

GOLDMAN SACHS GROUP INC

Form 424B2

November 06, 2018

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Registration Statement No. 333-219206

GS Finance Corp.

\$1,128,000

Absolute Return Trigger S&P 500[®] Index-Linked Notes due 2021

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 (May 6, 2021) is based on the performance of the S&P 500[®] Index as measured from and including the trade date (November 2, 2018) to and including the determination date (May 3, 2021), unless a barrier event has occurred.

A barrier event will occur if, on any day during the measurement period, which is the period from but excluding the trade date to and including the determination date, the closing level of the index increases or decreases by more than the maximum return of 25% from the initial index level. The initial index level is 2,723.06.

If a barrier event has occurred at any time during the measurement period, the return on your notes will be positive and at maturity you will receive \$1,030 for each \$1,000 face amount of your notes (representing a return of 3%), regardless of the final index level (which is the closing index level on the determination date). A barrier event may occur at any point during the measurement period; however, you will not receive the \$1,030 per \$1,000 face amount on your note until maturity and you will receive such amount regardless of the final index level.

If a barrier event has not occurred, the return on your notes will be zero or positive and will equal the absolute value of the index return which is the increase or decrease in the final index level from the initial index level. For example, if the index return is either -10% or +10%, your return will be +10%.

At maturity, for each \$1,000 face amount, (a) if a barrier event has occurred you will receive \$1,030 and (b) if a barrier event has not occurred, you will receive (i) \$1,000 plus (ii) \$1,000 times the absolute value of the index return (not less than \$1,000 and not more than \$1,250). If the increase in the final index level from the initial index level exceeds the maximum return, you will only receive \$1,030.

A purchaser of these notes in the secondary market should determine if a barrier event has already occurred. The occurrence of a barrier event could significantly affect both the secondary market trading price of these notes and the amount that a holder of the notes will receive at maturity. See page PS-6.

At maturity, for each \$1,000 face amount of your notes you will receive an amount in cash equal to:

if a barrier event has not occurred, the sum of (a) \$1,000 plus (b) the product of \$1,000 times the absolute value of the index return, which sum will be no less than \$1,000 and no more than \$1,250; or

if a barrier event has occurred, \$1,030.

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 PS-13.

The estimated value of your notes at the time the terms of your notes are set on the trade date is equal to approximately \$964 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: November 7, 2018 Original issue price: 100% of the face amount

Underwriting discount: 0.925% of the face amount* Net proceeds to the issuer: 99.075% of the face amount

* See "Summary Information — Key Terms — Supplemental plan of distribution conflicts of interest" on page PS-7 for additional information regarding the fees comprising the underwriting discount.

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

Pricing Supplement No. 4,532 dated November 2, 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 pricing 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 \$964 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 \$36 per \$1,000 face amount).

Prior to November 2, 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 from the time of pricing through November 1, 2019). On and after November 2, 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 pricing supplement and the accompanying documents listed below. This pricing supplement constitutes a supplement to the documents listed below and should be read in conjunction with such documents:

General terms supplement no. 1,734 dated July 10, 2017

Prospectus supplement dated July 10, 2017

Prospectus dated July 10, 2017

The information in this pricing 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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Absolute Return Trigger S&P 500® Index-Linked Notes due 2021

INVESTMENT THESIS

For investors who:

believe that a barrier event (described below) will not occur and that the underlier return or absolute value of the underlier return will be greater than 3% but not more than 25%;
 want limited exposure to (i) the underlier return if the final underlier level is greater than or equal to the initial underlier level or (ii) the absolute value of the underlier return if the final underlier level is less than the initial underlier level, in each case assuming a barrier event does not occur;
 are willing to forgo exposure to such underlier return or absolute value of the underlier return if a barrier event occurs and in that case are willing to receive a 3% contingent return instead; and
 are willing to accept that, if a barrier event has not occurred, the return on the notes will be limited to between 0%, on the lower end of the range, and 25%, on the higher end of the range, and, if a barrier event has occurred, the return on the notes will be limited to 3%.

A barrier event will occur if, on any day during the measurement period, the closing level of underlier (i) declines below the lower barrier of 75% of the initial underlier level or (ii) increases above the upper barrier of 125% of the initial underlier level.

DETERMINING THE CASH SETTLEMENT AMOUNT

At maturity, for each \$1,000 face amount, the investor will receive:

if a barrier event has not occurred, the sum of (a) \$1,000 plus (b) the product of \$1,000 times the absolute value of the underlier return; or

if a barrier event has occurred, \$1,030.

KEY TERMS

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Underlier: The S&P 500® Index (Bloomberg symbol, “SPX Index”)

Face Amount: \$1,128,000 in the aggregate; each note will have a face amount equal to \$1,000

Trade Date: November 2, 2018

Settlement Date: November 7, 2018

Determination Date: May 3, 2021

Stated Maturity Date: May 6, 2021

Initial Underlier Level: 2,723.06

Final Underlier Level: The closing level of the underlier on the determination date

Absolute Underlier Return: The absolute value of the underlier return, expressed as a percentage (e.g., a -10% or +10% underlier return will equal a +10% absolute underlier return)

Underlier Return: The quotient of (i) the final underlier level minus the initial underlier level divided by (ii) the initial underlier level, expressed as a positive or negative percentage.
 3%

Contingent
Return:

Measurement
Period:

The period from but excluding the trade date to and including the determination date, excluding any date or dates on which the calculation agent determines that a market disruption event occurs or is continuing or that the calculation agent determines is not a trading day, as further described under “Supplemental Terms of the Notes — Measurement Periods” on page S-21 of the accompanying general terms supplement no. 1,734

Barrier Event:

On any trading day during the measurement period, (i) the closing level of the underlier is below the lower barrier or (ii) the closing level of the underlier is above the upper barrier

Lower Barrier:

75% of the initial underlier level

Upper Barrier:

125% of the initial underlier level

CUSIP/ISIN:

40056EBW7 / US40056EBW75

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HYPOTHETICAL PAYMENT AT MATURITY

Hypothetical Final Underlier Level (as Percentage of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as Percentage of Face Amount)	Barrier Event Has Not Occurred	Barrier Event Has Occurred
200.000%		N/A	103.000%
175.000%		N/A	103.000%
150.000%		N/A	103.000%
125.000%	125.000%		103.000%
110.000%	110.000%		103.000%
105.000%	105.000%		103.000%
103.000%	103.000%		103.000%
101.000%	101.000%		103.000%
100.500%	100.500%		103.000%
100.000%	100.000%		103.000%
99.500%	100.500%		103.000%
99.000%	101.000%		103.000%
97.000%	103.000%		103.000%
95.000%	105.000%		103.000%
90.000%	110.000%		103.000%
75.000%	125.000%		103.000%
70.000%	N/A		103.000%
60.000%	N/A		103.000%
50.000%	N/A		103.000%
25.000%	N/A		103.000%
0.000%	N/A		103.000%

RISKS

Please read the section entitled “Additional Risk Factors Specific to Your Notes” of this pricing supplement as well as the risks and considerations described in the accompanying prospectus dated July 10, 2017, in the accompanying prospectus supplement dated July 10, 2017 and under “Additional Risk Factors Specific to the Notes” in the accompanying general terms supplement no. 1,734 dated July 10, 2017.

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SUMMARY INFORMATION

We refer to the notes we are offering by this pricing supplement as the “offered notes” or the “notes”. Each of the offered notes has the terms described below. Please note that in this pricing 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, references to the “accompanying prospectus supplement” mean the accompanying prospectus supplement, dated July 10, 2017, for Medium-Term Notes, Series E, and references to the “accompanying general terms supplement no. 1,734” mean the accompanying general terms supplement no. 1,734, dated July 10, 2017, in each case of GS Finance Corp. and The Goldman Sachs Group, Inc. 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.

This section is meant as a summary and should be read in conjunction with the section entitled “Supplemental Terms of the Notes” on page S-16 of the accompanying general terms supplement no. 1,734. Please note that certain features described in the accompanying general terms supplement no. 1,734 are not applicable to the notes. This pricing supplement supersedes any conflicting provisions of the accompanying general terms supplement no. 1,734.

Key Terms

Issuer: GS Finance Corp.

Guarantor: The Goldman Sachs Group, Inc.

Underlier: the S&P 500[®] Index (Bloomberg symbol, “SPX Index”), as published by S&P Dow Jones Indices LLC

Specified currency: U.S. dollars (“\$”)

Face amount: each note will have a face amount of \$1,000; \$1,128,000 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 pricing supplement

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. 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” on page PS-15 of this pricing supplement.

Supplemental discussion of U.S. federal income tax consequences: the notes will be treated as debt instruments subject to the special rules governing contingent payment debt instruments for U.S. federal income tax purposes. Under this treatment, it is the opinion of Sidley Austin llp that if you are a U.S. individual or taxable entity, you generally should be required to pay taxes on ordinary income from the notes over their term based on the comparable yield for the notes. In addition, any gain you may recognize on the sale, exchange or maturity of the notes will be taxed as ordinary interest income.

Cash settlement amount (on the stated maturity date): for each \$1,000 face amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

if a barrier event has not occurred, the sum of (i) \$1,000 plus (ii) the product of \$1,000 times the absolute underlier return; or

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if a barrier event has occurred, the sum of (i) \$1,000 plus (ii) the product of \$1,000 times the contingent return.

Initial underlier level: 2,723.06

Final underlier level: the closing level of the underlier on the determination date, except in the limited circumstances described under “Supplemental Terms of the Notes — Consequences of a Market Disruption Event or a Non-Trading Day” on page S-23 of the accompanying general terms supplement no. 1,734 and subject to adjustment as provided under “Supplemental Terms of the Notes — Discontinuance or Modification of an Underlier” on page S-27 of the accompanying general terms supplement no. 1,734

Absolute underlier return: the absolute value of the underlier return, expressed as a percentage (e.g., a -10% or +10% underlier return will equal a +10% absolute underlier return)

Underlier return: the quotient of (1) the final underlier level minus the initial underlier level divided by (2) the initial underlier level, expressed as a positive or negative percentage

Contingent return: 3%

Measurement period: the period from but excluding the trade date to and including the determination date, excluding any date or dates on which the calculation agent determines that a market disruption event occurs or is continuing or that the calculation agent determines is not a trading day, subject to adjustment as provided under “Supplemental Terms of the Notes — Measurement Periods” on page S-21 of the accompanying general terms supplement no. 1,734

Barrier event: on any trading day during the measurement period, (i) the closing level of the underlier is below the lower barrier or (ii) the closing level of the underlier is above the upper barrier.

Lower barrier: 75% of the initial underlier level

Upper barrier: 125% of the initial underlier level

Trade date: November 2, 2018

Original issue date (settlement date): November 7, 2018

Determination date: May 3, 2021, subject to adjustment as described under “Supplemental Terms of the Notes — Determination Date” on page S-17 of the accompanying general terms supplement no. 1,734

Stated maturity date: May 6, 2021, subject to adjustment as described under “Supplemental Terms of the Notes — Stated Maturity Date” on page S-16 of the accompanying general terms supplement no. 1,734

Considerations for Secondary Market Purchasers: A purchaser of these notes in the secondary market should determine if a barrier event has already occurred. The occurrence of a barrier event could affect both the secondary market trading price of these notes after a secondary market purchase and the amount a secondary market purchaser will receive at maturity. In order to determine if a barrier event has occurred, you should determine if, on any date from the day after the trade date to the date of your purchase, the closing level of underlier was less than 75% of the initial underlier level or the closing level of the underlier was greater than 125% of the initial underlier level. Certain financial websites make index levels publicly available, which can be helpful when determining whether a barrier event may have occurred. If you would like assistance in determining whether a barrier event has occurred, please call GS&Co. at (212) 902-0300

No interest: the offered notes do not bear interest

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

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

Closing level: as described under “Supplemental Terms of the Notes — Special Calculation Provisions — Closing Level” on page S-31 of the accompanying general terms supplement no. 1,734

Business day: as described under “Supplemental Terms of the Notes — Special Calculation Provisions — Business Day” on page S-30 of the accompanying general terms supplement no. 1,734

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Trading day: as described under “Supplemental Terms of the Notes — Special Calculation Provisions — Trading Day” on page S-31 of the accompanying general terms supplement no. 1,734

Use of proceeds and hedging: as described under “Use of Proceeds” and “Hedging” on page S-94 of the accompanying general terms supplement no. 1,734

ERISA: as described under “Employee Retirement Income Security Act” on page S-95 of the accompanying general terms supplement no. 1,734

Supplemental plan of distribution; conflicts of interest: as described under “Supplemental Plan of Distribution” on page S-96 of the accompanying general terms supplement no. 1,734 and “Plan of Distribution – Conflicts of Interest” on page 94 of the accompanying prospectus; GS Finance Corp. estimates that its share of the total offering expenses, excluding underwriting discounts and commissions, will be approximately \$10,000.

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 pricing 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 pricing supplement, and to certain securities dealers at such price less a concession not in excess of 0.75% of the face amount. GS&Co. will pay a fee of 0.5% from the concession to Scura Paley Securities LLC d/b/a Axio Financial in connection with its marketing efforts related to the offered notes. GS&Co. is an affiliate of GS Finance Corp. and The Goldman Sachs Group, Inc. and, as such, will have a “conflict of interest” in this offering of notes within the meaning of Financial Industry Regulatory Authority, Inc. (FINRA) Rule 5121. Consequently, this offering of notes will be conducted in compliance with the provisions of FINRA Rule 5121. GS&Co. will not be permitted to sell notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

We will deliver the notes against payment therefor in New York, New York on November 7, 2018. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on any date prior to two business days before delivery will be required to specify alternative settlement arrangements to prevent a failed settlement.

We have been advised by GS&Co. that it intends to make a market in the notes. However, neither GS&Co. nor any of our other affiliates that makes a market is obligated to do so and any of them may stop doing so at any time without notice. No assurance can be given as to the liquidity or trading market for the notes.

Calculation agent: GS&Co.

CUSIP no.: 40056EBW7

ISIN no.: US40056EBW75

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

The following examples are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that the various hypothetical underlier levels during the measurement period including 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 underlier levels that are entirely hypothetical; no one can predict what the underlier level will be on any day during the measurement period, and no one can predict what the final underlier level will be on the determination date. The underlier has been highly volatile in the past — meaning that the underlier level 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 underlier, 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 PS-13 of this pricing supplement. The information in the examples also reflects the key terms and assumptions in the box below.

Key Terms and Assumptions

Face amount	\$1,000
Upper barrier	125% of the initial underlier level
Lower barrier	75% of the initial underlier level
Contingent return	3%

Neither a market disruption event nor a non-trading day occurs during the measurement period, including on the originally scheduled determination date

No change in or affecting any of the underlier stocks or the method by which the underlier sponsor calculates the underlier

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 underlier over the life of your notes, as well as the amount payable at maturity, may bear little relation to the hypothetical examples shown below or to the historical underlier levels shown elsewhere in this pricing supplement. For information about the historical levels of the underlier during recent periods, see “The Underlier — Historical Closing Levels of the Underlier” below. Before investing in the offered notes, you should consult publicly available information to determine the levels of the underlier between the date of this pricing supplement and the date of your purchase of the offered notes.

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 underlier stocks.

The levels in the left column of the table below represent hypothetical final underlier levels and are expressed as percentages of the initial underlier level. The amounts in the middle column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlier level (expressed as a percentage of the initial underlier level), assuming that a barrier event does not occur (i.e., the closing level of the underlier has not decreased below the lower barrier or increased above the

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upper barrier on any trading day during the measurement period), and are expressed as percentages of the face amount of a note (rounded to the nearest one-thousandth of a percent). The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final underlier level (expressed as a percentage of the initial underlier level), assuming that a barrier event occurs (i.e., the closing level of the underlier has decreased below the lower barrier or has increased above the upper barrier on one or more trading days during the measurement period), 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 \$1,000 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 underlier level (expressed as a percentage of the initial underlier level) and the assumptions noted above.

Hypothetical Final Underlier Level (as Percentage of Initial Underlier Level)	Hypothetical Cash Settlement Amount (as Percentage of Face Amount)	
	Barrier Event Has Not Occurred	Barrier Event Has Occurred
200.000%	N/A	103.000%
175.000%	N/A	103.000%
150.000%	N/A	103.000%
125.000%	N/A	103.000%
125.000%	125.000%	103.000%
110.000%	110.000%	103.000%
105.000%	105.000%	103.000%
103.000%	103.000%	103.000%
101.000%	101.000%	103.000%
100.500%	100.500%	103.000%
100.000%	100.000%	103.000%
99.500%	100.500%	103.000%
99.000%	101.000%	103.000%
97.000%	103.000%	103.000%
95.000%	105.000%	103.000%
90.000%	110.000%	103.000%
75.000%	125.000%	103.000%
70.000%	N/A	103.000%
60.000%	N/A	103.000%
50.000%	N/A	