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Strategy Description and Objective

The Goldman Sachs EFi Long Short Risk Premia Portfolio offers an allocation to five carefully selected equity factors: Low Beta, Size, Value, Momentum and Quality. It is constructed to deliver diversified exposure, reflecting the interdependencies between the factors, while targeting a beta neutral portfolio.

The Goldman Sachs EFi Long Short Risk Premia Portfolio factors are supported by academic research, measurable using publicly available data and accessible via a liquid, long/short strategy. Although each factor has generated positive returns over the long term, the performance may vary greatly across market cycle and different factors perform well at different times. The Index methodology takes these differences into account to target consistent performance.

The long portfolio is country, region and sector neutral with a beta to the equity universe, in this case the MSCI World Index, that is less than 1. The short portfolio is simply the MSCI World Index, adjusted for this beta exposure, thereby creating a beta-neutralized long short strategy, which may be levered depending on the final investment format.

Goldman Sachs EFi Long Short Risk Premia Portfolio

- Broad, global equity long/short portfolio
- Diversified exposure across equity risk premia
- Based on academic research, systematic and transparent
- Efficient beta-neutral portfolio construction
- Available in a range of leverage levels

The Fund gets exposure to the strategy by entering into a swap with GSI. The investor's proceeds are invested in a portfolio of short-dated US Treasury Bills.

Simulated and Realised Performance (Net of Fees as shown in the Fund Characteristics)

Risk and Return Characteristics

	Class Z (USD) - 3xs leverage	MSCI Daily TR Net World USD
Return		
MTD	0.8%	-0.9%
QTD	-1.6%	6.5%
YTD	1.9%	-0.2%
Last 1Y	1.9%	-0.2%
Last 3Y Annualised	N/A	N/A
Realised Period ⁵ (12 Nov 14 – 30 Dec 15)		
Annual Return	3.6%	0.4%
Volatility	5.8%	13.3%
Sharpe Ratio ⁴	0.53	-0.09
Sortino Ratio	0.73	-0.15
% Positive Months	76.9%	38.5%
Worst month	-3.3%	-5.9%
Maximum Drawdown	-6.5%	-13.7%
Correlation to MSCI World	-0.39	-0.39

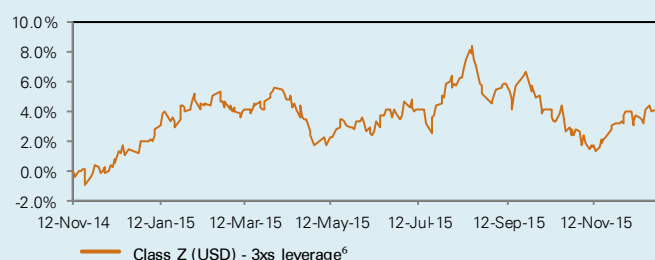
Fund Characteristics

Strategy:	Equity	Strategy launch date:	17-Jan-13
Benchmark:	None		
Launch Date: - of the Fund:	10-Nov-14	of the Share Class:	12-Nov-14
AUM (USD m) - of the Fund:	292.91	of the Share Class:	70.35
NAV of Share Class (USD):	10.40		
Fund Base Currency:	USD	Min. Initial Inv. (USD):	15,000,000
Fund Domicile:	Luxembourg	Min. Holding (USD):	15,000,000
UCITS Compliant:	Yes	Min. Subsequent Inv.(USD):	1,000
Investment Admin. Fee p.a:	0.20%	Liquidity: ¹	Daily
Distributing	No	Valuation Day: ¹	Daily
Swap Fee p.a:	0.00%	Settlement Day: ²	T+3
Other expenses (capped) p.a:	0.25%	Cut-Off Time: ³	16:00 CET T-1
ISIN Code:	LU1137511181	Bloomberg Ticker:	GSERZ3U LX Equity

Strategy Performance (01 Jan 13 – 30 Dec 15)



Fund Performance (12 Nov 14 – 30 Dec 15)



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¹ Every business day. ² Valuation Day + 3 Local Business Days, Business Day and Local Business Day shall have the same meaning as defined under section "General Portfolio Characteristics" in the Supplement of the fund. ³ Every Luxembourg and London business day before 4pm CET Luxembourg. ⁴ Using 1m LIBOR of relevant currency. ⁵ Performance annualised if period is greater than one year, not annualised if period is less than one year. Sharpe/Information Ratio, Sortino Ratio, Volatility and Correlation applicable only if period is greater than one year. ⁶ The performance of the GS Equity Risk Premia Long/Short Strategy Total Return and the fund may differ as a result of various factors (including fees, expenses, swing pricing). Please contact GS for further information.

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Monthly Commentary

December performance was positive with the fund up over the month. Over the same period MSCI World Net TR Index was down -1.76%.

From a factor perspective, the month's performance was driven by Low Beta, with a strong positive contribution, and by Momentum, which had a positive contribution. Size contributed negatively, while Quality and Value both contributed slightly positive.

The positive performance over the year was driven mainly by Low Beta and Momentum, with Quality being only slightly positive. Value and Size contributed negatively with Size being the largest negative contributor. The underperformance from Size was the result of a significant drawdown over the 2nd half of the year, which, over a rolling return basis, was the largest drawdown after the Financial and European crises. The positive performance from Low Beta can almost be entirely explained by the European Low Beta factor, which performed well in a falling rates environment.

Simulated and Realised¹ Performance (Net of Fees as shown in the Fund Characteristics)

Year	Return (%)	Volatility (%)	Sharpe Ratio	Total Returns ²											
				Return											
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	11.3	8.5	1.31	2.9	3.5	3.9	0.7	-4.9	1.2	1.5	-1.8	2.5	1.1	-0.6	1.2
2014	11.2	6.4	1.71	2.1	2.7	0.6	-2.0	1.6	2.3	-2.1	2.1	-2.0	2.6	1.2	1.6
2015	1.9	5.9	0.30	2.0	0.5	0.6	-3.3	1.6	0.4	2.0	-0.8	0.7	-2.8	0.4	0.8
Cumulative-Annualised	8.1	6.9	1.14												
Realised Performance															

Treasury Bill Basket (Asset Portfolio)

ISIN	Maturity	Nominal	Currency	Price at month end
US912796FP91 Govt	07-01-16	31,760,000.00	USD	99.9999
US912796GY99 Govt	21-01-16	35,740,000.00	USD	99.9972
US912796GZ64 Govt	28-01-16	23,340,000.00	USD	99.9944
US912796FV69 Govt	04-02-16	21,490,000.00	USD	99.9920
US912796HB87 Govt	11-02-16	30,490,000.00	USD	99.9880
US912796HC60 Govt	18-02-16	28,700,000.00	USD	99.9860
US912796HD44 Govt	25-02-16	36,250,000.00	USD	99.9872
US912796FZ73 Govt	03-03-16	36,760,000.00	USD	99.9838
US912796HF91 Govt	10-03-16	18,420,000.00	USD	99.9825
US912796HG74 Govt	17-03-16	21,750,000.00	USD	99.9840

Asset Portfolio Monthly Return	0.0193%
Asset Portfolio Average Duration	0.1102
Asset Portfolio Average Turnover	11.6961%

¹ This table/chart contains simulated past performance data for the period from 01-Jan-13 to 12-Nov-14. The Goldman Sachs EFI Long Short Risk Premia Portfolio's share class specified above became live 12-Nov-14. GSI provides no assurance or guarantee that the product will operate or would have operated in the past in a manner consistent with these materials and analysis. Simulated data does not reflect actual trading and has inherent limitations. Past and simulated is not indicative of future results. Please refer to the sections entitled "IMPORTANT INVESTOR DISCLOSURE" and "Principal Risks of Investing in the Portfolio" in the Supplement relating to the Goldman Sachs EFI Long Short Risk Premia Portfolio. Past performance figures are not a reliable indicator of future results. ² Performance annualised if period is greater than one year, not annualised if period is less than one year. Sharpe/Information Ratio and Volatility applicable only if period is greater than one year.

Source: Goldman Sachs



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Risk Disclosures

Conflict of interests: Goldman Sachs performs several roles in connection with the Portfolio. Although Goldman Sachs will perform its obligations in good faith and a commercially reasonable manner, Goldman Sachs may face conflicts between those roles and its own interests.

Counterparty risk: The ability of the Portfolio to meet its obligations to investors will depend on the receipt by it of payments owed to the Portfolio by Goldman Sachs International under the Swap Agreement and the Reverse Repurchase Agreement. As a result, the Portfolio will be exposed to the creditworthiness of Goldman Sachs International.

Not principal protected: The Shares in the Portfolio are not principal protected and hence investors can potentially lose the full notional of investment.

No Assurance: No assurance can be given that the methodology underlying the index will be successful in producing positive returns or that the index will outperform any other investment strategy.

No active management: There will be no active management of the Strategy so as to enhance returns beyond those embedded in the strategy.

Optimisation: The Reference Index uses a specific software package and the data contained therein in order to calculate the weights of the component stocks. There is no guarantee that the software package will determine the optimal set of weights and it is possible that there exist alternative sets of weights that satisfy the relevant constraints.

Synthetic exposure: A notional investment in the Reference Index does not constitute a direct or indirect purchase or other acquisition or assignment of any interest in any component stock. The notional investment exposure provided by the Reference Index is purely synthetic.

Unpredictable changes in Reference Index: It is possible that the methodology used to calculate the Reference Index or the formulae underlying the Reference Index could change and such change may result in a decrease in the performance of the Reference Index. Additionally, the Reference Index may be permanently cancelled at any time. Such cancellation may have a materially adverse effect on any linked investments or transactions.

Reliance on Third Parties: Goldman Sachs relies on third parties and other external and internal data sources which may be inaccessible and/or inaccurate, and the inputs used by them to run the Index calculations may affect the value of the Index. Termination of the appointment of such third parties for any reason is likely that the performance of the Strategy will be impaired, possibly permanently.

Disruption Event: The strategy may be subject to a disruption event.

Currency risk: Some of the component stocks may be denominated in currencies other than the Reference Index currency. The exposure of these component stocks to currency changes will depend on the extent to which such currencies strengthen or weaken against the Reference Index currency and the relative weighting of such stocks.

Costs: The amount of deductions to the value of the Strategy is linked to the magnitude and frequency of changes to the number of shares of the Component Stock. Deductions representing transaction costs may therefore be significant if there is a high turnover of stocks in the basket and the change in weights on a rebalancing day is large. Under certain market conditions, Goldman Sachs may determine to increase significantly the costs that are deducted from the strategy. This could materially adversely affect the performance and value of the strategy.

Beta Neutral and Leverage: The Strategy takes a long position in the Long Asset and a short position in the Short Asset. This long/short position is intended to extract the performance of the Long Asset while decreasing the effect of the general market performance as represented by the Short Asset. This may have the effect that the Strategy will not benefit from increase in equity market levels generally. In order to provide investors with enhanced portfolio volatility (with the aim of enhancing returns), the long/short position is sized so that the share class provides a 3xs exposure to the Strategy. This means that investors will have increased exposure to the performance (positive or negative) of the Strategy.



Additional Information

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