

# Goldman Sachs Global Equity Income Share Portfolio Fund

January 2026

## Global Market Review

Global Markets started the year strong by posting a gain of 2.3% (MSCI World, USD) in the month of January. Key themes influencing the market included evolving economic conditions, trade policy risks and ongoing geopolitical tensions. Persistent inflation in major economies reduced expectations for near-term interest rate cuts. This led central banks to maintain a cautious "higher for longer" interest rate policy, despite signs of slowing growth which impacted equity markets.

In the U.S., inflation held steady at 2.7% in December 2025, unchanged from November suggesting that price increases for goods and services have levelled off. Given this backdrop, the Fed left the policy rate unchanged at 3.50–3.75% at its January meeting which was widely anticipated by the markets following three consecutive rate cuts in the previous year. The unemployment rate in the U.S. dipped to 4.4% in December 2025, down from a revised 4.5% in November, remaining elevated compared to previous years.

In Europe, the inflation rate eased down to 1.9 % in December 2025, down from 2.1% in November. GDP growth expanded to 0.3% in the fourth quarter of 2025 over the previous quarter reflecting modest economic improvement. In the United Kingdom, the inflation rate rose to 3.4% in December 2025 from November's 3.2% reinforcing concerns about the Bank of England's ability to bring inflation back towards its official target.

In Japan, inflation eased to 2.1% in December 2025 from 2.9% in the prior month, the lowest since March 2022. The Bank of Japan kept its key short-term interest rate unchanged at 0.75% at its first policy meeting of 2026, maintaining borrowing costs on the higher side.

Value stocks outperformed growth stocks in January due to concerns over high-growth valuations. The Energy sector led market performance during the month due to strong demand from AI data centers, severe winter weather increasing heating demand in the U.S., and geopolitical risks to supply, whereas the Information Technology sector lagged market performance.

Overall, investor sentiment in January remained cautiously optimistic but highly sensitive to policy signals and geopolitical headlines. This environment saw major global financial assets deliver mixed but generally positive momentum, influenced by ongoing macroeconomic recalibration, recent earnings reports, and broader geopolitical factors.

## Performance Overview

When looking at region level attribution, North America and Europe Japan were the greatest contributors to performance over the month and there were no detractors. At the sector level, Information Technology and Consumer Discretionary were the greatest contributors to relative returns. Financials and Energy were the most significant detractors.



## Contributors

**Taiwan Semiconductor Manufacturing (TSMC)**, one of the largest semiconductor foundries, was a contributor to performance. The company posted record profits with 35% year-over-year revenue growth driven by AI acceleration. We believe TSMC stands to benefit from surging AI semiconductor demand and its unmatched leadership in advanced manufacturing, supported by aggressive capacity expansion, U.S. investments, and strong margin growth. The company's strategic flexibility and technological edge position it as a winner regardless of chip type, making it an attractive long-term investment.

**Rio Tinto**, a leader in the global mining industry based in the United Kingdom, was another contributor to performance. The stock rallied on the back of higher commodity prices and an overall supportive commodity cycle. Rio Tinto's Q4 Operations Review for 2025 reported record annual production levels in both bauxite and copper, as well as quarterly production records in iron ore and lithium. Early discussions regarding a potential merger with Glencore, which would result in the largest mining corporation globally, also served as a tailwind. Rio Tinto stands out among diversified miners due to its strong operational recovery and disciplined cost control, maintaining robust returns despite softer iron ore markets in recent years. We believe the company is positioned to benefit from the increased steel demand, specifically in China, that will result from the global energy transition. Moreover, Rio Tinto's increased capital investments in other key metals such as copper, aluminum, and lithium will allow it to benefit from revenue stream diversification over the long term.

Please note that the portfolio's underweight to **Microsoft**, which lagged on software disruption from AI concerns was the greatest contributor to relative returns. Looking forward, we believe Microsoft is well diversified to handle the cyclicity within the tech sector and interpret their CapEx spend as a positive indicator of business confidence. Moreover, we maintain our view that Microsoft will successfully navigate structural changes into a cloud company, with their Azure business growing by 30% year over year.

## Detractors

**Intuit**, a financial management software solutions provider, was the largest detractor to returns over the month. Although the company reported surpassing revenue and earnings expectations for Q1 2026 in November, its stock declined due to investor concerns over potential disruptions in software business models caused by AI advancements. Nonetheless, we believe Intuit benefits from strong QuickBooks positioning and rapid QBO growth, with significant runway in small business and emerging mid-market opportunities, while its ecosystem enables efficient upsell and cross-sell of add-ons like Payroll, Payments, and new AI-driven products. At the same time, the company continues to gain share in consumer tax—particularly through TurboTax in the U.S.—as customers shift away from Excel, self-filing, and legacy competitors toward more assisted, AI-enabled, value-added tax solutions.

**Salesforce**, a cloud-based software company, was another detractor to performance. Salesforce declined on the back of AI disruption fears which impacted the broader software space. We view Salesforce as a potential early winner in utilizing agentic artificial intelligence. Further underscoring our belief, the company provides a complex service and has a large, sticky customer base that we believe will prove to be beneficial in this time of technological evolution and may allow the company to grow artificial intelligence solutions faster than the market currently believes. Overall, we remain confident in the long-term outlook for this name as it invests in its artificial intelligence capabilities and continues to adapt to clients' needs.

## Purchases

There were no purchases over the month.

## Sales

There were no sales over the month.

## Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
MICROSOFT CORP	1.88	26
TAIWAN SEMICON MAN	2.20	24
RIO TINTO	2.25	24
HONEYWELL INTERNATIONAL INC	2.04	24
TOKYO ELECTRON	1.34	21



## Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
INTUIT INC	0.89	-27
SALESFORCE INC	0.98	-21
ABBOTT LABORATORIES	1.43	-21
JPMORGAN CHASE & CO	3.44	-19
ZURICH INSURANCE	1.72	-15

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

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