

# Goldman Sachs BRIC Fund



*Ten years ago in 2001,  
Goldman Sachs labeled Brazil,  
Russia, India and China as the  
BRIC economies. Today, these four  
economic powerhouses are a global  
phenomenon and a potential driver  
for your portfolio.*

---

Class A: GBAX  
Class C: GBRCX  
Class I: GBRIX

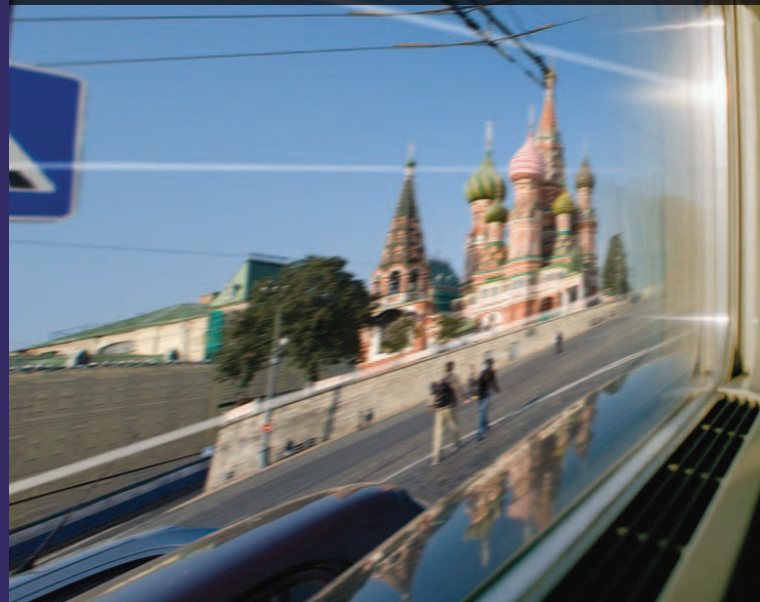


**Asset  
Management**

BRAZIL—Population 193 Million, GDP: \$2.1 Trillion\*



RUSSIA—Population 143 Million, GDP: \$1.5 Trillion\*



## BRIC—Created and Coined by Goldman Sachs in 2001

In 2001, Goldman Sachs created and coined the term BRIC—Brazil, Russia, India and China—to identify the world's fastest growing economies. Countries that, we believe, are our next global leaders. Our latest forecasts illustrate their anticipated momentum as key drivers of global economic recovery, to potentially become four of the world's top six economies by 2030.

\* Source: International Monetary Fund 2010 data.



INDIA—Population 1.1 Billion, GDP: \$1.6 Trillion\*



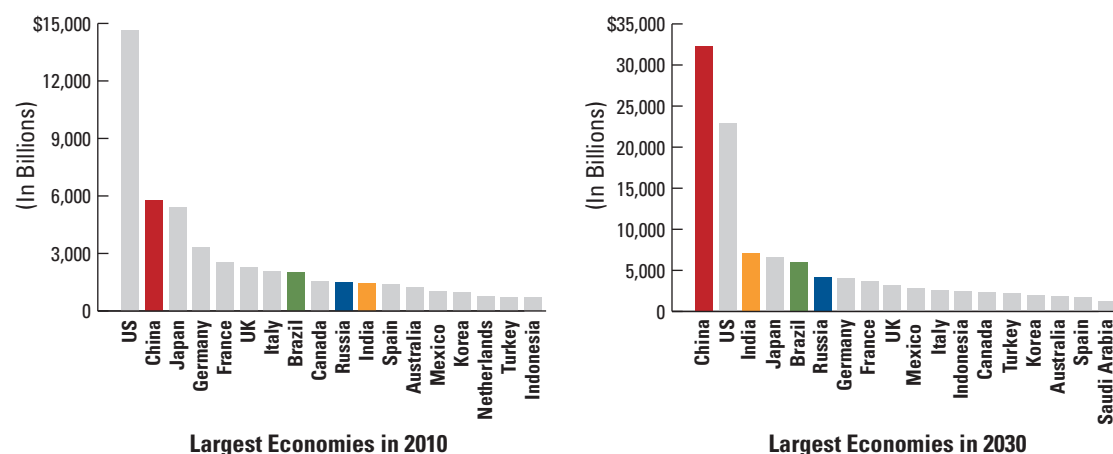
CHINA—Population 1.3 Billion, Largest population in the world; GDP: \$5.9 Trillion\*

## The Largest Economies by 2030

By 2030, all four of the BRIC countries could be among the six largest global economies. These are conservative projections—they do not assume the rapid growth rates seen in these countries in recent years.

### The BRIC economies could become four of the top six largest economies by 2030

Largest Economies by Gross Domestic Product (GDP) US\$



Source: Goldman Sachs Global Investment Research. Based on 2009 and 2032 GDP estimates in US\$

**For illustrative purposes only.** The economic and market forecasts presented herein have been generated by Goldman, Sachs & Co. for informational purposes as of the date of this presentation. They are based on proprietary models and there can be no assurance that the forecasts will be achieved. Please see additional disclosures at the end of this presentation.

BRIC countries offer young populations, rapidly expanding domestic markets, and economies that are growing at a significantly faster rate than most G7 countries. We believe BRIC countries will be capable of generating much higher growth over the long-term compared to today's developed world.

However, it is important to note that the securities markets of these countries and other emerging countries are volatile, less liquid and are subject to substantial currency fluctuations and sudden economic and political developments. The securities markets of emerging countries have less government regulation and are subject to less extensive accounting and financial reporting requirements than the markets of more developed countries.

## Factors Driving Growth

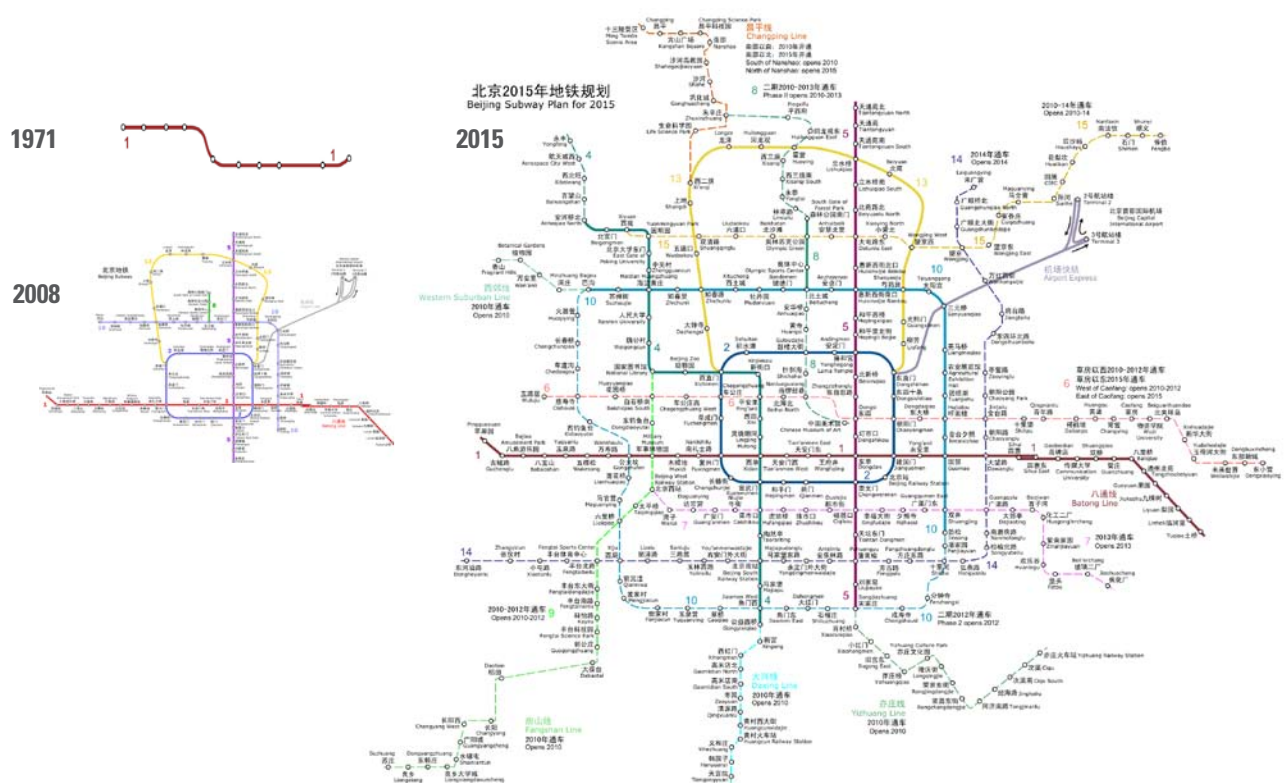
### When the world's largest economies catch a cold, does the rest of the world cough?

While the recent economic downturn—and its lingering effects—had similar impact to developed and emerging markets, the results were markedly different on the way up. Major emerging economies fared better than most developed ones during the recovery for several reasons.<sup>1</sup>

## More People, More Goods, More Products

There are 6.8 billion people in the world and 42 percent currently live in the BRIC countries. We believe the middle class is rising in BRIC countries and estimate 2 billion will join it by 2030.<sup>1</sup> As household incomes rise, so do sales on discretionary items such as automobiles and cellular phones. In August 2009, China passed the US as the world's single largest car market and it is believed that India will surpass China in the next few decades.<sup>1</sup> Among the BRIC countries, China and India show the greatest increase in demand and consumption, while Russia followed by Brazil reflect higher levels of wealth. Brazil is benefiting from favorable credit trends and its industrial production has reached a 10-year high in year-over-year growth.<sup>2</sup> These are just a few reasons why we expect consumption to continue increase and be a consistent theme for years to come. We believe consumption in emerging markets will spur powerful growth trends that will surpass developed markets. We believe companies positioned to meet escalating demand for discretionary products in BRIC countries are the most attractive investments.<sup>1</sup>

**The Beijing subway will add 349 miles by 2015, making it four times larger than the Berlin underground and the London tube.**



Source: Wikimedia Commons.

## Need More Roads, More Trains and More Power

As populations and demand increase, they also add stress to a country's infrastructure. A country must invest in building and maintaining roads, bridges and highways in order to advance economically. During the recent economic downturn, many countries turned to stimulus and recovery plans that accelerated infrastructure spending and boosted employment. China led the pack with a \$600 billion stimulus package or 6% of its Gross Domestic Product for 2009.

It is also estimated that India requires \$1.7 trillion investment over the next decade to meet its growing infrastructure needs.<sup>3</sup> Although Bangalore has a new state-of-the-art airport, the 21-mile ride from the business district can take more than 90 minutes. After the May 2009 elections the government set a target of building 20km of highway per day over the next five years.<sup>4</sup>

Brazil also must invest heavily in infrastructure ahead of the 2014 World Cup and 2016 Olympic games.<sup>1</sup> The Brazilian government is increasing infrastructure investments by more than 50% in the next 5 years, while private sector infrastructure investment is expected to reach \$50 billion by 2012.<sup>5</sup> Infrastructure spending should play a dominant role in all four BRIC countries for years to come.<sup>4</sup>

## Environment Ripe for Intra-BRIC Trade

BRIC countries play a pivotal role in the global economy. Trade among the BRIC countries has increased rapidly over the past decade offering greater counter-cyclical growth. Brazil produces one-third of world's iron ore, while China is the largest consumer of base metals in the world. Russia exports a third of the world's natural gas, while India imports a fourth of its oil.

This offers a virtuous supply-and-demand equation, where Brazil and Russia supply natural resources required by the urbanization and industrial demand in India and China. Intra-BRIC trading has risen to more than 122% from 2000-2009.<sup>6</sup>

It makes sense to address Brazil, Russia, India and China together. India and China are driving unprecedented demand for the commodity and energy exports supplied by Russia and Brazil. China and India, with large, increasingly urban populations, are both in the midst of their own industrial revolutions, igniting the Brazilian and Russian economies in a demand and supply cycle for natural resources. Together, BRIC countries are viewed as engines of global growth.

1 Goldman Sachs, Global ECS Research: The BRICS Nifty 50: The EM & DM Winners, 11/2009

2 White Paper: Building a Portfolio Brick by BRIC, Goldman Sachs Asset Management

3 Global Economics Paper 187: India Can Afford Its Massive Infrastructure Needs. September 16, 2009

4 GSAM Strategic Research: India Revisited. March 2010

5 Brazil Ministry of Development, Industry and Trade and private sector data from Exame.

6 Goldman Sachs Research

# Goldman Sachs BRIC Fund

Invest in the world's fastest growing markets

## BRIC, a Goldman Sachs Concept

Goldman Sachs Asset Management continues to benefit from the unique knowledge and analysis of the Goldman Sachs Global ECS Research that created and coined the BRIC term in 2001.

## Local Presence

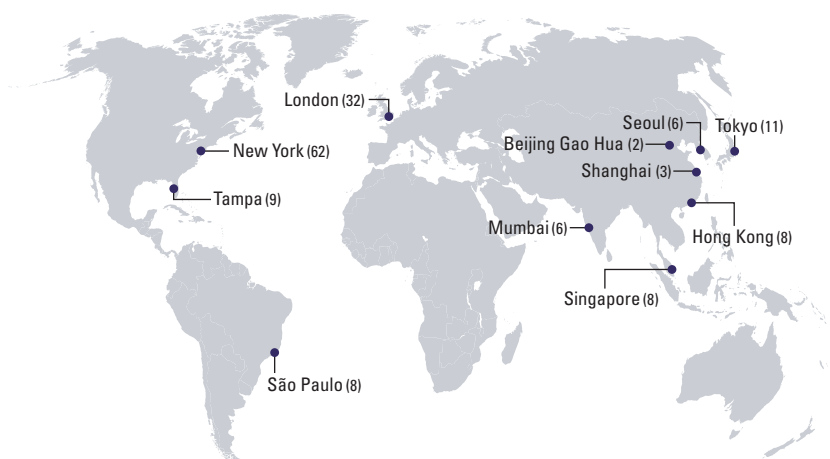
Our Global Emerging Markets Equity team, with more than 30 experienced investment professionals, is located in London, Hong Kong, Mumbai, São Paulo, Seoul, Shanghai, Beijing Gao Hua and Singapore. This on-the-ground research presence allows the team to generate strong and compelling investment ideas through a keener understanding of the language and local customs, greater and more frequent access to corporate management, and immediate access to local capital markets and news flow.

## Actively Managed, Bottom-Up Stock Picking

Our Global Emerging Markets Equity team forms part of GSAM's broader Fundamental Equity research network, enabling our research analysts to gain insights into developed-market competitors, customers and suppliers. They also benefit from the country and currency expertise of our Global Emerging Markets Debt and Currency teams.

**Through a time-tested investment philosophy and rigorous investment process, our team seeks to harness the potential of some of the world's most dynamic markets, providing investors the opportunity to invest now in the economic powerhouses of the future.**

### Local Presence, Global Perspective



### BRIC Equity Investment Committee

**Gabriella Antici** (Brazil)\*

**Maria Elena Drew** (Russia)

**Prashant Khemka** (India)

**Alina Chiew** (China)\*

\*Investment Committee Co-Chairs

#### Fund Facts

Class A GBRAX

Class C GBRCX

Class I GBRIX

Style: Core

Capitalization: All Cap

Range of Holdings: 50-75



## BRIC by the Numbers\*

- China could become as big as the US by 2027—in less than 18 years.
- The BRIC countries could rival the G7 by 2030—seven years earlier than originally forecasted.
- From 2000 to 2008, the BRIC countries contributed almost 30% to global growth (USD), compared to approximately 16% in the previous decade.
- Since the start of the financial crisis in 2007, more than half of global growth has come from the BRIC countries, up from approximately 20% in the first six years of the decade.
- Long-term projections suggest that the BRIC countries could account for almost 50% of global market capitalization by 2050.
- BRIC economies will likely account for more than 70% of global car sales growth in the next decade, with China expected to account for almost 42% of this increase.

\*As of December 2009, Goldman Sachs, Global Economics Paper No: 192.

Invest in the world's fastest growing markets—invest in the Goldman Sachs BRIC Fund.



## Goldman Sachs Asset Management offers lasting solutions for your portfolio that capitalize on three core strengths:

**Insight.** Local presence in 30 cities worldwide enables continuous sourcing of leading investment ideas.

**Ability.** With expertise in up and down markets across 20 global asset classes, our teams offer the skill and scope necessary to invest wisely in complex markets.

**Responsibility.** Our deep-rooted commitment to risk management and our culture of accountability result in confidence that investor interests always come first.

## Talk to your financial advisor today. Ask how Goldman Sachs Funds can help build a foundation for your portfolio.

<sup>1</sup> As of December 2010

Goldman Sachs BRIC Fund invests primarily in equity investments in Brazil, Russia, India and China or in issuers that substantially participate in these markets and 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 markets of these countries and other emerging countries are volatile, less liquid and are subject to substantial currency fluctuations and sudden economic and political developments. The securities markets of emerging countries have less government regulation and are subject to less extensive accounting and financial reporting requirements than the markets of more developed countries. 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 is also subject to the risk of the concentration of investments in issuers located in a particular country or region which may be susceptible to adverse securities markets, exchange rates and social, political, regulatory or economic events which may occur in that country or region.

**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. 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.**

Economic and market forecasts presented herein reflect our judgment as of the date of this presentation and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Goldman Sachs has no obligation to provide updates or changes to these forecasts. Case studies and examples are for illustrative purposes only.

Opinions expressed are current opinions as of the date appearing in this material only. No part of this material may, without GSAM's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

**NOT FDIC-INSURED**

**May Lose Value**

**No Bank Guarantee**