

GOLDMAN SACHS GROUP INC

Form 424B2

March 04, 2019

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Registration Statement No. 333-219206

GS Finance Corp.

\$399,000

Autocallable GS Momentum Builder® Multi-Asset 5S ER Index-Linked Notes due 2024

guaranteed by

The Goldman Sachs Group, Inc.

The notes do not bear interest. Unless your notes are automatically called on any annual call observation date, the amount that you will be paid on your notes on the stated maturity date (March 13, 2024) will be based on the performance of the GS Momentum Builder® Multi-Asset 5S ER Index as measured from the trade date (February 28, 2019) to and including the determination date (February 28, 2024). The index measures the extent to which the performance of the selected underlying assets (up to 14 ETFs and a money market position in 3-month USD LIBOR, which provide exposure to broad-based equities, fixed income, emerging markets, alternatives, commodities, inflation, and cash equivalent asset classes) outperform the sum of the return on 3-month USD LIBOR plus 0.65% per annum (accruing daily). LIBOR is being modified, see page S-30.

If the final index level (the closing level of the index on the determination date) is greater than the initial index level of 100.99, the return on your notes will be the index return (the percentage increase or decrease in the final index level from the initial index level) times 2. Because the index measures the performance of the selected underlying assets less the sum of the return on 3-month USD LIBOR plus 0.65% per annum (accruing daily), on any day such assets must outperform the return on 3-month USD LIBOR plus 0.65% per annum for the index level to increase.

Your notes will be called if the closing level of the index on any call observation date is greater than or equal to the applicable call level (specified on page S-6), resulting in a payment on the corresponding call payment date (the tenth business day after the call observation date) equal to the face amount of your notes plus the product of \$1,000 times the applicable call return (specified on page S-6).

The index rebalances on each index business day from among the 15 underlying assets. The daily weight used to rebalance each underlying asset on any index business day equals the average of the target weights for each underlying asset determined on such day and each of the prior 21 index business days. Target weights are determined by calculating for each day the combination of underlying assets with the highest return during three return look-back periods (9, 6 and 3 months), subject to a (a) limit of 5% on portfolio realized volatility over the related volatility look-back period (6, 3 and 1 months for the 9, 6 and 3 month return look-back periods, respectively) and (b) maximum weight for each underlying asset and each asset class. This results in a portfolio for each of the three return look-back periods for each day. The target weight of each underlying asset will equal the average of the weights, if any, of such underlying asset in the three portfolios. As a result of this rebalancing, the index may include as few as 3 ETFs (and the money market position) and may never include some of the underlying assets or asset classes.

After the index is rebalanced on an index business day, the realized volatility for the prior month is calculated. Realized volatility is the degree of variation in the daily closing prices or levels of the aggregate of the underlying assets over the applicable volatility look-back period. If the realized volatility exceeds 6%, the index will be rebalanced again for that day by ratably reallocating a portion of the exposure to the ETFs in the index to the money market position sufficient to reduce the prior month realized volatility to 6%. As a result of such rebalancing, the index may not include any ETFs and may allocate its entire exposure to the money market position, the return on which will always be less than the sum of the return on 3-month USD LIBOR plus 0.65% per annum. Historically, a significant portion of the index has been in the money market position.

If your notes are not called, at maturity, for each \$1,000 face amount of your notes, you will receive an amount in cash equal to:

- if the index return is positive (the final index level is greater than the initial index level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) 2 times (c) the index return; or
- if the index return is zero or negative (the final index level is equal to or less than the initial index level), \$1,000.

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-20.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$951 per \$1,000 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: March 5, 2019 Original issue price: 100% of the face amount

Underwriting discount: 1.6% of the face amount Net proceeds to the issuer: 98.4% 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

Prospectus Supplement No. 5,186 dated February 28, 2019.

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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 \$951 per \$1,000 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 \$49 per \$1,000 face amount).

Prior to March 13, 2020, 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 from the time of pricing through March 12, 2020). On and after March 13, 2020, 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, does not set forth all the terms of your notes and therefore 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.

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. 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. The notes will be issued under 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. The notes will be issued in book-entry form and represented by a master global note.

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The following is a list of the eligible underlying assets for the index, including the related asset classes, asset class minimum and maximum weights and underlying asset minimum and maximum weights. The index is more fully described beginning on page S-43 herein.

ASSET CLASS	ASSET CLASS MINIMUM WEIGHT	ASSET CLASS MAXIMUM WEIGHT	ELIGIBLE UNDERLYING ASSET*	TICKER	UNDERLYING ASSET MINIMUM WEIGHT	UNDERLYING ASSET MAXIMUM WEIGHT
Broad-Based Equities	0%	50%	SPDR® S&P 500® ETF Trust	SPY	0%	20%
			iShares® MSCI EAFE ETF	EFA	0%	20%
			iShares® MSCI Japan ETF	EWJ	0%	10%
			iShares® 20+ Year Treasury Bond ETF	TLT	0%	20%
Fixed Income	0%	50%	iShares® iBoxx \$ Investment Grade Corporate Bond ETF	LQD	0%	20%
			iShares® iBoxx \$ High Yield Corporate Bond ETF	HYG	0%	20%
			iShares® 7-10 Year Treasury Bond ETF	IEF	0%	20%
Emerging Markets	0%	20%	iShares® MSCI Emerging Markets ETF	EEM	0%	20%
			iShares® U.S. Real Estate ETF	IYR	0%	20%
Alternatives	0%	25%	iShares® Preferred and Income Securities ETF	PFF	0%	10%
			iShares® Nasdaq Biotechnology ETF	IBB	0%	10%
Commodities	0%	25%	SPDR® S&P® Oil & Gas Exploration & Production ETF	XOP	0%	20%
			SPDR® Gold Trust	GLD	0%	20%
Inflation	0%	10%	iShares® TIPS Bond ETF	TIP	0%	10%
Cash Equivalent	0%	50%**	Money Market Position	N/A	0%	50%**

* The value of a share of an eligible ETF may reflect transaction costs and fees incurred or imposed by the investment advisor of the eligible ETF as well as the costs to the ETF to buy and sell its assets. These costs and fees are not included in the calculation of the index underlying the eligible ETF. For more fee information relating to an eligible ETF, see “The Eligible Underlying Assets” on page S-70.

** With respect to the money market position, the related asset class maximum weight and underlying asset maximum weight limitations do not apply after the first rebalancing on each index business day and, therefore, the index may allocate its entire exposure to the money market position.

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Transaction Summary

Autocallable GS Momentum Builder® Multi-Asset 5S ER Index-Linked Notes due 2024

The below is only a brief summary of the terms of your notes. You should read the detailed description thereof in “Terms and Conditions” on page S-11 and in “Specific Terms of Your Notes” in the accompanying prospectus supplement and accompanying prospectus.

INVESTMENT THESIS

For investors who:

seek the opportunity to achieve a return at maturity based on the performance of an index that attempts to track the positive price momentum in certain eligible underlying assets by varying exposure to those eligible underlying assets, subject to limitations on volatility and a minimum and maximum weight for each underlying asset and each asset class.

understand that the eligible underlying assets provide exposure to broad-based equities, fixed income, emerging markets, alternatives, commodities, inflation, and cash equivalent asset classes.

seek to have their principal returned after a period of approximately 60 months.

believe the index will increase during the period from the trade date to the determination date, but are willing to

accept that the term of the notes will be reduced if the notes are automatically called on a call observation date (in which case the return on the notes will be limited to the applicable call return).

are willing, if the notes are not automatically called, to receive only their principal back at maturity if the index return is less than or equal to zero.

As a result of the rebalancing among the 15 underlying assets, the index may include as few as four underlying assets (as few as three ETFs) and may not include some of the underlying assets or assets classes during the entire term of your notes. As a result of any rebalancing into the money market position to reduce the prior month realized volatility to 6%, the index may not include any ETFs and may allocate its entire exposure to the money market position, the return on which will always be less than the sum of the return on 3-month USD LIBOR plus 0.65% per annum (accruing daily). Historically, a significant portion of the index exposure has been to the money market position.

PAYOUT DESCRIPTION

Your notes will be called if the closing level of the index on any call observation date is greater than or equal to the applicable call level, resulting in a payment on the corresponding call payment date equal to the face amount of your notes plus the product of \$1,000 times the applicable call return.

If your notes are not called, at maturity, for each \$1,000 face amount of your notes, you will receive an amount in cash equal to:

if the index return is positive (the final index level is greater than the initial index level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) 2 times (c) the index return; or

if the index return is zero or negative (the final index level is equal to or less than the initial index level), \$1,000.

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Transaction Summary

Autocallable GS Momentum Builder[®] Multi-Asset 5S ER Index-Linked Notes due 2024

THE INDEX

The GS Momentum Builder[®] Multi-Asset 5S ER Index (the index) measures the extent to which the performance of the exchange-traded funds and a money market position (together with the ETFs, the underlying assets) included in the index outperform the sum of the return on the notional interest rate, which is a rate equal to 3-month USD LIBOR, plus 0.65% per annum (accruing daily). The money market position reflects the notional returns accruing to a hypothetical investor from an investment in a money market account denominated in U.S. dollars that accrues interest at the notional interest rate. The index rebalances on each index business day from among 15 underlying assets that have been categorized in the following asset classes: broad-based equities; fixed income; emerging markets; alternatives; commodities; inflation; and cash equivalent. The index attempts to track the positive price momentum in the underlying assets, subject to limitations on volatility and a minimum and maximum weight for each underlying asset and each asset class, each as described below.

Features of the index include:

- o daily rebalancing from among the 15 eligible underlying assets on each index business day (in this context, a base index rebalancing day) by calculating, for each day in the weight averaging period related to that base index rebalancing day, the combination of underlying assets that would have provided the highest historical return during three return look-back periods (nine months, six months and three months), subject to:
 - o a limit of 5% on the degree of variation in the daily closing prices or closing level, as applicable, of the aggregate of such underlying assets over the related realized volatility look-back periods (the prior six months, three months and one month for the nine-month, six-month and three-month return look-back periods, respectively); and
 - o a minimum and maximum weight for each underlying asset and each asset class; and
 - o the potential for daily total return index rebalancing into the money market position, based on whether the realized volatility of the underlying assets comprising the index exceeds the volatility cap of 6% for the applicable volatility cap period (the prior one month).

Analyzing realized volatility over three volatility look-back periods results in three potential portfolios of underlying assets (one for each return look-back period) for each day in the applicable weight averaging period. The weight of each underlying asset for a given day in a weight averaging period (the “target weight”) will equal the average of the weights of such underlying asset in the three potential portfolios while the weight of each underlying asset for the daily base index rebalancing will equal the average of such target weights. This daily rebalancing is referred to as the base index rebalancing and the resulting portfolio of index underlying assets comprise the base index effective after the close of business on a given day. The weight averaging period for any base index rebalancing day will be the period from (but excluding) the 22nd index business day on which no index market disruption event occurs or is continuing with respect to any underlying asset prior to such day to (and including) such day.

The value of the index is calculated in U.S. dollars on each index business day by reference to the performance of the total return index value net of the sum of the return on the notional interest rate in effect at that time plus 0.65% per annum (accruing daily). Any cash dividend paid on an index ETF is deemed to be reinvested in such index ETF and subject to subsequent changes in the value of the index ETF. In addition, any interest accrued on the money market position is similarly deemed to be reinvested on a daily basis in such money market position and subject to subsequent changes in the notional interest rate. The total return index value on each index business day is calculated by reference to the weighted performance of:

- o the base index, which is the weighted combination of underlying assets that comprise the index at the applicable time as a result of daily base index rebalancing; and
 - o any additional exposure to the money market position resulting from any daily total return index rebalancing.
- The underlying assets that comprise the base index as the result of daily base index rebalancing may include a combination of ETFs and the money market position, or solely ETFs. A daily total return index rebalancing will occur effective after the close of business on a given day if the realized volatility of the base index exceeds the volatility cap of 6% for the volatility cap period applicable to such index business day. As a result of a daily total return index rebalancing, the index will have exposure to the money market position even if the base index has no such exposure

resulting from its daily base index rebalancing.

For the purpose of the index:

- an “eligible underlying asset” is one of the ETFs or the money market position that is eligible for inclusion in the index on an index business day;
- an “eligible ETF” is one of the ETFs that is eligible for inclusion in the index on an index business day (when we refer to an “ETF” we mean an exchange-traded fund, which for purposes of this prospectus supplement includes the following exchange traded products: SPDR[®] S&P 500[®] ETF Trust and SPDR[®] Gold Trust);
- an “index underlying asset” is an eligible underlying asset with a non-zero weighting on any index business day;
- an “index ETF” is an ETF that is an eligible ETF with a non-zero weighting on any index business day; and
- an “index business day” is a day on which the New York Stock Exchange is open for its regular trading session.

TERMS

Issuer	GS Finance Corp.
Guarantor	The Goldman Sachs Group, Inc.
Index	GS Momentum Builder [®] Multi-Asset 5S ER Index (current Bloomberg symbol: “GSMBMA5S Index”), as published by the index sponsor (including any index calculation agent acting on the index sponsor’s behalf); see “The Index” on page S-43. Additional information about the index, including the index methodology, which may be amended from time to time, is available at the following website: solactive.com/indices/ . We are not incorporating by reference the website or any material it includes in this prospectus supplement
Face Amount	\$399,000 in the aggregate; each note will have a face amount of \$1,000
Trade Date	February 28, 2019
Settlement Date	March 5, 2019
Determination Date	February 28, 2024
Stated Maturity Date	March 13, 2024
Initial Index Level	To be determined on the trade date
Final Index Level	The closing level of the index on the determination date
Closing Level of the Index	With respect to any trading day, the official closing level of the index or any successor index published by the index sponsor on such trading day

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Index Return	The quotient of (i) the final index level minus the initial index level divided by (ii) the initial index level, expressed as a percentage																																	
Automatic Call Feature	If, as measured on any call observation date, the closing level of the index is greater than or equal to the applicable call level, your notes will be automatically called; if your notes are automatically called on any call observation date, on the corresponding call payment date you will receive an amount in cash equal to the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) the applicable call return. If your notes are not called, for each \$1,000 face amount of notes, we will pay you on the stated maturity date an amount in cash equal to:																																	
Cash Settlement Amount	<ul style="list-style-type: none"> · if the index return is positive (the final index level is greater than the initial index level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) 2 times (c) the index return; or · if the index return is zero or negative (the final index level is equal to or less than the initial index level), \$1,000. 																																	
Call Observation Dates	The dates specified as such in the table below.																																	
	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">Call Level (Expressed as a</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">Call Observation Date Percentage of the Initial Index</td> <td style="text-align: center;">Call Return</td> </tr> <tr> <td></td> <td style="text-align: center;">Level)</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">February 28, 2020</td> <td style="text-align: center;">101.85%</td> </tr> <tr> <td></td> <td style="text-align: center;">March 1, 2021</td> <td style="text-align: center;">103.7%</td> </tr> <tr> <td></td> <td style="text-align: center;">February 28, 2022</td> <td style="text-align: center;">105.55%</td> </tr> <tr> <td></td> <td style="text-align: center;">February 28, 2023</td> <td style="text-align: center;">107.4%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">8%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">16%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">24%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">32%</td> </tr> </table>		Call Level (Expressed as a			Call Observation Date Percentage of the Initial Index	Call Return		Level)			February 28, 2020	101.85%		March 1, 2021	103.7%		February 28, 2022	105.55%		February 28, 2023	107.4%			8%			16%			24%			32%
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Call Payment Dates	The tenth business day after each call observation date																																	
Call Level	With respect to any call observation date, the applicable call level specified in the table set forth under “Call Observation Dates” above; as shown in such table, the call level increases the longer the notes are outstanding																																	
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CUSIP/ISIN	40056EWU8 / US40056EWU80																																	

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Autocallable GS Momentum Builder[®] Multi-Asset 5S ER Index-Linked Notes due 2024

HYPOTHETICAL EXAMPLES

The following examples are provided for purposes of illustration only. These examples should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that various hypothetical closing levels of the index on a call observation date could have on the related call payment date assuming all other variables remain constant. While there are four potential call payment dates with respect to your notes, the examples below only illustrate the amount you will receive, if any, on the first and second call payment date. These examples assume a \$1,000 face amount of a note. The actual performance of the index over the life of your notes, particularly on each of the call observation dates, may bear little relation to the hypothetical examples shown below or on page S-14 or to the historical levels of the index shown elsewhere in this prospectus supplement. You should also refer to the historical index performance information and hypothetical performance data beginning on page S-56 of this prospectus supplement.

If, for example, your notes are automatically called on the first call observation date (i.e., on the first call observation date the closing level of the index is greater than or equal to 101.85% of the initial index level), the amount in cash that we would deliver for each \$1,000 face amount of your notes on the applicable c