Goldman Sachs | Asset Management

Investment Commentary

1Q 2024

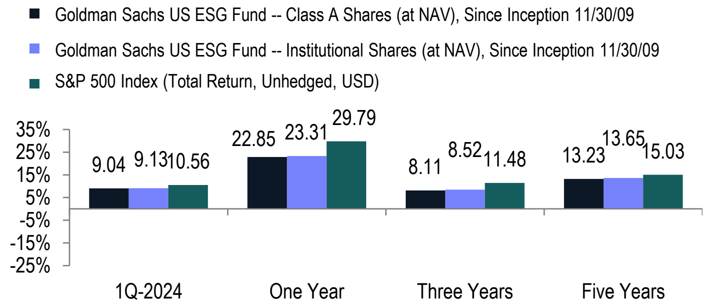
Class A: GAGVX
Class C: GCGVX
Institutional: GINGX
Investor: GIRGX
Class R: GRGVX
Class R6: GDEUX

Goldman Sachs US Equity ESG Fund

Market Overview

The S&P 500 Index increased by 10.56% (total return, in USD) in the first quarter of 2024. Following a very strong end to 2023, US equity markets began the year with continued impressive performance as the S&P 500 Index closed the quarter at a new all-time high, demonstrating an improvement in market breadth as the quarter progressed with performance expanding outside of the recently dominant mega-cap technology names. As strength broadened out beyond technology, excitement surrounding artificial intelligence capabilities served as a key tailwind to market performance. US Equities began the quarter with a more cautionary tone driven by concerns regarding overvalued conditions and the Federal Reserve's (Fed) ability to match aggressive interest rate cut expectations. Treasury yields across the curve steepened, a headwind to equity valuations as traders repriced expectations throughout the quarter regarding the path of monetary policy. Despite this defensive start, stocks reversed course as economic releases and robust labor market data continued to underpin the prevailing soft-landing narrative. Market participants initially began with aggressive expectations of rate cuts as early as March, though expectations were moderated as inflation data spiked with the January Consumer Price Index (CPI) report rising due to an increasing rate of shelter inflation and strength in other services components – shifting timing expectations back to June for the first rate cut. Throughout the quarter, inflation data continued to show prices rising more rapidly than forecasted with February's Producer Price Index (PPI) print rising 0.6% from the previous month, its highest level since September, and February CPI reports also printing higher than anticipated. Following this uptick in inflation, market participants viewed the March Federal Open Market Committee (FOMC) meeting positively given the absence of unexpected Fed announcements as officials reiterated the expectation of three rate cuts from policymakers in their updated Summary of Economic Projections. Furthermore, Fed Chairman Jerome Powell communicated that the modest rise in recent inflation data did not fundamentally change the disinflation narrative, staying cautiously optimistic as he continued to remind investors that while officials have seen progress of inflation trending lower towards its 2% target, further confidence is necessary before easing monetary policy. On the earnings front, corporate earnings were better than expected with stable 2024 outlooks and optimism from the reopening of corporate buybacks, as well as both sales and earnings exceeding market forecasts on account of improved profit margins across most sectors. The best performing sectors within the S&P 500 were Communication Services, Energy, and Information Technology, while the worst performing sectors were Real Estate, Utilities, and Consumer Discretionary.

Performance History as of 3/31/2024



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 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 www.GSAMFUNDS.com to obtain the most recent month-end returns.** Performance reflects cumulative total returns for periods of less than one year and average annual total returns for periods of greater than one year. All Fund performance data reflect the reinvestment of distributions.

Standardized Total Returns for Period Ended 3/31/24

	Class A Shares	Class I Shares
One Year	16.13%	23.31%
Five Years	11.96%	13.65%
Ten Years	10.14%	11.17%

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 5.50% 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

	Class A Shares	Class I Shares
Current Expense Ratio (Net)	1.03%	0.67%
Expense Ratio Before Waivers (Gross)	2.23%	1.87%

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 December 29, 2024, and prior to such date the investment adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.

Portfolio Attribution

The **Goldman Sachs US Equity ESG Fund** underperformed its benchmark, the S&P 500 Index (net), during the quarter. The Industrials and Materials sectors contributed to relative returns, while the Consumer Discretionary and Communication Services sectors detracted from relative returns.

Eli Lilly & Co. (3.1%) was a top contributor to relative returns during the first quarter. The company engages in the discovery, development, and sale of pharmaceutical products. The company's shares appreciated following the company's announcement of LillyDirect, an end-to-end digital pharmacy solution offering telehealth and delivery for products such as its weight loss drug. Such an offering was viewed positively and continued to fuel the weight loss drug mania in the market. The company's shares further appreciated after another strong quarter of earnings. Eli Lilly's fourth quarter results featured strong new products revenue growth driven by GLP-1 agonists, Mounjaro and Zepbound, indicated for diabetes and weight-loss. The company also initiated 2024 guidance which was 5% higher at the mid-point versus consensus expectations. Eli Lilly's impressive results illustrated its unique positioning and continued strength in the weight-loss arena even with competition. Overall, we continue to believe that Eli Lilly has an impressive new product suite in development and the path to further market share capture remains intact. We believe the company is well positioned to benefit from the secular growth trend targeting obesity with its leading obesity drug and a full portfolio of next generation obesity drugs in the pipeline which could be more attractive as other health benefits arise and insurance coverage is gained. Further, the company has an attractive opportunity in the Alzheimer drug space in the future which could benefit Eli Lilly the most given the scale of its organization and its large salesforce.

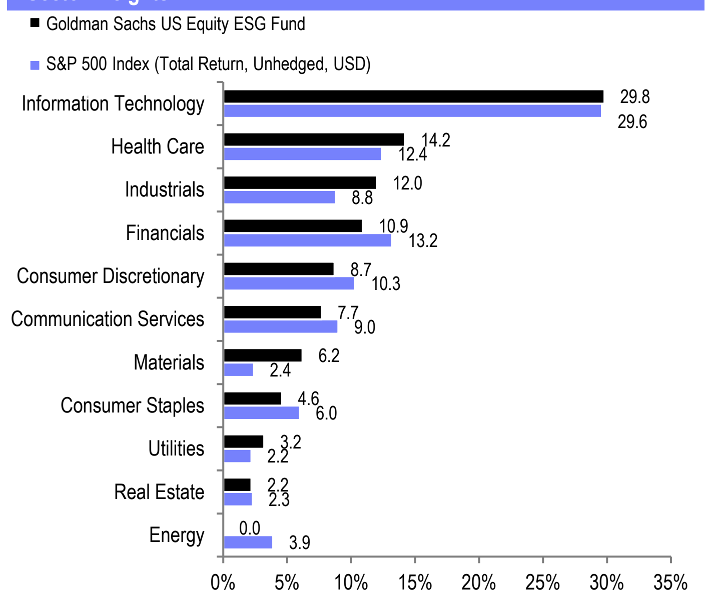
Carbon-steel producer and metal recycler, **Steel Dynamics, Inc. (2.5%)**, was a top contributor to relative returns during the quarter. After the company's typical early earnings guidance in December coming in solidly ahead of consensus expectations, the company delivered a generally positive update in its fourth quarter earnings print driven by price realization in its mill operation. The company further illustrated how the steel markets are improving and increased its first quarter earnings guidance due to positive earnings trajectory across the platform and increased shipments. Due to these tailwinds, the company also increased its quarterly dividend. We continue to be optimistic in the company as we believe positive capital allocation decisions will drive meaningful value. Further, following a pullback in steel prices, we believe the set up for a stronger and longer US steel cycle versus other commodities is incoming due to dramatic changes in energy prices globally along with the eventual increase in auto production along with increased infrastructure spending in the US. Steel Dynamics continues to be favorable in our opinion as it is a low-cost producer that is well positioned to capitalize on the cycle.

Health insurance company, **Humana Inc. (1.0%)**, was a top detractor from relative returns during the quarter. The stock price plummeted mid-January after the company announced disappointing fourth quarter earnings results, even after investor expectations were lowered the week prior after a preannouncement regarding higher-than-expected medical costs – specifically in its Medicare Advantage business. The low

Top Ten Holdings

Company	Portfolio
Microsoft Corporation	9.3
Alphabet Inc. Class A	5.3
Apple Inc.	4.9
NVIDIA Corporation	4.3
JPMorgan Chase & Co.	4.0
Eli Lilly and Company	3.1
Procter & Gamble Company	3.0
McDonald's Corporation	2.7
Morgan Stanley	2.5
Cisco Systems, Inc.	2.5

Sector Weights



Data as of 3/31/24.
Fund holdings and allocations shown are unaudited, and 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.

guidance and loss reported by the company was due to headwinds facing the industry as a whole as it faces elevated costs and healthcare utilization. Despite this we remain constructive on Humana and believe the company should outperform the broader managed care group given its strong growth profile. In addition to being exposed to Medicare Advantage, which we believe is the most attractive end-market in managed care, Humana's investments in benefits and distribution will likely help the company increase market share going forward. We also expect Humana to continue to gain Medicare Advantage market share in 2024 based on the strength and historical stability of its star ratings, unlocking further upside potential into the long term.

Athletic apparel company, **Nike, Inc. (1.9%)**, was a top detractor from relative returns during the quarter. The company's stock came under pressure after reporting a decent quarter beating bottom line estimates on better gross margins and strong expense control. Management did announce a new plan to pivot back to an equal marketplace strategy focus versus previously prioritizing direct to consumer. Further, management illustrated a more defensive approach in reducing exposure of existing franchisees to not flood the channel when newer products hit shelves. This raised questions about their confidence in the brand's existing franchise demand versus its innovation pipeline. That being said, we believe the business is on the right step in alleviating innovation and channel strategy concerns. The company has recently initiated a multiyear innovation cycle and now is focused on growing across all channels which makes up optimistic in its ability to support sales momentum. With the stock largely de-risked, we believe the valuation and expectation levels are attractive going forward.

Portfolio Review

We initiated a position in global science and technology conglomerate, **Danaher Corporation (2.1%)**, during the quarter. We became more comfortable with the macroeconomic environment as we believed most of the recent soft biotech spending environment was priced in and that emerging biotech spending trends have stabilized. Furthermore, we believed the bioprocessing end-market for tools will be the first to recover as we expected excess channel inventory to normalize, in which Danaher has meaningful exposure.

We initiated a position in customer relationship management software provider, **Salesforce, Inc. (2.1%)**, during the quarter. We have a positive view of the company as it has demonstrated impressive margin expansion, and we continue to believe in the capital return opportunity in Salesforce's stock which was highlighted by its recent increased buyback authorization and dividend initiation. We believe the management is well equipped to navigate relatively conservative guidance and is focused on margin expansion by being more disciplined with capital. Further, we believe the future set up is attractive as improving spending environment is being illustrated by macroeconomic green shoots especially for generative artificial intelligence products, bunding is picking up traction, and the forward guidance looks conservative.

We exited our position in less than truckload (LTL) shipping company, **Old Dominion Freight Line, Inc. (0.0%)**, during the first quarter. While we still like the name and believe there are structural growth opportunities in the industry, we became more incrementally positive in another shipping company with LTL exposure due to a more retail-exposed freight and forward cost initiatives. Further, as Old Dominion has performed well since

Top/Bottom Contributors to Return (as of 3/31/2024)

Top Ten	Ending Weight (%)	Relative Contribution (bps)
Eli Lilly and Company	3.1	36
Steel Dynamics, Inc.	2.5	34
General Electric Company	1.5	28
American Express Company	2.4	22
Eaton Corp. Plc	1.6	22
JPMorgan Chase & Co.	4.0	19
Caterpillar Inc.	1.9	19
Apple Inc.	4.9	16
NVIDIA Corporation	4.3	15
Ball Corporation	2.1	11
Bottom Ten	**Ending Weight (%)**	**Relative Contribution (bps)**
Humana Inc.	1.0	-55
NIKE, Inc. Class B	1.9	-43
American Tower Corporation	2.2	-42
McDonald's Corporation	2.7	-36
American Water Works Company, Inc.	1.3	-27
Cisco Systems, Inc.	2.5	-26
Aptiv PLC	--	-25
Enphase Energy, Inc.	0.7	-24
Accenture Plc Class A	2.2	-21
Etsy, Inc.	--	-20

Source: Goldman Sachs Asset Management, FactSet as of 3/31/2024. Attribution data shown is from a third-party data provider and may slightly differ from official Goldman Sachs Asset Management performance due to pricing differences/methodologies. The attribution returns are gross and do not reflect the deduction of investment advisory fees, which will reduce returns. **Past performance does not guarantee future results, which may vary.**

initiation, we felt it more prudent from a valuation standpoint to rotate capital into a name with a potentially better risk/reward set up going forward.

We exited our position in automotive technology supplier, **Aptiv PLC (0.0%)**, during the first quarter. Even as the company beat earnings estimates for the fourth quarter, Aptiv continued to trade weaker as electric vehicle demand continued to soften and the company faces headwinds in China. Due to these pressures, investors remained worried about the company's ability to drive growth over the market and hit guidance targets. While we still liked the name for the longer-term, we exited the position as we believed the stock could be depressed until it can disprove such growth narrative or until green shoots for electric vehicle demand are illustrated and the outlook turns positive.

Strategy/Outlook

The US equity market began the year with continued momentum as the S&P 500 Index notched a fresh record high in the first quarter despite the market experiencing a hawkish repricing of Federal Reserve (Fed) rate cut expectations. US Labor market data continued to remain strong driven by higher-than-expected Nonfarm Payrolls, though experienced areas of slowdown in consumer spending and a gradual uptick in the Unemployment Rate – further underpinning market expectations of a soft-landing scenario this year. Looking ahead to the second quarter, we continue to remain optimistic on the broader US equity market given the expectation that the Federal Reserve (Fed) is likely nearing the end of its restrictive monetary stance as inflation risks seem to be more balanced, while further US economic growth is likely to be directed by the health of consumer spending. Although the US growth backdrop remains robust, consumer spending is expected to gradually slow over-time due to the lagged effects of higher interest rates, resumption of student loans in the fourth quarter of 2023, and exhausted excess savings during the pandemic. The uncertainty regarding the timing of an initial rate cut from the central bank coupled with the US presidential election may drive heightened volatility, though a still-strong macroeconomic backdrop is supportive of driving equity prices higher and broadening market leadership away from mega-cap companies. In our view, the Fed is likely to take a data dependent and cautious stance to easing monetary policy to ensure inflation is approaching its 2% target on a year-over-year basis. Fed officials reaffirmed estimates of three rate cuts in 2024 released in the March Summary of Economic Projections, in-line with market. Furthermore, the adoption of artificial intelligence across industries is expected to remain a notable tailwind to equities throughout the year – as hardware-enablers such as semiconductor and cloud companies continue to benefit from the buildout of data center infrastructure intended to train models that support the enhancement of labor market productivity. Market appetite for risk assets is expected to remain elevated strengthened by consensus double-digit earnings growth for the S&P 500 in 2024, experiencing a ramp up in corporate buybacks and declining bond volatility which should provide a favorable backdrop for equities. Moreover, we believe US equities have the potential to trend higher despite headwinds from elevated valuations as US real GDP growth estimates remain firm, benefits of a more sustained improvement in the global manufacturing cycle are seen, and a potential Fed easing cycle this year may serve as tailwinds to the broader market. We believe our extensive bottom-up research approach is beneficial to navigating these evolving themes and heightened volatility, while also positioning investors to benefit from the next upcycle. We continue to stay true to our quality-first investment approach and seek to invest in businesses with healthy balance sheets, relatively stable cash flows, and differentiated business models aligned to secular tailwinds. We continue to test our models and re-evaluate our assumptions with increasing information, stay focused on the long-term investment horizon, and believe this fundamental approach may generate excess return in the long run for our clients.

Source: Goldman Sachs Asset Management, FactSet as of 3/31/2024.

Risk Considerations

Effective after the close of business on August 30, 2020, the Goldman Sachs Blue Chip Fund was renamed the Goldman Sachs U.S. Equity ESG Fund and changed its principal investment strategy. Performance information prior to this date reflects the Fund's former strategies.

The Goldman Sachs U.S. Equity ESG Fund invests primarily in a diversified portfolio of equity investments in U.S. issuers that the Investment Adviser believes adhere to the Fund's environmental, social and governance ("ESG") criteria. The Fund's adherence to its **ESG criteria** and the application of the Investment Adviser's supplemental ESG analysis may affect the Fund's performance relative to similar funds that do not adhere to such criteria or apply such analysis. The Fund's 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 or governments and/or general economic conditions. Because the Fund may invest in a **relatively small number of issuers**, the Fund is subject to greater risk of loss. **Different investment styles** (e.g., "growth", "value" or "quantitative") tend to shift in and out of favor, and at times the Fund may underperform other funds that invest in similar asset classes.

General Disclosures

A summary prospectus, if available, or a Prospectus for the Fund containing more information may be obtained from your authorized dealer or from Goldman Sachs & Co. LLC by calling (retail: 1-800-526-7384) (institutional: 1-800-621-2550). Please consider a fund's objectives, risks, and charges and expenses, and read the summary prospectus, if available, and the Prospectus carefully before investing. The summary prospectus, if available, and the Prospectus contains this and other information about the Fund.

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.

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The S&P 500 Index is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S.

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Definitions:

Soft Landing: Avoiding a recession in the contractionary stage of a market/business cycle.

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