

# Goldman Sachs Growth Opportunities Fund

## Market Review

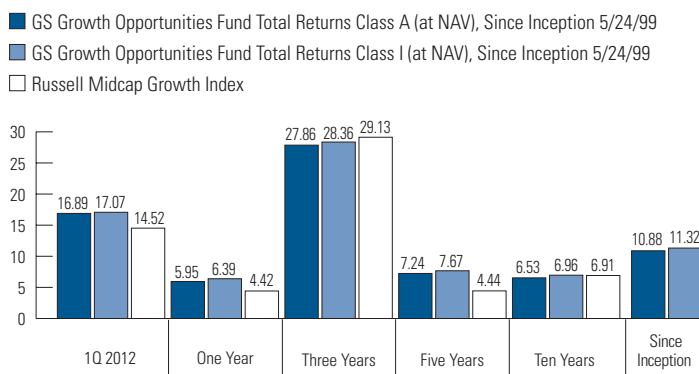
US equities extended their rally in March on increasing conviction that the economy is recovering. The S&P 500 Index rose another 3.3% in March, ending the quarter up 12.6%, its strongest first quarter since 1998. During the quarter, the Dow Jones Industrial Average closed above 13,000 for the first time since May 2008 and the NASDAQ reached a new 11-year high. US equities rose on evidence that the labor market and manufacturing are improving. Lending activity at US banks showed the biggest quarterly increase in four years and the results of the Federal Reserve's stress tests allowed many US banks to implement capital return initiatives. As a result, financial stocks rallied sharply. Better-than-expected earnings reports from several large technology companies led strong gains within the Information Technology sector.

## Portfolio Attribution

The Goldman Sachs Growth Opportunities Fund outperformed its benchmark, the Russell Midcap Growth Index, during the quarter. Positive stock selection in the Information Technology and Energy sectors contributed to relative returns, while weakness in select Industrials and Materials holdings detracted from relative returns.

Data center solutions company Equinix (2.4%) contributed to performance during the quarter. The company reported strong fiscal fourth quarter results and issued a solid outlook for 2012. The company continues to evaluate the potential to convert to a REIT, which would provide tax and valuation benefits. The market has begun to recognize that Equinix is trading at a discount to other data centers that are publicly traded REITs, and appreciate the growth and stability of Equinix's revenue stream. Equinix remains a leader in operating data centers, and we continue to have conviction in the company's ability to drive revenue growth as it benefits from several secular growth drivers, including cloud computing, growth in Internet traffic and enterprise outsourcing, and rising demand for optimized network performance.

## Performance History as of March 31, 2012 (%)



For periods one year or greater, performance is annualized. **The returns represent past performance. Past performance does not guarantee future results. The Fund's investment return and principal value 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.goldmansachsfunds.com](http://www.goldmansachsfunds.com) to obtain the most recent month-end returns.**

**Goldman Sachs Growth Opportunities Fund – Standardized Total Returns for period ended 3/31/12. Reflects a maximum sales charge of 5.5% for Class A shares. Class I shares do not reflect a sales charge.**

	Class A Shares	Class I Shares
One Year	0.15%	6.39%
Five Years	6.04%	7.67%
Ten Years	5.93%	6.96%

**The 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. Class A shares reflect the maximum initial sales charge shown above. Because Institutional shares do not include a sales charge, such a charge is not included in the standardized total returns.**

## Goldman Sachs Growth Opportunities Fund – Expense Ratios

	Current Expense Ratio (net)	Expense Ratio Before Waivers (gross)
Class A Shares	1.35%	1.41%
Class I Shares	0.95%	1.01%

**The expense ratios of the Fund, both current (net of any fee waivers or expense limitations) and before waivers (gross of any fee waivers or expense limitations) are as set forth above. Each Fund's waivers and/or expense limitations will remain in place through at least December 29, 2012, and prior to such date the investment adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.**

Salesforce.com (1.5%) contributed to relative performance after the company posted an upbeat fourth quarter and raised guidance for 2012. Management attributed the results to stronger-than-expected billings growth and a number of large deals that were signed during the quarter, a positive trend that should drive future earnings growth. We believe Salesforce.com is well positioned to benefit from the migration towards cloud computing and should continue to drive adoption growth through its differentiated enterprise cloud solutions.

Quanta Services (1.3%), a company that provides construction and technology services to the telecommunication, natural gas and power industries, detracted from performance during the quarter. The company reported an in-line fourth quarter but 2012 guidance fell below consensus expectations. Despite lowered guidance, we believe that the company should deliver solid top-line growth in 2012 with improved margins as the mix of its gas business shifts toward small gathering systems. We continue to believe the company is well positioned to benefit as the diversified end markets continue to recover and spending increases.

Within the Consumer Discretionary sector, Deckers Outdoor Corporation (1.1%), detracted from relative returns as the company reported disappointing guidance for 2012. Specifically, input costs (sheepskin for Ugg boots) are expected to hurt the company's earnings power during the upcoming year. We believe this is a transitory issue, and the company will again be able to show its full earnings power as we move closer to 2013.

## Portfolio Review

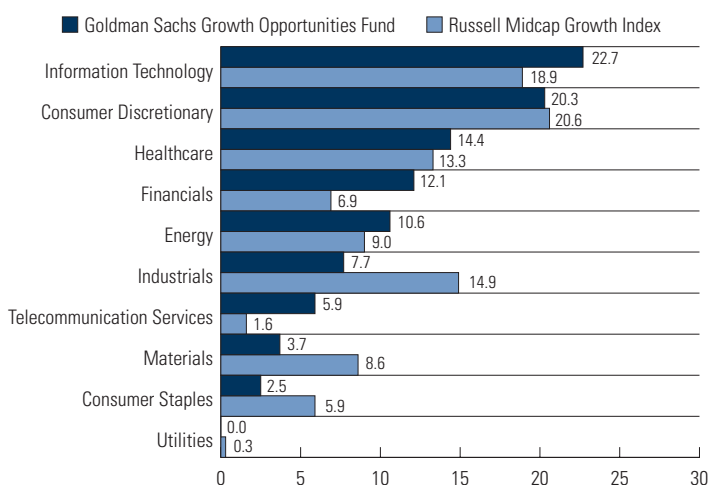
We initiated a position in designer and brand manager company, Deckers Outdoor Corporation (1.1%), during the quarter. The company owns the Ugg brand, which we believe is in the initial stages of transforming into a global lifestyle brand. Furthermore, Deckers' shares trade at a significant discount to its global apparel peers. The company is also in the process of opening its own stores, which we believe will allow them to better showcase their full assortment of products (non-boot footwear, apparel, accessories) and provide long term growth opportunities.

We initiated a position in Edwards Lifesciences (1.0%), a global leader in the science of heart valves and hemodynamic monitoring. The company is a first mover

### Top Ten Holdings (%)

Company	Portfolio
SBA Communications Corp.	2.9
PVH Corp.	2.4
Equinix Inc.	2.4
St Jude Medical Inc.	2.3
CR Bard Inc.	2.3
Urban Outfitters Inc.	2.2
PetSmart Inc.	2.2
Cameron International Corp.	2.1
Whiting Petroleum Corp.	2.1
Amphenol Corp.	2.0

### Sector Weights (%)



Data as of 3/31/12.

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in launching an innovative new medical device technology for transcatheter aortic valve replacement which is the market leader in Europe and has been launched for a certain patient population in the United States. In our view, this new technology has the opportunity to develop into a multi-billion dollar market globally in which Edwards Lifesciences may have the majority share. We believe the combination of its strong business franchise, first-mover advantage and favorable demographic trends will allow the company to maintain its position as a market leader in this space.

We exited our position in Western Union (0.0%) during the quarter. While we still like Western Union's transaction-based business model and free cash flow generation, we

became concerned about its inability to increase organic revenue growth. In addition, the company issued 2012 EPS guidance that fell below expectations. Consequently, we decided to sell out of our position and reallocate the capital to higher conviction names.

We exited our position in Verisk Analytics (0.0%), a leading provider of proprietary risk management services. Shares rose after the company reported solid fourth quarter earnings driven by strength in the Insurance and Healthcare business segments. While we continue to believe Verisk's lower capital intensity, subscription based business model is attractive and Verisk's strong client retention rate provides a barrier to entry, we decided to take advantage of the stock price dislocation as shares gained on the news. As a result, we exited our position in favor of companies with a more attractive risk/return profile.

## Strategy/Outlook

Looking back at 2011, macro concerns and swings in investor sentiment overshadowed the strength of individual company fundamentals. In contrast, 2012 is off to a strong start and proven to be a more favorable environment for active managers. Correlations and volatility have declined from extreme levels, indicating increased differentiation at the stock level, which has provided a conducive environment for our investment style that is focused on individual stock selection. While risks remain given the strains in Europe, rising gas prices, a soft landing in China, hiccups in US economic data, and political uncertainty, we are cautiously optimistic on the US equity market going forward. Company fundamentals remain strong as well-capitalized businesses have over \$1 trillion of cash on their balance sheets (excluding Financials) and are continuing to redeploy cash, signaling managements' confidence in the economy. Equity valuations remain reasonable despite a strong run in the first quarter, and the asset class continues to be under-owned.

While one quarter is undoubtedly a short time period, we are encouraged by the Fund's recent performance, are excited about our prospects going forward, and believe we are well-positioned for a stock-pickers market. We remain disciplined in investing in businesses that have strong fundamentals that will enable them to increase market share and expand margins. We continue to identify high-quality companies that are led by effective management teams, generate substantial free cash flow, have strong

### Top/bottom contributors to return

Top 10	Gross Return (%)	Contribution (bps)
Equinix Inc.	55.3	58
salesforce.com Inc.	52.3	52
Coinstar Inc.	39.2	33
VeriFone Systems Inc.	46.0	32
RealD Inc.	70.0	30
Amphenol Corp. Cl A	31.9	28
PVH Corp.	26.8	27
St. Jude Medical Inc.	29.9	26
CBRE Group Inc.	31.1	23
Amylin Pharmaceuticals Inc.	60.7	23

Bottom 10	Gross Return (%)	Contribution (bps)
Deckers Outdoor Corp.	-28.7	-31
Quanta Services Inc.	-3.0	-26
Dril-Quip Inc.	-1.2	-25
DigitalGlobe Inc.	-21.8	-20
Global Payments Inc.	0.3	-20
CareFusion Corp.	2.0	-20
Groupon Inc.	-10.9	-13
TreeHouse Foods Inc.	-9.0	-13
First Republic Bank	7.6	-12
Western Union Co.	-2.5	-12

#### Past performance does not guarantee future results.

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balance sheets, can sustain earnings growth through their competitive advantages, and are trading at attractive valuations. Looking forward in 2012, we believe that the US recovery will continue to slowly unfold and that we are well positioned given the balance in the Fund.

The Growth Opportunities Fund invests in U.S. equity investments with a primary focus on mid-cap companies. The Fund is subject to market risk so that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular industry sectors and/or general economic conditions. The securities of mid-capitalization companies involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements.

The Fund may invest in foreign securities, which may be more volatile and less liquid than investment in U.S. securities and will be subject to the risks of currency fluctuations and sudden economic or political developments. At times, the Fund may be unable to sell certain of its portfolio securities without a substantial drop in price, if at all.

The Fund may participate in the Initial Public Offering (IPO) market, and a portion of the Fund's returns consequently may be attributable to its investment in IPOs. The market value of IPO shares may fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, and the small number of shares available for trading and limited information about the issuer. When a fund's asset base is small, IPOs may have a magnified impact on the fund's performance. As a fund's assets grow, it is probable that the effect of the fund's investment in IPOs on its total returns may not be as significant, which could reduce the fund's performance.

**A summary prospectus, if available, or a Prospectus for the Fund containing more information may be obtained from your authorized dealer or from Goldman, Sachs & Co. by calling 1-800-526-7384 (Institutional: 1-800-621-2550). Please consider a fund's objectives, risks, and charges and expenses, and read the summary prospectus, if available, and the Prospectus carefully before investing. The summary prospectus, if available, and the Prospectus contains this and other information about the Fund.**

#### **General Disclosures**

The Russell Midcap Growth Index measures the performance of the mid-cap growth segment of the U.S. equity universe. It includes those Russell Midcap Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. The Index is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap growth market. It is not possible to invest directly in an unmanaged index.

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

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The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

The NASDAQ Composite is a market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange.

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