



**Asset
Management**

Goldman Sachs Small Cap Equity Insights Fund

Goldman Sachs Small Cap Growth Insights Fund

Factor Attribution 4Q 2016

The Goldman Sachs Small Cap Equity Insights Fund invests primarily in a broadly diversified portfolio of equity investments in small-capitalization U.S. issuers, including foreign issuers traded in the United States. The Fund's equity investments will be subject to **market risk**, which means that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular sectors and/or general economic conditions. The securities of **mid- and small-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 Investment Adviser's **use of quantitative models** to execute the Fund's investment strategy may fail to produce the intended result. **Different investment styles** (e.g., "quantitative") tend to shift in and out of favor, and at times the Fund may underperform other funds that invest in similar asset classes. The Fund may have a **high rate of portfolio turnover**, which involves correspondingly greater expenses which must be borne by the Fund, and is also likely to result in short-term capital gains taxable to shareholders.

The Goldman Sachs Small Cap Growth Insights Fund invests primarily in a broadly diversified portfolio of equity investments in small-capitalization U.S. issuers, including foreign issuers that are traded in the U.S. The Fund's equity investments are subject to **market risk**, which means that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular sectors and/or general economic conditions. The securities of **mid- and small-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 Investment Adviser's **use of quantitative models** to execute the Fund's investment strategy may fail to produce the intended result. **Different investment styles** (e.g., "quantitative" and "growth") tend to shift in and out of favor, and at times the Fund may underperform other funds that invest in similar asset classes. The Fund may have a **high rate of portfolio turnover**, which involves correspondingly greater expenses which must be borne by the Fund, and is also likely to result in short-term capital gains taxable to shareholders.



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GS Small Cap Equity Insights Fund

GS Small Cap Equity Insights Fund

Performance as of December 31, 2016 (I-share class)



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	Net Rate of Return (%)	Russell 2000 Benchmark (%)	Net Excess Return (bps)
QTD	9.70	8.83	87
1-Year	22.45	21.24	121
3-Year	8.89	6.74	215
5-Year	14.52	14.44	8
10-Year	6.09	7.06	-98

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.gsamfunds.com to obtain the most recent month-end returns.

The net expense ratio for the Goldman Sachs Small Cap Equity Insights Fund- I shares is 84 basis points as of the Prospectus, dated February 26, 2016. Gross expense ratio is 105 bps.

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. Pursuant to a contractual arrangement, the Fund's waivers and/or expense limitations will remain in place through at least 2/26/2017, and prior to such date the investment adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.

The performance inception date for the GS Small Cap Equity Insights Fund: I-Share Class is August 15, 1997.

Performance reflects cumulative total returns for periods of less than one year and average annual total returns for periods of greater than one year. Since inception returns for periods of less than one year are cumulative. All Fund performance data reflect the reinvestment of distributions. Please note that a fair valuation calculation is applied when determining the performance of the Fund. Certain Goldman Sachs Funds may employ daily fair value pricing with respect to securities held by a Fund that trade on exchanges outside the United States to the extent that adequate information is available to determine a fair value adjustment. The fair value prices are supplied by an independent fair value service in accordance with the fair value procedures approved by the Trustees of the Goldman Sachs Trust. In addition, Goldman Sachs may (but need not) determine to make an adjustment to the prices of either domestic or foreign securities in light of significant events, to reflect what it believes to be the fair value of the securities at the time of determining a Fund's NAV. Standardized Total Returns can be found on the following page.

GS Small Cap Equity Insights Fund

Standardized total returns as December 31, 2016 (I-share class)



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Standardized Total Returns (annualized) as of 12.31.16

	Inception Date	1-Year	3-Year	5-Year	10-Year	Since Inception
I-Share Class	15-Aug-97	22.45	8.89	-14.52	6.09	7.41

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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. Because Institutional Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

GS Small Cap Equity Insights Fund



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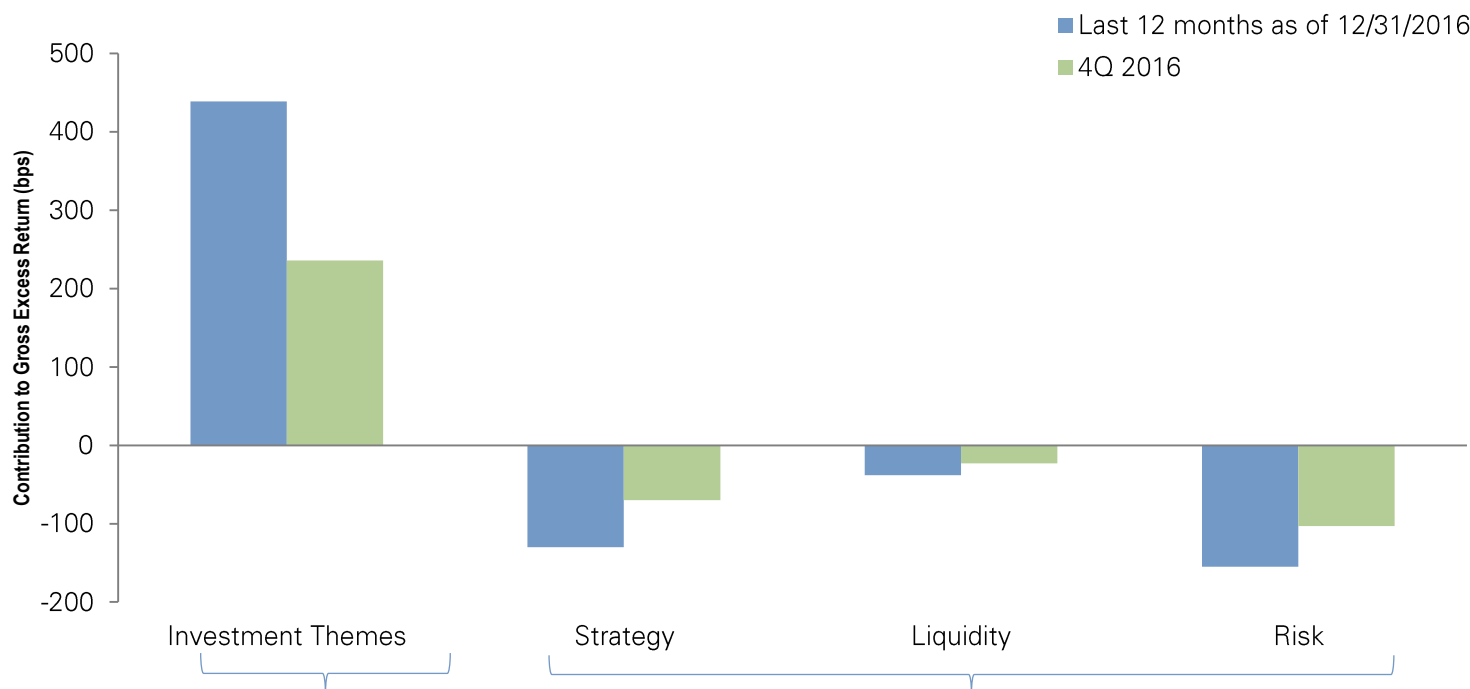


Source: GSAM. **Past performance does not guarantee future results, which may vary.** The attribution periods are October 1, 2016 – December 31, 2016 and January 1, 2016 – December 31, 2016 for respectively the 4Q16 and one year attribution. The returns presented herein are gross and do not reflect the deduction of investment advisory fees, which will reduce returns. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk. Beta refers to the component of returns that is attributable to market risk exposure, rather than manager skill. Please see additional disclosures.

GS Small Cap Equity Insights Fund



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- Reflects the contribution to return from factors in our stock selection model

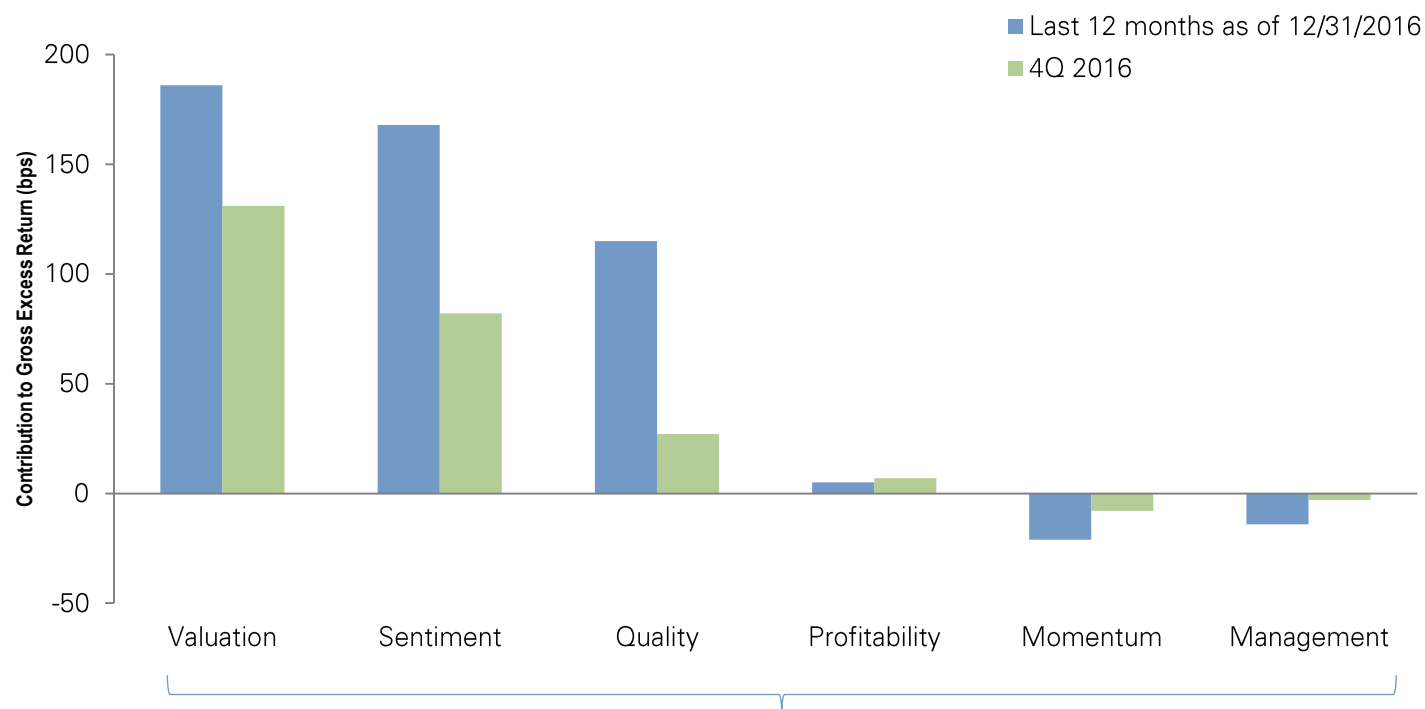
- We analyze the impact of penalties/constraints on stock selection after accounting for their impact on exposures to themes and other factors in our risk model
- We look at how much of the remaining return can be attributed to constraints of a particular strategy (such as universe restrictions), how much comes from liquidity-related effects (such as trading volume limits) and finally what can be traced to risk-related constraints (such as controlling relative size exposure)

Source: GSAM. **Past performance does not guarantee future results, which may vary.** The attribution periods are October 1, 2016 – December 31, 2016 and January 1, 2016 – December 31, 2016 for respectively the 4Q16 and one year attribution. The returns presented herein are gross and do not reflect the deduction of investment advisory fees, which will reduce returns. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk. Contribution to gross excess return refers to the impact of the factors listed above on the fund's gross performance. Please see additional disclosures. Please refer to next slide for a breakout of the investment themes.

GS Small Cap Equity Insights Fund



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- We seek to add value by overweighting attractive stocks and underweighting unattractive stocks according to these investment themes
- This chart represents the contribution to excess returns from our factors (multiplying the exposures by the factor returns)

Source: GSAM. **Past performance does not guarantee future results, which may vary.** The attribution periods are October 1, 2016 – December 31, 2016 and January 1, 2016 – December 31, 2016 for respectively the 4Q16 and one year attribution. . The returns presented herein are gross and do not reflect the deduction of investment advisory fees, which will reduce returns. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk. Contribution to gross excess return refers to the impact of the factors listed above on the fund's gross performance. Please see additional disclosures.



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GS Small Cap Growth Insights Fund

GS Small Cap Growth Insights Fund

Performance as of December 31, 2016 (I-share class)



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	Net Rate of Return (%)	Russell 2000 Growth Benchmark (%)	Net Excess Return (bps)
QTD	5.70	3.57	213
1-Year	13.85	11.29	257
3-Year	6.93	5.05	189
5-Year	14.25	13.73	52

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.gsamfunds.com to obtain the most recent month-end returns.

The net expense ratio for the Goldman Sachs Small Cap Growth Insights Fund: I-Share Class is 85 basis points as of the Prospectus, dated February 26, 2016. Gross expense ratio is 119 bps. **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. Pursuant to a contractual arrangement, the Fund's waivers and/or expense limitations will remain in place through at least 2/26/2017, and prior to such date the investment adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.**

The performance inception date for the GS Small Cap Growth Insights Fund- Institutional Share Class is June 25, 2007.

Performance reflects cumulative total returns for periods of less than one year and average annual total returns for periods of greater than one year. Since inception returns for periods of less than one year are cumulative. All Fund performance data reflect the reinvestment of distributions. Please note that a fair valuation calculation is applied when determining the performance of the Fund. Certain Goldman Sachs Funds may employ daily fair value pricing with respect to securities held by a Fund that trade on exchanges outside the United States to the extent that adequate information is available to determine a fair value adjustment. The fair value prices are supplied by an independent fair value service in accordance with the fair value procedures approved by the Trustees of the Goldman Sachs Trust. In addition, Goldman Sachs may (but need not) determine to make an adjustment to the prices of either domestic or foreign securities in light of significant events, to reflect what it believes to be the fair value of the securities at the time of determining a Fund's NAV. Standardized Total Returns can be found on the following page.

GS Small Cap Growth Insights Fund

Standardized total returns as December 31, 2016 (I-share class)



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Standardized Total Returns (%)(annualized) as of 12.31.16

	Inception Date	1-Year	3-Year	5-Year	Since Inception
I-Share Class	25-Jun-07	13.85	6.93	-14.25	7.41

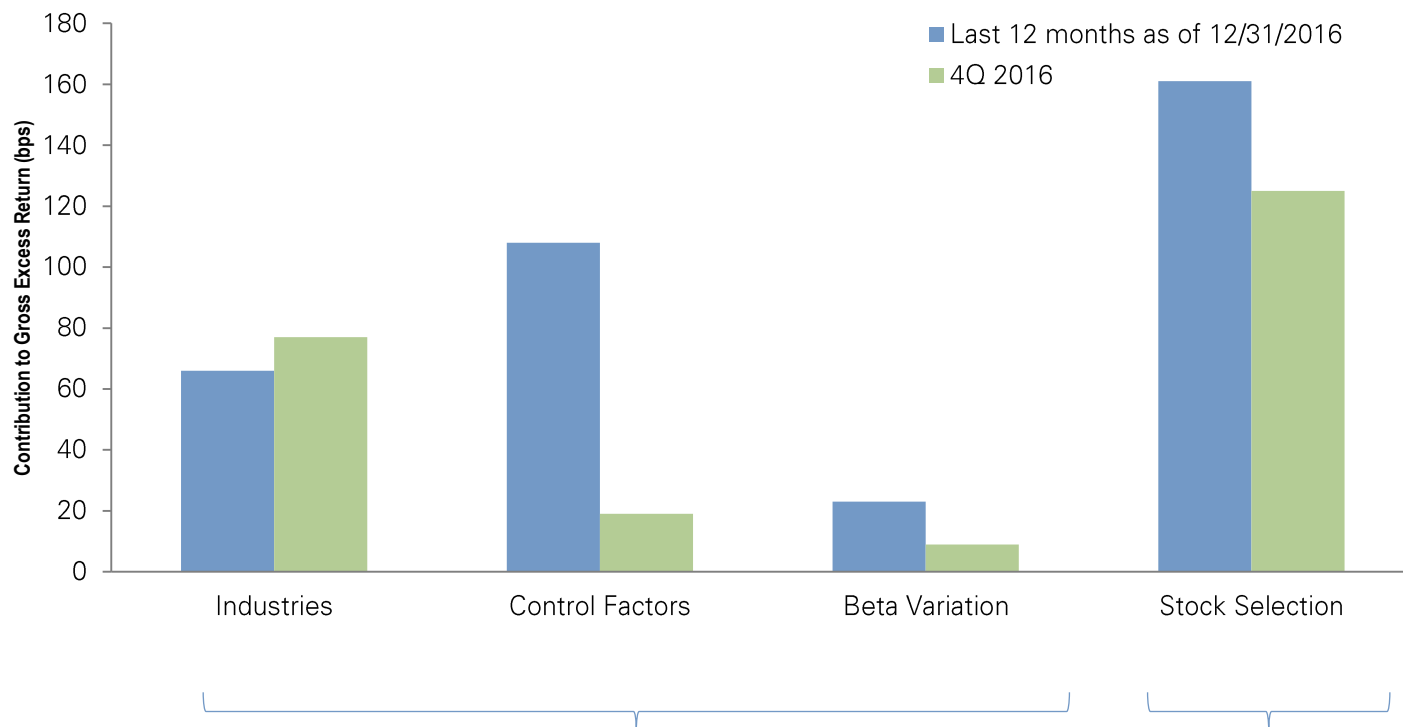
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GS Small Cap Growth Insights Fund



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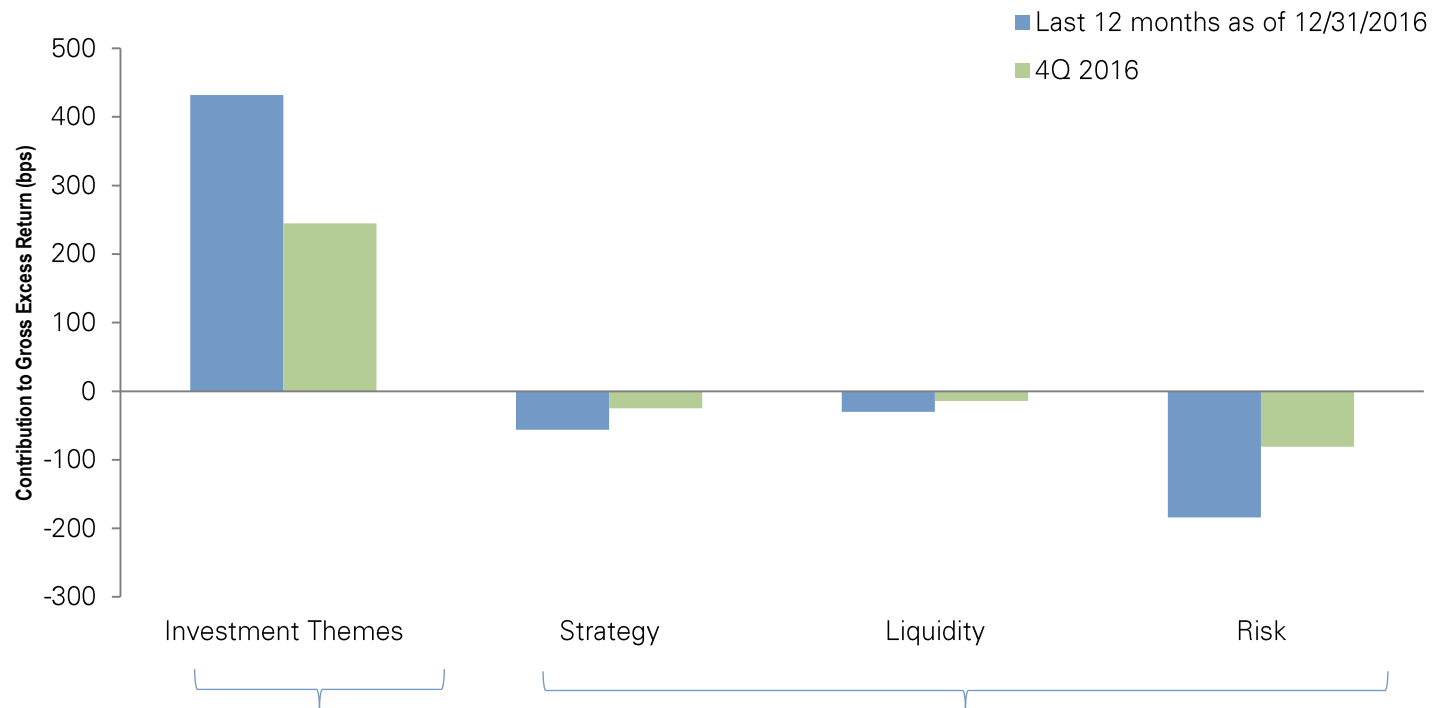
- We manage exposure to beta, industries, and other sources of risk, such as size
- We expect the contribution from beta variation, industries and control factors to be small over time
- Stock selection is the remaining contribution to returns from our process, which is expected to be the primary source of our excess return

Source: GSAM. **Past performance does not guarantee future results, which may vary.** The attribution periods are October 1, 2016 – December 31, 2016 and January 1, 2016 – December 31, 2016 for respectively the 4Q16 and one year attribution. The returns presented herein are gross and do not reflect the deduction of investment advisory fees, which will reduce returns. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk. Beta refers to the component of returns that is attributable to market risk exposure, rather than manager skill. Please see additional disclosures.

GS Small Cap Growth Insights Fund



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- Reflects the contribution to return from factors in our stock selection model

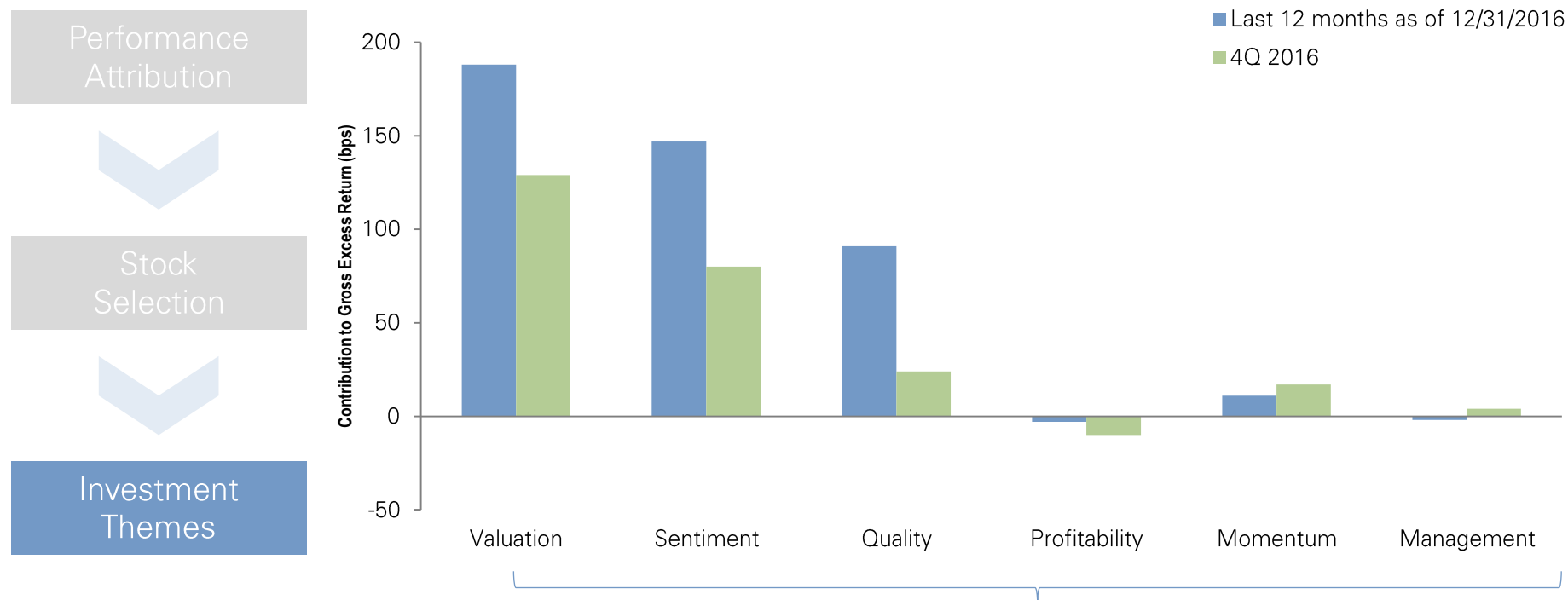
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- This chart represents the contribution to excess returns from our factors (multiplying the exposures by the factor returns)

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Appendix

Additional information

Disclosures



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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 (retail - 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.

The Russell 2000 Index is an unmanaged index of common stock prices that measures the performance of the 2000 smallest companies in the Russell 3000 Index. The Index is unmanaged and the figures for the Index do not include any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

The Russell 2000 Growth Index is an unmanaged index of common stock prices that measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Index is unmanaged and the figures for the Index do not include any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

Valuation: attempts to capture potential mispricings of securities, typically by comparing a measure of the company's intrinsic value to its market value.

Profitability: assesses whether the company is earning more than its cost of capital.

Quality: evaluates whether the company's earnings are coming from more persistent, cash-based sources, as opposed to accruals.

Management: assesses the characteristics, policies and strategic decisions of company management.

Momentum: predicts drift in stock prices caused by under-reaction to company-specific information.

Sentiment: reflects selected investment views and decisions of individuals and financial intermediaries.

The portfolio risk management process includes an effort to monitor and manage risk, but should not be confused with and does not imply low risk.

Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

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Confidentiality

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Goldman Sachs Business Principles



Asset Management

1. Our clients' interests always come first. Our experience shows that if we serve our clients well, our own success will follow.
2. Our assets are our people, capital and reputation. If any of these is ever diminished, the last is the most difficult to restore. We are dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us. Our continued success depends upon unswerving adherence to this standard.
3. Our goal is to provide superior returns to our shareholders. Profitability is critical to achieving superior returns, building our capital, and attracting and keeping our best people. Significant employee stock ownership aligns the interests of our employees and our shareholders.
4. We take great pride in the professional quality of our work. We have an uncompromising determination to achieve excellence in everything we undertake. Though we may be involved in a wide variety and heavy volume of activity, we would, if it came to a choice, rather be best than biggest.
5. We stress creativity and imagination in everything we do. While recognizing that the old way may still be the best way, we constantly strive to find a better solution to a client's problems. We pride ourselves on having pioneered many of the practices and techniques that have become standard in the industry.
6. We make an unusual effort to identify and recruit the very best person for every job. Although our activities are measured in billions of dollars, we select our people one by one. In a service business, we know that without the best people, we cannot be the best firm.
7. We offer our people the opportunity to move ahead more rapidly than is possible at most other places. Advancement depends on merit and we have yet to find the limits to the responsibility our best people are able to assume. For us to be successful, our men and women must reflect the diversity of the communities and cultures in which we operate. That means we must attract, retain and motivate people from many backgrounds and perspectives. Being diverse is not optional; it is what we must be.
8. We stress teamwork in everything we do. While individual creativity is always encouraged, we have found that team effort often produces the best results. We have no room for those who put their personal interests ahead of the interests of the Firm and its clients.
9. The dedication of our people to the Firm and the intense effort they give their jobs are greater than one finds in most other organizations. We think that this is an important part of our success.
10. We consider our size an asset that we try hard to preserve. We want to be big enough to undertake the largest project that any of our clients could contemplate, yet small enough to maintain the loyalty, the intimacy and the esprit de corps that we all treasure and that contribute greatly to our success.
11. We constantly strive to anticipate the rapidly changing needs of our clients and to develop new services to meet those needs. We know that the world of finance will not stand still and that complacency can lead to extinction.
12. We regularly receive confidential information as part of our normal client relationships. To breach a confidence or to use confidential information improperly or carelessly would be unthinkable.
13. Our business is highly competitive, and we aggressively seek to expand our client relationships. However, we must always be fair competitors and must never denigrate other firms.
14. Integrity and honesty are at the heart of our business. We expect our people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.