Goldman Sachs | Asset Management

Investment Commentary

Q1 2025

Class A: GMVAX Class Inv: GMVIX
Class C: GMVCX Class R6: GMCUX
Class I: GSMVX Class R: GMVRX

Goldman Sachs Small/Mid Cap Value Fund

Market Overview

The S&P 500 Index decreased by 4.27% (total return, in USD) in the first quarter of 2025, whereas the Russell 2000 Index decreased by 9.48% (total return, in USD). The S&P 500 Index initially reached record highs, but sentiment turned as tariff uncertainty, trade tensions, Artificial Intelligence (AI) growth scrutiny, and softer economic data triggered a broad selloff. The downturn pushed US equities into correction territory, with the "Magnificent Seven" stocks leading the way. Despite the pullback, the labor market remained strong, and inflation readings came in lower than consensus expectations, signaling economic resilience. The best performing sectors within the S&P 500 were Energy, Health Care, and Consumer Staples, while the worst performing sectors were Consumer Discretionary, Information Technology, and Communication Services. For the Russell 2000, the best performing sectors were Utilities, Consumer Staples, and Real Estate, while the worse performing sectors were Information Technology, Consumer Discretionary, and Energy.

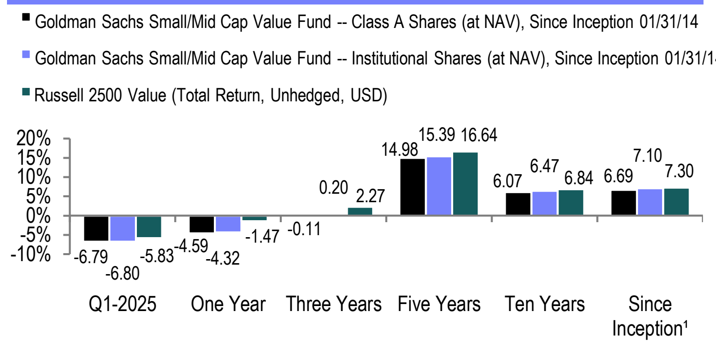
Portfolio Attribution

The Goldman Sachs Small/Mid Cap Value Fund underperformed its benchmark, the Russell 2500 Value Index (net), during the quarter. Stock selection in the Energy and Materials sectors contributed the most to relative returns, while stock selection within Information Technology and Industrials detracted from relative returns.

Beacon Roofing Supply, Inc. (0.8%), a distributor of commercial and residential roofing products, was the top contributor to relative returns during the period. The company's stock surged after BECN initially declined an unsolicited merger proposal, citing significant undervaluation of its long-term potential. However, the takeover attempt concluded at the end of the quarter with BECN and QXO entering into a definitive merger agreement, further driving its share price higher. We remain constructive on BECN as we believe it generates significant free cash flow due to large recurring revenue exposure within a consolidated industry, which may enhance QXO's market position across the building products distribution industry.

Mr. Cooper Group, Inc. (1.5%), a residential loan services provider, was another top contributor to relative returns during the quarter. The company's stock surged after residential loan services company, Rocket Companies, announced the acquisition of COOP in an all-stock transaction for $9.4 billion. We continue to re-underwrite our position in the company following the announcement. In our view, the company's valuation was attractive for having an industry-leading return on capital relative to other non-bank servicers, in addition to persistent robust execution in a challenged mortgage environment and a strong balance sheet. We believe servicing is a scalable business and as the portfolio of mortgages the company services grows, it is positioned to be able to generate incrementally higher return on equity.

Performance History as of 3/31/25



[1] The Since Inception Benchmark Return represents the time period of the share class with the earlier inception date, when the A and I share classes have different inception dates. **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 am.gs.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 3/31/25

	Class A Shares	Class I Shares
One Year	-9.85%	-4.32%
Five Years	13.68%	15.39%
Ten Years	5.48%	6.47%

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. Class A shares reflect the maximum initial sales charge of 5.50%. Because Institutional shares do not include a sales charge, such a charge is not included in the standardized total returns.

Expense Ratios

	Class A Shares	Class I Shares
Current Expense Ratio (Net)	1.18%	0.85%
Expense Ratio Before Waivers (Gross)	1.44%	1.08%

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, 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.

Jefferies Financial Group Inc. (1.4%), an American multinational independent investment bank and financial services company, was the top detractor from relative returns during the quarter. The company's stock price declined due to lighter-than-expected investment banking activity, amid uncertainty from the new US administration's policy changes and the geopolitical backdrop. We continue to believe the company is well positioned going forward, driven by stable to possibly lower interest rates, cross-sector deregulation, and increased dealmaking as private equity capital and sellers adjust to lower valuations. In our view, Jefferies should see margin expansion as recent senior hires scale their practices, and the firm gains operating leverage on non-compensation expenses from a larger revenue base.

Coherent Corporation (0.7%), a company that manufactures optical materials and semiconductors, was a top detractor from relative returns during the period. Shares of the company declined on announcements that Nvidia and TSMC were working on co-packaged solutions that may displace transceivers from COHR. Additionally, the stock declined alongside the broader semiconductor industry as the artificial intelligence growth theme came under pressure due to concerns about future AI-related capital expenditures. Despite recent headwinds, the company continues to benefit from robust demand across its Datacom Optical Transceiver and Communication businesses driven by Artificial Intelligence related developments. In our view, we expect further improvement and stability across the company's Industrial, Electronics, and Instrumentation end markets as inventories have normalized, with management seeking a return to growth by 2025.

Portfolio Review

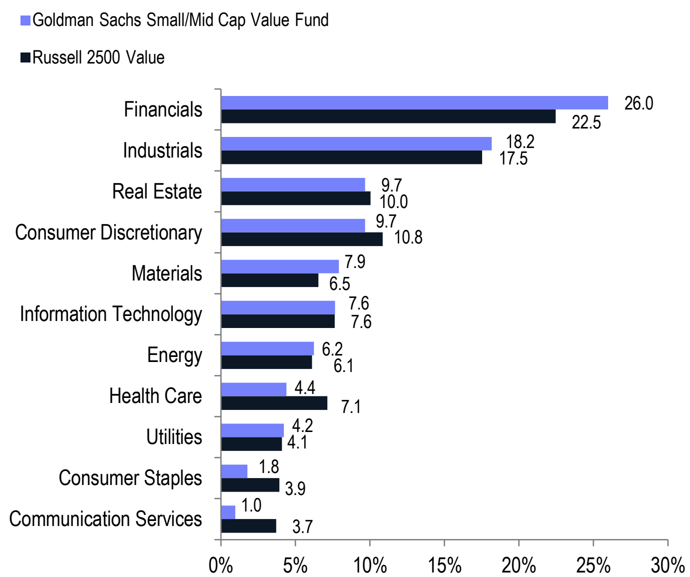
We initiated a position in **WESCO International, Inc. (0.8%)**, a company that provides electrical, industrial, and communications maintenance, repair, and operating (MRO) products and services, during the quarter. We believe the company is poised to benefit from secular tailwinds, particularly in the hardening of the grid driven by data center power demand and the associated surge in electrical product demand. Additionally, we believe WESCO's renewed focus on margin improvement may enhance returns and drive multiple expansion.

We also initiated a position in **Flowserve Corporation (0.8%)**, a supplier of flow control products and services, during the period. We view the company favorably given its strategic focus on increasing aftermarket capture rates and enhancing operational efficiency. The company's initiatives, such as reducing quoting times, implementing the RedRaven platform for predictive maintenance, and optimizing facility footprints, positions it well to capitalize on its strong installed base and drive growth in the aftermarket segment.

Top Ten Holdings as of 3/31/2025

Company	Portfolio
Regency Centers Corporation	2.0%
East West Bancorp, Inc.	1.8%
TXNM Energy, Inc.	1.7%
Prosperity Bancshares, Inc.	1.6%
Webster Financial Corporation	1.6%
Range Resources Corporation	1.6%
Mr. Cooper Group Inc.	1.5%
Jefferies Financial Group Inc.	1.4%
NiSource Inc.	1.3%
IDACORP, Inc.	1.3%

Sector Weights as of 3/31/2025



Data as of 3/31/25.
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.

We exited our position in electrical connection and protection solutions provider, **nVent Electric plc (0.0%)**, during the quarter. We had concerns about competition coming into the liquid cooling space and potentially impacting pricing and growth rates for nVent, and we opted to sell the position and rotate the proceeds to companies we had higher conviction in.

We also exited our position in **Zebra Technologies Corporation (0.0%)**, a global leader in mobile computing, data capture, and other workflow automation products and services, during the quarter. Given the company's limited visibility beyond the first quarter of 2025, stemming from end customers' uncertainty, delays in budget forecasts, and elongated deployment timelines, we sold out of the position in favor of higher risk/reward prospects elsewhere in the portfolio.

Strategy/Outlook

The US equity market experienced a volatile first quarter of 2025, influenced by policy uncertainty, softer economic data, disinflation concerns, and scrutiny regarding the sustainability of the artificial intelligence growth narrative. Given the recent repricing of the US equity exceptionalism trade driven by concerns around economic growth and rising inflation expectations, we believe active management is critical to navigating the heightened policy uncertainty, while providing diversified sources of returns. Unlike passive management strategies, which may carry exposure to low-quality constituents, taking an active approach enables investors to avoid potential pitfalls and traverse the everchanging macroeconomic and geopolitical backdrop. As we navigate heightened volatility, we remain nimble and look to capitalize on idiosyncratic opportunities uncovered through bottom-up stock selection. We continue to prioritize our quality-oriented approach to investing – focusing on having a long-term viewpoint on the portfolio, seeking businesses with healthy balance sheets, and partnering with management teams that are effective stewards of capital. In our view, we are optimistic that a fundamental approach may generate excess returns in the long run for our clients.

Top/Bottom Contributors to Return as of 3/31/25

Top Ten	**Ending Weight (%)**	**Relative Contribution (bps)**
Beacon Roofing Supply Inc	0.8	31
Mr. Cooper Group Inc	1.5	30
TXNM Energy Inc	1.7	20
BJ's Wholesale Club Holdings Inc	1.0	19
Range Resources Corporation	1.6	19
STAG Industrial Inc	1.2	13
IDACORP Inc	1.3	13
CNO Financial Group Inc	0.9	13
Annaly Capital Management Inc	1.0	12
NiSource Inc	1.3	11
Bottom Ten	**Ending Weight (%)**	**Relative Contribution (bps)**
Jefferies Financial Group Inc	1.4	-42
Coherent Corp	0.7	-23
Regal Rexnord Corporation	1.1	-23
NeoGenomics Inc	0.3	-18
ASGN Incorporated	0.9	-18
Encore Capital Group Inc	0.6	-16
Saia Inc	0.7	-14
Arcosa Inc	0.9	-14
Semtech Corporation	0.3	-13
Onto Innovation Inc	0.4	-13

The attribution returns presented above 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.** 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.

Risk Considerations

The Goldman Sachs Small/Mid Cap Value Fund invests primarily in mid- and small-capitalization U.S. equity investments. 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. The securities of **mid- and small-capitalization companies** involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements. **Foreign and emerging markets 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, social or political developments. **Different investment styles** (e.g., "quantitative") tend to shift in and out of favor, and at times the Fund may underperform other funds that invest in similar asset classes. **Investing in REITs** involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs whose underlying properties are focused in a particular industry or geographic region are also subject to risks affecting such industries and regions. The securities of REITs involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, economic conditions and other factors. The Fund may have a **high rate of portfolio turnover**, which involves correspondingly greater expenses which must be borne by the Fund, and is also likely to result in short-term capital gains taxable to shareholders.

General Disclosures

The S&P 500 Index is the Standard & Poor's 500 Composite Stock Prices Index of 500 stocks, an unmanaged index of common stock prices.

Russell 2500 Value Index measures the performance of the 2,500 smallest companies in the Russell 3000 companies with relatively lower price-to-book ratios and lower forecasted growth values.

The Russell 2000® index is an index measuring the performance of approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. Investors cannot invest directly in indices.

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.

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