Goldman Sachs | Asset Management

Investment Commentary

Q2 2024

Class A: GSMAX
Class C: GSMGX
Class R: GTMRX
Class R6: GTMUX
Class I: GSMYX
Class S: GSMQX
Class Inv: GTMTX

Goldman Sachs Small/Mid Cap Growth Fund

Market Overview

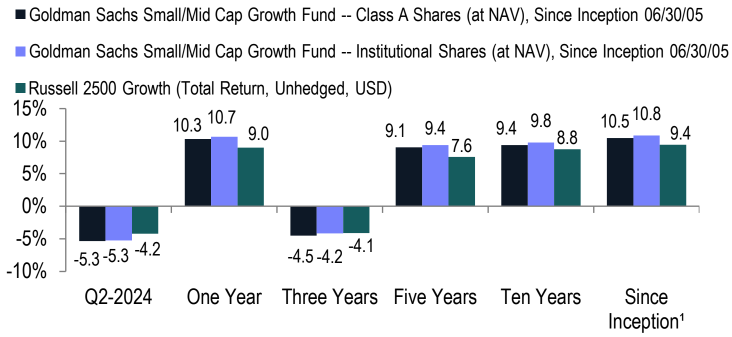
The S&P 500 Index increased 4.29% (total return, in USD) in the second quarter of 2024. While enthusiasm around mega-cap technology companies proved a constant theme throughout the quarter, stock prices initially fell as the equity market digested the effects of increased inflation, but this was later offset by the release of disinflationary data. Big technology stocks continued to drive market gains, sparking concerns among investors around the narrow breadth of market returns. In the beginning of the quarter, macroeconomic uncertainty, primarily surrounding rates, brought about fluctuations in the equity market. Investor sentiment reversed course in May as investors began to see a marginal slowdown in the economy and labor market, which increased market optimism around a September rate cut. Economic data released in May showed a decline in nonfarm payrolls, lower than expected growth in the average hourly earnings report, and a drop in April's consumer spending activity. Despite this supportive disinflationary data, in early June the Federal Open Market Committee (FOMC) held rates steady and forecasted only one rate cut this year. Federal Reserve (Fed) Chairman Jerome Powell continued to echo the need for conclusive data to gain greater confidence in the rate of disinflation before considering rate cuts. May's cooler Consumer Price Index (CPI) report provided renewed hope for a soft landing. The health of the consumer came into question with retail sales declining and client behavior becoming increasingly cautious, although corporate earnings remained resilient. The best performing sectors within the S&P 500 were Information Technology, and Communication Services, and Utilities, while the worst performing sectors were Materials, Industrials, and Energy.

Portfolio Attribution

The Goldman Sachs Small/Mid Cap Growth Fund underperformed its benchmark, the Russell 2500 Growth Index (net), during the quarter, however the fund is outperforming over longer time periods, including the YTD, 1-, 5-, and 10-year periods. Stock selection in the Consumer Discretionary and Consumer Staples sectors contributed to relative returns, while stock selection within Health Care and Financials detracted from relative returns.

HEICO Corporation (1.7%), a technology-driven company specializing in aerospace, industrial, defense, and electronics, was the top contributor to relative returns during the quarter. HEICO's stock appreciated mainly due to growth in its flight support group (FSG) segment given the continued strength in aerospace aftermarket, pricing power, and integration of its Wencor acquisition. Aerospace stocks with heightened exposure to the aftermarket have benefitted from high rates of growth and larger than normal pricing increases, creating robust industry fundamentals. We believe HEICO remains well positioned in the aerospace supply chain with the ability to expand market share gains and pricing in the medium-term, compound cash flow over the long-term, and execute strategically on M&A.

Performance History as of 6/30/24



[1] The Since Inception Benchmark Return represents the time period of the shareclass with the earlier inception date, when the A and I shareclasses 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 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 6/30/24

	Class A Shares	Class I Shares
One Year	4.29%	10.69%
Five Years	7.82%	9.41%
Ten Years	8.77%	9.77%

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)	1.25%	0.93%
Expense Ratio Before Waivers (Gross)	1.29%	0.93%

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.

Data center infrastructure company, **Super Micro Computer, Inc.** (0.0%), was also a top contributor to relative returns during the second quarter due to our relative underweight position in the name. The company's stock price dropped ahead of its fiscal Q3 earnings report as a lack of an earnings preannouncement sparked concerns among investors. The company typically released preliminary earnings when it experienced remarkable growth over the past year. Super Micro also guided for margins to decline next quarter, which likely signifies increased costs from key components and impacts from competitors. We ultimately exited our position in Super Micro as we believed there were other companies in the space with more attractive risk-reward profiles and valuations.

Bruker Corporation (1.4%), a manufacturer of scientific instruments for molecular and materials research, was the top detractor from relative returns during the second quarter. Bruker had a disappointing quarter that consisted of a questionable acquisition of Nanostring, a highly unprofitable company that was also amid a lawsuit, a top-line earnings miss, and foreign exchange headwinds. With Bruker at the bottom end of the peer group on valuation, there is significant upside to the stock if execution comes in well. We think their acquisitions make strategic sense and fit into the post-genomics growth pillars that the company has been increasing exposure to.

Exact Sciences Corporation (0.6%), a company that specializes in the detection of early-stage cancers, was also a top detractor from relative returns during the quarter. Despite delivering strong top-line growth with an improvement in Cologuard orders, shares of Exact Sciences fell in response to their Q1 earnings release as concerns of a sales slowdown spread among investors, partially because the company significantly cut back commercial spend last year, seemingly hindering their ability to drive further growth. We believe the market's stock price reaction was unwarranted and remain positive on Exact Sciences. Their product pipeline is promising, they have a well-established business, and their long-term growth outlook looks strong, predominantly driven by Cologuard -- which continues to outperform.

Portfolio Review

We initiated a position in **SharkNinja, Inc.** (1.2%), a manufacturer of home and kitchen electrical appliances, during the quarter. SharkNinja's revenue has grown much faster than the broader industry, and we expect this growth momentum to continue. The company also continues to nurture solid partnerships with key retailers.

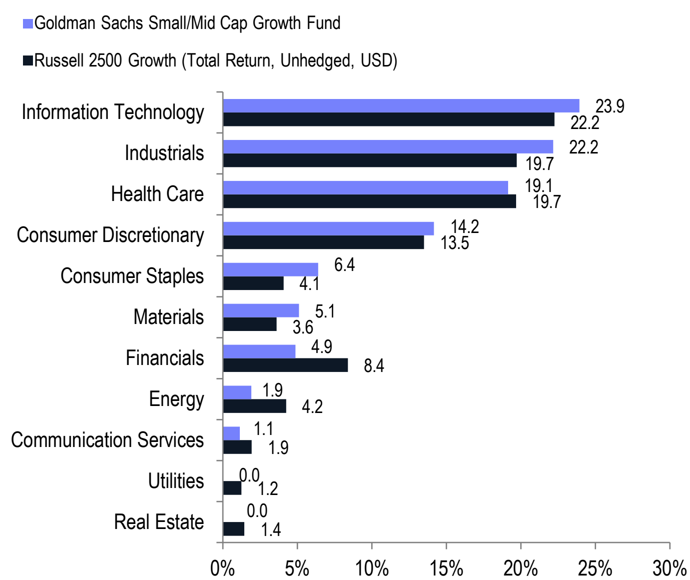
We also started a position in semiconductor company, **Onto Innovation, Inc.** (1.0%), during the quarter. Onto has thrived on the back of AI-related Advanced Packaging demand, persistent Dragonfly product strength, and the Advanced Nodes recovery, and we expect the stock's strength to continue.

We exited our position in medical device company, **Shockwave Medical, Inc.**, during the quarter. Shockwave Medical was acquired by Johnson & Johnson in April, and we sold out of the name ahead of the official completion of the deal.

Top Ten Holdings

Company	Portfolio
BJs Wholesale Club Holdings Inc	2.0%
Natera Inc	2.0%
Manhattan Associates Inc	2.0%
AAON Inc	2.0%
Texas Roadhouse Inc	1.9%
Wingstop Inc	1.9%
MACOM Technology Solutions Holdings Inc	1.9%
Dominos Pizza Inc	1.8%
Ashland Inc	1.7%
Tetra Tech Inc	1.7%

Sector Weights



Data as of 6/30/24.
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.

We also sold out of our position in specialty discount retailer, **Five Below, Inc**. The company had been struggling in 2024, and our conviction in the name waned. We reallocated the proceeds to names with better risk/reward profiles elsewhere in the portfolio.

Strategy/Outlook

The broader equity market extended its gains for the second consecutive quarter, in defiance of stubborn consumer prices, the Federal Reserve (Fed) signaling fewer rate cuts in 2024, and a slight moderation in consumer spending in response to an elevated inflationary and rate backdrop. The relative strength in US equities during the period was underpinned by continued outperformance across the “Magnificent Seven” mega-cap technology companies and the release of relatively strong first-quarter corporate earnings. Transitioning to the second half of 2024, we expect a moderate pickup in US economic growth driven by easing financial conditions, a still-strong labor market, and a healthy consumer. Moving forward, growth should be supported by strong real household incomes, a rebound in manufacturing activity, and gradually less restrictive monetary policy. In our view, market leadership is expected to broaden driven by a catch-up in earnings growth estimates across the entire US equity landscape, which in turn should narrow the earnings growth dispersion between the mega-cap companies and the broader equity market – providing a wider opportunity set for active stock selection. Election-related uncertainty in this year’s US presidential race is likely to rise due to the bifurcated fiscal policy implications from both regulatory agendas. However, we do not select stocks based on potential political outcomes and 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.

Top/Bottom Contributors to Return (as of 6/30/24)

Top Ten	Ending Weight (%)	Relative Contribution (bps)
HEICO Corp	1.7	31
Super Micro Computer Inc	--	26
MACOM Technology Solutions Holdings Inc	1.9	26
BJs Wholesale Club Holdings Inc	1.8	26
Pure Storage Inc	1.5	26
Natera Inc	2.0	25
Caseys General Stores Inc	1.4	24
Wingstop Inc	1.9	20
Tetra Tech Inc	1.7	20
Guidewire Software Inc	1.1	19

Bottom Ten	Ending Weight (%)	Relative Contribution (bps)
Bruker Corp	1.4	-37
Exact Sciences Corp	0.6	-32
DoubleVerify Holdings Inc	--	-29
Inspire Medical Systems Inc	0.7	-28
Repligen Corp	0.8	-26
Kinsale Capital Group Inc	1.3	-25
Stevanato Group SpA	--	-25
UiPath Inc	--	-25
Lincoln Electric Holdings Inc	1.3	-24
Celsius Holdings Inc	0.9	-22

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 Growth Fund invests primarily in a diversified portfolio of equity investments in mid- and small-capitalization issuers. 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.

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. The index figures do not reflect any deduction for fees, expenses or taxes.

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

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

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Hawkish: Hawks or being referred to as Hawkish indicates that a person(s) is/are seen as being willing to allow interest rates to increase in an effort to keep inflation under control, even if it means sacrificing economic growth, consumer spending, and employment.

Forward Price-to-Earnings: share price divided by consensus expectations for forward one-year earnings.

Dovish: Doves or being referred to as Dovish indicates that a person is in support of lowering interest rates and expanding monetary policy.

Bearish: Bearish indicates the sentiment of showing or expecting a fall in the prices of shares.

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