Goldman Sachs Global Growth Share Portfolio Fund

June 2025

Global Market Review

Global Markets delivered a robust performance in the second quarter of 2025, posting a solid return of 11.5% (MSCI World, USD). This gain came despite a turbulent start to the quarter, marked by heightened volatility following the “Liberation Day’ tariffs announcements and escalating conflict in the Middle East. However, markets subsequently recovered after a temporary pause was issued while trade talks took place.

In the US, inflation ticked up for the first time in four months, with the annual rate rising to 2.4% in May from 2.3% in April, still below the market expectation of 2.5%. The Federal Reserve maintained its key rate steady at 4.25%–4.50% for the fourth consecutive meeting in June, signaling a cautious approach as it assesses the broader economic impact of President Trump’s policy agenda, particularly in areas such as tariffs, immigration, and taxation.

As for Europe, Eurozone consumer price inflation edged up to 2.0% year-on-year in June, slightly up from May’s 1.9%. The ECB decided to lower three key interest rates by 25 bps in June, reflecting updated inflation and economic forecasts. Meanwhile, the Bank of England in June decided to keep the Bank Rate steady at 4.25%, as they navigate through a complex macroeconomic environment characterized by heightened global uncertainty and persistent inflationary pressures.

Contrary to the backdrop set by the previous quarter, Q2 2025 witnessed a meaningful outperformance of Growth stocks over Value stocks. This shift was driven by renewed investor confidence and a strong earnings season, particularly among mega-cap technology names, as the ‘Magnificent 7’ delivered an impressive 18.6% price return over the quarter.

Emerging markets also continued their upward trajectory, outperforming developed markets for another quarter, supported by weakness in the US dollar. While President Trump’s sweeping tariff announcements in April initially triggered a sell-off, the subsequent positive progress between US and China trade talks provided a supportive backdrop for broader Emerging market equities.

Information Technology was the best-performing sector, supported by renewed investor appetite for select ‘Magnificent 7’ stocks and a strong rebound in companies with exposure to artificial intelligence, following a period of weakness earlier in the year. In contrast, the Energy sector lagged, as major producers revised their Q2 expectations downward due to declining oil and gas prices.

Nonetheless, ambiguity around central bank rate trajectories as well as ongoing geopolitical tensions kept investors cautious as the quarter drew to a close.

Performance Overview

In 2Q 2025, the I Acc share class of the Goldman Sachs Global Equity Partners ESG Portfolio returned 9.9% on a net basis, underperforming the benchmark MSCI World Index by 156 bps. Since inception, the portfolio has delivered 7.9%, underperforming the benchmark by 215 bps on an annualized net of fees basis.

During the quarter, our allocation within **Energy** and stock selection in **Industrials** sectors supported portfolio returns, while our stock selection in **Information Technology** and **Health Care** sectors detracted the most from relative returns. From a country perspective, our stock selection in **Sweden** and allocation in **Taiwan** supported performance while our stock selection in the **US** and **Japan** detracted the most from relative returns.

Performance Commentary

Top Contributors	Ending Weight (%)	Relative Contribution (bps)	Top Detractors	Ending Weight (%)	Relative Contribution (bps)
Ferguson	3.0	+64	UnitedHealth	1.3	-112
Microsoft	8.4	+64	Cooper	1.5	-64
Spotify	2.5	+64	NVIDIA	5.1	-63
GE Vernova	1.6	+54	Procter & Gamble	3.3	-52
TSMC	2.0	+45	Apple	5.6	-42

Top contributors to portfolio performance :

Ferguson, the world's biggest supplier of plumbing and heating products, was the biggest contributor to relative returns during the quarter. Ferguson contributed on the back of strong Q2 earnings, with a beat in revenues and profits. The name had been weak heading into the quarter due to macro uncertainty and softness in U.S. non-residential construction. However, the earnings came in better than expected, as Ferguson continued to deliver on solid volume growth. We continue to see opportunity in the name owing to its scale and ability to gain market share despite a mixed macro environment, supported by momentum in large capital projects, an area central to our investment thesis.

Microsoft, an American multinational corporation and technology conglomerate, was the other key contributor to relative returns during the period. The shares rose by ~7% after the company reported strong Q3 results, with revenue growing 15% excluding currency fluctuations and Azure Cloud services revenue accelerating to 35% year-on-year, well ahead of the consensus of ~31%. Strength in Azure was driven by improved execution in core workloads, with AI contribution rising to 16% from 13% last quarter, supported by Microsoft bringing capacity online faster than expected, to meet high demand for AI services. Microsoft is emerging as the leader among hyperscalers in delivering returns from GenAI, with momentum in both Azure and Copilot-related revenues. Notably, datacenter investments are expected to moderate, supporting a meaningful improvement in cash flow going forward.

Top Detractors to portfolio performance:

UnitedHealth, the American health insurance and health care services company, was the largest detractor from relative returns during the period. In addition to the sector challenges of US budget debates, potential tariff impacts, and broader policy risks, the stock faced some idiosyncratic challenges like leadership changes and increasing costs. Having said that, we believe the insurance business can reprice near-term pressures. The reinstated CEO is expected to provide conservative guidance in July, which could set a base for recovery. We have reduced our exposure and are monitoring the stock.

Cooper, the American medical device company, was another key detractor in line with other healthcare exposure amidst uncertainty. In addition, it is also dealing with a temporary softening of the contact lens market which is expected to continue until 4Q 2025. Having said that, the company continues to have healthy fundamentals evidenced by increasing market share and visible up-trading to specialty and daily lenses in the market. We continue to like the company for its innovation and sustained investment in manufacturing, supporting our thesis in its long-term potential. The contact lens market is generally considered as quite resilient, and Cooper's positioning is attractive hence we expect a recovery towards the end of the year.

Portfolio Activity – Key Buys and Sells

During the quarter, we had 5 new initiations and 2 eliminations.

We initiated a position in **Blackstone**, the world's largest alternative asset manager, with over $1 trillion in assets under management. The recent correction in the stock due to concerns around asset values, net flows and deal exits has created a compelling entry point into a long-term structural winner, and while we acknowledge near-term cyclical headwinds, we believe much of this is already priced in. Blackstone is a leading alternative asset manager with a diversified platform across Real Estate, Private Equity, Credit & Insurance, and Multi-Asset strategies. Its scale, brand, and strong track record make it a preferred partner for institutional allocators, wealth platforms, and insurers. We anticipate continued share gains for Blackstone, as the industry consolidates around a few large players. Blackstone possesses an attractive business model, as its fee-related earnings are capital-light, low-risk and structurally recurring. The stock's recent decline from peaks offers a compelling entry point as we see an attractive risk reward at current levels.

We initiated a position in **Air Products and Chemicals (APD)**, an industrial gases company focused on providing atmospheric, process and specialty gases, equipment, and related services to manufacturing, process, and energy markets. Following a period of heavy capital investment, APD is focusing on improving cash flow and utilizing its differentiated assets in efforts to generate higher returns. APD's current business mix, heavily weighted toward on-site production, supports higher-margin potential. We expect margins to progressively improve, given APD's asset mix. Additionally, new leadership appointments Dennis Reiley and Eduardo Menezes bring a renewed emphasis on cost discipline and execution. We believe APD will benefit from the new management, with an established track record of operational excellence.

We are also starting a position in **Eaton**, a leading global power management company, which provides energy-efficient solutions for electrical, hydraulic, and mechanical power. The company offers a compelling long-term growth profile, along with robust fundamentals, strong execution, and accelerating end-market demand which continue to support upside. Being a leader in electrical infrastructure with exposure to secular megatrends, we believe Eaton is well-positioned across key markets including electrical components, e-mobility, and aerospace. Its exposure to U.S. infrastructure, grid modernization, reshoring, and mega projects positions it as a prime beneficiary of the ongoing electrification trend. We expect continued high revenue growth led by these durable themes. Eaton has a good track record of disciplined capital allocation, with a meaningful portion of cash flows returned to shareholders. With a strong balance sheet and the potential to divest smaller segments, it has flexibility to pursue M&A and further strengthen its focus on electricals.

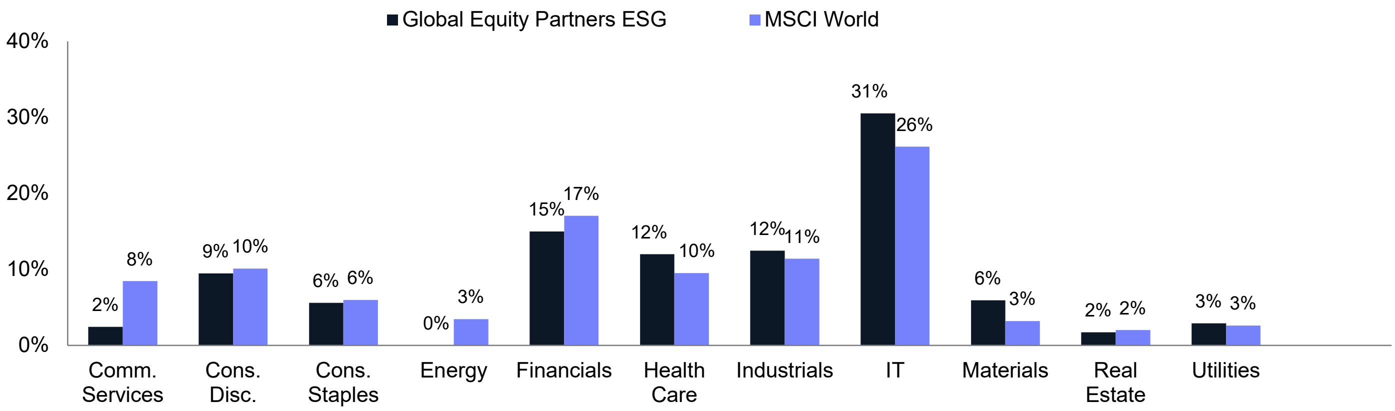
We are also starting a position in **JP Morgan (JPM)**, one of the best-run and most diversified banks globally. With a strong balance sheet, steady capital generation and a proven track record, we see JPM as a core financial holding. We believe JPMorgan's revenues are well balanced, with over half coming from non-interest income streams such as credit cards, wealth management and capital markets. This model reduces reliance on interest rates and supports more stable earnings through cycles. The bank continues to take market share across businesses, with a strong brand and global reach reinforcing its competitive edge. We expect JPM to deliver positive operating leverage, driven by steady fee and loan growth. Expenses are expected to stay in check, with stable headcount and ongoing investments in technology and efficiency, which creates room for potential margin improvement even in a tougher macro environment. With a favorable regulatory backdrop in the US, the bank has room to return capital to shareholders and pursue M&A, without compromising its financial strength.

Lastly, we initiated a position in **Rockwell Automation (ROK),** an American provider of industrial automation and digital transformation technologies. After a prolonged down-cycle and supply chain challenges, we believe the company is entering a new phase of both operational improvement and demand recovery. Under new leadership, Rockwell is rationalizing its product offerings and focusing on pricing strategies – two significant steps toward margin improvement. Rockwell is also implementing a comprehensive operational excellence program, focusing on pricing, product costs, logistics, and sourcing.

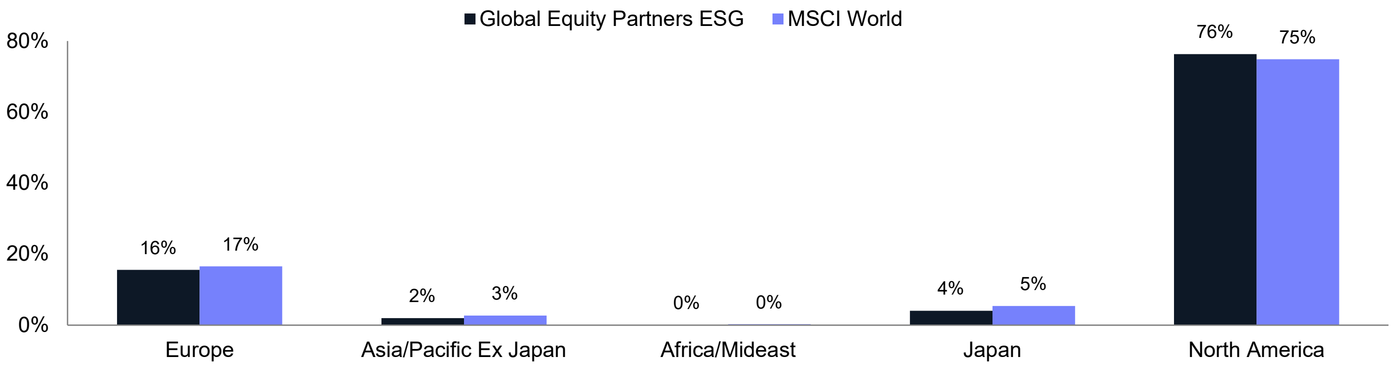
Moving to exits, we exited out of our position in **Northern Trust**, one of the largest banking institutions in the United States. While Northern Trust's shares have recovered since April, we believe the current valuation discounts a potentially optimistic outlook for fee income, which tends to be highly sensitive to asset values. Northern Trust maintains a strong industry position and a high quality client base; however, we are concerned about the company's ability to sustain cost efficiency in the event of future market downturns. As a result, we have exited the name and invested the proceeds to initiate a position in other names that we believe offer a better risk-reward opportunity.

Lastly, we are exiting our position in **Intuit**, an American multinational business software company that specializes in financial software, following a strong run of outperformance. The company has successfully scaled in its core markets – consumer tax filing and small business – and we believe much of our original investment thesis has played out. Looking ahead, the next phase of growth will require Intuit to expand into higher-end tax segments and larger enterprises, which could come with slower growth and margins. Given this shift, we have had a change in conviction. As such, we decided to eliminate the holding and allocate capital elsewhere.

SECTORAL POSITIONING



REGIONAL POSITIONING



COUNTRY POSITIONING

Country	Portfolio (%)	MSCI World (%)	Active (%)
United States	76.3	71.7	4.6
Netherlands	4.0	1.2	2.9
Taiwan	2.0	--	2.0
United Kingdom	5.3	3.7	1.7
Sweden	2.5	0.9	1.5
Spain	2.1	0.8	1.2
France	1.7	2.8	-1.1
Japan	4.1	5.4	-1.4

Source: Source: FactSet, MSCI as of February 2025. Goldman Sachs Asset Management, February 2025

TOP 10 HOLDINGS

Company Name	Portfolio (%)	MSCI World (%)	Active (%)
Microsoft	8.4	4.7	3.7
Apple	5.6	4.1	1.5
NVIDIA	5.1	5.1	-0.1
Amazon	4.9	2.8	2.2
Procter & Gamble	3.3	0.5	2.8
Morgan Stanley	3.2	0.2	2.9
JPMorgan	3.0	1.1	1.9
S&P Global	3.0	0.2	2.8
Ferguson	3.0	0.1	2.9
National Grid	2.9	0.1	2.8