

Goldman Sachs Global Equity Income Share Portfolio Fund

February 2026

Global Market Review

Global Markets posted modest gains of 0.7% (MSCI World, USD) in the month of February. Market sentiment during the month was shaped by easing inflation trends, ongoing trade frictions, and heightened geopolitical uncertainty. Investors also rotated away from large cap technology stocks amid growing concerns about the potential returns from significant investments in artificial intelligence.

In the U.S., inflation eased to 2.4% in January 2026 from the previous 2.7% in December. Q4 2025 GDP growth surprised to the downside, expanding at an annualized rate of 1.4% marking the slowest pace of growth since Q1 2025. The weaker growth figure reflected softer consumer spending, reduced business investment, and the lagged effects of higher interest rates. The U.S. unemployment rate declined to 4.3% in January 2026, a slight improvement from 4.4% in December. In addition, 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.

In Europe, the inflation rate eased down to 1.7% in January 2026, down from 1.9% in December. Looking at this as a temporary dip in inflation, the European Central Bank (ECB) chose to keep the policy rate unchanged at 2.0%. In the United Kingdom, inflation eased to 3.0% in January 2026 from December's 3.4%. The moderation was largely driven by slower increase in transport and food prices, supported by lower fuel costs and softer grocery inflation.

In Japan, inflation eased to 1.5% in January 2026, down from 2.1% in the prior month, marking the lowest rate since March 2022. The Bank of Japan kept its key short-term interest rate unchanged at 0.75% reflecting the central bank's stance on maintaining stability amid ongoing economic uncertainties and political developments.

Value stocks outperformed growth stocks in February due to concerns over high-growth valuations. The Materials sector led market performance during the month due to a broader rotation toward cyclical, defensive, and infrastructure-linked industries, particularly as investors moved away from high-valuation, AI-driven technology stocks, whereas the Communication Services sector lagged market performance.

The Global markets rose in February with non-US markets outperforming the U.S. Overall, investor sentiment during the month remained cautious, highly sensitive to policy signals and global risk developments.

Performance Overview

When looking at region level attribution, Europe and North America were the greatest contributors to performance over the month while Japan was the only detractor. At the sector level, Information Technology (the portfolio's underweight therein) and Health Care were the greatest contributors to relative returns. Financials and Materials were the most significant detractors.



Contributors

Taiwan Semiconductor Manufacturing (TSMC), one of the largest semiconductor foundries, was the greatest contributor to performance. The company reported 30% year-over-year revenue growth through the first two months of 2026, 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.

Coca-Cola Europacific Partners, a beverage company, was another contributor to performance. The stock performed well on the back of strong Q4 2025 and full-year results, which included a group volumes beat for the quarter and a small organic EBIT growth beat for the year. The company's 2026 guidance was also positive, with investors reacting positively to an anticipated revenue growth of 3-4%, 7% EBIT growth, and a EUR 1 billion share buyback program. Coca-Cola has consistently delivered high-quality growth, driven by strategic acquisitions in new markets and a robust pipeline for expansion across various product categories. The company's operational efficiencies and strong capital allocation further strengthens its position as a premier compounder, unlocking continued potential for margin improvement and growth in emerging markets. Even after significant outperformance over the past three to five years, Coca-Cola remains attractively valued and is well positioned to generate sustained, long-term returns for shareholders.

Detractors

Blackstone, one of the largest global private asset manager with >\$1T in AUM, was the largest detractor to returns over the month. Despite overall positive Q4 results - featuring a revenue beat, strong investment performance, as well as robust private wealth and insurance inflows - the stock reacted negatively to sluggish Real Estate management fee growth, which is expected to persist throughout 2026. Moreover, Blackstone faced downward pressure as its Private Credit fund experienced significant outflows due to rising investor concerns around default risks in private credit, specifically loans tied to software companies. Nonetheless, we believe Blackstone is well positioned for continued growth given its leadership in real estate and infrastructure investments, early-mover advantage in building out its wealth distribution channels, and strong position in insurance, which will allow the company to scale rapidly into large growth opportunities in the private credit space. With the stock trading near historical valuation lows, we entered at an attractive entry point as Blackstone is poised to capitalize on secular trends in alternatives and potential upside from increased capital markets activity.

Morgan Stanley, one of the largest investment banking, wealth management and trading firms globally, was another detractor to performance over the month. The stock suffered from a broad based selloff in Financials from credit-risk concerns and risk off sentiment from a higher inflation print than expected. We expect Morgan Stanley to continue inflows in its Wealth management segment driven by market share gains, leveraging workplace and retail channel through acquisition of Solium and E*trade. We expect the proportion of fee based client assets to improve and help in preserving the gross margins and improve efficiency.

Purchases

We initiated a position in **London Stock Exchange**, one of the world's leading providers of financial markets infrastructure in addition to financial data and analytics. We have conviction in the London Stock Exchange as it is dominated by market-leading assets in attractive areas and contains secular as well as defensive revenue growth drivers.

We initiated a position in **Ashtead Group**, a British equipment rental company serving commercial and industrial customers in the United States, Canada, and the United Kingdom. Ashtead is well-positioned to benefit from increasing rental penetration in the UK and US, especially in the underpenetrated specialty tools segment where the company already has a strong presence. The company is also set to experience significant tailwinds from increasing U.S. megaprojects, which are expected to drive substantial market share and revenue growth. Further, the company's ongoing consolidation strategy and focus on operational efficiency provide additional levers for margin expansion and sustained leadership in the equipment rental market.

We initiated a position in **UniCredit**, the largest bank in Italy. We believe UniCredit should deliver positive operating leverage through strong growth in non-interest income from improved product offerings, and continued tight cost control after. With strong capital generation and excess capital, we believe UniCredit is also well positioned to continue to deliver shareholder returns via dividends and buybacks.

Sales

While the British banking, insurance and financial services provider **NatWest** has performed well, we decided to sell out of the name in accordance with our sell discipline. The stock has reached our valuation target, and we now see limited upside potential.



We also decided to sell out of **Salesforce**, a cloud-based software company that develops customer relationship management software and applications. The stock has faced downward pressure over the past several quarters as investors have increasingly feared software disruption by AI. In the portfolio as a whole, we are discerning between names that we believe are being over-penalized and those where our conviction is no longer as strong.

We also decided to sell out of **Cappemini**, a French IT services and engineering company. The stock has faced downward pressure over the past several quarters as investors have increasingly feared software disruption by AI. In the portfolio as a whole, we are discerning between names that we believe are being over-penalized and those where our conviction is no longer as strong.

Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
TAIWAN SEMICON MAN	2.32	27
COCA-COLA EUROPACIFIC PARTNE	1.64	27
KON AHOLD DELHAIZE	1.13	22
ROYAL DUTCH SHELL A	3.00	21
JOHNSON & JOHNSON	3.11	21

Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
BLACKSTONE INC	1.13	-27
MORGAN STANLEY	2.09	-20
ACCENTURE PLC	0.86	-20
NATWEST GROUP PLC	0.00	-19
WELLS FARGO & CO	1.90	-19

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



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