



**GOLDMAN SACHS REPORTS THIRD QUARTER RECORD
EARNINGS PER COMMON SHARE OF \$3.25**

NEW YORK, September 20, 2005 - The Goldman Sachs Group, Inc. (NYSE: GS) today reported net earnings of \$1.62 billion for its fiscal third quarter ended August 26, 2005. Diluted earnings per common share were \$3.25 compared with \$1.74 for the third quarter of 2004 and \$1.71 for the second quarter of 2005. Annualized return on average tangible common shareholders' equity ⁽¹⁾ was 32.0% for the third quarter of 2005 and 26.2% for the first nine months of 2005. Annualized return on average common shareholders' equity was 25.1% for the third quarter of 2005 and 20.7% for the first nine months of 2005.

Business Highlights

- Goldman Sachs achieved its best quarterly results, generating record net revenues, net earnings and diluted earnings per common share.
- The firm currently ranks first in worldwide announced mergers and acquisitions, equity and equity-related offerings and public common stock offerings for the calendar year-to-date. ⁽²⁾
- Investment Banking generated net revenues of \$1.02 billion, its best quarterly performance in four years.
- Fixed Income, Currency and Commodities (FICC) generated record quarterly net revenues of \$2.63 billion, reflecting strength across the franchise.
- Equities produced net revenues of \$1.59 billion, 75% above last year's third quarter, reflecting strong performance across all major businesses.
- Asset Management generated net revenues of \$731 million, 23% above last year's third quarter. Assets under management increased 22% from a year ago to a record \$520 billion, with net asset inflows of \$18 billion during the quarter.
- Securities Services achieved its second best quarter, producing net revenues of \$477 million.

"This quarter's record results reflect the increasing confidence of our corporate and investor clients and the success our people have had in serving their needs," said Henry M. Paulson, Jr., Chairman and Chief Executive Officer. "During the third quarter, we saw increasing activity levels across all of our major businesses and believe overall market conditions support a generally optimistic outlook."

Net Revenues

Investment Banking

Net revenues in Investment Banking were \$1.02 billion, 14% higher than the third quarter of 2004 and 25% higher than the second quarter of 2005. Net revenues in Financial Advisory increased significantly to \$559 million, which was 24% higher than the third quarter of 2004, primarily reflecting an increase in industry-wide completed mergers and acquisitions. Net revenues in the firm's Underwriting business were \$456 million, 4% higher than the third quarter of 2004, reflecting higher net revenues in debt underwriting, primarily due to an increase in investment-grade issuances, partially offset by lower net revenues in equity underwriting. The firm's investment banking backlog decreased during the quarter, but was higher than at the end of 2004.

Trading and Principal Investments

Net revenues in Trading and Principal Investments were \$5.06 billion, 88% higher than the third quarter of 2004 and 80% higher than the second quarter of 2005.

Net revenues in FICC were \$2.63 billion, 41% higher than the third quarter of 2004. The business operated in a favorable environment as credit markets strengthened and customer-driven activity was strong. The increase in net revenues was driven by significantly higher net revenues in credit products as well as currencies. Net revenues were also higher in mortgages, while results in commodities and interest rate products were strong, but lower than the third quarter of 2004.

Net revenues in Equities were \$1.59 billion, 75% higher than the third quarter of 2004, as the business operated in a favorable environment, characterized by strong customer-driven activity and generally higher equity prices. Net revenues were significantly higher in the firm's principal strategies and customer franchise businesses. Results in principal strategies reflected strong performance across all regions and most sectors, while net revenues in the firm's customer franchise businesses reflected improved results in shares, derivatives and convertibles.

Principal Investments recorded net revenues of \$843 million, reflecting a \$498 million gain (as compared with a loss of \$245 million in the third quarter of 2004) related to the firm's investment in the convertible preferred stock of Sumitomo Mitsui Financial Group, Inc. (SMFG) and \$345 million in gains and overrides from other corporate and, to a lesser extent, real estate principal investments.

Asset Management and Securities Services

Net revenues in Asset Management and Securities Services were \$1.21 billion, 28% higher than the third quarter of 2004 and 3% higher than the second quarter of 2005.

Asset Management net revenues were \$731 million, 23% higher than the third quarter of 2004, reflecting higher management fees, driven by growth in assets under management, as well as higher incentive fees. During the quarter, assets under management increased 6%, reflecting net asset inflows of \$18 billion in equity, alternative investment and fixed income assets as well as market appreciation of \$12 billion, primarily in equity assets.

Securities Services net revenues were \$477 million, 38% higher than the third quarter of 2004, as the firm's prime brokerage business continued to generate strong results, primarily reflecting significantly higher global customer balances in securities lending and margin lending.

Expenses

Operating expenses were \$4.88 billion, 51% higher than the third quarter of 2004 and 37% higher than the second quarter of 2005.

Compensation Expenses

Compensation and benefits expenses were \$3.64 billion, 61% higher than the third quarter of 2004, commensurate with higher net revenues. The ratio of compensation and benefits to net revenues was 50.0% for the first nine months of 2005, consistent with the first nine months of 2004.⁽³⁾ Employment levels increased 5% during the quarter and 6% compared with the end of 2004.

Non-Compensation Expenses

Non-compensation expenses were \$1.24 billion, 28% higher than the third quarter of 2004. Other expenses increased primarily due to higher expenses from consolidated entities held for investment purposes and higher levels of business activity. Brokerage, clearing and exchange fees increased due to higher transaction volumes, particularly in FICC. Occupancy expenses were higher primarily due to \$20 million of costs associated with the relocation of office space as well as increased expenses related to consolidated entities held for investment purposes. Professional fees increased primarily due to higher legal fees. Market development costs increased primarily due to higher levels of business activity. Excluding non-compensation expenses related to consolidated entities held for investment purposes⁽⁴⁾, non-compensation expenses were 18% higher than the third quarter of 2004 and 3% higher than the second quarter of 2005.

Provision For Taxes

The effective income tax rate was 31.1% for the first nine months of 2005, up from 29.9% for the first six months of 2005. Excluding the impact of audit settlements in 2005, the effective income tax rate for the first nine months of 2005 would have been 32.9%, essentially unchanged from the first six months of 2005 and up from 31.8% for fiscal year 2004. The increase in the effective tax rate for the first nine months of 2005 compared with fiscal year 2004 was primarily due to lower tax credits and increased state and local taxes in 2005.

Capital

As of August 26, 2005, total capital was \$128.21 billion, consisting of \$26.61 billion in total shareholders' equity (common equity of \$25.86 billion and preferred equity of \$750 million) and \$101.60 billion in long-term debt.⁽⁵⁾ Book value per common share was \$55.39 based on common shares outstanding, including restricted stock units granted to employees with no future service requirements, of 466.8 million at period end. Tangible book value per common share was \$43.67.⁽¹⁾

The firm repurchased 16.3 million shares of its common stock during the quarter at an average price of \$106.76 per share. On September 16, 2005, the Board of Directors of The Goldman Sachs Group, Inc. (the Board) authorized the repurchase of an additional 60.0 million shares of common stock pursuant to the firm's existing share repurchase program. The remaining share authorization under the firm's existing common stock repurchase program, including the newly-authorized amount, is 63.2 million shares.

Dividends

The Board declared a dividend of \$0.25 per common share to be paid on November 21, 2005 to common shareholders of record on October 24, 2005. The Board also declared a dividend of \$288.14 per share of Series A Preferred Stock (represented by depositary shares, each representing a 1/1000th interest in a share of Series A Preferred Stock) to be paid on November 10, 2005 to preferred shareholders of record on October 26, 2005.

Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of services worldwide to a substantial and diversified client base that includes corporations, financial institutions, governments and high net worth individuals. Founded in 1869, it is one of the oldest and largest investment banking firms. The firm is headquartered in New York and maintains offices in London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements." These statements are not historical facts but instead represent only the firm's belief regarding future events, many of which, by their nature, are inherently uncertain and outside of the firm's control. It is possible that the firm's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. For a discussion of some of the risks and important factors that could affect the firm's future results, see "Business – Certain Factors That May Affect Our Business" in Part I, Item 1 of the firm's Annual Report on Form 10-K for the fiscal year ended November 26, 2004.

Statements about the firm's investment banking transaction backlog also may constitute forward-looking statements. Such statements are subject to the risk that the terms of these transactions may be modified or that they may not be completed at all; therefore, the net revenues that the firm expects to earn from these transactions may differ, possibly materially, from those currently expected. Important factors that could result in a modification of the terms of a transaction or a transaction not being completed include, in the case of underwriting transactions, a decline in general economic conditions, volatility in the securities markets generally or an adverse development with respect to the issuer of the securities and, in the case of financial advisory transactions, a decline in the securities markets, an adverse development with respect to a party to the transaction or a failure to obtain a required regulatory approval. For a discussion of other important factors that could adversely affect the firm's investment banking transactions, see "Business – Certain Factors That May Affect Our Business" in Part I, Item 1 of the firm's Annual Report on Form 10-K for the fiscal year ended November 26, 2004.

Conference Call

A conference call to discuss the firm's results, outlook and related matters will be held at 11:00 am (ET). The call will be open to the public. Members of the public who would like to listen to the conference call should dial 1-888-281-7154 (U.S. domestic) and 1-706-679-5627 (international). The number should be dialed at least 10 minutes prior to the start of the conference call. The conference call will also be accessible as an audio webcast through the Investor Relations section of the firm's Web site, http://www.gs.com/our_firm/investor_relations/. There is no charge to access the call. For those unable to listen to the live broadcast, a replay will be available on the firm's Web site or by dialing 1-800-642-1687 (U.S. domestic) or 1-706-645-9291 (international) passcode number 9098839, beginning approximately two hours after the event. Please direct any questions regarding obtaining access to the conference call to Goldman Sachs Investor Relations, via e-mail, at gs-investor-relations@gs.com.

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES
SEGMENT NET REVENUES
(UNAUDITED)
\$ in millions

	Three Months Ended			% Change From	
	Aug. 26, 2005	May 27, 2005	Aug. 27, 2004	May 27, 2005	Aug. 27, 2004
Investment Banking					
Financial Advisory	\$ 559	\$ 386	\$ 451	45 %	24 %
Equity underwriting	199	114	218	75	(9)
Debt underwriting	257	315	221	(18)	16
Total Underwriting	456	429	439	6	4
Total Investment Banking	1,015	815	890	25	14
Trading and Principal Investments					
FICC	2,626	1,519	1,868	73	41
Equities trading	872	372	302	134	189
Equities commissions	721	733	608	(2)	19
Total Equities	1,593	1,105	910	44	75
SMFG	498	73	(245)	N.M.	N.M.
Other corporate and real estate gains and losses	205	107	163	92	26
Overrides	140	9	3	N.M.	N.M.
Total Principal Investments	843	189	(79)	N.M.	N.M.
Total Trading and Principal Investments	5,062	2,813	2,699	80	88
Asset Management and Securities Services					
Asset Management	731	689	596	6	23
Securities Services	477	489	345	(2)	38
Total Asset Management and Securities Services	1,208	1,178	941	3	28
Total net revenues	\$ 7,285	\$ 4,806	\$ 4,530	52	61

	Nine Months Ended		% Change From
	Aug. 26, 2005	Aug. 27, 2004	Aug. 27, 2004
Investment Banking			
Financial Advisory	\$ 1,359	\$ 1,323	3 %
Equity underwriting	499	650	(23)
Debt underwriting	865	633	37
Total Underwriting	1,364	1,283	6
Total Investment Banking	2,723	2,606	4
Trading and Principal Investments			
FICC	6,634	5,863	13
Equities trading	2,073	1,599	30
Equities commissions	2,175	2,049	6
Total Equities	4,248	3,648	16
SMFG	752	517	45
Other corporate and real estate gains and losses	460	330	39
Overrides	164	90	82
Total Principal Investments	1,376	937	47
Total Trading and Principal Investments	12,258	10,448	17
Asset Management and Securities Services			
Asset Management	2,169	1,958	11
Securities Services	1,346	957	41
Total Asset Management and Securities Services	3,515	2,915	21
Total net revenues	\$ 18,496	\$ 15,969	16

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

In millions, except per share amounts and employees

	Three Months Ended			% Change From	
	Aug. 26, 2005	May 27, 2005	Aug. 27, 2004	May 27, 2005	Aug. 27, 2004
Revenues					
Investment banking	\$ 998	\$ 796	\$ 854	25 %	17 %
Trading and principal investments	4,842	2,562	2,424	89	100
Asset management and securities services	772	724	620	7	25
Interest income	5,721	4,867	2,905	18	97
Total revenues	12,333	8,949	6,803	38	81
Interest expense	4,940	4,022	2,156	23	129
Cost of power generation ⁽⁶⁾	108	121	117	(11)	(8)
Revenues, net of interest expense and cost of power generation	7,285	4,806	4,530	52	61
Operating expenses					
Compensation and benefits ⁽³⁾	3,642	2,403	2,269	52	61
Brokerage, clearing and exchange fees	271	274	228	(1)	19
Market development	92	94	76	(2)	21
Communications and technology	124	123	111	1	12
Depreciation and amortization	125	128	117	(2)	7
Amortization of identifiable intangible assets	31	31	31	-	-
Occupancy	200	186	157	8	27
Professional fees	117	109	91	7	29
Other expenses	278	214	157	30	77
Total non-compensation expenses	1,238	1,159	968	7	28
Total operating expenses	4,880	3,562	3,237	37	51
Pre-tax earnings	2,405	1,244	1,293	93	86
Provision for taxes	788	379	414	108	90
Net earnings	1,617	865	879	87	84
Preferred stock dividend	9	-	-	N.M.	N.M.
Net earnings applicable to common shareholders	\$ 1,608	\$ 865	\$ 879	86	83
Earnings per common share					
Basic	\$ 3.40	\$ 1.78	\$ 1.80	91	89
Diluted	3.25	1.71	1.74	90	87
Average common shares outstanding					
Basic	473.3	485.4	489.2	(2)	(3)
Diluted	494.2	506.2	505.0	(2)	(2)
Selected Data					
Employees at period end ^{(7) (8)}	22,032	20,888	20,347	5	8
Ratio of compensation and benefits to net revenues	50.0%	50.0%	50.0% ⁽⁹⁾		

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(UNAUDITED)

In millions, except per share amounts

	Nine Months Ended		% Change From Aug. 27, 2004
	Aug. 26, 2005	Aug. 27, 2004	
Revenues			
Investment banking	\$ 2,667	\$ 2,536	5 %
Trading and principal investments	11,545	9,652	20
Asset management and securities services	2,270	2,036	11
Interest income	14,764	8,160	81
Total revenues	<u>31,246</u>	<u>22,384</u>	<u>40</u>
Interest expense	12,411	6,067	105
Cost of power generation ⁽⁶⁾	339	348	(3)
Revenues, net of interest expense and cost of power generation	<u>18,496</u>	<u>15,969</u>	<u>16</u>
Operating expenses			
Compensation and benefits ⁽³⁾	9,248	8,035	15
Brokerage, clearing and exchange fees	797	713	12
Market development	268	214	25
Communications and technology	365	343	6
Depreciation and amortization	371	373	(1)
Amortization of identifiable intangible assets	93	94	(1)
Occupancy	534	483	11
Professional fees	322	237	36
Other expenses	704	515	37
Total non-compensation expenses	<u>3,454</u>	<u>2,972</u>	<u>16</u>
Total operating expenses	<u>12,702</u>	<u>11,007</u>	<u>15</u>
Pre-tax earnings	5,794	4,962	17
Provision for taxes	1,800	1,603	12
Net earnings	<u>3,994</u>	<u>3,359</u>	<u>19</u>
Preferred stock dividend	9	-	N.M.
Net earnings applicable to common shareholders	<u>\$ 3,985</u>	<u>\$ 3,359</u>	<u>19</u>
Earnings per common share			
Basic	\$ 8.23	\$ 6.86	20
Diluted	7.89	6.56	20
Average common shares outstanding			
Basic	484.3	489.7	(1)
Diluted	505.2	511.8	(1)
Selected Data			
Ratio of compensation and benefits to net revenues	50.0%	50.0% ⁽³⁾	

NON-COMPENSATION EXPENSES

(UNAUDITED)

\$ in millions

	Three Months Ended			% Change From	
	Aug. 26, 2005	May 27, 2005	Aug. 27, 2004	May 27, 2005	Aug. 27, 2004
Non-compensation expenses of consolidated investments ⁽⁴⁾	\$ 100	\$ 49	\$ 6	104 %	N.M. %
Non-compensation expenses excluding consolidated investments					
Brokerage, clearing and exchange fees	271	274	228	(1)	19
Market development	86	90	76	(4)	13
Communications and technology	122	123	111	(1)	10
Depreciation and amortization	114	124	117	(8)	(3)
Amortization of identifiable intangible assets	31	31	31	-	-
Occupancy	186	174	157	7	18
Professional fees	114	108	91	6	25
Other expenses	214	186	151	15	42
Subtotal	1,138	1,110	962	3	18
Total non-compensation expenses, as reported	\$ 1,238	\$ 1,159	\$ 968	7	28

	Nine Months Ended		% Change From
	Aug. 26, 2005	Aug. 27, 2004	Aug. 27, 2004
Non-compensation expenses of consolidated investments ⁽⁴⁾	\$ 164	\$ 14	N.M. %
Non-compensation expenses excluding consolidated investments			
Brokerage, clearing and exchange fees	797	713	12
Market development	258	214	21
Communications and technology	363	343	6
Depreciation and amortization	354	373	(5)
Amortization of identifiable intangible assets	93	94	(1)
Occupancy	508	483	5
Professional fees	318	237	34
Other expenses	599	501	20
Subtotal	3,290	2,958	11
Total non-compensation expenses, as reported	\$ 3,454	\$ 2,972	16

THE GOLDMAN SACHS GROUP, INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA
(UNAUDITED)

Average Daily VaR ⁽⁹⁾
\$ in millions

	Three Months Ended		
	Aug. 26, 2005	May 27, 2005	Aug. 27, 2004
Risk Categories			
Interest rates	\$ 38	\$ 33	\$ 39
Equity prices	40	26	31
Currency rates	19	19	20
Commodity prices	25	24	23
Diversification effect ⁽¹⁰⁾	(46)	(42)	(43)
Total	\$ 76	\$ 60	\$ 70

Assets Under Management ⁽¹¹⁾
\$ in billions

	As of			% Change From	
	Aug. 31, 2005	May 31, 2005	Aug. 31, 2004	May 31, 2005	Aug. 31, 2004
Money markets	\$ 98	\$ 98	\$ 95	- %	3 %
Fixed income and currency	161	153	130	5	24
Equity	150	135	113	11	33
Alternative investments	111	104	88	7	26
Total	\$ 520	\$ 490	\$ 426	6	22

	Three Months Ended		
	Aug. 31, 2005	May 31, 2005	Aug. 31, 2004
Balance, beginning of period	\$ 490	\$ 482	\$ 415
Net asset inflows / (outflows)			
Money markets	-	(1)	3
Fixed income and currency	6	6	3
Equity	6	2	-
Alternative investments	6	3	4
Total net asset inflows / (outflows)	18	10	10
Net market appreciation / (depreciation)	12	(2)	1
Balance, end of period	\$ 520	\$ 490	\$ 426

Principal Investments
\$ in millions

	As of August 26, 2005		
	Corporate	Real Estate	Total
Private	\$ 1,506	\$ 772	\$ 2,278
Public	322	31	353
Subtotal	1,828	803	2,631
SMFG convertible preferred stock ⁽¹²⁾	3,256	-	3,256
Total	\$ 5,084	\$ 803	\$ 5,887

Footnotes

- (1) Tangible common shareholders' equity equals total shareholders' equity less preferred shareholders' equity less goodwill and identifiable intangible assets. Management believes that annualized return on average tangible common shareholders' equity is a meaningful measure of performance because it excludes the portion of the firm's common shareholders' equity attributable to goodwill and identifiable intangible assets. As a result, this calculation measures corporate performance in a manner that treats underlying businesses consistently, whether they were acquired or developed internally. Annualized return on average tangible common shareholders' equity is computed by dividing annualized net earnings applicable to common shareholders by average monthly tangible common shareholders' equity. Tangible book value per common share is computed by dividing tangible common shareholders' equity by the number of common shares outstanding, including restricted stock units granted to employees with no future service requirements. The following table sets forth a reconciliation of total shareholders' equity to tangible common shareholders' equity:

	Average for the		As of
	Nine Months Ended August 26, 2005	Three Months Ended August 26, 2005	August 26, 2005
		(unaudited, \$ in millions)	
Total shareholders' equity	\$ 26,100	\$ 26,405	\$ 26,607
Deduct: Preferred shareholders' equity	(375)	(750)	(750)
Common shareholders' equity	25,725	25,655	25,857
Deduct: Goodwill and identifiable intangible assets	(5,483)	(5,552)	(5,472)
Tangible common shareholders' equity	<u>\$ 20,242</u>	<u>\$ 20,103</u>	<u>\$ 20,385</u>

- (2) Thomson Financial – January 1, 2005 through September 16, 2005.
- (3) Compensation and benefits includes the amortization of employee initial public offering and acquisition awards of \$5 million for each of the three month periods ended August 26, 2005, May 27, 2005 and August 27, 2004, and \$16 million and \$51 million for the nine months ended August 2005 and August 2004, respectively. For the three months and nine months ended August 27, 2004, the ratio of compensation and benefits to net revenues, including the amortization of employee initial public offering and acquisition awards, was 50.1% and 50.3%, respectively.
- (4) Consolidated entities held for investment purposes includes entities that are held strictly for capital appreciation, have a defined exit strategy and are engaged in activities which are not closely related to the firm's principal businesses. For example, these investments include consolidated entities that hold real estate assets such as golf courses and hotels in Asia, but exclude investments in entities which primarily hold financial assets. Management believes that it is meaningful to review non-compensation expenses excluding expenses related to these consolidated entities in order to evaluate trends in non-compensation expenses for the firm's principal business activities.
- (5) Long-term debt includes nonrecourse debt of \$13.97 billion, consisting of \$5.11 billion issued by William Street Funding Corporation (a wholly owned subsidiary of The Goldman Sachs Group, Inc. formed to raise funding to support loan commitments made by another wholly owned William Street entity to investment-grade clients) and \$8.86 billion issued by consolidated variable interest entities and other consolidated entities. Nonrecourse debt is debt that The Goldman Sachs Group, Inc. is not directly or indirectly obligated to repay through a guarantee, general partnership interest or contractual arrangement.
- (6) Cost of power generation includes all of the direct costs of the firm's consolidated power plant operations (e.g., fuel, operations and maintenance) as well as the depreciation and amortization associated with the plants and related contractual assets. Power generation revenues are included in "Trading and principal investments."
- (7) Excludes 1,377, 1,130 and 1,152 employees as of August 2005, May 2005 and August 2004, respectively, of Goldman Sachs' consolidated property management and loan servicing subsidiaries. Compensation and benefits includes \$45 million, \$41 million and \$35 million for the three months ended August 26, 2005, May 27, 2005 and August 27, 2004, respectively, attributable to these subsidiaries, the majority of which is reimbursed to Goldman Sachs by the investment funds for which these companies manage properties and perform loan servicing. Such reimbursements are recorded in net revenues.
- (8) Excludes 7,094, 6,626 and 298 employees as of August 2005, May 2005 and August 2004, respectively, of consolidated entities that are held for investment purposes only. Compensation and benefits includes \$50 million, \$17 million and \$2 million for the three months ended August 26, 2005, May 27, 2005 and August 27, 2004, respectively, attributable to these consolidated entities.
- (9) VaR is the potential loss in value of Goldman Sachs' trading positions due to adverse market movements over a one-day time horizon with a 95% confidence level. The modeling of the risk characteristics of the firm's trading positions involves a number of assumptions and approximations. While management believes that these assumptions and approximations are reasonable, there is no uniform industry methodology for estimating VaR, and different assumptions and/or approximations could produce materially different VaR estimates. For a further discussion of the calculation of VaR, see Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" in the firm's Annual Report on Form 10-K for the fiscal year ended November 26, 2004.
- (10) Equals the difference between total VaR and the sum of the VaRs for the four risk categories. This effect arises because the four market risk categories are not perfectly correlated.
- (11) Substantially all assets under management are valued as of calendar month end.
- (12) Excludes an economic hedge on the unrestricted shares of common stock underlying the investment. As of August 26, 2005, the fair value of this hedge was \$1.08 billion. Includes the impact of foreign exchange revaluation on the investment, for which the firm also maintains an economic hedge.