

GOLDMAN SACHS HIGH YIELD FLOATING RATE FUND

Market Review

The US Leveraged Loan Market returned +0.61% over the first quarter of 2025, as elevated policy rates/current yield and favorable technicals (i.e. strong collateralized loan obligation (CLO) demand & low net issuance) were offset by a stark rise in macroeconomic uncertainty.

Leveraged credit substantially outperformed equities though loans lagged HY (modestly); a 36 basis points (bps) rally in treasury rates was a significant boon for duration. Macroeconomic uncertainty rose during the period, with tariffs and their respective countermeasures leading to a general risk off sentiment towards the end of the quarter. On spreads, the loan market discount margin to three-years widened by 23bps over the quarter to 498 bps, with nearly all of that widening occurring during March (+20 bps).

Amongst the ratings cohorts, higher quality showed relative resilience. Specifically, BB-rated loans returned +0.86%, while the B-rated and CCCrated cohorts returned +0.32% and +0.35% respectively. All but five sectors in the loans market were positive over the quarter. Key gainers included Media/Telecommunications (+1.53%), Utilities (+1.31%) and Healthcare (+1.14%) while relative laggards included Housing (-1.72%), Food/Drug (-1.63%) and Chemicals (-1.28%) (source: S&P).

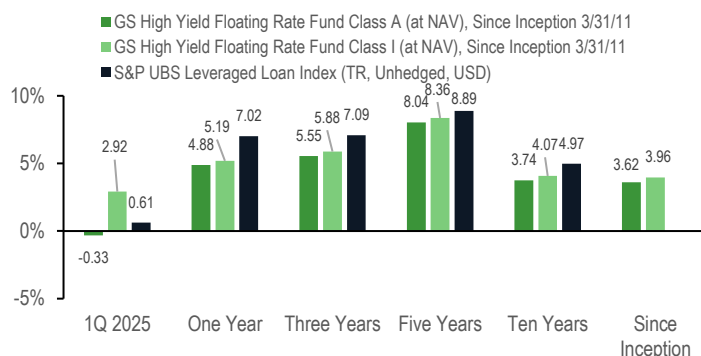
On the supply side, new issue activity fell from record levels quarter over quarter, although remained substantial with total gross issuance at \$336.8bn. On the other hand, net issuance grew to ~18% of gross issuance, with total net new paper of \$38bn representing the largest figure since 1Q 2022 (source: JP Morgan). On the demand front, healthy CLO issuance continues to drive the major demand for loans with quarterly net CLO issuance totaling +\$44.8bn. Fund flows remained positive this quarter with a total of \$10.8bn entering the asset class, although March saw flows flip negative to the tune of -\$4.1bn.

Lastly, the last 12-month par-weighted loan default rate, including distressed exchanges, ended the quarter 62bps lower q/q at 3.86% (source: JP Morgan). The figure ex-distressed exchanges is just 1.24%.

Performance Attribution

The Fund underperformed its benchmark on a net basis over the quarter. Our overweight to Europe ex-UK domiciled loans, underweight to US domiciled loans, and tactical allocation to EUR-denominated loans contributed to performance. On the other hand, our cash holdings, overweight to market beta (risk), and derivatives exposure (TRS & CDX) bonds hurt performance.

Fund Performance (%)



For periods one year or greater, performance is annualized. The returns represent past performance. Past performance does not guarantee future results. The Fund's investment return and principal value will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. Please visit am.gs.com to obtain the most recent month-end returns. All Fund performance data reflect the reinvestment of distributions.

Standardized Total Returns for Period Ended 03/31/2025

	Class A Shares	Class I Shares
One Year	2.58%	5.19%
Five Years	7.55%	8.36%
Ten Years	3.50%	4.07%

The Standardized Total Returns are average annual total returns or cumulative total returns (only if the performance period is one year or less) as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect the maximum initial sales charge of 2.25% for Class A Shares. Because Institutional Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

Expense Ratios as of 03/31/2025

	Current Expense Ratio (Net)	Expense Ratio Before Waivers (Gross)
Class A Shares	1.05%	1.10%
Class I Shares	0.77%	0.77%

The expense ratios of the Fund, both current (net of any fee waivers or expense limitations) and before waivers (gross of any fee waivers or expense limitations) are as set forth above. Pursuant to a contractual arrangement, the Fund's waivers and/or expense limitations will remain in place through at least July 29, 2025, and prior to such date the Investment Adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees. Please refer to the Fund's prospectus for the most recent expenses.

Industry: Our overweights to Energy and Packaging, as well as our underweight to Retail & Apparel aided performance. Meanwhile, our overweight to Autos as well as our underweights to Non-Cellular Telecom and Cable & Satellite TV Media detracted from returns.

Single Names: The top contributors were our avoidance of Tropicana (Food/Bev/Tobacco), our overweight to Pelican Products (Diversified Industrials), and our underweight to Cornerstone Building Brands (Building Materials). Top single name detractors included our overweights to Ascend Performance Materials (Chemicals) and Fender (Leisure & Restaurants), as well as our tactical allocation to SI Group (Chemicals).

Market Outlook

Overview: We remain constructive on the leveraged loan market while acknowledging the post quarter tariff announcement by the US Administration has clouded the growth outlook. Issuer fundamentals remain solid relative to the past 15 years and would be further supported by somewhat lower capital costs if policy rates do in fact come down. The coupon for the asset class remains elevated, and while lower policy rates would trim income return, we note that the decline in loan yields will likely lag policy rate cuts by several months. Lastly, strong CLO issuance continues to create solid demand for the asset class.

Credit Quality & Curve: We remain selective and favor higher quality loans (BB & B rated) where higher interest costs have relatively lower impact on issuer free cash flows. Further, we are looking for select opportunities in the lower rated cohort (CCC rated) where fundamentally good businesses would benefit from a decrease in policy rates and create the potential for rating upgrades.

Issuer Type: We are overweight capital structures comprised of both loans and high yield bonds versus loan-only situations where recoveries have been weaker, historically

Loan Type: We remain underweight smaller first lien loan tranches as well as second-lien loans, both of which are less-liquid.

Industry: From a sector standpoint, we are overweight Packaging driven by the sector's exposure to resilient end markets, preferring "agnostic" suppliers with diverse and stable end markets. We are also overweight Capital Goods where we have observed easing in destocking trends and favor issuers with good market share. Additionally, we find value in Energy, particularly mid and downstream issuers which tend to be more resilient during periods of volatile commodity prices. On the other hand, key underweights include Non-Cellular Telecom, Healthcare (DOGE exposure), and Consumer (DOGE and tariff exposure). Non-Cellular Telecom continues to experience difficulties driven by "cord-cutting. Increases in capex to improve

network competitiveness are compounding the sector's weakened credit fundamentals. We are underweight Healthcare due to squeezed margins arising out of labor cost inflation as well as presence of higher proportion of smaller-sized credits in market which are unappealing from a technical standpoint. Lastly, Consumer Services is largely comprised of smaller, sponsor-backed issuers; our underweight to the sector reflects our preference for larger, more liquid borrowers with better industry positioning.

Risk Considerations

The **Goldman Sachs High Yield Floating Rate Fund** invests primarily in domestic or foreign floating rate loans and other floating or variable rate obligations rated below investment grade. The Fund may invest in **loans** directly, through loan assignments, or indirectly, by purchasing participations or sub-participations from financial institutions. Indirect purchases may subject the Fund to greater delays, expenses and risks than direct obligations in the case that a borrower fails to pay scheduled principal and interest. Investments in loans and fixed income instruments are subject to the risks associated with debt instruments generally, including **credit, liquidity and interest rate risk**. **Foreign investments** may be more volatile and less liquid than investments in U.S. securities and are subject to the risks of currency fluctuations and adverse economic or political developments. **High yield, lower rated investments** involve greater price volatility and present greater risks than higher rated investments. The Fund may make investments that are or may become **illiquid**. At times, the Fund may be unable to sell illiquid investments without a substantial drop in price, if at all. The Fund's investments are also 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 or governments and/or general economic conditions. The interest rate associated with certain of the Fund's investments may be informed by the London InterBank Offered Rate ("LIBOR"), which may cease to be available beginning in 2021. The unavailability or replacement of **LIBOR** may affect the value, liquidity or return on certain Fund investments and may result in costs incurred in connection with closing out positions and entering new trades. **Derivative instruments** may involve a high degree of financial risk. These risks include the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument; the risk of default by a counterparty; and liquidity risk (*i.e.*, the risk that an investment may not be able to be sold without a substantial drop in price, if at all). The Fund's investments in **other investment companies** (including ETFs) subject it to additional expenses.

General Disclosures

Fund holdings and allocations shown are current, may not be representative of current or future investments. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk.

Benchmark is S&P UBS Leveraged Loan Index (TR, Unhedged, USD). This index tracks the investable market of the U.S. dollar denominated leveraged loan market.

This Fund and its respective benchmark have not been rated by an independent rating agency. The credit allocation provided refers to the Fund's underlying portfolio securities. For the purpose of determining compliance with any credit rating requirement, each Fund assigns a security, at the time of purchase, the highest rating by a Nationally Recognized Statistical Rating Organization (NRSRO) if the security is rated by more than one NRSRO. For this purpose, each Fund relies only on the ratings of the following NRSROs: Standard & Poor's, Moody's and Fitch, Inc. This method may differ from the method independently used by benchmark providers. Goldman Sachs Asset Management will use a single rating if that is the only one available. Securities that are not rated by all three agencies are reflected as such in the breakdown. Unrated securities may be purchased by a Fund if they are determined by the Investment Adviser to be of a credit quality consistent with the Fund's credit rating requirements. Unrated securities do not necessarily indicate low quality, and for such securities the investment adviser will evaluate the credit quality. Goldman Sachs Asset Management converts all ratings to the equivalent S&P major rating category when illustrating credit rating breakdowns. Ratings and fund/benchmark credit quality may change over time.

It is not possible to invest directly in an unmanaged index.

A basis point is 1/100th of a percent.

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