

Goldman Sachs Global Growth 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

In 1Q 2026, the I Acc share class of the Goldman Sachs Global Equity Partners ESG Portfolio returned -8.5% on a net basis, underperforming the benchmark MSCI World Index by 491 bps. Since inception, the portfolio has delivered 7.2%, underperforming the benchmark by 282 bps on an annualized net of fees basis.



During the quarter, our under allocation to **Communication Services** and stock selection in **Consumer Discretionary** sectors supported portfolio returns, while our no allocation to **Energy** and stock selection in **Health Care** sectors detracted the most from relative returns. From a country perspective, our stock selection in **Netherlands** and **United Kingdom** supported performance while our stock selection in the **United States** and **France** detracted the most from relative returns.

Performance Commentary

Top Contributors	Ending Weight (%)	Relative Contribution (bps)	Top Detractors	Ending Weight (%)	Relative Contribution (bps)
ASML	2.5	+51	Boston Scientific	2.9	-84
Eaton	3.2	+35	Blackstone	1.3	-52
TSMC	2.5	+31	Hermes	1.8	-46
National Grid	2.6	+27	Salesforce	1.3	-46
Air Liquide	2.6	+25	Microsoft	3.3	-44

Top contributors to portfolio performance

ASML, one of the market leaders in lithography tools was the biggest contributor to relative returns during the quarter. The performance was supported primarily due to its exceptional Q4 2025 order intake of EUR 13.2bn, significantly beating expectations and driven by strong EUV (Extreme Ultraviolet) demand, coupled with an optimistic Q1 2026 and full-year 2026 outlook that exceeded consensus forecasts, and positive progress on its High NA (Numerical Aperture) technology for EUV. Further, a new share buyback program of up to EUR 12bn (2.5% of market cap) was announced, signaling confidence in future performance. We remain positive on the stock on account of its future outlook.

Eaton, the global power management company, was another large contributor from relative returns during the quarter. The performance was supported by continued momentum in AI related infrastructure demand. The company delivered strong 4Q 2025 results with earnings exceeding expectations and robust growth order particularly within its data center markets. Performance was further supported by solid execution, including healthy order trends and margin expansion, reflecting both operating leverage and improved pricing dynamics. Looking ahead, management's 2026 outlook suggests continued top line growth, driven by sustained demand in key end markets and early signs of improvement in broader industrial activity. We remain positive on Eaton as it is a dominant player in U.S. electrical infrastructure, well positioned to benefit from electrification trends and growth drivers such as grid investment and generative AI.

Top Detractors to portfolio performance

Boston Scientific, the US-based manufacturer of medical devices, was the biggest detractor to relative returns during the quarter. Shares declined early in the quarter following a Q4 earnings print that came in line overall but disappointed in two historically strong franchises. In electrophysiology, rising competition raised concerns around a potential slowdown in growth. Sentiment weakened further after a closely watched LAAC clinical trial readout, which, while broadly positive, included some shortcomings that investors focused on. We continue to like this name as we believe this is a company with deep and broad pipeline that can drive continued growth.

Blackstone, the American alternative investment management company, was another key detractor from relative returns during the period. The alternative asset manager underperformed as investor concerns around private credit intensified. Sentiment was pressured by fears of outflows from non listed Business Development Companies, such as BCRED, and asset quality risks linked to potential AI disruption within software related loan portfolios. These concerns weighed on the broader private credit complex. We remain constructive on Blackstone given strong fundraising, deployment and realization momentum, reinforcing its leadership and long term growth outlook in alternatives despite near term private credit concerns.



Portfolio Activity – Key Buys and Sells

During the quarter, we had two new initiations and two eliminations.

We initiated a position in **Datadog**, a leading observability and monitoring platform benefiting from powerful secular drivers including cloud migration, AI adoption, rising IT complexity, and accelerating data growth. Datadog has established itself as the market leader in observability, expanding from core infrastructure monitoring into a broad, integrated platform spanning applications, logs, and security.

- **Datadog is a “cloud and AI arms dealers”:** Historically the platform of choice for cloud-native companies, Datadog is now seeing similar momentum among AI-native customers. The platform monitors the full AI stack, GPUs/CPU, model-level performance, and application-level Large Language Models, giving Datadog deep exposure to the fastest-growing cohort in software.
- **Durable Growth:** Datadog is positioned to sustain high revenue growth and operating margins over the long term, supporting a path toward a USD 10bn+ business. Cross-sell potential is significant, with only 31% of customers using 6+ modules and 16% using 8+ out of its over 20 modules, leaving ample room for consolidation on the Datadog platform.
- **Moat is high:** Datadog benefits from strong network effects, high switching costs and broad platform depth, continuous innovation and is supported by heavy R&D investment.
- **Business model:** Datadog’s consumption-based model allows customers to scale usage flexibly while incentivizing larger commitments through better pricing. Deep integration into customer workflows and expanding product breadth support high stickiness and long-term relationships.
- **Why now:** Non-AI growth is re-accelerating, security annual recurring revenue is inflecting, and Datadog announced a >USD 100m expansion with its largest AI-native customer, easing concerns around optimization risk. Following a 40% pullback from its November 2025 peak, the current valuation offers an attractive entry point into a high-quality compounder with long-term structural tailwinds.

We also initiated a position in **L’Oréal**, the global leader in beauty with a uniquely diversified portfolio across skincare, cosmetics, haircare and fragrances, and exposure to the most attractive categories within staples. The beauty sector continues to compound at a structurally high 4-5% growth rate, supported by premiumization, rising emerging-market incomes, aging demographics driving skincare demand, and increased fragrance usage among younger consumers. L’Oréal remains exceptionally well-positioned to potentially benefit from these trends, with a portfolio skewed toward the premium segment and a long history of outperformance. The company’s scale, R&D leadership and deep innovation capabilities underpin a wide competitive moat and support continued margin expansion. Strong balance sheet discipline, well-covered dividends and a highly capable management team further reinforce the long-term investment case. We are increasingly constructive as we expect topline growth to inflect positively into 2026, supported by reaccelerating demand in the US and China and a robust pipeline of new product launches across core categories. With innovation-led momentum building into 4Q25, we see an attractive setup for sustained earnings acceleration.

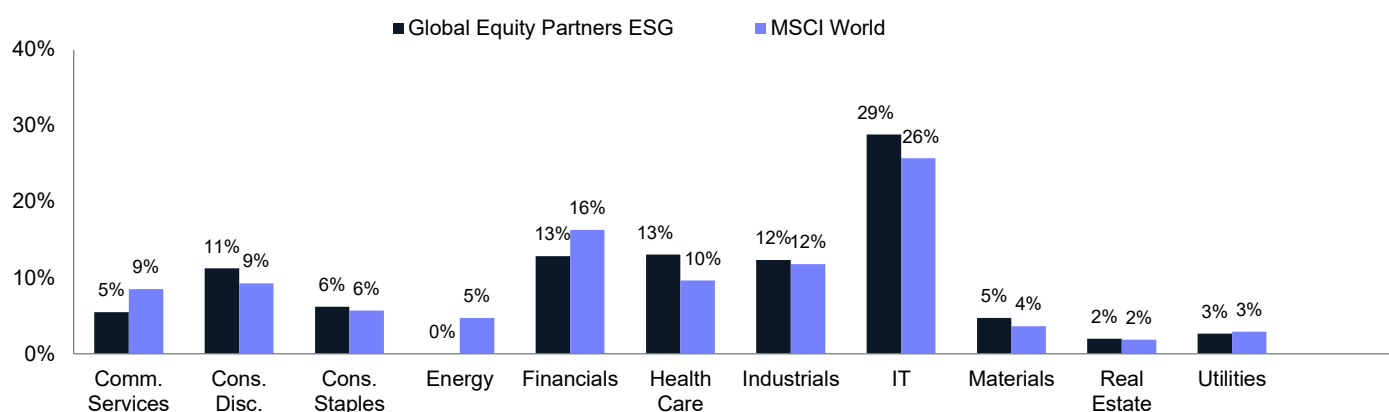
Moving to exits, we exited out of our position in **GE Vernova (GEV)** initiated in late 2024, after a period in which all core pillars of our original investment thesis played out meaningfully better than expected. Within the Power segment, demand for gas turbines materially exceeded industry capacity, driving strong orders and exceptional pricing supported by electrification and datacenter-driven load growth. The Electrification segment similarly outperformed, benefiting from tight high-voltage equipment markets, new capacity additions, and robust price realization. Management execution also surpassed expectations, with focused operational improvements delivering substantial margin expansion.

Over the past year, earnings revisions have risen by ~65%, validating our above-market outlook and underpinning the stock’s strong performance. While we remain constructive on the structural drivers and believe the operating backdrop is still healthy, the market now better appreciates the story, compressing the gap between our estimates and consensus. With valuations offering a narrower margin of safety and the cycle approaching a more mature phase, we see relatively more attractive opportunities elsewhere to redeploy capital.

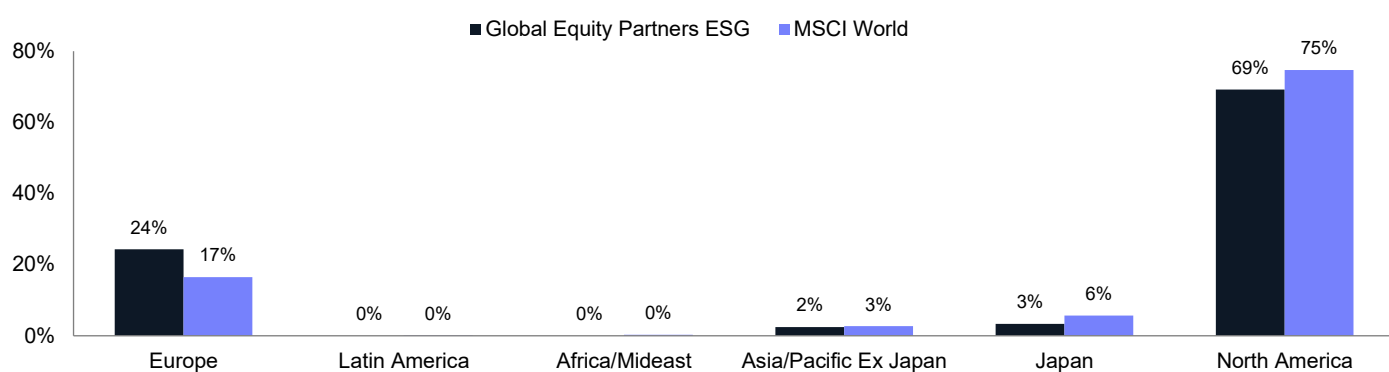
We also exited out of our position in **Marsh & McLennan** as we expect organic growth to stay muted for the insurance brokers due to the softening in commercial and reinsurance pricing, which we expect to prevail for the foreseeable future. With organic growth being the key driver of share-price performance, we see limited near-term catalysts for the stock. We, however, still see Marsh & McLennan as a high quality operator and would potentially revisit our thesis in the future after the easing of headwinds.



SECTORAL POSITIONING



REGIONAL POSITIONING



COUNTRY POSITIONING

Country	Portfolio (%)	MSCI World (%)	Active (%)
France	6.7	2.6	4.1
United Kingdom	7.3	3.8	3.5
Netherlands	4.4	1.3	3.1
Taiwan	2.5	0.0	2.5
Sweden	2.3	0.9	1.4
Spain	2.1	1.0	1.1
Germany	1.5	2.3	-0.8
United States	69.2	71.2	-2.0
Japan	3.4	5.7	-2.3

Source: Source: FactSet, MSCI as of October 2025. Goldman Sachs Asset Management, January 2026



TOP 10 HOLDINGS

Company Name	Portfolio (%)	MSCI World (%)	Active (%)
Apple	7.9	4.7	3.2
NVIDIA	6.8	5.3	1.4
Amazon	4.6	2.5	2.1
Microsoft	3.3	3.3	0.0
Waste Management	3.3	0.1	3.1
Eaton	3.2	0.2	3.1
JPMorgan	3.1	1.0	2.1
Eli Lilly	3.1	0.9	2.1
AstraZeneca	3.0	0.4	2.7
Boston Scientific	2.9	0.1	2.8

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