

Seeking Catalysts Amid Complexity

Investment
Outlook
2026

We are pleased to share Goldman Sachs Asset Management's Investment Outlook for 2026: Seeking Catalysts Amid Complexity.

The investment landscape for 2026 is poised to be shaped by multiple factors. Central bank actions, a new trade order, fiscal risks, geopolitical shifts, and AI are creating a complex—yet dynamic—investment backdrop. This underscores the importance of proactive decision-making, and robust and diversified portfolios to navigate volatility and generate potential alpha. Our Outlook highlights ways for investors to actively seek catalysts that may drive investment returns across public and private markets. We are grateful for the opportunity to share our insights, and we look forward to working with you in 2026.



Marc Nachmann

Global Head of Asset & Wealth Management

Key Themes for 2026



Across our themes, we identify catalysts that could create public and private market opportunities. We also explore ways to recalibrate portfolios to unlock potential returns in a world of evolving megatrends.

01	Staying Active Amid Complexity Which catalysts could shape the investment backdrop and drive portfolio returns?	04
02	Navigating the Nuances in Public Markets What's in store for stocks and bonds in 2026?	16
03	Exploring Alternative Dimensions in Private Markets What's ahead for private equity, private credit, real estate, and infrastructure?	29
04	Shifting Paradigms for Portfolio Construction How can active ETFs, enhanced passive allocations, tail-risk hedging and alternatives help investors recalibrate their portfolios?	38
05	Evolving Thematic Landscapes and Megatrends Where are new investment opportunities emerging amid energy transition and shifting trade dynamics?	44

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

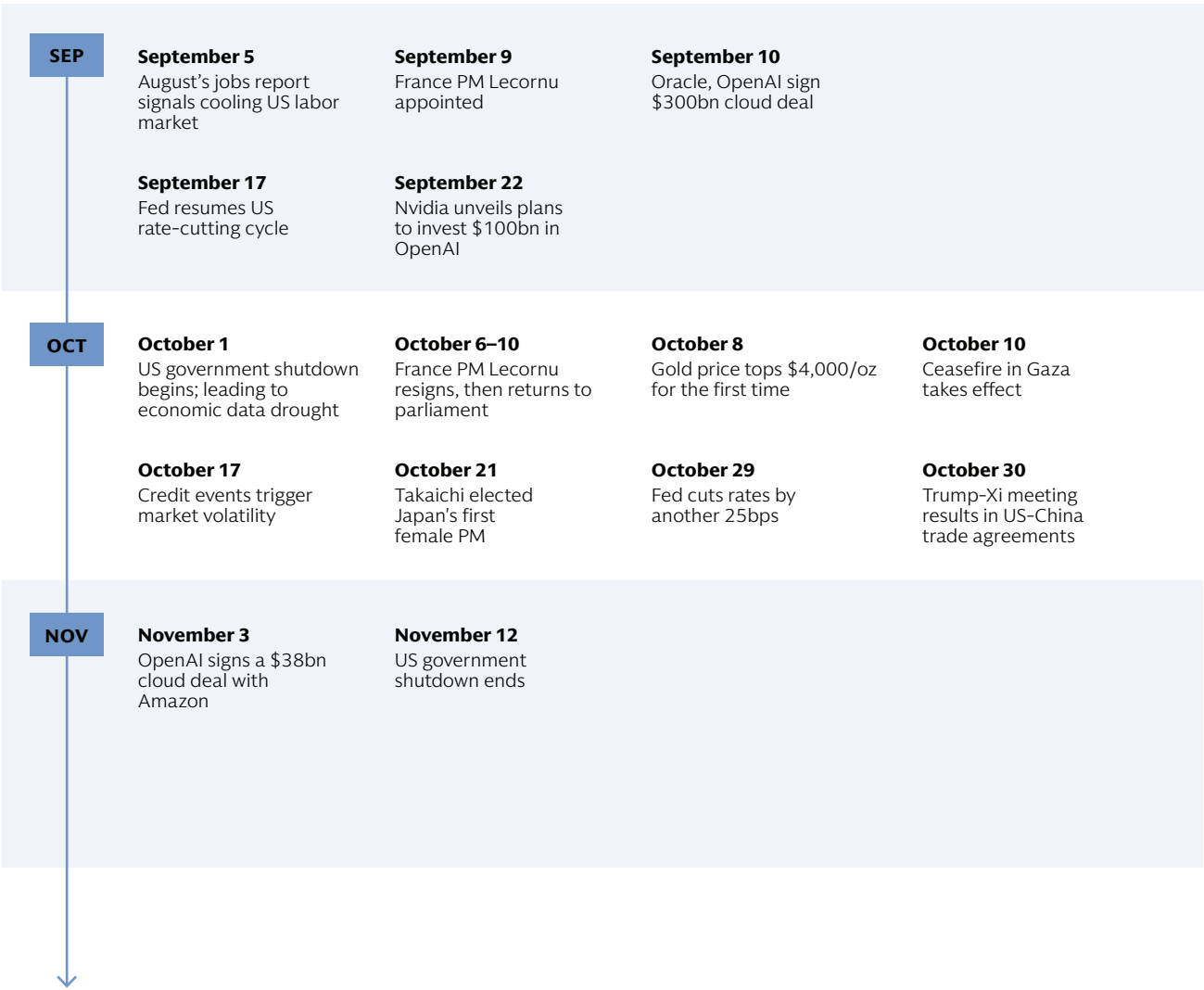
Staying Active Amid Complexity

Active, disciplined investing is key given central bank shifts, new trade dynamics, and idiosyncratic credit events. We pinpoint easing cycles, AI, and dealmaking as catalysts, and remain focused on strategically positioning portfolios to seek returns.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

Events Shaping the Backdrop

After an eventful start to 2025, multiple market drivers occurred in the second half of the year. This backdrop underscores the complexity and dynamism investors may need to navigate heading into 2026.



Where will 2026 take your portfolio?

Source: Goldman Sachs Asset Management. As of November 18, 2025. This timeline is provided for general informational purposes only and is not intended to be a comprehensive analysis of all market drivers or events.

Navigating Complexity

Multiple factors could impact economic conditions and financial markets in 2026, making it challenging to predict a clear direction. We believe active investment management is well-suited for navigating such conditions. Below, we explore a complex backdrop of central bank paths, tariffs, and fiscal dynamics, and share our observations on equity market concentration, credit events, and geopolitics.

FIGURES IN FOCUS

9/10

Countries

In the G10 cut rates in 2025

Central Bank Actions

We believe the labor market holds the key to the pace and scale of Fed easing into 2026, so long as inflation remains anchored. If labor market weakness persists, driven by immigration restrictions, federal layoffs, and labor-saving AI, additional Fed rate cuts may follow, especially if tariff-induced inflation is short-lived. We expect the ECB to maintain its 2% rate, given at-target inflation and German fiscal expansion, though we do not rule out a return to rate cuts if inflation begins to moderate. In the UK, we believe easing inflation, a softening labor market, and fiscal contraction support further easing. Disinflation, Fed cuts, and signs of further dollar weakness could lead to further easing in emerging markets, with country variations. Japan remains on track towards a higher rate regime, in our view, backed by firm inflation, strong GDP growth, and potential fiscal easing. With policy rates becoming less restrictive and no tariff-induced recession, rate hikes in other economies are also possible, signaling a new phase in global monetary policy.

18%

US effective tariff rate

The highest consumers have faced since 1934

A New Trade Order

US trade deals with the UK, EU and Japan have provided some stabilization after April's tariff shock. India and the US appear to be closing in on a trade deal.¹ The US and China have made progress on tariffs and rare earth controls following the Trump-Xi meeting in South Korea. However, there is potential for an escalation in tensions. The geopolitical dynamics driving the decoupling of the world's two largest economies continue to outweigh those that favor tighter integration between them. Beyond specific trade deals, the market has broadly anticipated tariffs causing a one-off shift in prices so far, rather than a sustained threat. Proactive tariff mitigation strategies, including supply chain adjustments and selective price increases, have enabled most companies to protect margins so far. As tariffs settle at lower (but not low) levels than initially seemed likely, we believe they still present downside risk to growth in 2026, especially if greater pass-through of tariff costs to consumer prices becomes evident in the coming months.

\$100+

Trillion

Total amount of global government debt

Deficits and Debt

Pinpointing the exact moment when fiscal anxieties will emerge or peak is impossible, but a deep understanding of the landscape is essential. The US fiscal deficit is unusually large relative to the economy's strength, with the debt-to-GDP ratio approaching a post-war high and higher real rates steepening the path of interest expenses. Elsewhere, persistent political instability in France has created a fragmented parliament, making meaningful fiscal reform difficult. This has sharpened investor focus on France's deteriorating fiscal outlook ahead of the 2027 presidential elections, with 10-year French government bond yields now matching those in Italy. Across markets, spending pressures are also mounting. These include higher defense outlays, the climate transition, and rising healthcare and pension costs due to demographic aging.

Sources: (Top) US Federal Reserve, ECB, Bank of Japan. As of October 14, 2025. (Middle) Budget Lab Yale University, Goldman Sachs Global Investment Research. As of October 12, 2025. (Bottom) OECD, Reuters. As of March 20, 2025.

FIGURES IN FOCUS

\$1+

Trillion

Market capitalization for
9 stocks in the S&P 500

\$360

Billion

Private equity and private credit
loans across 7 large US banks,
representing ~11% of their
total loans

Nov 3

Voting

US midterm elections in 2026

Market Concentration

The top 10 US companies represent ~40% of the S&P 500's market cap.² Although market concentration is high, we observe that similar cycles of industry dominance in finance or energy lasted for decades without necessarily culminating in crisis. US technology stock valuations have risen amid investor enthusiasm for AI, but we believe price appreciation primarily stems from fundamental growth and strong balance sheets, not irrational exuberance. The primary risk lies in earnings disappointment, in our view, which could challenge the sustainability of returns. In the equity market, we seek to identify companies exhibiting high gross margins, fortress balance sheets, and durable end markets. Further down the market capitalization spectrum—in the small and mid-cap space—we see potential opportunities among enablers, so-called “picks and shovels” of the AI boom. While AI capex has largely been internally financed to date, the increasing reliance on debt warrants close monitoring in 2026.

Credit Events

Recent bankruptcies have intensified scrutiny on the exposure of US banks to Non-Deposit Financial Institutions (NDFIs).³ The events have also raised broader concerns about the overall health and resilience of the banking sector, and heightened sensitivity to credit quality and interconnectedness within the financial system. We view recent issues as idiosyncratic rather than indicative of rising systemic credit risk across public and private credit markets. Nonetheless, they reinforce the importance of active security selection in public markets and rigorous underwriting and surveillance in private credit. In our view, resilient US corporate credit metrics suggest the market is mid-cycle, not late-cycle. In private credit, we believe overall borrower fundamentals remain healthy, in aggregate.

Geopolitics, US Midterms, and Fed Leadership

Despite steps closer to peace in the Middle East, geopolitical risks remain high. Russia and Ukraine remain far apart on their key demands for ending the war. Drone incursions into Poland's airspace underscore the risk of escalation beyond Ukraine. Market responses to geopolitical events were muted in 2025, but energy supplies, demand, and prices remain vulnerable to volatility. The US midterms in November 2026 may influence market sentiment, with potential impacts on equities, rates, and the US dollar. Ongoing pressure from the White House on the Fed to reduce rates could unsettle markets, lift inflation expectations, steepen the curve, and weigh on the dollar. Fed Chair Powell's term ends in May, but announcements on a potential new Chair nominee could come sooner.

Sources: (Top) S&P Global Ratings. As of November 11, 2025. (Middle) Institute of International Finance (IIF) Global Debt Monitor, as of September 2025. Government debt data as of June 2025. Federal Financial Institutions Examination Council. Company data, Goldman Sachs Global Investment Research. As of October 19, 2025. Data as of 2Q 2025. We believe private equity loans are largely capital call facilities and other subscription-based facilities, private credit loans are largely to direct lenders / business development companies / marketplace lenders.

Seeking Catalysts

As we explore potential opportunities in 2026, we see catalysts as drivers, events or secular themes that have the potential to accelerate growth and unlock value within well-aligned investment portfolios. We explore easing cycles, AI capex, dealmaking, and also consider potential implications of US deregulation, a heightened focus among nations on economic security and rising power demand.

FIGURES IN FOCUS

12%

US small cap outperformance

vs S&P 500 after end of last five rate-cutting cycles

Easing Cycles

We believe easing cycles present opportunities across asset classes. Rate cuts could benefit fixed income, including front-end US Treasuries, and investment-grade credit, where the rate component of yields is higher than in the past, meaning total returns benefit from falling rates. Easing cycles also represent a potential tailwind for rate-sensitive asset classes, like small-cap stocks, and commercial real estate. Emerging market local bonds and external debt also stand to benefit, in our view, as Fed easing enables emerging market rate cuts without significant currency weakness. Leveraged loans, being floating-rate, may see underlying issuers benefit from lower interest burdens, improving interest coverage. From a currency perspective, US dollar performance has been mixed amid Fed cutting cycles. That said, historically, the dollar tends to rally, or move sideways, if the Fed cuts rates and no recession follows.

27%

Of S&P 500 capex is from 5 firms

Amount of S&P 500 capex that comes from the five largest AI hyperscalers

AI Capex and Innovation

Mega-cap AI capex spending continues to exceed expectations. We believe hyperscalers' AI capex will remain durable into 2026. Analysts have underestimated AI capex every quarter for the past two years,⁴ suggesting a continued upside risk to the broader AI trade's durability heading into year-end. Meanwhile, AI is transforming the technology sector, driving unprecedented growth in the semiconductor space, software through agentic AI, data management, cybersecurity and fintech. In the public equity market, while early GenAI enthusiasm was concentrated in a narrow group of stocks, we see compelling reasons for the investment landscape to broaden, unlocking new opportunities for emerging innovators. Although companies continue to deploy AI internally and externally, return on investment visibility remains low. We believe this heightens the importance of conducting rigorous analysis of business fundamentals.

15%

US M&A momentum

Expected increase in the number of completed US M&A deals in 2026

Dealmaking Revival

Global dealmaking activity shows signs of a strong recovery, which we believe could extend into 2026. In the US, M&A significantly increased in 2025 compared to 2024, and the equity market saw a healthy number of IPOs. Leading indicators suggest this positive trend for dealmaking will continue. Similarly, European M&A activity has rebounded, with announced deals over the past year exceeding historical averages. We believe greater dealmaking could spur a more widespread resumption of private equity activity and catalyze more demand for private credit financing, including demand for mezzanine solutions. A pickup in M&A may also draw greater interest to smaller companies, which form the backbone of activity. A decline in interest rates may further spur dealmaking, with smaller companies increasingly becoming bid targets as firms seek bolt-on acquisitions or industry consolidation plays.

Sources: (Top) Goldman Sachs Asset Management, FactSet. As of March 2020. Average forward-year returns for Russell 2000 following the end of the last 5 rate-cutting cycles: January 1996, November 1998, June 2003, December 2008, March 2020. (Middle) Goldman Sachs Global Investment Research. As of October 16, 2025. Hyperscalers include Amazon, Google, Meta, Microsoft and Oracle. (Bottom) Goldman Sachs Global Investment Research. As of September 2025.

FIGURES IN FOCUS

\$3.4

Trillion

Amount OBBBA could add to US budget deficit over the next decade

US Tax Cuts and Deregulation

We expect the interplay between US tax policy, tariff revenue allocation, and deregulation to influence the investment backdrop in 2026. US tax cuts are unlikely to materialize until the Spring 2026 tax season, in our view. We estimate that the cost of tax cuts featured in the One Big Beautiful Bill Act (OBBBA) and tariff revenues largely balance each other out in the short term, leaving the fiscal deficit little changed to modestly lower. The Trump administration is also pursuing an economic policy focused on deregulation, presenting potential catalysts for sectors including financials, energy, and pharma. As Congress turns its focus to the midterms, we expect the regulatory agenda to become a bigger focus among policymakers and investors.

5%

of GDP

Defense spending commitment by NATO members by 2035

Economic Security

After a year dominated by tariff headlines, we expect the theme of economic security will be prominent in 2026, catalyzing large-scale capital deployment into defense, energy, and infrastructure across developed markets. Europe's defense sector, for instance, has transitioned from a sluggish, undervalued market to a central focus of government policy and one of the region's fastest-growing sectors. We expect the implementation of Germany's fiscal package to be a key focus area. Relative to Germany's 2024 budget, spending could increase by more than €80bn (1.8% of GDP) in 2026.⁶ Key areas also receiving investment include a wide range of infrastructure and energy projects. We believe active managers are positioned to identify companies in the US and Europe that are poised for significant growth by providing solutions for resource security, supply chain resilience, energy independence, and national defense.

175%+

Power demand growth

Forecasted from data centers by 2030 vs 2023

Power Demand

We continue to expect data demand—driven in part by AI and in part from growth in non-AI data demand—will catalyze generational growth in global power demand. This backdrop necessitates a holistic investment approach, including low-carbon power generation, global transport electrification, and crucial grid enhancements in both emerging and developed markets. As technology companies and hyperscalers race to deploy AI, speed to power is also paramount. Credit financing for sustainable power generation, sustainable private credit, infrastructure and green bonds present potential opportunities, in our view. The US and European power industries also face a critical demographic dilemma: over 750,000 new workers are needed by 2030 amid an aging workforce and limited skilled labor. Access to talent and labor is set to become a key competitive advantage for companies.⁷

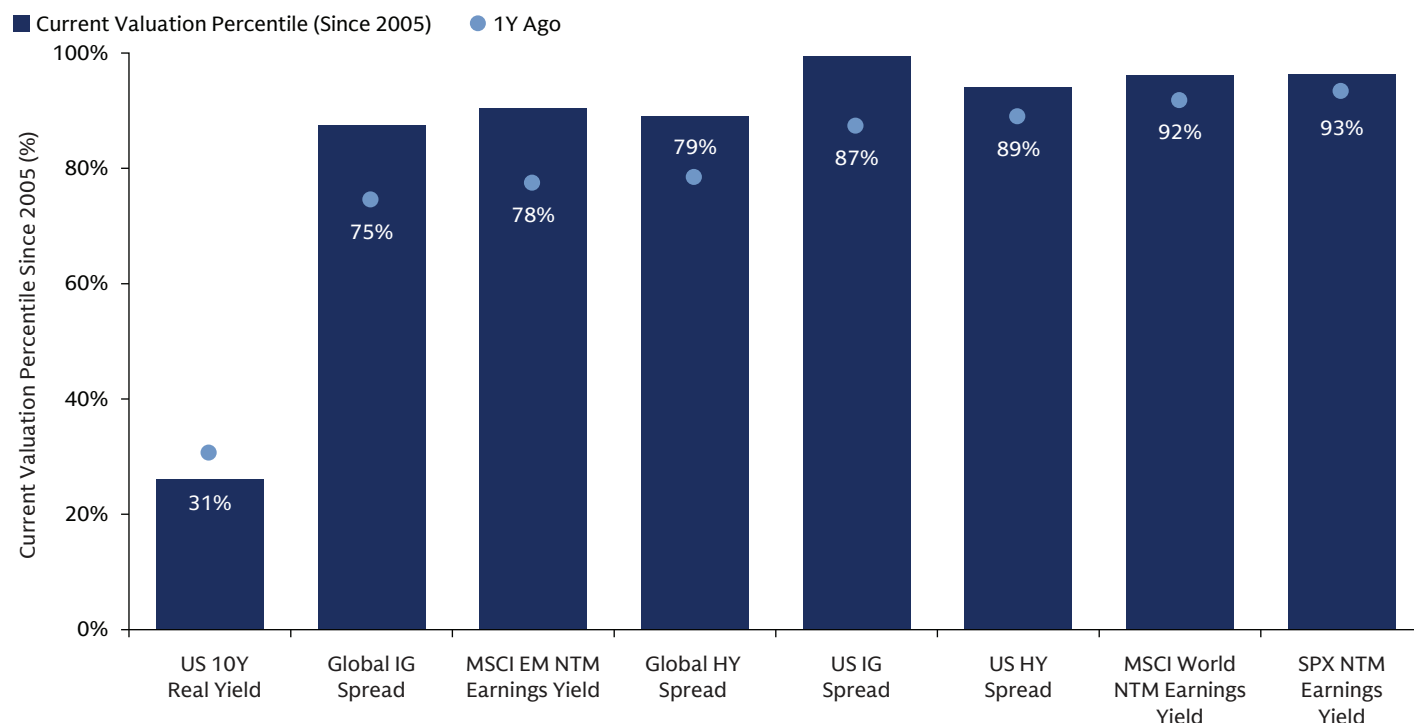
Sources: (Top) \$3.5 trillion estimate refers to net increase in unified budget deficit over the 2025–2034 period. (Middle) Congressional Budget Office. As of July 21, 2025. North Atlantic Treaty Organization (NATO). As of August 27, 2025. (Bottom) Goldman Sachs Global Investment Research. As of October 13, 2025.

Key Questions

1. Where do I invest when everything looks expensive?

Equity and bond valuations are elevated

Asset valuations since 2005



Source: MSCI. Goldman Sachs Asset Management. As of October 24, 2025. Valuation percentiles are since 2005 as MSCI EM forward P/E data starts from 2005. **Past performance does not guarantee future results, which may vary.**

Key equity indices repeatedly set new all-time highs in 2025, including the S&P 500 in the US, Europe's STOXX 600, and Japan's Nikkei 225.⁸ In fixed income, spreads continue to hover around historically tight levels. When traditional investments appear expensive, a strategic approach beyond simply following benchmarks is crucial. We believe investors should consider actively managing their portfolio's mix of equities, bonds—and the securities underlying each allocation—and tilt portfolios to adapt to market conditions. While valuations across equity markets are elevated, we believe US equity returns were driven less by valuation expansion and more by earnings in recent quarters. In our view, small-cap valuations are attractive given the

outlook for earnings, though a nuanced investment approach is required due to market inefficiencies and idiosyncratic risks. We see pockets of value in fixed income, including high yield and securitized credit, which may offer attractive income. Diversification—internationally and across asset classes—is also key, including exploring alternatives such as private markets, and hedge funds, which can potentially offer enhanced risk-adjusted returns. A combination of real assets, like infrastructure and real estate may improve overall portfolio performance. Shifting asset correlations and dollar dynamics make strategic FX hedging a key consideration.

2. What are the potential investment implications from central bank actions in 2026?

Divergent central bank paths present opportunities to diversify duration exposures

Central bank meeting calendar for 2026

	Fed	ECB	BoE	BoJ
January	28			23
February		5	5	
March	18	19	18	19
April	29	30	30	28
May				
June	17	11	18	16
July	29	23	30	31
August				
September	16	10	17	18
October	28	29		30
November			5	
December	9	17	17	19

Sources: Fed, European Central Bank (ECB), Bank of England (BoE), Bank of Japan (BoJ). Latest scheduled meeting calendars. As of October 20, 2025.

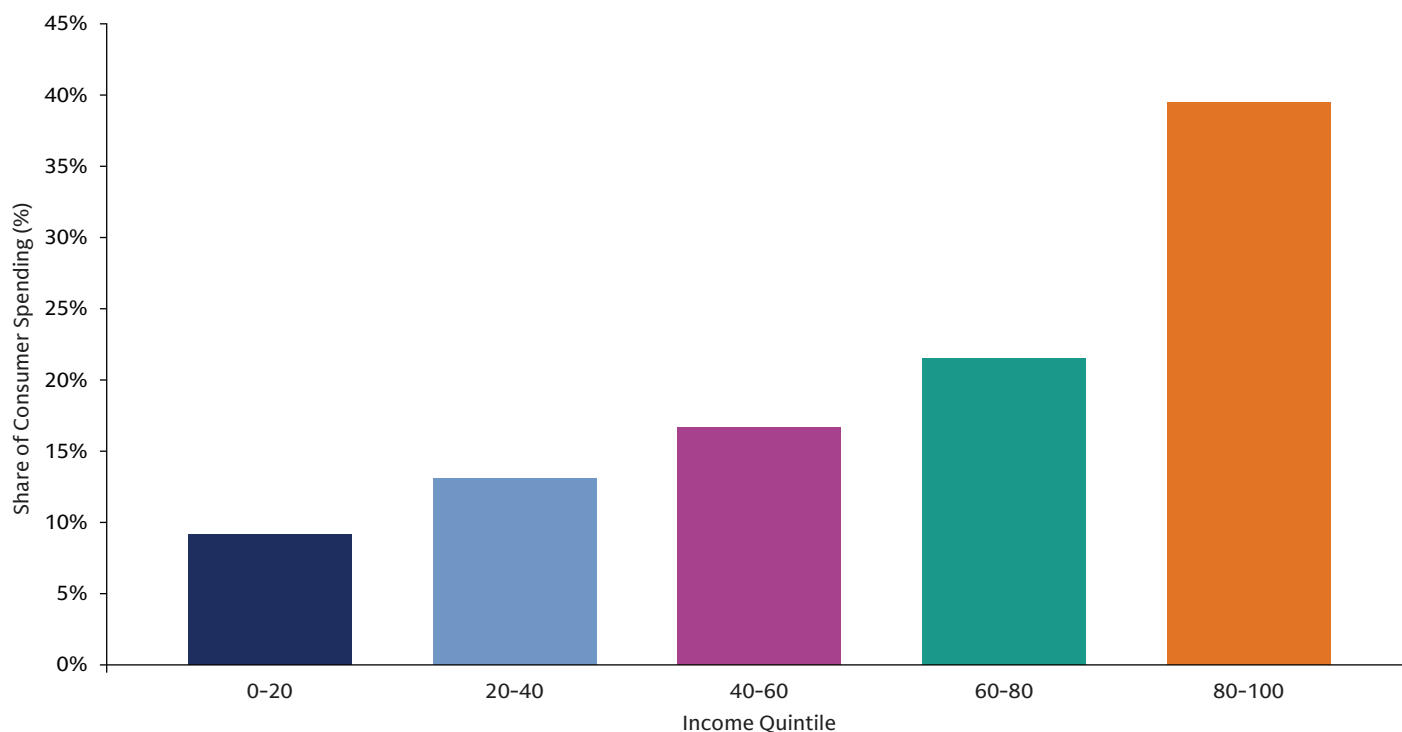
Central bank actions provide fixed income investors with potential opportunities to express views in different sovereigns across the curve and diversify their duration exposures. In the US, we believe the Fed may cut rates twice in 2026, given its stance on labor market weakness. In Europe, resilience in the European economy and a hawkish ECB reaction function point to an extended pause in the easing cycle. However, the market may be underestimating the probability of easing resuming if inflation undershoots target. In the UK, the Bank of England could resume cuts in December, driven by

improved inflation, a relatively weak labor market, and potential tax hikes. The Bank of Japan is likely to hike rates, in our view, due to high inflation and robust growth. We believe other G10 easing cycles vary: Sweden's may conclude and Norway's easing pace will likely continue. A Swiss return to negative rates is unlikely. Australia's cuts could pause, and New Zealand's rates may fall further. Emerging markets anticipate continued easing, supported by a subdued US dollar and lower oil prices.

3. How could consumer spending be impacted by tariffs?

US consumption is a tale of two spending realities

The wealthiest 20% of US households account for 40% of total consumption



Sources: Bureau of Labor Statistics, Macrobond. Data from 2023. Historical analysis indicates that the underlying shares of expenditure have remained relatively stable over time.

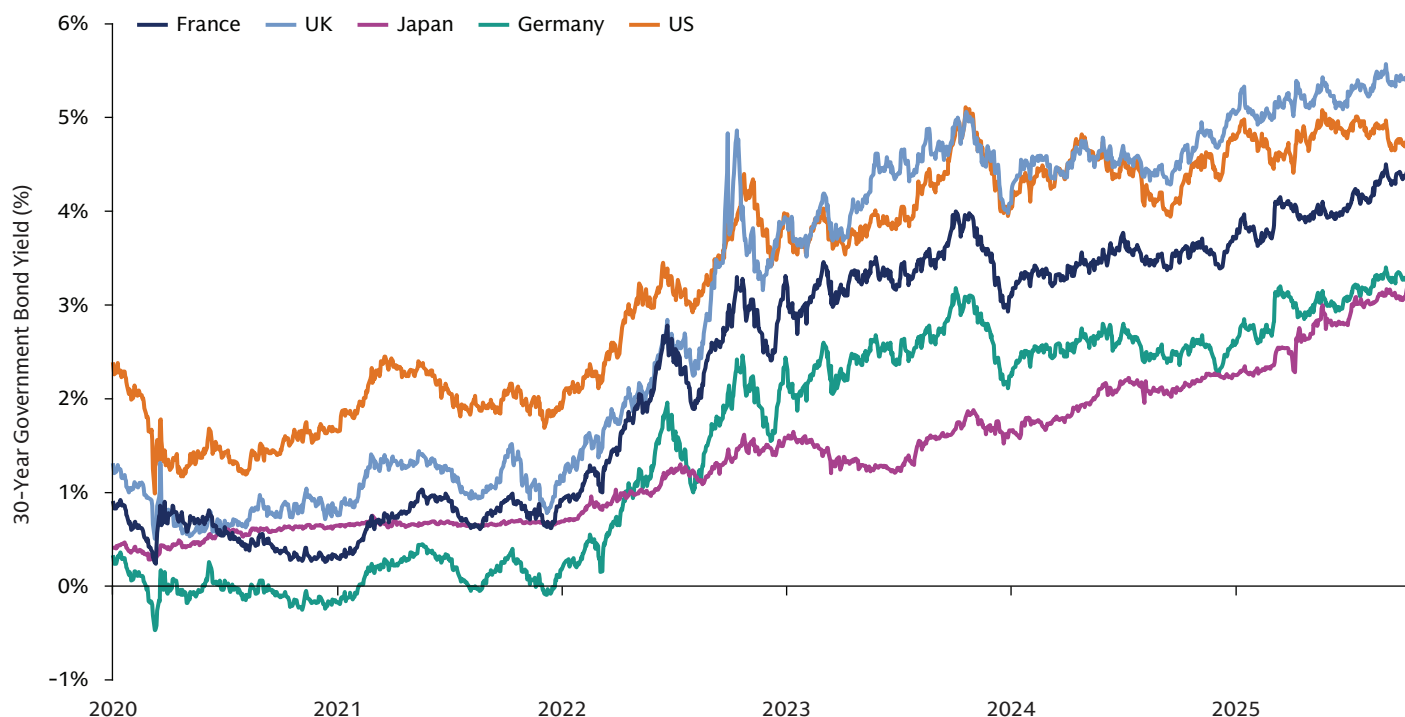
US consumer confidence, while generally robust, shows emerging signs of weakness among lower-income households. However, this demographic has a limited impact on overall spending, as the wealthiest 20% of households account for 40% of total consumption, while lower-income groups spend less than 10%. Despite this, consumer spending increasingly prioritizes value, price, choice, and convenience. If tariff cost pass-through was merely delayed in 2025, a period of more moderate spending could follow in 2026. Nevertheless, strong household balance sheets, high savings rates, and accumulated wealth are expected to buffer spending. Anticipated Fed easing and US fiscal stimulus also suggest a sharp slowdown is unlikely. A critical factor will be the extent to which companies can pass on tariff costs, which may be

challenging given potential labor market weakness and rising unemployment. Although US auto and credit card loan delinquencies have increased, particularly among subprime consumers, this is primarily attributed to “credit score migration effects” from the pandemic and larger auto loan sizes, rather than widespread household credit stress.

4. Is fiscal friction here to stay for government bond investors?

Rising 30-year yields partially reflect concerns over debt sustainability

Long-end yields are more susceptible to fiscal concerns and inflation expectations



Sources: Goldman Sachs Asset Management, Macrobond. As of October 15, 2025. **Past performance does not guarantee future results, which may vary.**

For investors in government bonds, we believe the fiscal backdrop is a critical concern that could trigger significant market volatility. We believe government bonds can still mitigate downside growth risks, especially in an era of positive real yields. Recent years have seen bonds rally during periods of economic uncertainty. This occurred during the regional banking crisis in March 2023, in response to weak labor market data in 2024 and 2025, as well as during periods of heightened geopolitical risk. However, in our view, investors must dynamically adjust their allocation between risk assets and government bonds. The correlation between bonds and risk assets can shift from negative to positive, especially if inflation or fiscal concerns intensify, potentially diminishing bonds' hedging effectiveness. Front-end yields are more sensitive to central bank policy and have tended to offer strong counter-cyclical properties, acting as a hedge

during economic weakening. Conversely, long-end yields are more susceptible to fiscal concerns and inflation expectations, which can drive them higher, leading to curve steepening. Understanding these dynamics also allows investors to exploit yield curve views which seek to optimize their portfolio's defensive characteristics.

Context is also key. There is no single debt-to-GDP ratio that automatically triggers a fiscal crisis; Japan's debt-to-GDP ratio has exceeded 200% for over a decade without catastrophe. What matters more, in our view, are the surrounding conditions. The current environment of slowing growth and higher interest rates, particularly with central banks no longer engaging in large-scale bond purchases, is what fuels concern.

5. What policy proof points in Europe should investors monitor?

European companies showing more willingness to invest

Capex-to-sales ratio has reached a 10-year high, marking a move towards more asset-intensive strategies.



Sources: Goldman Sachs Global Investment Research. Datastream. Global Financial Crisis (GFC). As of October 23, 2025.

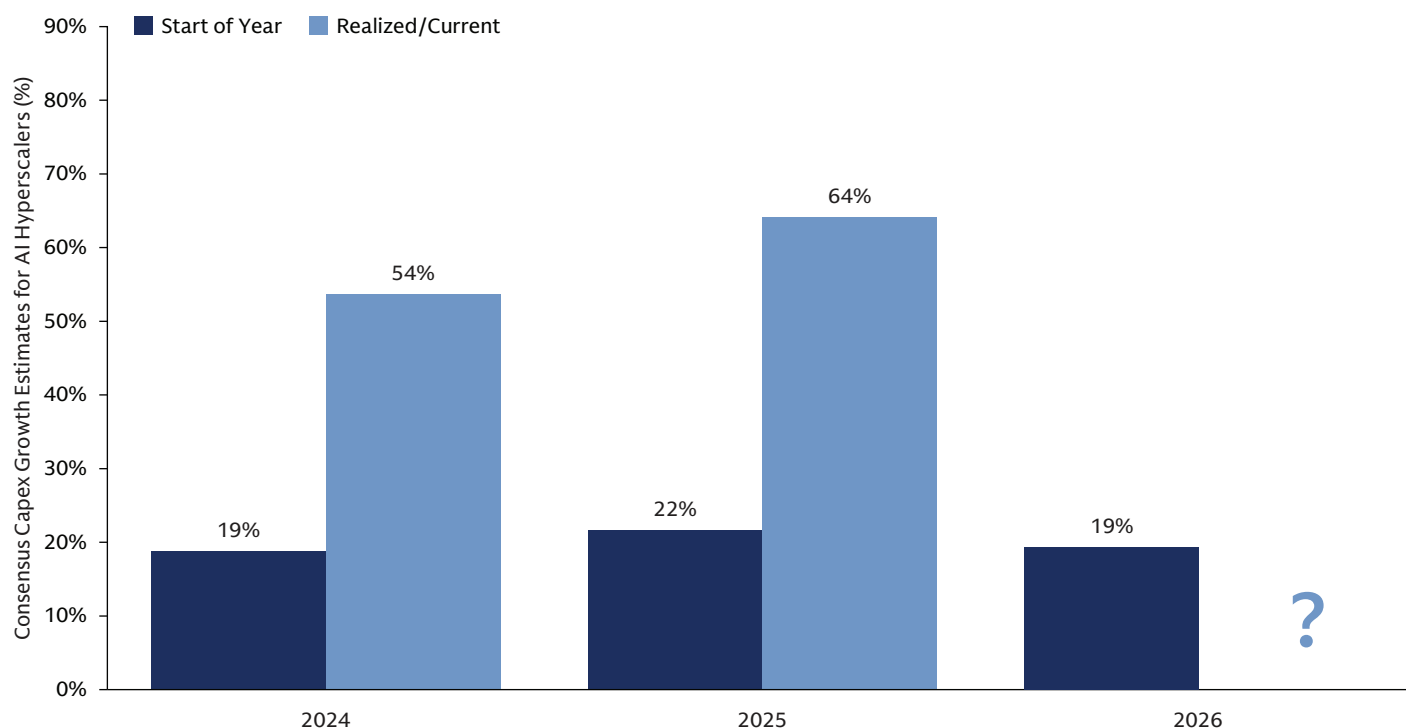
Across Europe, stimulus is already driving a capex revival. Companies that have underinvested for two decades are making renewed investment in capital-intensive sectors—driven by energy transition and security, defense, reshoring, infrastructure upgrades, digitalization, and AI. After a period of weak growth post-pandemic, higher government spending on infrastructure and defense is forecast to boost German GDP growth to 1.4% in 2026 and 1.8% the following year. We believe investors should monitor the speed and execution of Germany's fiscal package in 2026, given its recent track record of underdelivering on budgeted investments. With Germany's 2025 budget and the infrastructure fund law passed in late September, spending may pick up meaningfully in 2026 in areas such as defense. Even

if the implementation of higher defense spending is gradual and complex, we believe it represents a potentially significant medium-term boost for growth. Germany is also reviewing government functions for efficiency, utilizing AI and digitalization. In our view, a reliance on global trade, high energy prices, and too much red tape remain growth headwinds.

6. What factors could cause differentiation among the Mag 7 in the context of AI capex?

The market has underestimated hyperscaler AI capex for the past two years

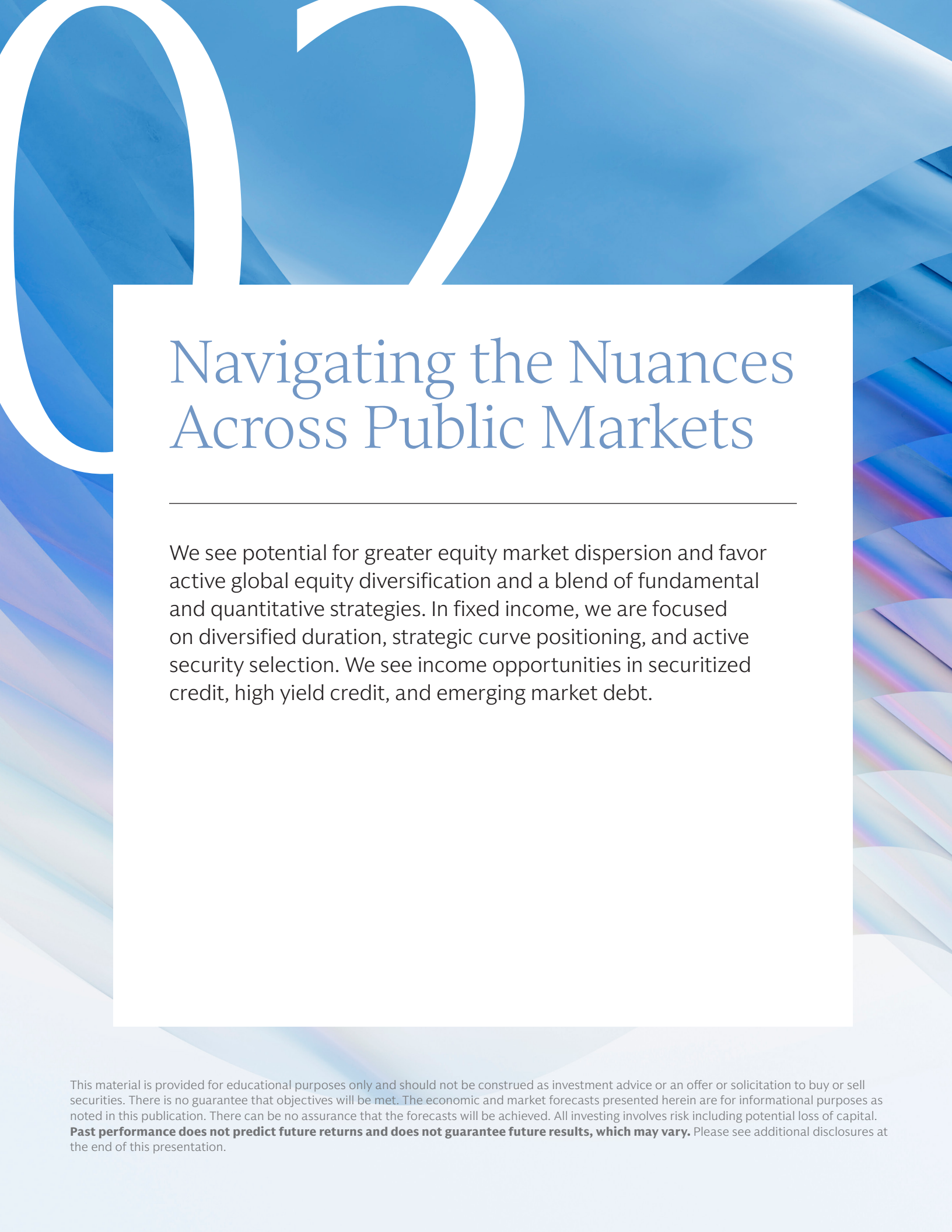
Consensus capex growth estimates for AI hyperscalers



Sources: FactSet, Goldman Sachs Global Investment Research. As of October 17, 2025. Hyperscalers included: Amazon, Google, Meta, Microsoft, and Oracle.

The size and speed of recent AI investment announcements among hyperscalers have raised questions around the sustainability of AI capex. In our view, we are closer to the early innings of AI capex and expect increased AI competition between hyperscalers and countries to drive spending globally. This includes markets that offer a combination of capital and power generation capabilities, including the Middle East and Asia. We believe differentiation among the Mag 7 companies, despite the durable AI capex, will be primarily driven by two critical factors. Firstly, it depends on whether a company's AI investment is motivated by the pursuit of new markets or by the strategic desire to enhance an already existing market-leading position. Secondly,

differentiation will hinge on whether these companies possess access to competitive, proprietary AI technology, or if they will need to forge durable partnerships with model builders to sustain their competitive edge. More broadly, as fundamental investors, we believe it is crucial that core businesses remain robust, particularly as companies aggressively invest in AI technology. Beyond the Mag 7, enterprise adoption is broadening, driving efforts to clean, structure, and secure data so it can be used effectively by AI systems. AI applications are expanding fast, especially in areas like automation, customer engagement, and operational intelligence—creating opportunities for platforms that seek to help businesses navigate AI integration.



Navigating the Nuances Across Public Markets

We see potential for greater equity market dispersion and favor active global equity diversification and a blend of fundamental and quantitative strategies. In fixed income, we are focused on diversified duration, strategic curve positioning, and active security selection. We see income opportunities in securitized credit, high yield credit, and emerging market debt.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

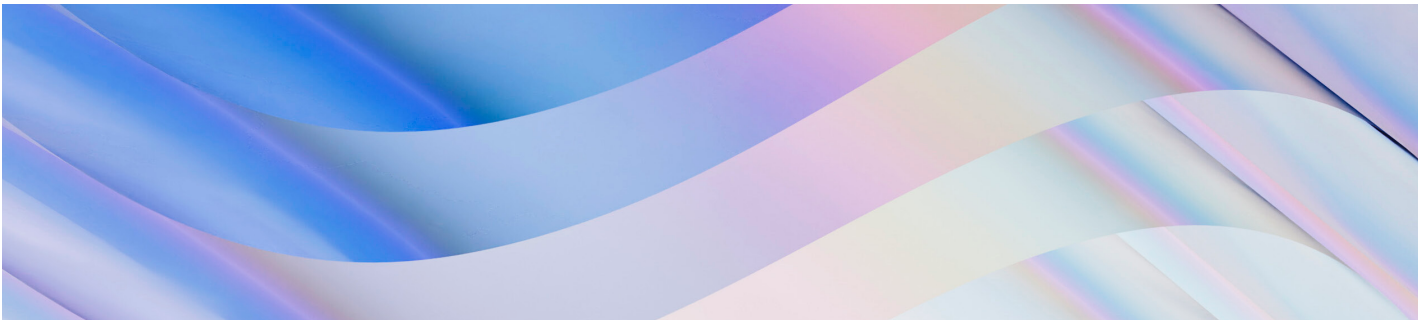
Equities in a Multipolar World

The global economic and geopolitical environment is adopting a more multipolar structure, in our view, resulting in greater fragmentation and a broader array of opportunities for equity investors.

The US stock market continues to be driven by advancements in and investor sentiment towards AI, with leading companies harnessing technology and scale to achieve remarkable growth. In Europe, a renewed focus on national and economic security is

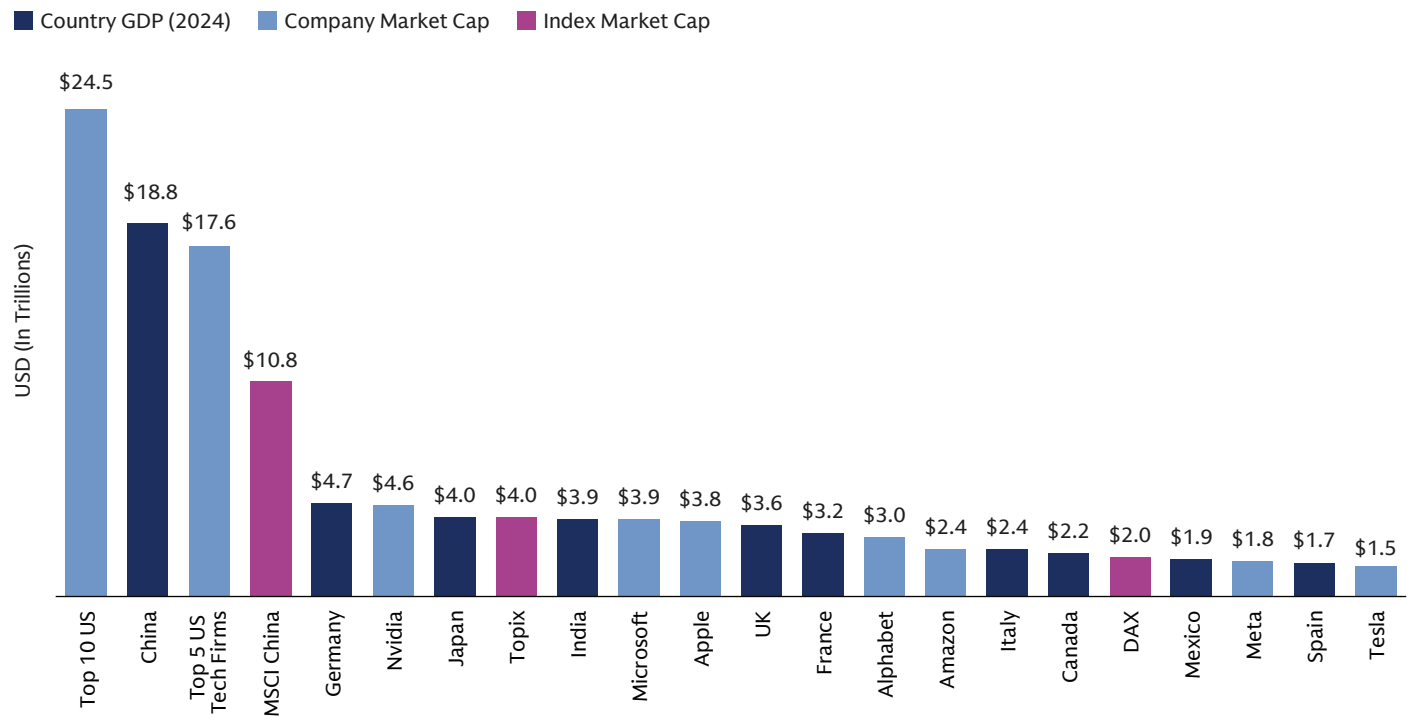
resulting in increased investment in infrastructure and defense capabilities. Political developments across markets, including in France and Japan, add to a complex backdrop.

We believe maximizing equity diversification and managing risk effectively is essential given the investment backdrop. In our view, this can be achieved through active exposure, a global presence, and regional expertise; combined with a strategic blend of fundamental and quantitative equity strategies.



The top 10 US companies dominate the world equity market

Top 5 US tech firms alone have a collective value (\$17.6) that exceeds the combined GDP of the Japan, India, UK, France, and Italy (\$17.1).



Source: Compustat, IBES, FactSet, Goldman Sachs Global Investment Research. As of October 8, 2025.

US equities: A balance of scale and scope

The big are getting bigger

The biggest 10 US stocks (8 of which are technology-related) account for nearly 25% of the global equity market, and are worth almost \$25 trillion.⁹ The top 10 companies in the S&P 500 now account for a substantial portion of the index's market capitalization (~40%) and earnings (~30%).¹⁰ The five largest AI hyperscalers—Amazon, Google, Meta, Microsoft and Oracle—are alone responsible for ~27% of S&P 500 capex.¹¹

The Magnificent 7 continue to expand their market share through strong core businesses and strategic reinvestment. In our view, the strong earnings power of these large companies may set the stage for further gains. We believe hyperscalers' AI capex will extend into 2026, and we continue to monitor associated AI infrastructure spending, as well as AI application

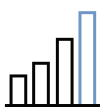
build-out and monetization. However, we see some signs of homogeneity in performance among these large players evolving into greater dispersion.

We're observing a similar trend of increasing scale across other market segments. In retail, for instance, Walmart and Costco have captured a significant share of sales growth, benefiting from strong value offerings, operational leverage, and effective supplier negotiations.¹² Financials is another area in which this trend is clear.

Substantial investment by well-resourced entities positions them to capitalize on transformative technologies and market dynamics. Our focus remains on companies exhibiting high gross margins, fortress balance sheets, and durable end markets. While some smaller counterparts may struggle for competitive footing, we also see pockets of opportunity across the small and mid-cap segment.

“We seek to harness opportunities arising from market dispersion, identify high-quality businesses supported by megatrends, and maintain a disciplined approach to valuations in an effort to deliver strong returns.”

The keys to continued large-cap outperformance potential



High Gross Margins

- Lower tariff impact
- Competitive differentiation
- Pricing power



Fortress Balance Sheets

- Ability to invest counter-cyclically
- Higher levels of buybacks
- Lower financial leverage

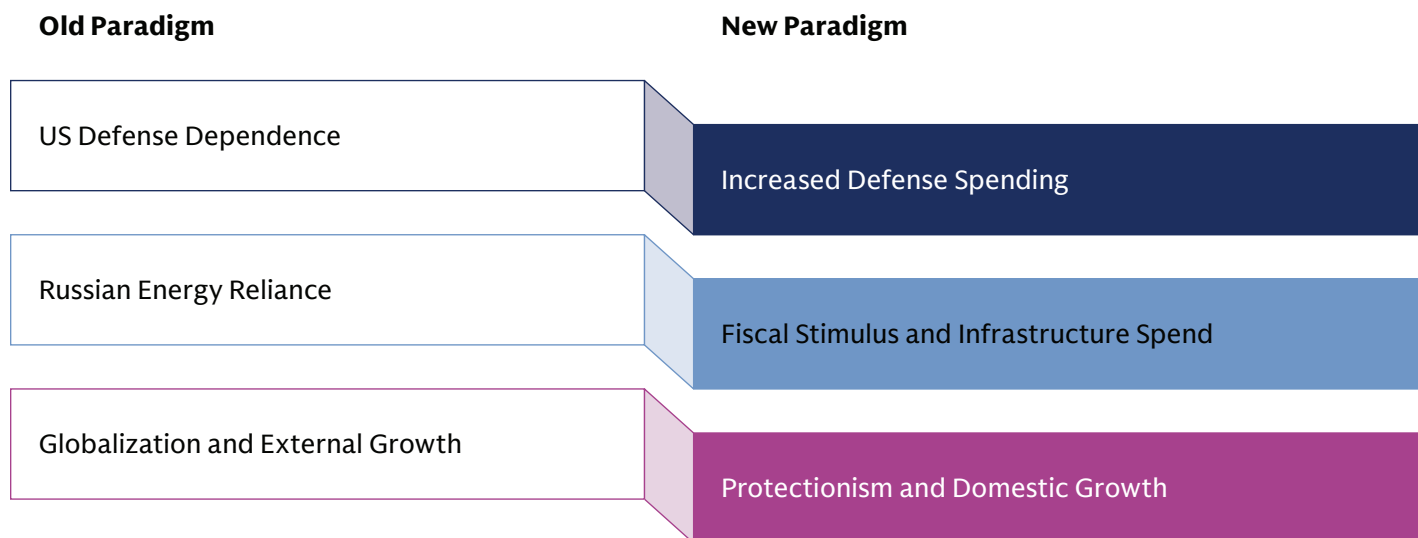


Durable End-Markets

- Lower cyclicality
- Secular growth tailwinds
- Not capital markets dependent

Source: Goldman Sachs Asset Management. For illustrative purposes only.

Europe's Paradigm Shift



Source: MSCI. Goldman Sachs Asset Management. As of November 2025.

Unlocking potential in small and mid-caps

In the small and mid-cap space, we see potential opportunities among enablers, so-called “picks and shovels” of the AI boom, including companies on the front line of AI innovation. We also believe small caps in the US and internationally offer compelling opportunities driven by anticipated rate cuts and accelerating earnings. A pick-up in dealmaking could also generate optimism and investor interest in the broad small-cap market. While these beta tailwinds are strong, we believe actively seeking small-cap alpha is key to turning these tailwinds into superior returns and avoiding potential pitfalls. The “meme stock” phenomenon, where social media and retail trading drive extreme volatility, highlights the need for active oversight beyond traditional financial analysis.

Maintaining broader horizons

European equities and the region's paradigm shift

European equity markets experienced two distinct phases in 2025, initially outperforming the US market due to hopes of economic recovery and uncertainty surrounding US policy, with US technology underperforming. However, following the new US tariff regime on April 2, the US market reasserted its leadership through an AI-driven surge, causing the S&P 500 to move ahead of the MSCI Europe in local currency terms by September, though both indices achieved double-digit returns.¹³ A significant depreciation of the US dollar, driven by US policy uncertainty and an increasing budget deficit, introduced FX risks for non-USD investors, creating a divergence in Euro terms not seen in over two decades.

Value stocks led by financials, defense, and utilities outperformed growth and quality sectors. European bank valuations have consistently traded below their long-term averages since the global financial crisis. Despite positive performance in 2025, they remain below long-term averages heading into 2026, indicating potential for further re-rating supported by stronger capital positions and attractive dividend yields.¹⁴ Across sectors, European equities broadly remain at a deep discount to US stocks, even when adjusted for sector exposure or different growth expectations.¹⁵

Many leading European-based global companies, including those with exposure to secular tailwinds like energy transition and sustainable consumption, have a proven track record of successfully adapting to changing environments. We believe the underperformance observed among high-quality businesses in 2025 may present an opportunity to selectively add exposures, particularly with Europe's economy at an inflection point.

We expect increased fiscal flexibility (e.g., Germany's easing of the debt brake for defense and infrastructure) and reindustrialization (initiatives like the EU's Clean Industrial Deal and European Defence Industry Programme) to contribute to European economic growth in 2026 and beyond, narrowing the GDP growth gap with the US. In our view, Europe's diverse equity market also provides fertile ground for quantitative investment approaches that can process complex information to identify subtle market inefficiencies and structural dynamics.

Japanese equities: Tailwinds into a Takaichi administration

We believe Japanese equities are supported by positive tailwinds heading into 2026. These include moderating inflation,¹⁶ stable monetary policy, and the potential for increased fiscal support from a Takaichi-led government. We expect robust corporate capex and consumer spending, fueled by wage growth, to drive earnings in 2026. A weaker yen may benefit exporters, while rising inbound tourism may support domestic-focused companies. We expect corporate governance reforms to continue unlocking shareholder value, leading to increased dividends and share buybacks. Although valuations are above historical averages, we believe earnings growth and corporate reforms justify continued optimism. In our view, Takaichi's fiscal stance may benefit defense, nuclear energy, and technology sectors, given pledged investments in AI, semiconductors, quantum computing, space, advanced medicine, and cybersecurity.¹⁷

Japanese investors, who have traditionally preferred holding cash, are now gradually shifting towards riskier assets.¹⁸ A significant driver of this behavioral shift is the expanded Nippon Individual Savings Account (NISA) program, which offers enhanced tax-free investment limits and particularly appeals to younger, financially informed investors. In our view, this behavioral change, coupled

with corporate reforms, further strengthens the asset class. The Japanese stock market also has unique characteristics, including fewer research analysts covering each company compared to other developed markets,¹⁹ language differences, and valuable data that is hard to access. We believe these conditions create potential opportunities for quantitative investors who use data to find and profit from information.

Emerging market equities: Pillars of potential opportunity

We observed how a softening US dollar, declining oil prices, easing inflation, and a more dovish stance from the US Federal Reserve (Fed) created a supportive backdrop for emerging market equities in 2025. We see potential for continued positive performance in 2026. On a one-year forward price-to-earnings (P/E) basis, emerging market equities trade at ~40% discount to US equities, below the long-term average.²⁰ We see potential for this discount to narrow given strong corporate earnings profiles across emerging markets. In India, for instance, we believe sustained GDP growth can continue to fuel solid corporate earnings. We are focused on finding fundamentally strong, domestically-oriented opportunities in the country.

Areas in Focus Across Emerging Markets Equities

**China**

Recent stimulus to boost consumption and tech innovation are enhancing China's appeal, in our view, but stock selection is key to seek out real earnings growth and avoid policy risks. We are focused on emerging themes: advanced manufacturing, technology innovation (AI, robotics, EVs and clean energy, biotech and fintech), resilient consumption, and defensive companies paying high dividends.

**India**

Strong GDP growth is driving steady corporate earnings. The volume of digital payments in India has surged, expanding threefold since June 2021.²¹ Favorable demographics and domestic consumption trends underscore India's investment appeal. 65% of India's population is below 35 years of age. The country has a median age of 28, roughly ten years younger than the US and China, respectively.²²

**Middle East**

We believe economic reforms, alongside diversification beyond oil, are generating new investment opportunities across Gulf Cooperation Council (GCC) countries. Themes like digitalization and infrastructure investment may help to underpin corporate earnings. The Gaza conflict and Red Sea tensions have heightened risks to trade and tourism, but Saudi Arabia, Qatar, and the UAE have remained largely unaffected.

**AI & Tech**

Emerging markets are leading in AI and chip innovation—China, India, South Korea, and Taiwan all have standout companies driving global tech growth. Taiwan's TSMC, as one example, dominates manufacturing of sub-10 nanometers chips used in used in AI and 5G.²³ The company intends to invest ~\$165 billion in advanced semiconductor manufacturing operations in the US.²⁴

A Quantitative Edge in Multipolar Markets

The relentless expansion of data and the transformative power of AI is also driving new investment opportunities. As data continues to explode, much of it remains untapped by traditional investors. We believe quantitative strategies equipped with advanced computing and AI are uniquely positioned to synthesize this complex, unstructured information, extracting meaningful insights and patterns at scale. This capability provides a critical informational advantage in our view, allowing data-driven managers to understand market nuances and act faster than others, thereby capitalizing on opportunities before they are fully priced in.

Alongside data growth, market inefficiencies in Europe, small caps and emerging economies are becoming increasingly pronounced, creating

fertile ground for active management. We believe the rise of passive investing, while offering broad market exposure, paradoxically contributes to mispricings as a growing portion of trading becomes indifferent to fundamental values. Coupled with a more fragmented mix of market participants and elevated return dispersion, these conditions amplify the potential for stock-picking.

We believe quantitative investment approaches also offer structural advantages that are critical for 2026 and beyond. Their systematic nature allows for continuous adaptation to market shifts, while their focus on stock-specific attributes minimizes macro biases, along with robust control of style, geographical or sectorial tilts. By constructing highly diversified portfolios with numerous smaller positions, we believe quant

strategies can generate strong excess returns without taking on excessive active risk. This versatility, coupled with their ability to serve as powerful diversifiers, makes increased allocation to data-driven, systematic strategies an imperative for investors seeking to play both offense and defense.



Loosening Long-Only Constraints

Expressing active, alpha-oriented views on both the long and short side

An unprecedented degree of equity market concentration, coupled with higher correlations between equities and fixed income, has made traditional 60/40 investing riskier. We observe a growing interest in long/short beta-1 strategies that may offer investors a dynamic path to potentially enhanced investment outcomes. However, there are complexities that allocators must carefully consider, including correlation risks, capacity constraints and cost considerations.

THREE KEY QUESTIONS

1

What is the outlook for the Mag 7's performance?

Historically, the Mag 7 stocks have largely exhibited homogenous stock price performance. However, key points of debate are now emerging that are expected to drive dispersion among these companies. These include questions surrounding whether their core businesses are genuinely enhanced or possibly cannibalized by AI, and whether AI investment is driven by strengthening existing market leadership or the need to find new markets. We are closely monitoring corporate fundamentals, such as free cash flow and potential return on investment, to assess the sustainability of their growth and to identify potential shifts in market leadership.

2

Will secular growth in small caps, driven by opportunistic and idiosyncratic factors, be rewarded as it has been in previous cycles?

We anticipate that secular growth will be met with outsized multiple expansion. Given that the growth rates of the average company may not be particularly impressive, businesses demonstrating consistent, above-trend-line growth could be poised to benefit significantly. While the specific sectors driving this trend may differ from previous cycles—with semiconductors potentially experiencing continued multiple expansion (as opposed to software), and aerospace and defense taking precedence over housing-related industries—we expect secular growth narratives to flourish as interest rates begin to retreat. A data-driven investment approach may help to identify alpha opportunities and manage risks effectively across a diverse small-cap universe.

3

Is the rally in Chinese equities sustainable in 2026?

We believe recent support for China's equity market stems from abundant liquidity, increasing retail participation, and limited alternative investment options. Policymakers have been focused on boosting consumption via direct stimulus (consumption vouchers for services) and indirect support to property and employment markets. Long-term equity market outperformance, in our view, hinges on translating this liquidity into durable earnings growth. We consider valuations attractive relative to global market peers, and light global investor positioning leaves room for potential inflows into Chinese stocks. Risks include potential re-escalation in tariff rhetoric and possible policy or regulatory shocks, which have historically triggered sharp reversals in China's flow-driven rallies.

Fixed Income: Balancing with Bonds

Heading into 2026, investors face a delicate balancing act. Rising uncertainty regarding the US economy's fiscal health must be weighed against the growth potential from the AI capex boom and increased government spending. Federal Reserve policymakers appear more finely balanced between dovish and hawkish stances, adding uncertainty to the near-term outlook. A backlog of data releases following the end of the US government shutdown has complicated the picture for policymakers and markets alike.

A bifurcated investment landscape, however, presents opportunities for active fixed income investors to dynamically manage their allocations. This includes strategic curve positioning to reflect fiscal perceptions and capitalize on divergent central bank policies, alongside diverse asset selection—such as securitized credit, high yield credit and emerging market debt—to potentially secure attractive income streams.

Overall, the fixed income opportunity set remains appealing from both a technical and fundamental perspective. Nevertheless, we believe the fine balance of risks necessitates an active approach, combining diverse portfolio construction with robust risk management, and the flexibility to adapt to evolving market conditions.

Navigating mixed macro signals

We are neutral to US rates, although we see potential for Treasuries to rally should labor market weakness become more pronounced. Curve positioning is also key to capturing additional value, and we continue to hold steepening biases to the US and Europe considering long-term structural trends. In Europe, prospective fiscal expansion contrasts with potential near-term inflation undershooting. These conflicting dynamics favor an active approach and an ability to express views across the curve.

Several factors could reshape our views in the months ahead. US labor market weakness is a key Fed focus, with further deterioration in employment metrics potentially accelerating the easing cycle. The health of the US consumer, particularly amid ongoing tariff cost passthrough, is a bellwether for US growth expectations. Additionally, the trajectory and sustainability of AI capex spending remain top of mind.

Global inflation and growth dynamics have diverged, leading to increasingly diverse central bank policies. In the US, we lean towards a December rate cut given the Fed's continued focus on labor market weakness. We see potential for two further cuts in 2026. However, we acknowledge near-term uncertainty stemming from pent-up data releases following the US government shutdown.

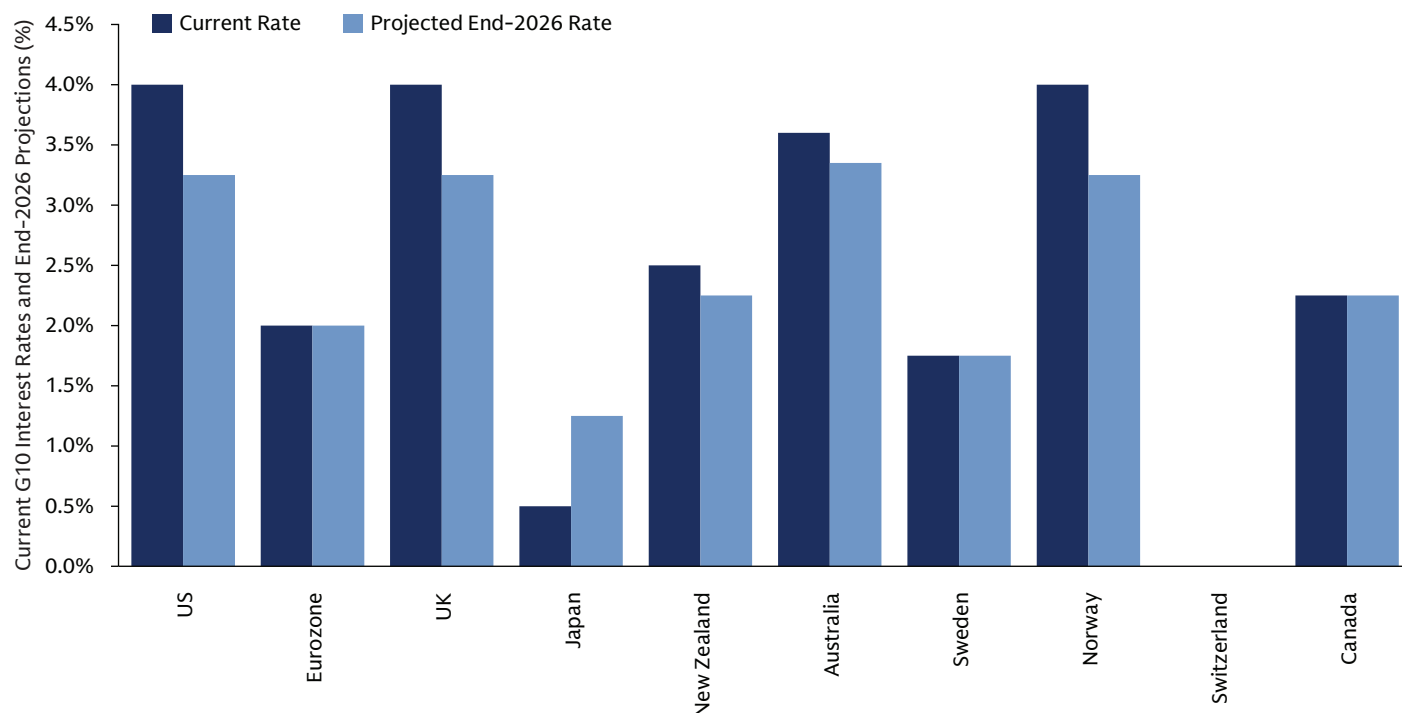
Potential pathways for US monetary policy

Economic Scenario	Macro Backdrop	Policy Implications (year end 2026)	Fixed Income Implications
Hard landing	Large increase in unemployment	-225bps to 1.5–1.75%	US Treasuries strongly rally, USD weakens vs. perceived safe havens, spreads widen
Soft landing (gradual loosening)	New job growth stays soft	-75bps to 3–3.25%	Rates unchanged, USD rangebound
Stabilization	Labor market begins to stabilize	-25bps to 3.5–3.75%	Treasuries sell-off somewhat and stronger USD, spreads stay steady
Re-acceleration	High inflation	On hold at 3.75–4%	Treasuries sell off and stronger USD, spreads tighten

Source: Goldman Sachs Asset Management. This represents the views of Goldman Sachs Asset Management Fixed Income and Liquidity Solutions. These are hypothetical scenarios for federal funds rate through year-end 2026. Our base case is the 'soft landing' scenario. As of October 31, 2025. The economic and market forecasts presented herein are for informational purposes. There can be no assurance that the forecasts will be achieved. Please see additional disclosures at the end of this presentation.

Finding opportunities in central bank divergence

Current G10 interest rates and year end projections



Source: Goldman Sachs Asset Management, Macrobond. As of October 20, 2025. This represents the views of Goldman Sachs Asset Management Fixed Income and Liquidity Solutions.

We expect the ECB to hold rates steady for the foreseeable future. Meanwhile, the BoE could resume cuts in December, driven by improved inflation, a relatively weak labor market, and potential tax hikes. However, we recognize that political and fiscal uncertainty have increased the risk to this view.

Japan presents a different picture. High inflation, consistently above target for 41 months, coupled with robust growth, will prompt the BoJ to hike rates in our view. This outlook is reinforced by recent political changes and a shift towards looser fiscal policy. Across other G10 economies, easing cycles are at varying stages. Sweden's easing cycle is likely complete if its economy improves as expected. Upside inflation surprises could pause rate cuts in Australia. Norway's monetary easing pace may continue, and a return to negative rates by the Swiss Central Bank appears less probable for now. Conversely, New Zealand rates could fall further due to recent poor GDP data. We anticipate continued easing across several emerging market economies, supported by a subdued US dollar and lower oil prices, which reduce inflation risks.



The Carry Opportunity

We believe the fixed income landscape in 2026 offers investors numerous opportunities to secure relatively high income streams across various asset classes. This includes the securitized space, where we are positive due to attractive carry, strong relative value, and a robust technical backdrop. We are constructive on AAA-rated tranches of Collateralized Loan Obligations (CLOs) based on carry and structure, and valuations among the BBB-rated cohort are also appealing. However, active security selection within the securitized space remains crucial. With this in mind, we are wary of mezzanine tranches within Commercial Mortgage-Backed Securities (CMBS) due to valuation pressures.

Elsewhere, high yield credit could be another avenue for income in 2026. Credit fundamentals for high yield issuers continue to defy tariff-related fears, as evidenced by strong credit metrics like interest coverage ratios and contained default rates. The positive secular shift in the high yield ratings mix over the past decade has also enhanced the asset class's resilience during occasional macro shocks. Favorable market dynamics, including firm investor demand and easing financial conditions, should continue to support primary market activity. The recent increase in M&A activity may also be supportive. Strategic buyers, focused on long-term operational integration and expansion, rather than financial returns, may be more

willing to make deals with credit-friendly financing structures that can drive price appreciation for high-yield issuers. We also see value in certain segments of the investment grade space, particularly the banking sector, which we think offers an attractive income generation story. Emerging market debt could potentially remain a strong source of income and alpha, given the asset class's high level of differentiation, ongoing US dollar softness and the continued resilience of underlying sovereign and corporate issuers.

Credit sectors have offered attractive yields at the resumption of rate-cutting cycles



Source: Goldman Sachs Asset Management, Macrobond. As of October 20, 2025. **Past performance does not guarantee future results, which may vary.**

Eyes on Credit Events



Isolated, Not Idiosyncratic

We view recent credit events, such as fraud allegations and bankruptcies involving First Brands, Tricolor, and Cantor Group, as isolated, idiosyncratic occurrences, not indicators of rising systemic credit risk or challenges to the banking sector's resilience. The US banking sector remains sound, as reaffirmed by robust 3Q 2025 earnings, which highlighted overall benign asset quality trends. More broadly, positive momentum in earnings and revenue, coupled with resilient credit metrics and conservative balance sheet management, suggests a mid-cycle backdrop for US investment grade credit, rather than a late-cycle turn. This is supported by stable leverage and disciplined capital spending, showing few signs of over-investment outside of a few areas. The high yield market broadly mirrors this strength, exhibiting improved credit quality, shorter duration, and higher capital structure seniority for outstanding bonds compared to historical trends.²⁵



Monitoring Late Cycle Behaviors

Close monitoring for signs of late-cycle behaviors is warranted in 2026. We are alert to the potential for US deregulation or reduced policy uncertainty to lead to increased shareholder payouts and debt-funded M&A. We are closely monitoring whether buyback activity expands beyond a few sectors and begins to pressure leverage ratios, potentially resulting in credit rating downgrades. So far, share buybacks have been concentrated within specific sectors—notably technology, healthcare, and financials—that tend to be higher rated; meanwhile, BBB-rated companies have acted more cautiously. Management teams are prioritizing maintaining credit ratings when pursuing M&A, and in the high-yield market, strategic M&A activity may even enhance credit fundamentals. Certain sectors warrant caution. For instance, elevated capex needs for grid modernization, renewables, and data center power demand are outpacing operating cash flow for most utility issuers, informing our cautious outlook on the sector. We are also watching the pace of hyperscaler capex closely given potential risk that this turns into too much investment in the future, pressuring the return on assets.

“We are closely monitoring whether buyback activity expands beyond a few sectors and begins to pressure leverage ratios, potentially resulting in credit rating downgrades.”

THREE KEY QUESTIONS

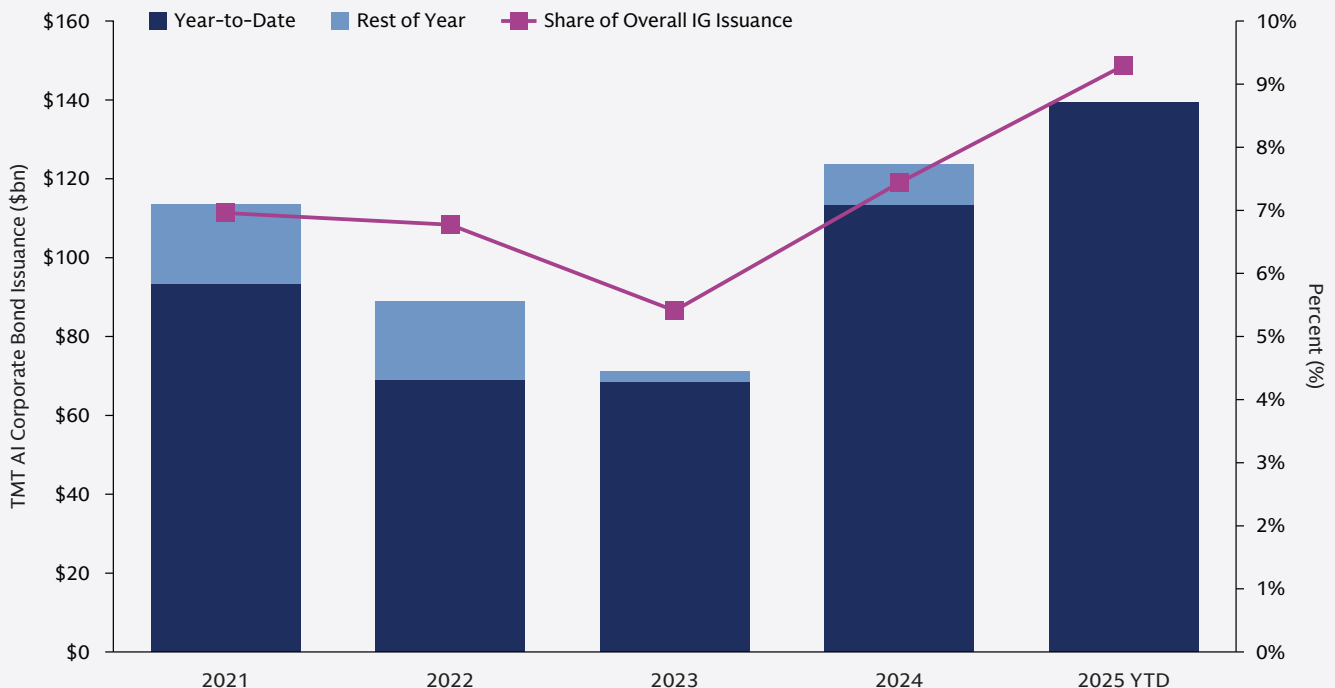
1

Should corporate bond investors be concerned about risks to credit fundamentals from AI-related debt issuance?

Hyperscalers have largely financed AI capex from cash flows since 2022, but recently this trend has shifted as capital spending continues to rise and returns to shareholders via buybacks and dividends remain constant. These three uses have consumed ~95% of operating cash flows over the last 12 months vs ~80% in 2019. This increase has left some hyperscalers in the position of needing to access capital, both public and private. In 2025, through the end of October, the 5 hyperscalers issued about ~\$90 billion in credit markets, which compares with gross investment grade issuance of ~\$1.5 trillion over the same period.²⁶

As AI evolves from infrastructure to application, capex is projected to rapidly ascend. This may lead to further use of debt, depending on the pace of earnings growth and whether issuers opt to reduce buybacks. This is not an immediate concern for corporate bond investors, in our view, due to AI-investing companies' robust financial health (high cash flow, low leverage) and diversified financing sources (cash flow, private markets, securitized, public credit) spreading risk, unlike the dot-com bubble. Moreover, hyperscalers' scale and existing substantial cash flow reduces economic sensitivity. However, we are mindful of hyperscalers' ability to ultimately earn a return on investment and interconnectedness within the AI ecosystem. Ultimately, we believe increased debt reliance warrants close monitoring through 2026, as rising AI-related debt could pressure credit metrics and widen spreads.

AI-oriented companies were more active in the corporate bond market in 2025



Source: Goldman Sachs Global Investment Research, Bloomberg. As of Q2 2025. See "AI capex turns to credit" Top of Mind: AI: in a bubble? Chart reflects constituents of the US TMT AI Basket (Ticker: GSTMTAIP) developed by Goldman Sachs Global Bank & Markets, which consists of companies that are pursuing AI or can help enable new technologies.

2

Can AI-fueled growth compensate for underlying economic and labor market weakness?

Slowing consumer spending and a stagnant housing market have raised questions about the state of the US economy, while weakness in the US labor market has added to concerns. This has been counterbalanced by the AI capex boom driving business and investment activity. As we approach 2026, this uneasy equilibrium remains intact, with growth based on long-term transformative investments potentially masking the true nature of the underlying real economy.

Whether there is some fragility to the AI-fueled parts of this growth, or whether it can continue to compensate for weaker parts of the economy, is a key question top of mind as we look to 2026. Risks skew several ways. Continued AI adoption and a relatively stable market should provide a solid platform for growth. However, a marked reversal and broad unwind of AI-related investments or significant labor market weakness could be the precursor to a hard landing for the economy. Getting this call right will be a key factor for investors in 2026.

3

Can European growth prospects get the better of multifaceted headwinds?

Europe's growth story, following Germany's significant fiscal expansion announced earlier this year, faces a mix of challenges and supportive factors. On the downside, we believe ongoing political uncertainty in France is already affecting soft data, and its continuation could put a handbrake on investment in the country. We are cognizant that potential flashpoints may lie ahead that could derail growth, particularly with the National Assembly fractured over fiscal policy and a presidential election on the horizon in early 2027. Questions also hang over how much impact Germany's fiscal expansion will have on the economy, given early data suggests it has so far had an underwhelming effect. In addition, the eurozone is continuing to come under pressure from Chinese exporters, whose competitiveness is crowding out their European tech and manufacturing parts. This is exacerbated by China's use of rare earth export controls, weighing on EU manufacturing further.

However, we believe several potential tailwinds leave the weighting of risks relatively balanced. The upcoming impulse will still provide a catalyst for growth, the strong tourism sector should also be additive, while household balance sheets are providing resilient despite uncertainty. Overall, with recent data releases on growth and inflation tending to surprise on the upside, we expect the ECB to hold rates steady for the foreseeable future.



Exploring Alternative Dimensions Across Private Markets

Amidst a complex market backdrop, we pose key questions that may inform outcomes for existing portfolio assets and guide future capital deployment. We address private equity valuations and potential pressure points in private credit. We discuss whether real estate is ready for a rebound, and where attractive opportunities are in infrastructure beyond AI.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

Private Equity

Are Valuations Fair?

Establishing the basis for comparison

In 2023, we noted the disconnect between median holding and exit valuations as one indicator that holding valuations were likely over-valued (at the median) and a headwind to exit activity. That valuation gap appears to have narrowed in 2Q 2025, with both median exit and holding multiples reaching record highs.²⁷ However, recent transaction activity has been skewed towards higher-quality companies, which command a valuation premium. This means that aggregate transaction statistics are biased upwards, suggesting that holding values are elevated, although with meaningful dispersion across individual sectors and holdings. Some assets on the books are

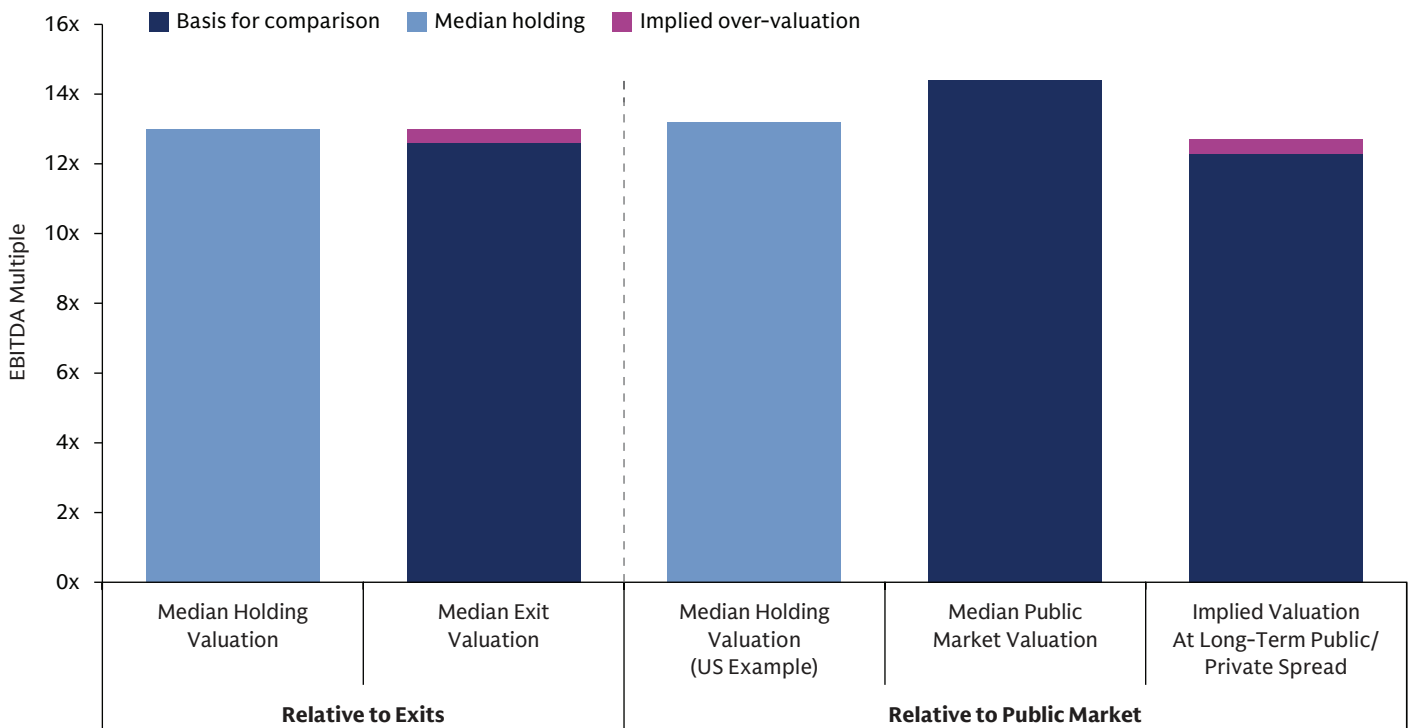
likely overvalued and will need to take a markdown in order to be sold, while others are fairly marked. This is broadly consistent with a recent survey that showed general partners (GPs) are willing to accept 11-20% discounts in a quarter of cases in order to sell long-held assets.²⁸

Extending the public markets' "PEG" (P/E to Growth) ratio concept to private equity, holding valuations relative to EBITDA (earnings before interest, taxes, depreciation, and amortization) are somewhat elevated relative to history as well. This is less the case for higher-quality assets than at the median, suggesting that the premium has largely been justified within the broader valuation picture.

Today's private market valuation discount to public markets is marginally smaller than the long-term average, suggesting a slight overvaluation on this metric. Overall, valuations are high in both public and private markets—but have been supported by strong earnings growth.

With economists forecasting continued positive GDP growth, the outlook does not point to a major catalyst for a systematic downward re-rating of values the near term, in our view. Valuation regimes typically change due to underlying growth trajectories, rather than in response to absolute valuation levels.²⁹

Buyout valuations appear elevated—but not grossly overvalued



Source: Goldman Sachs Asset Management calculations; underlying data source: MSCI Private Assets, as of June 30, 2025. Data of holdings vs. exit valuations is for global buyouts. Data relative to public markets is for US buyouts; public markets valuations based on S&P 500.

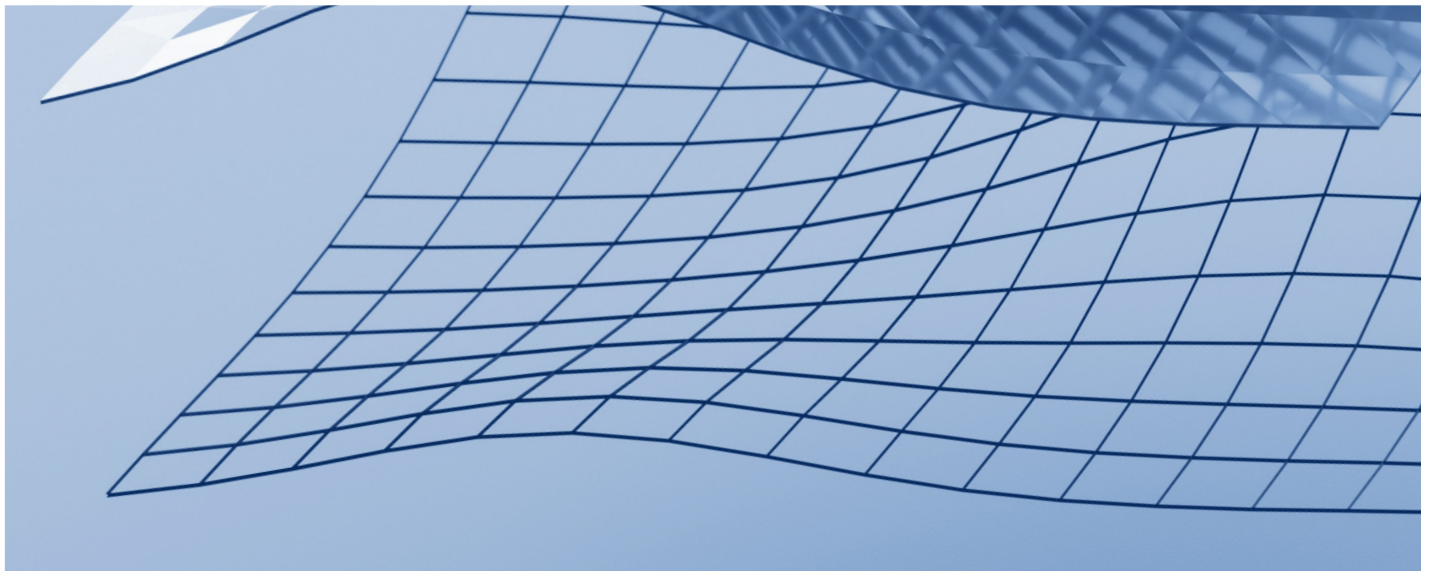
Conversely, further valuation upside also lacks obvious catalysts, given already rich starting valuations and an interest-rate path that is likely range-bound and broadly priced. Net-net, absent a macro or exogenous shock, we believe private equity multiples should remain range-bound in the near term, although investors will continue to pay a premium for assets with strong fundamentals and forward growth prospects.

IPO markets are seeing better momentum, with deal activity recovering from last year and a growing backlog. M&A activity has grown as well, with deal volumes up 43% year-over-year albeit driven by larger transactions.³⁰ Exit activity has picked up, but it remains muted relative to overall net asset value. We believe a more widespread resumption of exit activity is predicated on sellers accepting a discount to holding valuations where warranted.

Starting points matter

Even with a constructive market backdrop, private equity return implications will vary widely by company; entry points should also be a key factor.

- **2021-Early 2022 Cohort:** Likely to be challenged, in our view, having been underwritten at peak valuations and facing a more difficult operating environment than initially anticipated. While many investments will do well (and some high-quality companies have exited this year), the overall cohort may require extended hold periods and/or may fail to reach full return targets.
- **2018-2020 Cohort:** Positioned for attractive returns for companies whose fundamentals have remained healthy—having been underwritten at lower median multiples.
- **Earlier Investments Still Held:** Potentially the most troubled, as healthy assets likely sold during 2020-2021's favorable conditions (between the COVID-19 disruption and the rising-rate environment); remaining assets are likely lower quality.



“We believe a more robust exit environment will expose the dispersion in manager track records and give concrete data to evaluate existing and potential new relationships.”

We believe a more robust exit environment will expose the dispersion in manager track records and give Limited Partners (LPs) concrete data to evaluate existing and potential new relationships. The ability to create value should come to the forefront, and differences in managers' accounting and valuation practices should become more apparent as LPs gain information about portfolio companies' exit valuations compared to pre-transaction holding valuations.

Outlook for new capital deployment

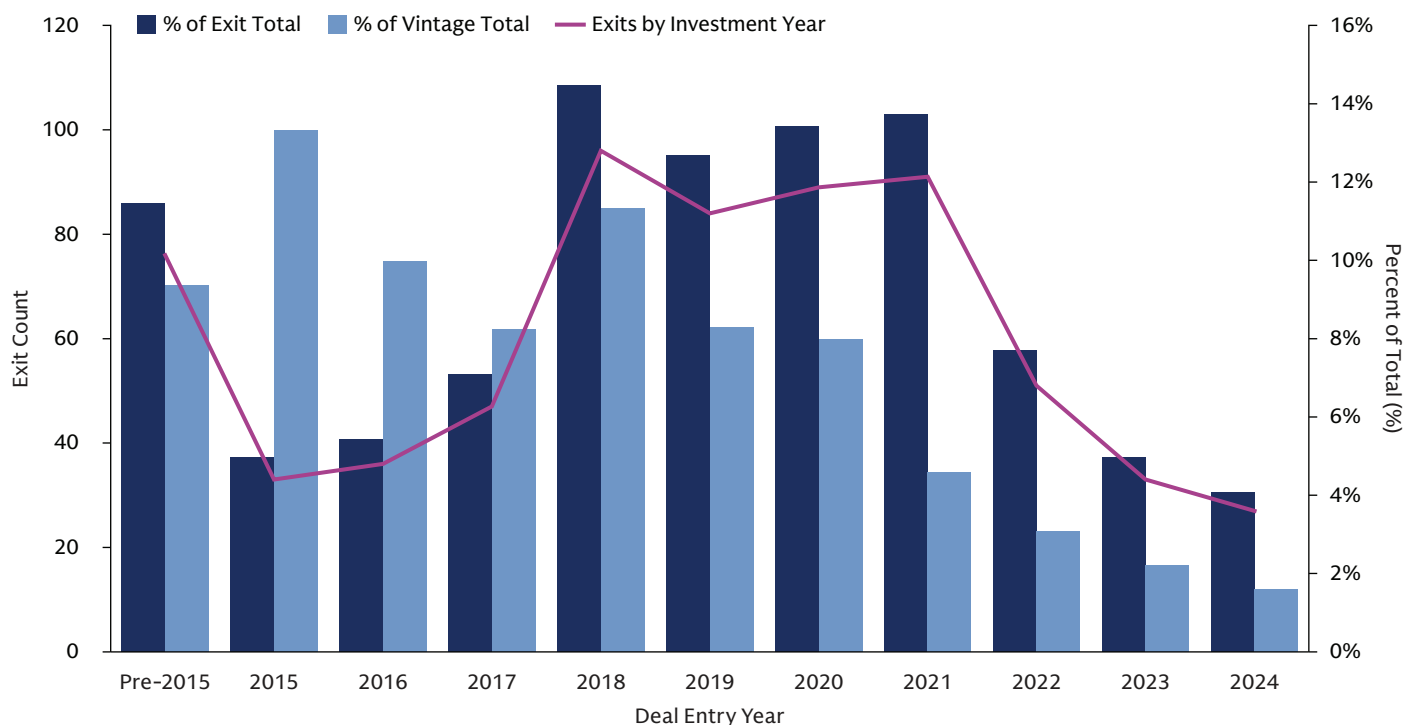
Our outlook for new capital deployment in private equity indicates that companies require approximately 10–15% annualized EBITDA growth, somewhat above long-term averages, to achieve historical levels of targeted returns.³¹ This level of EBITDA growth would require a combination of margin expansion and revenue growth that are slightly above what has been achieved historically. This comes at a time of expectations for reduced macro tailwinds; economists project nominal GDP growth to be positive but ~70bps lower over the next five years compared to the last decade, with a larger portion attributed to inflation, which can complicate margin expansion.

We believe managers will need to strategically identify growth areas that exceed overall economic growth. A shift in geographic focus may be necessary, given the differing macro dynamics across global economies.

The pursuit of higher-growth sectors is expected to continue. These sectors include technology and healthcare: among private equity-backed companies in the sectors, median annual revenue growth has historically exceeded 10%. Conversely, in industrial, communications, and consumer sectors, the median growth rate among private equity-backed companies did not meet these levels.³²

This suggests that achieving similar returns as the past cycle is more challenging. However, top-quartile growth rates across all sectors surpassed these levels historically, and we believe these levels should continue to be achievable for GPs with strong fundamental value creation capabilities. This dynamic underscores the importance of meticulous asset selection in an environment that we believe will be characterized by greater returns dispersion.

Private equity exits in 2025: 2018–2021 vintages dominate the volume of assets currently being sold



Source: Goldman Sachs Asset Management, Based on PitchBook Data. As of 4Q 2025.

Data science, AI, and automation continue to mature and accelerate, increasingly capable of driving revenue growth and enhancing efficiency. However, these initiatives can be capital expenditure-intensive, and we believe their success is contingent upon execution aligned with organizational dynamics and structures. Private equity is structurally set up to consider a longer-term perspective on growth initiatives and their associated costs, without the pressure of near-term earnings management. Therefore, private equity may be advantaged, relative to public markets, in its ability to potentially help portfolio companies harness the value created by the adoption of these tools. This dynamic may be especially prominent in the middle market, where opportunity may be more present for the private equity operating model to institutionalize the company's operations.

Macro and valuation dynamics suggest to us that equity beta—across both public and private markets—is likely to decline relative to the prior cycle. This development elevates the importance of manager alpha as a critical third dimension of portfolio construction, alongside risk and return. Private equity, with its active ownership model and governance structure, may be particularly well-equipped to deliver on this dimension.

In the venture capital and growth equity ecosystem, we observe that valuations have normalized in many parts of the market. The universe of investors has also rationalized, especially in later investment stages (e.g., growth-equity), amid a challenging fundraising environment over the past three years. After excesses in the latter part of the 2010s and into 2020–2021, which saw more capital seeking investments than companies seeking capital,³³ we see a more favorable buyer's market.

“Growth-at-all-costs” has been replaced by a focus on profitable growth, such that the median company is growing less quickly, but the largest companies are closer to profitability than they have



been in several years.³⁴ We see attractive opportunities for investors with dry powder (i.e., uncalled capital in active funds) to provide capital to category-leading companies that may previously have been out of reach due to elevated valuations in prior rounds. AI has rapidly evolved from ideation to application stage, significantly streamlining workflows through automation, content generation, and enhanced decision-making.

VC and growth equity exit paths have also been evolving. M&A is becoming a more common exit route, as companies stay private longer and additional private capital is used to fund higher growth trajectories. Overall, the long-term trend of companies wishing to stay private for longer continues. The size of these companies and the amount of capital they seek suggests growing demand for growth equity-scale, rather than venture-scale, funding rounds.

We believe careful manager selection will be key to unlocking attractive asymmetric risk-adjusted returns. An ability to source and identify attractive companies, the investment discipline to pace deployment appropriately, and operating expertise to help companies grow, scale, and eventually reach profitability will continue to be critical success factors, in our view.

“VC and growth equity exit paths have been evolving. M&A is becoming a more common exit route, as companies stay private longer and additional private capital is used to fund higher growth trajectories.”

Private Credit

Where are the pressure points?

An underwriting story: Defaults have been muted so far, supported by solid borrower fundamentals in aggregate and active refinancings that have extended maturities. The average coverage ratio (EBITDA/Interest Expense) has shown an upward trajectory over the past year. However, a segment of borrowers is exhibiting signs of strain, with approximately 15% of private credit borrowers currently not generating sufficient operating profit (EBITDA) to cover their interest payments.

Rate cuts can marginally alleviate stress for distressed borrowers, but we expect their overall impact to be limited. Our analysis indicates that a 1.25% rate cut would only restore the interest coverage

ratio to 1.0x for borrowers currently at 0.88x or higher. For those with elevated but manageable interest expenses (1.0–1.5x interest coverage), some rate-based relief might help mitigate further deterioration and we believe may offer marginally more breathing room in case of temporary stumbles.

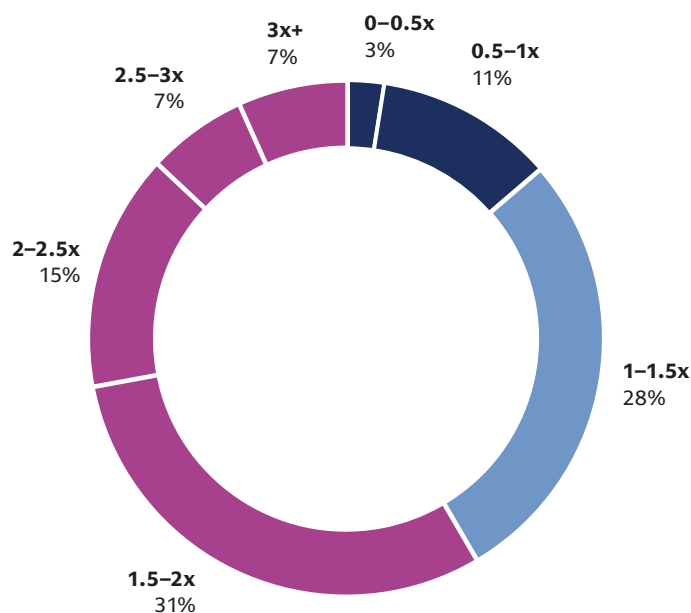
Companies currently struggling to service their debt have likely missed initial operational targets and will find solvency challenging without an operational pivot. In a default scenario, historical recovery rates in private credit have ranged around 65%,³⁵ implying ultimate losses in the mid-single digits if the cohort of borrowers with interest coverage below 1.0x fail to meet their debt obligations.

Loans originated just before interest rates began to rise would have experienced the most significant impact from fundamental deterioration. For instance, when rates peaked at ~5% above pre-2022 levels, a loan underwritten at 5.5x EBITDA would have faced an additional 25–30 cents in interest payments for every \$1 of EBITDA at underwriting.

Deals underwritten in the months preceding these rate increases had little opportunity for EBITDA growth to compensate. Some distressed borrowers may have delayed inevitable defaults through payment-in-kind (PIK) arrangements or refinancings, leveraging market liquidity. Approximately 10% of private credit loans include PIK provisions,

Borrowers: A look under the hood

Interest Coverage Ratios of Private Credit Borrowers



Implied Equity Cushions Based on Interest Coverage Ratios

Interest Coverage Ratio Cohort	Implied Equity Cushion – At Today's Median EBITDA Multiple (Holding)	Implied Equity Cushion – Downside Valuation Scenario
0–0.5x	0x	0x
0.5–1x	0x–1.5x	0x
1–1.5x	1.5x–5.3x	0x – 0.9x
1.5–2x	5.3x–7.2x	0.9x–2.8x
2–2.5x	7.2x–8.4x	2.8x–4x
2.5–3x	8.4x–9.2x	4x–4.8x
3x+	9.2x+	4.8x+

Source: (Left) Houlihan Lokey, as of June 30, 2025. (Right) Goldman Sachs Asset Management calculations. Assumes 3.13% base rate, 5.5% spread. 13x median holding multiple and 8.6x median exit multiple for the downside scenario (data courtesy of MSCI, as of 2Q 2025). These examples are for illustrative purposes only and are not actual results. If any assumptions used do not prove to be true, results may vary substantially.

with over half of these introduced post-underwriting, signaling fundamental deterioration.³⁶ For these borrowers, the probability of default is elevated barring significant intervention.

What happens when loans mature? For borrowers at the margin, or those in the “elevated but managed” category (25–30% of the market), the pressure point may emerge when loans mature or when the company is sold. The question then becomes whether there will be sufficient value to repay the full debt obligation and maintain enough enterprise value for the equity owner to avoid capitulation, especially if valuations decline from their underwriting environment.

In aggregate, underwriting provided an adequate equity cushion, as leverage levels (Debt/EBITDA) remained stable even with overall valuation growth. Our analysis suggests that for a company with stable fundamentals, a reset in the valuation environment should have minimal to no impact on its creditworthiness.

Borrowers with coverage ratios above 1.5x (representing 55–60% of the market) are estimated to possess enough equity cushion to meet their credit repayment obligations—even if equity valuations decrease from today’s median holding multiple to the lower-quartile exit multiple, a rather extreme spread of 4.5x EBITDA.

Outcomes for lenders to the “elevated but managed” borrowers may be most susceptible to equity valuation sensitivity. Companies with a 1.0x coverage ratio have approximately a 1.5x EBITDA cushion for valuation deterioration from today’s median holding multiple. Our math suggests this cohort of borrowers is likely to have leverage levels (Debt/EBITDA) above the levels at initial underwriting. Much of the implied “levering up” is due to EBITDA declines (typical base-case underwriting effectively assumes deleveraging over time through EBITDA growth). We believe companies in this situation with fundamentally sound businesses will likely need to be recapitalized with hybrid or equity capital to balance capital structures.

Outlook for new capital deployment

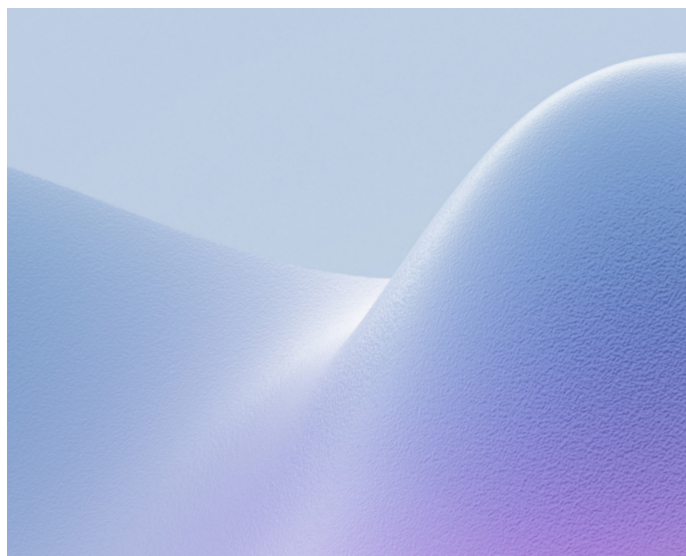
We believe private credit continues to present attractive value. Despite broad spread compression and an uptick in defaults, private credit still generates higher yields than public markets, with historically lower default rates compared to syndicated loans.³⁷ Differentiation will increasingly depend on sourcing quality, underwriting standards, collateral monitoring, and creditor influence. Bottom-up underwriting, unconstrained by benchmark weights, offers a particular advantage in credit, especially as public indices are tilted towards market segments with more debt outstanding. The future direction of spreads will be determined by evolving supply and demand dynamics.

A more favorable M&A environment should stimulate greater demand for credit financing; however, as long as the supply of credit remains robust, spreads are expected to stay range-bound. A more robust M&A environment should also drive increased demand for mezzanine solutions. We expect PIK to continue to be a feature in underwriting, particularly in mezzanine. When prudently underwritten as an integral part of the capital structure from the loan’s inception, we believe PIK can deliver attractive value. It can also serve as a potential mitigant against further spread compression, as the yield accumulates at the underwritten spread. Nevertheless, the risk profile of PIK deals, relative to cash-pay instruments, makes manager selection even more critical. In this environment, we view mezzanine as a potential alpha strategy, to be pursued with the appropriate investment partner.

As investors access the asset class through evergreen funds (i.e., perpetual funds), we believe they should recognize that they are acquiring a legacy portfolio, not solely a future portfolio, unlike with drawdown funds with a finite life. In evergreen funds, many loans originated in 2021 will likely remain on the books, with troubled ones persisting for longer. Consequently, selecting funds with less exposure to the 2021 vintage may serve as a risk-mitigating tactic.

While direct lending has garnered significant attention, we believe private credit encompasses a broad addressable market that has yet to be fully accessed. Some of the areas include:

- Direct lending in Asia is still in its early stages.
- Real estate credit is currently experiencing tailwinds similar to those that previously supported the expansion of corporate direct lending.
- Private asset-backed finance remains a relatively nascent market.
- Credit secondaries are offering new avenues for liquidity and diversification.
- Mezzanine may see increased demand as the M&A market recovers, driving the need for solutions in the middle of the capital structure.



Real Estate

Ready for a rebound?

After nearly three years of muted transaction activity, we believe real estate may finally be ready for a rebound. Cap rates rose in 2023 and 2024 alongside higher interest rates but levelled off in 2025, with the start of rate cuts across many markets and expectations for additional rate cuts.³⁸ Rent growth has decelerated but remains positive in most sectors—with office a notable exception, albeit with dispersion—and we believe the outlook is improving.³⁹ A drop in construction starts since 2022 bodes well for commercial real estate valuations, in our view, supporting rent growth and easing pressures brought on by an earlier glut of new supply in certain industrial and multi-family markets.

Transaction activity has picked up in 2025—fueled by liquid financing markets and the need of many fund managers to generate distributions—and is primed to

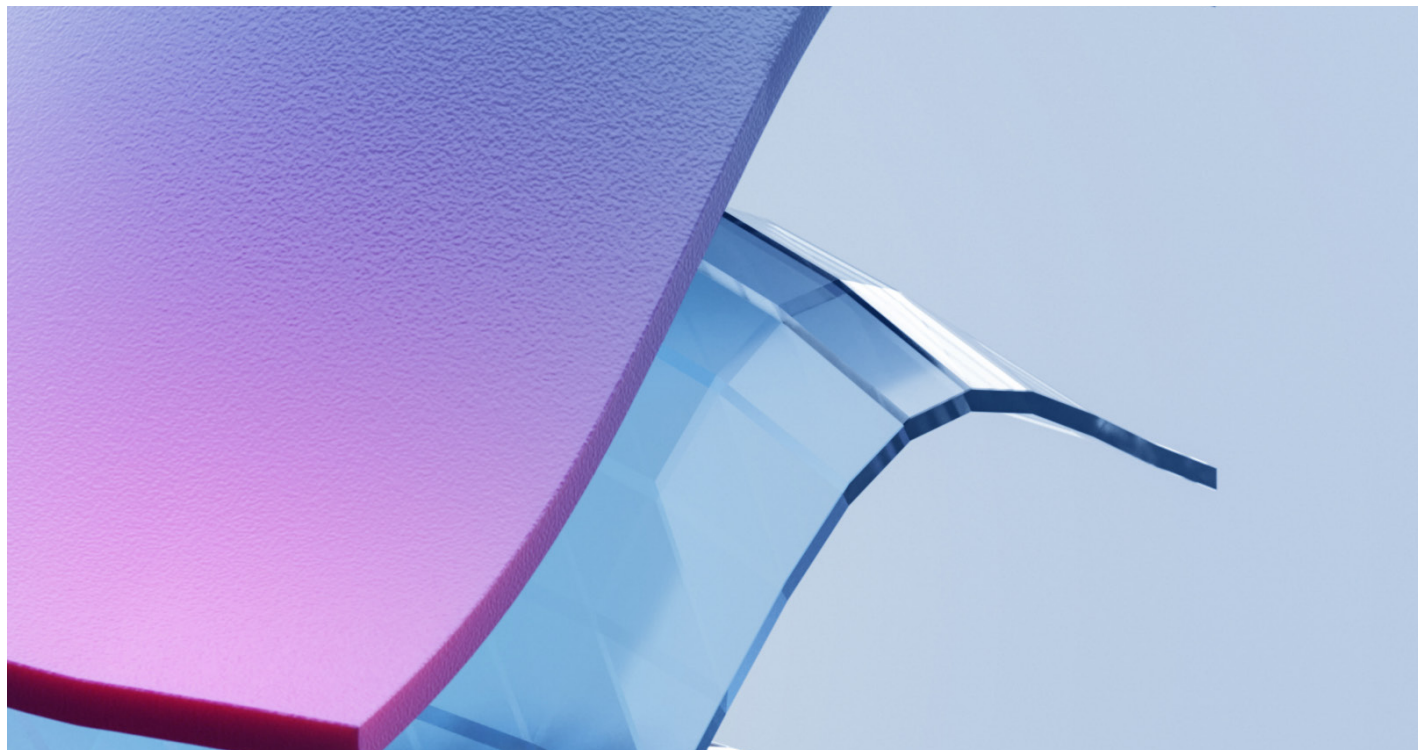
accelerate at a time when dry powder is at its lowest point since 2020 due to multiple years of subdued fundraising. This presents potential opportunities for those willing to commit to the asset class.

While the backdrop broadly has improved, we believe there will be localized stress with continued dispersion across and within sectors, regions, and strategies. The “flight to quality” dynamic continues, with a clear bifurcation between prime assets (new, well-located, energy-efficient buildings with attractive amenities) and those assets lacking such features. Differences between these assets are observed across rent growth, occupancy, and liquidity.

Office remains the area under the most strain, with \$57 billion of distressed assets in the US, representing nearly half of all distressed.⁴⁰ However, this sector

is seeing some of the most prominent dispersion discussed above. Investors are slowly starting to re-enter the market, with a focus on prime assets; transaction activity for office assets in central business districts is up 54% year-to-date through 3Q—albeit from a depressed level.⁴¹ Going forward, the fate of the office sector may be closely tied to automation and AI themes—the extent to which these forces reshape and resize companies’ workforces will be a key factor.

Near-term maturities remain high in real estate, with over \$850 billion due to be refinanced by year-end 2026.⁴² Extensions may need to be addressed, and in some cases, refinancings will force price discovery.



Infrastructure

Where are the opportunities beyond AI?

Digitization, particularly the rise of AI, has emerged as a central theme across infrastructure and real assets. While opportunities persist in this domain, valuations remain elevated, with digital assets exhibiting a median EV/EBITDA multiple of 11.7x, compared to 10.2x for the broader infrastructure universe.⁴³ We believe data assets developed without pre-existing tenant contracts face significant adoption risk.

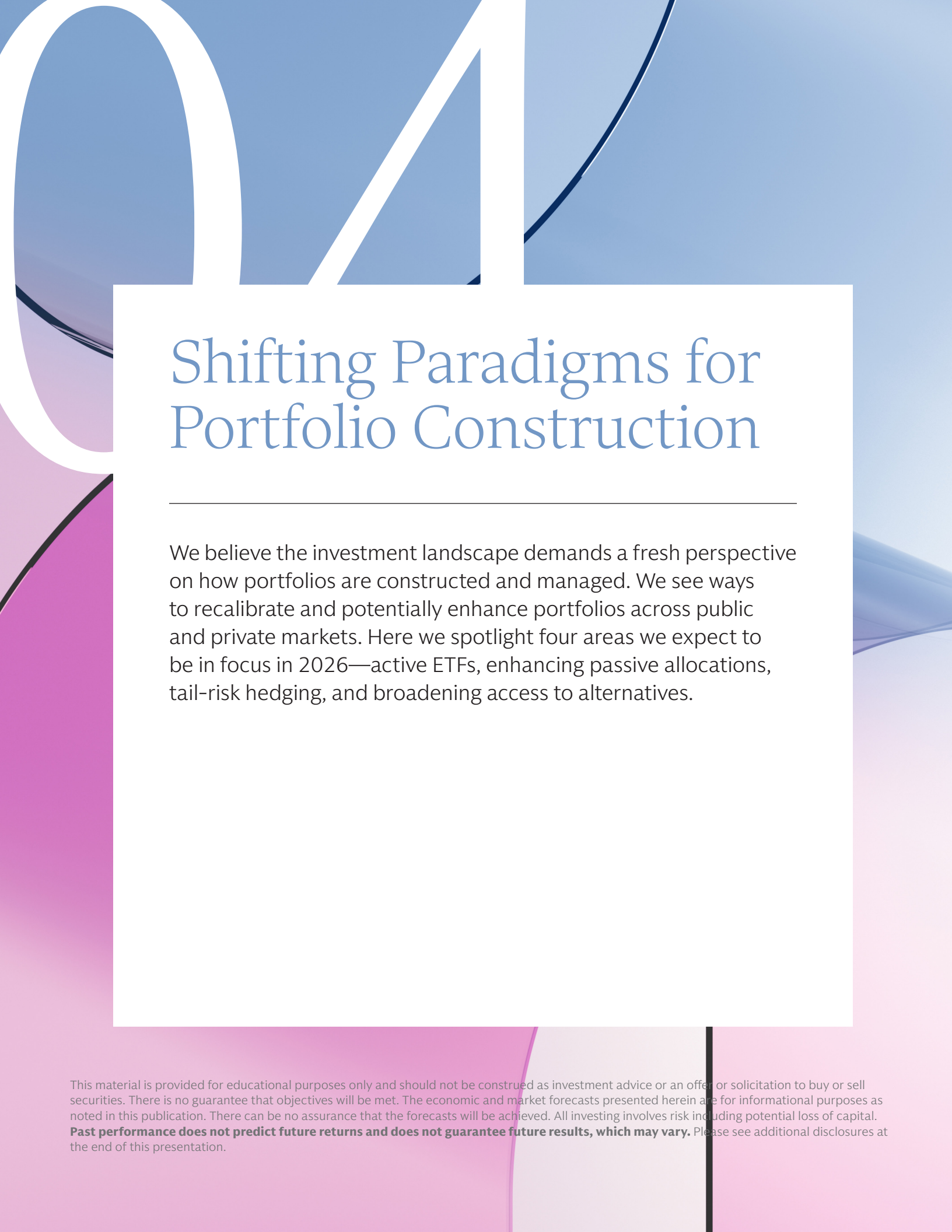
After an era of flat power demand, we now see growing demand for energy solutions to power AI and digitization initiatives. In many parts of the world, the current power grid baseload capacity is insufficient to support projected demand growth, and assets themselves are aging. In the US, assets in the power grid infrastructure average 40 years old—making for a structural mismatch to the rapidly-advancing technologies underpinning AI.⁴⁴ In Europe, potential data center power demand makes up around 90% of the EU28's power demand; even 20% conversion of the potential to actual demand would represent a material change from the declining energy consumption rates in Europe of the past 15 years.⁴⁵ Estimates indicate \$12 trillion in capital demand for energy transition by 2030.⁴⁶ Demand is expected to continue growing even if power usage per AI server falls over time due to improved efficiencies.⁴⁷

We believe this demand will need to be addressed through a wide variety of energy sources, both traditional and sustainable, with a focus on distributed generation solutions, reliable and dispatchable supply, and demand flexibility. In an environment of aging infrastructure and more instances of extreme weather events, investments in the power grids will be required to improve the grid's resiliency; assets that improve energy efficiency, reducing consumption intensity will become a priority. The physical nature of these assets and the costs of bringing energy solutions online mean significant demand for capital solutions. In some cases, the capital required makes these assets the purview of value-add/opportunistic, rather than core strategies.

Beyond AI and data centers, we see compelling opportunities in various themes that may currently be overlooked and that may have more attractive supply/demand characteristics. The circular economy, encompassing waste, water, and recycling, involves contracted, essential services largely insulated from macroeconomic fluctuations. These opportunities are often found in the relatively undercapitalized middle market, contrasting with the mega-cap space where most investor capital is concentrated. Transportation and logistics are undergoing transformation as supply chains reorient. Countries globally are

realigning trade routes to prioritize supply chain resilience and geopolitical alignment over mere cost efficiency. In the US, we have observed a drive for onshoring and increased domestic production that has led to a resurgence in rail demand and evolving requirements across seaports, airports, and storage. This trend is expected to continue, as we anticipate domestic manufacturing to accelerate over the next decade.

In Europe, the opportunity landscape is evolving, supported by broad policy initiatives and an intensified focus on energy independence. However, we believe investors must acknowledge significant differences in regulations, permitting, and underlying growth across economies. Some of Europe's larger economies, such as France, are experiencing slower growth, while others, particularly in Southern Europe like Spain, are expanding more rapidly. Broad policy changes across Europe, including the Clean Industrial Deal signed in February, are expected to be beneficial. Nevertheless, country-specific policies are also crucial; Germany, for instance, is likely to offer numerous opportunities following a substantial infrastructure spending bill passed in September. Broadly, large-cap assets trade at a 13.1x EV/EBITDA multiple, whereas middle-market assets trade at 11.2x,⁴⁸ making for—in our view—a more attractive opportunity set in the middle market.



Shifting Paradigms for Portfolio Construction

We believe the investment landscape demands a fresh perspective on how portfolios are constructed and managed. We see ways to recalibrate and potentially enhance portfolios across public and private markets. Here we spotlight four areas we expect to be in focus in 2026—active ETFs, enhancing passive allocations, tail-risk hedging, and broadening access to alternatives.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

Active ETFs

We believe the flexible solutions offered by active ETFs make them an effective vehicle for accessing a range of markets, including those where structural inefficiencies make robust risk management and security selection essential. Their combination of active management with the benefits of the ETF structure has helped drive increased investor demand, with global assets under management in active ETFs growing by 46% annually since the start of 2020.⁴⁹ Looking ahead to 2026, we see continued growth potential for active ETFs, particularly in fixed income, private assets and derivative income ETFs.

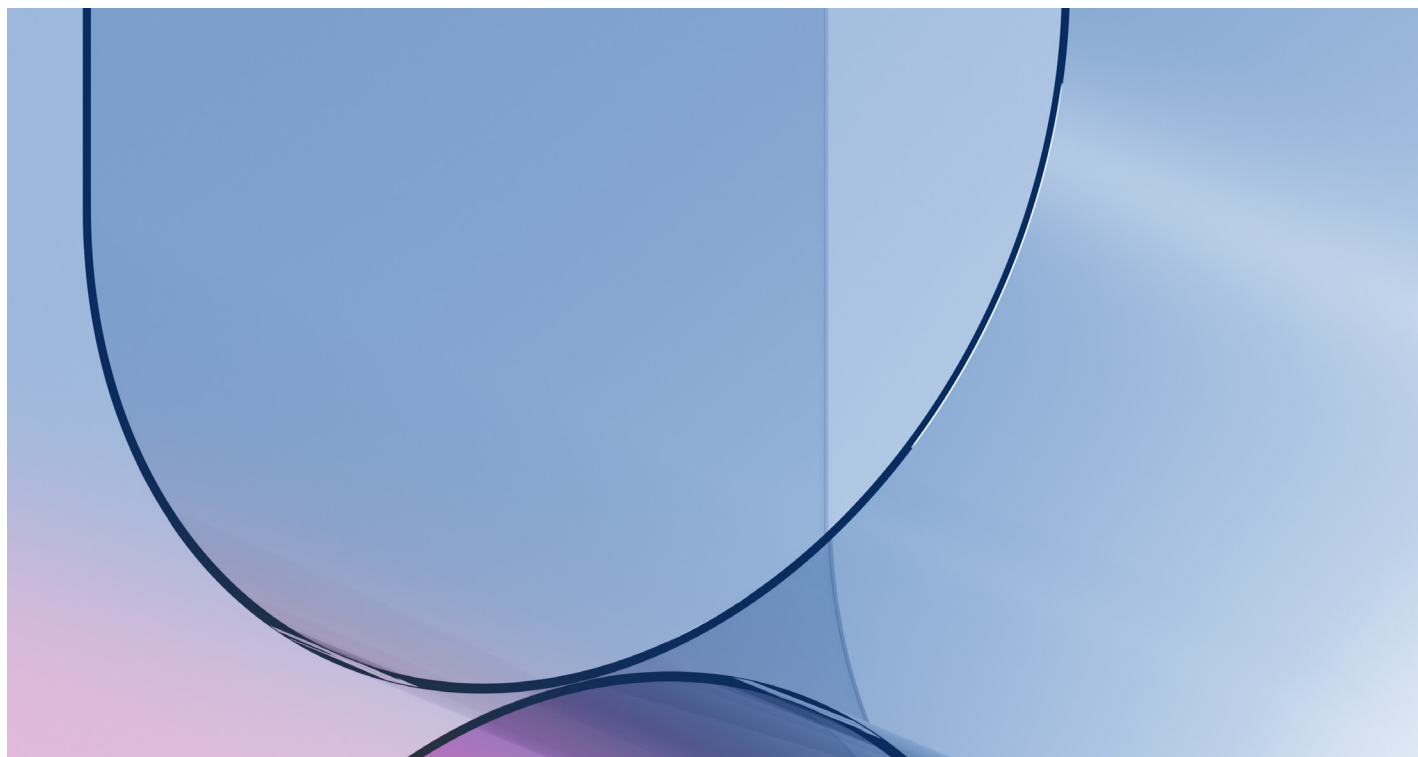
Fixed income opportunities

Active ETFs are a natural fit for fixed income investors, in our view, helping them navigate structural inefficiencies in many areas of the market as well as risks including interest-rate movements and the creditworthiness of issuers. These potential benefits have boosted demand in recent years, with active fixed income ETFs now accounting for 41% of total inflows to US-listed fixed income ETFs.⁵⁰ Looking forward, we see attractive fixed income opportunities in the year ahead from both a technical and fundamental standpoint, and we think the balance of risks favors the sort of dynamic approach and rigorous bottom-up security selection that active ETFs can provide. We think income opportunities exist in harder-to-access parts of the fixed

income market, including high yield and emerging market debt. Expected central bank rate cuts in the US and elsewhere over the next year should benefit fixed income, including investment-grade credit and front-end US Treasuries. In all these areas, we believe the liquidity and transparency of active ETFs allow investors to manage their fixed income positions dynamically.

Private assets, public access

As investors prepare for 2026, the investment case for private assets remains compelling, in our view. Yet many investors have historically faced barriers to investing in private assets, including high minimum-investment requirements and complex investment structures. Access to private equity investing began to change with the arrival of open-ended funds that expanded access to a broader range of investors by lowering the bar for initial investment and simplifying the investing process. Now ETF providers are responding to investor demand with strategies that seek to deliver private equity-like returns via public equity portfolios. We believe a portion of private-equity outperformance can be captured in a public equity portfolio. This can potentially be achieved with sufficient data and an understanding of how private equity investors select companies for investment, including their use of sector and factor tilts and the use of leverage.⁵¹ Private equity performance cannot



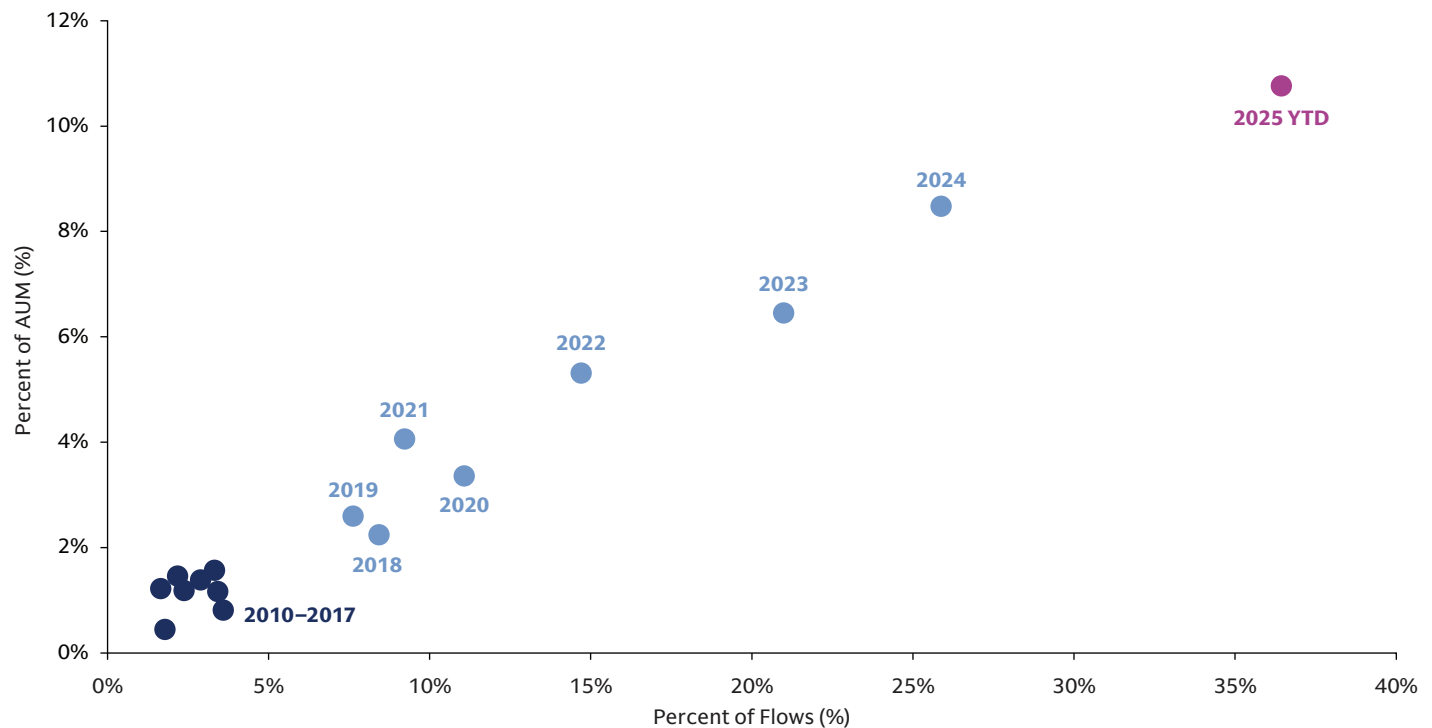
be fully captured because the level of control that comes with private ownership and the potential value creation by private company management are different than the influence wielded by shareholders in a public company. While the market in these ETFs is just getting started, it builds on the more mature market in funds that seek to approximate the returns of hedge funds through a variety of trading strategies. We see investor demand for private equity-like returns and private assets remaining robust in 2026, and we expect the ETF industry to continue innovating to meet investors' needs.

Derivative-income ETFs

We also see further growth in the years ahead for derivative-income ETFs, which are designed to generate income from an equity portfolio with the use of options contracts. These funds have seen a surge of interest in 2025 from investors who want to remain invested in equities while seeking greater predictability of returns in uncertain markets. Inflows through the first three quarters of 2025 reached \$47 billion, making derivative income ETFs the most in-demand active ETF category in the US.⁵² Part of the appeal for investors is that these funds seek to pay out regular distributions, offering a source of income that is not tied to interest rates. As the European and Asian ETF markets develop, we believe investors will gradually embrace use cases now prominent in the US, including derivative-income ETFs.

Fixed income, equity and derivative-based exposures were key contributors to US active ETF growth in 2025

Active ETFs: Share of overall ETF AUM and annual fund flows are on the rise.



Source: Bloomberg, Goldman Sachs Global FICC & Equities. Data shows US-listed active ETF values as a percentage of overall US ETF AUM. Colors assigned to differentiate two distinct phases (2010-17 and 2018-2024) with 2025 highlighted as a standalone period. As of October 16, 2025. **Past performance is not indicative of future results, which may vary.**

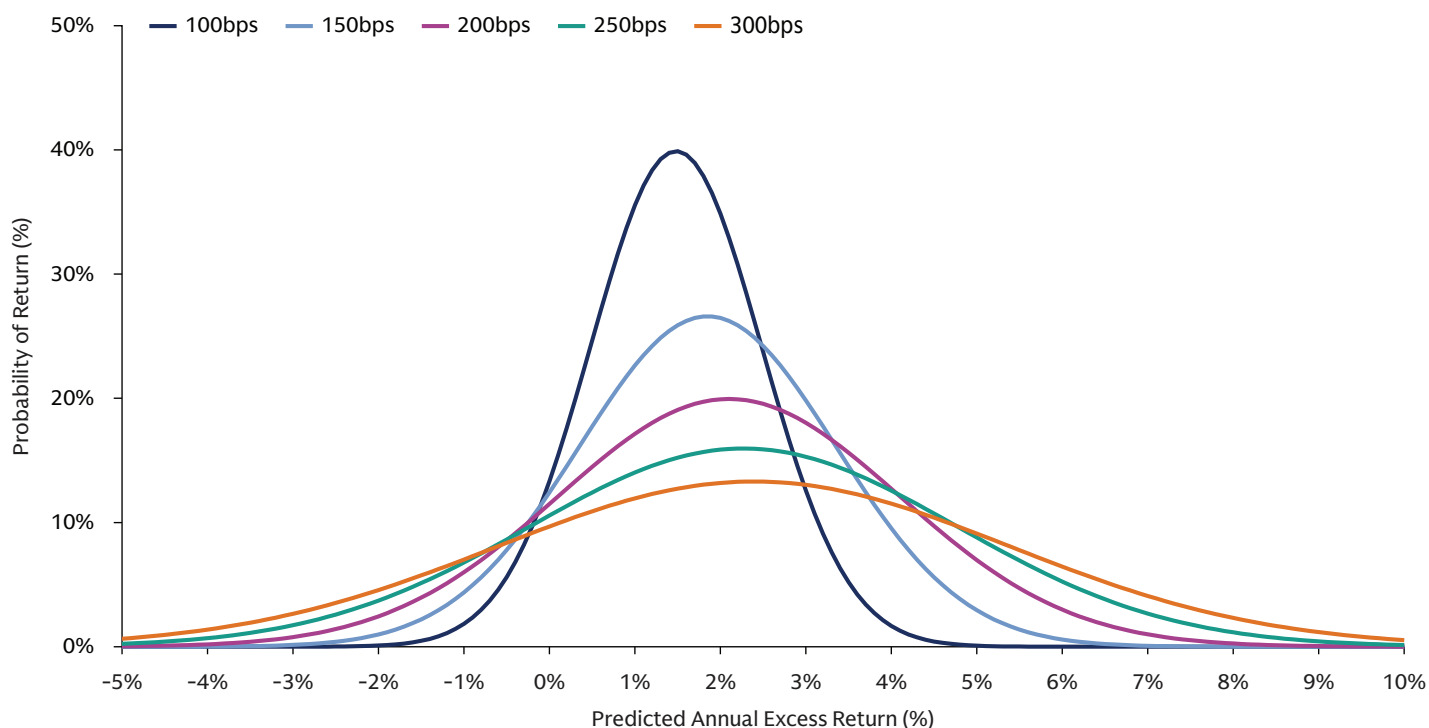
Enhancing Passive Allocations

We believe Alpha Enhanced equity strategies have emerged as a portfolio construction solution heading into 2026, offering a sophisticated middle ground between traditional passive and active investing. This approach allows investors to optimize their portfolio risk budget by integrating the cost-effectiveness and predictability of passive equity strategies with the robust risk management and alpha generation potential of active management. In an environment characterized by moderating forward market-return expectations, elevated index concentration risks, and heightened uncertainty across global trade, economic growth, and inflation, purely passive exposures may not be the most efficient use of an investor's risk budget. Alpha Enhanced strategies address these challenges by closely tracking a benchmark while strategically taking active bets within pre-set tracking-error limits, typically ranging from 50 to 200 basis points. This disciplined deviation aims for alpha stability and consistency, rather than magnitude, potentially leading to more

frequent positive annualized excess returns over passive peers, especially over the long term due to compounding effects.

We believe the core proposition of Alpha Enhanced strategies lies in their ability to deliver alpha efficiency and balance risk. By making smaller, diversified active bets across market caps, sectors, and geographies, these strategies seek to limit concentration and avoid unintended risk exposures, maintaining a composition close to the benchmark. This systematic, data-driven framework offers significant flexibility and transparency, allowing for customized portfolios aligned with specific objectives, including financial and non-financial goals like sustainability. Furthermore, the costs associated with Alpha Enhanced strategies tend to be lower than traditional active approaches, with expense ratios only slightly higher than passive funds, often offset by the potential for alpha generation.⁵³ The high alpha efficiency at lower tracking-error levels translates to lower marginal costs, making these strategies

Probability of expected return at various levels of tracking error



Source: Goldman Sachs Asset Management. As of October 10, 2025. For illustrative purposes only. The illustration shows the probability of a portfolio to achieve various levels of annual excess returns for various levels of tracking error. For instance, while a portfolio with 100 bps of tracking error (in dark blue) may have an average predicted annual excess return that is lower than one with 200 bps of tracking error (in green) – seen in the horizontal midpoint of each respective bell curve, the probability of achieving that return is higher for the 100 bps portfolio – seen in the vertical height of each bell curve. Withal, a lower tracking error portfolio encompasses a much higher certainty of controlled positive return. The illustration is not related to any Goldman Sachs Asset Management product or strategy.

increasingly accessible to a broader investor base. We believe this balanced and more flexible approach provides professional risk management and the potential to outperform the market, making it a compelling theme for optimizing core equity allocations in 2026, helping integrate investor goals across the dimensions of risk, return, cost and in some cases, sustainability.

Tail-Risk Hedging

Tail-risk hedging is a critical for multi-asset investing, but we think its true value lies beyond simply shielding portfolios from downside risks. When implemented effectively, tail-risk hedging can enable investors to increase their exposure to core risk assets, such as equities, potentially boosting overall returns while providing convex-payouts during risk events. Essentially, downside convexity allows for portfolios to take excess risk to positive risk premia factors without substantially increasing downside. Furthermore, traditional portfolio hedges rely on two assumptions that are somewhat

challenged in the current environment: negative equity-rates correlations amidst stress events and US dollar behaving like a safe-haven currency. We believe that investors now need a broader set of hedging instruments to potentially deliver intended objectives.. In addition to tail-risk hedging, we intend to diversify and broaden our exposure to offensive alternative risk premia, expanding beyond broad-based trend and carry. This adds another lever to potentially generate returns and offset the negative carry of tail-risk hedging strategies.

“We believe that investors now need a broader set of hedging instruments to potentially deliver intended objectives.”



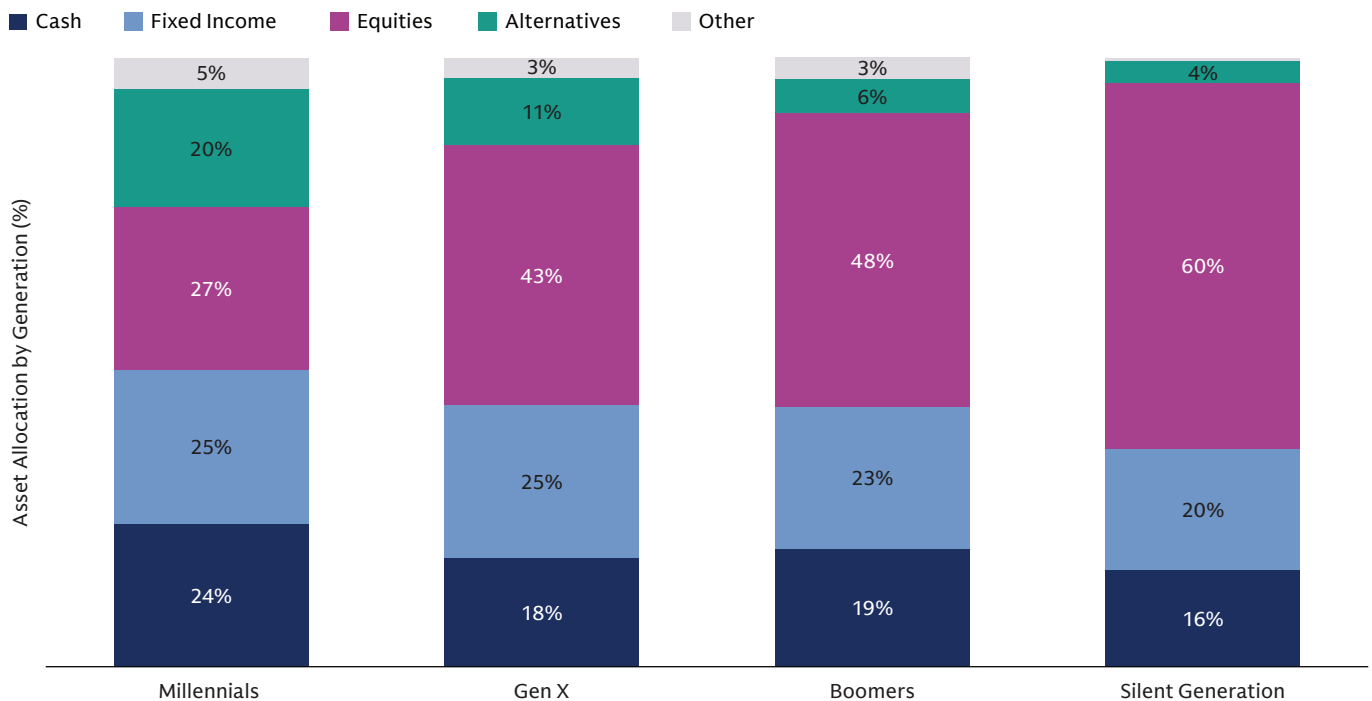
Broadening Access to Alternatives

The private market landscape is undergoing a significant transformation, and we observe individual investors increasingly opening the door to alternatives. Our survey of 1,000 high net worth investors revealed millennials are at the forefront of this evolving investment behavior, demonstrating greater familiarity and higher allocations to alternatives compared to older generations.⁵⁴ We believe private assets offer compelling opportunities for portfolio enhancement through strong risk-adjusted returns and diversification. The scope of private markets has broadened as companies have stayed private for longer. There are far fewer publicly listed companies than has historically been the case, which has driven appetite from the retail segment as individual investors look to access opportunities that can only be found in private markets.

We believe the integration of private markets into traditional portfolios can lead to meaningful long-term wealth accumulation. However, successful implementation requires thoughtful planning and liquidity management. Newer private evergreen funds are designed to make things easier by allowing ongoing subscriptions and redemptions, helping to smooth out some of the liquidity issues (although it is important to remember that redemptions may be limited if overall redemptions exceed a predetermined level (5% of fund assets is a typical minimum), in which case it can take several quarters to redeem. By taking a holistic approach to managing public-private exposures, we believe investors can build resilient portfolios that reflect strategic goals and market realities.

Millennials: The new alts generation

Alternative investments make up ~20% of Millennials' assets, significantly higher compared 6% for Boomers



Source: Goldman Sachs from "Opening the Door to Alternatives." As of August 8, 2025.

Evolving Thematic Landscapes and Megatrends

The investment landscape is being reshaped by evolving megatrends, presenting both challenges and new opportunities for strategic capital deployment. We expect economic security to remain a priority focus—amplified by turbulent geopolitics, a new trade order, inflationary pressures and AI. Meanwhile, sustainable investing is maturing with a greater focus on performance. We see potential opportunities in renewable energy, power grids, and energy storage.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. There is no guarantee that objectives will be met. The economic and market forecasts presented herein are for informational purposes as noted in this publication. There can be no assurance that the forecasts will be achieved. All investing involves risk including potential loss of capital. **Past performance does not predict future returns and does not guarantee future results, which may vary.** Please see additional disclosures at the end of this presentation.

Economic Security to the Forefront

Supply chains, resources, and national defense take center stage

After a year dominated by headlines surrounding tariffs and AI capex announcements, we believe economic security will be a prominent theme in 2026, helped by continued corporate resilience as interest rates head lower. Geopolitical flashpoints, NATO defense commitments, and renewed momentum in US and European reindustrialization efforts highlight a global imperative among economies and companies to build resilient supply chains, secure critical resources, and strengthen defense capabilities. In our view, this environment creates substantial opportunities for active managers to identify and capitalize on companies strategically positioned for this shift.

Tariffs are fundamentally reshaping global trade flows by incentivizing businesses to prioritize supply chain security, leading to a strategic shift towards shorter, more resilient, and reliable networks. This transformation is not a new phenomenon but has been accelerated by the imposition of tariffs and growing geopolitical tensions. In response to the increased costs, uncertainty, and risks associated with long-distance supply chains, companies continue to move away from a pure cost-efficiency model to one that values flexibility and risk mitigation.

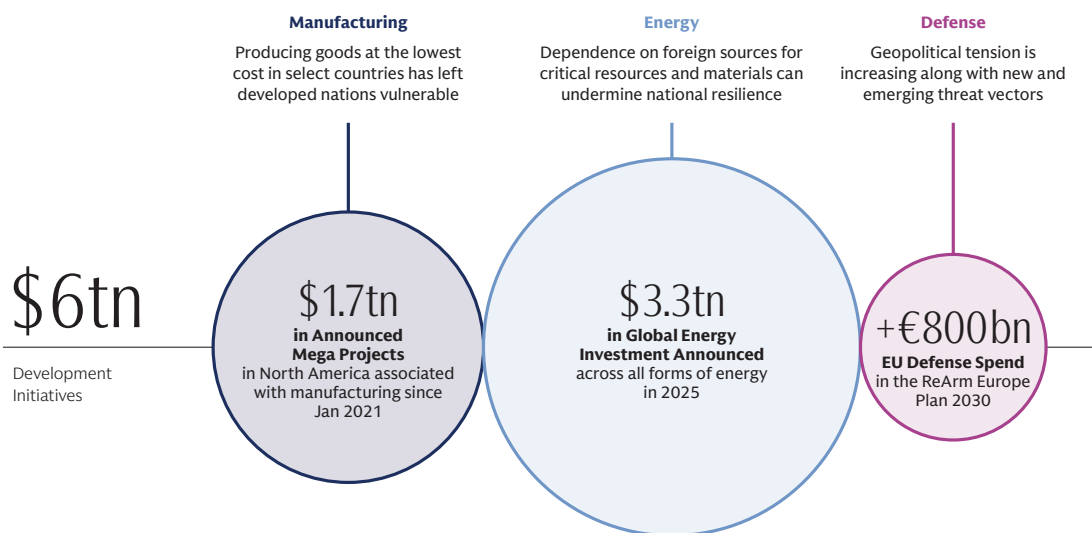
Critical resources, including energy and raw materials, continue to gain heightened strategic importance. Vulnerabilities are starkly illustrated by current global dependencies: China accounts for ~60% of rare earth production.⁵⁵ Similarly, ~90% of the world's

leading-edge semiconductors critical for AI's future development are manufactured in Taiwan.⁵⁶ We believe this profound concentration underscores the urgent need for resource security and resilience in global supply chains.

We also expect continued momentum in US liquefied natural gas (LNG) exports driven by European buyers seeking supply from friendly nations and Asian buyers looking to lessen their usage of dirtier power sources like coal. The burgeoning demands of the digital economy add another layer of complexity to resource security. Data centers currently consume 3% of US power and are expected to reach 8% by 2030.⁵⁷ Security threats are also growing in magnitude and complexity, driving the need for significant investment in cutting-edge defense technologies and cybersecurity solutions.

These trends highlight the durability of economic security among developed nations, and we maintain strong conviction in the long-term growth of companies aligned with this theme. Positive signals around ongoing capital deployment and the reaffirmation of capital expenditure plans have further strengthened the already compelling investment case. By leveraging deep expertise and rigorous research, we believe active managers are uniquely positioned to identify companies that are not only adapting to these shifts but are also poised for significant growth by providing solutions for resource security, supply chain resilience, energy independence, and national defense.

Developed nations are bolstering critical supply chains, ensuring access to resources, and enhancing national security



Sources: \$1.7 trillion in announced projects sourced from Eaton. As of January 2025. \$3.3 trillion in global energy sourced from International Energy Agency. As of June 2025. +800 billion EU defense spend sourced from European Commission. As of March 2025. For illustrative purposes only.

Sustainable Investing

We believe sustainable investing will continue to evolve in 2026 towards a greater focus on metrics, themes, and risks that will be performance-impacting in both public and private markets. Shifting policies and sustainable fund underperformance have, in our assessment, prompted more investor discussions on whether we are seeing a secular curtailment of sustainable investing. We do not believe so and instead see maturation occurring, with investors focused on nuances around performance linkages.

Fewer labels, more performance

To navigate the evolving investment landscape, we emphasize a focus on accelerating themes within broader growth trends, particularly in the energy transition. This involves

prioritizing mature sub-themes like renewable energy, grids, and energy storage, which are seeing significant investment increases, over less mature areas such as hydrogen and carbon capture that face declining investment.

In an environment of higher inflation, we are also focused on companies that solve critical pain points or potentially offer substantial cost savings, moving away from growth that is reliant on subsidies. Furthermore, we believe identifying “pick-and-shovel” companies that provide essential upstream links in value chains is crucial, particularly those with technological or scale advantages.

We see overlooked opportunities and underappreciated risks in sustainable investing

Power Demand Fueling Energy Transition



We believe the energy transition, fueled by increasing power demand, necessitates a holistic investment approach. This includes low-carbon power generation, global transport electrification, and crucial grid enhancements in both emerging and developed markets to manage rising baseload power and intermittency. As tech companies and hyperscalers race to deploy AI, we believe speed to power is paramount. This imperative is most constructive for renewables in the near term, as competing generation sources such as natural gas and nuclear are facing more immediate supply chain and logistical constraints.

Physical Risks and Adaptation



Physical risk is an increasingly critical investment factor. Despite rising climate costs, such as nearly \$1 trillion in US disaster recovery within a year, federal spending on prevention has decreased.⁵⁸ We believe this trend drives higher secondary and tertiary costs, including business interruption and insurance premiums. Consequently, governments, investors, and businesses must develop proactive strategies for adaptation and managing disaster-related debt.

Circular Economy



The circular economy presents opportunities given global resource depletion, supply chain vulnerabilities, and environmental stressors. This approach, focused on keeping materials in use and eliminating waste, offers strategic investments in supporting infrastructure and companies that recycle valuable materials. A significant infrastructure gap, potentially widened by projected landfill closures, underscores the urgent need for circular innovation.

Water Stress



Water stress is an under-appreciated and growing risk impacting diverse sectors. For instance, a third of global thermal power plants and two-thirds of new data centers are located in high water-stress regions, consuming vast amounts of water.⁵⁹ Industries like food production, semiconductors, and mining are inherently exposed, and even historically water-sufficient areas are experiencing increased heat and dryness, exacerbating this challenge.

Asset Class Opportunities within Sustainability

Private Equity

We are constructive on sustainability-themed opportunities in the middle market, which has matured. With the heightened backdrop of inflation and financial strain, we believe investors will favor companies that provide more efficient, accessible and affordable solutions. We see an increasing number of businesses that are profitable and fast growing that offer sustainable products and services in sectors such as waste and materials, sustainable food and agriculture, ecosystem services and water, and clean energy.

Private Credit

We believe sustainable private credit offers an attractive risk-return profile due to a significant supply/demand imbalance for debt capital in the energy transition sector. Mature companies increasingly seek non-dilutive financing for surging energy demands driven by trends like reshoring, transportation, and AI/data centers. Historically, sustainable private debt capital has been sparse, with only \$61 billion raised since 2014 compared to \$781 billion for sustainable private equity.⁶⁰ This limited availability and scarcity of specialized expertise create compelling risk-adjusted opportunities. Companies are seeking flexible debt solutions, and bespoke strategies in niche sustainable spaces are commanding higher premiums.

Infrastructure

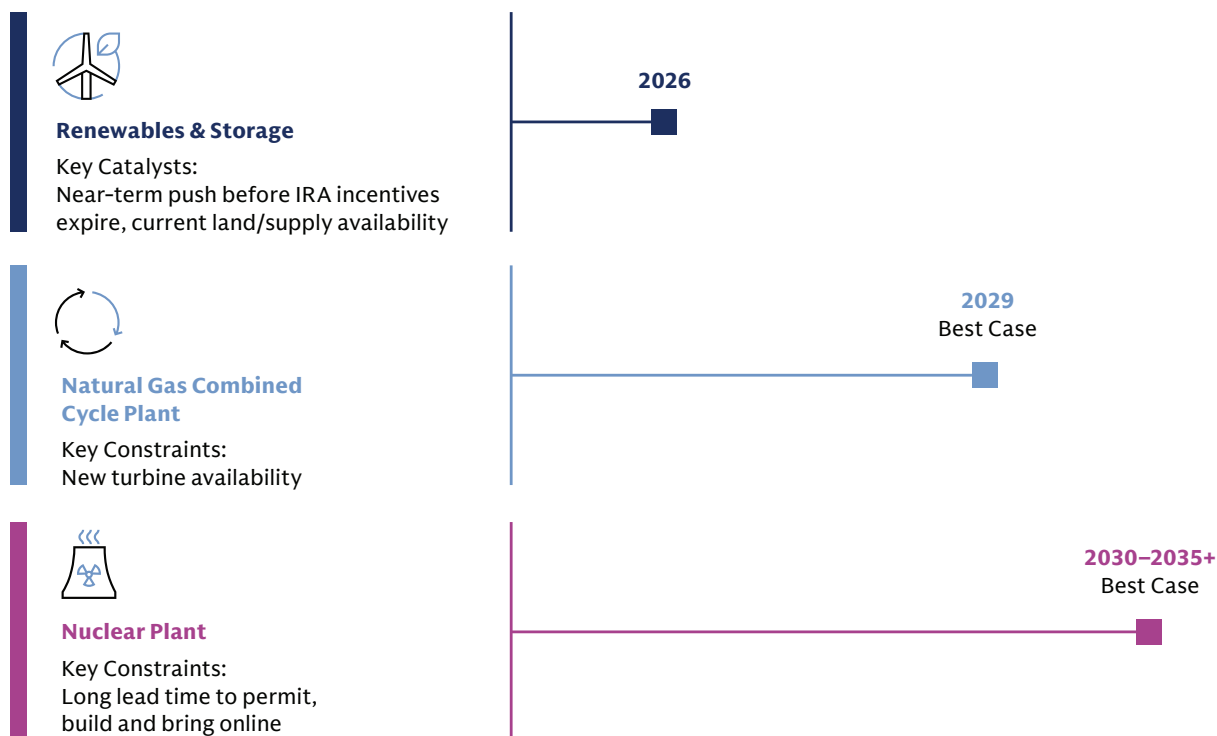
The infrastructure asset class requires significant capital for essential service projects driven by megatrends like AI, energy transition, and circular economy efficiency. As governments and corporates withdraw, private investors can find opportunities. We view middle-market value-add infrastructure as particularly attractive. While mega-projects face competitive pricing, the value-add middle market may offer better-priced deals, negotiation flexibility, and strong exit optionality.

Green Bonds

For fixed income investors, we believe an allocation to green bonds can help provide significant portfolio diversification without sacrificing liquidity or returns. Investors can benefit from an allocation to green bonds from a traditional risk management perspective as well as by increasing sustainability exposure. While we believe the green bond market will continue to grow and diversify in the years ahead, we think some differences with the conventional fixed income market will remain, for example in terms of sector composition. As a result, we believe that adding a standalone green bond allocation will continue to provide portfolio-diversification benefits for investors.



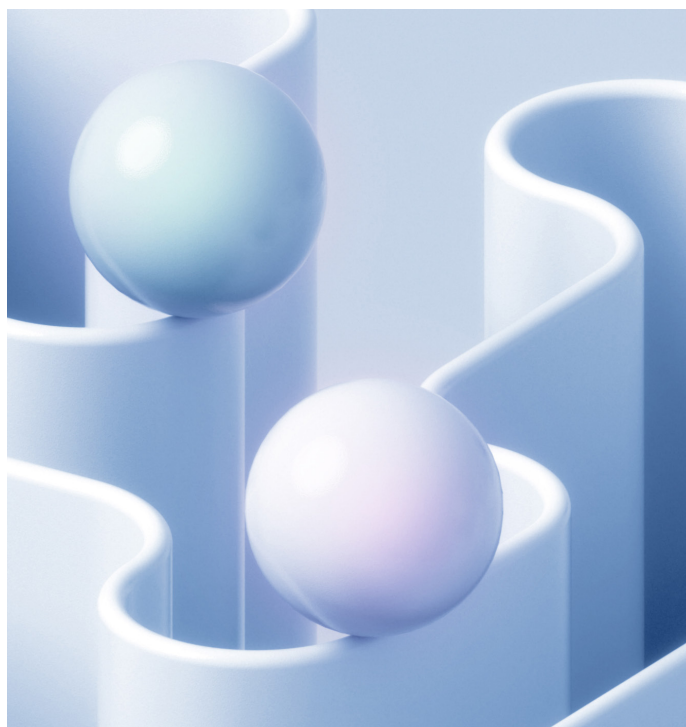
Rapid deployment: Renewables are the quickest generation source to deploy to meet AI power demand today



Source: Goldman Sachs Global Investment Research, as of August 2025.

Power demand and the demographic dilemma

The US and European power industries face a critical demographic dilemma: over 750,000 new workers are needed by 2030 amidst an aging workforce and limited skilled labor.⁶¹ We expect this acute demand, especially for complex roles in electricity transmission and interconnections, will drive accelerated adoption of grid optimization and automation solutions. Renewable sources of power are more than 2.5x labor-intensive than fossil fuels on average across the lifecycle from the manufacturing stage, construction and installation stage, and during operations and maintenance.⁶² Access to talent and labor is set to become a key competitive advantage. Consequently, we believe larger companies with robust training programs and advanced productivity solutions are poised for competitive advantage and revenue consolidation.



THREE KEY QUESTIONS

1

Besides economic security and energy transition, what other themes should investors monitor?

We expect investors to broaden their focus into areas such as the circular economy (waste & materials), sustainable food & agriculture, and ecosystem services & water. We believe these themes will gain prominence as businesses prioritize efficiency and cost savings, for example, by converting organic waste into biomethane and fertilizer, using sensors for water efficiency, or implementing compliance systems for environmental and food/agricultural end markets.

2

Do climate-related investment opportunities still exist despite unwinding US climate policy incentives?

We believe a disconnect exists between the narrative and reality. We observe increased power demand from both developed and emerging markets. This is driving prices and catalyzing investment across asset classes. Backlogs and rising natural gas turbine prices make renewables attractive due to their cost-competitiveness and shorter deployment timelines. In the first five months of 2025, over 90% of new US power generation capacity came from renewable sources,⁶³ creating demand for debt financing for projects and for renewable parts providers in the value chain.

3

What specific dimensions of physical climate risk will be paramount for investors in 2026?

Rising and more volatile temperatures and extreme weather events will become a key focus, in our view, as investors concentrate on physical risk and adaptation. On the risk side, increased insurance costs and higher infrastructure capex to enhance resilience are expected to be key considerations in financial analysis. On the opportunity side, we believe investors will increasingly focus on companies providing adaptation solutions. This may include businesses that can capitalize on higher spending for heating, ventilation, and air conditioning, water and power infrastructure, coastal defense, food production, and disaster risk management. ■

Sources

1. Bloomberg. As of November 11, 2025.
2. S&P Global. As of October 30, 2025.
3. Bloomberg, Reuters. First Brands, Tricolor collapses raise fears of credit stress. As of October 14.
4. Goldman Sachs Global Investment Research. As of October 14, 2025.
5. Goldman Sachs Global Investment Research. As of October 3, 2025.
6. Goldman Sachs Global Investment Research. As of 3 October 3, 2025.
7. Goldman Sachs Global Investment Research. As of June 30, 2025.
8. Bloomberg. As of November 5, 2025.
9. Goldman Sachs Global Investment Research. As of October 8, 2025.
10. Goldman Sachs Global Investment Research. As of September 2025.
11. Goldman Sachs Global Investment Research. As of October 16, 2026.
12. National Retail Federation. As of July 30, 2025.
13. MSCI, Goldman Sachs Asset Management, FactSet. As of November 7, 2025.
14. Goldman Sachs Asset Management, Bloomberg. As of September 2025.
15. Goldman Sachs Global Investment Research. As of September 2025.
16. Goldman Sachs Global Investment Research, Ministry of Internal Affairs and Communications, BoJ, JCER. As of November 7, 2025.
17. Prime Minister's Office of Japan. October 24, 2025.
18. Goldman Sachs Global Investment Research, Japan Securities Dealers Association. As of August 2025.
19. Goldman Sachs Asset Management, MSCI, TOPIX, Bloomberg. As of October 29, 2025.
20. Bloomberg. As of November 11, 2025.
21. Bank for International Settlements. As of December 2024.
22. US Census Bureau, Government of India. As of July 2025.
23. US International Trade Commission. As of May 2024.
24. TSMC. Company statement. As of March 4, 2025.
25. Goldman Sachs Global Investment Research Global Markets Daily: Less "Junky" Than Ever. As of October 8, 2025.
26. Bank of America. As of November 2025.
27. MSCI Private Assets. As of 2Q 2025.
28. EY Private Equity Pulse Survey conducted by AlphaSights. Data as of June 30, 2025.
29. Goldman Sachs Global Investment Research. As of October 8, 2025.
30. Goldman Sachs Global Banking and Markets. As of October 24, 2025.
31. Goldman Sachs Asset Management. This is based on an updated 2023 value creation framework considering current valuations and cost of capital. Assumes targeted returns of 2.5x gross TVPI (Total Value to Paid-In), or roughly 2.0x net. Historically, margin expansion contributed just under 10% of the average value-add for private equity-backed companies, implying a required revenue growth closer to 9–10% to achieve typical return levels targeted by investors private equity managers; this target surpasses historical experience (7–9%). EBITA refers to earnings before interest, taxes, depreciation, and amortization.
32. MSCI Private Assets, as of 2Q 2025.
33. PitchBook, as of June 30, 2025.
34. Silicon Valley Bank, State Of The Market, 1H 2025.
35. S&P Global, 5-year average trailing recovery rates. As of September 2025.
36. Lincoln International as of of Q4 2024.
37. Cliffwater Direct Lending Index, PitchBook LCD, data through March 25, 2025. Data include repricings and extensions done via amendment process only.
38. Goldman Sachs Global Investment Research. As of October 2025.
39. MSCI RCA. As of 3Q 2025.
40. MSCI RCA. As of October 2025.
41. MSCI RCA. As of 3Q 2025.
42. MSCI RCA. As of October 2025.
43. EDHEC. As of October 2025. Enterprise Value to Earnings Before Interest, Taxes, Depreciation, and Amortization.
44. Goldman Sachs, "Powering the AI Era." July 2025.
45. Goldman Sachs Global Investment Research: "Powering Up Europe: AI, data centers and energy needs: at Europe's inflection." October 2025.
46. Goldman Sachs, "Powering the AI Era." July 2025. Estimates based on Goldman Sachs Global Investment Research reports: "Carbonomics: the GS net zero carbon scenarios – a reality check"; "Generational growth: AI, data centers and the coming US power demand surge"; Power & utilities figure globalized based on a US estimate of ~\$1.4T.
47. Goldman Sachs Global Investment Research: AI/Data Center Power Demand: The 6 Ps driving growth and constraints. October 2025.
48. EDHEC. As of October 2025.
49. Morningstar. As of September 30, 2025. Reference is to the compound annual growth rate (CAGR).
50. Morningstar. 2025 year-to-date data as of September 30, 2025.
51. MSCI, "Tracking Private Equity: Closing the Performance Gap,". As of September 30, 2025.
52. Morningstar. As of September 30, 2025.
53. For a more detailed insight on this topic, please see "Boosting the Efficiency of Core Equity Allocations with an Alpha Enhanced Approach" on am.gs.com.
54. Survey conducted by Goldman Sachs Asset Management and 8 Acre Perspective. Data collection took place between July 18 and August 8, 2025. Participants met qualifying criteria: +\$1 million in investable assets, serving as the primary financial decision-maker for their household, and being aged 25 or older.
55. International Energy Agency (IEA). As of October 2025.
56. Boston Consulting Group, Semiconductor Industry Association. As of November 2023.
57. Goldman Sachs Global Investment Research. As of October 2024.
58. Bloomberg. As of June 17, 2025.
59. Bloomberg. As of May 8, 2025.
60. Data Sustainable strategies include PitchBook categories: Agriculture; Air; Biodiversity & Ecosystems; Climate; Energy; Infrastructure; Land; Oceans and Coastal Zones; Pollution; Waste; Water. Private equity funds include private equity, venture capital, and infrastructure. As of October 21, 2025.
61. Goldman Sachs Global Investment Research. As of June 30, 2025.
62. Goldman Sachs Global Investment Research. As of June 30, 2025.
63. Federal Energy Regulatory Commission. As of May 2025.

Glossary

Please visit am.gs.com/glossary for additional industry terms.

Bps (basis points) Refers to basis points or 1/100th of 1%.

Capex refers to capital expenditure; specifically, AI capex refers to investments by technology companies, particularly in infrastructure, to develop, train, and deploy AI.

Convex payouts refer to investment strategies or securities whose payoff profiles are non-linear and asymmetric, generally providing greater upside potential relative to the downside risk.

Credit Quality Rating refers to an assessment of the financial ability of a debt issuer to make timely payments of principal and interest. It can also refer to packages of debt in the case of securitized instruments. Ratings of AAA (the highest), AA, A, and BBB are investment-grade quality.

EV/EBITDA refers to the enterprise value divided by its earnings before interest, taxes, depreciation, and amortization. It's used to compare companies regardless of their capital structure and can indicate whether a company is over or undervalued.

Fortress balance sheet refers to characteristics of a company's financial strength, including lower leverage and an ability to invest countercyclically.

G10 includes Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States.

Hyperscalers refers to large-scale technology companies that operate global networks of data centers and provide extensive cloud computing services.

Private assets are investments not traded on public stock exchanges, including private equity, credit, real estate and infrastructure.

Tracking error refers to the standard deviation of excess returns from a benchmark, and is used as a measure of risk. A large tracking error implies that there are large swings in the excess return series of a manager from their benchmark.

The **S&P 500 Index** is a widely recognized stock market index that tracks the performance of 500 of the largest publicly traded companies in the US.

The **ICE BofAML US Corporate Index** tracks the performance of US dollar-denominated, investment-grade rated corporate debt that is publicly issued in the US domestic market.

The **ICE BofA US Corporate Index Option-Adjusted Spread (OAS)** is a key financial market indicator that measures the additional yield, or spread, investors demand for holding US dollar-denominated investment-grade corporate bonds compared to risk-free US Treasury securities.

The **ICE BofA US High Yield Index Option-Adjusted Spread (OAS)** is a key financial indicator that measures the additional yield investors demand for holding US dollar-denominated, below-investment-grade corporate bonds compared to risk-free US Treasury securities.

The **ICE BofAML US High Yield Index** tracks the performance of US dollar-denominated, below investment-grade corporate debt that is publicly issued in the US domestic market.

The **ICE BofAML US Treasury Index** generally refers to a family of indices that track the performance of US dollar-denominated US Treasury securities, which are publicly issued in the US domestic market, often segmented by maturity.

The **MSCI World Index** is a widely recognized global equity benchmark that tracks the performance of large and mid-cap stocks across 23 developed countries.

The **MSCI Emerging Markets Index** is a widely recognized equity benchmark designed to measure the performance of large and mid-cap stocks across a selection of emerging market countries.

The **MSCI Europe Index** is an equity benchmark designed to represent the performance of large and mid-cap companies across 15 developed countries in Europe.

The **Nikkei 225** is composed of 225 highly liquid, blue-chip stocks that are selected from the Prime Market of the Tokyo Stock Exchange (TSE).

The **STOXX Europe 600 Index** is a free-float market capitalization-weighted equity benchmark comprising 600 large, mid, and small-cap companies across developed countries in Europe.

The **US Generic 10-year Treasury Yield** represents the interest rate, or yield, that the US government pays to investors who purchase its 10-year Treasury notes.

Disclosures

RISK CONSIDERATIONS

All investing involves risk including potential loss of capital.

Equity investments are subject to market risk, which means that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular sectors and/or general economic conditions. Different investment styles (e.g., “growth” and “value”) tend to shift in and out of favor, and, at times, the strategy may underperform other strategies that invest in similar asset classes. The market capitalization of a company may also involve greater risks (e.g. “small” or “mid” cap companies) than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements, in addition to lower liquidity.

Emerging markets investments may be less liquid and are subject to greater risk than developed market investments as a result of, but not limited to, the following: inadequate regulations, volatile securities markets, adverse exchange rates, and social, political, military, regulatory, economic or environmental developments, or natural disasters.

Environmental, Social and Governance (“ESG”) strategies may take risks or eliminate exposures found in other strategies or broad market benchmarks that may cause performance to diverge from the performance of these other strategies or market benchmarks. ESG strategies will be subject to the risks associated with their underlying investments’ asset classes. Further, the demand within certain markets or sectors that an ESG strategy targets may not develop as forecasted or may develop more slowly than anticipated. Any ESG characteristics, views, assessments, claims or similar referenced herein (i) will be based on, and limited to, the consideration of specific ESG attributes or metrics related to a product, issuer or service and not their broader or full ESG profile, and unless stated otherwise, (ii) may be limited to a point of time assessment and may not consider the broader lifecycle of the product, issuer or service, and (iii) may not consider any potential negative ESG impacts arising from or related to the product, issuer, or service.

Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, liquidity, interest rate, prepayment and extension risk. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond’s price. The value of securities with variable and floating interest rates are generally less sensitive to interest rate changes than securities with fixed interest rates. Variable and floating rate securities may decline in value if interest rates do not move as expected. Conversely, variable and floating rate securities will not generally rise in value if market interest rates decline. Credit risk is the risk that an issuer will default on payments of interest and principal. Credit risk is higher when investing in high yield bonds, also known as junk bonds. Prepayment risk is the risk that the issuer of a security may pay off principal more quickly than originally anticipated. Extension risk is the risk that the issuer of a security may pay off principal more slowly than originally anticipated. All fixed income investments may be worth less than their original cost upon redemption or maturity.

Infrastructure investments are susceptible to various factors that may negatively impact their businesses or operations, including regulatory compliance, rising interest costs in connection with capital construction, governmental constraints that impact publicly funded projects, the effects of general economic conditions, increased competition, commodity costs, energy policies, unfavorable tax laws or accounting policies and high leverage

International securities may be more volatile and less liquid and are subject to the risks of adverse economic or political developments. International

securities are subject to greater risk of loss as a result of, but not limited to, the following: inadequate regulations, volatile securities markets, adverse exchange rates, and social, political, military, regulatory, economic or environmental developments, or natural disasters.

An investment in **private credit and private equities** is not suitable for all investors. Investors should carefully review and consider the potential investments, risks, charges, and expenses of private equity before investing. They are speculative, highly illiquid, involve a high degree of risk, have high fees and expenses that could reduce returns, and subject to the possibility of partial or total loss of capital. They are, therefore, intended for experienced and sophisticated long-term investors who can accept such risks.

Private equity and private credit investments are speculative, highly illiquid, involve a high degree of risk, have high fees and expenses that could reduce returns, and subject to the possibility of partial or total loss of fund capital; they are, therefore, intended for experienced and sophisticated long-term investors who can accept such risks.

The use of derivatives may result in losses and may pose risks in addition to and greater than those associated with investing directly in securities, currencies or other instruments, may be less liquid, volatile, difficult to price, and leveraged so that small changes in the value of the underlying instruments may produce disproportionate losses.

Exchange-Traded Funds are subject to risks similar to those of stocks. Investment returns may fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed, or sold, may be worth more or less than their original cost. ETFs may yield investment results that, before expenses, generally correspond to the price and yield of a particular index. There is no assurance that the price and yield performance of the index can be fully matched.

Alternative strategies often engage in leverage and other investment practices that are speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, including the entire amount that is invested. **Manager risk** includes those that exist within a manager’s organization, investment process or supporting systems and infrastructure. There is also a potential for fund-level risks that arise from the way in which a manager constructs and manages the fund. **Bonds** and Fixed income investing involves interest rate risk. When interest rates rise, bond prices generally fall. **Leverage** increases a fund’s sensitivity to market movements. Funds that use leverage can be expected to be more “volatile” than other funds that do not use leverage. This means if the investments a fund buys decrease in market value, the value of the fund’s shares will decrease by even more. Alternative strategies often make significant use of over-the-counter (OTC) derivatives and therefore are subject to the risk that **counterparties** will not perform their obligations under such contracts. Alternatives strategies may make investments that are illiquid or that may become less liquid in response to market developments. At times, a fund may be unable to sell certain of its **illiquid investments** without a substantial drop in price, if at all. There is risk that the **values** used by alternative strategies to price investments may be different from those used by other investors to price the same investments. The above are not an exhaustive list of potential risks. There may be additional risks that should be considered before investment decision.

Hedge funds and other private investment funds (collectively, “Alternative Investments”) are subject to less regulation than other types of pooled investment vehicles such as mutual funds. Alternative Investments may impose significant fees, including incentive fees that are based upon a

percentage of the realized and unrealized gains and an individual's net returns may differ significantly from actual returns. Such fees may offset all or a significant portion of such Alternative Investment's trading profits. Alternative Investments are not required to provide periodic pricing or valuation information. Investors may have limited rights with respect to their investments, including limited voting rights and participation in the management of such Alternative Investments.

Alternative Investments often engage in leverage and other investment practices that are extremely speculative and involve a high degree of risk. Such practices may increase the volatility of performance and the risk of investment loss, including the loss of the entire amount that is invested. There may be conflicts of interest relating to the Alternative Investment and its service providers, including Goldman Sachs and its affiliates. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Conflicts of Interest

There may be conflicts of interest relating to the Alternative Investment and its service providers, including Goldman Sachs and its affiliates. These activities and interests include potential multiple advisory, transactional and other interests in securities and instruments that may be purchased or sold by the Alternative Investment. These are considerations of which investors should be aware and additional information relating to these conflicts is set forth in the offering materials for the Alternative Investment.

GENERAL DISCLOSURES

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

References to indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that the portfolio will achieve similar results. The index composition may not reflect the manner in which a portfolio is constructed. While an adviser seeks to design a portfolio which reflects appropriate risk and return features, portfolio characteristics may deviate from those of the benchmark.

Economic and market forecasts presented herein reflect a series of assumptions and judgments as of the date of this presentation and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Goldman Sachs has no obligation to provide updates or changes to these forecasts. Case studies and examples are for illustrative purposes only.

THIS MATERIAL DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY JURISDICTION WHERE OR TO ANY PERSON TO WHOM IT WOULD BE UNAUTHORIZED OR UNLAWFUL TO DO SO.

Prospective investors should inform themselves as to any applicable legal requirements and taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant.

This material is provided for informational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate

investment strategies depend upon the client's investment objectives.

Index Benchmarks

Indices are unmanaged. The figures for the index reflect the reinvestment of all income or dividends, as applicable, but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices.

The indices referenced herein have been selected because they are well known, easily recognized by investors, and reflect those indices that the Investment Manager believes, in part based on industry practice, provide an appropriate benchmark against which to evaluate the investment or broader market described herein.

Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of principal may occur.

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material has been prepared by Goldman Sachs Asset Management and is not financial research nor a product of Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Goldman Sachs Global Investment Research or other departments or divisions of Goldman Sachs and its affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and Goldman Sachs Asset Management has no obligation to provide any updates or changes.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by Goldman Sachs Asset Management to buy, sell, or hold any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

Individual portfolio management teams for Goldman Sachs Asset Management may have views and opinions and/or make investment decisions that, in certain instances, may not always be consistent with the views and opinions expressed herein.

Any reference to a specific company or security does not constitute a recommendation to buy, sell, hold or directly invest in the company or its securities. It should not be assumed that investment decisions made in the future will be profitable or will equal the performance of the securities discussed in this document.

Neither MSCI nor any other party involved in or related to compiling, computing, or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability, or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

Capital is at risk.

There is no guarantee that objectives will be met.

This material is for informational purposes only. It has not been, and will not be, registered with or reviewed or approved by your local regulator. This material does not constitute an offer or solicitation in any jurisdiction. If you do not understand the contents of these materials, you should consult an authorised financial adviser.

United States: In the United States, this material is offered by and has been approved by Goldman Sachs Asset Management, L.P., which is a registered investment adviser with the Securities and Exchange Commission.

United Kingdom: In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority.

European Economic Area (EEA): This marketing communication is disseminated by Goldman Sachs Asset Management B.V., including through its branches ("GSAM BV"). GSAM BV is authorised and regulated by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, Vijzelgracht 50, 1017 HS Amsterdam, The Netherlands) as an alternative investment fund manager ("AIFM") as well as a manager of undertakings for collective investment in transferable securities ("UCITS"). Under its licence as an AIFM, the Manager is authorized to provide the investment services of (i) reception and transmission of orders in financial instruments; (ii) portfolio management; and (iii) investment advice. Under its licence as a manager of UCITS, the Manager is authorized to provide the investment services of (i) portfolio management; and (ii) investment advice. Information about investor rights and collective redress mechanisms are available on www.gsam.com/ responsible-investing (section Policies & Governance). Capital is at risk. Any claims arising out of or in connection with the terms and conditions of this disclaimer are governed by Dutch law.

In the European Union, this material has been approved by either Goldman Sachs Asset Management Funds Services Limited, which is regulated by the Central Bank of Ireland or Goldman Sachs Asset Management B.V, which is regulated by The Netherlands Authority for the Financial Markets (AFM).

Switzerland: For Qualified Investor use only – Not for distribution to general public. This is marketing material. This document is provided to you by Goldman Sachs Asset Management Schweiz GmbH. Any future contractual relationships will be entered into with affiliates of Goldman Sachs Asset Management Schweiz GmbH, which are domiciled outside of Switzerland. We would like to remind you that foreign (Non-Swiss) legal and regulatory systems may not provide the same level of protection in relation to client confidentiality and data protection as offered to you by Swiss law.

Asia excluding Japan: Please note that neither Goldman Sachs Asset Management (Hong Kong) Limited ("GSAMHK") or Goldman Sachs Asset Management (Singapore) Pte. Ltd. (Company Number: 201329851H) ("GSAMS") nor any other entities involved in the Goldman Sachs Asset Management business that provide this material and information maintain any licenses, authorizations or registrations in Asia (other than Japan), except that it conducts businesses (subject to applicable local regulations) in and from the following jurisdictions: Hong Kong, Singapore, India and China. This material has been issued for use in or from Hong Kong by Goldman Sachs Asset Management (Hong Kong) Limited and in or from Singapore by Goldman Sachs Asset Management (Singapore) Pte. Ltd. (Company Number: 201329851H).

Australia: This material is distributed by Goldman Sachs Asset Management Australia Pty Ltd ABN 41 006 099 681, AFSL 228948 ('GSAMA') and is intended for viewing only by wholesale clients for the purposes of section 761G of the Corporations Act 2001 (Cth). This document may not be distributed to retail clients in Australia (as that term is defined in the Corporations Act 2001 (Cth)) or to the general public. This document may not be reproduced or distributed to any person without the prior consent of GSAMA. To the extent that this document contains any statement which

may be considered to be financial product advice in Australia under the Corporations Act 2001 (Cth), that advice is intended to be given to the intended recipient of this document only, being a wholesale client for the purposes of the Corporations Act 2001 (Cth). Any advice provided in this document is provided by either of the following entities. They are exempt from the requirement to hold an Australian financial services licence under the Corporations Act of Australia and therefore do not hold any Australian Financial Services Licences, and are regulated under their respective laws applicable to their jurisdictions, which differ from Australian laws. Any financial services given to any person by these entities by distributing this document in Australia are provided to such persons pursuant to the respective ASIC Class Orders and ASIC Instrument mentioned below.

- Goldman Sachs Asset Management, LP (GSAML), Goldman Sachs & Co. LLC (GSCo), pursuant ASIC Class Order 03/1100; regulated by the US Securities and Exchange Commission under US laws.
- Goldman Sachs Asset Management International (GSAMI), Goldman Sachs International (GSI), pursuant to ASIC Class Order 03/1099; regulated by the Financial Conduct Authority; GSI is also authorized by the Prudential Regulation Authority, and both entities are under UK laws.
- Goldman Sachs Asset Management (Singapore) Pte. Ltd. (GSAMS), pursuant to ASIC Class Order 03/1102; regulated by the Monetary Authority of Singapore under Singaporean laws
- Goldman Sachs Asset Management (Hong Kong) Limited (GSAMHK), pursuant to ASIC Class Order 03/1103 and Goldman Sachs (Asia) LLC (GSALLC), pursuant to ASIC Instrument 04/0250; regulated by the Securities and Futures Commission of Hong Kong under Hong Kong laws

No offer to acquire any interest in a fund or a financial product is being made to you in this document. If the interests or financial products do become available in the future, the offer may be arranged by GSAMA in accordance with section 911A(2)(b) of the Corporations Act. GSAMA holds Australian Financial Services Licence No. 228948. Any offer will only be made in circumstances where disclosure is not required under Part 6D.2 of the Corporations Act or a product disclosure statement is not required to be given under Part 7.9 of the Corporations Act (as relevant).

FOR DISTRIBUTION ONLY TO FINANCIAL INSTITUTIONS, FINANCIAL SERVICES LICENSEES AND THEIR ADVISERS. NOT FOR VIEWING BY RETAIL CLIENTS OR MEMBERS OF THE GENERAL PUBLIC.

Canada: This presentation has been communicated in Canada by GSAM LP, which is registered as a portfolio manager under securities legislation in all provinces of Canada and as a commodity trading manager under the commodity futures legislation of Ontario and as a derivatives adviser under the derivatives legislation of Quebec. GSAM LP is not registered to provide investment advisory or portfolio management services in respect of exchange-traded futures or options contracts in Manitoba and is not offering to provide such investment advisory or portfolio management services in Manitoba by delivery of this material.

Japan: This material has been issued or approved in Japan for the use of professional investors defined in Article 2 paragraph (31) of the Financial Instruments and Exchange Law ("FIEL"). Also, Any description regarding investment strategies on collective investment scheme under Article 2 paragraph (2) item 5 or item 6 of FIEL has been approved only for Qualified Institutional Investors defined in Article 10 of Cabinet Office Ordinance of Definitions under Article 2 of FIEL.

Hong Kong: This material has been issued or approved for use in or from Hong Kong by Goldman Sachs Asset Management (Hong Kong) Limited.

Singapore: This material has been issued or approved for use in or from Singapore by Goldman Sachs Asset Management (Singapore) Pte. Ltd. (Company Number: 201329851H).

Kuwait: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

This material has not been approved for distribution in the State of Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The distribution of this material is, therefore, restricted in accordance with law no. 31 of 1990 and law no. 7 of 2010, as amended. No private or public offering of securities is being made in the State of Kuwait, and no agreement relating to the sale of any securities will be concluded in the State of Kuwait. No marketing, solicitation or inducement activities are being used to offer or market securities in the State of Kuwait.

Qatar: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

This document has not been, and will not be, registered with or reviewed or approved by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or Qatar Central Bank and may not be publicly distributed. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Saudi Arabia: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. If you do not understand the contents of this document you should consult an authorised financial adviser.

These materials are presented to you by Goldman Sachs Saudi Arabia Company ("GSSA"). GSSA is authorised and regulated by the Capital Market Authority ("CMA") in the Kingdom of Saudi Arabia. GSSA is subject to relevant CMA rules and guidance, details of which can be found on the CMA's website at www.cma.org.sa.

The CMA does not make any representation as to the accuracy or completeness of these materials, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of these materials. If you do not understand the contents of these materials, you should consult an authorised financial adviser.

United Arab Emirates: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

This document has not been approved by, or filed with the Central Bank of the United Arab Emirates or the Securities and Commodities Authority. If you do not understand the contents of this document, you should consult with a financial advisor.

France: FOR PROFESSIONAL USE ONLY (WITHIN THE MEANING OF THE MIFID DIRECTIVE)– NOT FOR PUBLIC DISTRIBUTION. THIS DOCUMENT IS PROVIDED FOR SPECIFIC INFORMATION PURPOSES ONLY IN ORDER TO ENABLE THE RECIPIENT TO ASSESS THE FINANCIAL CHARACTERISTICS OF THE CONCERNED FINANCIAL INSTRUMENT(S) AS PROVIDED FOR IN ARTICLE L. 533-13-1, I, 2° OF THE FRENCH MONETARY AND FINANCIAL CODE AND DOES NOT CONSTITUTE AND MAY NOT BE USED AS MARKETING MATERIAL FOR INVESTORS OR POTENTIAL INVESTORS IN FRANCE.

Bahrain: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

This material has not been reviewed by the Central Bank of Bahrain (CBB) and the CBB takes no responsibility for the accuracy of the statements or the information contained herein, or for the performance of the securities or related investment, nor shall the CBB have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein. This material will not be issued, passed to, or made available to the public generally.

Oman: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

The information contained in these materials neither constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Sultani Decree 4/74) or the Capital Market Law of Oman (Sultani Decree 80/98) nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the

Sultanate of Oman as contemplated by Article 6 of the Executive Regulations to the Capital Market Law (issued vide Ministerial Decision No. 4/2001). The Capital Market Authority of the Sultanate of Oman (the "CMA") is not liable for the correctness or adequacy of information provided in this document or for identifying whether or not the security being offered pursuant to this document is an appropriate investment for a potential investor. The CMA shall also not be liable for any damage or loss resulting from reliance placed on the document.

Egypt: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

The securities discussed in the enclosed materials are not being offered or sold publicly in Egypt and they have not been and will not be registered with the Egyptian National Financial Supervisory Authority and may not be offered or sold to the public in Egypt. No offer, sale or delivery of such securities, or distribution of any prospectus relating thereto, may be made in or from Egypt except in compliance with any applicable Egypt laws and regulations.

South Africa: Goldman Sachs Asset Management International is authorised by the Financial Services Board of South Africa as a financial services provider.

Israel: FOR INTENDED AUDIENCES ONLY – NOT FOR WIDER DISTRIBUTION

This document has not been, and will not be, registered with or reviewed or approved by the Israel Securities Authority (ISA"). It is not for general circulation in Israel and may not be reproduced or used for any other purpose. Goldman Sachs Asset Management International is not licensed to provide investment advisory or management services in Israel.

East Timor: Please Note: The attached information has been provided at your request for informational purposes only and is not intended as a solicitation in respect of the purchase or sale of instruments or securities (including funds), or the provision of services. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed under any laws or regulations of Timor-Leste. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person or institution without the prior consent of Goldman Sachs Asset Management.

Vietnam: Please Note: The attached information has been provided at your request for informational purposes only. The attached materials are not, and any authors who contribute to these materials are not, providing advice to any person. The attached materials are not and should not be construed as an offering of any securities or any services to any person. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed as a dealer under the laws of Vietnam. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person without the prior consent of Goldman Sachs Asset Management.

Cambodia: Please Note: The attached information has been provided at your request for informational purposes only and is not intended as a solicitation in respect of the purchase or sale of instruments or securities (including funds) or the provision of services. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed as a dealer or investment advisor under The Securities and Exchange Commission of Cambodia. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person without the prior consent of Goldman Sachs Asset Management.

CONFIDENTIALITY

No part of this material may, without Goldman Sachs Asset Management's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

© 2025 Goldman Sachs. All rights reserved.

Date of First Use: November 18, 2025. 471602-OTU-2408123.

Bringing together traditional and alternative investments, Goldman Sachs Asset Management provides clients around the world with a dedicated partnership and focus on long-term performance.

Goldman Sachs Asset Management is the primary investing area within Goldman Sachs, delivering investment and advisory services across public and private markets for the world's leading institutions, financial advisors and individuals. The business is driven by a focus on partnership and shared success with its clients, seeking to deliver long-term investment performance drawing on its global network and deep expertise across industries and markets.

Goldman Sachs Asset Management is a leading investor across fixed income, liquidity, equity, alternatives and multi-asset solutions. Goldman Sachs oversees more than \$3 trillion in assets under supervision as of September 30, 2025.

am.gs.com



Read more on am.gs.com