

Goldman

Sachs Variable Insurance Trust

Goldman Sachs
Structured Small Cap Equity Fund

Semi-Annual Report
June 30, 2009



INVESTMENT OBJECTIVE

The Fund seeks long-term growth of capital. The Fund seeks this objective through a broadly diversified portfolio of equity investments in U.S. issuers.

Portfolio Management Discussion and Analysis

Below, the Goldman Sachs Quantitative Investment Strategies Team discusses the Fund's performance and positioning for the six months ended June 30, 2009.

How did the Goldman Sachs Variable Insurance Trust — Goldman Sachs Structured Small Cap Equity Fund (the "Fund") perform during the semi-annual period ended June 30, 2009?

During the six-month period ended June 30, 2009, the Fund's Institutional and Service Shares generated cumulative total returns of 0.29% and 0.14%, respectively. These returns compare to the 2.64% cumulative total return of the Fund's benchmark, the Russell 2000 Index (with dividends reinvested) (the "Russell Index") during the same time period.

What economic and market factors most influenced the equity markets as a whole during the semi-annual period?

The equity markets faced two distinct periods during the six months ended June 30, 2009. As the new year began, the global financial markets were still reeling from extraordinary conditions during the fourth quarter of 2008. Persistently elevated levels of credit spreads (i.e., the difference in yields between U.S. Treasury securities and other investment sectors) as well as both implied and realized volatilities and investor risk aversion had created an unprecedented period of market distress. Indeed, with global equity indices down over 40% on average in 2008, equity markets continued to struggle in early 2009, as signs of an economic recovery remained hard to find. At the beginning of the first quarter, major retailers and automakers worldwide warned of declines in sales and profits in upcoming months, causing their shares to decline dramatically. As speculation increased that governments globally might nationalize troubled financial institutions, shares of large banks also fell sharply through the beginning of March. Concurrently, unemployment rates continued to rise around the world, with U.S. unemployment reaching 8.5% by the end of March, its highest level in over 25 years.

Then, a slight improvement in the liquidity profile of the market, a stabilizing of commodity prices, including oil, and positive responses to certain large banks' earnings reports and Treasury Secretary Tim Geithner's plan to fix the banking system brought a glimmer of hope to the equity markets in March. Indeed, March was the best month since 2002 for the major U.S. equity market indices, trimming first quarter losses substantially. Driven by investor relief, as signs indicated that the global financial crisis could be calming and the economy may be stabilizing, we saw a continuation of the strong rebound in equity markets through most of the second quarter. During the second quarter, liquidity improved, the wave of new regulatory programs slowed, and consumer sentiment improved. The U.S. equity market rally stalled somewhat in the last weeks of June, given weak economic data around housing and unemployment that indicated the recovery may take longer and be less robust in terms of future growth than anticipated. Still, the second quarter overall saw the best quarterly gain for the Dow Jones Industrial Index since the second quarter of 2003 and the biggest gain for the Standard & Poor's 500 Index since the fourth quarter of 1998. The equity market rally was broad based, with international equities rising sharply as well.

For the semi-annual period overall, the U.S. small-cap equity market, as measured by the Russell 2000 Index, lagged its large-cap counterparts, as measured by the Russell 1000 Index. This was due primarily to the large-cap equity index's greater weighting in financials, which performed well. Within the U.S. small-cap equity market, growth stocks significantly outperformed value stocks during the six-month period. The Russell 2000 Growth Index returned 11.36% for the semi-annual period compared to the -5.17% return of the Russell 2000 Value Index. The Russell 2000 Growth Index has a heavier weighting in the information technology sector, which performed strongly during the six months ended June 30, 2009.

What key factors were responsible for the Fund's performance during the six-month reporting period?

As expected, and in keeping with our investment approach, our quantitative model and its six investment themes (Valuation, Profitability, Quality, Management, Momentum and Sentiment) had the greatest impact on relative performance. We use these themes to take a long-term view of market patterns and look for inefficiencies, selecting stocks for the Fund and

overweighting or underweighting the ones chosen by the model. Over time and by design, the performance of any one of the model's investment themes tends to have a low correlation with the model's other themes, demonstrating the diversification benefit of the Fund's theme-driven quantitative model. The variance in performance supports our research indicating that the diversification provided by the Fund's different investment themes is a significant investment advantage over the long term, even though the Fund may experience underperformance in the short term.

Overall, the Fund underperformed during the six months with the Fund's Management theme detracting the most, followed by Profitability. The Management theme assesses the characteristics, policies and strategic decisions of company management. The Profitability theme assesses whether a company is earning more than its cost of capital. Valuation, which attempts to capture potential mispricings of securities, typically by comparing a measure of the company's intrinsic value to its market value, also negatively impacted relative returns, though to a lesser extent.

Momentum was by far the best-performing theme during the reporting period. Momentum seeks to predict drifts in stock prices caused by under-reaction to company-specific information. Also adding value were Sentiment and Quality. Sentiment reflects selected investment views and decisions of individuals and financial intermediaries. Quality evaluates whether the company's earnings are coming from more persistent, cash-based sources, as opposed to accruals.

How did the Fund's sector allocations affect relative performance?

In constructing the Fund's portfolio, we focus on picking stocks rather than making industry or sector bets. We seek to outpace the Russell 2000 Index by overweighting stocks that we expect to outperform and underweighting those that we think may lag. We also build positions based on our thematic views. For example, the Fund aims to hold a basket of stocks with more favorable Momentum characteristics than the benchmark index.

That said, stock selection in the telecommunication services, energy and consumer staples sectors made the biggest positive contribution to the Fund's results relative to the Russell 2000 Index. Conversely, stock selection in the financials and industrials sectors detracted most from the Fund's results relative to its benchmark index.

Which individual stock positions contributed the most to the Fund's relative returns during the first half of the fiscal year?

The Fund benefited most from overweight positions in casual dining restaurant franchiser O'Charley's, lawn and garden products manufacturer Central Garden & Pet Co., and crude oil refiner Western Refining. We chose to overweight O'Charley's and Central Garden & Pet Co. because of our positive views on Valuation, Quality and Momentum. The overweight in Western Refining was the result of our positive views on Sentiment and Profitability.

Which individual positions detracted from the Fund's results during the reporting period?

Detracting most from the Fund's results relative to its benchmark index were overweight positions in commercial banks, First Bancorp and Susquehanna Bancshares, and in immunobiotics manufacturer, Emergent BioSolutions. Our positive views on Valuation led us to overweight First Bancorp and Susquehanna Bancshares. The Fund had an overweighted position in Emergent BioSolutions because of our positive views on Profitability.

Did you make any enhancements to your quantitative models during the reporting period?

We continuously look for ways to improve our investment process. Accordingly, during the reporting period, we introduced a number of enhancements to the proprietary quantitative model we use in the Fund. During the first quarter of 2009, we added a new factor to our global models (excluding emerging markets), which extends the Fund's Momentum theme by examining additional relationships across firms. This enhancement is part of our ongoing research effort in developing cross-company linkage signals. We believe that this new factor has predictive ability and should further add value to our process over time.

During the second quarter of 2009, we introduced an enhanced risk model to our process. The key features are the dynamic adjustment of volatility decay rates based on the market environment as well as the decomposition of factor exposures into different lags and the inclusion of short interest as a control factor. The expected benefits of these rather complex features are the ability to react to changing markets in a more timely manner, avoiding stale exposures and better controlling active exposure to heavily shorted companies.

What is your strategy going forward for the Fund?

In the coming months, we believe that less expensive stocks should outpace more expensive stocks, and stocks with good momentum are likely to outperform those with poor momentum. Our focus will remain on companies with increasingly strong fundamentals, sustainable earnings, good profitability and a track record of using capital to enhance shareholder value. As such, we anticipate remaining fully invested with long-term performance likely to be the result of stock selection rather than sector or size allocations.

We stand behind our investment philosophy that sound economic investment principles, coupled with a disciplined quantitative approach, can provide strong, uncorrelated returns over the long run. Our research agenda is robust, and we continue to enhance our existing models, add new proprietary forecasting signals, and improve our trading execution as we seek to provide the most value to our shareholders.

CHANGES MADE TO THE TEAM'S MANAGEMENT

Mark Carhart and Ray Iwanowski, formerly co-heads of Quantitative Investment Strategies (QIS), have retired, each to pursue separate personal and professional objectives. Giorgio De Santis, co-head of QIS Research, also decided to retire.

Katinka Domotorffy, Head of Strategy for QIS, has assumed the role of Chief Investment Officer (CIO) and Head of QIS. Since joining Goldman Sachs in 1998, she has been a senior portfolio manager, researcher and strategist with the QIS team. Bob Jones will remain as co-CIO of the QIS equity team. Kent Daniel, senior portfolio manager and co-head of QIS Research, has joined Katinka and Bob as co-CIO of the equity business.

Bob Litterman will remain as the Chairman of QIS. The QIS team includes more than 115 professionals across all areas of the company, with 30 more in the information technology division.

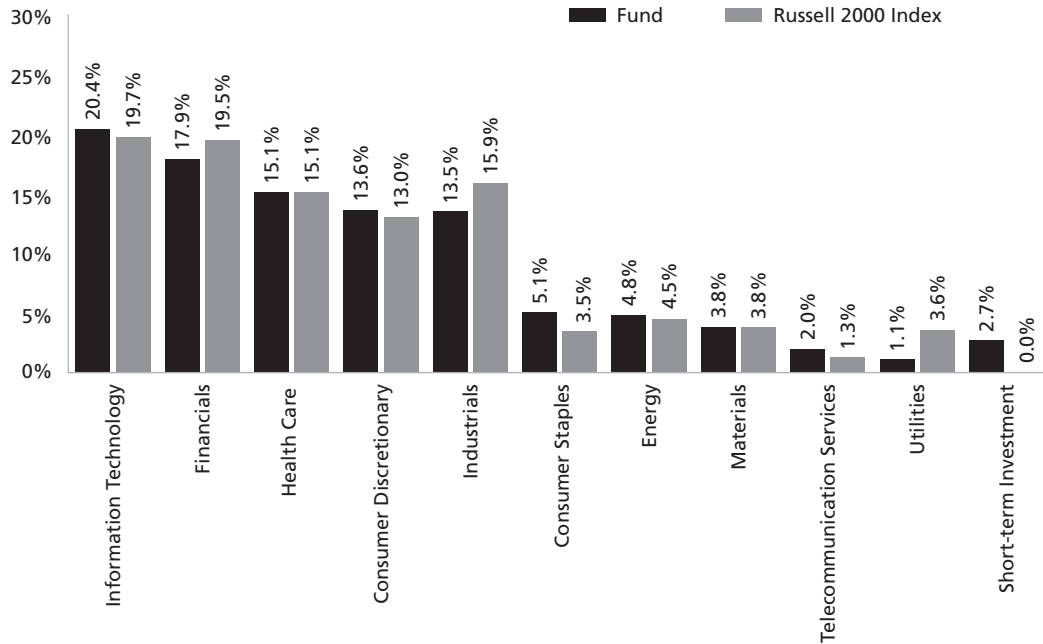
Portfolio Composition**TOP TEN PORTFOLIO HOLDINGS AS OF 6/30/09***

Holding	% of Net Assets	Line of Business
USA Mobility, Inc.	1.2%	Telecommunication Services
Rayonier, Inc.	1.1	Real Estate Investment Trust
Sanderson Farms, Inc.	1.1	Food, Beverage & Tobacco
Federal Realty Investment Trust	1.0	Real Estate Investment Trust
PharMerica Corp.	1.0	Health Care Equipment & Services
Fred's, Inc. Class A	1.0	Retailing
Realty Income Corp.	0.9	Real Estate Investment Trust
Aeropostale, Inc.	0.9	Retailing
Aspen Insurance Holdings Ltd.	0.9	Insurance
Facet Biotech Corp.	0.8	Pharmaceuticals, Biotechnology & Life Sciences

** Opinions expressed in this report represent our present opinion only. Reference to individual securities should not be construed as a commitment that such securities will be retained by the Fund. From time to time, the Fund may change the individual securities it holds, the number or types of securities held and the markets in which it invests. Fund holdings of securities should not be relied upon in making investment decisions and should not be construed as research or investment advice regarding particular securities. References to individual securities do not constitute a recommendation to the investor to buy, hold or sell such securities. In addition, references to past performance of the Fund do not indicate future returns, which are not guaranteed and will vary. Furthermore, the value of shares of the Fund may fall as well as rise.*

SECTOR ALLOCATION AS OF 6/30/09†

Percentage of Investment Portfolio



† The Fund is actively managed and, as such, its composition may differ over time. The above graph categorizes investments using Global Industry Classification Standard ("GICS"), however, the sector classifications used by the portfolio management team may differ from GICS. The percentage shown for each investment category reflects the value of investments in that category as a percentage of the total value of investments (excluding investments in the securities lending reinvestment vehicle, if any). Securities lending reinvestment vehicle represents 22.1% of the Fund's net assets at June 30, 2009. Short-term investments include investment companies.

Schedule of Investments

June 30, 2009 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks – 98.0%			Common Stocks – (continued)		
Automobiles & Components – 1.1%			Capital Goods – (continued)		
6,637	Amerigon, Inc.*	\$ 40,486	8,421	Builders FirstSource, Inc.* ^(a)	\$ 35,031
23,421	ArvinMeritor, Inc.	102,818	2,822	Cascade Corp.	44,390
13,672	Cooper Tire & Rubber Co.	135,626	7,812	Ceradyne, Inc.*	137,960
9,705	Dana Holding Corp.*	12,423	1,542	Cubic Corp.	55,188
5,786	Dorman Products, Inc.*	80,020	2,841	Ducommun, Inc.	53,382
21,535	Exide Technologies*	80,326	14,296	Dycom Industries, Inc.*	158,257
7,412	Federal Mogul Corp.*	70,043	13,671	DynCorp International, Inc. Class A*	229,536
30,186	Modine Manufacturing Co.	144,893	12,701	Encore Wire Corp. ^(a)	271,166
11,684	Standard Motor Products, Inc.	96,627	21,466	EnerSys*	390,467
9,475	Tenneco, Inc.*	100,435	9,992	EnPro Industries, Inc.* ^(a)	179,956
18,213	TRW Automotive Holdings Corp.* ^(a)	205,807	3,510	Esterline Technologies Corp.*	95,016
3,259	Winnebago Industries	24,214	4,758	Fushi Copperweld, Inc.*	39,349
		1,093,718	1,649	General Cable Corp.* ^(a)	61,969
			13,049	Gibraltar Industries, Inc.	89,647
Banks – 5.0%			6,093	Granite Construction, Inc.	202,775
3,894	1st Source Corp.	67,249	12,539	Insteel Industries, Inc.	103,321
17,737	Associated Banc-Corp. ^(a)	221,713	5,135	Integrated Electrical Services, Inc.*	40,104
16,126	Bancorpsouth, Inc.	331,067	8,348	John Bean Technologies Corp.	104,517
5,808	CapitalSource, Inc.	28,343	12,068	Kadant, Inc.*	136,248
31,164	Cathay General Bancorp. ^(a)	296,370	43,981	LSI Industries, Inc.	239,696
6,760	Central Pacific Financial Corp.	25,350	2,711	Miller Industries, Inc.*	23,857
487	City National Corp.	17,936	6,976	Mueller Industries, Inc.	145,101
934	Cullen/Frost Bankers, Inc.	43,076	11,341	NACCO Industries, Inc. Class A	325,714
34,911	CVB Financial Corp. ^(a)	208,419	7,466	Polypore International, Inc.*	83,022
23,030	First Bancorp	123,026	14,459	Power-One, Inc.* ^(a)	21,544
41,713	First Financial Northwest, Inc.	326,196	26,285	Quanex Building Products Corp.	294,918
5,670	First Midwest Bancorp, Inc.	41,448	1,532	Raven Industries, Inc.	39,219
8,096	Great Southern Bancorp, Inc. ^(a)	166,373	68,874	Taser International, Inc.* ^(a)	314,065
50,477	International Bancshares Corp. ^(a)	520,418	6,663	Tennant Co.	122,533
4,503	MGIC Investment Corp.	19,813	24,053	Toro Co. ^(a)	719,185
17,164	Pinnacle Financial Partners, Inc.* ^(a)	228,624	7,350	TriMas Corp.*	24,770
11,542	Renasant Corp.	173,361	4,132	Trinity Industries, Inc.	56,278
37,203	Sterling Bancshares, Inc.	235,495	3,303	Universal Forest Products, Inc.	109,296
62,642	Susquehanna Bancshares, Inc. ^(a)	306,319	1,411	Vicor Corp.	10,187
5,301	SVB Financial Group*	144,293	3,210	Watsco, Inc. ^(a)	157,065
7,588	TCF Financial Corp. ^(a)	101,452	16,842	Woodward Governor Co.	333,472
2,753	Texas Capital Bancshares, Inc.*	42,589			7,991,140
12,942	Trustmark Corp. ^(a)	250,039	Commercial & Professional Services – 3.8%		
17,649	Washington Federal, Inc. ^(a)	229,437	7,331	Administaff, Inc.	170,592
5,516	Whitney Holding Corp. ^(a)	50,527	3,523	ATC Technology Corp.*	51,083
39,943	Wilshire Bancorp, Inc.	229,672	17,398	CDI Corp.	193,988
22,728	Wintrust Financial Corp. ^(a)	365,466	18,231	Comfort Systems USA, Inc.	186,868
		4,794,071	1,197	Consolidated Graphics, Inc.*	20,852
Capital Goods – 8.3%			7,079	Diamond Management & Technology Consultants, Inc.	29,732
5,306	AAR Corp.* ^(a)	85,161	403	G&K Services, Inc. Class A	8,523
12,463	Acuity Brands, Inc.	349,587	18,718	HNI Corp.	338,047
6,429	AGCO Corp.* ^(b)	186,891	14,348	ICT Group, Inc.*	125,258
22,020	Albany International Corp. Class A	250,588	36,850	Kelly Services, Inc. Class A	403,507
5,498	Alliant Techsystems, Inc.* ^(a)	452,815	37,573	Kforce, Inc.*	310,729
6,858	American Woodmark Corp.	164,249	22,187	Kimball International, Inc. Class B	138,447
15,951	Apogee Enterprises, Inc.	196,197	91,517	MPS Group, Inc.*	699,190
5,276	Applied Signal Technology, Inc.	134,591	5,448	Robert Half International, Inc.	128,682
39,033	Belden, Inc.	651,851	67,280	Spherion Corp.*	277,194
5,323	Briggs & Stratton Corp.	71,009	21,351	The Standard Register Co. ^(a)	69,604

Schedule of Investments (continued)

June 30, 2009 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks – (continued)			Common Stocks – (continued)		
Commercial & Professional Services – (continued)			Diversified Financials – (continued)		
16,550	TrueBlue, Inc.*	\$ 139,020	20,013	FBR Capital Markets Corp.*	\$ 94,061
5,998	United Stationers, Inc.*	209,210	6,838	Federated Investors, Inc. Class B ^(a)	164,727
25,416	Volt Information Sciences, Inc.*	159,358	13,141	Fifth Street Finance Corp.	131,936
		<u>3,659,884</u>	10,846	GAMCO Investors, Inc. Class A	526,031
			3,500	Gladstone Capital Corp.	26,355
Consumer Durables & Apparel – 2.3%			26,375	Hercules Technology Growth Capital, Inc.	220,495
28,302	American Greetings Corp. Class A	330,567	579	International Assets Holding Corp.*	8,610
9,467	Blyth, Inc.	310,423	1,601	Investment Technology Group, Inc.*	32,644
24,891	Carter's, Inc.* ^(a)	612,568	13,891	Kohlberg Capital Corp.	87,791
18,548	Harman International Industries, Inc. ^(a)	348,702	6,431	LaBranche & Co., Inc.*	27,653
1,852	Hooker Furniture Corp.	21,261	54,640	MCG Capital Corp.*	132,775
12,078	iRobot Corp.*	156,773	23,644	MF Global Ltd.* ^(a)	140,209
39,999	La-Z-Boy, Inc. ^(a)	188,795	12,164	MVC Capital, Inc.	102,907
8,015	Perry Ellis International, Inc.*	58,349	17,800	NGP Capital Resources Co.	104,486
6,508	Polaris Industries, Inc. ^(a)	209,037	1,791	Oppenheimer Holdings, Inc. Class A	37,916
		<u>2,236,475</u>	2,287	Person Worldwide, Inc.*	20,469
Consumer Services – 2.9%			3,505	Piper Jaffray Cos, Inc.*	153,063
2,393	Ameristar Casinos, Inc. ^(a)	45,539	53,481	Primus Guaranty Ltd.*	126,215
654	Buffalo Wild Wings, Inc.*	21,268	16,881	Pzena Investment Management, Inc. Class A	127,958
1,457	California Pizza Kitchen, Inc.*	19,364	5,950	Rewards Network, Inc.*	22,491
1,616	CEC Entertainment, Inc.*	47,640	6,473	SEI Investments Co.	116,773
4,289	Choice Hotels International, Inc.	114,130	7,528	The First Marblehead Corp.*	15,207
8,720	Domino's Pizza, Inc.*	65,313	2,211	Virtus Investment Partners, Inc.*	32,480
8,867	Gaylord Entertainment Co.*	112,700	7,090	World Acceptance Corp.* ^(a)	141,162
4,122	Lakes Entertainment, Inc.*	11,995			<u>4,429,523</u>
18,215	Landry's Restaurants, Inc.*	156,649	Energy – 4.9%		
31,066	O'Charleys, Inc.	287,360	6,877	Alpha Natural Resources, Inc.*	180,659
4,413	Panera Bread Co. Class A ^(b)	220,032	19,466	Basic Energy Services, Inc.*	132,953
26,254	Papa John's International, Inc.* ^(a)	650,837	19,221	Berry Petroleum Co. Class A ^(a)	357,318
4,456	PF Chang's China Bistro, Inc.*	142,859	13,484	Bill Barrett Corp.* ^(a)	370,271
1,110	Pre-Paid Legal Services, Inc.*	48,385	35,017	Cal Dive International, Inc.* ^(a)	302,197
3,235	Steiner Leisure Ltd.*	98,765	20,753	Cimarex Energy Co.	588,140
3,898	The Cheesecake Factory, Inc.* ^(a)	67,435	5,860	Complete Production Services, Inc.*	37,270
46,553	The Steak N Shake Co.*	406,873	9,676	Exterran Holdings, Inc.* ^(a)	155,203
2,516	Vail Resorts, Inc.*	67,479	2,169	Hercules Offshore, Inc.*	8,611
4,771	WMS Industries, Inc.*	150,334	2,710	Overseas Shipholding Group, Inc. ^(a)	92,248
3,292	Wyndham Worldwide Corp.	39,899	5,036	Patterson-UTI Energy, Inc. ^(a)	64,763
		<u>2,774,856</u>	22,510	Petroquest Energy, Inc.* ^(a)	83,062
Diversified Financials – 4.6%			8,765	Pioneer Drilling Co.*	41,984
82,208	Advance America, Cash Advance Centers, Inc.	364,182	24,428	Rosetta Resources, Inc.* ^(a)	213,745
43,906	Allied Capital Corp.	152,793	13,293	St. Mary Land & Exploration Co. ^(a)	277,425
13,606	American Capital Ltd.	43,675	13,844	Swift Energy Co.* ^(a)	230,503
73,983	Apollo Investment Corp.	443,898	5,090	Union Drilling, Inc.*	33,696
6,965	BGC Partners, Inc. Class A	26,397	7,622	Unit Corp.*	210,138
20,442	BlackRock Kelso Capital Corp.	127,354	50,974	Venoco, Inc.*	390,970
1,547	Cash America International, Inc.	36,184	9,111	W&T Offshore, Inc.	88,741
13,519	Cohen & Steers, Inc.	202,109	17,330	Willbros Group, Inc.*	216,798
29,424	Compass Diversified Holdings	238,040	14,205	World Fuel Services Corp. ^(a)	585,672
677	Diamond Hill Investment Group, Inc.*	27,202			<u>4,662,367</u>
23,422	E*Trade Financial Corp.*	29,980			
4,279	Eaton Vance Corp. ^(a)	114,463			
1,468	Evercore Partners, Inc. Class A	28,832			

Shares	Description	Value
Common Stocks – (continued)		
Food & Staples Retailing – 0.6%		
17,292	Casey's General Stores, Inc. ^(a)	\$ 444,232
3,903	Ingles Markets, Inc. Class A	59,482
5,229	The Pantry, Inc.*	86,801
		<u>590,515</u>
Food, Beverage & Tobacco – 3.8%		
2,429	Boston Beer Co., Inc. Class A*	71,874
2,515	Chiquita Brands International, Inc. ^(a)	25,804
22,274	Hansen Natural Corp. ^(a)	686,485
22,653	Imperial Sugar Co.	274,328
12,841	J&J Snack Foods Corp.	460,992
2,554	Lancaster Colony Corp.	112,555
12,177	Lance, Inc.	281,654
35,870	National Beverage Corp.*	382,015
22,797	Sanderson Farms, Inc. ^(a)	1,025,865
11,130	Smithfield Foods, Inc. ^(a)	155,486
5,856	Universal Corp.	193,892
		<u>3,670,950</u>
Health Care Equipment & Services – 7.5%		
26,058	Align Technology, Inc. ^(a)	276,215
5,975	American Medical Systems Holdings, Inc.*	94,405
31,887	AMN Healthcare Services, Inc.*	203,439
15,327	Angiodynamics, Inc.*	203,389
2,576	Aspect Medical Systems, Inc.*	15,224
14,548	Assisted Living Concepts, Inc. Class A*	211,673
739	Atrion Corp.	99,092
4,613	Beckman Coulter, Inc.	263,587
10,298	BioScrip, Inc.*	60,964
2,508	Cardiac Science Corp.*	10,082
14,932	Computer Programs & Systems, Inc. ^(a)	572,045
5,347	DexCom, Inc.*	33,098
13,883	ev3, Inc. ^(a)	148,826
4,247	Gen-Probe, Inc.*	182,536
31,882	HealthSpring, Inc.*	346,238
10,735	Hill-Rom Holdings, Inc.	174,122
12,151	Idexx Laboratories, Inc.*	561,376
2,786	I-Flow Corp.*	19,335
16,005	Invacare Corp.	282,488
9,606	IRIS International, Inc.*	113,351
28,383	Kindred Healthcare, Inc.*	351,098
15,371	LCA-Vision, Inc. ^(a)	64,866
3,771	LifePoint Hospitals, Inc.*	98,989
7,408	Magellan Health Services, Inc.*	243,131
18,492	Medcath Corp.*	217,466
18,639	Medical Action Industries, Inc.*	213,417
6,193	MedQuist, Inc.	37,653
12,263	Molina Healthcare, Inc.*	293,331
72,598	Nighthawk Radiology Holdings, Inc.*	268,613
2,664	Palomar Medical Technologies, Inc.*	39,054
47,718	PharMerica Corp. ^(a)	936,704
6,032	RTI Biologics, Inc.*	25,877

Shares	Description	Value
Common Stocks – (continued)		
Health Care Equipment & Services – (continued)		
4,060	Skilled Healthcare Group, Inc. Class A*	\$ 30,450
5,611	STERIS Corp.	146,335
35,595	Theragenics Corp.*	45,918
9,664	TomoTherapy, Inc.*	26,576
26,408	Universal American Corp.*	230,278
1,035	WellCare Health Plans, Inc.*	19,137
		<u>7,160,378</u>
Household & Personal Products – 0.7%		
56,435	Central Garden & Pet Co. Class A*	555,885
46,558	Mannatech, Inc. ^(a)	153,641
		<u>709,526</u>
Insurance – 2.1%		
20,749	American Equity Investment Life Holding Co.	115,779
38,255	Aspen Insurance Holdings Ltd.	854,617
28,471	CNA Surety Corp.*	384,074
2,846	Employers Holdings, Inc.	38,563
1,438	First American Corp.	37,259
3,038	Infinity Property & Casualty Corp.	110,765
5,672	National Financial Partners Corp. ^(a)	41,519
462	National Western Life Insurance Co. Class A	53,939
2,777	Reinsurance Group of America, Inc.	96,945
4,509	Safety Insurance Group, Inc.	137,795
9,813	Selective Insurance Group, Inc.	125,312
		<u>1,996,567</u>
Materials – 3.8%		
17,276	A. Schulman, Inc.	261,040
4,217	Allied Nevada Gold Corp. ^(a)	33,989
6,325	AM Castle & Co.	76,406
4,626	Balchem Corp.	113,430
13,187	Brush Engineered Materials, Inc.*	220,882
39,576	Buckeye Technologies, Inc.*	177,696
6,563	Clearwater Paper Corp.*	165,978
1,794	Domtar Corp.*	29,745
2,629	Haynes International, Inc.*	62,307
4,963	Innospec, Inc.	53,352
16,414	Kaiser Aluminum Corp.	589,427
36,451	Louisiana-Pacific Corp.*	124,663
2,690	Minerals Technologies, Inc.	96,894
2,817	OM Group, Inc.*	81,749
9,909	Omnova Solutions, Inc.*	32,303
51,648	PolyOne Corp.*	139,966
2,695	Reliance Steel & Aluminum Co.	103,461
27,410	Spartech Corp.	251,898
15,111	Sutor Technology Group Ltd.*	49,413
27,148	Westlake Chemical Corp. ^(a)	553,548
30,924	Worthington Industries, Inc.	395,518
		<u>3,613,665</u>
Media – 0.7%		
11,971	Arbitron, Inc.	190,219
4,375	Ascent Media Corp. Class A*	116,287

Schedule of Investments (continued)

June 30, 2009 (Unaudited)

Shares	Description	Value	Shares	Description	Value
Common Stocks – (continued)			Common Stocks – (continued)		
Media – (continued)			Real Estate Investment Trust – (continued)		
6,140	CTC Media, Inc.*	\$ 72,575	19,345	Liberty Property Trust ^(a)	\$ 445,709
8,897	Journal Communications, Inc. Class A	9,342	15,844	LTC Properties, Inc.	324,010
23,320	Live Nation, Inc.*	113,335	4,985	Mack-Cali Realty Corp.	113,658
9,627	National CineMedia, Inc.	132,468	10,278	Nationwide Health Properties, Inc. ^(a)	264,556
3,823	RCN Corp.*	22,823	10,488	Omega Healthcare Investors, Inc.	162,774
		<u>657,049</u>	29,921	Rayonier, Inc. ^(a)	1,087,628
			41,015	Realty Income Corp. ^(a)	899,049
			10,785	Regency Centers Corp. ^(a)	376,504
			23,575	Senior Housing Properties Trust	<u>384,744</u>
					6,129,968
Pharmaceuticals, Biotechnology & Life Sciences – 7.8%			Retailing – 6.6%		
71,500	Accelrys, Inc.*	422,565	17,448	99 Cents Only Stores ^{*(a)}	236,944
1,409	Albany Molecular Research, Inc.*	11,821	25,262	Aeropostale, Inc. ^{*(a)}	865,729
41,613	Alkermes, Inc.*	450,253	7,599	Asbury Automotive Group, Inc.	77,814
5,380	Bio-Rad Laboratories, Inc. Class A*	406,082	1,512	Blue Nile, Inc.*	65,001
3,217	Cambrex Corp.*	13,254	26,380	Brown Shoe Co., Inc.	190,991
6,189	Caraco Pharmaceutical Laboratories Ltd.*	19,000	22,162	Build-A-Bear Workshop, Inc. ^{*(a)}	99,064
5,287	Cepheid, Inc. ^{*(a)}	49,804	7,293	Charlotte Russe Holding, Inc.*	93,934
1,259	Charles River Laboratories International, Inc.*	42,491	15,682	Chico's FAS, Inc. ^{*(a)}	152,586
13,981	Cubist Pharmaceuticals, Inc.*	256,272	6,735	Citi Trends, Inc.*	174,302
81,142	Depomed, Inc.*	263,711	4,298	Conn's, Inc.*	53,725
10,522	Dionex Corp.*	642,158	9,272	Dollar Tree, Inc.*	390,351
31,005	Enzon Pharmaceuticals, Inc. ^{*(a)}	244,009	7,394	Dress Barn, Inc. ^{*(a)}	105,734
23,742	eResearchTechnology, Inc.*	147,438	8,213	Family Dollar Stores, Inc.	232,428
81,520	Facet Biotech Corp.*	757,321	72,531	Fred's, Inc. Class A	913,891
5,101	Harvard Bioscience, Inc.*	20,149	2,165	Gaiam, Inc. Class A*	11,843
6,006	Human Genome Sciences, Inc.*	17,177	12,377	Genesco, Inc.*	232,316
5,591	Idera Pharmaceuticals, Inc. ^{*(a)}	32,763	23,732	HOT Topic, Inc. ^{*(a)}	173,481
100,993	Insmed, Inc. ^{*(a)}	100,993	8,386	HSN, Inc.*	88,640
20,544	Isis Pharmaceuticals, Inc. ^{*(a)}	338,976	5,553	Jo-Ann Stores, Inc.*	114,780
32,530	Lexicon Pharmaceuticals, Inc.*	40,337	9,258	Netflix, Inc. ^{*(a)}	382,726
6,511	MAP Pharmaceuticals, Inc.*	79,564	20,165	NutriSystem, Inc.	292,392
26,279	Martek Biosciences Corp. ^{*(a)}	555,801	14,235	PetSmart, Inc.	305,483
27,473	Maxygen, Inc.*	184,619	50,069	Stage Stores, Inc.	555,766
20,181	Molecular Insight Pharmaceuticals, Inc. ^{*(a)}	104,336	26,510	The Cato Corp. Class A ^(a)	462,334
3,919	Myriad Genetics, Inc.*	139,712	33,955	Tuesday Morning Corp.*	<u>114,428</u>
1,798	Myriad Pharmaceuticals, Inc.*	8,361			6,386,683
75,018	Nabi Biopharmaceuticals*	181,544	Semiconductors & Semiconductor Equipment – 4.6%		
77,805	PDL BioPharma, Inc.	614,659	2,512	Actel Corp.*	26,954
51,126	Progenics Pharmaceuticals, Inc.*	263,299	66,899	Amkor Technology, Inc. ^{*(a)}	316,432
73,144	Questcor Pharmaceuticals, Inc.*	365,720	5,364	Anadigics, Inc.*	22,475
11,141	Regeneron Pharmaceuticals, Inc.*	199,647	44,485	Applied Micro Circuits Corp.*	361,663
23,306	Synta Pharmaceuticals Corp. ^{*(a)}	53,837	14,428	Cirrus Logic, Inc.*	64,926
2,636	The Medicines Co.*	22,116	8,682	Cohu, Inc.	77,964
10,086	Varian, Inc. ^{*(a)}	397,691	48,089	CSR PLC*	277,982
		<u>7,447,480</u>	16,160	Cypress Semiconductor Corp. ^{*(a)}	148,672
			22,265	DSP Group, Inc.*	150,511
			11,661	Entegris, Inc.*	31,718
			8,745	Entropic Communications, Inc.*	19,676
			44,862	Exar Corp.*	322,558
			13,059	Integrated Device Technology, Inc.*	78,876
			217,196	Lattice Semiconductor Corp.*	408,328
			25,618	Micrel, Inc.	187,524
			51,992	MIPS Technologies, Inc.*	155,976
			2,272	MKS Instruments, Inc.*	29,968
			25,918	PLX Technology, Inc.*	97,711
Real Estate Investment Trust – 6.4%					
1,670	AMB Property Corp.	31,413			
18,570	BRE Properties, Inc.	441,223			
27,896	Chimera Investment Corp.	97,357			
3,224	Digital Realty Trust, Inc.	115,581			
2,455	Duke Realty Corp.	21,530			
18,285	Federal Realty Investment Trust ^(a)	942,043			
27,469	Franklin Street Properties Corp. ^(a)	363,964			
4,897	Hospitality Properties Trust	58,225			

Shares	Description	Value
Common Stocks – (continued)		
Semiconductors & Semiconductor Equipment – (continued)		
19,642	RF Micro Devices, Inc.*	\$ 73,854
18,864	Rudolph Technologies, Inc.*	104,129
3,331	Sigma Designs, Inc.*	53,429
186,615	Silicon Image, Inc.*	429,215
109,498	Silicon Storage Technology, Inc.*	204,761
7,933	Standard Microsystems Corp.*	162,230
19,287	Ultratech, Inc.*	237,423
5,385	Volterra Semiconductor Corp.*	70,759
24,492	Zoran Corp.*	266,963
		<u>4,382,677</u>
Software & Services – 8.8%		
39,880	Axiom Corp. ^(a)	352,140
11,455	ArcSight, Inc.*	203,555
42,314	Art Technology Group, Inc.*	160,793
18,606	Blackbaud, Inc. ^(a)	289,323
11,258	Chordiant Software, Inc.*	40,867
80,925	Ciber, Inc.*	250,868
37,100	CommVault Systems, Inc. ^(a)	615,118
12,576	CSG Systems International, Inc.*	166,506
13,052	Dice Holdings, Inc.*	60,692
9,540	DivX, Inc.*	52,375
62,457	EarthLink, Inc.*	462,806
7,408	Epicor Software Corp.*	39,262
8,692	ExlService Holdings, Inc.*	97,437
29,207	FalconStor Software, Inc.*	138,733
37,579	Internap Network Services Corp.*	131,151
1,960	Kenexa Corp.*	22,677
7,932	Lawson Software, Inc.*	44,261
49,826	Lionbridge Technologies, Inc.*	91,680
9,736	Liquidity Services, Inc.*	95,997
5,286	LivePerson, Inc.*	21,144
18,870	Manhattan Associates, Inc.*	343,811
58,317	Marchex, Inc. Class B	196,528
39,309	Mentor Graphics Corp.*	215,020
7,086	MicroStrategy, Inc. Class A*	355,859
30,669	ModusLink Global Solutions, Inc.*	210,389
2,631	Monotype Imaging Holdings, Inc.*	17,917
9,747	Ness Technologies, Inc.*	38,111
12,434	NeuStar, Inc. Class A*	275,537
78,762	OpenTV Corp. Class A*	103,966
35,401	Parametric Technology Corp. ^(a)	413,838
4,847	Perficient, Inc.*	33,881
9,244	PROS Holdings, Inc.*	75,061
17,966	QAD, Inc.	58,390
2,568	Rackspace Hosting, Inc.*	35,592
134,042	RealNetworks, Inc.*	400,786
13,553	Renaissance Learning, Inc. ^(a)	124,823
11,591	RightNow Technologies, Inc.*	136,774
15,427	StarTek, Inc.*	123,725
24,774	SumTotal Systems, Inc.*	119,163
60,596	Symyx Technologies*	354,487
12,094	TeleTech Holdings, Inc.*	183,224
24,010	The Hackett Group, Inc.*	55,943
25,182	TIBCO Software, Inc.*	180,555
23,565	TiVo, Inc.*	246,961
12,030	Unica Corp.*	65,924
25,735	United Online, Inc.	167,535

Shares	Description	Value
Common Stocks – (continued)		
Software & Services – (continued)		
38,901	Valueclick, Inc.*	\$ 409,239
8,988	VeriFone Holdings, Inc. ^(a)	67,500
22,974	Web.com Group, Inc.*	129,344
		<u>8,477,268</u>
Technology Hardware & Equipment – 7.2%		
52,491	3Com Corp. ^(a)	247,233
32,493	Acme Packet, Inc.*	328,829
18,001	Agilysys, Inc.	84,245
9,594	Airvana, Inc.*	61,114
480	Arrow Electronics, Inc.*	10,195
23,832	Aruba Networks, Inc.*	208,292
17,262	Avid Technology, Inc.*	231,483
2,157	Avnet, Inc.*	45,362
1,860	Avocent Corp.*	25,966
7,104	Bel Fuse, Inc. Class B	113,948
19,797	Benchmark Electronics, Inc.*	285,077
20,346	BigBand Networks, Inc.*	105,189
66,625	Brightpoint, Inc.*	417,739
29,134	Cray, Inc.*	229,576
5,672	CTS Corp.	37,152
17,178	Electronics for Imaging, Inc.*	183,117
56,797	Extreme Networks*	113,594
40,505	Harris Stratex Networks, Inc. Class A*	262,472
58,574	Imation Corp.	445,748
32,833	Ingram Micro, Inc. Class A ^(a)	574,577
10,137	Insight Enterprises, Inc.*	97,923
22,026	Isilon Systems, Inc.*	93,390
11,289	Ixia*	76,088
14,892	Methode Electronics, Inc.	104,542
3,036	Netezza Corp.*	25,259
5,306	Netgear, Inc.*	76,459
11,851	Novatel Wireless, Inc.*	106,896
3,740	PC Mall, Inc.*	25,282
13,002	PC-Tel, Inc.*	69,561
5,928	Plantronics, Inc.	112,098
186,698	Powerwave Technologies, Inc. ^(a)	300,584
131,842	Quantum Corp.*	109,429
16,202	Radisys Corp.*	145,980
8,553	Seachange International, Inc.*	68,681
57,387	ShoreTel, Inc.*	459,096
13,577	Smart Modular Technologies (WWH), Inc.*	30,820
26,723	Sonus Networks, Inc.*	43,024
7,900	STEC, Inc. ^(a)	183,201
7,883	Super Micro Computer, Inc.*	60,384
30,589	Symmetricom, Inc.*	176,499
8,506	Tech Data Corp.*	278,231
28,380	Tellabs, Inc.*	162,617
18,178	Tollgrade Communications, Inc.*	95,253
		<u>6,912,205</u>
Telecommunication Services – 2.0%		
6,002	Centennial Communications Corp.*	50,177
101,179	PAETEC Holding Corp.*	273,183
28,799	Syniverse Holdings, Inc.*	461,648

The accompanying notes are an integral part of these financial statements.

Schedule of Investments (continued)

June 30, 2009 (Unaudited)

Shares	Description	Value
Common Stocks – (continued)		
Telecommunication Services – (continued)		
88,363	USA Mobility, Inc.	\$ 1,127,512
10,747	Virgin Mobile USA, Inc. Class A*	43,203
		<u>1,955,723</u>
Transportation – 1.4%		
6,333	Dollar Thrifty Automotive Group, Inc.*	88,345
14,346	Hertz Global Holdings, Inc.*	114,624
2,304	J.B. Hunt Transport Services, Inc. ^(a)	70,341
2,301	Knight Transportation, Inc. ^(a)	38,082
3,719	Landstar System, Inc.	133,549
19,464	Marten Transport Ltd.*	404,073
3,234	Ultrapetrol Bahamas Ltd.*	14,327
7,243	Universal Truckload Services, Inc.	113,353
17,188	UTi Worldwide, Inc.*	195,943
9,822	Werner Enterprises, Inc. ^(a)	177,975
12,084	YRC Worldwide, Inc.*	20,905
		<u>1,371,517</u>
Utilities – 1.1%		
16,075	Black Hills Corp. ^(a)	369,564
4,544	SJW Corp.	103,149
7,975	Southwest Gas Corp.	177,125
9,473	Unisource Energy Corp.	251,413
10,111	Westar Energy, Inc.	189,784
		<u>1,091,035</u>
TOTAL COMMON STOCKS		
(Cost \$93,356,050)		\$ 94,195,240

Closed-End Fund – 0.0%

2,413	Kayne Anderson Energy Development Co.	31,996
(Cost \$32,710)		

ADDITIONAL INVESTMENT INFORMATION

FUTURES CONTRACTS — At June 30, 2009, the following futures contracts were open:

Type	Number of Contracts Long	Settlement Month	Notional Value	Unrealized Loss
Russell 2000 Mini Index	34	September 2009	\$1,724,480	\$(11,111)

Shares	Rate	Value
Investment Company^(c) – 2.7%		
JPMorgan U.S. Government Money Market Fund – Capital Shares		
2,602,113	0.236%	\$2,602,113
(Cost \$2,602,113)		
TOTAL INVESTMENTS BEFORE SECURITIES LENDING REINVESTMENT VEHICLE		
(Cost \$95,990,873)		\$ 96,829,349
Securities Lending Reinvestment Vehicle^{(c)(d)} – 22.1%		
Boston Global Investment Trust – Enhanced Portfolio II		
21,238,626	0.282%	\$ 21,174,910
(Cost \$20,996,964)		
TOTAL INVESTMENTS – 122.8%		
(Cost \$116,987,837)		\$118,004,259
LIABILITIES IN EXCESS OF OTHER		
ASSETS – (22.8) %		(21,912,172)
NET ASSETS – 100.0 %		\$ 96,092,087

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

* Non-income producing security.

- (a) All or a portion of security is on loan.
- (b) All or a portion of security is segregated as collateral for initial margin requirements on futures transactions.
- (c) Variable rate security. Interest rate disclosed is that which is in effect at June 30, 2009.
- (d) Represents an affiliated issuer.

Statement of Assets and Liabilities

June 30, 2009 (Unaudited)

Assets:

Investments in securities of unaffiliated issuers, at value (identified cost \$95,990,873) ^(a)	\$ 96,829,349
Investments in affiliated securities lending reinvestment vehicle, at value (identified cost \$20,996,964)	21,174,910
Cash	81,422
Receivables:	
Investment securities sold	3,606,643
Due from custodian	89,707
Dividends and interest	84,450
Securities lending income	7,390
Fund shares sold	4,012
Other assets	698
Total assets	121,878,581

Liabilities:

Payables:	
Payable upon return of securities loaned	21,467,755
Investment securities purchased	3,947,342
Fund shares redeemed	161,329
Amounts owed to affiliates	100,431
Due to broker — variation margin	2,222
Accrued expenses	107,415
Total liabilities	25,786,494

Net Assets:

Paid-in capital	160,909,021
Accumulated undistributed net investment income	897,575
Accumulated net realized loss from investment and futures transactions	(66,719,820)
Net unrealized gain on investments and futures	1,005,311
NET ASSETS	\$ 96,092,087

Net Assets:

Institutional	\$ 80,709,944
Service	15,382,143
Total Net Assets	\$ 96,092,087

Shares of beneficial interest outstanding \$0.001 par value (unlimited shares authorized):

Institutional	11,528,202
Service	2,206,406

Net asset value, offering and redemption price per share:

Institutional	\$ 7.00
Service	6.97

(a) Includes loaned securities having a market value of \$20,724,660.

Statement of Operations

For the Six Months Ended June 30, 2009 (Unaudited)

Investment income:

Dividends	\$ 735,836
Securities lending income — affiliated issuer	76,367
Total investment income	812,203

Expenses:

Management fees	322,163
Professional fees	45,279
Custody and accounting fees	38,690
Printing fees	12,999
Distribution and Service fees — Service Shares	12,531
Transfer Agent fees ^(a)	8,588
Trustee fees	8,460
Other	5,717
Total expenses	454,427
Less — expense reductions	(71,346)
Net expenses	383,081
NET INVESTMENT INCOME	429,122

Realized and unrealized gain (loss) from investment and futures transactions:

Net realized gain (loss) from:	
Investment transaction — unaffiliated issuers	(19,701,485)
Securities lending reinvestment vehicle transactions — affiliated issuer	12,672
Futures transactions	247,771
Net change in unrealized gain (loss) on:	
Investments — unaffiliated issuers	19,579,176
Securities lending reinvestment vehicle — affiliated issuer	136,478
Futures	(186,107)
Net realized and unrealized gain from investment and futures transactions	88,505
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$ 517,627

(a) Institutional and Service Shares had Transfer Agent fees of \$7,586 and \$1,002, respectively.

Statements of Changes in Net Assets

	For the Six Months Ended June 30, 2009 (Unaudited)	For the Fiscal Year Ended December 31, 2008
From operations:		
Net investment income	\$ 429,122	\$ 1,061,513
Net realized loss from investment and futures transactions	(19,441,042)	(42,454,681)
Net change in unrealized gain (loss) on investments and futures	19,529,547	(7,454,796)
Net increase (decrease) in net assets resulting from operations	517,627	(48,847,964)
Distributions to shareholders:		
From net investment income		
Institutional Shares	—	(781,388)
Service Shares	—	(53,513)
From net realized gains		
Institutional Shares	—	(197,173)
Service Shares	—	(14,073)
Total distributions to shareholders	—	(1,046,147)
From share transactions:		
Proceeds from sales of shares	10,372,426	17,777,531
Reinvestments of distributions	—	1,046,147
Cost of shares redeemed	(7,514,617)	(29,119,034)
Net increase (decrease) in net assets resulting from share transactions	2,857,809	(10,295,356)
TOTAL INCREASE (DECREASE)	3,375,436	(60,189,467)
Net assets:		
Beginning of period	92,716,651	152,906,118
End of period	\$ 96,092,087	\$ 92,716,651
Accumulated undistributed net investment income	\$ 897,575	\$ 468,453

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

Year - Share Class	Income (loss) from investment operations			Distributions to shareholders			Net asset value, beginning of period	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 to average net assets	Ratio of total expenses to average net assets	Ratio of net investment income to average net assets	Portfolio turnover rate
	Net investment income	Net and unrealized gain (loss)	Total from operations	From net investment income	From net realized gains	Total distributions									
FOR THE SIX MONTHS ENDED JUNE 30, (UNAUDITED)															
2009 - Institutional	\$ 6.98	\$0.03 ^(b)	\$ 0.02	\$ —	\$ —	\$ —	\$ 7.00	0.29%	\$ 80,710	0.86% ^(c)	1.03% ^(c)	1.01% ^(c)	0.88% ^(c)	102%	
2009 - Service	6.96	0.02 ^(b)	0.01	—	—	—	6.97	0.14	15,382	1.11 ^(c)	0.76 ^(c)	1.26 ^(c)	0.61 ^(c)	102	
FOR THE FISCAL YEARS ENDED DECEMBER 31,															
2008 - Institutional	10.71	0.09 ^(d)	(3.74)	(3.65)	(0.06)	(0.02)	6.98	(33.95)	86,253	0.86	0.85 ^(d)	1.06	0.65 ^(d)	189	
2008 - Service	10.71	0.06 ^(d)	(3.73)	(3.67)	(0.06)	(0.02)	6.96	(34.16)	6,464	1.11	1.92 ^(d)	1.31	1.72 ^(d)	189	
2007 - Institutional	14.44	0.07 ^{(b)(e)}	(2.42)	(2.35)	(0.05)	(1.33)	10.71	(16.48)	152,896	0.90 ^(f)	0.49 ^{(e)(f)}	0.95 ^(f)	0.44 ^{(e)(f)}	163	
2007 - Service (commenced August 31, 2007)	12.81	0.02 ^(b)	(0.74)	(0.72)	(0.05)	(1.33)	10.71	(5.86)	10	0.96 ^(c)	0.56 ^(c)	1.21 ^(c)	0.31 ^(c)	163	
2006 - Institutional	13.93	0.07 ^(b)	1.64	1.71	(0.10)	(1.10)	14.44	12.27	202,929	0.87	0.49	0.99	0.37	133	
2005 - Institutional	14.40	0.05 ^(b)	0.86	0.91	(0.04)	(1.34)	13.93	6.07	195,042	0.89	0.37	0.93	0.33	119	
2004 - Institutional	12.99	0.02 ^(b)	2.10	2.12	(0.03)	(0.68)	14.40	16.33	191,821	0.90	0.14	0.97	0.07	146	

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all distributions and a complete redemption of the investment at the net asset value at the end of the period. Total returns for periods less than one full year are not annualized.

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

(c) Annualized.

(d) Reflects income recognized from a special dividend which amounted to \$0.01 per share and 0.14% of average net assets.

(e) Reflects income recognized from a special dividend which amounted to \$0.02 per share and 0.14% of average net assets.

(f) Includes non-recurring expense for a special shareholder meeting, which amounted to approximately 0.03% of average net assets.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, 2009 (Unaudited)

1. ORGANIZATION

Goldman Sachs Variable Insurance Trust (the “Trust” or “VIT”) is a Delaware statutory trust registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Trust includes the Goldman Sachs Structured Small Cap Equity Fund (the “Fund”). The Fund is a diversified portfolio under the Act offering two classes of shares — Institutional and Service.

Goldman Sachs Asset Management, L.P. (“GSAM”), an affiliate of Goldman, Sachs & Co. (“Goldman Sachs”), serves as investment adviser pursuant to a Management Agreement (the “Agreement”) with the Trust on behalf of the Fund.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Fund. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that may affect the amounts and disclosures on the financial statements. Actual results could differ from those estimates and assumptions.

A. Investment Valuation — The investment valuation policy of the Fund is to value investments at market value. Investments in equity securities and investment companies traded on a United States (“U.S.”) securities exchange or the NASDAQ system are valued daily at their last sale price or official closing price on the principal exchange or system on which they are traded. If no sale occurs, such securities and investment companies are valued at the last bid price for long positions and at the last ask price for short positions. Debt securities for which market quotations are readily available are valued on the basis of quotations furnished by an independent pricing service approved by the trustees or provided by securities dealers. The pricing services may use valuation models or matrix pricing, which consider either (i) yield or price with respect to bonds that are considered comparable in characteristics such as rating, interest rate and maturity date or (ii) quotations from bond dealers, to determine current value. If accurate quotations are not readily available, or if GSAM believes that such quotations do not accurately reflect fair value, the fair value of the Fund’s investments may be determined based on yield equivalents, a pricing matrix or other sources, under valuation procedures established by the board of trustees. Unlisted equity 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. In the absence of market quotations, broker quotes will be utilized or the security will be fair valued. Investments in investment companies (other than those that are exchange traded) are valued at the net asset value per share (“NAV”) on the valuation date. Short-term debt obligations that mature in sixty days or less and that do not exhibit signs of credit deterioration are valued at amortized cost, which approximates market value.

GSAM, consistent with its procedures and applicable regulatory guidance, may make an adjustment to the previous closing prices of either domestic or foreign securities in light of significant events to reflect what it believes to be the fair value of the securities at the time of determining the Fund’s NAV. Significant events that could affect a large number of securities in a particular market may include, but are not limited to: situations relating to one or more single issuers in a market sector; significant fluctuations in U.S. or foreign markets; market dislocations; market disruptions or market closings; equipment failures; natural or man-made disasters or acts of God; armed conflicts; government actions or other developments; as well as the same or similar events which may affect specific issuers or the securities markets even though not tied directly to the securities markets. Other significant events that could relate to a single issuer may include, but are not limited to: corporate actions such as reorganizations, mergers and buy-outs; corporate announcements, including those relating to earnings, products and regulatory news; significant litigation; low trading volume; and trading limits or suspensions.

B. Security Transactions and Investment Income — Security transactions are reflected for financial reporting purposes as of the trade date. Realized gains and losses on sales of portfolio securities are calculated using the identified cost basis. Dividend income is recognized on the ex-dividend date, net of foreign withholding taxes, if any, which are reduced by any amounts reclaimable by the Fund, where applicable. Interest income is recorded on the basis of interest accrued, premium amortized and discount accreted. In addition, it is the Fund’s policy to accrue for foreign capital gains taxes, if applicable,

Notes to Financial Statements (continued)

June 30, 2009 (Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

on certain foreign securities held by the Fund, which are subject to such taxes. An estimated foreign capital gains tax is recorded daily on net unrealized gains on these securities and is payable upon the sale of such securities when a gain is realized.

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 Fund based upon the relative proportion of net assets of each class.

In addition, distributions received from the Fund's investments in real estate investment trusts ("REITs") often include a "return of capital" which is recorded by the Fund as a reduction of the cost basis of the securities held. The Internal Revenue Code of 1986, as amended (the "Code") requires a REIT to distribute at least 95% of its taxable income to investors. In many cases, however, because of "non-cash" expenses such as property depreciation, a REIT's cash flow will exceed its taxable income. The REIT may distribute this excess cash to offer a more competitive yield. This portion of the Fund's distributions is deemed a return of capital and is generally not taxable to shareholders.

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

D. Federal Taxes and Distributions to Shareholders — It is the Fund's policy to comply with the requirements of the Code applicable to regulated investment companies (mutual funds) and to distribute each year substantially all of its investment company taxable income and capital gains to its shareholders. Accordingly, no federal income tax provisions are required. Distributions to shareholders are recorded on the ex-dividend date. Income and capital gains distributions, if any, are declared and paid annually. Net capital losses are carried forward to future fiscal years and may be used to the extent allowed by the Code to offset any future capital gains. Utilization of capital loss carryforwards will reduce the requirement of future capital gains distributions.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with federal income tax rules, which may differ from GAAP. The source of the Fund's distributions may be shown in the accompanying financial statements as either from net investment income, net realized gain or capital. Financial statements are adjusted for permanent book/tax differences to reflect the appropriate tax character, and are not adjusted for temporary differences.

GSAM has reviewed the Fund's tax positions for all open tax years (the current and prior three tax years) and has concluded that no provision for income tax is required in the Fund's financial statements. Such open tax years remain subject to examination by tax authorities.

E. Derivatives — The Fund may make investments in derivative instruments, including, but not limited to, options, futures, swaps and other derivatives relating to foreign currency transactions. On June 30, 2009, the Fund adopted Statement of Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("FAS 161") which requires enhanced disclosures about the Fund's derivatives and hedging activities. A derivative is an instrument whose value is derived from underlying assets, indices, reference rates or a combination of these factors. Derivative instruments may be privately negotiated contracts (often referred to as over the counter ("OTC") derivatives) or they may be listed and traded on an exchange. Derivative contracts may involve future commitments to purchase or sell financial instruments or commodities at specified terms on a specified date, or to exchange interest payment streams or currencies based on a notional or contractual amount. Derivative instruments may involve a high degree of financial risk. The use of derivatives also involves the risk of loss if the investment adviser is incorrect in its expectation of the timing or level of fluctuations in securities prices, interest rates or currency prices. Investments in derivative instruments also include the risk of default by the counterparty, the risk that the investment may not be liquid and the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument.

Futures Contracts — The Fund may purchase or sell futures contracts 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,

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

or in the absence of a sale, the last bid 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, the Fund deposits cash or securities in an account on behalf of the broker in an amount sufficient to meet the initial margin requirement. Subsequent payments are made or received by the Fund equal to the daily change in the contract value and are recorded as variation margin receivable or payable with a corresponding offset in unrealized gains or losses. The Fund recognizes a realized gain or loss when a contract is closed or expires.

The use of futures contracts involves, to varying degrees, elements of market and counterparty risk which may exceed the amounts recognized in the Statement of Assets and Liabilities. Futures contracts may be illiquid, and exchanges may limit fluctuations in futures contract prices during a single day. Changes in the value of a futures contract may not directly correlate with changes in the value of the underlying securities. These risks may decrease the effectiveness of the Fund's strategies and potentially result in a loss. The Fund must set aside liquid assets, or engage in other appropriate measures to cover its obligations under these contracts.

3. AGREEMENTS

A. Management Agreement — Under the Agreement, GSAM manages the Fund, subject to the general supervision of the trustees.

As compensation for the services rendered pursuant to the Agreement, the assumption of the expenses related thereto and administering the Fund's business affairs, including providing facilities, GSAM is entitled to a management fee computed daily and payable monthly, equal to an annual percentage rate of the Fund's average daily net assets.

For the six months ended June 30, 2009, contractual and net management fees with GSAM were at the following rates:

First \$2 billion	Contractual Management Rate			Effective Rate	Effective Net Management Rate (after waiver)
	Next \$3 billion	Next \$3 billion	Over \$8 billion		
0.75%	0.68%	0.65%	0.64%	0.75%	0.73%*

* GSAM has voluntarily agreed to waive a portion of its Management fee equal to 0.02% of the Fund's average daily net assets. For the six months ended June 30, 2009, GSAM waived approximately \$8,600 of the Fund's management fee.

B. Distribution Agreement and Service Plan — The Trust, on behalf of the Service Shares of the Fund, has adopted a Distribution and Service Plan (the "Plan"). Under the Plan, Goldman Sachs and/or authorized dealers are entitled to a fee accrued daily and paid monthly for distribution services equal to, on an annual basis, 0.25% of the Fund's average daily net assets attributable to Service Shares.

C. Transfer Agency Agreement — Goldman Sachs also serves as the transfer agent for the Fund for a fee pursuant to a Transfer Agency Agreement. The fees charged for such transfer agency services are calculated daily and payable monthly at an annual rate of 0.02% of the average daily net assets of the Institutional and Service Shares.

D. Other Agreements — GSAM has voluntarily agreed to limit certain "Other Expenses" of the Fund (excluding management fees, distribution and service fees, transfer agent fees and expenses, taxes, interest, brokerage fees and litigation, indemnification, shareholder meetings and other extraordinary expenses, exclusive of any custody and transfer agent fee credit reductions) to the extent such expenses exceed, on an annual basis, 0.114% of the average daily net assets of the Fund. Such expense reimbursements, if any, are computed daily and paid monthly. In addition, the Fund is not obligated to reimburse GSAM for prior period expense reimbursements, if any. For the six months ended June 30, 2009, GSAM reimbursed approximately \$62,200 to the Fund. In addition, the Fund has entered into certain offset arrangements with the transfer agent resulting in a reduction in the Fund's expenses. For the six months ended June 30, 2009, transfer agent fees were reduced by approximately \$500.

As of June 30, 2009, amounts owed to affiliates were approximately \$95,700, \$3,100 and \$1,600 for management, distribution and service and transfer agent fees, respectively.

Notes to Financial Statements (continued)

June 30, 2009 (Unaudited)

3. AGREEMENTS (continued)

E. Line of Credit Facility — The Fund participates in a \$660,000,000 committed, unsecured revolving line of credit facility (the “facility”) together with other funds of the Trust and registered investment companies having management agreements with GSAM or its affiliates. Pursuant to the terms of the facility, the Fund and other borrowers may increase the credit amount by an additional \$340,000,000, for a total of up to \$1 billion. 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 facility also requires a fee to be paid by the Fund based on the amount of the commitment that has not been utilized. For the six months ended June 30, 2009, the Fund did not have any borrowings under the facility. Prior to May 12, 2009, the amount available through the facility was \$700,000,000.

4. FAIR VALUE OF INVESTMENTS

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Fair value measurements do not include transaction costs. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The following is a summary of the Fund’s investments categorized in the fair value hierarchy:

	Level 1	Level 2	Level 3
Assets			
Common Stock and/or Other Equity Investments	\$93,949,254	\$ 277,982	\$—
Short-term Investments	2,602,113	21,174,910	—
Total	\$96,551,367	\$21,452,892	\$—
Liabilities			
Derivatives	\$ (11,111)	\$ —	\$—

5. SECURITIES LENDING

Pursuant to exemptive relief granted by the SEC and the terms and conditions contained therein, the Fund may lend its securities through a securities lending agent, Goldman Sachs Agency Lending (“GSAL”), a wholly-owned subsidiary of Goldman Sachs, to certain qualified borrowers including Goldman Sachs and affiliates. In accordance with the Fund’s securities lending procedures, the Fund receives cash collateral at least equal to the market value of the securities on loan. The market value of the loaned securities is determined at the close of business of the Fund, at their last sale price or official closing price on the principal exchange or system on which they are traded, and any additional required collateral is delivered to the Fund on the next business day. As with other extensions of credit, the Fund may experience delay in the recovery of its securities or incur a loss should the borrower of the securities breach its agreement with the Fund or become insolvent and the collateral not be sufficient to cover the cost of repurchasing securities on loan.

5. SECURITIES LENDING (continued)

The Fund invests the cash collateral received in connection with securities lending transactions in the Enhanced Portfolio II of Boston Global Investment Trust (“Enhanced Portfolio II”), a Delaware statutory trust. The Enhanced Portfolio II, deemed an affiliate of the Trust, is exempt from registration under Section 3(c)(7) of the Act and is managed by GSAM, for which GSAM may receive an investment advisory fee of up to 0.10% on an annualized basis of the average daily net assets of the Enhanced Portfolio II. The Enhanced Portfolio II invests primarily in short-term investments, but is not a “money market fund” subject to the requirements of Rule 2a-7 of the Act. The Fund’s investment of cash collateral in the Enhanced Portfolio II is subject to a net asset value that may fall or rise due to market and credit conditions.

Both the Fund and GSAL receive compensation relating to the lending of the Fund’s securities. The amount earned by the Fund for the six months ended June 30, 2009, is reported under Investment Income on the Statement of Operations. A portion of this amount, \$11,333, represents compensation earned by the Fund from lending its securities to Goldman Sachs. For the six months ended June 30, 2009, GSAL earned \$8,418 in fees as securities lending agent. The amount payable to Goldman Sachs upon return of securities loaned as of June 30, 2009 was \$6,989,013.

The following table provides information about the Fund’s investment in the Enhanced Portfolio II for the six months ended June 30, 2009 (in thousands).

Number of Shares Held Beginning of Period	Shares Bought	Shares Sold	Number of Shares Held End of Period	Value at End of Period
9,206	40,643	(28,610)	21,239	\$21,175

6. PORTFOLIO SECURITIES TRANSACTIONS

The cost of purchases and proceeds from sales and maturities of long-term securities for the six months ended June 30, 2009 were \$91,046,140 and \$86,496,455, respectively. For the six-months ended June 30, 2009, Goldman Sachs earned approximately \$400 in brokerage commissions from portfolio transactions, including futures transactions executed with Goldman Sachs as the Futures Commission Merchant, on behalf of the Fund.

7. TAX INFORMATION

As of the Fund’s most recent fiscal year end, December 31, 2008, the Fund’s capital loss carryforward and certain timing differences on a tax basis were as follows:

Capital loss carryforward: ⁽¹⁾	
Expiring 2016	\$(34,979,788)
Timing differences (related to post-October losses, related to the recognition of certain REIT dividends for tax purposes)	\$(10,609,808)

⁽¹⁾ Expiration occurs on December 31 of the year indicated.

At June 30, 2009, the Fund’s aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes were as follows:

Tax cost	\$118,464,359
Gross unrealized gain	8,114,669
Gross unrealized loss	(8,574,769)
Net unrealized security loss	\$ (460,100)

Notes to Financial Statements (continued)

June 30, 2009 (Unaudited)

7. TAX INFORMATION (continued)

The difference between book and tax-basis unrealized losses is attributable primarily to wash sales, mark to market gains (losses) on regulated futures, and differing tax treatments of partnership investments as of the most recent fiscal year end.

8. OTHER RISKS

Market and Credit Risks — In the normal course of business, the Fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk). Additionally, the Fund may also be exposed to credit risk in the event that an issuer fails to perform or that an institution or entity with which the Fund has unsettled or open transactions defaults.

Risks of Large Shareholder Redemptions — Certain participating insurance companies, accounts, or Goldman Sachs affiliates may from time to time own (beneficially or of record) or control a significant percentage of the Fund's shares. Redemptions by these participating insurance companies or accounts in the Fund may impact the Fund's liquidity and NAV. These redemptions may also force the Fund to sell securities, which may increase the Fund's brokerage costs.

9. OTHER MATTERS

Indemnifications — Under the Trust's organizational documents, its trustees, officers, employees and agents are indemnified, to the extent permitted by the Act, against certain liabilities that may arise out of performance of their duties to the Fund. Additionally, in the course of business, the Fund enters into contracts that contain a variety of indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be against the Fund that have not yet occurred. However, the Fund believes the risk of loss under these arrangements to be remote.

New Accounting Pronouncement — In May 2009, the FASB issued Statement of Financial Accounting Standards No. 165, "Subsequent Events" ("FAS 165"). This standard requires disclosure in the financial statements to reflect the effects of subsequent events that provide additional information on conditions about the financial statements as of the balance sheet date (recognized subsequent events) and disclosure of subsequent events that provide additional information about conditions after the balance sheet date if the financial statements would otherwise be misleading (unrecognized subsequent events). FAS 165 is effective for interim and annual financial statements issued for fiscal years ending after June 15, 2009. For purposes of inclusion in the financial statements, GSAM has concluded that subsequent events after the balance sheet date have been evaluated through August 14, 2009, the date that the financial statements were issued.

10. SUMMARY OF SHARE TRANSACTIONS

Share activity is as follows:

	For the Six Months Ended June 30, 2009 (Unaudited)		For the Fiscal Year Ended December 31, 2008	
	Shares	Dollars	Shares	Dollars
Institutional Shares				
Shares sold	368,778	\$ 2,311,389	1,165,736	\$ 10,502,596
Reinvestment of distributions	—	—	150,317	978,561
Shares redeemed	(1,204,460)	(7,503,634)	(3,224,897)	(29,097,259)
	(835,682)	(5,192,245)	(1,908,844)	(17,616,102)
Service Shares				
Shares sold	1,278,947	8,061,037	920,266	7,274,935
Reinvestment of distributions	—	—	10,414	67,586
Shares redeemed	(1,766)	(10,983)	(2,362)	(21,775)
	1,277,181	8,050,054	928,318	7,320,746
NET INCREASE (DECREASE)	441,499	\$ 2,857,809	(980,526)	\$(10,295,356)

Statement Regarding Basis for Approval of Management Agreement (Unaudited)

Background

The Goldman Sachs Structured Small Cap Equity Fund (the “Fund”) is an investment portfolio of Goldman Sachs Variable Insurance Trust (the “Trust”). The Board of Trustees oversees the management of the Trust and reviews the investment performance and expenses of the Fund at regularly scheduled meetings held during the year. In addition, the Board of Trustees determines annually whether to approve and continue the Trust’s investment management agreement (the “Management Agreement”) with Goldman Sachs Asset Management, L.P. (the “Investment Adviser”) on behalf of the Fund.

The Management Agreement was most recently approved for continuation until June 30, 2010 by the Board of Trustees, including those Trustees who are not parties to the Management Agreement or “interested persons” (as defined in the Investment Company Act of 1940, as amended) of any party thereto (the “Independent Trustees”), at a meeting held on June 17, 2009 (the “Annual Contract Meeting”).

To assist the Trustees in their deliberations at the Annual Contract Meeting, and in addition to reports on the Fund’s investment performance, expenses and other matters discussed at regularly scheduled Board meetings during the year, the Trustees have established a Contract Review Committee (the “Committee”), comprised of the Independent Trustees. The Committee held meetings on December 17, 2008, February 11, 2009 and May 20, 2009. At those Committee meetings, the Independent Trustees considered matters relating to the Management Agreement including: (a) the nature and quality of the advisory, administrative and other services provided to the Fund by the Investment Adviser and its affiliates; (b) the Fund’s investment performance; (c) the Fund’s management fee arrangements; (d) the voluntary undertakings of the Investment Adviser to reimburse certain fees and expenses of the Fund that exceed specified levels and the estimated annualized savings realized by the Fund from those undertakings; (e) potential economies of scale and the levels of breakpoints in the fees payable by the Fund under the Management Agreement; (f) the relative expense level of the Fund as compared to those of comparable funds managed by the Investment Adviser, as well as those managed by other advisers; (g) information relating to the profitability of the Management Agreements and the transfer agency arrangements of the Fund and the Trust as a whole to the Investment Adviser and its affiliates; (h) the statutory and regulatory requirements applicable to the approval and continuation of mutual fund investment management agreements; (i) a summary of fee concessions made by the Investment Adviser and its affiliates over the past several years with respect to the Fund; (j) capacity issues relating to the securities in which the Fund invests; (k) to the extent the Investment Adviser manages institutional accounts or collective investment vehicles having investment objectives and policies similar to those of the Fund, comparative information on the advisory fees charged and services provided to those accounts by the Investment Adviser; (l) information on the processes followed by a third party mutual fund data provider engaged as part of the Trustees’ contract review (the “Outside Data Provider”) in producing investment performance and expense comparisons for the Fund; (m) the current pricing of services provided by, and the profitability of, the Fund’s transfer agent, Goldman, Sachs & Co. (“Goldman Sachs”); and (n) the nature and quality of the services provided to the Fund by its unaffiliated service providers and reports on due diligence conducted by the Investment Adviser with respect to those service providers.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)

At the Annual Contract Meeting, the Trustees reviewed the matters that were considered at the Committee meetings and also considered additional matters, including: (a) the quality of the Investment Adviser's services; (b) the structure, staff and capabilities of the Investment Adviser and its portfolio management teams; (c) the groups or teams within the Investment Adviser that support the portfolio management teams, including legal, compliance, internal audit, the credit department, fund controllers, tax, product services, valuation oversight, market risk analysis, finance and strategy, operations, shareholder services, risk management and advisory, training and technology; (d) whether certain reductions in headcount were likely to affect the quality of the services provided to the Fund; (e) the Investment Adviser's business continuity and disaster recovery planning; (f) the Investment Adviser's financial resources and its ability to hire and retain talented personnel; (g) the fees received by the Investment Adviser's affiliates from the Fund for transfer agency, securities lending, portfolio brokerage, distribution and other services; (h) the terms of the Management Agreement and agreements with other service providers entered into by the Trust on behalf of the Fund; (i) the administrative services provided under the Management Agreement, including the nature and extent of the Investment Adviser's oversight of the Fund's other service providers, including the custodian and fund accounting agent; (j) an update on the Investment Adviser's soft dollars practices and other portfolio trading related issues; (k) the Investment Adviser's processes and policies addressing various types of potential conflicts of interest; (l) the Investment Adviser's approach to risk management; (m) an overview of the Fund's distribution plan; and (n) an annual review of the effectiveness of the Fund's compliance program. At the Annual Contract Meeting, the Trustees also considered further the Investment Adviser's profitability with respect to the Fund, and the Fund's investment performance, fees and expenses, including the Fund's expense trends over time and any breakpoints in the fee rate payable by the Fund under the Management Agreement.

In connection with the Committee meetings and the Annual Contract Meeting, the Trustees attended sessions at which they reviewed information regarding the Fund's assets, share purchase and redemption activity, the commission rates paid by the Fund on brokerage transactions, the Investment Adviser's receipt of research services in connection with certain of those transactions, and the payment of Rule 12b-1 distribution and service fees by the Fund's Service Shares. Also, in conjunction with these meetings, the Trustees received written materials and oral presentations on the topics covered, and were advised by their independent legal counsel regarding their responsibilities under applicable law.

Information was also provided to the Trustees relating to revenue sharing payments made by and services provided by the Investment Adviser and its affiliates to intermediaries that promote the sale, distribution and/or servicing of Fund shares; the manner in which portfolio manager compensation is determined, the alignment of the interests of the Fund and of the portfolio managers and related potential conflicts of interest; the number and types of accounts managed by the portfolio managers; and other matters. During the course of their deliberations, the Independent Trustees met in executive session with their independent legal counsel, without representatives of the Investment Adviser or its affiliates present.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)

The presentations made at the Committee meetings and at the Annual Contract Meeting encompassed the Fund and other mutual fund portfolios for which the Board of Trustees has responsibility. While the management agreements for the Fund and the other mutual fund portfolios for which the Trustees have responsibility were considered at the same Annual Contract Meeting, the Trustees separately considered the Management Agreement as it applied to the Fund.

In evaluating the Management Agreement at the Annual Contract Meeting, the Trustees relied upon their knowledge, resulting from their meetings and other interactions throughout the year, of the Investment Adviser, its affiliates, their services and the Fund. At those meetings the Trustees regularly received materials relating to the Investment Adviser's investment management and other services provided under the Management Agreement, including: (a) information on the investment performance of the Fund in comparison to the performance of similar mutual funds and its benchmark performance index; (b) general investment outlooks in the markets in which the Fund invests; (c) compliance reports; and (d) expenses borne by the Fund. In addition, the Trustees were provided with copies of disclosure materials regarding the Fund and its expenses, as well as information on the Fund's competitive universe. The Trustees also discussed the broad range of other investment choices that are available to Fund investors, including the availability of comparable funds managed by other advisers.

Nature, Extent and Quality of the Services Provided Under the Management Agreement

As part of their review, the Trustees considered the nature, extent and quality of the services provided by the Investment Adviser. In this regard, the Trustees considered both the investment advisory services, and the other, non-advisory services, that are provided to the Fund by the Investment Adviser and its affiliates. The Trustees concluded that, during the recent financial crisis, the Investment Adviser had demonstrated a willingness and an ability to commit substantial financial and other resources to the operations of the Fund and had represented that it will continue to commit those resources in multiple areas including portfolio management, trading, technology, human resources, tax, treasury, legal, compliance, valuation oversight, vendor oversight and risk management. The Independent Trustees also observed that the Investment Adviser had made significant commitments to address regulatory compliance requirements applicable to the Fund and the Investment Adviser, including the implementation and enhancement of compliance systems and education and training initiatives.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)

Investment Performance

The Independent Trustees also considered the investment performance of the Fund and the Investment Adviser. In this regard, they compared the investment performance of the Fund to the performance rankings and ratings compiled by the Outside Data Provider. The Independent Trustees also reviewed the Fund's investment performance relative to its performance benchmark. This information on the Fund's investment performance was provided for the one-, three-, five- and ten-year periods ended December 31, 2008. In addition, they considered the investment performance trends of the Fund over time, and reviewed the investment performance of the Fund in light of its investment objective and policies, market conditions, and illiquidity in certain market sectors, as well as in light of periodic analyses of its quality and risk profile. The Independent Trustees considered whether the Fund had operated within its investment policies, and had complied with its investment limitations. The Trustees noted the unusual market conditions prevailing in 2007 and 2008. The Trustees also noted that, in response to market events of 2007 and 2008, the Investment Adviser had taken a number of steps intended to improve Fund performance, including making certain changes to the Quantitative Investment Strategies ("QIS") team's personnel and making adjustments to the QIS team's investment process used to manage the Fund (which among other things included changes in trading strategies and enhancements to the models). The Trustees discussed these measures at length with senior management of the Investment Adviser and concluded that the changes implemented by the Investment Adviser, and the Fund's recent performance, provided a basis for concluding that the Investment Adviser's continued management likely would benefit the Fund and its shareholders.

Costs of Services Provided and Competitive Information

The Independent Trustees considered the contractual fee rate payable by the Fund under the Management Agreement. In this regard, the Trustees considered information on the services rendered by the Investment Adviser to the Fund, which included both advisory and administrative services that were directed to the needs and operations of the Fund as a registered mutual fund.

In particular, the Trustees reviewed analyses prepared by the Outside Data Provider regarding the expense rankings of the Fund. The analyses provided a comparison of the Fund's management fees and breakpoints to those of a relevant peer group and category universe; an expense analysis which compared the Fund's expenses to a peer group and a category universe; and a two-year history comparing the Fund's expenses to the peer and category averages. The analyses also compared the Fund's transfer agency fees, custody and accounting fees, distribution fees, other expenses and fee waivers/reimbursements to those of other funds in the peer group and peer group median. The Independent Trustees believed that the comparisons provided by the Outside Data Provider were useful in evaluating the reasonableness of the management fees and total expenses paid by the Fund.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)

In addition, the Independent Trustees considered the Investment Adviser's voluntary undertakings to limit the Fund's "other expenses" ratio (excluding certain expenses) and the contractual management fee to certain specified levels. They also considered, to the extent that the Investment Adviser manages institutional accounts or collective investment vehicles having investment objectives and policies similar to those of the Fund, comparative fee information for services provided by the Investment Adviser to those accounts, and information that indicated that services provided to the Fund differed in various significant respects from the services provided to institutional accounts, which operated under less stringent legal and regulatory structures, were in some instances subject to different investment guidelines, required fewer services from the Investment Adviser to a smaller number of client contact points, were less time-intensive and paid lower fees.

The Independent Trustees noted the competitive nature of the mutual fund marketplace, and that many of the Fund's shareholders invested in the Fund in part because of the Fund's relationship with the Investment Adviser and have a general expectation that the relationship will continue. They also noted that shareholders are able to redeem their Fund shares if they believe that the Fund fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

Profitability

The Independent Trustees reviewed the Investment Adviser's revenues and pre-tax profit margins with respect to the Trust and the Fund. In this regard the Independent Trustees reviewed, among other things, profitability analyses and summaries, revenue and expense schedules by Fund and by function (*i.e.*, investment management, transfer agency and distribution and service) and the Investment Adviser's expense allocation methodology. The Trustees also reviewed the report of the internal audit group within the Goldman Sachs organization, which included an assessment of the reasonableness and consistency of the Investment Adviser's expense allocation methodology and an evaluation of the accuracy of the Investment Adviser's profitability analysis calculations. Profitability data for the Trust and the Fund were provided for 2008 and 2007, and the Independent Trustees considered this information in relation to the Investment Adviser's overall profitability. The Independent Trustees considered the Investment Adviser's revenues and pre-tax profit margins both in absolute terms and in comparison to information on the reported pre-tax profit margins earned by certain other asset management firms.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)**Economies of Scale**

The Independent Trustees also considered the breakpoints in the fee rate payable under the Management Agreement for the Fund at the following annual percentage rates of the average daily net assets of the Fund:

First \$2 billion	0.75%
Next \$3 billion	0.68
Next \$3 billion	0.65
Over \$8 billion	0.64

The Trustees noted that the breakpoints at the \$5 and \$8 billion asset levels had been proposed by the Investment Adviser and approved by the Trustees in 2008 to further share potential economies of scale, if any, with the Fund and its shareholders as assets under management reach those asset levels. In approving these fee breakpoints, the Independent Trustees considered the Investment Adviser's potential economies of scale in managing the Fund, and whether the Fund and its shareholders would participate in the benefits of those economies. In this regard, the Independent Trustees considered the amount of assets in the Fund; the Fund's recent share purchase and redemption activity; the information provided by the Investment Adviser relating to the costs of the services provided by the Investment Adviser and its affiliates and their realized profits; information comparing the fee rate charged by the Investment Adviser with fee rates charged to other funds in the peer group; and the Investment Adviser's voluntary undertakings to limit management fees and "other expenses" to certain amounts. Upon reviewing these matters at the Annual Contract Meeting, the Independent Trustees concluded that the fee breakpoints represented a means of ensuring that benefits of scalability would be passed along to shareholders at the specified asset levels.

Other Benefits to the Investment Adviser and Its Affiliates

The Independent Trustees also considered the other benefits derived by the Investment Adviser and its affiliates from their relationship with the Fund as stated above, including: (a) transfer agency fees received by Goldman Sachs; (b) brokerage and futures commissions earned by Goldman Sachs for executing securities and futures transactions on behalf of the Fund; (c) soft dollar benefits received by the Investment Adviser from broker-dealers in exchange for executing certain transactions on behalf of the Fund; (d) trading efficiencies resulting from aggregation of orders of the Fund with those for other funds or accounts managed by the Investment Adviser; (e) fees earned by Goldman Sachs Agency Lending, an affiliate of the Investment Adviser, as securities lending agent (and fees earned by the Investment Adviser for managing the portfolio in which the Fund's cash collateral is invested); (f) the Investment Adviser's ability to leverage the infrastructure designed to service the Fund on behalf of its other clients; (g) the Investment Adviser's ability to cross-market other products and services to Fund shareholders; (h) Goldman Sachs' retention of certain fees as Fund Distributor; (i) the Investment Adviser's ability to negotiate better pricing with custodians on behalf of its other clients, as a result of the relationship with the Fund; and (j) the Investment Adviser's ability to leverage relationships with the Fund's third party service providers to attract more firmwide business.

Statement Regarding Basis for Approval of Management Agreements (Unaudited) (continued)

Other Benefits to the Fund and Its Shareholders

The Independent Trustees also noted that the Fund receives certain potential benefits as a result of its relationship with the Investment Adviser, including: (a) trading efficiencies resulting from aggregation of orders of the Fund with those of other funds or accounts managed by the Investment Adviser; (b) improved servicing and pricing from vendors because of the volume of business generated by the Investment Adviser and its affiliates; (c) improved servicing from broker-dealers because of the volume of business generated by the Investment Adviser and its affiliates; (d) the Investment Adviser's ability to negotiate favorably with derivatives counterparties as a result of the size and reputation of the Goldman Sachs organization; (e) the advantages received from the Investment Adviser's knowledge and experience gained from managing other accounts and products; (f) the Investment Adviser's ability to hire and retain qualified personnel to provide services to the Fund because of the reputation of the Goldman Sachs organization; (g) the Fund's access, through the Investment Adviser, to certain firmwide resources (*e.g.*, proprietary databases); and (h) the Fund's access to certain affiliated distribution channels.

Conclusion

In connection with their consideration of the Management Agreement, the Independent Trustees gave weight to each of the factors described above, but did not identify any particular factor as controlling their decision. After deliberation and consideration of all of the information provided, including the factors described above, the Independent Trustees concluded, in the exercise of their business judgment, that the management fees paid by the Fund were reasonable in light of the services provided to it by the Investment Adviser, the Investment Adviser's costs and the Fund's current and reasonably foreseeable asset levels, and that the Management Agreement should be approved and continued with respect to the Fund until June 30, 2010.

Fund Expenses — Six Month Period Ended June 30, 2009 (Unaudited)

As a shareholder of the Institutional or Service Shares of the Fund, you incur ongoing costs, including management fees, distribution and service (12b-1) fees (with respect to Service Shares) and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Institutional Shares and Service Shares of the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from January 1, 2009 through June 30, 2009.

Actual Expenses — The first line under each share class in the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000=8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes — The second line under each share class in the table below provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only. As a shareholder of the Fund, you do not incur any transaction costs, such as sales charges (loads), redemption fees, or exchange fees, but shareholders of other funds may incur such costs. The second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds whose shareholders may incur transaction costs.

Share Class	Beginning Account value 1/01/09	Ending Account Value 6/30/09	Expenses Paid for the 6 Months Ended 6/30/09*
<u>Institutional</u>			
Actual	\$1,000	\$1,002.90	\$4.27
Hypothetical 5% return	1,000	1,020.53+	4.31
<u>Service</u>			
Actual	1,000	1,001.40	5.51
Hypothetical 5% return	1,000	1,019.29+	5.56

* Expenses for each share class are calculated using the Fund’s annualized net expense ratio for each class, which represents the ongoing expenses as a percentage of net assets for the six months ended June 30, 2009. Expenses are calculated by multiplying the annualized net expense ratio by the average account value for the period; then multiplying the result by the number of days in the most recent fiscal half year; and then dividing that result by the number of days in the fiscal year. The annualized net expense ratios for the period were 0.86% and 1.11% for Institutional and Service Shares, respectively.

+ Hypothetical expenses are based on the Fund’s actual annualized net expense ratios and an assumed rate of return of 5% per year before expenses.

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Visit our Web site at www.goldmansachsfunds.com to obtain the most recent month-end returns.

The reports concerning the Fund included in this shareholder report may contain certain forward-looking statements about the factors that may affect the performance of the Fund in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Fund, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Fund. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities and information regarding how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available (i) without charge, upon request by calling 1-800-526-7384 (for Retail Shareholders) or 1-800-621-2550 (for Institutional Shareholders); and (ii) on the Securities and Exchange Commission ("SEC") Web site at <http://www.sec.gov>.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q is available on the SEC's website at <http://www.sec.gov> within 60 days after the Fund's first and third fiscal quarters. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. and information on the operation of the Public Reference Room may also be obtained by calling 1-800-SEC-0330. Forms N-Q may be obtained upon request and without charge by calling 1-800-621-2550.

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This material is not authorized for distribution to prospective investors unless preceded or accompanied by a current Prospectus. Please consider a Fund's objectives, risks, and charges and expenses, and read the Prospectus carefully before investing. The Prospectus contains this and other information about the Fund.

Toll Free (in U.S.): 800-292-4726

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