Goldman Sachs | Asset Management

Investment Commentary

4Q 2024

Class A: GSIFX Class S: GSISX
Class C: GSICX Class Inv: GIRNX
Class I: GSIEX Class R6: GSIWX

Goldman Sachs International Equity ESG Fund

Market Review

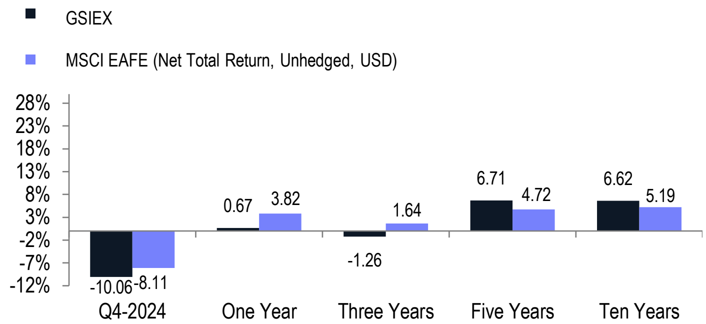
The MSCI EAFE Index returned -8.11% in Q4 bringing total return for 2024 to +3.82%. The Index had its worst quarter of the year amidst trade tariff uncertainty after Donald Trump's victory, recession concerns and political uncertainty particularly in France and Germany.

The MSCI Europe ex-UK Index declined -3.6% over the quarter. Recessionary fears resurfaced as the Purchasing Managers Index (PMI) remained in contractionary territory although rising from 49.5 to 48.3 in November. Contending with the lack of economic growth, the European Central Bank (ECB) cut rates by 25 basis points (bps) twice over the quarter. The region was also characterized by political instability as Germany saw its governing coalition collapse and France's Prime Minister suffered defeat in a no-confidence vote. The UK FTSE All Share Index proved more resilient, falling -0.4% over the quarter. The UK market was buoyed by companies with geographically diversified revenues amidst trade tariff concerns. Nonetheless, similar to the EU, the macroeconomic outlook for the UK economy was a drag on equity markets.

Japan on the other hand was the best performing major equity market over the quarter as the TOPIX Index rose +5.4%. The Japanese market has continued to benefit from yen weakness which has boosted export stocks. Persistent strength in the US economy has also been a propellant for Japanese equities. Corporate governance reforms are ongoing with companies announcing further share buybacks. After hiking rates in Q3, the Bank of Japan elected to leave them unchanged in Q4 to avoid stunting the welcome inflation and wage growth in the economy.

[1] Source: MSCI

Performance History as of 12/31/2024



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 12/31/2024

	Class I Shares
One Year	0.67%
Five Years	6.71%
Ten Years	6.62%

Source: FactSet and Goldman Sachs Asset Management. 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. Because Institutional Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

Expense Ratios

	Class I Shares
Current Expense Ratio (Net)	0.87%
Expense Ratio Before Waivers (Gross)	0.98%

Source: GS Asset Management. 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 February 28, 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

Portfolio Attribution

The Goldman Sachs International Equity ESG Fund Institutional Share Class underperformed its benchmark, the MSCI EAFE Index, by -194 basis points (bps) in Q4 2024, on a net of fees basis.

At the region level, stock selection in Asia ex Japan was the sole contributor to relative returns. On the other hand, stock selection in Europe and Japan were the most significant detractors from relative performance. At the sector level, stock selection in Materials and Consumer Discretionary contributed the most to relative returns during the quarter. Stock selection in Industrials and Information Technology were the largest detractors.

Sumitomo Mitsui Financial Group (SMFG), a bank holding company of SMBC bank and one of the largest banks in Japan, was the greatest contributor to returns over the quarter. The company has been a beneficiary of rising rates in Japan and posted an ~11% in increase in net profit year-over-year. We believe SMFG has a well-diversified business, with a substantial percentage of their loan balance coming from outside of Japan. Further, SMFG is a universal bank with operations in both retail and wholesale banking. The diversified business model allows the bank to generate stable earnings through the cycle and easily adapt to Bank of Japan policy changes.

Taiwan Semiconductor Manufacturing Company (TSMC), the largest semiconductor foundry with approximately 60% market share was another contributor to relative returns. Over the period, TSMC reported a 39% increase in revenue year-over-year on the back of increased demand for its chips for Artificial Intelligence applications. The semiconductor industry, mainly driven by increasing demand and data traffic fueled by AI interest, presents opportunities in automotive, wireless connectivity, and consumer electronic devices. TSMC is strategically positioned to potentially benefit from vehicular electrification, rising mobile penetration, and the growing adoption of cloud-based computing, retaining a competitive edge over peers due to its extensive manufacturing capabilities.

Cellnex Telecom, a wireless telecommunications infrastructure operator, was the largest detractor to performance over the quarter. Despite revenue growth, the company reported a $140 million net loss for 2024 through September. Moreover, investor concern grew over the company's elevated debt levels. We believe Cellnex Telecom is strongly positioned to benefit from mobile data growth and the trend of operators outsourcing infrastructure to enhance returns. The long-term nature of their contracts gives them high revenue visibility that is protected from inflation. We are also constructive on the company's a strategic pivot in 2023 which may drive organic growth and operational efficiencies to boost shareholder return.

Shiseido, a Japanese developer and distributor of beauty products, was also a significant detractor over the quarter. The broader beauty space has been challenged and the stock has suffered several quarters of underperformance due to weak demand from China. After consistently posting disappointing earnings results over the last year, we decided to exit our position in the name having lost conviction in the company's future growth prospects.

Top/Bottom Contributors to Return (as of 12/31/2024)

Top Ten	Ending Weight (%)	Relative Contribution (bps)
SMFG	4.14	+67
TSMC	2.17	+45
DS-Smith	2.05	+42
Sony Group	3.09	+26
Zurich Insurance	4.38	+25
Rentokil Initial	2.09	+24
Compass Group	2.67	+23
RELX Plc	3.09	+13
Kon Ahold Delhaize	4.01	+11
Schneider Electric	3.03	+7
Bottom Ten	**Ending Weight (%)**	**Relative Contribution (bps)**
Cellnex Telecom	2.88	-40
Shiseido	--	-34
Ashtead Group	2.74	-33
DSM-Firmenich	1.92	-31
Capgemini	3.07	-28
Nomura Research	1.88	-27
AIA Group	3.12	-24
Nestle	3.02	-21
Experian	1.00	-19
AstraZeneca	3.16	-18

Data as of 12/31/2024
Source: FactSet and GS Asset Management. 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.

Source: MSCI

Portfolio Review

We initiated a position in **Capgemini (3.07%)**, an IT services company. The Company provides mobile software solutions, business process management, outsourcing, cloud computing, finance, consulting, supply chain management, engineering, and other services. The stock has seen downgrades and derated more than peers resulting in an attractive valuation as our view is that downgrades may be bottoming out.

We eliminated our position in **Neste,** a Finnish refiner of renewable diesel. The company continued to suffer from headwinds faced in 2023 such as reduced demand and delays in its Singapore facility, while also contending with strikes in Finland. In Q2 2024 Neste's stock continued to suffer as the company announced a deep margin guidance cut of 20%, which was 13% lower than consensus expectations. The stock had been a significant detractor over the last year and we finally lost conviction in the name after continued execution struggles, exacerbated by lower oil prices.

We eliminated our position in **Shiseido**, a Japanese developer and distributor of beauty products. After consistently posting disappointing earnings results over the last year, we decided to exit our position in the name having lost conviction in the company's future growth prospects.

Outlook

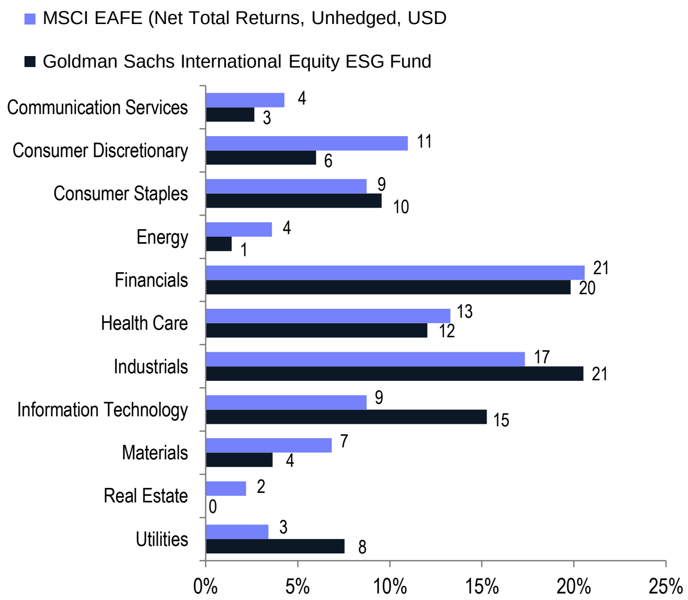
Markets may experience plenty of volatility due to economic, political, and geopolitical uncertainty heading into 2025. New realities that took shape at the start of last year – including higher for longer interest rates, elevated geopolitical risk, and megatrends rapidly transforming industries – continue to create a complex environment of evolving opportunities and risks in global markets. We believe there may be opportunities to broaden equity exposures beyond the largest US names and into international markets.

As investors revert their focus to companies with earnings resilience along with the pricing power and competitive positioning to defend margins, high operational and financial strength is expected to become increasingly relevant. In our opinion, quality stocks, have had a reliable history of outperforming across market cycles, albeit with short, punctuated periods of relative weakness. As active investors, we have continued to build meaningful positions in high quality resilient businesses and complement them with select cyclical exposure to companies that are likely to extend their leadership. In International Equity, we are always cognizant of the fact that the companies we own will have to face challenging economic times at some point, predictable or not. We select them because of our confidence in their ability to grow, and prosper relative to their competitors, over the economic cycle. We are fundamental investors and will remain focused on the long-term rather than trying to time the ups and downs of short-term market gyrations.

Top Ten Holdings

Company	Portfolio (%)
Iberdrola	4.48
Zurich Insurance	4.38
SMFG	4.14
Kon Ahold Delhaize	4.01
Takeda Pharmaceuticals	3.32
Itochu Corp	3.26
National Grid	3.22
Orix Corp	3.21
AstraZeneca	3.16
Aia Group Ltd	3.12

Sector Weights



Data as of 12/31/2024.
Source: MSCI, FactSet and GS Asset Management. 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.

ESG Highlights:

Proxy Voting

In 4Q2024, the **Goldman Sachs International Equity ESG Fund** voted at **3 company shareholder meetings** and on **16 ballot items**, supporting management **100% of the time**.

	#	% of Total
Meetings Voted	3	**-**
Proposals Voted	16	**-**
Votes With Management	16	100%
Votes Against Management	0	0%

Engagement

As a part of our ongoing engagement initiative, the Global Stewardship Team focuses on proactive engagement, in an attempt to promote best practices. Please see below engagements by category for the International Equity ESG Fund.

	#
Engagements Conducted	14
By E	6
By S	2
By G	10
Issuers Engaged	11

Engagement Example

- Country: United Kingdom | Sector: Consumer Discretionary
  Category: Providing Feedback | Theme: Remuneration
- In September 2024, members of the Global Stewardship Team and the Fundamental Equity Investment team engaged with the Investor Relations and Rewards team of a UK consumer discretionary company to discuss upcoming changes to the remuneration policy.
- The company is proposing to increase the award size for its top executives in the short- and long-term remuneration scheme. Under the proposed remuneration policy, the maximum CEO payout potential would increase by over 40%, driven by a more than 20% increase in salary and an increase in the maximum bonus and long-term award payouts.
- In response to the increase, the company cites a thorough benchmarking of UK and US peer companies that shows the company's executive pay levels are below market. Notably, although the company is based in the UK, it has significant operations in the US, where over 60% of its revenue is generated and over 60% of its employees are based. The company highlighted that it had lost two executives in the US to higher-paying competitors.
- During the engagement, we reiterated our view that good remuneration plans should be aligned to shareholder value and attract and retain key talent. We agreed on the importance of retaining top talent and noted we would expect any increase in pay to be justified by a detailed benchmarking, including the rationale for the chosen benchmark and its level of performance within this peer group.
- The company will publish its updated remuneration policy ahead of its 2025 annual meeting, and we will seek to review the policy and vote in the best interest of shareholders.

Risk Considerations

Effective after the close of business on February 27, 2018, the Goldman Sachs Focused International Fund was renamed the Goldman Sachs International Equity ESG Fund and changed its principal investment strategy. Performance information prior to this date reflects the Fund's former strategies.

The Goldman Sachs International Equity ESG Fund invests primarily in a diversified portfolio of equity investments in non-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. **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. Such securities are also subject **to foreign custody risk**. Because the Fund may invest in a **relatively small number of issuers**, the Fund is subject to greater risk of loss. Because the Fund may invest heavily in **specific sectors**, the Fund is subject to greater risk of loss as a result of adverse economic, business or other developments affecting such sectors.

General Disclosures

The MSCI EAFE Index is an equity index which captures large and mid cap representation across 21 Developed Markets countries around the world, excluding the US and Canada. With 825 constituents, the index covers approximately 85% of the free floatadjusted market capitalization in each country.

The MSCI Europe ex UK Index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe*. With 343 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

The FTSE All-Share Index, originally known as the FTSE Actuaries All Share Index, is a capitalisation-weighted index, comprising around 600 of more than 2,000 companies traded on the London Stock Exchange (LSE).

TOPIX, also known as the Tokyo Stock Price Index, is a capitalization-weighted index of all the companies listed on the First Section of the Tokyo Stock Exchange.

The Nikkei 225 measures the performance of 225 highly capitalised and liquid publicly owned companies in Japan from a wide array of industry sectors.

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

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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 a suitable benchmark against which to evaluate the investment or broader market described herein.

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