

Goldman Sachs Funds

VALUE EQUITY FUNDS

Semiannual Report February 28, 2002



Long-term capital appreciation

potential through portfolios

of quality businesses that

are believed to be undervalued.



Market Review

Dear Shareholder:

During the six-month reporting period, stocks around the world exhibited surprising resiliency. Despite a weak economy, falling corporate profits, accounting concerns, and the September 11 terrorist attacks, the equity markets in both the United States and abroad only fell slightly.

Economic Review

Throughout much of the period covered by this report, the U.S. economy was in the midst of a mild recession. While it was initially assumed that this was triggered by the September 11 terrorist attacks, economic data pointed to the contraction beginning in March 2001. To stimulate the economy, the Federal Reserve Board (the "Fed") lowered its federal funds rate (the rate U.S. banks charge each other for overnight loans) a record 11 times during 2001, including 4 times following the attacks.

As we write this letter, there is mounting evidence that an economic recovery is taking place. The U.S. gross domestic product (GDP) registered a gain in the fourth quarter of 2001, aided by a rise in consumer and government spending. As such, the Fed chose not to lower interest rates during its January 2002 meeting, and on March 7, Federal Reserve Board Chairman Alan Greenspan stated that "the evidence increasingly suggests that an economic expansion is already well underway." In particular, manufacturing, consumer spending, and personal income have risen in recent weeks.

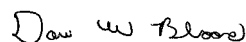
Market Review

Despite the uncertainties around the globe, the U.S. equity market performed relatively well during the reporting period, with the S&P 500 Index falling only 1.67%. It was generally believed that the equity markets would experience a prolonged decline following the events of September 11. However, after an initial plunge in share prices, stocks rallied strongly, as investors anticipated a rebound in the global economies. During the fourth quarter of 2001, the S&P 500 Index gained 10.69%, the Russell 2000 Index of small-cap stocks jumped 21.09%, and the technology-laden NASDAQ Composite Index surged 30.13% — its second best quarter since its inception in 1971.

The markets gave back some of these gains during the first two months of 2002. This was largely due to concerns regarding the scope of accounting irregularities following the bankruptcies of Enron and Global Crossing and mixed signals on the economic front. However, in recent weeks investors have responded positively to signs that the economic recovery may occur sooner rather than later, which could lead to a rebound in corporate profits as the year progresses.

As always, we appreciate your confidence and look forward to serving your investment needs in the future.

Sincerely,



David W. Blood
Head, Goldman Sachs Asset Management

■ NOT FDIC
INSURED
■ May Lose Value
■ No Bank
Guarantee

March 18, 2002

What Differentiates Goldman Sachs' Value Equity Investment Process?

Through independent fundamental research, Goldman Sachs' Value Equity Team seeks to identify and invest in quality businesses that are selling at compelling valuations.

GOLDMAN SACHS' VALUE EQUITY INVESTMENT PROCESS



1 EMPHASIZE FIRSTHAND FUNDAMENTAL RESEARCH

At the heart of our value investment philosophy is a belief in the rigorous analysis of business fundamentals. Our approach includes:

- Meetings with management teams and on-site company visits
- Industry-specific, proprietary financial and valuation models
- Assessment of management quality
- Analysis of each company's competitive position and industry dynamics
- Interviews with competitors, suppliers and customers

2 BUY WELL-POSITIONED BUSINESSES

We only buy companies with sustainable operating advantages. For us, this means companies that:

- Offer above-average returns on capital and discretionary cash flow
- Operate in niche areas or have strong franchises with economies of scale
- Have management acting in alignment with shareholder interests

3 BUY BUSINESSES THAT REPRESENT VALUE

We only buy companies that represent value opportunities. For us, this means companies that:

- Are underpriced in the public markets relative to their long-term cash generation capability
- Offer attractive long-term risk/reward profiles

RESULT

Value portfolios that offer:

- Capital appreciation potential as each company's true value is recognized in the marketplace
- Capitalization-specific diversification
- Style consistency

Large Cap Value Fund

as of February 28, 2002

Assets Under Management

\$298.0 Million

Number of Holdings

93

NASDAQ SYMBOLS

Class A Shares

GSLAX

Class B Shares

GSVBX

Class C Shares

GSVCX

Institutional Shares

GSLIX

Service Shares

GSVSX

PERFORMANCE REVIEW

| September 1, 2001–February 28, 2002 | Fund Total Return (based on NAV) ¹ | Russell 1000 Value Index ² |
|-------------------------------------|--|--|
| Class A | –0.17% | –0.79% |
| Class B | –0.50 | –0.79 |
| Class C | –0.50 | –0.79 |
| Institutional | –0.11 | –0.79 |
| Service | –0.02 | –0.79 |

¹Total return figures represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The net asset value represents the net assets of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance assumes the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The unmanaged Russell 1000 Value Index (with dividends reinvested) is a market capitalization weighted index of the 1,000 largest U.S. companies with lower price-to-book ratios and lower forecasted growth values. The Index figures do not reflect any deduction of fees, expenses or taxes. In addition, investors cannot invest directly in the Index.

STANDARDIZED TOTAL RETURNS³

| For the period ended 12/31/01 | Class A | Class B | Class C | Institutional | Service |
|-------------------------------|---------|---------|---------|---------------|---------|
| One Year | –10.66% | –10.84% | –7.09% | –5.00% | –5.39% |
| Since Inception (12/15/99) | –0.75 | –0.27 | 1.20 | 2.36 | 2.01 |

³The 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. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

TOP 10 HOLDINGS AS OF 2/28/02

| Holding | % of Total Net Assets | Line of Business |
|----------------------------------|-----------------------|--------------------|
| Exxon Mobil Corp. | 4.6% | Energy Resources |
| Citigroup, Inc. | 4.1 | Banks |
| SBC Communications, Inc. | 2.3 | Telephone |
| Bank of America Corp. | 2.3 | Banks |
| ChevronTexaco Corp. | 2.1 | Energy Resources |
| Merck & Co., Inc. | 2.0 | Drugs |
| XL Capital Ltd. | 2.0 | Property Insurance |
| Federal Home Loan Mortgage Corp. | 2.0 | Financial Services |
| Philip Morris Companies, Inc. | 1.9 | Tobacco |
| Kimberly-Clark Corp. | 1.5 | Home Products |

The top 10 holdings may not be representative of the Fund's future investments.

Large Cap Value Fund

Dear Shareholder:

We are pleased to report on the performance of the Goldman Sachs Large Cap Value Fund for the six-month period that ended February 28, 2002.

Performance Review

Over the six-month period that ended February 28, 2002, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of -0.17% , -0.50% , -0.50% , 0.11% , and -0.02% , respectively. These returns compare to the -0.79% cumulative total return of the Fund's benchmark, the Russell 1000 Value Index.

The past six months can be characterized by a lack of visibility and decreasing clarity in the equity markets. Corporate leaders have had a difficult time estimating how their businesses will perform this year. In the wake of Enron, investor scrutiny of corporate accounting practices has discredited financial engineering, devastated certain companies, and put a damper on the outlook for others. At the same time, the U.S. economy has shown signs of recovery. During this turbulent period, value stocks as a whole outperformed their growth counterparts and the broad market. The Russell 1000 Value Index returned -0.79% compared with a -2.41% return for the Russell 1000 Growth Index and -1.67% for the S&P 500 Index.

Portfolio Composition

Our quality bias has served us well in this uncertain, turbulent environment. Our research-driven approach focuses on large-cap companies with financial strength, meaning strong balance sheets and the ability to generate excess cash flow. This emphasis has provided a foundation for underlying stock prices and has frequently led us to companies that were well positioned in their respective industries.

Portfolio Highlights

In times when the market lacks visibility, it is important to know what you own. In-depth financial analysis and understanding the numbers is absolutely essential in this environment. Throughout the period, our research helped us avoid investing in high profile failures. When looking at how our portfolios are positioned, a few consistent themes are prevalent — our emphasis on cash flow and balance sheet strength, as well as on managements that have experience in running businesses in difficult environments. Listed below are several notable performers held by the Fund during the period.

- **Circuit City Stores, Inc.** — Circuit City was the Fund's top performer during the period. Its valuation relative to its peers became very attractive late in the third quarter of 2001 and our detailed analysis of their credit card business, coupled with the strength of their management, found it to be less risky than most investors had anticipated. The company has experienced strong sales in electronics and improved same-store comparisons. We have subsequently sold the stock as its valuation level exceeded our targets.

- **RenaissanceRe Holdings Ltd.** — With its strong capital base, we believe RenaissanceRe is well positioned to benefit from the upward pricing trend in the property/causality reinsurance industry. Management is well regarded for being disciplined underwriters and it has sustained very high returns over the company's six-year public history.
- **Deere & Company** — Deere is the world's largest producer of farm tractors and combines. We believe Deere is poised to continue building on the performance exhibited during the period. Crop prices are beginning to trend higher and farmers are in better financial condition than in previous months. The management at Deere has worked diligently to reduce the cyclical nature of the company's business through the development of after-market and peripheral businesses. Deere has also been improving its working capital programs to generate excess cash flow, which should position the company to benefit as the agriculture cycle begins to pick up.

Portfolio Outlook

We believe that equities should benefit from the current low interest rates and energy price environment, and from the tremendous amount of financial liquidity that exists in the markets today. However, there still remain many sources of hidden potential earnings disappointments, such as rising insurance costs, pension funding issues, and asbestos liability. As money managers, we believe that an intensive research-based approach is critical to understanding the fundamentals of a company and assessing the risk/reward profile of potential investments. By doing our homework and seeking to invest in quality companies selling at valuations generally below industry averages, we feel that we are well equipped to avoid potential "torpedoes" that could affect our portfolio holdings.

As always, we appreciate your investment and look forward to earning your continued confidence in the years to come.

Goldman Sachs Large Cap Value Investment Team

New York, March 18, 2002

Growth and Income Fund

as of February 28, 2002

Assets Under Management

\$462.9 Million

Number of Holdings

92

NASDAQ SYMBOLS

Class A Shares

GSGRX

Class B Shares

GSEBX

Class C Shares

GSGCX

Institutional Shares

GSIIX

Service Shares

GSGSX

PERFORMANCE REVIEW

| September 1, 2001–February 28, 2002 | Fund Total Return (based on NAV) ¹ | S&P 500 Index ² |
|-------------------------------------|---|----------------------------|
| Class A | 1.12% | –1.67% |
| Class B | 0.73 | –1.67 |
| Class C | 0.73 | –1.67 |
| Institutional | 1.31 | –1.67 |
| Service | 1.07 | –1.67 |

¹ Total return figures represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The net asset value represents the net assets of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance assumes the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

² 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. In addition, investors cannot invest directly in the Index.

STANDARDIZED TOTAL RETURNS³

| For the period ended 12/31/01 | Class A | Class B | Class C | Institutional | Service |
|-------------------------------|------------------|------------------|--------------------|------------------|-------------------------------|
| One Year | –14.81% | –15.01% | –11.41% | –9.49% | –9.96% |
| Five Years | 0.40 | 0.41 | N/A | 2.00 | 1.48 ⁴ |
| Since Inception | 7.84 (2/5/93) | 3.41 (5/1/96) | –4.50 (8/15/97) | 4.51 (6/3/96) | 8.48 ⁴ (2/5/93) |

³ 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. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

⁴ Performance data for Service shares prior to 3/6/96 is that of Class A Shares (excluding the impact of front-end sales charges applicable to Class A Shares since Service Shares are not subject to any sales charges). Performance of Class A Shares of the Growth and Income Fund reflects the expenses applicable to the Fund's Class A Shares. The fees applicable to Services Shares are different from those applicable to Class A Shares which impact performance ratings and rankings for a class of shares.

TOP 10 HOLDINGS AS OF 2/28/02

| Holding | % of Total Net Assets | Line of Business |
|-------------------------------|-----------------------|--------------------|
| Exxon Mobil Corp. | 3.6% | Energy Resources |
| Citigroup, Inc. | 3.2 | Banks |
| ChevronTexaco Corp. | 3.0 | Energy Resources |
| Bank of America Corp. | 2.8 | Banks |
| Merck & Co., Inc. | 2.6 | Drugs |
| Philip Morris Companies, Inc. | 2.4 | Tobacco |
| ConAgra Foods, Inc. | 2.4 | Food and Beverage |
| SBC Communications, Inc. | 2.3 | Telephone |
| XL Capital Ltd. | 2.3 | Property Insurance |
| Kimberly-Clark Corp. | 2.2 | Home Products |

The top 10 holdings may not be representative of the Fund's future investments.

Growth and Income Fund

Dear Shareholder:

We are pleased to report on the performance of the Goldman Sachs Growth and Income Fund for the six-month period that ended February 28, 2002.

Performance Review

Over the six-month period that ended February 28, 2002, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 1.12%, 0.73%, 0.73%, 1.31%, and 1.07%, respectively. These returns compare favorably to the -1.67% cumulative total return of the Fund's benchmark, the S&P 500 Index.

The past six months can be characterized by a lack of visibility and decreasing clarity in the equity markets. Corporate leaders have had a difficult time estimating how their businesses will perform this year. In the wake of Enron, investor scrutiny of corporate accounting practices has discredited financial engineering, devastated certain companies, and put a damper on the outlook for others. At the same time, the U.S. economy is showing signs of recovery. During this turbulent period, value stocks as a whole outperformed their growth counterparts and the broad market. The Russell 1000 Value Index returned -0.79% compared with a -2.41% return for the Russell 1000 Growth Index and -1.67% for the S&P 500 Index.

Portfolio Composition

Our quality bias has served us well in this uncertain, turbulent period. Our research-driven approach focuses on large-cap companies with financial strength, meaning strong balance sheets and the ability to generate excess cash flow. This emphasis has provided a foundation for underlying stock prices and has frequently led us to companies that were well positioned in their respective industries.

Portfolio Highlights

- **XL Capital Ltd.** — XL Capital, a property casualty insurance company, was a strong performer for the Fund during the reporting period. The company has benefited by being one of the few reinsurers that was well positioned to benefit from the upturn in rates that occurred in early 2002. In addition, its management has an excellent record of capital allocation, exercising discipline and focus in acquisitions, and repurchasing shares aggressively and opportunistically. Share ownership by management is an important characteristic we look for when choosing companies for the Fund.
- **Philip Morris Companies, Inc.** — Philip Morris, a global product leader, was another top contributor in the portfolio. The stock has performed well due to strong sales growth within its product mix. The company's significant volumes generate manufacturing and marketing efficiencies. Thus, the business is very profitable and generates a large amount of free cash flow thanks to low capital requirements. We believe Philip Morris has significant opportunities to grow market share internationally in developed markets and to expand into developing markets as well.

- **Accenture Ltd.** — Accenture is a premier provider of management and technology consulting services and solutions. We believe its management has the ability to navigate through a difficult technology environment for a number of reasons. First, the company benefits from a strong customer base, which it can leverage into larger and more annuity-like outsourcing businesses. Second, it has a depth and breadth of services that provide scale, help reduce risk, and limit its dependence on new software integration.

Portfolio Outlook

We believe that equities should benefit from the current low interest rates and energy price environment, and from the tremendous amount of financial liquidity that exists in the markets today. However, there still remain many sources of hidden potential earnings disappointments, such as rising insurance costs, pension funding issues, and asbestos liability. As money managers, we believe that an intensive research-based approach is critical to understanding the fundamentals of a company and assessing the risk/reward profile of potential investments. By doing our homework and seeking to invest in quality companies selling at valuations generally below industry averages, we feel that we are well equipped to avoid potential “torpedoes” that could affect our portfolio holdings.

As always, we appreciate your investment and look forward to earning your continued confidence in the years to come.

Goldman Sachs Value Investment Team

New York, March 18, 2002

Mid Cap Value Fund

as of February 28, 2002

Assets Under Management

\$578.7 Million

Number of Holdings

103

NASDAQ SYMBOLS

Class A Shares

GCMAX

Class B Shares

GCMBX

Class C Shares

GCMCX

Institutional Shares

GSMCX

Service Shares

GSMSX

PERFORMANCE REVIEW

| September 1, 2001–February 28, 2002 | Fund Total Return (based on NAV) ¹ | Russell MidCap Value Index ² |
|-------------------------------------|--|--|
| Class A | 5.30% | 4.03% |
| Class B | 4.89 | 4.03 |
| Class C | 4.88 | 4.03 |
| Institutional | 5.47 | 4.03 |
| Service | 5.27 | 4.03 |

¹Total return figures represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The net asset value represents the net assets of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance assumes the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The Russell MidCap Value Index is an unmanaged index of common stock prices that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The Index figures do not reflect the deduction for fees, expenses or taxes. In addition, investors cannot invest directly in the Index.

STANDARDIZED TOTAL RETURNS³

| For the period ended 12/31/01 | Class A | Class B | Class C | Institutional | Service |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| One Year | 5/76% | 5.96% | 10.06% | 12.38% | 11.83% |
| Five Years | N/A | N/A | N/A | 13.75 | N/A |
| Since Inception | 6.71 (8/15/97) | 6.86 (8/15/97) | 7.34 (8/15/97) | 14.80 (8/1/95) | 8.52 (7/18/97) |

³The 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. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

TOP 10 HOLDINGS AS OF 2/28/02

| Holding | % of Total Net Assets | Line of Business |
|----------------------------------|-----------------------|----------------------|
| Supervalu, Inc. | 2.5% | Food and Beverage |
| Pioneer Natural Resources Co. | 2.3 | Energy Resources |
| Ocean Energy, Inc. | 2.0 | Energy Resources |
| Energy East Corp. | 2.0 | Electrical Utilities |
| FirstEnergy Corp. | 2.0 | Electrical Utilities |
| Old Republic International Corp. | 1.9 | Property Insurance |
| Aon Corp. | 1.8 | Property Insurance |
| ConAgra, Inc. | 1.7 | Food and Beverage |
| KeyCorp | 1.7 | Banks |
| Comerica Incorporated | 1.7 | Banks |

The top 10 holdings may not be representative of the Fund's future investments.

Mid Cap Value Fund

Dear Shareholder:

We are pleased to report on the performance of the Goldman Sachs Mid Cap Value Fund for the six-month period that ended February 28, 2002.

Performance Review

Over the six-month period that ended February 28, 2002, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 5.30%, 4.89%, 4.88%, 5.47%, and 5.27%, respectively. These returns compare favorably to the 4.03% cumulative total return of the Fund's benchmark, the Russell MidCap Value Index.

The past six months can be characterized by a lack of visibility and decreasing clarity in the equity markets. Corporate leaders have had a difficult time estimating how their businesses will perform this year. In the wake of Enron, investor scrutiny of corporate accounting practices has discredited financial engineering, devastated certain companies, and put a damper on the outlook for others. At the same time, the U.S. economy is showing signs of recovery. During this turbulent period, value stocks as a whole outperformed their growth counterparts and the broad market. The Russell 1000 Value Index returned -0.79% compared with a -2.41% return for the Russell 1000 Growth Index and -1.67% for the S&P 500 Index.

Portfolio Composition

Throughout the reporting period, our research-driven approach continued to focus on mid-cap companies with financial strength. This was exemplified by firms having strong balance sheets and the ability to generate excess cash flow. This strategy provided a foundation for underlying stock prices and frequently led us to companies that were well positioned in their respective industries.

Portfolio Highlights

- **Harrah's Entertainment, Inc.** — Harrah's, a leading consumer marketing company in the gaming industry, was a top contributor to performance during the period. The company has benefited despite weaker consumer spending, thanks to its diverse market presence. Harrah's exists in markets other than the traditional gambling market, which has allowed it to capitalize on a larger consumer base than its competitors.
- **CBRL Group, Inc.** — CBRL Group, the owner and operator of the Cracker Barrel Country Store chain, has seen continued sales growth and strong same-store sales after a better-than-expected holiday season. Cracker Barrel is an example of a stock that had been strongly undervalued relative to its peers, and the markets are finally recognizing its intrinsic worth. We also view the management at CBRL Group as being committed to improving the operating income margins at the company.

- **FirstEnergy Corp.** — In the utility sector, our focus on companies like FirstEnergy, which has had strong current cash flow, has proved to be well founded in this time of market uncertainty. Furthermore, FirstEnergy's recent merger with GPU, a utility service provider, has provided the company with beneficial synergies.

Portfolio Outlook

We believe that equities should benefit from the current low interest rates and energy price environment, and from the tremendous amount of financial liquidity that exists in the markets today. However, there still remain many sources of hidden potential earnings disappointments, such as rising insurance costs, pension funding issues, and asbestos liability. As money managers, we believe that an intensive research-based approach is critical to understanding the fundamentals of a company and assessing the risk/reward profile of potential investments. By doing our homework and seeking to invest in quality companies selling at valuations generally below industry averages, we feel that we are well equipped to avoid potential "torpedoes" that could affect our portfolio holdings.

As always, we appreciate your investment and look forward to earning your continued confidence in the years to come.

Goldman Sachs Mid Cap Value Investment Team

New York, March 18, 2002

Small Cap Value Fund

as of February 28, 2002

Assets Under Management

\$489.1 Million

Number of Holdings

141

NASDAQ SYMBOLS

Class A Shares

GSSMX

Class B Shares

GSQBX

Class C Shares

GSSCX

Institutional Shares

GSSIX

Service Shares

GSSSX

PERFORMANCE REVIEW

| September 1, 2001–February 28, 2002 | Fund Total Return (based on NAV) ¹ | Russell 2000 Value Index ² |
|-------------------------------------|--|--|
| Class A | 5.64% | 5.86% |
| Class B | 5.19 | 5.86 |
| Class C | 4.93 | 5.86 |
| Institutional | 5.87 | 5.86 |
| Service | 5.57 | 5.86 |

¹ Total return figures represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The net asset value represents the net assets of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance assumes the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

² The Russell 2000 Value Index is an unmanaged index of common stock prices that measures the performance of those Russell 2000 companies with lower forecasted growth values. The Index figures do not reflect any deduction for fees, expenses or taxes. In addition, investors cannot invest directly in the Index.

STANDARDIZED TOTAL RETURNS³

| For the period ended 12/31/01 | Class A | Class B | Class C | Institutional | Service |
|-------------------------------|---------------------|------------------|-------------------|-------------------|----------------------------------|
| One Year | 14.03% | 14.68% | 18.45% | 21.16% | 20.62% |
| Five Years | 9.78 | 9.86 | N/A | N/A | 10.94 ⁴ |
| Since Inception | 11.45 (10/22/92) | 9.48 (5/1/96) | 7.00 (8/15/97) | 8.28 (8/15/97) | 12.08 ⁴ (10/22/92) |

³ 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. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

⁴ Performance data for Service Shares prior to 8/15/97 is that of the Class A Shares (excluding the impact of the front-end sales charge applicable to Class A Shares since Service Shares are not subject to any sales charges). Performance of Class A Shares of the Small Cap Value Fund reflects the expenses applicable to the Fund's Class A Shares. The fees applicable to Service Shares are different from those applicable to Class A Shares which impact performance ratings and rankings for a class of shares.

TOP 10 HOLDINGS AS OF 2/28/02

| Holding | % of Total Net Assets | Line of Business |
|---------------------------------|-----------------------|----------------------|
| Charming Shoppes, Inc. | 1.8% | Clothing |
| Zenith National Insurance Corp. | 1.7 | Property Insurance |
| Commercial Metals Co. | 1.5 | Mining |
| Pacific Century Financial Corp. | 1.5 | Banks |
| ADVO, Inc. | 1.4 | Publishing |
| Sierra Pacific Resources | 1.4 | Electrical Utilities |
| AGCO Corp. | 1.4 | Heavy Machinery |
| ShopKo Stores, Inc. | 1.4 | Department Store |
| Pier 1 Imports, Inc. | 1.4 | Specialty Retail |
| Washington Federal, Inc. | 1.4 | Thrifts |

The top 10 holdings may not be representative of the Fund's future investments.

Small Cap Value Fund

Dear Shareholder:

We are pleased to report on the performance of the Goldman Sachs Small Cap Value Fund for the six-month period that ended February 28, 2002.

Performance Review

Over the six-month period that ended February 28, 2002, the Fund's Class A, B, C, Institutional, and Service shares generated cumulative total returns, without sales charges, of 5.64%, 5.19%, 4.93%, 5.87%, and 5.57%, respectively. These returns compare to the 5.86% cumulative total return of the Fund's benchmark, the Russell 2000 Value Index.

The past six months can be characterized by a lack of visibility and decreasing clarity in the equity markets. Corporate leaders have had a difficult time estimating how their businesses will perform this year. In the wake of Enron, investor scrutiny of corporate accounting practices has discredited financial engineering, devastated certain companies, and put a damper on the outlook for others. At the same time, the U.S. economy is showing signs of recovery. During this turbulent period, value stocks as a whole outperformed their growth counterparts and the broad market. The Russell 1000 Value Index returned -0.79% compared with a -2.41% return for the Russell 1000 Growth Index and -1.67% for the S&P 500 Index.

Portfolio Composition

Throughout the reporting period, our research-driven approach continued to focus on small-cap companies with financial strength. This was exemplified by firms having strong balance sheets and the ability to generate excess cash flow. This strategy provided a foundation for underlying stock prices and frequently led us to companies that were well positioned in their respective industries.

Portfolio Highlights

- **AGCO Corporation** — AGCO Corporation, a manufacturer and distributor of agriculture equipment, was the Fund's top contributor during the reporting period. AGCO has benefited from the beginnings of an upturn in crop prices, which is helping to lead to an improvement in farmers' financial condition. Also, the firm's management is committed to reducing costs and focusing on improving customer service.
- **Pier 1 Imports, Inc. and Urban Outfitters, Inc.** — Strong stock selection in Consumer Cyclical helped it to be a top contributing sector for the Fund. Holdings such as Pier 1 Imports and Urban Outfitters were examples of stocks in this area that enhanced results. Pier 1, a specialty retailer and Urban Outfitters, a general merchandise retailer and clothing wholesaler, both saw stronger-than-expected same-store sales. In addition, Pier 1 continues to benefit from well-managed expenses, and the management team at Urban Outfitters is dedicated to margin improvement.

- **Hutchinson Technology, Inc.** — Hutchinson Technology, a supplier of suspension assemblies, also enhanced results during the period. The company has performed well due to strong product innovation and an increased demand for its products. At the same time, management has been able to improve profitability.

Portfolio Outlook

We believe that equities should benefit from the current low interest rates and energy price environment, and from the tremendous amount of financial liquidity that exists in the markets today. However, there still remain many sources of hidden potential earnings disappointments, such as rising insurance costs, pension funding issues, and asbestos liability. As money managers, we believe that an intensive research-based approach is critical to understanding the fundamentals of a company and assessing the risk/reward profile of potential investments. By doing our homework and seeking to invest in quality companies selling at valuations generally below industry averages, we feel that we are well equipped to avoid potential “torpedoes” that could affect our portfolio holdings.

As always, we appreciate your investment and look forward to earning your continued confidence in the years to come.

Goldman Sachs Small Cap Value Investment Team

New York, March 18, 2002

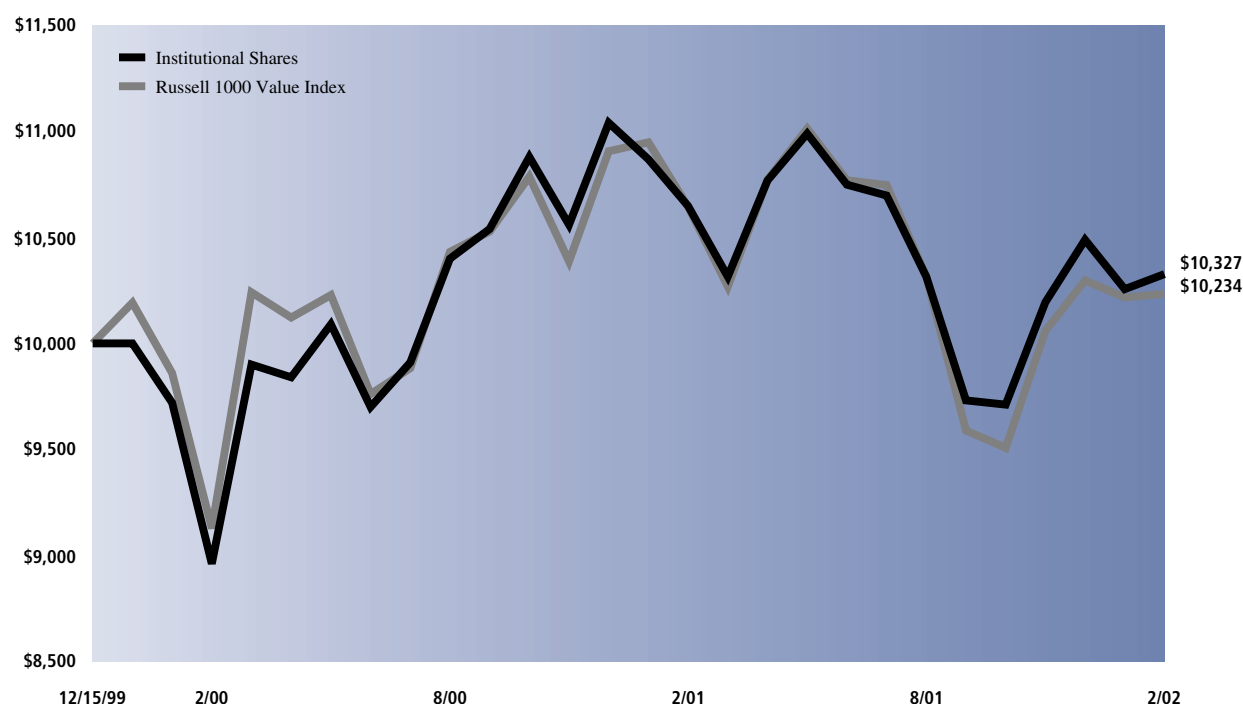
Performance Summary

February 28, 2002 (Unaudited)

The following graph shows the value, as of February 28, 2002, of a \$10,000 investment made on December 15, 1999 (commencement of operations) in Institutional Shares at NAV of the Goldman Sachs Large Cap Value Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell 1000 Value Index with dividends reinvested, is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class A, Class B, Class C and Service Shares may vary from the Institutional Shares due to differences in fees and loads.

Large Cap Value Fund's Lifetime Performance

Growth of a \$10,000 Investment, Distributions Reinvested December 15, 1999 to February 28, 2002.



Average Annual Total Return through February 28, 2002

Class A (commenced December 15, 1999)

Excluding sales charges

Since Inception

One Year

Six Months^(a)

Including sales charges

1.11%

-3.48%

-0.17%

-1.44%

-8.75%

-5.62%

Class B (commenced December 15, 1999)

Excluding contingent deferred sales charges

0.34%

4.10%

-0.50%

Including contingent deferred sales charges

-1.03%

-8.90%

-5.47%

Class C (commenced December 15, 1999)

Excluding contingent deferred sales charges

0.31%

-4.10%

-0.50%

Including contingent deferred sales charges

0.31%

-5.06%

-1.49%

Institutional Class (commenced December 15, 1999)

1.47%

-3.01%

0.11%

Service Class (commenced December 15, 1999)

1.15%

-3.24%

-0.02%

(a) Not annualized.

Statement of Investments

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|---------------------------------|---------------------------------------|--------------|
| Common Stocks – 90.7% | | |
| Airlines – 1.1% | | |
| 153,505 | Southwest Airlines Co. | \$ 3,240,491 |
| Alcohol – 1.1% | | |
| 64,943 | Anheuser-Busch Companies, Inc. | 3,302,352 |
| Apartment – 1.4% | | |
| 47,600 | Avalonbay Communities, Inc. | 2,196,264 |
| 74,850 | Equity Residential Properties Trust | 2,017,207 |
| | | 4,213,471 |
| Apparel – 0.5% | | |
| 45,200 | Jones Apparel Group, Inc.* | 1,611,832 |
| Banks – 14.5% | | |
| 106,560 | Bank of America Corp. | 6,814,512 |
| 60,962 | Bank One Corp. | 2,184,878 |
| 271,667 | Citigroup, Inc. | 12,292,932 |
| 129,104 | J.P. Morgan Chase & Co. | 3,776,292 |
| 26,255 | M&T Bank Corp. | 2,008,507 |
| 33,451 | Mellon Financial Corp. | 1,204,236 |
| 57,404 | PNC Financial Services Group | 3,153,776 |
| 123,332 | U.S. Bancorp. | 2,571,472 |
| 85,100 | Wachovia Corp. | 2,827,873 |
| 87,917 | Wells Fargo & Co. | 4,123,307 |
| 34,123 | Wilmington Trust Corp. | 2,238,128 |
| | | 43,195,913 |
| Brokers – 1.1% | | |
| 65,651 | Merrill Lynch & Co., Inc. | 3,147,965 |
| Chemical – 0.6% | | |
| 40,500 | E.I. du Pont de Nemours & Co. | 1,897,020 |
| Computer Software – 1.4% | | |
| 28,610 | International Business Machines, Inc. | 2,807,213 |
| 21,903 | Microsoft Corp.* | 1,277,821 |
| | | 4,085,034 |
| Defense/Aerospace – 1.9% | | |
| 27,400 | General Dynamics Corp. | 2,490,112 |
| 28,692 | Honeywell International, Inc. | 1,093,739 |
| 27,375 | United Technologies Corp. | 1,997,006 |
| | | 5,580,857 |
| Department Store – 0.9% | | |
| 73,193 | The May Department Stores Co. | 2,681,792 |
| Drugs – 4.3% | | |
| 47,565 | Bristol-Myers Squibb Co. | 2,235,555 |
| 30,240 | Johnson & Johnson | 1,841,616 |
| 99,209 | Merck & Co., Inc. | 6,084,488 |
| 38,219 | Pharmacia Corp. | 1,568,890 |
| 29,738 | Schering-Plough Corp. | 1,025,664 |
| | | 12,756,213 |

| Shares | Description | Value |
|--------------------------------------|---------------------------------------|--------------|
| Common Stocks – (continued) | | |
| Electrical Utilities – 4.8% | | |
| 103,660 | Energy East Corp. | \$ 2,023,443 |
| 62,278 | Entergy Corp. | 2,570,836 |
| 47,873 | Exelon Corp. | 2,359,181 |
| 63,927 | FirstEnergy Corp. | 2,339,728 |
| 113,275 | PPL Corp. | 3,693,898 |
| 134,526 | Reliant Resources, Inc.* | 1,420,595 |
| | | 14,407,681 |
| Energy Resources – 8.4% | | |
| 75,138 | ChevronTexaco Corp. | 6,344,652 |
| 333,417 | Exxon Mobil Corp. | 13,770,122 |
| 145,268 | Pioneer Natural Resources Co.* | 2,879,212 |
| 57,673 | Unocal Corp. | 2,072,191 |
| | | 25,066,177 |
| Environmental Services – 0.9% | | |
| 144,651 | Republic Services, Inc.* | 2,596,485 |
| Financial Services – 5.4% | | |
| 33,762 | American Express Co. | 1,230,625 |
| 70,303 | Countrywide Credit Industries, Inc. | 2,885,938 |
| 94,253 | Federal Home Loan Mortgage Corp. | 6,007,686 |
| 16,274 | Federal National Mortgage Association | 1,273,441 |
| 29,453 | Household International, Inc. | 1,516,830 |
| 34,202 | USA Education, Inc. | 3,172,235 |
| | | 16,086,755 |
| Food & Beverage – 3.4% | | |
| 118,225 | ConAgra Foods, Inc. | 2,767,647 |
| 107,246 | H.J. Heinz Co. | 4,372,420 |
| 40,969 | Hershey Foods Corp. | 2,894,460 |
| | | 10,034,527 |
| Forest – 2.6% | | |
| 54,418 | Bowater, Inc. | 2,805,248 |
| 76,276 | International Paper Co. | 3,337,075 |
| 56,474 | Plum Creek Timber Co., Inc. | 1,747,870 |
| | | 7,890,193 |
| Gas Utilities – 1.4% | | |
| 130,319 | KeySpan Corp. | 4,176,724 |
| Heavy Electrical – 0.9% | | |
| 47,980 | Emerson Electric Co. | 2,763,168 |
| Heavy Machinery – 1.4% | | |
| 87,141 | Deere & Co. | 4,176,668 |
| Home Products – 2.6% | | |
| 72,443 | Kimberly-Clark Corp. | 4,534,932 |
| 36,760 | The Procter & Gamble Co. | 3,116,880 |
| | | 7,651,812 |
| Hotel – 0.6% | | |
| 45,725 | Harrah's Entertainment, Inc.* | 1,849,119 |

Statement of Investments (continued)

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|-------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Industrial Parts – 2.1% | | |
| 50,775 | American Standard Companies, Inc.* | \$ 3,315,607 |
| 21,612 | Parker-Hannifin Corp. | 1,076,710 |
| 47,225 | Pentair, Inc. | 1,841,775 |
| | | <u>6,234,092</u> |
| Information Services – 1.0% | | |
| 111,110 | Accenture Ltd.* | 2,909,971 |
| Life Insurance – 2.3% | | |
| 70,908 | John Hancock Financial Services, Inc. | 2,723,576 |
| 168,900 | The Principal Financial Group, Inc.* | 4,114,404 |
| | | <u>6,837,980</u> |
| Media – 4.3% | | |
| 42,975 | Clear Channel Communications, Inc.* | 2,003,494 |
| 109,294 | Comcast Corp.* | 3,701,788 |
| 47,725 | Cox Communications, Inc.* | 1,758,666 |
| 163,312 | Fox Entertainment Group, Inc.* | 3,641,858 |
| 127,421 | Liberty Media Corp. Series A* | 1,630,989 |
| | | <u>12,736,795</u> |
| Mining – 0.7% | | |
| 57,915 | Alcoa, Inc. | 2,175,867 |
| Office/Industry/Mixed – 0.7% | | |
| 56,975 | Boston Properties, Inc. | 2,146,248 |
| Oil Services – 1.3% | | |
| 33,762 | Baker Hughes, Inc. | 1,192,136 |
| 12,509 | El Paso Corp. | 488,852 |
| 58,072 | Noble Drilling Corp.* | 2,045,877 |
| | | <u>3,726,865</u> |
| Property Insurance – 6.3% | | |
| 25,251 | AMBAC Financial Group, Inc. | 1,566,825 |
| 18,476 | American International Group, Inc. | 1,366,670 |
| 80,450 | Aon Corp. | 2,785,983 |
| 18,950 | Everest Re Group Ltd. | 1,380,508 |
| 33,692 | RenaissanceRe Holdings Ltd. Series B | 3,649,854 |
| 30,417 | The Hartford Financial Services Group, Inc. | 2,037,939 |
| 63,738 | XL Capital Ltd. | 6,071,682 |
| | | <u>18,859,461</u> |
| Publishing – 1.0% | | |
| 55,346 | Dow Jones & Co., Inc. | 3,088,860 |

| Shares | Description | Value | |
|--|--|---------------|----------------|
| Common Stocks – (continued) | | | |
| Railroads – 0.6% | | | |
| 32,954 | Canadian National Railway Co. | \$ 1,652,314 | |
| Security/Asset Management – 1.1% | | | |
| 28,875 | Alliance Capital Management Holding LP | 1,303,418 | |
| 49,200 | T. Rowe Price Group, Inc. | 1,958,652 | |
| | | 3,262,070 | |
| Semiconductors – 1.0% | | | |
| 760,657 | Agere Systems, Inc.* | 3,042,628 | |
| Telecommunications Equipment – 1.4% | | | |
| 325,925 | Motorola, Inc. | 4,237,025 | |
| Telephone – 3.5% | | | |
| 157,194 | AT&T Corp. | 2,442,794 | |
| 184,220 | SBC Communications, Inc. | 6,970,885 | |
| 65,987 | Sprint Corp. | 929,757 | |
| | | 10,343,436 | |
| Tobacco – 1.9% | | | |
| 109,954 | Philip Morris Companies, Inc. | 5,790,178 | |
| Truck Freight – 0.3% | | | |
| 12,778 | United Parcel Service, Inc. Class B | 753,135 | |
| TOTAL COMMON STOCKS | | | |
| (Cost \$267,451,877) | | \$270,209,174 | |
| Principal Amount | Interest Rate | Maturity Date | Value |
| Repurchase Agreement – 4.6% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$13,700,000 | 1.90% | 03/01/2002 | \$ 13,700,000 |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$13,700,000) | | | \$ 13,700,000 |
| TOTAL INVESTMENTS | | | |
| (Cost \$281,151,877) | | | \$ 283,909,174 |

* Non-income producing security.

[^] Joint repurchase agreement was entered into on February 28, 2002.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of total net assets.

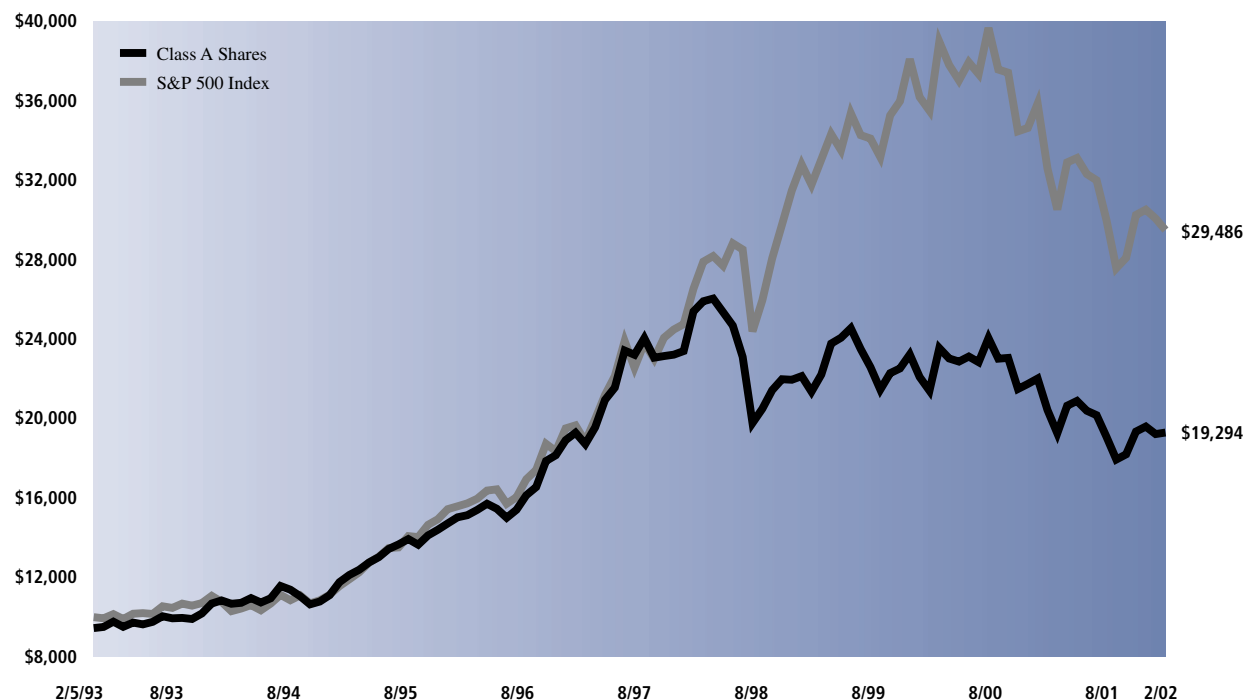
Performance Summary

February 28, 2002 (Unaudited)

The following graph shows the value, as of February 28, 2002, of a \$10,000 investment made on February 5, 1993 (commencement of operations) in Class A Shares (maximum sales charge of 5.5%) of the Goldman Sachs Growth and Income Fund. For comparative purposes, the performance of the Fund's benchmark, the Standard and Poor's 500 Index with dividends reinvested ("S&P 500 Index"), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class B, Class C, Institutional and Service Shares will vary from Class A Shares due to differences in fees and loads.

Growth and Income Fund's Lifetime Performance

Growth of a \$10,000 Investment, Distributions Reinvested February 5, 1993 to February 28, 2002.



| Average Annual Total Return through February 28, 2002 | Since Inception | Five Years | One Year | Six Months ^(a) |
|---|-----------------|------------|----------|---------------------------|
| Class A (commenced February 5, 1993) | | | | |
| Excluding sales charges | 8.19% | 0.01% | -5.56% | 1.12% |
| Including sales charges | 7.51% | -1.12% | -10.77% | -4.42% |
| Class B (commenced May 1, 1996) | | | | |
| Excluding contingent deferred sales charges | 3.20% | -0.71% | -6.24% | 0.73% |
| Including contingent deferred sales charges | 3.02% | -1.12% | -10.93% | -4.27% |
| Class C (commenced August 15, 1997) | | | | |
| Excluding contingent deferred sales charges | -4.70% | n/a | -6.26% | 0.73% |
| Including contingent deferred sales charges | -4.70% | n/a | -7.19% | -0.27% |
| Institutional Class (commenced June 3, 1996) | | | | |
| | 4.11% | 0.45% | -5.14% | 1.31% |
| Service Class (commenced March 6, 1996) | | | | |
| | 3.92% | -0.07% | -5.66% | 1.07% |

(a) Not annualized.

Statement of Investments

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|---------------------------------|---------------------------------------|--------------|
| Common Stocks – 99.6% | | |
| Airlines – 1.0% | | |
| 225,232 | Southwest Airlines Co. | \$ 4,754,648 |
| Alcohol – 1.5% | | |
| 134,059 | Anheuser-Busch Companies, Inc. | 6,816,900 |
| Apartment – 2.4% | | |
| 111,650 | Archstone-Smith Trust | 2,889,502 |
| 82,650 | Avalonbay Communities, Inc. | 3,813,471 |
| 172,100 | Equity Residential Properties Trust | 4,638,095 |
| | | 11,341,068 |
| Banks – 16.0% | | |
| 202,766 | Bank of America Corp. | 12,966,886 |
| 52,779 | Bank One Corp. | 1,891,599 |
| 332,087 | Citigroup, Inc. | 15,026,937 |
| 59,200 | FleetBoston Financial Corp. | 1,976,096 |
| 212,817 | J.P. Morgan Chase & Co. | 6,224,897 |
| 292,200 | KeyCorp | 7,328,376 |
| 31,415 | M&T Bank Corp. | 2,403,248 |
| 40,022 | Mellon Financial Corp. | 1,440,792 |
| 104,199 | PNC Financial Services Group | 5,724,693 |
| 397,063 | U.S. Bancorp | 8,278,764 |
| 119,019 | Wachovia Corp. | 3,955,001 |
| 146,487 | Wells Fargo & Co. | 6,870,240 |
| | | 74,087,529 |
| Brokers – 0.6% | | |
| 53,319 | Merrill Lynch & Co., Inc. | 2,556,646 |
| Chemical – 1.4% | | |
| 77,212 | E.I. du Pont de Nemours & Co. | 3,616,610 |
| 23,005 | Minnesota Mining & Manufacturing Co. | 2,712,980 |
| | | 6,329,590 |
| Computer Hardware – 0.7% | | |
| 133,210 | Dell Computer Corp.* | 3,288,955 |
| Computer Software – 1.8% | | |
| 47,942 | International Business Machines, Inc. | 4,704,069 |
| 59,545 | Microsoft Corp.* | 3,473,855 |
| | | 8,177,924 |
| Defense/Aerospace – 2.7% | | |
| 46,753 | General Dynamics Corp. | 4,248,913 |
| 97,436 | Honeywell International, Inc. | 3,714,260 |
| 59,593 | United Technologies Corp. | 4,347,309 |
| | | 12,310,482 |
| Department Store – 1.0% | | |
| 125,037 | The May Department Stores Co. | 4,581,356 |

| Shares | Description | Value |
|--------------------------------------|---------------------------------------|--------------|
| Common Stocks – (continued) | | |
| Drugs – 5.8% | | |
| 88,020 | Bristol-Myers Squibb Co. | \$ 4,136,940 |
| 57,765 | Johnson & Johnson | 3,517,889 |
| 194,687 | Merck & Co., Inc. | 11,940,154 |
| 58,204 | Pharmacia Corp. | 2,389,274 |
| 138,313 | Schering-Plough Corp. | 4,770,415 |
| | | 26,754,672 |
| Electrical Utilities – 5.5% | | |
| 320,071 | Energy East Corp. | 6,247,786 |
| 57,232 | Entergy Corp. | 2,362,537 |
| 85,845 | Exelon Corp. | 4,230,442 |
| 139,001 | FirstEnergy Corp. | 5,087,436 |
| 227,133 | PPL Corp. | 7,406,807 |
| | | 25,335,008 |
| Energy Resources – 8.5% | | |
| 162,629 | ChevronTexaco Corp. | 13,732,393 |
| 407,316 | Exxon Mobil Corp. | 16,822,151 |
| 185,019 | Pioneer Natural Resources Co.* | 3,667,076 |
| 103,030 | Royal Dutch Petroleum Co. ADR | 5,292,651 |
| | | 39,514,271 |
| Environmental Services – 0.7% | | |
| 118,335 | Waste Management, Inc. | 3,113,394 |
| Financial Services – 4.6% | | |
| 92,394 | Countrywide Credit Industries, Inc. | 3,792,774 |
| 153,878 | Federal Home Loan Mortgage Corp. | 9,808,184 |
| 21,657 | Federal National Mortgage Association | 1,694,660 |
| 62,245 | Household International, Inc. | 3,205,617 |
| 32,436 | USA Education, Inc. | 3,008,439 |
| | | 21,509,674 |
| Food & Beverage – 6.2% | | |
| 470,553 | ConAgra Foods, Inc. | 11,015,646 |
| 238,004 | H.J. Heinz Co. | 9,703,423 |
| 54,031 | Hershey Foods Corp. | 3,817,290 |
| 47,959 | PepsiCo, Inc. | 2,421,930 |
| 32,173 | The Coca-Cola Co. | 1,524,678 |
| | | 28,482,967 |
| Forest – 2.4% | | |
| 108,139 | Bowater, Inc. | 5,574,565 |
| 128,685 | International Paper Co. | 5,629,969 |
| | | 11,204,534 |
| Gas Utilities – 1.3% | | |
| 182,269 | KeySpan Corp. | 5,841,721 |
| Heavy Electrical – 1.0% | | |
| 81,537 | Emerson Electric Co. | 4,695,716 |
| Heavy Machinery – 1.3% | | |
| 130,355 | Deere & Co. | 6,247,915 |

| Shares | Description | Value |
|-------------------------------------|---------------------------------------|---------------|
| Common Stocks – (continued) | | |
| Home Products – 3.3% | | |
| 160,741 | Kimberly-Clark Corp. | \$ 10,062,387 |
| 63,098 | The Procter & Gamble Co. | 5,350,079 |
| | | 15,412,466 |
| Industrial Parts – 0.8% | | |
| 57,650 | American Standard Companies, Inc.* | 3,764,545 |
| Information Services – 1.1% | | |
| 197,825 | Accenture Ltd.* | 5,181,037 |
| Life Insurance – 1.5% | | |
| 58,582 | John Hancock Financial Services, Inc. | 2,250,135 |
| 197,250 | The Principal Financial Group, Inc.* | 4,805,010 |
| | | 7,055,145 |
| Media – 3.1% | | |
| 57,174 | Clear Channel Communications, Inc.* | 2,665,452 |
| 105,804 | Comcast Corp.* | 3,583,581 |
| 80,900 | Cox Communications, Inc.* | 2,981,165 |
| 223,819 | Fox Entertainment Group, Inc.* | 4,991,164 |
| | | 14,221,362 |
| Medical Products – 0.6% | | |
| 51,592 | Abbott Laboratories | 2,917,528 |
| Mining – 0.7% | | |
| 83,782 | Alcoa, Inc. | 3,147,690 |
| Office/Industry/Mixed – 1.9% | | |
| 76,350 | Boston Properties, Inc. | 2,876,105 |
| 161,925 | Equity Office Properties Trust | 4,647,247 |
| 41,300 | Liberty Property Trust | 1,243,130 |
| | | 8,766,482 |
| Oil Services – 0.5% | | |
| 56,284 | Baker Hughes, Inc. | 1,987,388 |
| 14,284 | El Paso Corp. | 558,219 |
| | | 2,545,607 |

| Shares | Description | Value |
|--|---|----------------------|
| Common Stocks – (continued) | | |
| Property Insurance – 6.0% | | |
| 52,623 | AMBAC Financial Group, Inc. | \$ 3,265,257 |
| 172,900 | Aon Corp. | 5,987,527 |
| 51,466 | RenaissanceRe Holdings Ltd. Series B | 5,575,312 |
| 36,793 | The Hartford Financial Services Group, Inc. | 2,465,131 |
| 110,256 | XL Capital Ltd. | 10,502,986 |
| | | 27,796,213 |
| Publishing – 0.6% | | |
| 49,265 | Dow Jones & Co., Inc. | 2,749,480 |
| Railroads – 0.8% | | |
| 69,716 | Canadian National Railway Co. | 3,495,560 |
| Retail – 0.8% | | |
| 115,600 | Simon Property Group, Inc. | 3,558,168 |
| Security/Asset Management – 1.6% | | |
| 163,425 | Alliance Capital Management Holding L.P. | 7,377,004 |
| Semiconductors – 2.6% | | |
| 1,307,926 | Agere Systems, Inc.* | 5,231,704 |
| 102,727 | Intel Corp. | 2,932,856 |
| 134,454 | Texas Instruments, Inc. | 3,946,225 |
| | | 12,110,785 |
| Telecommunications Equipment – 1.5% | | |
| 537,225 | Motorola, Inc. | 6,983,925 |
| Telephone – 3.4% | | |
| 251,199 | AT&T Corp. | 3,903,632 |
| 278,393 | SBC Communications, Inc. | 10,534,391 |
| 92,743 | Sprint Corp. | 1,306,749 |
| | | 15,744,772 |
| Tobacco – 2.4% | | |
| 214,136 | Philip Morris Companies, Inc. | 11,276,402 |
| TOTAL COMMON STOCKS | | |
| (Cost \$446,029,962) | | \$461,049,141 |

Statement of Investments (continued)

February 28, 2002 (Unaudited)

| Principal Amount | Interest Rate | Maturity Date | Value |
|--|------------------|------------------|----------------------|
| Repurchase Agreement – 2.4% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$11,300,000 | 1.90% | 03/01/2002 | \$ 11,300,000 |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$11,300,000) | | | \$ 11,300,000 |
| TOTAL INVESTMENTS | | | |
| (Cost \$457,329,962) | | | \$472,349,141 |

* Non-income producing security.

[^] Joint repurchase agreement was entered into on February 28, 2002.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of total net assets.

Investment Abbreviations:

ADR—American Depositary Receipt

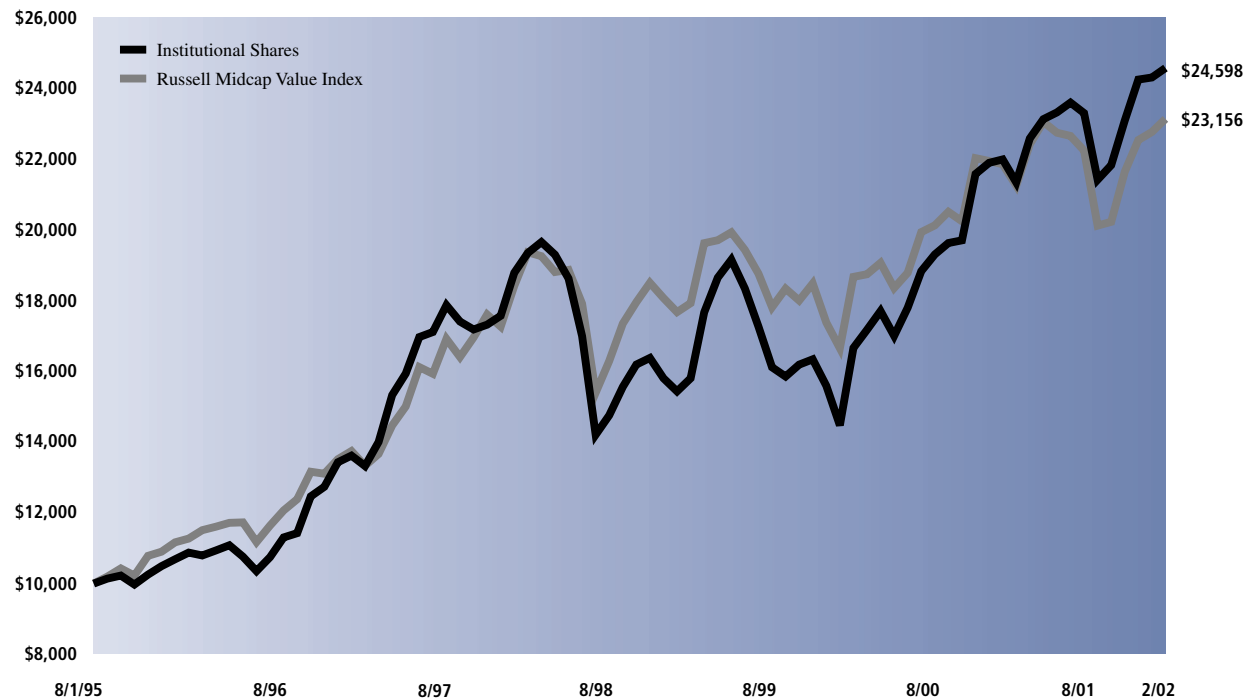
Performance Summary

February 28, 2002 (Unaudited)

The following graph shows the value as of February 28, 2002, of a \$10,000 investment made on August 1, 1995 (commencement of operations) in Institutional Shares at NAV of the Goldman Sachs Mid Cap Value Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell Midcap Value Index with dividends reinvested is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Funds shares. Performance of Class A, Class B, Class C and Service Shares will vary from the Institutional Shares due to differences in fees and loads.

Mid Cap Value Fund's Lifetime Performance

Growth of a \$10,000 Investment, Distributions Reinvested August 1, 1995 to February 28, 2002.



| Average Annual Total Return through February 28, 2002 | Since Inception | Five Years | One Year | Six Months ^(a) |
|---|-----------------|------------|----------|---------------------------|
| Class A (commenced August 15, 1997) | | | | |
| Excluding sales charges | 8.10% | n/a | 11.29% | 5.30% |
| Including sales charges | 6.76% | n/a | 5.17% | -0.50% |
| Class B (commenced August 15, 1997) | | | | |
| Excluding contingent deferred sales charges | 7.34% | n/a | 10.46% | 4.89% |
| Including contingent deferred sales charges | 6.88% | n/a | 5.32% | -0.25% |
| Class C (commenced August 15, 1997) | | | | |
| Excluding contingent deferred sales charges | 7.34% | n/a | 10.50% | 4.88% |
| Including contingent deferred sales charges | 7.34% | n/a | 9.47% | 3.85% |
| Institutional Class (commenced August 1, 1995) | 14.64% | 12.54% | 11.76% | 5.47% |
| Service Class (commenced July 18, 1997) | 8.51% | n/a | 11.26% | 5.27% |

(a) Not annualized.

Statement of Investments

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|---------------------------------|-------------------------------------|--------------|
| Common Stocks – 95.7% | | |
| Airlines – 0.3% | | |
| 94,877 | Southwest Airlines Co. | \$ 2,002,853 |
| Apartment – 0.8% | | |
| 64,585 | Archstone-Smith Trust | 1,671,460 |
| 107,658 | Equity Residential Properties Trust | 2,901,383 |
| | | 4,572,843 |
| Apparel – 0.8% | | |
| 71,412 | Jones Apparel Group, Inc.* | 2,546,552 |
| 66,669 | Liz Claiborne, Inc. | 2,020,737 |
| | | 4,567,289 |
| Banks – 7.9% | | |
| 152,714 | Charter One Financial, Inc. | 4,651,668 |
| 162,910 | Comerica, Inc. | 9,750,164 |
| 390,158 | KeyCorp | 9,785,163 |
| 289,194 | SouthTrust Corp. | 7,307,932 |
| 138,128 | UnionBanCal Corp. | 5,248,864 |
| 136,871 | Wilmington Trust Corp. | 8,977,369 |
| | | 45,721,160 |
| Brokers – 0.7% | | |
| 69,324 | The Bear Stearns Companies, Inc. | 3,819,059 |
| Chemicals – 3.0% | | |
| 142,978 | Eastman Chemical Co. | 6,291,032 |
| 139,278 | Potash Corp. of Saskatchewan, Inc. | 8,612,951 |
| 68,717 | Rohm & Haas Co. | 2,639,420 |
| | | 17,543,403 |
| Clothing – 2.1% | | |
| 232,278 | Ross Stores, Inc. | 8,375,945 |
| 105,917 | The TJX Cos., Inc. | 4,021,668 |
| | | 12,397,613 |
| Computer Hardware – 1.4% | | |
| 545,771 | Ingram Micro, Inc.* | 8,323,008 |
| Computer Software – 0.7% | | |
| 79,886 | Synopsys, Inc.* | 3,762,631 |
| Construction – 1.1% | | |
| 154,017 | Clayton Homes, Inc. | 2,341,058 |
| 105,101 | D.R. Horton, Inc. | 4,193,530 |
| | | 6,534,588 |
| Consumer Durables – 1.6% | | |
| 58,436 | Ethan Allen Interiors, Inc. | 2,368,411 |
| 242,206 | Herman Miller, Inc. | 5,633,712 |
| 26,907 | The Stanley Works | 1,356,920 |
| | | 9,359,043 |
| Defense/Aerospace – 0.5% | | |
| 68,156 | Raytheon Co. | 2,636,956 |
| Department Store – 0.9% | | |
| 55,509 | Federated Department Stores, Inc.* | 2,326,382 |
| 76,611 | The May Department Stores Co. | 2,807,027 |
| | | 5,133,409 |

| Shares | Description | Value |
|--------------------------------------|---|--------------|
| Common Stocks – (continued) | | |
| Drugs – 0.5% | | |
| 97,000 | Mylan Labs, Inc. | \$ 2,946,860 |
| Electrical Utilities – 8.3% | | |
| 126,446 | Constellation Energy Group, Inc. | 3,651,760 |
| 598,088 | Energy East Corp. | 11,674,678 |
| 158,433 | Entergy Corp. | 6,540,114 |
| 310,100 | FirstEnergy Corp. | 11,349,660 |
| 268,847 | PPL Corp. | 8,767,101 |
| 580,419 | Reliant Resources, Inc.* | 6,129,225 |
| | | 48,112,538 |
| Energy Resources – 5.1% | | |
| 121,887 | EOG Resources, Inc. | 4,289,204 |
| 648,701 | Ocean Energy, Inc. | 11,838,793 |
| 674,089 | Pioneer Natural Resources Co.* | 13,360,444 |
| | | 29,488,441 |
| Environmental Services – 1.7% | | |
| 532,103 | Republic Services, Inc.* | 9,551,249 |
| Financial Services – 0.9% | | |
| 129,616 | Countrywide Credit Industries, Inc. | 5,320,737 |
| Food & Beverage – 5.6% | | |
| 409,238 | Archer-Daniels-Midland Co. | 5,667,946 |
| 425,419 | ConAgra, Inc. | 9,959,059 |
| 101,970 | Interstate Bakeries Corp. | 2,572,703 |
| 553,846 | Supervalu, Inc. | 14,372,304 |
| | | 32,572,012 |
| Forest – 3.3% | | |
| 267,031 | Packaging Corp. of America* | 5,121,654 |
| 193,539 | Plum Creek Timber Co., Inc. | 5,990,032 |
| 295,744 | Sonoco Products Co. | 8,177,322 |
| | | 19,289,008 |
| Gas Utilities – 2.1% | | |
| 254,305 | KeySpan Corp. | 8,150,475 |
| 167,388 | Sempra Energy | 3,736,100 |
| | | 11,886,575 |
| Heavy Machinery – 1.5% | | |
| 175,975 | Deere & Co. | 8,434,482 |
| Home Products – 2.2% | | |
| 210,611 | Fortune Brands, Inc. | 9,582,801 |
| 92,626 | The Estee Lauder Companies, Inc. | 2,889,931 |
| | | 12,472,732 |
| Hotel – 2.5% | | |
| 238,957 | Harrah's Entertainment, Inc.* | 9,663,421 |
| 133,110 | Starwood Hotels & Resorts Worldwide, Inc. | 4,791,960 |
| | | 14,455,381 |
| Industrial Parts – 4.7% | | |
| 92,384 | American Standard Companies, Inc.* | 6,032,675 |
| 78,947 | Eaton Corp. | 6,374,181 |

| Shares | Description | Value |
|---------------------------------------|--|-------------------|
| Common Stocks – (continued) | | |
| Industrial Parts – (continued) | | |
| 314,953 | Pall Corp. | \$ 6,147,882 |
| 176,701 | Parker-Hannifin Corp. | 8,803,244 |
| | | <u>27,357,982</u> |
| Leisure REIT – 0.9% | | |
| 168,248 | Hospitality Properties Trust | 5,367,111 |
| Life Insurance – 0.5% | | |
| 125,025 | The Principal Financial Group, Inc.* | 3,045,609 |
| Media – 1.3% | | |
| 113,584 | DoubleClick, Inc.* | 1,223,300 |
| 113,175 | Media General, Inc. | 6,419,286 |
| | | <u>7,642,586</u> |
| Medical Providers – 3.3% | | |
| 241,999 | Health Management Associates, Inc.* | 4,271,282 |
| 88,712 | HEALTHSOUTH Corp.* | 1,056,560 |
| 322,955 | Humana, Inc.* | 4,230,710 |
| 220,454 | Manor Care, Inc.* | 4,133,513 |
| 137,198 | Universal Health Services, Inc. Class B* | 5,280,751 |
| | | <u>18,972,816</u> |
| Mining – 1.1% | | |
| 79,933 | Nucor Corp. | 4,516,214 |
| 50,804 | Phelps Dodge Corp. | 1,925,980 |
| | | <u>6,442,194</u> |
| Motor Vehicle – 2.6% | | |
| 163,511 | Delphi Automotive Systems Corp. | 2,614,541 |
| 45,021 | Johnson Controls, Inc. | 3,996,064 |
| 77,446 | Lear Corp.* | 3,461,836 |
| 356,942 | Visteon Corp. | 5,061,438 |
| | | <u>15,133,879</u> |
| Office/Industry/Mixed – 2.0% | | |
| 258,434 | Duke-Weeks Realty Corp. | 6,150,729 |
| 189,138 | Liberty Property Trust | 5,693,054 |
| | | <u>11,843,783</u> |
| Oil Services – 0.9% | | |
| 153,096 | Noble Drilling Corp.* | 5,393,572 |
| Other REIT – 0.8% | | |
| 128,518 | Health Care Property Investors, Inc. | 4,857,980 |
| Property Insurance – 6.9% | | |
| 43,320 | AMBAC Financial Group, Inc. | 2,688,006 |
| 308,961 | Aon Corp. | 10,699,320 |
| 66,014 | Everest Re Group, Ltd. | 4,809,120 |
| 350,817 | Old Republic International Corp. | 11,212,111 |
| 54,570 | RenaissanceRe Holdings Ltd. Series B | 5,911,568 |

| Shares | Description | Value |
|---|--|----------------------|
| Common Stocks – (continued) | | |
| Property Insurance – (continued) | | |
| 97,749 | The St. Paul Companies, Inc. | \$ 4,779,926 |
| | | <u>40,100,051</u> |
| Publishing – 0.7% | | |
| 96,143 | A.H. Belo Corp. | 2,110,339 |
| 38,554 | Dow Jones & Co., Inc. | 2,151,699 |
| | | <u>4,262,038</u> |
| Railroads – 0.6% | | |
| 61,142 | Burlington Northern Santa Fe Corp. | 1,774,341 |
| 34,087 | Canadian National Railway Co. | 1,709,122 |
| | | <u>3,483,463</u> |
| Restaurants – 2.6% | | |
| 193,170 | CBRL Group, Inc. | 5,928,387 |
| 148,112 | Darden Restaurants, Inc. | 6,262,176 |
| 46,340 | Tricon Global Restaurants, Inc.* | 2,740,084 |
| | | <u>14,930,647</u> |
| Retail – 0.4% | | |
| 74,055 | Simon Property Group, Inc. | 2,279,413 |
| Security/Asset Management – 3.5% | | |
| 79,744 | Alliance Capital Management Holding LP | 3,599,644 |
| 177,660 | Midcap SPDR Trust Series 1 | 16,442,433 |
| | | <u>20,042,077</u> |
| Semiconductors – 3.1% | | |
| 195,668 | Arrow Electronics, Inc.* | 5,243,902 |
| 233,622 | Fairchild Semiconductor Corp.* | 6,015,766 |
| 166,496 | KEMET Corp.* | 2,712,220 |
| 215,305 | Vishay Intertechnology, Inc.* | 3,813,052 |
| | | <u>17,784,940</u> |
| Specialty Retail – 1.1% | | |
| 350,729 | Toys “R” Us, Inc.* | 6,246,483 |
| Thrifts – 1.8% | | |
| 137,720 | GreenPoint Financial Corp. | 6,059,680 |
| 345,498 | Sovereign Bancorp, Inc. | 4,377,460 |
| | | <u>10,437,140</u> |
| Tobacco – 0.5% | | |
| 75,292 | UST, Inc. | 2,624,679 |
| Truck Freight – 0.9% | | |
| 84,037 | Ryder System, Inc. | 2,361,440 |
| 111,078 | Werner Enterprises, Inc. | 2,630,327 |
| | | <u>4,991,767</u> |
| TOTAL COMMON STOCKS | | |
| (Cost \$497,191,017) | | <u>\$554,144,080</u> |

Statement of Investments (continued)

February 28, 2002 (Unaudited)

| Principal Amount | Interest Rate | Maturity Date | Value |
|--|------------------|------------------|----------------------|
| Repurchase Agreement – 3.8% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$21,800,000 | 1.90% | 03/01/2002 | \$ 21,800,000 |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$21,800,000) | | | \$ 21,800,000 |
| TOTAL INVESTMENTS | | | |
| (Cost \$518,991,017) | | | \$575,944,080 |

* Non-income producing security.

[^] Joint repurchase agreement was entered into on February 28, 2002.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of total net assets.

Investment Abbreviations:

REIT—Real Estate Investment Trust

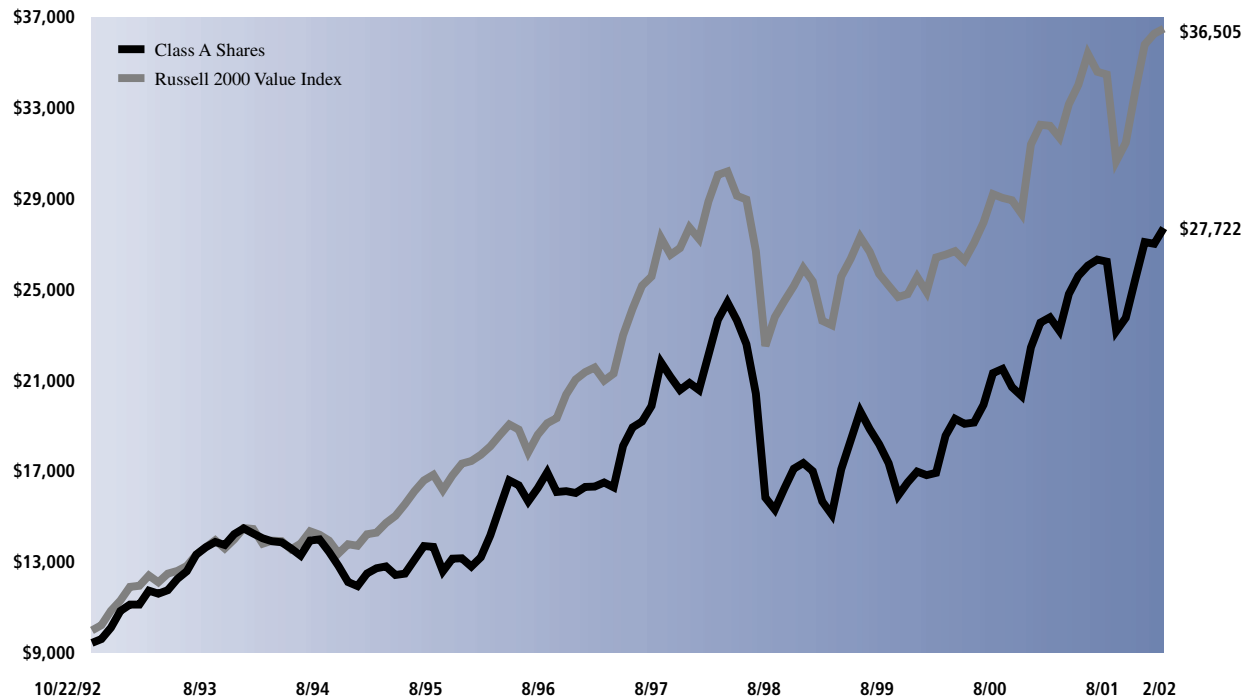
Performance Summary

February 28, 2002 (Unaudited)

The following graph shows the value, as of February 28, 2002, of a \$10,000 investment made on October 22, 1992 (commencement of operations) in Class A Shares (maximum sales charge of 5.5%) in the Goldman Sachs Small Cap Value Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell 2000 Value Index with dividends reinvested, is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class B, Class C, Institutional and Service Shares will vary from Class A Shares due to differences in fees and loads.

Small Cap Value Fund's Lifetime Performance

Growth of a \$10,000 Investment, Distributions Reinvested October 22, 1992 to February 28, 2002.



| Average Annual Total Return through February 28, 2002 | Since Inception | Five Years | One Year | Months ^(a) |
|--|-----------------|------------|----------|-----------------------|
| Class A (commenced October 22, 1992) | | | | |
| Excluding sales charges | 12.18% | 11.15% | 16.54% | 5.64% |
| Including sales charges | 11.51% | 9.90% | 10.11% | -0.17% |
| Class B (commenced May 1, 1996) | | | | |
| Excluding contingent deferred sales charges | 9.75% | 10.29% | 15.59% | 5.19% |
| Including contingent deferred sales charges | 9.61% | 9.97% | 10.59% | 0.19% |
| Class C (commenced August 15, 1997) | | | | |
| Excluding contingent deferred sales charges | 7.24% | n/a | 15.34% | 4.93% |
| Including contingent deferred sales charges | 7.24% | n/a | 14.34% | 3.93% |
| Institutional Class (commenced August 15, 1997) | | | | |
| | 8.52% | n/a | 17.01% | 5.87% |
| Service Class (commenced August 15, 1997) | | | | |
| | 8.00% | n/a | 16.42% | 5.57% |

(a) Not annualized.

Statement of Investments

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|---------------------------------|-----------------------------------|--------------|
| Common Stocks – 92.2% | | |
| Airlines – 0.7% | | |
| 500,695 | AirTran Holdings, Inc.* | \$ 3,309,594 |
| Apartment – 0.9% | | |
| 73,169 | Home Properties of New York, Inc. | 2,365,554 |
| 93,724 | Summit Properties, Inc. | 2,054,430 |
| | | 4,419,984 |
| Apparel – 1.7% | | |
| 85,293 | Kellwood Co. | 2,062,385 |
| 35,667 | Phillips-Van Heusen Corp. | 516,815 |
| 268,425 | Tropical Sportswear Int'l Corp.* | 5,661,083 |
| | | 8,240,283 |
| Banks – 8.7% | | |
| 9,983 | BancFirst Corp. | 364,879 |
| 48,113 | Community Bank System, Inc. | 1,389,503 |
| 184,337 | Community First Bankshares, Inc. | 4,656,353 |
| 82,101 | Corus Bankshares, Inc. | 3,969,583 |
| 94,674 | GBC Bancorp | 3,099,627 |
| 29,183 | Hancock Holding Co. | 1,453,372 |
| 287,924 | Pacific Century Financial Corp. | 7,290,236 |
| 199,343 | Silicon Valley Bancshares* | 5,533,762 |
| 241,645 | Sky Financial Group, Inc. | 5,028,632 |
| 144,604 | Susquehanna Bancshares, Inc. | 3,323,000 |
| 457,661 | The Colonial BancGroup, Inc. | 6,530,822 |
| | | 42,639,769 |
| Brokers – 0.2% | | |
| 30,256 | LaBranche & Co., Inc.* | 945,500 |
| Chemical – 2.9% | | |
| 325,741 | Agrium, Inc. | 3,241,123 |
| 145,996 | Albemarle Corp. | 3,461,565 |
| 142,433 | Cytec Industries, Inc.* | 3,867,056 |
| 108,513 | The Lubrizol Corp. | 3,570,078 |
| | | 14,139,822 |
| Clothing – 2.5% | | |
| 35,454 | AnnTaylor Stores Corp.* | 1,459,287 |
| 1,136,446 | Charming Shoppes, Inc.* | 8,568,803 |
| 85,056 | Urban Outfitters, Inc.* | 2,015,827 |
| | | 12,043,917 |
| Computer Hardware – 3.5% | | |
| 249,006 | Hutchinson Technology, Inc.* | 5,291,378 |
| 372,433 | Ingram Micro, Inc.* | 5,679,603 |
| 843,876 | Maxtor Corp.* | 6,033,713 |
| | | 17,004,694 |
| Construction – 2.2% | | |
| 40,407 | Beazer Homes USA, Inc.* | 3,658,854 |
| 188,342 | Clayton Homes, Inc. | 2,862,798 |
| 149,764 | Standard Pacific Corp. | 4,280,255 |
| | | 10,801,907 |

| Shares | Description | Value |
|--------------------------------------|---------------------------------------|--------------|
| Common Stocks – (continued) | | |
| Consumer Durables – 1.2% | | |
| 80,170 | Furniture Brands International, Inc.* | \$ 3,058,485 |
| 132,708 | Salton, Inc.* | 2,680,702 |
| | | 5,739,187 |
| Defense/Aerospace – 1.0% | | |
| 181,557 | Ducommun, Inc.* | 2,523,642 |
| 114,481 | Herley Industries, Inc.* | 2,116,754 |
| | | 4,640,396 |
| Department Store – 1.4% | | |
| 476,830 | ShopKo Stores, Inc.* | 6,723,303 |
| Drugs – 1.1% | | |
| 81,136 | Caliper Technologies Corp.* | 890,062 |
| 38,311 | Kos Pharmaceuticals, Inc.* | 873,108 |
| 108,081 | Molecular Devices Corp.* | 2,305,368 |
| 123,240 | Perrigo Co.* | 1,379,055 |
| | | 5,447,593 |
| Electrical Equipment – 0.3% | | |
| 14,316 | Franklin Electric Co., Inc. | 1,325,089 |
| Electrical Utilities – 3.9% | | |
| 243,715 | El Paso Electric Co.* | 3,499,747 |
| 196,723 | Energy East Corp. | 3,840,033 |
| 125,792 | PNM Resources, Inc. | 3,388,837 |
| 430,593 | Sierra Pacific Resources | 6,954,077 |
| 90,939 | Unisource Energy Corp. | 1,613,258 |
| | | 19,295,952 |
| Energy Resources – 0.6% | | |
| 163,969 | Swift Energy Co.* | 2,958,001 |
| Environmental Services – 0.9% | | |
| 280,720 | Casella Waste Systems, Inc.* | 3,523,036 |
| 29,752 | Waste Connections, Inc.* | 931,237 |
| | | 4,454,273 |
| Financial Services – 1.1% | | |
| 113,834 | American Capital Strategies Ltd. | 3,257,929 |
| 115,250 | Metris Companies, Inc. | 1,876,270 |
| | | 5,134,199 |
| Food & Beverage – 1.2% | | |
| 148,285 | Corn Products International, Inc. | 4,559,764 |
| 157,509 | The Topps Co., Inc.* | 1,510,511 |
| | | 6,070,275 |
| Forest – 2.1% | | |
| 629,982 | Caraustar Industries, Inc. | 5,493,443 |
| 254,127 | Packaging Corp. of America* | 4,874,156 |
| | | 10,367,599 |

| Shares | Description | Value |
|------------------------------------|----------------------------------|--------------|
| Common Stocks – (continued) | | |
| Gas Utilities – 2.2% | | |
| 130,520 | Atmos Energy Corp. | \$ 2,910,596 |
| 217,584 | Northwest Natural Gas Co. | 5,731,163 |
| 62,030 | Peoples Energy Corp. | 2,304,414 |
| | | 10,946,173 |
| Heavy Electrical – 2.9% | | |
| 146,461 | Baldor Electric Co. | 3,112,296 |
| 189,693 | Belden, Inc. | 4,008,213 |
| 209,570 | General Cable Corp. | 2,472,926 |
| 445,058 | UCAR International, Inc.* | 4,793,275 |
| | | 14,386,710 |
| Heavy Machinery – 1.4% | | |
| 309,129 | AGCO Corp. | 6,943,037 |
| Home Products – 2.2% | | |
| 29,832 | Alberto-Culver Co. | 1,362,428 |
| 84,806 | Elizabeth Arden, Inc.* | 627,564 |
| 132,240 | Oneida Ltd. | 1,725,732 |
| 296,978 | The Dial Corp. | 4,989,230 |
| 95,564 | Tupperware Corp. | 1,928,482 |
| | | 10,633,436 |
| Hotel – 0.5% | | |
| 198,458 | Station Casinos, Inc.* | 2,657,353 |
| Industrial Parts – 3.8% | | |
| 69,118 | CIRCOR International, Inc. | 1,285,595 |
| 91,229 | Hughes Supply, Inc. | 2,888,310 |
| 53,545 | IDEX Corp. | 1,916,911 |
| 363,357 | Lydall, Inc.* | 3,996,927 |
| 99,857 | Mueller Industries, Inc.* | 3,203,412 |
| 61,061 | Pentair, Inc. | 2,381,379 |
| 267,041 | Wabash National Corp. | 2,934,781 |
| | | 18,607,315 |
| Industrial Services – 2.0% | | |
| 221,421 | Cornell Companies, Inc.* | 2,809,832 |
| 124,588 | Harsco Corp. | 4,624,707 |
| 93,464 | Pittston Brink's Group | 2,171,169 |
| 14,643 | Wackenhut Corrections Corp.* | 243,952 |
| | | 9,849,660 |
| Information Services – 0.5% | | |
| 174,246 | Century Business Services, Inc.* | 566,299 |
| 61,396 | NDCHealth Corp. | 2,089,920 |
| | | 2,656,219 |
| Leisure – 1.1% | | |
| 101,502 | GTECH Holdings Corp.* | 5,414,117 |
| Media – 1.0% | | |
| 92,872 | DoubleClick, Inc.* | 1,000,231 |
| 68,552 | Media General, Inc. | 3,888,270 |
| | | 4,888,501 |

| Shares | Description | Value |
|-------------------------------------|---|--------------|
| Common Stocks – (continued) | | |
| Medical Providers – 2.1% | | |
| 143,249 | Health Net, Inc.* | \$ 3,472,356 |
| 361,993 | Humana, Inc.* | 4,742,108 |
| 117,931 | United Surgical Partners International, Inc.* | 2,173,468 |
| | | 10,387,932 |
| Mining – 2.7% | | |
| 205,541 | Commercial Metals Co. | 7,491,970 |
| 280,417 | Maverick Tube Corp.* | 3,897,796 |
| 55,440 | Schnitzer Steel Industries, Inc. | 831,600 |
| 107,767 | Wolverine Tube, Inc.* | 969,903 |
| | | 13,191,269 |
| Motor Vehicle – 1.6% | | |
| 32,347 | American Axle & Manufacturing Holdings, Inc.* | 863,665 |
| 217,871 | Lithia Motors, Inc.* | 4,270,271 |
| 39,683 | Superior Industries International, Inc. | 1,785,735 |
| 56,204 | Tower Automotive, Inc.* | 646,346 |
| | | 7,566,017 |
| Office/Industry/Mixed – 3.8% | | |
| 129,589 | Brandywine Realty Trust | 2,928,711 |
| 135,128 | Colonial Properties Trust | 4,474,088 |
| 157,096 | Liberty Property Trust | 4,728,589 |
| 56,892 | Parkway Properties, Inc. | 1,900,193 |
| 166,617 | Prentiss Properties Trust | 4,681,938 |
| | | 18,713,519 |
| Oil Services – 1.3% | | |
| 101,699 | Cal Dive International, Inc.* | 2,331,144 |
| 161,105 | TETRA Technologies, Inc.* | 3,988,960 |
| | | 6,320,104 |
| Other REIT – 3.6% | | |
| 204,828 | Commercial Net Lease Realty | 2,683,247 |
| 190,521 | Correctional Properties Trust | 3,694,202 |
| 180,417 | Cousins Properties, Inc. | 4,716,100 |
| 165,498 | Entertainment Properties Trust | 3,400,984 |
| 110,639 | Healthcare Realty Trust, Inc. | 3,153,212 |
| | | 17,647,745 |
| Property Insurance – 4.0% | | |
| 163,930 | Horace Mann Educators Corp. | 3,694,982 |
| 146,887 | IPC Holdings Ltd. | 4,569,655 |
| 85,254 | The Commerce Group, Inc. | 3,170,596 |
| 280,429 | Zenith National Insurance Corp. | 8,216,570 |
| | | 19,651,803 |
| Publishing – 1.7% | | |
| 185,587 | ADVO, Inc.* | 7,052,306 |
| 54,318 | Getty Images, Inc.* | 1,394,886 |
| | | 8,447,192 |

Statement of Investments (continued)

February 28, 2002 (Unaudited)

| Shares | Description | Value |
|---|-------------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Restaurants – 1.7% | | |
| 133,846 | CBRL Group, Inc. | \$ 4,107,734 |
| 60,972 | IHOP Corp.* | 1,902,326 |
| 117,044 | Ruby Tuesday, Inc. | 2,364,289 |
| | | <u>8,374,349</u> |
| Retail – 2.0% | | |
| 118,261 | Developers Diversified Realty Corp. | 2,390,055 |
| 146,662 | JDN Realty Corp. | 1,798,076 |
| 237,621 | Taubman Centers, Inc. | 3,647,482 |
| 68,649 | The Macerich Co. | 1,877,550 |
| | | <u>9,713,163</u> |
| Security/Asset Management – 0.5% | | |
| 49,708 | BlackRock, Inc.* | 2,212,006 |
| Semiconductors – 2.2% | | |
| 394,074 | Entegris, Inc.* | 4,066,844 |
| 332,945 | NeoMagic Corp.* | 1,065,424 |
| 315,007 | Vishay Intertechnology, Inc.* | 5,578,774 |
| | | <u>10,711,042</u> |
| Specialty Retail – 4.4% | | |
| 76,921 | Aaron Rents, Inc. Class B | 1,530,728 |
| 339,602 | Brookstone, Inc.* | 4,958,189 |
| 186,117 | InterTAN, Inc.* | 2,225,959 |
| 335,639 | Pier 1 Imports, Inc. | 6,702,711 |
| 217,658 | Tuesday Morning Corp.* | 4,189,917 |
| 42,432 | Zale Corp.* | 1,855,551 |
| | | <u>21,463,055</u> |
| Telephone – 0.4% | | |
| 77,745 | CT Communications, Inc. | 1,088,430 |
| 152,240 | Openwave Systems, Inc.* | 851,022 |
| | | <u>1,939,452</u> |
| Thrifts – 2.3% | | |
| 150,790 | BankUnited Financial Corp.* | 2,299,548 |
| 126,388 | Seacoast Financial Services Corp. | 2,396,316 |
| 257,896 | Washington Federal, Inc. | 6,689,822 |
| | | <u>11,385,686</u> |

| Shares | Description | Value | |
|---|--------------------------|---------------|---------------|
| Common Stocks – (continued) | | | |
| Truck Freight – 2.2% | | | |
| 87,368 | Arkansas Best Corp.* | \$ 2,343,210 | |
| 192,853 | Heartland Express, Inc.* | 4,344,984 | |
| 32,401 | Landstar Systems, Inc.* | 2,665,954 | |
| 32,162 | Teekay Shipping Corp. | 1,189,994 | |
| | | 10,544,142 | |
| TOTAL COMMON STOCKS | | | |
| (Cost \$388,692,940) | | \$450,952,334 | |
| Principal Amount | Interest Rate | Maturity Date | Value |
| Repurchase Agreement – 7.2% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$35,300,000 | 1.90% | 03/01/2002 | \$ 35,300,000 |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$35,300,000) | | | \$ 35,300,000 |
| TOTAL INVESTMENTS | | | |
| (Cost \$423,992,940) | | | \$486,252,334 |
| * Non-income producing security. | | | |
| [^] Joint repurchase agreement was entered into on February 28, 2002. | | | |
| The percentage shown for each investment category reflects the value of investments in that category as a percentage of total net assets. | | | |
| Investment Abbreviations: | | | |
| REIT—Real Estate Investment Trust | | | |

Statements of Assets and Liabilities

February 28, 2002 (Unaudited)

| | Large Cap Value Fund | Growth and Income Fund | Mid Cap Value Fund | Small Cap Value Fund |
|--|-------------------------|---------------------------|-----------------------|-------------------------|
| Assets: | | | | |
| Investment in securities, at value (identified cost \$281,151,877, \$457,329,962, \$518,991,017 and \$423,992,940, respectively) | \$283,909,174 | \$472,349,141 | \$575,944,080 | \$486,252,334 |
| Cash ^(a) | 46,606 | 10,539 | 39,853 | 1,857,035 |
| Receivables: | | | | |
| Fund shares sold | 14,065,616 | 563,642 | 3,416,763 | 4,990,597 |
| Investment securities sold | — | — | — | 519,791 |
| Dividends and interest | 488,944 | 930,726 | 733,101 | 492,664 |
| Reimbursement from investment adviser | 11,215 | 10,412 | — | 3,136 |
| Other assets | 25,206 | 2,096 | 27,658 | 35,498 |
| Total assets | 298,546,761 | 473,866,556 | 580,161,455 | 494,151,055 |

| | | | | |
|--|----------------|-------------------|------------------|------------------|
| Liabilities: | | | | |
| Payables: | | | | |
| Fund shares repurchased | 216,828 | 10,445,300 | 312,693 | 2,464,656 |
| Investment securities purchased | — | — | 612,242 | 1,869,154 |
| Amounts owed to affiliates | 237,564 | 454,719 | 462,735 | 529,876 |
| Variation margin | — | — | — | 119,475 |
| Accrued expenses and other liabilities | 96,404 | 97,364 | 76,552 | 90,648 |
| Total liabilities | 550,796 | 10,997,383 | 1,464,222 | 5,073,809 |

| | | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| Net Assets: | | | | |
| Paid-in capital | 301,910,459 | 563,307,745 | 516,056,861 | 448,294,238 |
| Accumulated undistributed net investment income | 538,644 | 1,125,359 | 2,105,014 | 943,761 |
| Accumulated net realized gain (loss) on investment and futures transactions | (7,210,435) | (116,583,110) | 3,582,295 | (22,644,715) |
| Net unrealized gain on investments and futures | 2,757,297 | 15,019,179 | 56,953,063 | 62,483,962 |
| NET ASSETS | \$297,995,965 | \$462,869,173 | \$578,697,233 | \$489,077,246 |
| Net asset value, offering and redemption price per share: ^(b) | | | | |
| Class A | \$10.15 | \$19.88 | \$24.79 | \$30.06 |
| Class B | \$10.05 | \$19.37 | \$24.50 | \$28.77 |
| Class C | \$10.05 | \$19.33 | \$24.43 | \$28.73 |
| Institutional | \$10.19 | \$20.10 | \$24.81 | \$30.49 |
| Service | \$10.21 | \$19.84 | \$24.76 | \$29.82 |
| Shares outstanding: | | | | |
| Class A | 20,818,840 | 16,823,102 | 8,077,909 | 10,958,061 |
| Class B | 1,178,841 | 4,769,555 | 2,500,697 | 2,005,034 |
| Class C | 448,974 | 510,642 | 952,010 | 975,516 |
| Institutional | 6,894,769 | 1,053,874 | 11,835,246 | 2,381,138 |
| Service | 151 | 251,052 | 8,956 | 47,267 |
| Total shares outstanding, \$.001 par value (unlimited number of shares authorized) | 29,341,575 | 23,408,225 | 23,374,818 | 16,367,016 |

(a) Includes approximately, \$1,800,000 for the Small Cap Value Fund relating to initial margin requirements for futures transactions.

(b) Maximum public offering price per share (NAV per share multiplied by 1.0582) for Class A Shares of the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds is \$10.74, \$21.04, \$26.23 and \$31.81, respectively. At redemption, Class B and Class C Shares may be subject to a contingent deferred sales charge, assessed on the amount equal to the lesser of the current NAV or the original purchase price of the shares.

Statements of Operations

For the Six Months Ended February 28, 2002 (Unaudited)

| | Large Cap Value Fund | Growth and Income Fund | Mid Cap Value Fund | Small Cap Value Fund |
|---|-------------------------|---------------------------|-----------------------|-------------------------|
| Investment income: | | | | |
| Dividends ^(a) | \$ 2,266,394 | \$ 4,140,152 | \$ 4,517,907 | \$ 3,585,963 |
| Interest | 141,477 | 143,194 | 256,357 | 297,449 |
| Total income | 2,407,871 | 4,283,346 | 4,774,264 | 3,883,412 |
| Expenses: | | | | |
| Management fees | 854,872 | 1,656,334 | 1,750,015 | 1,890,170 |
| Distribution and Service fees ^(b) | 267,168 | 936,804 | 506,367 | 648,573 |
| Transfer Agent fees ^(b) | 173,950 | 424,178 | 249,713 | 316,898 |
| Custodian fees | 91,320 | 83,122 | 78,985 | 93,608 |
| Registration fees | 45,807 | 39,350 | 32,237 | 31,396 |
| Professional fees | 18,603 | 19,441 | 19,422 | 19,936 |
| Trustee fees | 4,749 | 4,769 | 4,769 | 4,769 |
| Service Share fees | 4 | 12,768 | 324 | 2,729 |
| Other | 45,451 | 48,570 | 45,843 | 46,283 |
| Total expenses | 1,501,924 | 3,225,336 | 2,687,675 | 3,054,362 |
| Less — expense reductions | (132,981) | (67,478) | (2,759) | (75,022) |
| Net expenses | 1,368,943 | 3,157,858 | 2,684,916 | 2,979,340 |
| NET INVESTMENT INCOME | 1,038,928 | 1,125,488 | 2,089,348 | 904,072 |
| Realized and unrealized gain (loss) on investments and futures transactions: | | | | |
| Net realized gain (loss) from: | | | | |
| Investment transactions | (5,007,533) | (36,919,178) | 6,398,937 | 860,048 |
| Futures transactions | — | — | — | 1,364,536 |
| Net change in unrealized gain (loss) on: | | | | |
| Investments | 6,413,766 | 40,129,879 | 22,076,836 | 20,911,015 |
| Futures | — | — | — | 224,568 |
| Net realized and unrealized gain on investment and futures transactions | 1,406,233 | 3,210,701 | 28,475,773 | 23,360,167 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | \$ 2,445,161 | \$ 4,336,189 | \$30,565,121 | \$24,264,239 |

(a) Foreign taxes withheld on dividends were \$915, \$4,248, \$9,299 and \$5,314 for Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds, respectively.

(b) Class specific Distribution, Service and Transfer Agent fees were as follows:

| Fund | Distribution and Service Fees | | | Transfer Agent Fees | | | | |
|-------------------|-------------------------------|-----------|----------|---------------------|----------|----------|---------------|---------|
| | Class A | Class B | Class C | Class A | Class B | Class C | Institutional | Service |
| Large Cap Value | \$196,183 | \$ 50,718 | \$20,267 | \$149,099 | \$ 9,636 | \$ 3,851 | \$11,364 | \$ — |
| Growth and Income | 420,024 | 467,168 | 49,612 | 319,218 | 88,762 | 9,426 | 5,751 | 1,021 |
| Mid Cap Value | 178,721 | 237,121 | 90,525 | 135,828 | 45,053 | 17,200 | 51,606 | 26 |
| Small Cap Value | 320,012 | 232,840 | 95,721 | 243,209 | 44,240 | 18,187 | 11,044 | 218 |

Statements of Changes in Net Assets

For the Six Months Ended February 28, 2002 (Unaudited)

| | Large Cap Value Fund | Growth and Income Fund | Mid Cap Value Fund | Small Cap Value Fund |
|--|-------------------------|---------------------------|-----------------------|-------------------------|
| From operations: | | | | |
| Net investment income | \$ 1,038,928 | \$ 1,125,488 | \$ 2,089,348 | \$ 904,072 |
| Net realized gain (loss) from investment and futures transactions | (5,007,533) | (36,919,178) | 6,398,937 | 2,224,584 |
| Net change in unrealized gain (loss) on investments and futures | 6,413,766 | 40,129,879 | 22,076,836 | 21,135,583 |
| Net increase in net assets resulting from operations | 2,445,161 | 4,336,189 | 30,565,121 | 24,264,239 |
| Distributions to shareholders: | | | | |
| From net investment income | | | | |
| Class A Shares | (692,434) | — | (1,108,646) | (847,396) |
| Class B Shares | — | — | (64,771) | — |
| Class C Shares | — | — | (50,369) | — |
| Institutional Shares | (310,904) | — | (2,276,547) | (344,787) |
| Service Shares | (3) | — | — | (6,820) |
| From net realized gain | | | | |
| Class A Shares | — | — | (3,852,958) | — |
| Class B Shares | — | — | (1,256,365) | — |
| Class C Shares | — | — | (476,631) | — |
| Institutional Shares | — | — | (6,770,738) | — |
| Service Shares | — | — | (216) | — |
| Total distributions to shareholders | (1,003,341) | — | (15,857,241) | (1,199,003) |
| From share transactions: | | | | |
| Proceeds from sales of shares | 173,195,658 | 22,718,882 | 184,429,266 | 201,008,234 |
| Reinvestment of dividends and distributions | 733,704 | — | 13,678,100 | 1,031,011 |
| Cost of shares repurchased | (63,596,663) | (62,279,582) | (37,060,794) | (95,183,018) |
| Net increase (decrease) in net assets resulting from share transactions | 110,332,699 | (39,560,700) | 161,046,572 | 106,856,227 |
| TOTAL INCREASE (DECREASE) | 111,774,519 | (35,224,511) | 175,754,452 | 129,921,463 |
| Net assets: | | | | |
| Beginning of period | 186,221,446 | 498,093,684 | 402,942,781 | 359,155,783 |
| End of period | \$297,995,965 | \$462,869,173 | \$578,697,233 | \$489,077,246 |
| Accumulated undistributed net investment income | \$ 538,644 | \$ 1,125,359 | \$ 2,105,014 | \$ 943,761 |

Statements of Changes in Net Assets

For the Year Ended August 31, 2001

| | Large Cap Value Fund | Growth and Income Fund | Mid Cap Value Fund | Small Cap Value Fund |
|--|-------------------------|---------------------------|-----------------------|-------------------------|
| From operations: | | | | |
| Net investment income (loss) | \$ 609,445 | \$ (469,881) | \$ 3,564,821 | \$ 1,316,240 |
| Net realized gain (loss) from investment transactions | (1,784,321) | (23,409,316) | 31,401,841 | 29,101,096 |
| Net change in unrealized gain on investments | (5,007,788) | (124,968,017) | 22,044,876 | 23,416,879 |
| Net increase (decrease) in net assets resulting from operations | (6,182,664) | (148,847,214) | 57,011,538 | 53,834,215 |
| Distributions to shareholders: | | | | |
| From net investment income | | | | |
| Class A Shares | (54,842) | — | (297,297) | — |
| Class B Shares | (6,654) | — | (82,704) | — |
| Class C Shares | (2,117) | — | (27,256) | — |
| Institutional Shares | (175,037) | — | (1,593,212) | — |
| Service Shares | (5) | — | (1,478) | — |
| Total distributions to shareholders | (238,655) | — | (2,001,947) | — |
| From share transactions: | | | | |
| Proceeds from sales of shares | 188,878,656 | 39,933,973 | 173,604,372 | 169,066,632 |
| Reinvestment of dividends and distributions | 148,662 | — | 1,835,109 | — |
| Cost of shares repurchased | (22,154,546) | (177,088,728) | (53,046,065) | (85,690,999) |
| Net increase (decrease) in net assets resulting from share transactions | 166,872,772 | (137,154,755) | 122,393,416 | 83,375,633 |
| TOTAL INCREASE (DECREASE) | 160,451,453 | (286,001,969) | 177,403,007 | 137,209,848 |
| Net assets: | | | | |
| Beginning of year | 25,769,993 | 784,095,653 | 225,539,774 | 221,945,935 |
| End of year | \$186,221,446 | \$ 498,093,684 | \$402,942,781 | \$359,155,783 |
| Accumulated undistributed net investment income (loss) | \$ 503,057 | \$ (129) | \$ 3,515,999 | \$ 1,238,692 |

Notes to Financial Statements

February 28, 2002 (Unaudited)

1. ORGANIZATION

Goldman Sachs Trust (the “Trust”) is a Delaware business trust registered under the Investment Company Act of 1940 (as amended) as an open-end, management investment company. The Trust includes the Goldman Sachs Large Cap Value Fund, Growth and Income Fund, Mid Cap Value Fund and Small Cap Value Fund (collectively the “Funds” or individually a “Fund”). Each Fund is a diversified portfolio offering five classes of shares — Class A, Class B, Class C, Institutional and Service.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Funds. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the reported amounts. Actual results could differ from those estimates.

A. Investment Valuation — Investments in securities traded on a U.S. or foreign securities exchange or the NASDAQ system are valued daily at their last sale price on the principal exchange on which they are traded. If no sale occurs, securities are valued at the last bid price. Debt securities are valued at prices supplied by independent pricing services, broker/dealer-supplied valuations or matrix pricing systems. Unlisted equity and debt securities for which market quotations are available are valued at the last sale price on valuation date, or if no sale occurs, at the last bid price. Short-term debt obligations maturing in sixty days or less are valued at amortized cost, which approximates market value. Securities for which quotations are not readily available are valued at fair value using methods approved by the Board of Trustees of the Trust.

B. Security Transactions and Investment Income — Security transactions are recorded as of the trade date. Realized gains and losses on sales of portfolio securities are calculated using the identified-cost basis. Dividend income is recorded on the ex-dividend date, net of foreign taxes where applicable. Interest income is recorded on the basis of interest accrued, premium amortized and discount earned.

Net investment income (other than class-specific expenses) and unrealized and realized gains or losses are allocated daily to each class of shares of the Funds, based upon the relative proportion of net assets of each class.

C. Federal Taxes — It is the Funds’ policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute each year substantially all of its investment company taxable income and capital gains to its shareholders. Accordingly, no federal tax provision is required. Income distributions, if any, are declared and paid quarterly for Growth and Income Fund and annually for the Large Cap Value, Mid Cap Value and Small Cap Value Funds. Capital gains distributions, if any, are declared and paid annually.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with income tax rules. Therefore, the source of each Fund’s distributions may be shown in the accompanying financial statements as either from net investment income or net realized gain on investment transactions, or from paid-in capital, depending on the type of book/tax differences that may exist.

The Funds, at their most recent tax year-ends of August 31, 2001, had approximately the following amounts of capital loss carryforwards for U.S. federal tax purposes. These amounts are available to be carried forward to offset future capital gains to the extent permitted by applicable laws or regulations.

| Fund | Amount | Years of Expiration |
|-------------------|------------|---------------------|
| Large Cap Value | \$ 130,000 | 2009 |
| Growth and Income | 43,881,000 | 2008 |
| Small Cap Value | 20,412,000 | 2007 |

Notes to Financial Statements (continued)

February 28, 2002 (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, the Growth and Income Fund will elect to treat net capital losses of approximately \$30,254,000 incurred in the ten-month period ended August 31, 2001 as having been incurred in the following fiscal year.

At February 28, 2002, the aggregate cost of portfolio securities, gross unrealized gain on investments and gross unrealized loss on investments for federal income tax purposes are as follows:

| Fund | Tax Cost | Gross Unrealized Gain | Gross Unrealized Loss | Net Unrealized Gain (Loss) |
|-------------------|---------------|--------------------------|--------------------------|----------------------------------|
| Large Cap Value | \$283,100,089 | \$11,702,059 | \$10,892,974 | \$ 809,085 |
| Growth and Income | 462,858,464 | 33,653,391 | 24,162,714 | 9,490,677 |
| Mid Cap Value | 521,790,565 | 63,049,143 | 8,895,628 | 54,153,515 |
| Small Cap Value | 428,411,010 | 64,767,700 | 6,926,376 | 57,841,324 |

D. Expenses — Expenses incurred by the Trust that do not specifically relate to an individual Fund of the Trust are allocated to the Funds on a straight-line or pro rata basis depending upon the nature of the expense.

Class A, Class B and Class C Shares bear all expenses and fees relating to their respective Distribution and Service Plans. Shareholders of Service Shares bear all expenses and fees paid to service organizations for their services with respect to such shares. Each class of shares of the Funds separately bears its respective class-specific Transfer Agency fees.

E. Foreign Currency Translations — The books and records of each Fund are maintained in U.S. dollars. Amounts denominated in foreign currencies are translated into U.S. dollars on the following basis: (i) investment valuations, foreign currency and other assets and liabilities initially expressed in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates; and (ii) purchases and sales of foreign investments, income and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions.

Net realized and unrealized gain (loss) on foreign currency transactions will represent: (i) foreign exchange gains and losses from the sale and holdings of foreign currencies; (ii) currency gains and losses between trade date and settlement date on investment securities transactions and forward exchange contracts; and (iii) gains and losses from the difference between amounts of dividends and interest recorded and the amounts actually received. The effect of changes in foreign currency exchange rates on securities and derivative instruments are not segregated in the Statement of Operations from the effects of changes in market prices of those securities and derivative instruments, but are included with the net realized and unrealized gain or loss on securities and derivative instruments. Net unrealized foreign exchange gains and losses arising from changes in the value of other assets and liabilities as a result of changes in foreign exchange rates are included as increases and decreases in unrealized appreciation/depreciation on foreign currency related transactions.

F. Repurchase Agreements — Repurchase agreements involve the purchase of securities subject to the seller's agreement to repurchase them at a mutually agreed upon date and price. During the term of a repurchase agreement, the value of the underlying securities, including accrued interest, is required to equal or exceed the value of the repurchase agreement, including accrued interest. The underlying securities for all repurchase agreements are held in safekeeping at the Funds' custodian or designated subcustodian.

G. Segregation Transactions — The Funds may enter into certain derivative transactions to seek to increase total return. Forward foreign currency exchange contracts, futures contracts, written options, when-issued securities and forward commitments represent examples of such transactions. As a result of entering into these transactions, the Funds are required to segregate liquid assets on the accounting records equal to or greater than the market value of the corresponding transactions.

3. AGREEMENTS

Pursuant to the Investment Management Agreements (the “Agreements”), Goldman Sachs Asset Management (“GSAM”), a business unit of the Investment Management Division of Goldman, Sachs & Co. (“Goldman Sachs”), serves as the investment adviser to the Funds. Under the Agreement, the adviser, subject to the general supervision of the Trust’s Board of Trustees, manages the Funds’ portfolios. As compensation for the services rendered pursuant to the Agreements, the assumption of the expenses related thereto and administering the Funds’ business affairs, including providing facilities, the adviser is entitled to a fee, computed daily and payable monthly, at an annual rate equal to 0.75%, 0.70%, 0.75% and 1.00% of the average daily net assets of the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds, respectively.

The investment adviser has voluntarily agreed to limit certain “Other Expenses” of the Funds (excluding Management fees, Distribution and Service fees, Transfer Agent fees, taxes, interest, brokerage commissions, litigation, Service Share fees, indemnification costs and other extraordinary expenses) to the extent such expenses exceed, on an annual basis, 0.06%, 0.05%, 0.10% and 0.06% of the average daily net assets of the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds, respectively.

The Trust, on behalf of each Fund, has adopted Distribution and Service Plans. Under the Distribution and Service Plans, Goldman Sachs and/or authorized dealers are entitled to a monthly fee from each Fund for distribution and shareholder maintenance services equal, on an annual basis, to 0.25%, 1.00% and 1.00% of the Funds’ average daily net assets attributable to Class A, Class B and Class C Shares, respectively.

Goldman Sachs serves as the distributor of shares of the Funds pursuant to a Distribution Agreement. Goldman Sachs may receive a portion of the Class A sales load and Class B and Class C contingent deferred sales charges and has advised the Funds that it retained approximately \$806,000, \$45,000, \$677,000 and \$734,000 during the six months ended February 28, 2002 for the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds, respectively.

Goldman Sachs also serves as the transfer agent of the Funds for a fee. The fees charged for such transfer agency services are calculated daily and payable monthly at an annual rate as follows: 0.19% of the average daily net assets for Class A, Class B and Class C Shares and 0.04% of the average daily net assets for Institutional and Service Shares.

The Trust, on behalf of each Fund, has adopted a Service Plan and Shareholder Administration Plan. These plans allow for Service Shares to compensate service organizations for providing varying levels of personal and account administration and shareholder administration services to their customers who are beneficial owners of such shares. The Service Plan and Shareholder Administration Plan provide for compensation to the service organizations in an amount up to 0.25% and 0.25%, respectively, (on an annualized basis), of the average daily net asset value of the Service Shares.

For the six months ended February 28, 2002, the Funds’ adviser has voluntarily agreed to reimburse certain expenses. In addition, the Funds have entered into certain offset arrangements with the custodian resulting in a reduction in the Funds’ expenses. These expense reductions were as follows (in thousands):

| Fund | Reimbursement | Custody Credit | Total Expense Reduction |
|-------------------|---------------|----------------|-------------------------|
| Large Cap Value | \$132 | \$1 | \$133 |
| Growth and Income | 66 | 1 | 67 |
| Mid Cap Value | — | 3 | 3 |
| Small Cap Value | 71 | 4 | 75 |

Notes to Financial Statements (continued)

February 28, 2002 (Unaudited)

3. AGREEMENTS (continued)

At February 28, 2002, the amounts owed to affiliates were as follows (in thousands):

| Fund | Management Fees | Distribution and Service Fees | Transfer Agent Fees | Total |
|-------------------|-----------------|-------------------------------|---------------------|-------|
| Large Cap Value | \$155 | \$ 50 | \$33 | \$238 |
| Growth and Income | 250 | 141 | 64 | 455 |
| Mid Cap Value | 318 | 97 | 48 | 463 |
| Small Cap Value | 352 | 119 | 59 | 530 |

4. PORTFOLIO SECURITIES TRANSACTIONS

The cost of purchases and proceeds of sales and maturities of securities (excluding short-term investments) for the six months ended February 28, 2002, were as follows:

| Fund | Purchases | Sales and Maturities |
|-------------------|---------------|----------------------|
| Large Cap Value | \$166,869,340 | \$ 77,595,666 |
| Growth and Income | 256,439,275 | 291,287,144 |
| Mid Cap Value | 333,270,285 | 184,223,962 |
| Small Cap Value | 208,820,611 | 123,581,443 |

For the six months ended February 28, 2002, Goldman Sachs earned approximately \$20,000, \$16,000, \$14,000 and \$4,000 of brokerage commissions from portfolio transactions, including futures transactions, executed on behalf of the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds, respectively.

Futures Contracts — The Funds may enter into futures transactions to hedge against changes in interest rates, securities prices, currency exchange rates or to seek to increase total return. Futures contracts are valued at the last settlement price at the end of each day on the board of trade or exchange upon which they are traded. Upon entering into a futures contract, each Fund is required to deposit with a broker or the Fund's custodian bank an amount of cash or securities equal to the minimum "initial margin" requirement of the associated futures exchange. Subsequent payments for futures contracts ("variation margin") are paid or received by the Funds daily, depending on the daily fluctuations in the value of the contracts, and are recorded for financial reporting purposes as unrealized gains or losses. When contracts are closed, the Funds realize a gain or loss which is reported in the Statement of Operations.

The use of futures contracts involve, to varying degrees, elements of market risk which may exceed the amounts recognized in the Statement of Assets and Liabilities. Changes in the value of the futures contract may not directly correlate with changes in the value of the underlying securities. This risk may decrease the effectiveness of the Funds' hedging strategies and potentially result in a loss.

As of February 28, 2002, open futures contracts were as follows:

| Fund | Type | Number of Contracts Long | Settlement Month | Market Value | Unrealized Gain |
|-----------------|----------------------------|-----------------------------|------------------|--------------|-----------------|
| Small Cap Value | Russell 2000 Index Futures | 59 | March 2002 | \$13,848,775 | \$224,568 |

5. LINE OF CREDIT FACILITY

The Funds participate in a \$350,000,000 committed, unsecured revolving line of credit facility. Under the most restrictive arrangement, each Fund must own securities having a market value in excess of 400% of the total bank borrowings. This facility is to be used solely for temporary or emergency purposes. The interest rate on borrowings is based on the Federal Funds rate. The committed facility also requires a fee to be paid by the Funds based on the amount of the commitment which has not been utilized. During the six months ended February 28, 2002, the Funds did not have any borrowings under this facility.

6. JOINT REPURCHASE AGREEMENT ACCOUNT

The Funds, together with other registered investment companies having management agreements with GSAM or its affiliates, transfer uninvested cash into joint accounts, the daily aggregate balance of which is invested in one or more repurchase agreements.

At February 28, 2002, the Large Cap Value, Growth and Income, Mid Cap Value and Small Cap Value Funds had undivided interests in the repurchase agreements in the joint account which equaled \$13,700,000, \$11,300,000, \$21,800,000 and \$35,300,000, respectively, in principal amount. At February 28, 2002, the following repurchase agreements held in this joint account were fully collateralized by Federal Agency obligations:

| Repurchase Agreements | Principal Amount | Interest Rate | Maturity Date | Amortized Cost | Maturity Value |
|--|------------------|---------------|---------------|-------------------------|-------------------------|
| Bank of America | \$ 500,000,000 | 1.90% | 03/01/2002 | \$ 500,000,000 | \$ 500,026,389 |
| Barclays Capital | 500,000,000 | 1.91 | 03/01/2002 | 500,000,000 | 500,026,528 |
| Deutsche Bank Securities, Inc. | 2,000,000,000 | 1.90 | 03/01/2002 | 2,000,000,000 | 2,000,105,556 |
| Greenwich Capital | 800,000,000 | 1.91 | 03/01/2002 | 800,000,000 | 800,042,444 |
| J.P. Morgan Chase & Co. | 2,500,000,000 | 1.90 | 03/01/2002 | 2,500,000,000 | 2,500,131,944 |
| Morgan Stanley | 1,500,000,000 | 1.90 | 03/01/2002 | 1,500,000,000 | 1,500,079,167 |
| Salomon Smith Barney Holdings, Inc. | 1,500,000,000 | 1.90 | 03/01/2002 | 1,500,000,000 | 1,500,079,167 |
| SG Cowen Securities Corp. | 300,000,000 | 1.91 | 03/01/2002 | 300,000,000 | 300,015,917 |
| UBS Warburg LLC | 1,500,400,000 | 1.90 | 03/01/2002 | 1,500,400,000 | 1,500,479,188 |
| TOTAL JOINT REPURCHASE AGREEMENT ACCOUNT II | | | | \$11,100,400,000 | \$11,100,986,300 |

7. OTHER MATTERS

As of February 28, 2002, Goldman, Sachs & Co. Employees Profit Sharing Master Trust was the beneficial owner of approximately 47% of the outstanding shares of the Mid Cap Value Fund.

Notes to Financial Statements (continued)

February 28, 2002 (Unaudited)

8. SUMMARY OF SHARE TRANSACTIONS

Share activity for the six months ended February 28, 2002 is as follows:

| | Large Cap Value Fund | | Growth and Income Fund | | Mid Cap Value Fund | | Small Cap Value Fund | |
|---|-------------------------|---------------|---------------------------|----------------|-----------------------|---------------|-------------------------|---------------|
| | Shares | Dollars | Shares | Dollars | Shares | Dollars | Shares | Dollars |
| Class A Shares | | | | | | | | |
| Shares sold | 12,822,387 | \$127,779,911 | 726,705 | \$ 14,178,798 | 4,809,229 | \$113,486,296 | 5,116,560 | \$144,152,335 |
| Reinvestments of dividends and distributions | 58,297 | 587,635 | — | — | 203,079 | 4,790,630 | 27,154 | 772,240 |
| Shares repurchased | (4,109,492) | (40,987,620) | (1,971,528) | (38,173,922) | (901,137) | (21,204,719) | (2,762,639) | (75,668,883) |
| | 8,771,192 | 87,379,926 | (1,244,823) | (23,995,124) | 4,111,171 | 97,072,207 | 2,381,075 | 69,255,692 |
| Class B Shares | | | | | | | | |
| Shares sold | 497,957 | 4,887,510 | 162,402 | 3,086,991 | 898,939 | 21,156,628 | 557,824 | 15,121,369 |
| Reinvestments of dividends and distributions | — | — | — | — | 47,627 | 1,112,097 | — | — |
| Shares repurchased | (193,663) | (1,896,870) | (528,303) | (9,991,317) | (228,861) | (5,282,823) | (342,083) | (8,737,588) |
| | 304,294 | 2,990,640 | (365,901) | (6,904,326) | 717,705 | 16,985,902 | 215,741 | 6,383,781 |
| Class C Shares | | | | | | | | |
| Shares sold | 141,501 | 1,393,116 | 59,974 | 1,157,687 | 343,031 | 8,031,361 | 397,098 | 10,840,161 |
| Reinvestments of dividends and distributions | — | — | — | — | 19,387 | 451,332 | — | — |
| Shares repurchased | (52,450) | (514,969) | (89,277) | (1,682,941) | (81,670) | (1,869,057) | (84,136) | (2,225,570) |
| | 89,051 | 878,147 | (29,303) | (525,254) | 280,748 | 6,613,636 | 312,962 | 8,614,591 |
| Institutional Shares | | | | | | | | |
| Shares sold | 3,920,360 | 39,135,121 | 199,186 | 3,896,213 | 1,733,631 | 41,535,750 | 1,055,160 | 30,074,714 |
| Reinvestments of dividends and distributions | 14,462 | 146,066 | — | — | 310,464 | 7,323,826 | 8,742 | 251,951 |
| Shares repurchased | (1,995,267) | (20,197,204) | (567,066) | (11,373,281) | (361,937) | (8,462,136) | (277,121) | (8,065,449) |
| | 1,939,555 | 19,083,983 | (367,880) | (7,477,068) | 1,682,158 | 40,397,440 | 786,781 | 22,261,216 |
| Service Shares | | | | | | | | |
| Shares sold | — | — | 20,678 | 399,193 | 9,042 | 219,231 | 28,695 | 819,655 |
| Reinvestments of dividends and distributions | 1 | 3 | — | — | 9 | 215 | 242 | 6,820 |
| Shares repurchased | — | — | (53,854) | (1,058,121) | (10,699) | (242,059) | (17,065) | (485,528) |
| | 1 | 3 | (33,176) | (658,928) | (1,648) | (22,613) | 11,872 | 340,947 |
| NET INCREASE (DECREASE) | | | | | | | | |
| | 11,104,093 | \$110,332,699 | (2,041,083) | \$(39,560,700) | 6,790,134 | \$161,046,572 | 3,708,431 | \$106,856,227 |

8. SUMMARY OF SHARE TRANSACTIONS (continued)

Share activity for the year ended August 31, 2001 is as follows:

| | Large Cap Value Fund | | Growth and Income Fund | | Mid Cap Value Fund | | Small Cap Value Fund | |
|---|-------------------------|---------------|---------------------------|-----------------|-----------------------|---------------|-------------------------|---------------|
| | Shares | Dollars | Shares | Dollars | Shares | Dollars | Shares | Dollars |
| Class A Shares | | | | | | | | |
| Shares sold | 11,979,091 | \$126,984,941 | 972,634 | \$ 21,035,379 | 2,667,835 | \$ 63,077,661 | 4,374,177 | \$115,029,757 |
| Reinvestments of dividends and distributions | 4,283 | 46,084 | — | — | 13,577 | 288,509 | — | — |
| Shares repurchased | (626,655) | (6,648,246) | (6,161,905) | (134,478,447) | (683,381) | (15,075,313) | (2,595,679) | (66,907,554) |
| | 11,356,719 | 120,382,779 | (5,189,271) | (113,443,068) | 1,998,031 | 48,290,857 | 1,778,498 | 48,122,203 |
| Class B Shares | | | | | | | | |
| Shares sold | 870,463 | 9,112,316 | 261,691 | 5,526,206 | 952,410 | 21,619,573 | 752,465 | 19,183,625 |
| Reinvestments of dividends and distributions | 513 | 5,484 | — | — | 3,355 | 70,725 | — | — |
| Shares repurchased | (149,648) | (1,545,745) | (1,494,704) | (32,363,565) | (304,526) | (6,861,939) | (266,715) | (6,464,393) |
| | 721,328 | 7,572,055 | (1,233,013) | (26,837,359) | 651,239 | 14,828,359 | 485,750 | 12,719,232 |
| Class C Shares | | | | | | | | |
| Shares sold | 320,918 | 3,357,795 | 88,928 | 1,896,301 | 484,924 | 11,045,909 | 375,913 | 9,572,094 |
| Reinvestments of dividends and distributions | 181 | 1,934 | — | — | 1,162 | 24,466 | — | — |
| Shares repurchased | (43,548) | (456,874) | (195,186) | (4,217,548) | (105,593) | (2,364,832) | (89,219) | (2,178,528) |
| | 277,551 | 2,902,855 | (106,258) | (2,321,247) | 380,493 | 8,705,543 | 286,694 | 7,393,566 |
| Institutional Shares | | | | | | | | |
| Shares sold | 4,654,996 | 49,423,604 | 464,735 | 10,409,552 | 3,398,814 | 77,859,117 | 904,771 | 24,410,605 |
| Reinvestments of dividends and distributions | 8,843 | 95,160 | — | — | 68,393 | 1,449,931 | — | — |
| Shares repurchased | (1,261,434) | (13,503,681) | (189,037) | (4,212,910) | (1,279,486) | (28,743,835) | (437,339) | (10,109,220) |
| | 3,402,405 | 36,015,083 | 275,698 | 6,196,642 | 2,187,721 | 50,565,213 | 467,432 | 14,301,385 |
| Service Shares | | | | | | | | |
| Shares sold | — | — | 48,366 | 1,066,535 | 92 | 2,112 | 33,006 | 870,551 |
| Reinvestments of dividends and distributions | — | — | — | — | 70 | 1,478 | — | — |
| Shares repurchased | — | — | (84,066) | (1,816,258) | (6) | (146) | (1,191) | (31,304) |
| | — | — | (35,700) | (749,723) | 156 | 3,444 | 31,815 | 839,247 |
| NET INCREASE (DECREASE) | | | | | | | | |
| | 15,758,003 | \$166,872,772 | (6,288,544) | \$(137,154,755) | 5,217,640 | \$122,393,416 | 3,050,189 | \$ 83,375,633 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | | Income (loss) from investment operations | | Distributions to shareholders | |
|--|---|--|---|--|----------------------------------|
| | Net asset value, beginning of period | Net investment income (loss) ^(c) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income |
| FOR THE SIX MONTHS ENDED FEBRUARY 28, (Unaudited) | | | | | |
| 2002 - Class A Shares | \$10.21 | \$ 0.04 | \$(0.06) | \$(0.02) | \$(0.04) |
| 2002 - Class B Shares | 10.10 | — | (0.05) | (0.05) | — |
| 2002 - Class C Shares | 10.10 | — | (0.05) | (0.05) | — |
| 2002 - Institutional Shares | 10.24 | 0.06 | (0.05) | 0.01 | (0.06) |
| 2002 - Service Shares | 10.23 | 0.05 | (0.05) | — | (0.02) |
| FOR THE YEAR ENDED AUGUST 31, | | | | | |
| 2001 - Class A Shares | 10.39 | 0.08 | (0.20) | (0.12) | (0.06) |
| 2001 - Class B Shares | 10.33 | (0.01) | (0.19) | (0.20) | (0.03) |
| 2001 - Class C Shares | 10.32 | (0.01) | (0.19) | (0.20) | (0.02) |
| 2001 - Institutional Shares | 10.40 | 0.12 | (0.20) | (0.08) | (0.08) |
| 2001 - Service Shares | 10.38 | 0.08 | (0.20) | (0.12) | (0.03) |
| FOR THE PERIOD ENDED AUGUST 31, | | | | | |
| 2000 - Class A Shares (commenced Dec. 15, 1999) | 10.00 | 0.06 | 0.33 | 0.39 | — |
| 2000 - Class B Shares (commenced Dec. 15, 1999) | 10.00 | — | 0.33 | 0.33 | — |
| 2000 - Class C Shares (commenced Dec. 15, 1999) | 10.00 | 0.01 | 0.31 | 0.32 | — |
| 2000 - Institutional Shares (commenced Dec. 15, 1999) | 10.00 | 0.09 | 0.31 | 0.40 | — |
| 2000 - Service Shares (commenced Dec. 15, 1999) | 10.00 | 0.07 | 0.31 | 0.38 | — |

(a) Assumes investment at the NAV at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the NAV at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$10.15 | (0.17)% | \$211,397 | 1.25% ^(b) | 0.87% ^(b) | 1.37% ^(b) | 0.75% ^(b) | 36% |
| 10.05 | (0.50) | 11,844 | 2.00 ^(b) | 0.10 ^(b) | 2.12 ^(b) | (0.02) ^(b) | 36 |
| 10.05 | (0.50) | 4,513 | 2.00 ^(b) | 0.09 ^(b) | 2.12 ^(b) | (0.03) ^(b) | 36 |
| 10.19 | 0.11 | 70,240 | 0.85 ^(b) | 1.24 ^(b) | 0.97 ^(b) | 1.12 ^(b) | 36 |
| 10.21 | (0.02) | 2 | 1.35 ^(b) | 0.93 ^(b) | 1.47 ^(b) | 0.81 ^(b) | 36 |
| 10.21 | (1.21) | 123,013 | 1.25 | 0.73 | 1.83 | 0.15 | 69 |
| 10.10 | (1.98) | 8,830 | 2.00 | (0.06) | 2.58 | (0.64) | 69 |
| 10.10 | (1.96) | 3,636 | 2.00 | (0.05) | 2.58 | (0.63) | 69 |
| 10.24 | (0.81) | 50,740 | 0.85 | 1.09 | 1.43 | 0.51 | 69 |
| 10.23 | (1.17) | 2 | 1.35 | 0.80 | 1.93 | 0.22 | 69 |
| 10.39 | 3.90 | 7,181 | 1.25 ^(b) | 0.84 ^(b) | 3.30 ^(b) | (1.21) ^(b) | 67 |
| 10.33 | 3.30 | 1,582 | 2.00 ^(b) | 0.06 ^(b) | 4.05 ^(b) | (1.99) ^(b) | 67 |
| 10.32 | 3.20 | 850 | 2.00 ^(b) | 0.15 ^(b) | 4.05 ^(b) | (1.90) ^(b) | 67 |
| 10.40 | 4.00 | 16,155 | 0.85 ^(b) | 1.31 ^(b) | 2.90 ^(b) | (0.74) ^(b) | 67 |
| 10.38 | 3.80 | 2 | 1.35 ^(b) | 0.95 ^(b) | 3.40 ^(b) | (1.10) ^(b) | 67 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | | Income (loss) from investment operations | | | Distributions to shareholders | | | |
|--|---------|---|---------------------------------------|---|--|----------------------------------|---|-------------------------------|
| | | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | In excess of net investment income | From net realized gains |
| FOR THE SIX MONTHS ENDED FEBRUARY 28, (Unaudited) | | | | | | | | |
| 2002 - Class A Shares | \$19.66 | \$ 0.06 ^(c) | \$ 0.16 | \$ 0.22 | \$ — | \$ — | \$ — | \$ — |
| 2002 - Class B Shares | 19.23 | (0.01) ^(c) | 0.15 | 0.14 | — | — | — | — |
| 2002 - Class C Shares | 19.19 | (0.01) ^(c) | 0.15 | 0.14 | — | — | — | — |
| 2002 - Institutional Shares | 19.84 | 0.10 ^(c) | 0.16 | 0.26 | — | — | — | — |
| 2002 - Service Shares | 19.63 | 0.05 ^(c) | 0.16 | 0.21 | — | — | — | — |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | | |
| 2001 - Class A Shares | 24.78 | 0.01 ^(c) | (5.13) | (5.12) | — | — | — | — |
| 2001 - Class B Shares | 24.42 | (0.15) ^(c) | (5.04) | (5.19) | — | — | — | — |
| 2001 - Class C Shares | 24.37 | (0.15) ^(c) | (5.03) | (5.18) | — | — | — | — |
| 2001 - Institutional Shares | 24.91 | 0.11 ^(c) | (5.18) | (5.07) | — | — | — | — |
| 2001 - Service Shares | 24.77 | (0.01) ^(c) | (5.13) | (5.14) | — | — | — | — |
| 2000 - Class A Shares | 24.68 | 0.07 ^(c) | 1.44 | 1.51 | (0.05) | (0.03) | (1.33) | (1.41) |
| 2000 - Class B Shares | 24.46 | (0.10) ^(c) | 1.42 | 1.32 | (0.02) | (0.01) | (1.33) | (1.36) |
| 2000 - Class C Shares | 24.41 | (0.09) ^(c) | 1.40 | 1.31 | (0.01) | (0.01) | (1.33) | (1.35) |
| 2000 - Institutional Shares | 24.72 | 0.16 ^(c) | 1.49 | 1.65 | (0.09) | (0.04) | (1.33) | (1.46) |
| 2000 - Service Shares | 24.68 | 0.05 ^(c) | 1.44 | 1.49 | (0.05) | (0.02) | (1.33) | (1.40) |
| FOR THE SEVEN MONTHS ENDED AUGUST 31, | | | | | | | | |
| 1999 - Class A Shares | 24.33 | 0.19 | 0.31 | 0.50 | (0.15) | — | — | (0.15) |
| 1999 - Class B Shares | 24.13 | 0.08 | 0.31 | 0.39 | (0.06) | — | — | (0.06) |
| 1999 - Class C Shares | 24.08 | 0.08 | 0.30 | 0.38 | (0.05) | — | — | (0.05) |
| 1999 - Institutional Shares | 24.35 | 0.34 | 0.23 | 0.57 | (0.20) | — | — | (0.20) |
| 1999 - Service Shares | 24.33 | 0.17 | 0.32 | 0.49 | (0.14) | — | — | (0.14) |
| FOR THE YEARS ENDED JANUARY 31, | | | | | | | | |
| 1999 - Class A Shares | 25.93 | 0.20 | (1.60) | (1.40) | (0.19) | (0.01) | — | (0.20) |
| 1999 - Class B Shares | 25.73 | 0.02 | (1.58) | (1.56) | (0.04) | — | — | (0.04) |
| 1999 - Class C Shares | 25.70 | 0.02 | (1.59) | (1.57) | (0.05) | — | — | (0.05) |
| 1999 - Institutional Shares | 25.95 | 0.29 | (1.58) | (1.29) | (0.30) | (0.01) | — | (0.31) |
| 1999 - Service Shares | 25.92 | 0.17 | (1.58) | (1.41) | (0.17) | (0.01) | — | (0.18) |
| 1998 - Class A Shares | 23.18 | 0.11 | 5.27 | 5.38 | (0.11) | — | (2.52) | (2.63) |
| 1998 - Class B Shares | 23.10 | 0.04 | 5.14 | 5.18 | — | (0.03) | (2.52) | (2.55) |
| 1998 - Class C Shares (commenced August 15, 1997) | 28.20 | (0.01) | 0.06 | 0.05 | — | (0.03) | (2.52) | (2.55) |
| 1998 - Institutional Shares | 23.19 | 0.27 | 5.23 | 5.50 | (0.22) | — | (2.52) | (2.74) |
| 1998 - Service Shares | 23.17 | 0.14 | 5.23 | 5.37 | (0.06) | (0.04) | (2.52) | (2.62) |
| 1997 - Class A Shares | 19.98 | 0.35 | 5.18 | 5.53 | (0.35) | (0.01) | (1.97) | (2.33) |
| 1997 - Class B Shares (commenced May 1, 1996) | 20.82 | 0.17 | 4.31 | 4.48 | (0.17) | (0.06) | (1.97) | (2.20) |
| 1997 - Institutional Shares (commenced June 3, 1996) | 21.25 | 0.29 | 3.96 | 4.25 | (0.30) | (0.04) | (1.97) | (2.31) |
| 1997 - Service Shares (commenced March 6, 1996) | 20.71 | 0.28 | 4.50 | 4.78 | (0.28) | (0.07) | (1.97) | (2.32) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$19.88 | 1.12% | \$ 334,443 | 1.19% ^(b) | 0.62% ^(b) | 1.22% ^(b) | 0.59% ^(b) | 55% |
| 19.37 | 0.73 | 92,394 | 1.94 ^(b) | (0.14) ^(b) | 1.97 ^(b) | (0.17) ^(b) | 55 |
| 19.33 | 0.73 | 9,870 | 1.94 ^(b) | (0.13) ^(b) | 1.97 ^(b) | (0.16) ^(b) | 55 |
| 20.10 | 1.31 | 21,180 | 0.79 ^(b) | 1.04 ^(b) | 0.82 ^(b) | 1.01 ^(b) | 55 |
| 19.84 | 1.07 | 4,982 | 1.29 ^(b) | 0.50 ^(b) | 1.32 ^(b) | 0.47 ^(b) | 55 |
| 19.66 | (20.66) | 355,205 | 1.19 | 0.07 | 1.21 | 0.05 | 40 |
| 19.23 | (21.25) | 98,747 | 1.94 | (0.68) | 1.96 | (0.70) | 40 |
| 19.19 | (21.22) | 10,360 | 1.94 | (0.68) | 1.96 | (0.70) | 40 |
| 19.84 | (20.32) | 28,201 | 0.79 | 0.49 | 0.81 | 0.47 | 40 |
| 19.63 | (20.75) | 5,581 | 1.29 | (0.03) | 1.31 | (0.05) | 40 |
| 24.78 | 6.48 | 576,354 | 1.18 | 0.31 | 1.18 | 0.31 | 87 |
| 24.42 | 5.70 | 155,527 | 1.93 | (0.41) | 1.93 | (0.41) | 87 |
| 24.37 | 5.67 | 15,746 | 1.93 | (0.40) | 1.93 | (0.40) | 87 |
| 24.91 | 7.05 | 28,543 | 0.78 | 0.69 | 0.78 | 0.69 | 87 |
| 24.77 | 6.40 | 7,926 | 1.28 | 0.20 | 1.28 | 0.20 | 87 |
| 24.68 | 2.05 | 855,174 | 1.19 ^(b) | 1.26 ^(b) | 1.20 ^(b) | 1.25 ^(b) | 55 |
| 24.46 | 1.60 | 271,912 | 1.94 ^(b) | 0.51 ^(b) | 1.95 ^(b) | 0.50 ^(b) | 55 |
| 24.41 | 1.58 | 31,328 | 1.94 ^(b) | 0.51 ^(b) | 1.95 ^(b) | 0.50 ^(b) | 55 |
| 24.72 | 2.32 | 32,181 | 0.79 ^(b) | 1.72 ^(b) | 0.80 ^(b) | 1.71 ^(b) | 55 |
| 24.68 | 2.01 | 10,008 | 1.29 ^(b) | 1.16 ^(b) | 1.30 ^(b) | 1.15 ^(b) | 55 |
| 24.33 | (5.40) | 1,122,157 | 1.22 | 0.78 | 1.32 | 0.68 | 126 |
| 24.13 | (6.07) | 349,662 | 1.92 | 0.09 | 1.92 | 0.09 | 126 |
| 24.08 | (6.12) | 48,146 | 1.92 | 0.10 | 1.92 | 0.10 | 126 |
| 24.35 | (5.00) | 173,696 | 0.80 | 1.25 | 0.80 | 1.25 | 126 |
| 24.33 | (5.44) | 11,943 | 1.30 | 0.72 | 1.30 | 0.72 | 126 |
| 25.93 | 23.71 | 1,216,582 | 1.25 | 0.43 | 1.42 | 0.26 | 62 |
| 25.73 | 22.87 | 307,815 | 1.94 | (0.35) | 1.94 | (0.35) | 62 |
| 25.70 | 0.51 | 31,686 | 1.99 ^(b) | (0.48) ^(b) | 1.99 ^(b) | (0.48) ^(b) | 62 |
| 25.95 | 24.24 | 36,225 | 0.83 | 0.76 | 0.83 | 0.76 | 62 |
| 25.92 | 23.63 | 8,893 | 1.32 | 0.32 | 1.32 | 0.32 | 62 |
| 23.18 | 28.42 | 615,103 | 1.22 | 1.60 | 1.43 | 1.39 | 53 |
| 23.10 | 22.23 | 17,346 | 1.93 ^(b) | 0.15 ^(b) | 1.93 ^(b) | 0.15 ^(b) | 53 |
| 23.19 | 20.77 | 193 | 0.82 ^(b) | 1.36 ^(b) | 0.82 ^(b) | 1.36 ^(b) | 53 |
| 23.17 | 23.87 | 3,174 | 1.32 ^(b) | 0.94 ^(b) | 1.32 ^(b) | 0.94 ^(b) | 53 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | | Income (loss) from investment operations | | | Distributions to shareholders | | | |
|---|---------|---|---------------------------------------|---|--|----------------------------------|---|-------------------------------|
| | | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | In excess of net investment income | From net realized gains |
| FOR THE SIX MONTHS ENDED FEBRUARY 28, (Unaudited) | | | | | | | | |
| 2002 - Class A Shares | \$24.34 | \$ 0.09 ^(c) | \$ 1.16 | \$ 1.25 | \$(0.18) | \$ — | \$(0.62) | \$(0.80) |
| 2002 - Class B Shares | 24.01 | — ^(c) | 1.14 | 1.14 | (0.03) | — | (0.62) | (0.65) |
| 2002 - Class C Shares | 23.98 | — ^(c) | 1.14 | 1.14 | (0.07) | — | (0.62) | (0.69) |
| 2002 - Institutional Shares | 24.35 | 0.14 ^(c) | 1.15 | 1.29 | (0.21) | — | (0.62) | (0.83) |
| 2002 - Service Shares | 24.14 | 0.07 ^(c) | 1.17 | 1.24 | — | — | (0.62) | (0.62) |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | | |
| 2001 - Class A Shares | 19.88 | 0.24 ^(c) | 4.37 | 4.61 | (0.15) | — | — | (0.15) |
| 2001 - Class B Shares | 19.69 | 0.06 ^(c) | 4.33 | 4.39 | (0.07) | — | — | (0.07) |
| 2001 - Class C Shares | 19.67 | 0.06 ^(c) | 4.33 | 4.39 | (0.08) | — | — | (0.08) |
| 2001 - Institutional Shares | 19.86 | 0.33 ^(c) | 4.36 | 4.69 | (0.20) | — | — | (0.20) |
| 2001 - Service Shares | 19.73 | 0.21 ^(c) | 4.34 | 4.55 | (0.14) | — | — | (0.14) |
| 2000 - Class A Shares | 18.42 | 0.20 ^(c) | 1.38 | 1.58 | (0.12) | — | — | (0.12) |
| 2000 - Class B Shares | 18.23 | 0.06 ^(c) | 1.40 | 1.46 | — | — | — | — |
| 2000 - Class C Shares | 18.24 | 0.06 ^(c) | 1.37 | 1.43 | — | — | — | — |
| 2000 - Institutional Shares | 18.45 | 0.27 ^(c) | 1.36 | 1.63 | (0.22) | — | — | (0.22) |
| 2000 - Service Shares | 18.31 | 0.18 ^(c) | 1.35 | 1.53 | (0.11) | — | — | (0.11) |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | | |
| 1999 - Class A Shares | 18.38 | 0.06 | 1.71 | 1.77 | — | — | (1.73) | (1.73) |
| 1999 - Class B Shares | 18.29 | (0.04) | 1.71 | 1.67 | — | — | (1.73) | (1.73) |
| 1999 - Class C Shares | 18.30 | (0.04) | 1.71 | 1.67 | — | — | (1.73) | (1.73) |
| 1999 - Institutional Shares | 18.37 | 0.09 | 1.72 | 1.81 | — | — | (1.73) | (1.73) |
| 1999 - Service Shares | 18.29 | 0.05 | 1.70 | 1.75 | — | — | (1.73) | (1.73) |
| FOR THE YEARS ENDED JANUARY 31, | | | | | | | | |
| 1999 - Class A Shares | 21.61 | 0.10 | (2.38) | (2.28) | (0.07) | — | (0.88) | (0.95) |
| 1999 - Class B Shares | 21.57 | (0.05) | (2.35) | (2.40) | — | — | (0.88) | (0.88) |
| 1999 - Class C Shares | 21.59 | (0.05) | (2.34) | (2.39) | (0.02) | — | (0.88) | (0.90) |
| 1999 - Institutional Shares | 21.65 | 0.19 | (2.38) | (2.19) | (0.21) | — | (0.88) | (1.09) |
| 1999 - Service Shares | 21.62 | 0.03 | (2.31) | (2.28) | (0.17) | — | (0.88) | (1.05) |
| 1998 - Class A Shares (commenced August 15, 1997) | 23.63 | 0.09 | 0.76 | 0.85 | (0.06) | (0.04) | (2.77) | (2.87) |
| 1998 - Class B Shares (commenced August 15, 1997) | 23.63 | 0.06 | 0.74 | 0.80 | (0.09) | — | (2.77) | (2.86) |
| 1998 - Class C Shares (commenced August 15, 1997) | 23.63 | 0.06 | 0.76 | 0.82 | (0.09) | — | (2.77) | (2.86) |
| 1998 - Institutional Shares | 18.73 | 0.16 | 5.66 | 5.82 | (0.13) | — | (2.77) | (2.90) |
| 1998 - Service Shares (commenced August 15, 1997) | 23.01 | 0.09 | 1.40 | 1.49 | (0.11) | — | (2.77) | (2.88) |
| 1997 - Institutional Shares | 15.91 | 0.24 | 3.77 | 4.01 | (0.24) | (0.93) | (0.02) | (1.19) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$24.79 | 5.30% | \$200,262 | 1.27% ^(b) | 0.80% ^(b) | 1.27% ^(b) | 0.80% ^(b) | 41% |
| 24.50 | 4.89 | 61,270 | 2.02 ^(b) | 0.03 ^(b) | 2.02 ^(b) | 0.03 ^(b) | 41 |
| 24.43 | 4.88 | 23,260 | 2.02 ^(b) | 0.03 ^(b) | 2.02 ^(b) | 0.03 ^(b) | 41 |
| 24.81 | 5.47 | 293,683 | 0.87 ^(b) | 1.17 ^(b) | 0.87 ^(b) | 1.17 ^(b) | 41 |
| 24.76 | 5.27 | 222 | 1.37 ^(b) | 0.62 ^(b) | 1.37 ^(b) | 0.62 ^(b) | 41 |
| 24.34 | 23.29 | 96,568 | 1.29 | 1.05 | 1.32 | 1.02 | 101 |
| 24.01 | 22.33 | 42,813 | 2.04 | 0.28 | 2.07 | 0.25 | 101 |
| 23.98 | 22.37 | 16,094 | 2.04 | 0.28 | 2.07 | 0.25 | 101 |
| 24.35 | 23.75 | 247,212 | 0.89 | 1.43 | 0.92 | 1.40 | 101 |
| 24.14 | 23.17 | 256 | 1.39 | 0.94 | 1.42 | 0.91 | 101 |
| 19.88 | 8.70 | 39,142 | 1.29 | 1.11 | 1.34 | 1.06 | 83 |
| 19.69 | 8.01 | 22,284 | 2.04 | 0.35 | 2.09 | 0.30 | 83 |
| 19.67 | 7.84 | 5,720 | 2.04 | 0.32 | 2.09 | 0.27 | 83 |
| 19.86 | 9.08 | 158,188 | 0.89 | 1.51 | 0.94 | 1.46 | 83 |
| 19.73 | 8.48 | 206 | 1.39 | 1.03 | 1.44 | 0.98 | 83 |
| 18.42 | 9.04 | 49,081 | 1.29 ^(b) | 0.43 ^(b) | 1.37 ^(b) | 0.35 ^(b) | 69 |
| 18.23 | 8.53 | 31,824 | 2.04 ^(b) | (0.33) ^(b) | 2.12 ^(b) | (0.41) ^(b) | 69 |
| 18.24 | 8.52 | 9,807 | 2.04 ^(b) | (0.34) ^(b) | 2.12 ^(b) | (0.42) ^(b) | 69 |
| 18.45 | 9.26 | 190,549 | 0.89 ^(b) | 0.79 ^(b) | 0.97 ^(b) | 0.71 ^(b) | 69 |
| 18.31 | 8.97 | 190 | 1.39 ^(b) | 0.38 ^(b) | 1.47 ^(b) | 0.30 ^(b) | 69 |
| 18.38 | (10.48) | 70,578 | 1.33 | 0.38 | 1.41 | 0.30 | 92 |
| 18.29 | (11.07) | 37,821 | 1.93 | (0.22) | 2.01 | (0.30) | 92 |
| 18.30 | (11.03) | 10,800 | 1.93 | (0.22) | 2.01 | (0.30) | 92 |
| 18.37 | (10.07) | 196,512 | 0.87 | 0.83 | 0.95 | 0.75 | 92 |
| 18.29 | (10.48) | 289 | 1.37 | 0.32 | 1.45 | 0.24 | 92 |
| 21.61 | 3.42 | 90,588 | 1.35 ^(b) | 0.33 ^(b) | 1.47 ^(b) | 0.21 ^(b) | 63 |
| 21.57 | 3.17 | 28,743 | 1.85 ^(b) | (0.20) ^(b) | 1.97 ^(b) | (0.32) ^(b) | 63 |
| 21.59 | 3.27 | 6,445 | 1.85 ^(b) | (0.23) ^(b) | 1.97 ^(b) | (0.35) ^(b) | 63 |
| 21.65 | 30.86 | 236,440 | 0.85 | 0.78 | 0.97 | 0.66 | 63 |
| 21.62 | 6.30 | 8 | 1.35 ^(b) | 0.63 ^(b) | 1.43 ^(b) | 0.51 ^(b) | 63 |
| 18.73 | 25.63 | 145,253 | 0.85 | 1.35 | 0.91 | 1.29 | 74 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | Income (loss) from investment operations | | | | Distributions to shareholders | | |
|--|--|------------------------------|---|----------------------------------|-------------------------------|-------------------------|---------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | From net realized gains | Total distributions |
| FOR THE SIX MONTHS ENDED FEBRUARY 28, (Unaudited) | | | | | | | |
| 2002 - Class A Shares | \$28.55 | \$ 0.08 ^(c) | \$ 1.52 | \$ 1.60 | \$(0.09) | \$ — | \$(0.09) |
| 2002 - Class B Shares | 27.35 | (0.03) ^(c) | 1.45 | 1.42 | — | — | — |
| 2002 - Class C Shares | 27.38 | (0.03) ^(c) | 1.38 | 1.35 | — | — | — |
| 2002 - Institutional Shares | 28.98 | 0.13 ^(c) | 1.56 | 1.69 | (0.18) | — | (0.18) |
| 2002 - Service Shares | 28.43 | 0.06 ^(c) | 1.51 | 1.57 | (0.18) | — | (0.18) |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | |
| 2001 - Class A Shares | 23.21 | 0.15 ^(c) | 5.19 | 5.34 | — | — | — |
| 2001 - Class B Shares | 22.40 | (0.04) ^(c) | 4.99 | 4.95 | — | — | — |
| 2001 - Class C Shares | 22.42 | (0.04) ^(c) | 5.00 | 4.96 | — | — | — |
| 2001 - Institutional Shares | 23.47 | 0.25 ^(c) | 5.26 | 5.51 | — | — | — |
| 2001 - Service Shares | 23.13 | 0.13 ^(c) | 5.17 | 5.30 | — | — | — |
| 2000 - Class A Shares | 19.80 | 0.01 ^(c) | 3.40 | 3.41 | — | — | — |
| 2000 - Class B Shares | 19.27 | (0.13) ^(c) | 3.26 | 3.13 | — | — | — |
| 2000 - Class C Shares | 19.28 | (0.12) ^(c) | 3.26 | 3.14 | — | — | — |
| 2000 - Institutional Shares | 19.95 | 0.10 ^(c) | 3.42 | 3.52 | — | — | — |
| 2000 - Service Shares | 19.76 | 0.01 ^(c) | 3.36 | 3.37 | — | — | — |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | |
| 1999 - Class A Shares | 18.51 | (0.05) | 1.34 | 1.29 | — | — | — |
| 1999 - Class B Shares | 18.10 | (0.12) | 1.29 | 1.17 | — | — | — |
| 1999 - Class C Shares | 18.12 | (0.11) | 1.27 | 1.16 | — | — | — |
| 1999 - Institutional Shares | 18.62 | — | 1.33 | 1.33 | — | — | — |
| 1999 - Service Shares | 18.50 | (0.13) | 1.39 | 1.26 | — | — | — |
| FOR THE YEARS ENDED JANUARY 31, | | | | | | | |
| 1999 - Class A Shares | 24.05 | (0.06) | (4.48) | (4.54) | — | (1.00) | (1.00) |
| 1999 - Class B Shares | 23.73 | (0.21) | (4.42) | (4.63) | — | (1.00) | (1.00) |
| 1999 - Class C Shares | 23.73 | (0.18) | (4.43) | (4.61) | — | (1.00) | (1.00) |
| 1999 - Institutional Shares | 24.09 | 0.03 | (4.50) | (4.47) | — | (1.00) | (1.00) |
| 1999 - Service Shares | 24.05 | (0.04) | (4.51) | (4.55) | — | (1.00) | (1.00) |
| 1998 - Class A Shares | 20.91 | 0.14 | 5.33 | 5.47 | — | (2.33) | (2.33) |
| 1998 - Class B Shares | 20.80 | (0.01) | 5.27 | 5.26 | — | (2.33) | (2.33) |
| 1998 - Class C Shares (commenced August 15, 1997) | 24.69 | (0.06) | 1.43 | 1.37 | — | (2.33) | (2.33) |
| 1998 - Institutional Shares (commenced August 15, 1997) | 24.91 | 0.03 | 1.48 | 1.51 | — | (2.33) | (2.33) |
| 1998 - Service Shares (commenced August 15, 1997) | 24.91 | (0.01) | 1.48 | 1.47 | — | (2.33) | (2.33) |
| 1997 - Class A Shares | 17.29 | (0.21) | 4.92 | 4.71 | — | (1.09) | (1.09) |
| 1997 - Class B Shares (commenced May 1, 1996) | 20.79 | (0.11) | 1.21 | 1.10 | — | (1.09) | (1.09) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$30.06 | 5.64% | \$329,357 | 1.50% ^(b) | 0.55% ^(b) | 1.54% ^(b) | 0.51% ^(b) | 34% |
| 28.77 | 5.19 | 57,677 | 2.25 ^(b) | (0.20) ^(b) | 2.29 ^(b) | (0.24) ^(b) | 34 |
| 28.73 | 4.93 | 28,028 | 2.25 ^(b) | (0.19) ^(b) | 2.29 ^(b) | (0.23) ^(b) | 34 |
| 30.49 | 5.87 | 72,605 | 1.10 ^(b) | 0.95 ^(b) | 1.14 ^(b) | 0.91 ^(b) | 34 |
| 29.82 | 5.57 | 1,410 | 1.60 ^(b) | 0.45 ^(b) | 1.64 ^(b) | 0.41 ^(b) | 34 |
| 28.55 | 23.01 | 244,860 | 1.50 | 0.59 | 1.60 | 0.49 | 93 |
| 27.35 | 22.10 | 48,939 | 2.25 | (0.16) | 2.35 | (0.26) | 93 |
| 27.38 | 22.07 | 18,140 | 2.25 | (0.16) | 2.35 | (0.26) | 93 |
| 28.98 | 23.48 | 46,211 | 1.10 | 0.97 | 1.20 | 0.87 | 93 |
| 28.43 | 22.91 | 1,006 | 1.60 | 0.47 | 1.70 | 0.37 | 93 |
| 23.21 | 17.22 | 157,791 | 1.50 | 0.07 | 1.57 | — | 75 |
| 22.40 | 16.24 | 29,199 | 2.25 | (0.68) | 2.32 | (0.75) | 75 |
| 22.42 | 16.34 | 8,428 | 2.25 | (0.65) | 2.32 | (0.72) | 75 |
| 23.47 | 17.64 | 26,445 | 1.10 | 0.49 | 1.17 | 0.42 | 75 |
| 23.13 | 17.05 | 83 | 1.60 | 0.03 | 1.67 | (0.04) | 75 |
| 19.80 | 6.97 | 210,500 | 1.50 ^(b) | (0.35) ^(b) | 1.61 ^(b) | (0.46) ^(b) | 47 |
| 19.27 | 6.46 | 37,386 | 2.25 ^(b) | (1.10) ^(b) | 2.36 ^(b) | (1.21) ^(b) | 47 |
| 19.28 | 6.40 | 8,079 | 2.25 ^(b) | (1.10) ^(b) | 2.36 ^(b) | (1.21) ^(b) | 47 |
| 19.95 | 7.14 | 27,023 | 1.10 ^(b) | 0.05 ^(b) | 1.21 ^(b) | (0.06) ^(b) | 47 |
| 19.76 | 6.81 | 57 | 1.60 ^(b) | (0.41) ^(b) | 1.71 ^(b) | (0.52) ^(b) | 47 |
| 18.51 | (17.37) | 261,661 | 1.50 | (0.24) | 1.74 | (0.48) | 98 |
| 18.10 | (18.00) | 42,879 | 2.25 | (0.99) | 2.29 | (1.03) | 98 |
| 18.12 | (17.91) | 8,212 | 2.25 | (0.99) | 2.29 | (1.03) | 98 |
| 18.62 | (17.04) | 15,351 | 1.13 | 0.13 | 1.17 | 0.09 | 98 |
| 18.50 | (17.41) | 261 | 1.62 | (0.47) | 1.66 | (0.51) | 98 |
| 24.05 | 26.17 | 370,246 | 1.54 | (0.28) | 1.76 | (0.50) | 85 |
| 23.73 | 25.29 | 42,677 | 2.29 | (0.92) | 2.29 | (0.92) | 85 |
| 23.73 | 5.51 | 5,604 | 2.09 ^(b) | (0.79) ^(b) | 2.09 ^(b) | (0.79) ^(b) | 85 |
| 24.09 | 6.08 | 14,626 | 1.16 ^(b) | 0.27 ^(b) | 1.16 ^(b) | 0.27 ^(b) | 85 |
| 24.05 | 5.91 | 2 | 1.45 ^(b) | (0.07) ^(b) | 1.45 ^(b) | (0.07) ^(b) | 85 |
| 20.91 | 27.28 | 212,061 | 1.60 | (0.72) | 1.85 | (0.97) | 99 |
| 20.80 | 5.39 | 3,674 | 2.35 ^(b) | (1.63) ^(b) | 2.35 ^(b) | (1.63) ^(b) | 99 |

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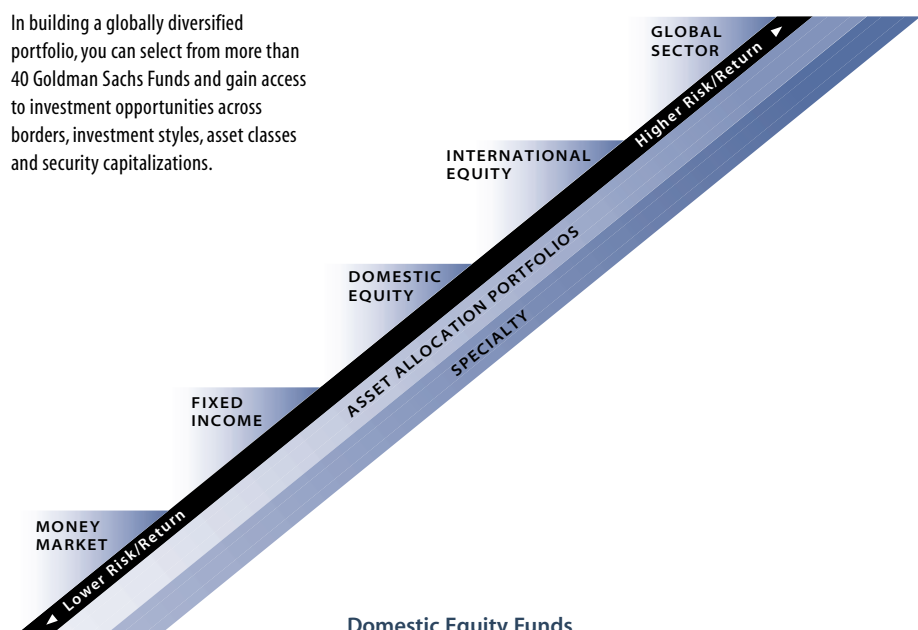
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- Strategic Growth Fund
- Capital Growth Fund
- Large Cap Value Fund
- Growth and Income Fund
- CORESM Large Cap Growth Fund
- CORESM Large Cap Value Fund
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- Government Income Fund
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- Short Duration Government Fund
- Adjustable Rate Government Fund
- Enhanced Income Fund

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