

GOLDMAN SACHS FUNDS III

Société d'Investissement à Capital Variable
Registered office: 80, route d'Esch – L-1470 Luxembourg
R.C.S. Luxembourg – B 44.873
(the “Company”)

NOTICE TO SHAREHOLDERS

Dear Shareholders,

The board of directors of the Company (the “**Board of Directors**”) hereby informs the shareholders of the sub-funds below that they have decided to merge the two Sub-Funds (the “**Merger**”), as follows:

Merging Sub-Fund	Receiving Sub-Fund
Goldman Sachs US Factor Credit	Goldman Sachs USD Green Bond

The Merger will become effective at the date of the merger, which date will be 8 December 2023 (“the **Effective Date**”).

As a matter of business rationalization, and in accordance with the provisions of article 26 of the Articles, chapter XV of the Prospectus and article 1(20)(a) of the Law of 2010, the Board of Directors believes that the Merger is in the interest of the shareholders of the Merging Sub-Fund and Receiving Sub-Fund. Each Sub-Fund’s offering is evaluated on an ongoing basis, with the aim of enhancing value creation for investors and to ensure that the most optimal set-up is maintained. Given the relatively small size and assets under management of the Merging Sub-Fund, limited growth opportunities for it in the near future, the Board of Directors have decided to increase the size of the managed portfolio by way of the Merger. In light of this, and the compatibility of the investment objective, strategy, target assets and risk profile of the Merging Sub-Fund and the Receiving Sub-Fund, the Board of Directors strongly believe the Merger will result in, amongst others, more efficient management, thereby being in the best interest of the Merging Sub-Fund’s and Receiving Sub-Fund’s shareholders.

A detailed comparison of the Merging Sub-Fund and of the Receiving Sub-Fund is shown in Appendix I. Please read the Key Information Documents relating to the relevant share-classes of the Receiving Sub-Fund, which are available upon request free of charge at the registered office of the Company.

MERGER PROCESS

A rebalancing of the portfolio of the Merging Sub-Fund will be undertaken before the Merger takes effect due to the differences in the “Investment Objective and Policy” of the Receiving Sub-Fund, to ease the Merger process where appropriate. In that context, the portfolio of the Merging Sub-Fund will be reinvested into sustainable investments. On the Effective Date, the Merging Sub-Fund will transfer all its assets and liabilities to the Receiving Sub-Fund. As a result, the Merging Sub-Fund will be dissolved as of the Effective Date, hence, the Merging Sub-Fund will cease to exist without going into liquidation. There is no intention to amend the current investment objective and policy of the Receiving Sub-Fund as a result of the Merger.

In exchange for shares of the Merging Sub-Fund, shareholders will receive a number of shares of the corresponding share-class of the Receiving Sub-Fund equal to the number of shares held in the relevant share-class of the Merging Sub-Fund multiplied by the relevant exchange ratio.

The auditor of the Company will issue an auditor report validating the conditions foreseen in Article 71 (1), items a) to c) of the Law of 2010 for the purpose of the Merger, which will be available free of charge at the registered office of the Company.

IMPACT OF THE MERGER

The fees and consequently the maximum estimated ongoing charges relating to the various share-classes of the Receiving Sub-Fund will be lower as those of the Merging Sub-Fund.

The legal, advisory and administrative costs associated with the preparation and the completion of the Merger, will be fully borne by the management company of the Company (Goldman Sachs Asset Management B.V.) and will not impact the Merging Sub-Fund or the Receiving Sub-Fund, as per Article 74 of the Law of 2010. Other costs incurred in the Merger, such as transaction costs associated with the transfer of assets as well as with the rebalancing will be supported by the Merging Sub-Fund. With effect from close of business on the Effective Date, all receivables and payables are deemed to be received or be payable by the Receiving Sub-Fund. The Merging Sub-Fund has no outstanding set-up costs.

There will be no material impact of the Merger on the shareholders of the Receiving Sub-Fund. However, as in any merger operation, possible dilution in performance may arise. Furthermore, the Merger shall not affect the management of the Receiving sub-fund's portfolio.

Appendix II provides the overview of all share-classes in scope of the Merger and by which share-classes of the Receiving Sub-Fund these will be absorbed. The eligibility of existing investors to invest in those share-classes will not be impacted by the Merger.

Please be aware that the Merger may have an impact on a shareholder's personal tax position. Shareholders are advised to contact their personal tax advisor to assess the potential tax impact of the Merger.

Shareholders of the Merging Sub-Fund and Receiving Sub-Fund who do not agree with the Merger are authorized – *upon written request to be delivered to the Company or the registrar and transfer agent of the Company* – to redeem their shares free of any redemption fees or charges starting as from the date of publication of this notice, for a period of at least 30 calendar days, and ending five (5) business days before the Effective Date, meaning 30 November 2023. New subscriptions, conversions and redemptions into the Merging Sub-Fund shall be suspended as of 15:30 (Central European Time) on the 30 November 2023 (“the **Cut-Off time**”). The Merger will have no impact on subscriptions, conversions and redemptions made in the Receiving Sub-Fund.

Shareholders of the Merging Sub-Fund that have not requested redemptions before the Cut-Off time will have their shares merged into shares of the Receiving Sub-Fund.

Shareholders should refer to the Prospectus of the Company and more particularly to the Receiving Sub-Fund for detailed information regarding the requirements for subscription and redemption in relation to the Receiving Sub-Fund following the Merger.

The following documents are made available free of charge to the shareholders at the registered office of the Company:

- the common terms of Merger;
- the latest version of the Prospectus of the Company;
- the latest version of the Key Information Documents of the share-classes of the Receiving Sub-Fund;
- the latest audited financial statements of the Company;
- the report prepared by the independent auditor appointed by the Company to validate the conditions foreseen in Article 71 (1), items (a) to (c) of the Law of 2010 in relation to the Merger; and
- the certificate related to the Merger issued by the depositary of the Company in compliance with Article 70 of the Law of 2010.

The changes as a result of the Merger will be reflected in the next version of the Prospectus following the Effective Date of the Merger. The Prospectus will be available upon request free of charge at the registered office of the Company.

More information can be requested at the registered office of the Management Company.

Luxembourg, 17 October 2023

The Board of Directors

APPENDIX I

	Merging Sub-Fund	Receiving Sub-Fund
Name	Goldman Sachs US Factor Credit	Goldman Sachs USD Green Bond
Typical investor profile	Neutral	Neutral
Fund type	Investments fixed income instruments.	Investments in fixed income instruments.
Investment objective and policy	<p>This Sub-Fund aims to generate returns via the active management of a portfolio of bonds and money market instruments by investing primarily (minimum 2/3) in bonds and money market instruments denominated in US dollars.</p> <p>The Sub-Fund will not invest in instruments rated below BBB-</p> <p>/Baa3 as assigned by independent rating organizations such as Standard & Poor’s, Moody’s and/or Fitch, or equivalent as determined by the Investment Manager if the instrument is not rated. If an instrument is rated by only one of the foregoing rating agencies, that rating shall apply. If it is rated by two or more of such rating agencies, the second best rating shall apply. Any security that is subsequently downgraded below BBB-/Baa3 or equivalent may continue to be held for a period of six months unless it represents more than 3% of the Sub-Funds’ net assets, in which case it shall be sold immediately.</p> <p>The Sub-Fund follows a systematic approach by investing in a set of factors (like value, carry and low-risk) which are captured with rule-based long only strategies.</p> <p>Factors are certain characteristics of bonds that are structural drivers of their future returns. For example:</p> <p>Value intends to benefit from perceived incorrect valuations resulting in bonds that are cheap to fundamentals outperforming expensive bonds</p> <p>Carry intends to benefit from the tendency that bonds with higher yields outperform those with lower yields;</p> <p>Low-risk intends to benefit from the tendency that stable, low risk bonds outperform those with higher risks.</p> <p>The Sub-Fund is actively managed by anticipating to changes of the level of US corporate bond spreads and the spread curve with deviation limits maintained relative to the Index. Investments will therefore materially deviate from the Index. Measured over a period of several years this Sub-Fund aims to beat the performance of the Index as listed in the Appendix II of the Company’s Prospectus.</p> <p>The Sub-Fund may also invest, on an ancillary basis, in other transferable securities such as warrants on transferable securities and contingent convertible securities, each respectively up to 10% of the Sub-Fund’s net assets, as well as in money market instruments and Rule 144 A securities. Furthermore, the Sub-Fund may invest in deposits and units of UCITS and other UCIs; however, investments in UCITS and UCIs may not exceed a total of 10% of the net assets. The risks associated with these financial instruments are detailed in Part III “Additional information”, Chapter II: “Risks linked to the investment universe: detailed description”. The Sub-Fund may hold bank deposits at sight, such as cash held in current accounts with a bank accessible at any time. Such holdings may not exceed 20% of the Sub-Fund's net assets under normal market</p>	<p>This Sub-Fund aims to generate returns by actively managing a portfolio of at least 85% of global green bonds predominantly (minimum of 2/3) denominated in US Dollar. Green bonds are any type of bond instruments where the proceeds will be applied to finance or re-finance in part or in full new and/or existing projects that are beneficial to the environment. These bonds are mainly issued by supra-nationals, sub-sovereigns, agencies and corporates pursuing policies of sustainable development while observing environmental, social and governance principles. The selection process involves green bond analysis, traditional credit analysis and ESG (Environmental, Social and Governance) analysis which may be limited by the quality and availability of the data disclosed by issuers or provided by third parties. Example of non-financial criteria assessed in the ESG analysis is annual greenhouse gas (GHG) emissions avoided.</p> <p>As a Sub-Fund with sustainable investment objectives, as described in Article 9 of the SFDR, more stringent restrictions are applicable for investments in certain issuers. These restrictions relate to both activities and behaviors and are applied to the bond portion of the portfolio.</p> <p>More information can be found in Appendix III: SFDR pre-contractual disclosures for article 8 and 9 SFDR Sub-Funds – Templates.</p> <p>When selecting investments the Investment Manager shall analyse, maintain and update the credit rating of future investments and shall ensure that the average rating of the portfolio is BBB- or better. Investments in bonds with a higher risk (with a quality rating lower than BBB- but still higher than BB-) may not exceed 10% of the Sub-Fund’s net assets. In case of a credit rating downgrade below BBB-, the downgraded bond is included in the 10% limit. When this limit is breached, bonds will be sold to ensure compliance to the 10% limit within 5 business days. The Investment Manager will always take into consideration the quality and diversity of issuers and sectors along with the maturity date. Measured over a period of 5 years this Sub-Fund aims to beat the performance of the Index as listed in the Appendix II of the Company’s Prospectus. The Index is a broad representation of the Sub-Fund’s investment universe. The Sub-Fund may also include investments into bonds that are not part of the Index universe. The Sub-Fund is actively managed with a focus on bond selection where analysis of specific issuers of bonds is combined with a broader market analysis to construct the optimal portfolio, with deviation limits maintained relative to the Index. The aim is to exploit differences in valuations of issuers of bonds within sectors and differences in valuations between sectors and different quality segments (ratings). Therefore, the Sub-Fund’s investments can materially deviate from the Index. The reference benchmark of the Sub-Fund, as listed in the Appendix II of the Company’s Prospectus, is aligned with the sustainable objective and characteristic of the Sub-Fund, but it is not designated to meet the sustainable investment objective. The Index is used for portfolio construction and for performance measurement purposes.</p> <p>The Index consists of green bonds defined by Index</p>

	<p>conditions. Cash equivalents such as deposits, Money Market Instruments and money market funds may be used for cash management purposes and in case of unfavourable market conditions.</p> <p>It is stipulated that any liquid assets held on an ancillary basis will not be taken into account when calculating the above-mentioned limit of two thirds.</p> <p>With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:</p> <p>options and futures on Transferable Securities or Money Market Instruments</p> <p>futures and options on Indices</p> <p>futures, options and interest rate swaps</p> <p>performance swaps</p> <p>forward currency contracts, currency futures contracts and transactions, currency call and put options, and currency swaps</p> <p>derivative financial instruments linked to credit risks, namely credit derivatives, such as credit default swaps, Indices and baskets of securities.</p> <p>The Sub-Fund will not actively invest in equities but may receive equities from a restructuring or other corporate action. Such equities are intended to be sold as soon as possible taking into account the best interests of the investors.</p> <p>The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.</p>	<p>provider as fixed-income securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability purposes through their use of proceeds. The Index consists of green bonds mainly denominated in US Dollar.</p> <p>The Index is constructed in following way, securities are independently evaluated by MSCI ESG Research along four dimensions to determine whether a fixed-income security should be classified as a green bond. These eligibility criteria reflect themes articulated in the Green Bond Principles and require clarity about a bond's: (1) Stated use of proceeds; (2) Process for green project evaluation and selection; (3) Process for management of proceeds; and (4) Commitment to ongoing reporting of the environmental performance of the use of proceeds. More information of the methodology used for the calculation of the Index are to be found on the website of the Index provider www.bloomberg.com.</p> <p>Due to application of the norms-based responsible investment criteria and ESG analysis and Green, Social & Sustainability Bond Methodology, detailed in Appendix III: SFDR pre-contractual disclosures for article 8 and 9 SFDR Sub-Funds - Templates, the investment universe of the Index and Sub-Fund may differ.</p> <p>The Sub-Fund may also invest in other Transferable Securities (including warrants on Transferable Securities up to 10% of the Sub-Fund's net assets), Rule 144 A securities and shares/units of UCITS (including UCITS ETFs) and other UCIs as described in Chapter III "Investment restrictions", section A "Eligible investments" of Part III of this prospectus. However, investments in UCITS and UCIs may not exceed a total of 10% of the net assets. Where the Sub-Fund invests in warrants on Transferable Securities, note that the Net Asset Value may fluctuate more than if the Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant.</p> <p>The Sub-Fund may hold bank deposits at sight, such as cash held in current accounts with a bank accessible at any time. Such holdings may not exceed 20% of the Sub-Fund's net assets under normal market conditions. Cash equivalents such as deposits, Money Market Instruments and money market funds may be used for cash management purposes and in case of unfavourable market conditions. Such holdings may not exceed 15% of the Sub-Fund's net assets under normal market conditions. In exceptional market conditions, on a temporary basis, such holdings may represent up to 100% of net assets.</p> <p>With a view to achieving the investment objectives, the Sub-Fund may also use derivative financial instruments including, but not limited to, the following:</p> <p>options and futures on Transferable Securities or Money Market Instruments</p> <p>futures and options on Indices</p> <p>futures, options and interest rate swaps</p> <p>performance swaps</p> <p>forward currency contracts, currency futures contracts and transactions, currency call and put options, and currency swaps</p> <p>derivative financial instruments linked to credit risks, namely credit derivatives, such as credit default swaps, Indices and baskets of securities.</p> <p>The Sub-Fund will not actively invest in equities but may receive equities from a restructuring or other corporate action. Such equities are intended to be sold as soon as possible taking into account the best interests of the investors. The Sub-Fund will not invest in CoCos, defaulted and distressed securities.</p>
--	--	--

Use of total return swaps and any other efficient portfolio management techniques	Expected Sec. Lending (Market value) 1%	Max. Sec. Lending (Market value) 10%	Expected TRS (Sum of notionals) 50%	Max TRS (Sum of notionals) 100%	Expected Sec. Lending (Market value) 0%	Max. Sec. Lending (Market value) 0%	Expected TRS (Sum of notionals) 0%	Max TRS (Sum of notionals) 0%
SFDR Classification	Article 6 SFDR				As a Sub-Fund with sustainable investment objectives, as described in Article 9 of the SFDR, more stringent restrictions are applicable for investments in certain issuers. These restrictions relate to both activities and behaviors and are applied to the bond portion of the portfolio. More information can be found in Appendix III: SFDR pre-contractual disclosures for article 8 and 9 SFDR Sub-Funds – Templates.			
Index	Bloomberg Barclays US Aggregate Corporate				Bloomberg MSCI Global Green Bond Index USD Total Return Index Unhedged USD			
Risk management method and maximum level of leverage (sum of notionals)	Relative VaR max. 150% (Commitment), max. 200% (Sum of notionals) Reference portfolio: Bloomberg Barclays US Aggregate Corporate				Relative VaR max. 50% (Commitment), max. 75% (Sum of notionals) Reference portfolio: Bloomberg MSCI Global Green Bond Index USD Total Return Index. Unhedged USD			
SRI	3				3			
Reference currency	United States Dollar (USD)				United States Dollar (USD)			
Merging Share-Classes (Goldman Sachs US Factor Credit)				Receiving Share-Classes (Goldman Sachs USD Green Bond)				
Share Class	Management Fee	Ongoing Charge	Share Class		Management Fee	Ongoing Charge		
Goldman Sachs US Factor Credit - I Cap USD	0.36%	0.49%	Goldman Sachs USD Green Bond - I Cap USD		0.20%	0.33%		
Goldman Sachs US Factor Credit - N Cap EUR	0.64%	0.56%	Goldman Sachs USD Green Bond - N Cap EUR (hedged i)		0.20%	0.35%		
Goldman Sachs US Factor Credit - P Cap USD	0.65%	0.85%	Goldman Sachs USD Green Bond - P Cap USD		0.40%	0.62%		
Goldman Sachs US Factor Credit - P Dis USD	0.65%	0.85%	Goldman Sachs USD Green Bond - P Dis USD		0.40%	0.62%		
Goldman Sachs US Factor Credit - X Cap USD	0.75%	0.95%	Goldman Sachs USD Green Bond - X Cap USD		0.75%	0.95%		

APPENDIX II

Table - absorption details

Merging Share-Classes Goldman Sachs US Factor Credit			Receiving Share-Classes Goldman Sachs USD Green Bond	
ISIN	Share Class		ISIN	Share Class
LU0555020055	Goldman Sachs US Factor Credit - I Cap USD	absorbed by	LU2578936002	Goldman Sachs USD Green Bond - I Cap USD
LU1732802381	Goldman Sachs US Factor Credit - N Cap EUR	absorbed by	LU2590165416	Goldman Sachs USD Green Bond - N Cap EUR (hedged i)
LU0546914754	Goldman Sachs US Factor Credit - P Cap USD	absorbed by	LU2578936424	Goldman Sachs USD Green Bond - P Cap USD
LU0555019800	Goldman Sachs US Factor Credit - P Dis USD	absorbed by	LU2661874326	Goldman Sachs USD Green Bond - P Dis USD
LU0546914838	Goldman Sachs US Factor Credit - X Cap USD	absorbed by	LU2578936770	Goldman Sachs USD Green Bond - X Cap USD