

Goldman Sachs Global Future Generations Share Portfolio Fund

March 2026

Global Market Review

Global Markets declined in the first quarter of 2026, posting a return of -3.5% (MSCI World, USD). Markets experienced a volatile start to 2026 as investors navigated a range of macroeconomic and geopolitical forces. These events unfolded starting with mega-cap companies facing earnings scrutiny towards the end of Q4 2025, tempering some of the optimism that had previously driven the market. Later, the U.S. Supreme Court struck down tariffs imposed under International Economic Emergency Powers Act (IEEPA) citing limits on the executive branch's authority under the statute. At the same time, escalating geopolitical tensions in the Middle East disrupted oil and gas supply adding to inflationary pressures.

In the U.S., inflation remained steady at 2.4% in February 2026, in line with the previous month and market expectations. At its March 2026 meeting, the Federal Reserve maintained its policy rate within the 3.5%–3.75% range for a second consecutive session, a decision that was widely anticipated by markets and reflects the Fed's cautious approach amid ongoing economic uncertainties. The U.S. unemployment rate edged higher to 4.4% in February 2026, up from 4.3% in January.

In Europe, the inflation accelerated to 2.5% in March up from 1.9% in February. The surge was primarily driven by a significant increase in energy costs due to geopolitical tensions. Despite the uptick, the European Central Bank (ECB) opted to keep interest rates unchanged at its March 2026 meeting. Q4 2025 GDP growth rate expanded by just 0.2%, which was below the earlier estimate of 0.3%. The inflation rate in the UK held steady at 3% in February, in line with January's figure and aligning with market forecasts.

In Japan, inflation eased to 1.3% in February, declining from 1.5% in the previous month and marking the lowest rate since March 2022. The Bank of Japan (BoJ) opted to maintain its interest rate at 0.75% following its March 2026 policy meeting, keeping borrowing costs at their highest level since 1995.

During the period, value stocks outperformed growth stocks. The Energy sector led market performance during the quarter due to sharp spike in crude oil prices following major supply disruptions in the Middle East. In contrast, the Consumer Discretionary sector lagged market performance.

In the first quarter, global markets declined as investors shifted their focus towards rising inflation risks leading to a reversal in some previously favored trades. Looking ahead, upcoming inflation data in April and May will be closely watched for early indicators of higher energy prices. At the same time, ongoing developments in the Middle East will remain an important factor influencing market movements.

Performance Overview

- The Goldman Sachs Global Future Generations Equity Portfolio delivered -8.5% (I Acc, USD) in absolute returns during the month, underperforming MSCI ACWI Growth index by 97 bps and underperforming MSCI World index by 210 bps. This brings since inception returns to 10.9% underperforming MSCI ACWI Growth by 271 bps and underperforming MSCI World by 130 bps.
- At the sector level, our under allocation to **Industrials** and non-allocation to **Materials** supported portfolio performance during the month while our stock selection in **Consumer Discretionary** and **Financials** detracted the most from portfolio returns.



- At the stock level, **Advanced Micro Devices** (the American technology company) and **NextEra Energy** (the American energy company) contributed to portfolio performance while **Safran** (the French multinational aerospace, defense, and security company) and **TSMC** (The Taiwanese semiconductor company) were the biggest detractors from performance.

Performance Commentary

Top Contributors	Ending Weight (%)	Relative Contribution (bps)	Top Detractors	Ending Weight (%)	Relative Contribution (bps)
Advanced Micro Devices	2.6	+15	Safran	1.9	-26
NextEra Energy	2.5	+14	TSMC	5.9	-25
Galderma	2.1	+13	Shenzhou	0.7	-20
Kweichow Moutai	1.8	+11	Rocket Companies	1.2	-20
Marvell	1.1	+10	Infineon	1.4	-17

Top contributors to portfolio performance:

- Advanced Micro Devices (AMD) (Contributor)** – The American technology company was the key contributor during the month. Investor sentiment improved following the announcement that AMD secured its first mega deal for its upcoming MI450 chip series with Meta. The MI450 is expected to deliver a significant performance uplift versus the existing MI350 series and is part of a multi-generation partnership involving a transformational 6-gigawatt deployment. Sentiment was further boosted by the announcement of a new AI memory collaboration with Samsung. We continue to like the name, as we see AMD well positioned to take share in the fast-growing GPU market. At the same time, AMD continues to gain share in the CPU market amid strong industry growth.
- NextEra Energy (Contributor)** – The American energy company was another contributor during the month. Sentiment improved after the U.S. administration approved NextEra’s plan to develop up to 10 gigawatts of natural-gas power generation capacity in Texas and Pennsylvania as part of a broader U.S.–Japan trade agreement. One of the largest natural-gas buildouts in recent U.S. history, the project signals a strategic pivot alongside NextEra’s long-standing focus on renewables. We continue to like the name, as NextEra remains one of the world’s largest clean-energy producers and has demonstrated strong execution by integrating battery storage into its solar operations.

Top detractors

- Safran (Detractor)** – The French multinational aerospace, defense, and security company was the key detractor from performance during the month. Shares declined amid heightened scrutiny of large aerospace suppliers, with investor sentiment influenced by contract developments, regulatory considerations, and broader sector positioning. These factors can drive near-term volatility in valuations even when the underlying business fundamentals remain intact. Despite this, we remain positive on Safran, which we view as one of the highest-quality assets in civil aerospace. Its dominant narrow-body engine franchise, built through its long-standing joint venture with GE Aerospace, offers a highly defensible position and a long runway for fleet growth and aftermarket services over the coming decade.
- TSMC (Detractor)** – The Taiwanese semiconductor company was another key detractor from performance during the month. TSMC largely declined as the stock consolidated after strong performance in the past two months. It additionally faced pressure due to ongoing geopolitical tensions, as Taiwan’s reliance on LNG imports introduced fears that disruptions could raise energy costs and constrain chip production. Despite this near-term pressure, we continue to like the name as consecutive earnings beats underscore resilient AI-driven demand and elevated capacity requirements from leading chip designers. Its leadership in advanced process nodes and reputation as the most reliable manufacturing partner support our positive long-term view.



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