Goldman Sachs Global Equity Income Share Portfolio Fund

March 2026

Global Market Review

Global Markets declined in the first quarter of 2026, posting a return of -3.5% (MSCI World, USD). Markets experienced a volatile start to 2026 as investors navigated a range of macroeconomic and geopolitical forces. These events unfolded starting with mega-cap companies facing earnings scrutiny towards the end of Q4 2025, tempering some of the optimism that had previously driven the market. Later, the U.S. Supreme Court struck down tariffs imposed under International Economic Emergency Powers Act (IEEPA) citing limits on the executive branch's authority under the statute. At the same time, escalating geopolitical tensions in the Middle East disrupted oil and gas supply adding to inflationary pressures.

In the U.S., inflation remained steady at 2.4% in February 2026, in line with the previous month and market expectations. At its March 2026 meeting, the Federal Reserve maintained its policy rate within the 3.5%–3.75% range for a second consecutive session, a decision that was widely anticipated by markets and reflects the Fed's cautious approach amid ongoing economic uncertainties. The U.S. unemployment rate edged higher to 4.4% in February 2026, up from 4.3% in January.

In Europe, the inflation accelerated to 2.5% in March up from 1.9% in February. The surge was primarily driven by a significant increase in energy costs due to geopolitical tensions. Despite the uptick, the European Central Bank (ECB) opted to keep interest rates unchanged at its March 2026 meeting. Q4 2025 GDP growth rate expanded by just 0.2% , which was below the earlier estimate of 0.3%. The inflation rate in the UK held steady at 3% in February, in line with January's figure and aligning with market forecasts.

In Japan, inflation eased to 1.3% in February, declining from 1.5% in the previous month and marking the lowest rate since March 2022. The Bank of Japan (BoJ) opted to maintain its interest rate at 0.75% following its March 2026 policy meeting, keeping borrowing costs at their highest level since 1995.
During the period, value stocks outperformed growth stocks. The Energy sector led market performance during the quarter due to sharp spike in crude oil prices following major supply disruptions in the Middle East. In contrast, the Consumer Discretionary sector lagged market performance.

In the first quarter, global markets declined as investors shifted their focus towards rising inflation risks leading to a reversal in some previously favored trades. Looking ahead, upcoming inflation data in April and May will be closely watched for early indicators of higher energy prices. At the same time, ongoing developments in the Middle East will remain an important factor influencing market movements.

Performance Overview

When looking at region level attribution, Europe and Japan were the greatest contributors to performance over the month while North America and Africa/Middle East were the greatest detractors. At the sector level, Energy and Health Care were the greatest contributors to relative returns. Information Technology and Consumer Staples were the most significant detractors.

Contributors

Shell, the British multinational energy company, was the greatest contributor to performance. The stock emerged as a net beneficiary in the Middle East conflict like the broader energy sector, as the increase in oil prices have more than offset lost volumes as well as damages to physical assets. We remain constructive on the name given Shell's global scale and leadership position, supported by one of the world's largest fuel retail networks with over 40,000 locations. The company has also demonstrated strong capital discipline, delivering consistent shareholder returns through 16 consecutive quarters of share buybacks alongside a progressive dividend policy.

TotalEnergies, the French multinational integrated energy and petroleum company, was the biggest contributor to relative returns during the period. The company posted an in-line earnings print, with a supportive outlook for 2026 which aided performance. The stock also benefited from geopolitical tailwinds as escalating tensions in the Middle East lifted energy prices, with management noting that favorable pricing more than offset lost volumes from the region. We continue to like the name as we believe TotalEnergies has a good setup going into 2026, backed with competitive ROIC and highest reserve life among other peers. Its Integrated Power business remains a differentiating factor as we believe it will provide a stable FCF stream.

Detractors

Schneider Electric, one of the global leaders in energy management and industrial automation solutions, was the largest detractor to returns over the month. The stock declined as the broader sector corrected, with investors rotating into energy stocks amid escalating tensions in the Middle East. We remain positive on Schneider as a high-quality growth compounder with leading market positions, powerful secular tailwinds, and a strong track record of margin expansion and capital discipline. The company's critical role in enabling the energy transition and digital transformation supports our constructive long-term view.

Coca-Cola Europacific Partners (CCEP), the world's largest independent Coca-Cola bottler, was another detractor to performance over the month. The stock underperformed as the sharp rise in oil prices triggered concerns about margin pressure from higher input and distribution costs, while also raising fears of weakening consumer spending power in Europe amid potential stagflation. Investors rotated away from consumer staples into energy stocks as the sector leadership shifted dramatically. We continue to like the company as it's a high-quality growth compounder with structural growth drivers. CCEP is actively improving its product mix by focusing on higher-margin offerings, packaging innovation, and expansion into adjacent categories. CCEP's management is considered best-in-class, with a proven track record of turning around operations in Europe, ANZ, and Indonesia.

Purchases

We initiated **London Stock Exchange Group (LSEG)**, a market leading exchange and data infrastructure provider with strong network effects and high operating leverage. LSEG benefits from structural growth in market data, indices and post trade services, while its diversified, subscription led revenue model provides defensive characteristics across market cycles. The company continues to execute on self help value creation through margin expansion, declining capital intensity and significant free cash flow generation, supporting opportunistic share buybacks. While shares have re rated following strong execution and improved sentiment around AI risks, LSEG retains long term upside through sustained earnings growth, capital returns and further valuation normalization.

Sales

There were no exits during the month.

Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
MICROSOFT CORP	1.88	26
TAIWAN SEMICON MAN	2.20	24
ROYAL DUTCH SHELL A	3.66	56

TOTALENERGIES SE	2.92	52
SINGAPORE EXCHANGE	1.50	15

Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
SCHNEIDER ELECTRIC	1.51	-20
COCA-COLA EUROPACIFIC PARTNE	1.44	-18
TAIWAN SEMICON MAN	2.21	-17
INFINEON TECHNOLOG	1.50	-17
UNICREDIT SPA	1.14	-13

The returns and attribution are gross and do not reflect the deduction of investment advisory fees, which will reduce returns.