Agent Can Postpone the Determination Date If a Market Disruption Event or a Non-Trading Day Occurs or is Continuing

If the calculation agent determines that, on the date that would otherwise be the determination date, a market disruption event has occurred or is continuing or if such date is not a trading day, the determination date will be postponed until the first following trading day on which no market disruption event occurs or is continuing. In no event, however, will such date be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. Moreover, if the determination date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the determination date.

If the calculation agent determines that the closing price of the underlying ETF that must be used to determine the cash settlement amount is not available on the determination date, either because of a market disruption event, a non-trading day or for any other reason (other than as described under Specific Terms of Your Notes Payment of Principal on the Stated Maturity Date Discontinuance or Modification of the Underlying ETF below), the calculation agent will nevertheless determine the final underlying ETF price based on its assessment, made in its sole discretion, of the price of the underlying ETF at the applicable time on that day.

Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended, which we call ERISA , or the Internal Revenue Code of 1986, as amended, including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the offered notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the offered notes could become a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the offered notes. This is discussed in more detail under Employee Retirement Income Security Act below.

Your Notes May Be Subject to an Adverse Change in Tax Treatment in the Future

The tax consequences of an investment in your notes are uncertain, both as to the timing and character of any inclusion in income in respect of your notes.

The Internal Revenue Service announced on December 7, 2007 that it is considering issuing guidance regarding the tax treatment of an instrument such as your notes, and any such guidance could adversely affect the value and the tax treatment of your notes. Among other things, the Internal Revenue Service may decide to require the holders to accrue ordinary income on a current basis and recognize ordinary income on payment at maturity, and could subject non-U.S. investors to withholding tax. Furthermore, in 2007, legislation was introduced in Congress that, if enacted, would have required holders that acquired instruments such as your notes after the bill was enacted to accrue interest income over the term of such instruments even though there will be no interest payments over the term of such instruments. It is not possible to predict whether a similar or identical bill will be enacted in the future, or whether any such bill would affect the tax treatment of your notes. We describe these developments in more detail under Supplemental Discussion of U.S. Federal Income Tax Consequences United States Holders Possible Change in Law below. You should consult your tax advisor about this matter. Except to the extent otherwise provided by law, we intend to continue treating the notes for U.S. federal income tax purposes in accordance with the treatment described under Supplemental Discussion of U.S. Federal Income Tax Consequences on page S-42 below unless and until such time as Congress, the Treasury Department or the Internal Revenue Service determine that some other treatment is more appropriate. Please also consult your tax advisor concerning the U.S. federal income tax and any other applicable tax consequences to you of owning your notes in your particular circumstances.

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Your Notes May Be Subject to the Constructive Ownership Rules

There exists a risk that the constructive ownership rules of Section 1260 of the Internal Revenue Code could apply to your notes. If your notes were subject to the constructive ownership rules, then any long-term capital gain that you realize upon the sale, exchange or maturity of your notes would be re-characterized as ordinary income (and you would be subject to an interest charge on deferred tax liability with respect to such re-characterized capital gain) to the extent that such capital gain exceeds the amount of net underlying long-term capital gain (as defined in Section 1260 of the Internal Revenue Code). Because the application of the constructive ownership rules is unclear you are strongly urged to consult your tax advisor with respect to the possible application of the constructive ownership rules to your investment in the notes.

Foreign Account Tax Compliance Act (FATCA) Withholding May Apply to Payments on Your Notes, Including as a Result of the Failure of the Bank or Broker Through Which You Hold the Notes to Provide Information to Tax Authorities

Please see the discussion under United States Taxation Taxation of Debt Securities Foreign Account Tax Compliance Act (FATCA) Withholding in the accompanying prospectus for a description of the applicability of FATCA to payments made on your notes.

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SPECIFIC TERMS OF YOUR NOTES

We refer to the notes we are offering by this prospectus supplement as the offered notes or the notes . Please note that in this prospectus supplement, references to GS Finance Corp. , we , our and us mean only GS Finance Corp. and do not include its subsidiaries or affiliates, references to The Goldman Sachs Group, Inc. , our parent company, mean only The Goldman Sachs Group, Inc. and do not include its subsidiaries or affiliates and references to Goldman Sachs mean The Goldman Sachs Group, Inc. together with its consolidated subsidiaries and affiliates, including us. Also, references to the accompanying prospectus mean the accompanying prospectus, dated July 10, 2017, and references to the accompanying prospectus supplement mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. Please note that in this section entitled Specific Terms of Your Notes , references to holders mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes registered in street name or in notes issued in book-entry form through The Depository Trust Company. Please review the special considerations that apply to owners of beneficial interests in the accompanying prospectus, under Legal Ownership and Book-Entry Issuance .

The offered notes are part of a series of debt securities, entitled Medium-Term Notes, Series E , that we may issue under the indenture from time to time as described in the accompanying prospectus and accompanying prospectus supplement. The offered notes are also indexed debt securities , as defined in the accompanying prospectus.

This prospectus supplement summarizes specific financial and other terms that apply to the offered notes, including your notes; terms that apply generally to all Series E medium-term notes are described in Description of Notes We May Offer in the accompanying prospectus supplement. The terms described here supplement those described in the accompanying prospectus supplement and the accompanying prospectus and, if the terms described here are inconsistent with those described there, the terms described here are controlling.

In addition to those terms described under Summary Information in this prospectus supplement, the following terms will apply to your notes:

No interest: we will not pay interest on your notes

Specified currency:

- U.S. dollars ($)

Form of note:

- global form only: yes, at DTC

- non-global form available: no

Denominations: each note registered in the name of a holder must have a face amount of $10 or an integral multiple of $10 in excess thereof

Minimum purchase amount: In connection with the initial offering of the notes, the minimum face amount of notes that may be purchased by any investor is $1,000.

Defeasance applies as follows:

- full defeasance: no

- covenant defeasance: no

Other terms:

- the default amount will be payable on any acceleration of the maturity of your notes as described under Special Calculation Provisions below

- anti-dilution provisions will apply to your notes as described under Anti-dilution Adjustments below

- a business day for your notes will not be the same as a business day for our other Series E medium-term notes, as described under Special Calculation Provisions below

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- a trading day for your notes will be as described under Special Calculation Provisions below

Please note that the information about the settlement date or trade date, issue price, underwriting discount and net proceeds to GS Finance Corp. on the front cover page or elsewhere in this prospectus supplement relates only to the initial issuance and sale of the notes. We may decide to sell additional notes on one or more dates after the date of this prospectus supplement, at issue prices and with, underwriting discounts and net proceeds that differ from the amounts set forth on the front cover page or elsewhere in this prospectus supplement. If you have purchased your notes in a market-making transaction after the initial issuance and sale of the notes, any such relevant information about the sale to you will be provided in a separate confirmation of sale.

We describe the terms of your notes in more detail below.

Underlying ETF, Underlying ETF Investment Advisor, Underlying Index, Underlying Index Sponsor and Underlying ETF Stocks

In this prospectus supplement, when we refer to the underlying ETF, we mean the underlying ETF specified on the front cover page, or any successor ETF, as it may be modified, replaced or adjusted from time to time as described under Payment of Principal on Stated Maturity Date Discontinuance or Modification of the Underlying ETF below. When we refer to the underlying ETF investment advisor as of any time, we mean the entity, including any successor investment advisor, that manages the underlying ETF. When we refer to the underlying index, we mean the underlying index underlying the underlying ETF. When we refer to an underlying index sponsor as of any time, we mean the entity, including any successor sponsor, that determines and publishes the underlying index as then in effect. When we refer to the underlying ETF stocks as of any time, we mean the stocks that comprise the underlying ETF as then in effect, after giving effect to any additions, deletions or substitutions.

Payment of Principal on Stated Maturity Date

On the stated maturity date, for each $10 face amount of your notes you will receive an amount in cash equal to:

- if the final underlying ETF price is greater than or equal to the cap level, the maximum settlement amount;

- if the final underlying ETF price is greater than the initial underlying ETF price but less than the cap level, the sum of (a) $10 plus (b) the product of the underlying ETF return times $10 times the upside gearing; or

- if the final underlying ETF price is equal to or less than the initial underlying ETF price, the sum of (a) $10 plus (b) the product of the underlying ETF return *times* $10, resulting in a loss proportionate to any negative underlying ETF return.

The underlying ETF return is calculated by *subtracting* the initial underlying ETF price from the final underlying ETF price and *dividing* the result by the initial underlying ETF price, with the quotient expressed as a percentage. The cap level is approximately 106.233% of the initial underlying ETF price. The cap level represents (i) the maximum return divided by the upside gearing plus (ii) 100% and is the price of the underlying ETF at or above which you will receive the maximum settlement amount. If the final underlying ETF price is greater than the cap level (in which case the *product of* the underlying ETF return *times* the upside gearing is *greater than* the maximum return), you will not receive more than the maximum settlement amount. The maximum settlement amount is $11.87, which corresponds to a maximum return on the notes of 18.70%. The upside gearing is 3.0.

The initial underlying ETF price is $39.50. The calculation agent will determine the final underlying ETF price, which will be the closing price of the underlying ETF on the determination date. However, the calculation agent will have discretion to adjust the closing price on the determination date or to determine it in a different manner as described under Anti-dilution Adjustments , Consequences of a Market Disruption Event or a Non-Trading Day and Discontinuance or Modification of the Underlying ETF below.

Stated Maturity Date

The stated maturity date is January 30, 2020, unless that day is not a business day, in which case the stated maturity date will be the next following business day. If the determination date is postponed as described under Determination Date below, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date.

Determination Date

The determination date is January 27, 2020, unless the calculation agent determines that a market disruption event occurs or is continuing on that day or that day is not otherwise a trading day. In that event, the determination date will be the first following trading day on which the calculation agent determines that a market disruption event does not occur and is not continuing. In no event, however, will the determination date be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. If the determination date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day or that day is not a trading day, that day will nevertheless be the determination date.

Consequences of a Market Disruption Event or a Non-Trading Day

If a market disruption event occurs or is continuing on a day that would otherwise be the determination date or such day is not a trading day, then the determination date will be postponed as described under Determination Date above.

If the calculation agent determines that the closing price of the underlying ETF that must be used to determine the cash settlement amount is not available on the determination date because of a market disruption event, a non-trading day or for any other reason (other than as described under Discontinuance or Modification of the Underlying ETF below), then the calculation agent will nevertheless determine the final underlying ETF price based on its assessment, in good faith in its sole discretion, of the price of the underlying ETF on that day.

Discontinuance or Modification of the Underlying ETF

If the underlying ETF is delisted from the exchange on which the underlying ETF has its primary listing and the underlying ETF investment advisor or anyone else publishes a substitute ETF that the calculation agent determines is comparable to the underlying ETF and approves as a successor ETF, or if the calculation agent designates a substitute underlying ETF, then the calculation agent will determine the cash settlement amount on the stated maturity date by reference to the substitute ETF. We refer to any substitute ETF approved by the calculation agent as a successor ETF.

If the calculation agent determines on the determination date that the underlying ETF is delisted or withdrawn from the exchange on which the underlying ETF has its primary listing and there is no successor ETF, the calculation agent will determine the applicable closing price of the underlying ETF used to determine the cash settlement amount on the stated maturity date by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the underlying ETF.

If the calculation agent determines that the underlying ETF, the underlying ETF stocks or the method of calculating the underlying ETF is changed at any time in any respect including any split or reverse split, a material change in the investment objective and any addition, deletion or substitution and any reweighting or rebalancing of the underlying ETF or of the underlying ETF stocks and whether the change is made by the underlying ETF investment advisor under its existing policies or following a modification of those policies, is due to the publication of a successor ETF, is due to events affecting one or more of the underlying ETF stocks or their issuers or is due to any other reason then the calculation agent will be permitted (but not required) to make such adjustments in the underlying ETF or the method of its calculation as it believes are appropriate to ensure that the prices of the underlying ETF used to determine the cash settlement amount on the stated maturity date is equitable.

All determinations and adjustments to be made by the calculation agent with respect to the underlying ETF may be made by the calculation agent in its sole discretion. The calculation agent is not obligated to make any such adjustments.

Anti-dilution Adjustments

The calculation agent will have discretion to adjust the closing price of the underlying ETF if certain events occur (including those described above under Discontinuance or Modification of the Underlying ETF). Exchange traded funds are registered investment companies that are eligible for trading on the exchanges on which they are listed. Generally, exchange traded funds are subject to regulation under the Investment Company Act of 1940 and are restricted in their activities and have dividend requirements. In the event that any event other than a delisting or withdrawal from the relevant exchange occurs, the calculation agent shall determine whether and to what extent an adjustment should be made to the price of the underlying ETF or any other term. The calculation agent shall have no obligation to make an adjustment for any such event.

Default Amount on Acceleration

If an event of default occurs and the maturity of your notes is accelerated, we will pay the default amount in respect of the principal of your notes at the maturity, instead of the cash settlement amount on the stated maturity date as described earlier. We describe the default amount under Special Calculation Provisions below.

For the purpose of determining whether the holders of our Series E medium-term notes, which include your notes, are entitled to take any action under the indenture, we will treat the outstanding face amount of your notes as the outstanding principal amount of that note. Although the terms of the offered notes differ from those of the other Series E medium-term notes, holders of specified percentages in principal amount of all Series E medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the Series E medium-term notes, including your notes, except with respect to certain Series E medium-term notes if the terms of such notes specify that the holders of specified percentages in the principal amount of all such notes must also consent to such action. This action may involve changing some of the terms that apply to the Series E medium-term notes, accelerating the maturity of the Series E medium-term notes after a default or waiving some of our obligations under the indenture. In addition, certain changes to the indenture and the notes that only affect certain debt securities may be made with the approval of holders of a majority of the principal amount of such affected debt securities. We discuss these matters in the accompanying prospectus under Description of Debt Securities We May Offer Default, Remedies and Waiver of Default and Modification of the Debt Indentures and Waiver of Covenants .

Manner of Payment

Any payment on your notes at maturity will be made to an account designated by the holder of your notes and approved by us, or at the office of the trustee in New York City, but only when your notes are surrendered to the trustee at that office. We also may make any payment in accordance with the applicable procedures of the depositary.

Modified Business Day

As described in the accompanying prospectus, any payment on your notes that would otherwise be due on a day that is not a business day may instead be paid on the next day that is a business day, with the same effect as if paid on the original due date.

For your notes, however, the term business day may have a different meaning than it does for other Series E medium-term notes. We discuss this term under Special Calculation Provisions below.

Role of Calculation Agent

The calculation agent in its sole discretion will make all determinations regarding the underlying ETF, market disruption events, business days, trading days, the underlying ETF return, the final underlying ETF price, anti-dilution adjustments, the determination date and the cash settlement amount on your notes at maturity. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent.

Please note that GS&Co., our affiliate, is currently serving as the calculation agent as of the original issue date of your notes. We may change the calculation agent for your notes at any time after the original issue date without notice and GS&Co. may resign as calculation agent at any time upon 60 days written notice to us.

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Special Calculation Provisions

Business Day

When we refer to a business day with respect to your notes, we mean a day that is a New York business day as described under Description of Debt Securities We May Offer Calculations of Interest on Debt Securities Business Days on page 21 in the accompanying prospectus.

Trading Day

When we refer to a trading day with respect to your notes, we mean a day on which the exchange on which the underlying ETF has its primary listing is open for trading and the price of one share of the underlying ETF is quoted by the exchange on which such underlying ETF has its primary listing.

Closing Price

When we refer to the closing price of the underlying ETF on any trading day, we mean the closing sale price or last reported sale price, regular way, for the underlying ETF, on a per-share or other unit basis:

- on the principal national securities exchange on which the underlying ETF is listed for trading on that day, or

- if the underlying ETF is not listed on any national securities exchange on that day, on any other U.S. national market system that is the primary market for the trading of that underlying ETF

If the underlying ETF is not listed or traded as described above, then the closing price for the underlying ETF on any day will be the average, as determined by the calculation agent, of the bid prices for the underlying ETF obtained from as many dealers in that underlying ETF selected by the calculation agent as will make those bid prices available to the calculation agent. The number of dealers need not exceed three and may include the calculation agent or any of its or our affiliates.

The determination of the closing price of the underlying ETF is subject to adjustment as described under Anti-dilution Adjustments above.

Default Amount

The default amount for your notes on any day (except as provided in the last sentence under Default Quotation Period below) will be an amount, in the specified currency for the principal of your notes, equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all of our payment and other obligations with respect to your notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to your notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, *plus*

- the reasonable expenses, including reasonable attorneys fees, incurred by the holder of your notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for your notes, which we describe below, the holder and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest or, if there is only one, the only quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Default Quotation Period

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or

- every quotation of that kind obtained is objected to within five business days after the day the default amount first becomes due.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the determination date, then the default amount will equal the principal amount of your notes.

Qualified Financial Institutions

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America, Europe or Japan, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and that is, or whose securities are, rated either:

- A-1 or higher by Standard & Poor s Ratings Services or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody s Investors Service, Inc. or any successor, or any other comparable rating then used by that rating agency.

Market Disruption Event

With respect to any given trading day, any of the following will be a market disruption event:

- a suspension, absence or material limitation of trading in the underlying ETF on its primary market for more than two consecutive hours of trading or during the one half-hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or
- a suspension, absence or material limitation of trading in option or futures contracts relating to the underlying ETF in the primary market for those contracts for more than two consecutive hours of trading or during the one-half hour before the close of trading in that market, as determined by the calculation agent in its sole discretion, or

- the underlying ETF does not trade on what was the primary market for the underlying ETF, as determined by the calculation agent in its sole discretion,

and, in the case of any of these events, the calculation agent determines in its sole discretion that the event could materially interfere with the ability of GS Finance Corp. or any of its affiliates to unwind all or a material portion of a hedge that could be effected with respect to the offered notes. For more information about hedging by GS Finance Corp. and/or any of its affiliates, see Use of Proceeds and Hedging below.

The following events will not be market disruption events:

- a limitation on the hours or numbers of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant market, and

- a decision to permanently discontinue trading in option or futures contracts relating to the underlying ETF.

For this purpose, an absence of trading in the primary securities market on which shares of the underlying ETF are traded, or on which option or futures contracts, if available, relating to the underlying ETF are traded, will not include any time when that market is itself closed for trading under ordinary circumstances. In contrast, a suspension or limitation of trading in shares of the underlying ETF or in option or futures contracts, if available, relating to the underlying ETF in the primary market for that underlying ETF or those contracts, by reason of:

- a price change exceeding limits set by that market,

- an imbalance of orders relating to the shares of the underlying ETF or those contracts, or

- a disparity in bid and ask quotes relating to the shares of the underlying ETF or those contracts,

will constitute a suspension or material limitation of trading in shares of the underlying ETF or those contracts in that market.

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As is the case throughout this prospectus supplement, references to the underlying ETF in this description of market disruption events includes the underlying ETF and any successor underlying ETF as it may be modified, replaced or adjusted from time to time.

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USE OF PROCEEDS

We will lend the net proceeds from the sale of the offered notes to The Goldman Sachs Group, Inc. or its affiliates. The Goldman Sachs Group, Inc. will use the proceeds from such loans for the purposes we describe in the accompanying prospectus under Use of Proceeds . We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the offered notes as described below.

HEDGING

In anticipation of the sale of the offered notes, we and/or our affiliates have entered into or expect to enter into hedging transactions involving purchases of listed or over-the-counter options, futures and other instruments linked to the underlying ETF on or before the trade date. In addition, from time to time after we issue the offered notes, we and/or our affiliates may enter into additional hedging transactions and unwind those we have entered into in connection with the offered notes and perhaps in connection with other ETF-linked notes we issue, some of which may have returns linked to the underlying ETF or the underlying ETF stocks. Consequently, with regard to your notes, from time to time, we and/or our affiliates:

- expect to acquire, or dispose of positions in listed or over-the-counter options, futures or other instruments linked to the underlying ETF or some or all of the underlying ETF stocks,

- may take or dispose of positions in the securities of the underlying ETF stock issuers themselves,

- may take or dispose of positions in listed or over-the-counter options or other instruments based on an ETF designed to track the performance of the stock exchanges or other components of the equity markets, and/or

- may take short positions in the underlying ETF stocks or other securities of the kind described above i.e., we and/or our affiliates may sell securities of the kind that we do not own or that we borrow for delivery to purchaser.

We and/or our affiliates may acquire a long or short position in securities similar to your notes from time to time and may, in our or their sole discretion, hold or resell those securities.

In the future, we and/or our affiliates expect to close out hedge positions relating to the offered notes and perhaps relating to other notes with returns linked to the underlying ETF or the underlying ETF stocks. We expect these steps to involve sales of instruments linked to the underlying ETF on or shortly before the determination date. These steps may also involve sales and/or purchases of some or all of the underlying ETF stocks, or listed or over-the-counter options, futures or other instruments linked to the underlying ETF, some or all of the underlying ETF stocks or indices designed to track the performance of the U.S., European, Asian or other stock exchanges or other components of the U.S., European, Asian or other equity markets or other components of such markets.

The hedging activity discussed above may adversely affect the market value of your notes from time to time and the amount we will pay on your notes at maturity. See Additional Risk Factors Specific to Your Notes above for a discussion of these adverse effects.

THE UNDERLYING ETF

The shares of the Vanguard FTSE Developed Markets ETF (the underlying ETF) are issued by Vanguard® Tax-Managed Funds, a Delaware statutory trust and a registered investment company (the trust). Since June 1, 2016 the underlying ETF has sought to track the performance of the FTSE® Developed All Cap ex US Index (the underlying index), a benchmark index that measures the investment performance of large-, mid- and small-capitalization stocks issued by companies located in Canada and the major markets of Europe and the Pacific region. Prior to June 1, 2016, the underlying ETF tracked several other indices, as described further below. The underlying ETF trades on the NYSE Arca under the ticker symbol VEA . The Vanguard Group, Inc. (Vanguard) currently serves as the investment advisor to the underlying ETF.

We obtained the following fee information from the underlying ETF s website, without independent verification. The underlying ETF s total annual operating expenses are expressed as a percentage of the underlying ETF s average net assets. This ratio includes a fee to the investment advisor, known as a management fee, and administrative expenses. As of April 25, 2018, the total expense ratio of the underlying ETF was 0.07%, comprised of 0.04% of management fee and 0.03% of other expenses. The expense ratio does not include the transaction costs of buying and selling securities held by the underlying ETF. The underlying ETF pays transaction costs, such as commissions, when it buys and sells securities (or turns over its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and these costs reduce the underlying ETF s performance. For the fiscal year ended December 31, 2017, the underlying ETF s portfolio turnover rate was 3%.

For additional information regarding the underlying ETF or Vanguard, please consult the reports (including the Semi-Annual Report to Shareholders on Form N-CSRS for the period ended June 30, 2018) and other information the trust files with the SEC. In addition, information regarding the underlying ETF, including its top portfolio holdings, may be obtained from other sources including, but not limited to, press releases, newspaper articles, other publicly available documents, and the Vanguard website at advisors.vanguard.com/web/c1/fas-investmentproducts/VEA. We have obtained all information about the underlying ETF from the Vanguard website without independent verification. We are not incorporating by reference the website, the sources listed above or any material they include in this prospecuts supplement.

Investment Objective and Strategy

Since June 1, 2016, the underlying ETF has sought to track the performance of the underlying index (the FTSE® Developed All Cap ex US Index). The underlying index measures the investment performance of stocks issued by companies located in Canada and the major markets of Europe and the Pacific region. Prior to June 1, 2016, the underlying ETF tracked the following indices:

- From December 21, 2015 through May 31, 2016, the FTSE® Developed All Cap ex US Transition Index (the FTSE® Developed All Cap ex US Transition Index was designed to allow transition from the FTSE Developed ex North America Index to the underlying index by, among other adjustments, gradually increasing exposure to small-capitalization stocks and Canadian equities while proportionately reducing exposure to other stocks based on their weightings in the underlying index);

- From May 29, 2013 through December 20, 2015, the FTSE® Developed ex North America Index (the FTSE® Developed ex North America Index provides exposure to large- and mid-capitalization companies in developed markets outside of the United States and Canada); and

- Prior to May 29, 2013, the MSCI EAFE Index (similar to the FTSE® Developed ex North America Index, the MSCI EAFE Index provides exposure to large- and mid-capitalization companies in developed markets outside of the United States and Canada).