

## Simplify the Asset Allocation Process

### **Goldman Sachs Asset Allocation Portfolios**

*Each of the four asset allocation portfolios is comprised of up to 11 Goldman Sachs Funds. Of these, four are Computer Optimized Research-Enhanced (CORE<sup>SM</sup>) funds, which use quantitative investment strategies as a performance driver.*

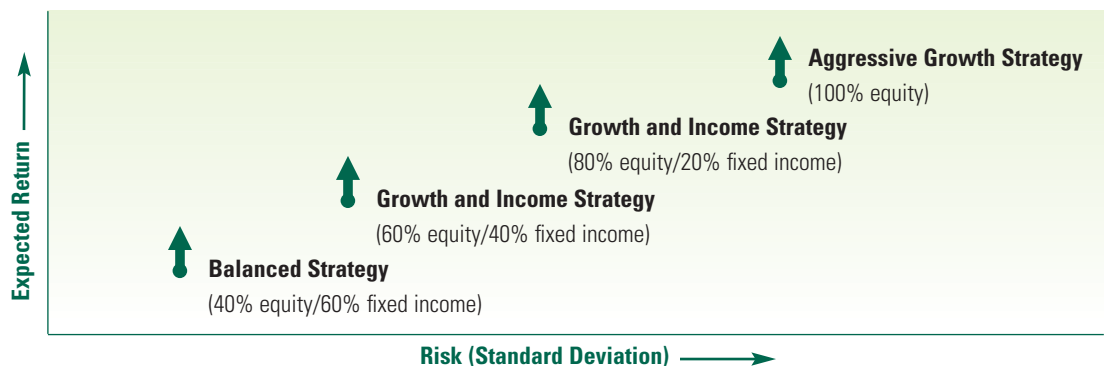
Goldman Sachs continues to keep you on the cutting edge of innovative investment processes by offering these four asset allocation portfolios:

1. Aggressive Growth Strategy
2. Growth Strategy
3. Growth and Income Strategy
4. Balanced Strategy

This suite of portfolios provides a unique opportunity for your clients to take advantage of asset allocation to help them meet their investment goals.

There are several factors that differentiate these portfolios from other lifestyle funds including:

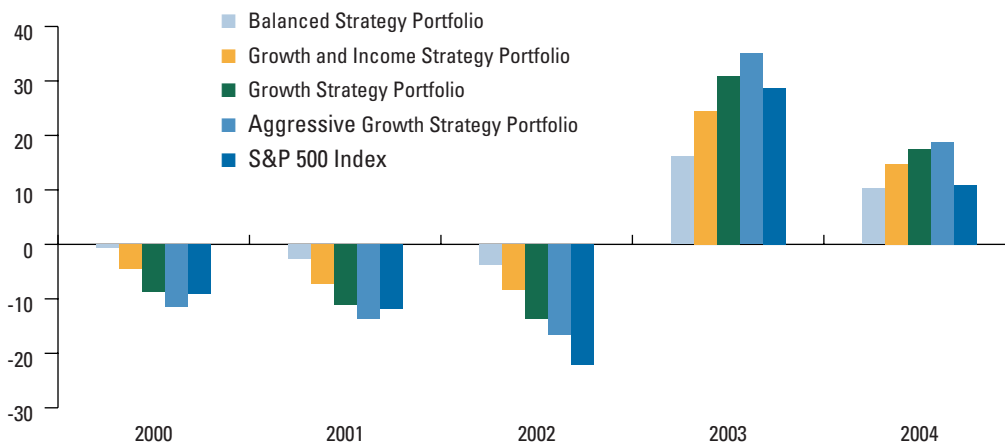
- **Forward-looking tactical reallocations** – To help your clients’ investments potentially benefit from changing market conditions, our Quantitative Strategies team takes a close look at changes in the capital markets and makes informed tactical decisions to allocate assets based on the attractiveness of a variety of investment regions and asset classes. We believe this strategy helps to maximize expected return at varying risk levels.



Percentages represent the approximate allocation of equities and bonds in the portfolio with equities represented by the first number. Goldman Sachs Asset Allocation Portfolios provide a range of risk tolerances represented by four distinct points along the “efficient frontier.” As investment objectives, risk tolerance or time horizon change, an attractive risk/return point may be found within one of these four asset allocation options. The portfolio allocation ranges stated above are subject to change. The strategy ranges and investments in each underlying fund may be changed from time to time, without shareholder approval. These portfolios are investment strategies and there is no guarantee that these investment strategies will work under all market conditions, and each investor should evaluate his or her ability to invest for the long-term, especially during periods of downturn in the market.

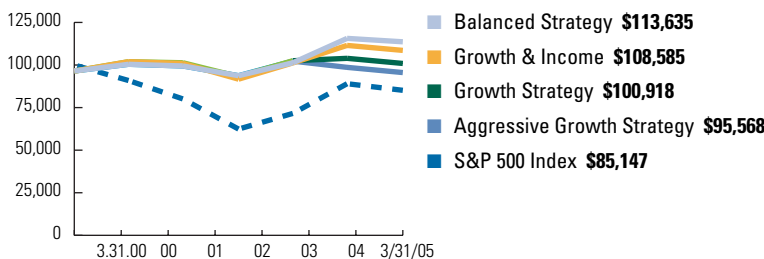
**The investment return and principal value of any fund will fluctuate with changes in market conditions, and investments in the funds involve risks. Therefore, an investor’s shares, when redeemed, may be worth more or less than their original cost.**

- **Cushioning risk against different market climates** – By taking strategic asset allocation one step further into tactical decision-making, each portfolio is potentially better equipped to weather the risks of an ever-changing market environment. For example, in a rising rate environment, these portfolios can potentially reduce exposure to interest rate-sensitive bonds and increase exposure to investments that are least interest-rate sensitive.
- **Professional management** – Forty-two highly-experienced individuals make up the Quantitative Strategies team. The depth and breadth of service further supported by their extensive academic backgrounds and dedication to delivering the performance your clients are looking for, help to enhance this offering.
- **Strong performance** – For seven years and running, the funds in these four portfolios have experienced strong performance in both up and down markets, and as a result, are a great option to offer your clients. The steady rate of return of these portfolios compared with the S&P 500 can be seen in the graph below:



**The returns represent past performance. Past performance does not guarantee future results. The Funds investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. Please visit [www.gs.com](http://www.gs.com) (Client Service/Mutual Funds/US funds) to obtain the most recent month-end returns.**

As you can see, our portfolios consistently outperformed the market, which holds true the old adage, "slow and steady wins the race." We believe this translates to strong long-term results versus the S&P 500 Index for your clients (see below):



**Stay in the race with sound diversification strategies like the Goldman Sachs Asset Allocation Portfolios.**

\*Performance represents cumulative total returns and 3.75% front end sales charge for a \$100,000 investment in Class A shares. Past performance does not guarantee future results.

We believe the Goldman Sachs Asset Allocation Portfolios also make it easier for you to ensure the best diversification strategies for your clients by offering:

- **Convenience** – The portfolios are managed by and automatically rebalanced quarterly by the Goldman Sachs Quantitative Strategies team. As a result, you'll have more time to build your book of business and focus on building client relationships.
- **Variety** – Delivering solutions for every type of investor is one of the major initiatives of these portfolios and as a result, each of the four portfolios has been designed to address differences in time horizons, investment objectives, and risk tolerance.
- **Support** – To help enhance your understanding of the portfolios, marketing material including client profile questionnaires, quarterly investment outlook newsletters, performance reviews, etc. are available for your convenience.

**For more information about the Goldman Sachs Asset Allocation Portfolios, contact your Goldman Sachs Sales Representative at 800-292-4726.**

	<b>Standardized Total Returns (Class A – includes maximum initial sales charge of 5.5% as of 3/31/05)</b>	
<b>Balanced Strategy Portfolio</b>	One Year	-0.03%
A: GIPAX B: GIPBX C: GIPCX	Five Years	2.06
	Since Inception (1.2.98)	3.82
<b>Growth and Income Strategy Portfolio</b>	One Year	2.75%
A: GOIAX B: GOIBX C: GOICX	Five Years	1.29
	Allocation	
	Since Inception (1.2.98)	4.09
<b>Growth Strategy Portfolio</b>	One Year	4.33%
A: GGSAX B: GGSBX C: GGSCX	Five Years	-0.19
	Since Inception (1.2.98)	3.36
<b>Aggressive Growth Strategy Portfolio</b>	One Year	5.10%
A: GAPAX B: GAPBX C: GAXCX	Five Years	-1.27
	Since Inception (1.2.98)	2.85

**The returns represent past performance. Past performance does not guarantee future results. The Funds investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. Please visit [www.gs.com](http://www.gs.com) (Client Service/Mutual Funds/US funds) to obtain the most recent month-end returns.**

**Standardized Total Returns are average annual total returns or cumulative total returns (only if the performance period is one year or less) as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These reflect the maximum sales charge of 5.5% for Class A Shares.**

**Balanced Strategy Portfolio**

The Balanced Strategy Portfolio invests primarily in other Goldman Sachs Funds and is subject to the risk factors of those funds. Some of those risk factors include the price fluctuations of U.S. government securities in response to changes in interest rates; the volatility of investments in the stock market; and currency and political risks of non-US investments.

**Growth and Income Strategy Portfolio**

The Growth and Income Strategy Portfolio invests primarily in other Goldman Sachs Funds and is subject to the risk factors of those funds. Some of those risk factors include the price fluctuations of U.S. government securities in response to changes in interest rates; the credit risk and volatility of high-yield bonds; and the volatility of non-US stocks and bonds and US stocks.

**Growth Strategy Portfolio**

The Growth Strategy Portfolio invests primarily in other Goldman Sachs Funds and is subject to the risk factors of those funds. Some of those risk factors include the volatility of US and non-US equity investments; the credit risk and volatility of high yield bonds; and the political and currency risks of non-US securities.

**Aggressive Growth Strategy Portfolio**

The Aggressive Growth Strategy Portfolio invests primarily in other Goldman Sachs Funds and is subject to the risk factors of those funds. Some of those risk factors include the volatility of US and non-US equity investments; and the political and currency risks of non-US securities, which are particularly significant regarding equities of issuers located in emerging markets.

Asset Allocation Portfolios are subject to underlying fund expenses as well as the expenses of the portfolio, and the cost of this type of investment may be higher than a mutual fund that only invests in stocks and bonds.

Diversification does not protect against market risks and does not guarantee results.

**A prospectus for the Goldman Sachs Asset Allocation Portfolios containing more complete information may be obtained from Goldman, Sachs & Co. by calling 800-762-5035. Before investing for your clients, please consider a fund's objectives, risks, and charges and expenses, and read the prospectus carefully before investing. The prospectus contains this and other information about the Fund.**

CORE<sup>SM</sup> is a registered service mark of Goldman, Sachs & Co.

The S&P 500 Index is the Standard & Poor's 500 Composite Index of 500 stocks, an unmanaged index of common stock prices. The Index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

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05-962 / 1.5K / SP-159 / 05-05