

October 2006

## Market Overview

Goldman Sachs Dynamic Opportunities Limited (the "Fund") returned +1.54% net<sup>1</sup> in the month of October (for the USD share class).

Among the managers in the portfolio, 14 out of 18 posted positive returns.

Relative Value managers had mixed performance over the month. Amaranth, as previously disclosed, had suffered significant losses in September and in October saw flat performance resulting from the liquidation of their remaining portfolio. One quantitative manager lost money in equity country selection and fixed income arbitrage (yield curve) strategies. Credit and commodity models mitigated the losses.

Almost all of the Event Driven managers in the portfolio were positive as strong equity markets and tightening high yield credit spreads created a favourable environment for managers. Managers also benefited from special situations activity and M&A related situations with portfolio hedges proving to be the biggest detractors to performance. The managers with the strongest performance had exposure to emerging markets as well as the building materials, airlines and cable sectors. One manager experienced negative performance driven by exposure to credit hedges.

Equity Long Short experienced strong performance in October with managers generating positive returns as markets performed well, driven by positive corporate earnings and economic data. The U.S., Europe and U.K. all rallied to reach five-year highs with top performing managers benefiting from the recovery in U.S. small and mid-cap stocks. Energy stocks joined the small cap rebound which came after several months of underperformance and the manager with the strongest performance benefited from its energy focus. For one manager, strong stock picking in positions in the financials sector were the greatest contributors to performance. The exception was Japan which has been the laggard of global equity markets throughout 2006 due to both macroeconomic and microeconomic concerns. Japan's equity market weakness has been most pronounced in small and mid-cap stocks. October saw a continuation of this trend as managers with the weakest performance had exposure to these Japanese markets.

Tactical Trading performed strongly, with global equity index trading driving performance. Managers with exposure to U.S. and European markets had the strongest equity driven gains. Commodity trading was a positive contributor with profits within the sector being driven by short energy positions and long positions in grain markets. Fixed income trading finished approximately flat as, after experiencing difficulty during the first half of the month, managers recouped most of the losses as global yields fell towards the end of the month. Finally, foreign exchange trading ended modestly negative. Similar to the experiences in fixed income trading, many managers were able to capitalize on the dollar's rally through mid-month before profits were eroded as the dollar weakened during the final week. Currently, managers' largest risk allocations are in equity indices.

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

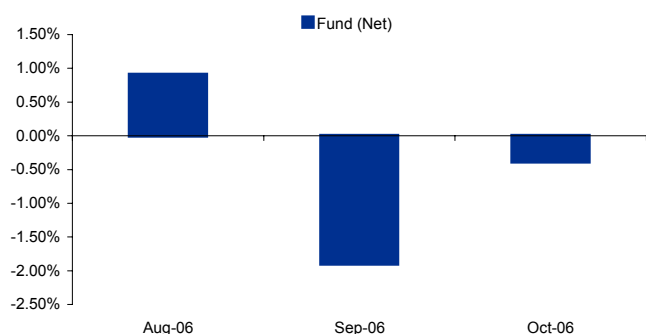
## Performance

	MTD	QTD	YTD	Cum ITD	Ann ITD <sup>2</sup>	Vol ITD	Inception Date
Goldman Sachs Dynamic Opportunities Limited - (USD) Net <sup>1</sup>	1.54%	1.54%	-0.38%	-0.38%	-0.38%	N/A	Aug-06
3 Month USD LIBOR	0.44%	0.44%	1.34%	1.34%	1.34%	N/A	Aug-06
Goldman Sachs Dynamic Opportunities Limited - (EUR) Net <sup>1</sup>	1.36%	1.36%	-1.00%	-1.00%	-1.00%	N/A	Aug-06
3 Month EUR LIBOR	0.29%	0.29%	0.79%	0.79%	0.79%	N/A	Aug-06
Goldman Sachs Dynamic Opportunities Limited - (GBP) Net <sup>1</sup>	1.50%	1.50%	-0.56%	-0.56%	-0.56%	N/A	Aug-06
3 Month GBP LIBOR	0.42%	0.42%	1.20%	1.20%	1.20%	N/A	Aug-06

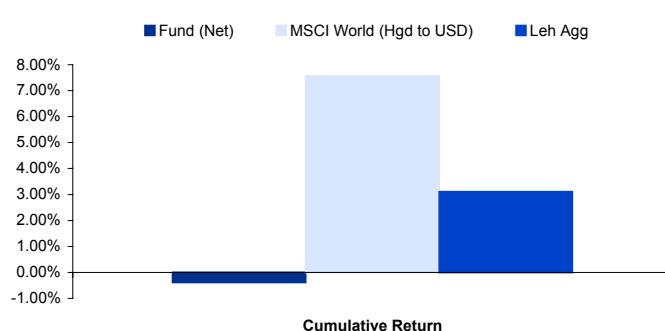
## Portfolio Characteristics (Reflects USD Share Class)<sup>1</sup>

	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	-1.73%	-0.38%	N/A	N/A	N/A	N/A
Since Inception	-1.73%	-0.38%	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 31/10/2006, calculated as of 27/11/2006, 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.

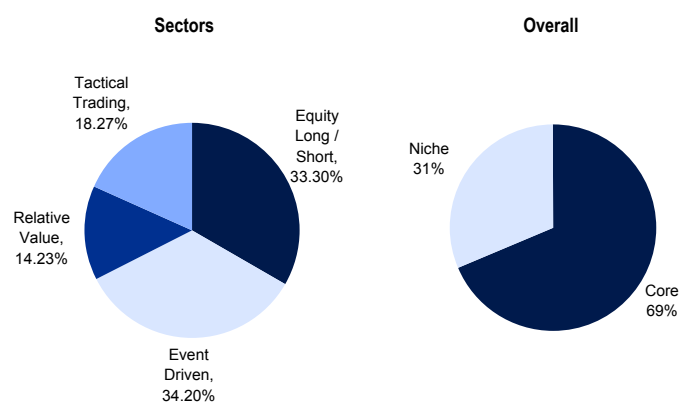
<sup>2</sup> Returns less than 12 months are cumulative, not annualized.

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

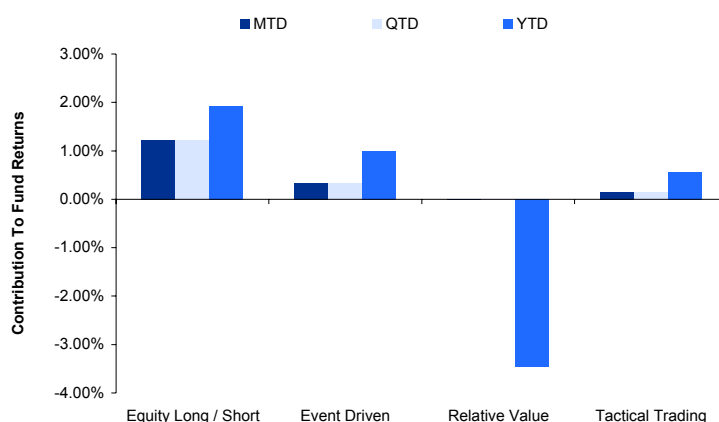
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October 2006

## 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	33.30%	3.72%	3.72%	6.03%	6.03%	6.03%	N/A	Aug-06
Event Driven	34.20%	0.93%	0.93%	2.95%	2.95%	2.95%	N/A	Aug-06
Relative Value	14.23%	0.10%	0.10%	-19.67%	-19.67%	-19.67%	N/A	Aug-06
Tactical Trading	18.27%	0.79%	0.79%	3.10%	3.10%	3.10%	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	68.66%	1.36%	1.36%	-1.72%	-1.72%	-1.72%	N/A	Aug-06
Niche Exposure	31.34%	2.45%	2.45%	3.78%	3.78%	3.78%	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%	-	-	-0.38%

<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 31/10/2006, calculated as of 27/11/2006, 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:  $(1+r_1)(1+r_2)\dots(1+r_m)-1$ . Annualized geometric returns for returns greater than 12 months are calculated as follows:  $[(1+r_1)(1+r_2)\dots(1+r_m)]^{12/m}-1$ .

<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.

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

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October 2006

**GSDO's Ten Largest Investments by Manager Name (66% of fund holdings)<sup>1,2</sup>**

<b>Manager</b>	<b>Sector</b>	<b>Strategy</b>	<b>Holding</b>
AQR ARF	Relative Value	Multi-Strategy	Core
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

Total Number of Managers: 18

<sup>1</sup> As of 31/10/2006, calculated as of 27/11/2006. 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 31/10/2006, calculated as of 27/11/2006. 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 may purchase instruments that are traded on exchanges located outside the United States that are "principal markets" and are subject to the risk that the counterparty will not perform with respect to contracts. Furthermore, since there is generally less government supervision and regulation of foreign exchanges, Alternative Investments are also subject to the risk of the failure of the exchanges and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

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.

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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.

Alternative Investments may involve complex tax and legal structures. Investment in any particular Alternative Investment, or Alternative Investments generally, is only suitable for sophisticated investors for whom such an investment does not constitute a complete investment program and who fully understand and are willing to assume the risks involved in such Alternative Investment. You are urged to consult with your own tax, accounting and legal advisers regarding any investment in any Alternative Investment.

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.