

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 Belgium Government Bond	Goldman Sachs Sovereign Green Bond

The Merger will become effective at the date of the merger, which date will be 17 August 2023 ("the **Effective Date**").

As a matter of economic 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 best 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 of the Merging Sub-Fund, and 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

Assets held by the Merging Sub-Fund at the time of the Merger must comply with the investment objective and policy of the Receiving Sub-Fund. For this purpose, the portfolio of the Merging Sub-Fund will be rebalanced in its entirety before the Merger. 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 will be slightly lower than 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, 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 10 August 2023. New subscriptions, conversions and redemptions into the Merging Sub-Fund shall be suspended as of 15:30 p.m. (Central European Time) on the 10 August 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, 9 June 2023

The Board of Directors

APPENDIX I

	Merging Sub-Fund	Receiving Sub-Fund
Name	Goldman Sachs Belgium Government Bond	Goldman Sachs Sovereign Green Bond
Typical investor profile	Neutral	Neutral
Fund type	Investments in in fixed income instruments	Investments in in fixed income instruments
Investment objective and policy	<p>The Sub-Fund aims to generate returns by mainly investing in Belgian government bonds. The average lifetime of the portfolio will exceed three years. 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. The Index is a broad representation of the Sub-Fund's investment universe. The Sub-Fund can also include investments into government bonds that are not part of the Index universe. The Sub-Fund uses both fundamental and quantitative research inputs to actively adjust the duration curve and positions to offer an attractive return profile. The Sub-Fund uses active management to anticipate changes of the level of government bond yields, the yield curve and country spreads within the eurozone based on fundamental and quantitative analysis, with deviation limits maintained relative to the Index. The Sub-Fund's investments can therefore materially deviate from the Index.</p> <p>Fixed-income Transferable Securities and/or Money Market Instruments issued or guaranteed by the governments of Belgium and/or Germany, and their local public authorities may represent more than 35% of the net asset value of the Sub-Fund, provided such exposure does comply with the principle of risk spreading described in Art. 45 (1) of the Law of 2010.</p> <p>The Sub-Fund on an ancillary basis may also invest in other Transferable Securities (including warrants on Transferable Securities up to a maximum of 10% of the Sub-Fund's net assets), government bonds from other eurozone countries, Money Market Instruments, Rule 144 A securities, units of UCITS and other UCIs and deposits 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</p>	<p>This Sub-Fund aims to generate returns by actively investing at least 85% of its net assets in green bonds issued by government and government-related issuers, mainly denominated in Euro. Green bonds are any type of bond instruments where the proceeds will be applied to finance or refinance in part or in full new and/or existing projects that are beneficial to the environment. These bonds are mainly issued by governments, supra-nationals, sub-sovereigns and agencies pursuing policies of sustainable development while observing environmental, social and governance principles.</p> <p>The Sub-Fund aims to invest in green bonds from issuers that generate a positive environmental impact alongside a financial return. 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. The abovementioned selection process is applied to at least 90% of the bond investments.</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.</p>

	<p>Sub-Fund were invested in the underlying assets because of the higher volatility of the value of the warrant. 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.</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> <ul style="list-style-type: none"> • options and futures on Transferable Securities or Money Market Instruments • futures and options on Indices • futures, options and interest rate swaps • performance swaps • credit default swaps • forward currency contracts and currency options. <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>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 Sub-Fund is allowed to invest in unrated bonds up to 20% of the Sub-Fund's net assets.</p> <p>The Investment Manager will always take into consideration the quality and diversity of issuers and sectors along with the maturity date. The Sub-Fund is actively managed. 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 can also include bonds that are not part of the Index universe. In order to achieve that goal, we take active management decisions that will result in over- and underweight positions as compared to this Index as well as in investments into securities that are not part of this Index. Therefore, the Sub-Fund's investments can materially deviate from the Index.</p> <p>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. The Sub-Fund does not utilize the broad market index but the customized green bond universe due to the characteristic of the Sub Fund. The Index consists of green bonds defined by Index 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 issued by government and government-related issuers mainly denominated in Euro.</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)</p>
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		<p>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>Fixed-income Transferable Securities and/or Money Market Instruments issued or guaranteed by the governments of France, Spain, Italy, Germany, The Netherlands, Belgium and Ireland and their local public authorities may represent more than 35% of the net asset value of the Sub-Fund, provided such exposure does comply with the principle of risk spreading described in Art. 45 (1) of the Law of 2010.</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 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. 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.</p> <p>Furthermore, the Sub-Fund may also invest in</p>
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		<p>asset-backed securities (ABS) and mortgage-backed securities (MBS) up to a maximum of 20% of the Sub-Fund's 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> <ul style="list-style-type: none"> • options and futures on Transferable Securities or Money Market Instruments • futures, options and interest rate swaps • Total Return Swap or other financial derivative instruments with similar characteristics • forward currency contracts, currency futures contracts and transactions, currency call and put options, and currency swaps • derivative financial instruments linked to credit risks, namely credit derivatives, such as credit default swaps, Indices and baskets of securities. <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 Sub-Fund will not invest in CoCos, defaulted and distressed securities.</p>																
<p>Use of total return swaps and any other efficient portfolio management techniques</p>	<table border="1"> <thead> <tr> <th>Expected Sec. Lending (Market value)</th> <th>Max. Sec. Lending (Market value)</th> <th>Expected TRS (Sum of notional s)</th> <th>Max TRS (Sum of notional s)</th> </tr> </thead> <tbody> <tr> <td>0-1%</td> <td>10%</td> <td>5%</td> <td>10%</td> </tr> </tbody> </table>	Expected Sec. Lending (Market value)	Max. Sec. Lending (Market value)	Expected TRS (Sum of notional s)	Max TRS (Sum of notional s)	0-1%	10%	5%	10%	<table border="1"> <thead> <tr> <th>Expected Sec. Lending (Market value)</th> <th>Max. Sec. Lending (Market value)</th> <th>Expected TRS (Sum of notional s)</th> <th>Max TRS (Sum of notional s)</th> </tr> </thead> <tbody> <tr> <td>0%</td> <td>0%</td> <td>5%</td> <td>10%</td> </tr> </tbody> </table>	Expected Sec. Lending (Market value)	Max. Sec. Lending (Market value)	Expected TRS (Sum of notional s)	Max TRS (Sum of notional s)	0%	0%	5%	10%
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<p>ESG characteristics</p>	<p>The Sub-Fund promotes environmental and/or social characteristics, as described in Article 8 of the SFDR. The Sub-Fund applies Stewardship as well as the Management Company's ESG integration approach and the norms-based responsible investing criteria. More information can be found in Appendix III SFDR pre-contractual disclosures for article 8 and 9 SFDR Sub-Funds – Templates.</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. More information can be found in Appendix III SFDR pre-contractual disclosures for article 8 and 9 SFDR Sub-Funds – Templates.</p>																

Index	J.P. Morgan Government Bond (GBI) Belgium (Traded)	MSCI Euro Green Bond Treasury and Government-Related 10% Capped Index			
Risk management method and maximum level of leverage (sum of notionals)	Commitment Method	Relative VaR max. 50% (commitment), max 75% (sum of notionals) Reference Portfolio: MSCI Euro Green Bond Treasury and Government-Related 10% Capped Index			
SRI	3	3			
Reference currency	EUR	EUR			
Merged Classes (Goldman Sachs Belgium Government Bond)				Receiving Classes (Goldman Sachs Sovereign Green Bond)	
Share Class	Management Fee	Ongoing Charge	Share Class	Management Fee	Ongoing Charge
Goldman Sachs Belgium Government Bond - P Cap EUR	0.65%	0.80%	Goldman Sachs Sovereign Green Bond - P Cap EUR	0.65%	0.60%
Goldman Sachs Belgium Government Bond - P Dis EUR	0.65%	0.80%	Goldman Sachs Sovereign Green Bond - P Dis EUR	0.65%	0.60%
Goldman Sachs Belgian Government Bond - R Cap EUR	0.36%	0.56%	Goldman Sachs Sovereign Green Bond - R Cap EUR	0.35%	0.40%
Goldman Sachs Belgian Government Bond - R Dis EUR	0.36%	0.55%	Goldman Sachs Sovereign Green Bond - R Dis EUR	0.35%	0.40%

APPENDIX II
Table - absorption details

Merging Classes (Goldman Sachs Belgium Government Bond)			Receiving Classes (Goldman Sachs Sovereign Green Bond)	
ISIN	Share Class		ISIN	Share Class
LU0555019636	Goldman Sachs Belgium Government Bond - P Cap EUR	absorbed by	LU2280235586	Goldman Sachs Sovereign Green Bond - P Cap EUR
LU0555019719	Goldman Sachs Belgium Government Bond - P Dis EUR	absorbed by	LU2383770729	Goldman Sachs Sovereign Green Bond - P Dis EUR
LU1673808918	Goldman Sachs Belgium Government Bond - R Cap EUR	absorbed by	LU2280235669	Goldman Sachs Sovereign Green Bond - R Cap EUR
LU1673809056	Goldman Sachs Belgium Government Bond - R Dis EUR	absorbed by	LU2633844407	Goldman Sachs Sovereign Green Bond - R Dis EUR