

December 2006

## Market Overview

Goldman Sachs Dynamic Opportunities Limited ("GSDO" or the "Fund") returned +1.53% net<sup>1</sup> in the month of December (for the USD share class).

Among the managers in the portfolio, 16 out of 18 posted positive returns.

Relative Value managers had strong performance over the month as almost all strategies were in positive territory. Equity Market Neutral strategies performed especially well, driven by substantial gains in US stock selection. Latin American, energy and structured finance strategies generated profits for one manager while portfolio hedges detracted from performance.

The Event Driven managers in the portfolio experienced strong performance in a favourable environment with continuing robust M&A and leveraged buyout activity and declining energy prices helping to drive global equity and credit markets higher. Managers in the portfolio were able to generate returns from European special situations and Emerging Markets trades. Equity and credit hedges were the largest detractors from performance.

Equity Long/Short managers performed well as global equity markets continued to rise amid a backdrop of positive corporate earnings and economic data. All major markets ended the month in positive territory. Managers with exposure to financials did particularly well whilst managers with exposure to energy and healthcare were the largest performance detractors. The portfolio's emerging markets focused manager was helped by strong returns from speciality mineral stocks in South Africa, Kazakhstan and China. Performance was hurt by poorly performing Asian property investments.

The performance of Tactical Trading managers was mixed in December. Equity index trading posted strong gains; managers' broadly long exposures to all major markets fared well where a number of indices observed record gains. In fixed income trading, short exposures to Europe contributed positively to performance. Foreign exchange trading also contributed positively to performance, mostly due to short Japanese yen exposures versus other major currencies; the yen staged precipitous declines as weaker-than-expected economic signs reduced the odds of imminent interest rate raises. European currency positions, mostly against the dollar, partially detracted yen gains. Finally, commodities trading ended the month with mixed results. Following two-month long strong rallies, grain prices experienced a pullback in December which led to negative returns in a number of managers' long positions.

Sources: Bloomberg, Financial Times, Reuters, The New York Times, The Wall Street Journal.

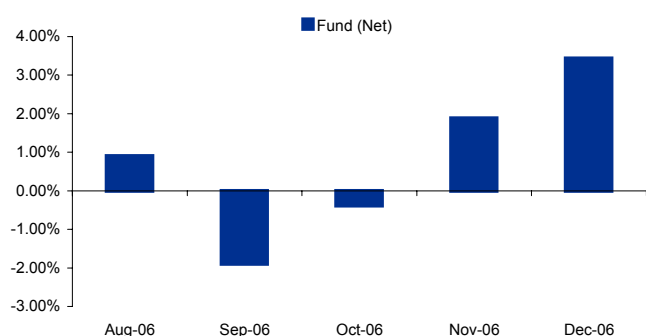
## Performance

	NAV per Share	MTD	QTD	YTD	Cum ITD	Ann ITD <sup>2</sup>	Vol ITD	Inception Date
Goldman Sachs Dynamic Opportunities Limited - (USD) Net <sup>1</sup>	1.8638	1.53%	5.44%	3.44%	3.44%	3.44%	N/A	Aug-06
3 Month USD LIBOR	N/A	0.44%	1.33%	2.23%	2.23%	2.23%	N/A	Aug-06
Goldman Sachs Dynamic Opportunities Limited - (EUR) Net <sup>1</sup>	1.4684	1.41%	4.90%	2.45%	2.45%	2.45%	N/A	Aug-06
3 Month EUR LIBOR	N/A	0.29%	0.85%	1.36%	1.36%	1.36%	N/A	Aug-06
Goldman Sachs Dynamic Opportunities Limited - (GBP) Net <sup>1</sup>	1.0131	1.50%	5.25%	3.11%	3.11%	3.11%	N/A	Aug-06
3 Month GBP LIBOR	N/A	0.42%	1.25%	2.04%	2.04%	2.04%	N/A	Aug-06

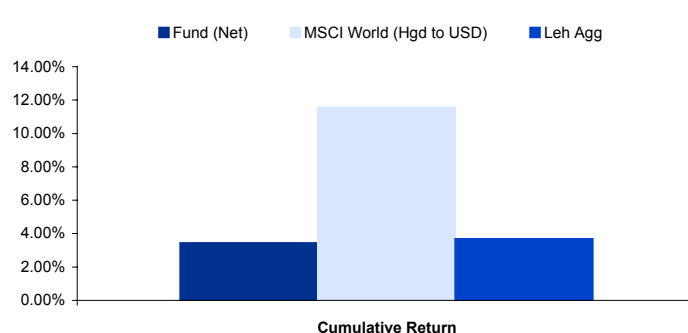
## Portfolio Characteristics (Reflects USD Share Class)<sup>1</sup>

	Excess Return Annualized (Net) <sup>2,3</sup>	Fund Annualized (Net) <sup>2</sup>	Standard Deviation	Sharpe	Beta MSCI World (Hgd to USD)	Beta Leh Agg
Last 12 Months	1.20%	3.44%	N/A	N/A	N/A	N/A
Since Inception	1.20%	3.44%	N/A	N/A	N/A	N/A

## Cumulative Performance (Reflects USD Share Class)<sup>1</sup>



## Return Comparison (Inception-To-Date) (Reflects USD Share Class)<sup>1</sup>



Past performance is not indicative of future results, which may vary. Please see Disclosures for important information.

<sup>1</sup> Performance is final and unaudited. The figures published here are final as of 29/12/2006, calculated as of 31/01/2007, and are potentially subject to revisions. Returns are presented in the currency displayed. References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time (each, an "index") are provided for your information only. References to the indices does not imply that the portfolio will achieve returns, volatility or other results similar to the indices. The composition of the indices may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. Information regarding portfolio objectives is contained in the prospectus as amended from time to time. Source for index data: Bloomberg.

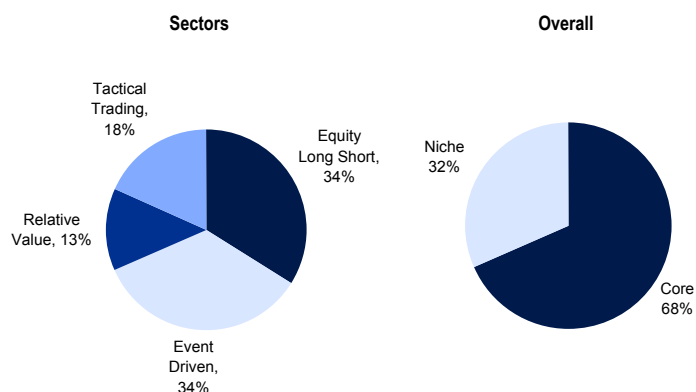
<sup>2</sup> Returns less than 12 months are cumulative, not annualized.

<sup>3</sup> This is the excess return over the risk-free rate (3 Month USD LIBOR).

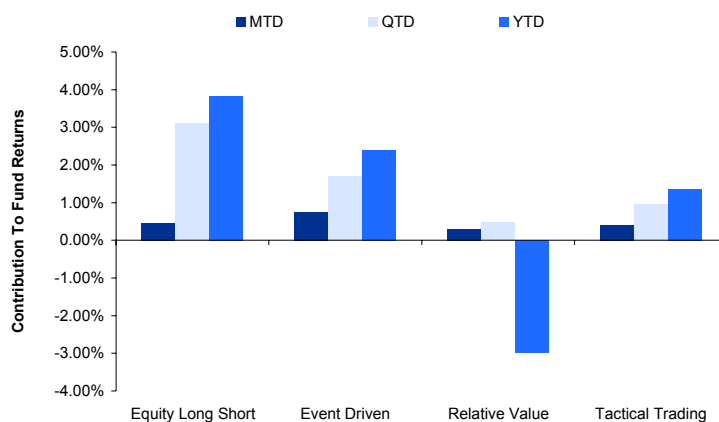
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December 2006

## Weights<sup>1</sup>



## Attribution (Reflects USD Share Class)<sup>2,3</sup>



## Performance Analysis (Reflects USD Share Class)

### Sectors<sup>2,4</sup>

Sector	Portfolio Weight <sup>1</sup>	MTD	QTD	YTD	ITD	Ann ITD <sup>5</sup>	Vol ITD	Inception Date
Equity Long / Short	33.92%	1.35%	9.53%	11.98%	11.98%	11.98%	N/A	Aug-06
Event Driven	34.36%	2.15%	5.07%	7.17%	7.17%	7.17%	N/A	Aug-06
Relative Value	13.31%	2.29%	3.71%	-16.77%	-16.77%	-16.77%	N/A	Aug-06
Tactical Trading	18.40%	2.26%	5.28%	7.69%	7.69%	7.69%	N/A	Aug-06

## Performance Analysis (Reflects USD Share Class)

### Overall<sup>2,4</sup>

	Portfolio Weight <sup>1</sup>	MTD	QTD	YTD	ITD	Ann ITD <sup>5</sup>	Vol ITD	Inception Date
Core Allocation	68.46%	1.95%	6.17%	2.95%	2.95%	2.95%	N/A	Aug-06
Niche Exposure	31.54%	1.84%	6.80%	8.19%	8.19%	8.19%	N/A	Aug-06

## Monthly Performance (Reflects USD Share Class)<sup>2</sup>

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2006	-	-	-	-	-	-	-	0.90%	-2.78%	1.54%	2.27%	1.53%	3.44%

<sup>1</sup> Does not include cash. The Investment Manager may change the allocations over time. The allocations noted above should not be deemed representative of allocations in the future. Allocations based upon month-end valuations. Figures may not sum to 100% due to rounding.

<sup>2</sup> Performance is final and unaudited. The figures published here are final as of 29/12/2006, calculated as of 31/01/2007, and are potentially subject to revisions.

<sup>3</sup> Contribution data is geometrically calculated based on a monthly time series. Data will not arithmetically sum to fund total. Cumulative geometric returns for less than 12 months are calculated as follows:  $(1+r_1)^1(1+r_2)^1 \dots (1+r_m)^1 - 1$ . Annualized geometric returns for returns greater than 12 months are calculated as follows:  $[(1+r_1)^1(1+r_2)^1 \dots (1+r_m)^1]^{1/m} - 1$ .

<sup>4</sup> Sector and overall returns are net of underlying manager fees but gross of Goldman Sachs management and incentive fees. Presented in USD.

<sup>5</sup> Returns less than 12 months are cumulative, not annualized.

This information should not be construed as research or investment advice or a recommendation to buy or sell investments in the Fund or any other investments mentioned in this report or to follow any investment strategy. Furthermore, this report should not be construed as an invitation or inducement to engage in investment activity in the Fund.

**Past performance is not indicative of future results, which may vary.**

Please see Disclosures for important information.

December 2006

**GSDO's Ten Largest Investments by Manager Name (65% of Fund Holdings)<sup>1,2</sup>**

<b>Manager</b>	<b>Sector</b>	<b>Strategy</b>	<b>Holding</b>
Brevan Howard	Tactical Trading	Macro - Discretionary	Core
D.E. Shaw	Tactical Trading	Macro - Model	Core
Eton Park	Event Driven	Multi-Strategy	Core
Karsch	Equity Long / Short	US Diversified	Core
Och Ziff	Event Driven	Multi-Strategy	Core
Seminole	Equity Long / Short	US Diversified	Core
Silver Point	Event Driven	Credit Opportunities / Distressed	Niche
Stark	Relative Value	Multi-Strategy	Core
Tisbury	Event Driven	Multi-Strategy (Europe Focus)	Niche
Tosca	Equity Long / Short	Global Diversified	Core

Total Number of Managers: 18

<sup>1</sup> As of 29/12/2006, calculated as of 31/01/2007. This information should not be construed as research or investment advice or a recommendation to buy or sell investments in the Fund or any other investments mentioned in this report or to follow any investment strategy. Furthermore, this report should not be construed as an invitation or inducement to engage in investment activity in the Fund.

<sup>2</sup> This is a list of GSDO's ten largest investments by manager name as of 29/12/2006, calculated as of 31/01/2007. The list is subject to change without notice to investors and therefore may not be an indication of the ten largest investments that currently comprise the Fund's portfolio.

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Indices are unmanaged. The figures for the index reflect the reinvestment of dividends but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices.

#### Effect of fees on performance:

The following table provides a simplified example of the effect of management and incentive fees on portfolio returns. For example, assume a portfolio has a steady investment return, gross of fees, of 0.5% per month and total management fees of 0.1250% per month of the market value of the portfolio on the last day of the month and incentive fees of 10% of net profits. Management fees and incentive fees are deducted from the market value of the portfolio on that day. There are no cash flows during the period. The table shows that, assuming that other factors such as investment return and fees remain constant, the difference increases due to the compounding effect over time. Of course, the magnitude of the difference between gross-of-fee and net-of-fee returns will depend on a variety of factors, and the example has been intentionally simplified.

Period	Gross Return	Net Return	Differential
1 year	6.17%	4.13%	2.04%
2 years	12.72%	8.42%	4.29%
10 years	81.94%	49.83%	32.11%

MSCI World Index: Morgan Stanley Capital International's market capitalization weighted index is composed of companies representative of the market structure of 22 developed market countries in North America, Europe, and the Asia/Pacific Region. The index is calculated without dividends, with net or with gross dividends reinvested, in both US dollars and local currencies.

Lehman Brothers Aggregate Index: The index is composed of securities from Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The index's total return consists of price appreciation/depreciation plus income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

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Alternative Investments are not subject to the same regulatory requirements or governmental oversight as mutual funds. The sponsor or manager of any Alternative Investment may not be registered with any governmental agency.

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Past performance is not a guide to future performance and the value of Alternative Investments and the income derived from them can go down as well as up. Future returns are not guaranteed and a loss of principal may occur.

Alternative Investments may impose significant fees, including incentive fees that are based upon a percentage of the realized and unrealized gains, and such fees may offset all or a significant portion of such Alternative Investment's trading profits.

Alternative Investments are offered in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. No public or other market is available or will develop. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Alternative Investments may themselves invest in instruments that may be highly illiquid and extremely difficult to value. This also may limit your ability to redeem or transfer your investment or delay receipt of redemption proceeds.

Alternative Investments generally are not required to provide their investors with periodic pricing or valuation information.

Investors in Alternative Investments may have limited rights with respect to their investment interest, including limited voting rights and participation in the management of the Alternative Investment.

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Investors are also urged to take appropriate advice regarding any applicable legal requirements and any applicable taxation and exchange control regulations in the country of their citizenship, residence or domicile which may be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any Alternative Investment.

We refer you to the prospectus for a more complete discussion of the risks relating to an investment in any particular Alternative Investment. You are urged to read all of the offering materials, including the entire prospectus, prior to any investment in any Alternative Investment, and to ask questions of the investment manager or sponsor of such Alternative Investment. Investment Restrictions apply to many of Goldman Sachs' Alternative Investments. Goldman Sachs Hedge Fund Strategies LLC (HFS) is the Investment Manager to the Fund referenced herein. HFS, a US registered investment adviser, is part of Goldman Sachs Asset Management and is a wholly owned subsidiary of The Goldman Sachs Group, Inc.

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Investors should consider that the returns that they will receive will be a function of the share price of the Fund. While we would expect that the Fund would trade substantially in line with its underlying NAV, investors should consider that the traded status of the Fund could lead it to have a significantly higher volatility and correlation to equities.

Investors should consider that the liquidity of their investment will be a function of the market demand for the shares of the Fund. There is the potential for the Fund to trade at a discount to NAV and lack of market demand may lead to their being a less liquid market.