Goldman Sachs Asset Management

The Power of a Plan: Women & Wealth

AMERICAN PRIVATE WEALTH

As signs of a global recovery surface, some risks remain

Economists, Consumers, and Companies Brim with Optimism for 2011

Jan. 6 – An extension of the Bush-Era tax cuts and a spate of positive economic data boosted sentiment for the US in 2011 among economists, consumers and companies.

Growth Markets to Lead Global Recovery – Though China May Be a Roadblock

Jan. 2 – Economists and investors agree that growth markets, such as Brazil and India, may lead the global economic recovery in 2011, though buoyant level of Chinese monetary growth and inflation pushing above 5 percent could prove to be a stumbling stone.

Unemployment Rate Hints at Jobless Recovery

US Stocks Rise to Two-Year High

Jan. 5 – The S&P500 Index started the new year with a bang reaching a new two-year high on investors hope for a stronger global recovery.

Trouncing of Treasuries May Have Been Overdone

Jan. 3 – Despite the abuse bonds received in the fourth quarter, a still-sluggish economy and the Federal Reserve's bond-buying program could keep yields relatively low for much of the new year.

Despite Positive Outlook, Risks Remain

Jan. 7 – As markets rally on renewed optimism, plenty of risks still exist including a potential double-dip in housing, a worsening of the European sovereign credit crisis and concerns about the state of Municipal finance.

Can Commodities, Gold Continue Bullish Run as Global Economy Rebounds?

With Recovery Potentially Accelerating, Is Inflation Just Around the Corner?

Source: GSAM. Not published headlines and for illustrative purposes only.

Test your knowledge

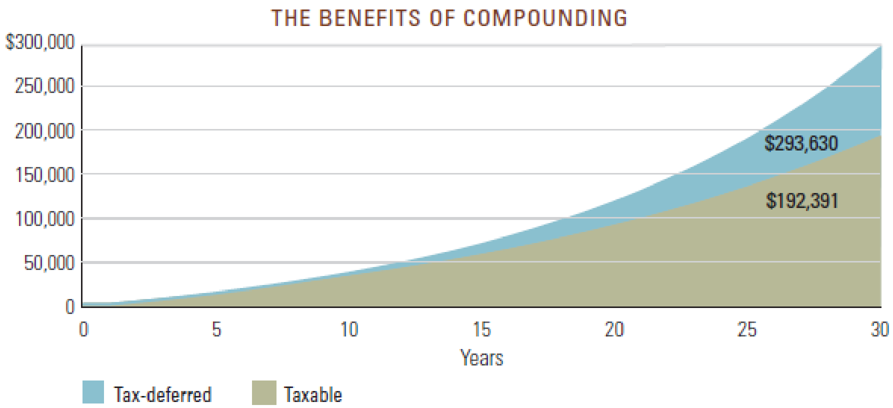
1 ____ out of 10 women end up managing their own finances at some point in their lives.[1]

2 The amount of money you can accumulate for your retirement nest egg in a tax-deferred retirement account versus a taxable account is generally:

a. More

b. Less

c. The Same



This hypothetical example assumes annual investments of $2,400 with an 8% annual return. The investor in the tax-deferred account will be subject to tax on contributions and any associated earnings - interest, dividends, and capital gains - upon withdrawal from the account The investor in the taxable account is in the 28% tax bracket. This example is not intended to represent any actual investment. The value of your investment and return may vary. The return on the taxable investment may be more favorable due to the lower maximum tax rates on long-term capital gains and qualified dividends, thereby reducing the difference in performance between the accounts shown.

3 After the recent economic downturn, ____ % of women say they have confidence in their ability to protect their assets and be successful.[2]

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[1] National Center for Women and Retirement Research, 2010

[2] Financial Experience & Behavior Among Women: 2010-2011 Prudential Research Study

Empower yourself

Women are expected to take on many different roles throughout their lifetimes.

Whether you're a stay-at-home wife and mom, divorcee, grandmother, primary breadwinner, or some combination of all of these, it's important to stay on top of your finances.

- Have you recently lost the income of a spouse, or left the workforce for an extended period of time?
- Are you enjoying a higher income because of a recent promotion?
- Do you find yourself making many of the major purchasing decisions for your family?

Three common challenges to women's financial freedom

1. Unpredictable life events
2. Economic realities and retirement planning hurdles
3. Fear of making a mistake

Your challenges may differ depending on your individual stage of life. Let's take a look at five different life stages and the specific challenges for each.

Five life changes and the challenges they bring

Career-oriented woman

Evolving presence in academia and the business world, creating significant future earning potential

1. In 2008, more women than men had a bachelor's degree or higher.[1]

2. Women are starting their own businesses—nearly 10.1 million exist today. Women employ 13 million people and generate $1.9 trillion in sales revenue.[2]

THE CHALLENGE

As women expand their portion of the workforce, now equally as educated as their male counterparts, it is increasingly important to develop a sound financial strategy for a growing income.

[1] U.S. Census Bureau, Current Population Survey, 2008 Annual Social and Economic Supplement, Educational Attainment in the United States: 2008, Released April 2009.
[2] Center For Women's Business Research, *The Overall Picture: Key Facts about Women-Owned Businesses,* 2008-2009.

Stay-at-home mom

Taking time out of the workforce to raise a family, drastically impacting savings and retirement benefits

1 Some women decide to put careers on hold to raise children, which might span several months, or several years.

2 By spending time out of the workforce, women not only forgo their income, but may also lose certain retirement benefits, such as pension plans, or the ability to grow retirement savings by contributing to a 401(k) plan – on average women receive \$859 per month in Social Security vs. men who receive \$1137 per month.[1]

THE CHALLENGE

A stay-at-home mom should continue to consider her future retirement income needs, and plan for alternative means of saving for the future. Learn about financial products designed to provide predictable, sustainable retirement income.

[1] *Social Security Is Important to Women*, Social Security Online, October 2007

Financial decision-maker

Taking greater control from daily purchases to major investment decisions

1 By 2010, women are expected to control one trillion dollars, or 60% of the country's wealth. Women have the purchasing power for 80% of all consumer goods, including computers and automobiles.[1]

2 Women also make 53% of household investment decisions.[2] Consequently, there is a good chance that you are the financial decision-maker in your home.

THE CHALLENGE

With great power comes great responsibility. If you are the financial head of your household, you will want to judiciously invest the family's money and help secure its future needs.

1 Krotz. Joanna. Women power: How to market to 51% of Americans. 2009.
2 LeBourdais, Susan. Life and Health Advisor, The Invisible Prospect Emerges from the Shadows. February 2008.

Divorcee

Adjusting to a single-income household

1 It's a troubling fact: after a divorce, men tend to experience only a 10% decrease in income, while women are likely to experience as much as a 30% decline.[1]

2 Changing from a dual-income household to a single-income household, in addition to acquiring sole responsibility for your retirement income, and possibly children, will have weighty financial consequences.

THE CHALLENGE

A divorce is an emotional life event, but the impact that it has on your savings should be minimized. You will want to ensure stability for your future.

[1] *Tips for Women for Surviving Financially After Divorce* www.articlesbase.com, April 2008.

Sole provider

Spending at least a portion of their lives with sole responsibility for their finances

1. Whether you are a long-time divorcee or never married, with no dependents or grown dependents…

2. 90% of women will have sole responsibility for their finances at some point in their lives.[1] In many cases, this is a direct result of the death of a spouse. Preparation is key.

THE CHALLENGE

A longer life also means a longer retirement. Woman should acknowledge that they may need to sustain their income after losing a spouse. Certain financial products are available that can help to create sustainable retirement income that can span both spouse's lives.

[1] *Hill, Shak. A Woman's Guide to Financial Planning,* 2009.

Ten steps to financial freedom

Step 1
Know your finances

Assets – What You Own

Investment Assets

- Bank accounts (checking, savings, CDs)
- Money market accounts
- Insurance cash values
- Bonds
- Investments
- Retirement assets

Other

- Home
- Cars
- Art, jewelry, furniture

Liabilities – What You Owe

- Credit cards
- Mortgage(s)
- Car loans
- Student loans
- Other debt

Your Income – Money In

- Salary
- Investment income
- Dividend Income
- Other (Freelance income, Rental income, etc.)

Your Expenses – Money Out

Fixed expenses

- Rent/mortgage
- Insurance
- Car payment
- Savings

Discretionary expenses

- Eating out
- Vacation
- Entertainment
- Gifts

Flexible expenses

- Food
- Transportation
- Clothing
- Investing

Step 2

Examine your credit history...

- Do you have credit in your own name?
- Are you comfortable with your credit limits?
- How much do you owe? (15% avg. interest rates[1])

ACTION STEP

Check your credit history for accuracy.

Experian	1-888-397-3742
Equifax	1-800-685-1111
Trans Union	1-800-916-8800

[1] CreditCards.com: Weekly Credit Card Rate Report, March 31, 2010.

….and your insurance coverage

- Life (term, whole-life, universal life)
- Health
- Car, home, personal articles
- Liability
- Disability / Long-term care

ACTION STEP

Review the cost and terms of your current coverage with a qualified investment professional.

Step 3

Set clear financial goals

1. Your Priorities

- Independence
- Peace of mind
- Early retirement
- Charity
- Bequest to family

2. Your Responsibilities

- Children's education
- Car loans
- School loans
- Support for elderly parents

3. Your Dreams

- Travel
- Second home
- Jewelry
- Vacation
- New car

Your Financial Goals

- Measurable
- Achievable
- Compatible

Step 4
Establish an investment plan

Questions to Explore:

- What is your current life stage and lifestyle?
- What are your primary investment goals?
- What is your investment time horizon?
- Given your goals and time frame, which types and levels of investment risk are appropriate?

ACTION STEP

Review your life stage and financial goals with a trusted investment professional – and develop an asset allocation strategy.

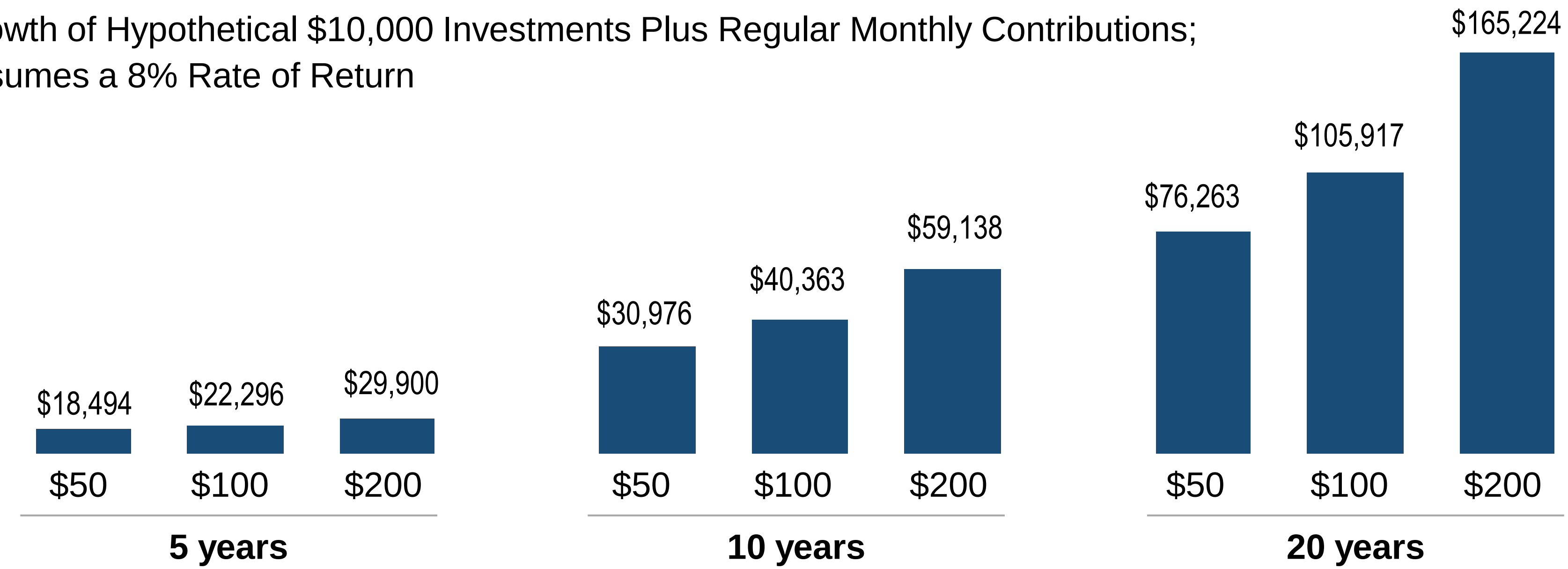
Diversification does not protect an investor from market risk and does not ensure a profit.

Step 5

Invest early and often

The Power of Compounding

Growth of Hypothetical $10,000 Investments Plus Regular Monthly Contributions; Assumes a 8% Rate of Return



ACTION STEP

Pay yourself first each month by establishing an Automatic Investment Plan.

Source: Goldman Sachs Asset Management. These hypothetical illustrations assume an initial $10,000 investment are for illustrative purposes only and the effects of taxes are not considered. Past performance is no guarantee of future results and is not intended to imply the performance of any specific investment or any Goldman Sachs Fund. A program of investing regularly cannot guarantee a profit or protect against loss in declining markets. An investor's principal is not guaranteed or protected from a decline. The growth of your assets will be based on the actual rate of return provided by the investment you choose.

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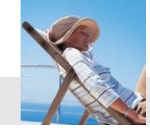
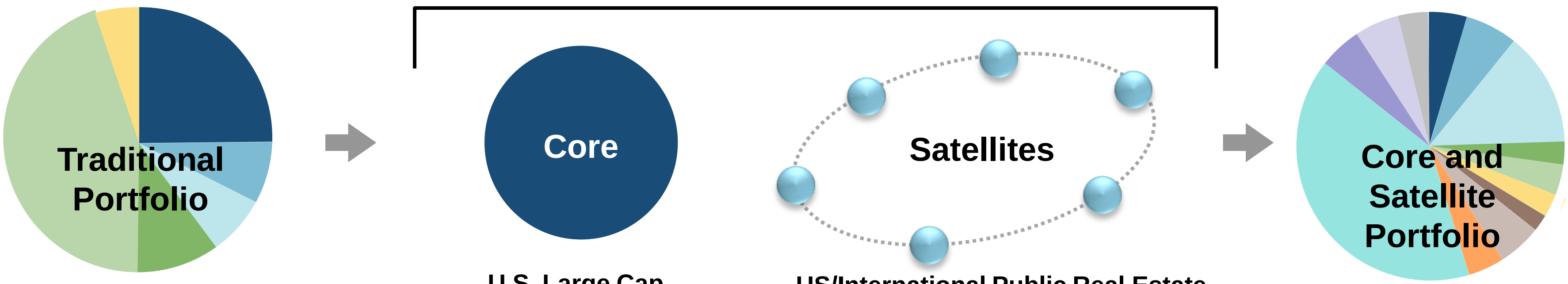


Step 6
Choose your investments

An approach is to divide investment options into "Core" and "Satellite" categories.



U.S. Large Cap
U.S. Small Cap
International Large Cap
Global Investment Grade
Fixed Income

US/International Public Real Estate
Commodities
International Small Cap Equity
Emerging Markets Equity/Debt
Hedge Funds

Traditional Portfolio

Fewer asset classes are a result of traditional portfolio construction.

Less Diversification

Core and Satellite Portfolio

More asset classes seek to lower volatility and may enhance return.

More Diversification

Diversification does not protect an investor from market risk and does not ensure a profit.
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Step 7

Capitalize on tax-advantaged vehicles to help save for retirement…

- 401(k) Plan
- Individual 401(k) Plan
- 403(b) Plan
- 457 Plan
- SEP-IRA
- IRA
- Roth IRA
- Annuities

ACTION STEP

Consult with your investment professional to ensure you are capitalizing on appropriate retirement planning vehicles.

….and consider investment options that help provide income during your retirement years

- Income-focused mutual funds
- Annuities
- High-grade bonds or certificates of deposit

ACTION STEP

Consult with your investment professional to ensure you are capitalizing on appropriate retirement planning vehicles.

Step 8

Protect your assets through smart estate planning

- To whom do you want to bequest assets?
- Who are your current beneficiaries?
- Have you listed a minor child as beneficiary?
- Do you have a copy of your beneficiary designations?

ACTION STEP

- Create a written will.
- When appropriate, meet with an estate planning specialist to:
  - Review your investment portfolio and will
  - Discuss other estate planning techniques (taxes, trusts)
- Consult an estate planning advisor to select the most appropriate asset title for your portfolio.

Step 9

Stay informed. To do so, you may want to…

1. Read

- Wall Street Journal
- Kiplinger's Personal Finance
- Smart Money
- Local finance columns

2. Surf

- www.money.cnn.com
- www.womeninvesting.net
- www.msmoney.com
- www.msfiscallyfit.com

3. Join

- National Association of Investors Corporation: 877-275-6242

4. Consult

- Work with an experienced investment professional.

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Step 10
Work with a financial advisor

Partnering with a professional financial advisor is increasingly important to your financial health.

- Financial advisors have the credentials and know-how to serve your financial needs
- You know your financial goals – an advisor is able to help you reach them
- They offer an objective perspective, based on training and experience

Put your ten step plan into action

Follow this checklist to achieve financial freedom:

1. Know your finances
2. Examine your credit history and insurance coverage
3. Set clear financial goals
4. Establish an investment plan
5. Invest early and often
6. Choose your investments
7. Capitalize on tax-advantaged vehicles to help save for retirement
8. Protect your assets through smart estate planning
9. Stay informed
10. Work with a financial advisor

Risk Considerations

Equity securities are more volatile than bonds and subject to greater risks. Small and mid-sized company stocks involve greater risks than those customarily associated with larger companies.

Bonds are subject to interest rate, price and credit risks. Prices tend to be inversely affected by changes in interest rates.

High yield fixed income securities are considered speculative, involve greater risk of default, and tend to be more volatile than investment grade fixed income securities.

Investments in foreign securities entail special risks such as currency, political, economic, and market risks. These risks are heightened in emerging markets.

An investment in real estate securities is subject to greater price volatility and the special risks associated with direct ownership of real estate.

Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity.

Alternative Investments such as hedge funds are subject to less regulation than other types of pooled investment vehicles such as mutual funds, may make speculative investments, may be illiquid and can involve a significant use of leverage, making them substantially riskier than the other investments. An Alternative Investment Fund may incur high fees and expenses which would offset trading profits. Alternative Investment Funds are not required to provide periodic pricing or valuation information to investors. The Manager of an Alternative Investment Fund has total investment discretion over the investments of the Fund and the use of a single advisor applying generally similar trading programs could mean a lack of diversification, and consequentially, higher risk. Investors may have limited rights with respect to their investments, including limited voting rights and participation in the management of the Fund.

Alternative Investments by their nature, involve a substantial degree of risk, including the risk of total loss of an investor's capital. Fund performance can be volatile. There may be conflicts of interest between the Alternative Investment Fund and other service providers, including the investment manager and sponsor of the Alternative Investment. 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.

Risk Considerations

Fixed income investing entails credit risk and interest rate risk. When interest rates rise, bond prices generally fall. Unlike stocks and bonds, U.S. Treasuries securities are guaranteed as to payment of principal and interest if held to maturity.

Mutual funds are subject to various risks as described fully in each funds’ prospectus. There can be no assurance that a mutual fund will achieve its investment objective. The equity markets are volatile, but not all stocks are equally volatile.

As with any investment in securities, variable products are subject to investment risks, including the possible loss of principal. Contract and policy values will fluctuate with the performance of the underlying investments such that when redeemed, investor unit values may be worth more or less than their original cost.

Variable Annuities are long-term, tax-deferred investment vehicles designed for retirement. Earnings are taxable as ordinary income when distributed and taxable amounts withdrawn before age 59 1⁄2 may be subject to a 10% federal tax penalty.

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