Goldman Sachs Global Equity Income Share Portfolio Fund

October 2025

Global Market Review

Global Markets gained 2.0% (MSCI World, USD) in the month of October. The upward trend continued amid a slew of announcements regarding AI and semiconductor-related deals and partnerships. Additionally, a robust start to the third-quarter earnings season contributed to positive market sentiment. However, sentiment was tempered by concerns over market bubbles, extended positioning, limited economic data during the U.S. government shutdown, and hawkish comments from Chair Powell following the October FOMC meeting.

In the U.S., inflation was contained at 3.0% in the month of September, lower than expectations of 3.1%. The inability of the Congress to pass funding bills before the September 30th deadline has led to the now longest Government shutdown in U.S. history. As a result of this shutdown, most government agencies were closed for the month, which led to federal economic data releases being delayed. Available data suggested that the labor markets remained relatively stable for the month, despite concerns around stability due to several large layoff announcements that took place in October. Against this backdrop, the Fed cut the policy rate by 25 bps at the late October meeting, in line with market expectations.

For Eurozone, third-quarter GDP growth was 0.2% quarter-on-quarter, surpassing consensus expectations of a 0.1% increase. French politics remained in the spotlight after Prime Minister Sébastien Lecornu resigned and was subsequently reinstated amid deep parliamentary divisions. In the UK, fiscal policy remained the primary focus. There were revisions to long-term GDP forecasts and higher-than-expected expenditures which could hint at larger fiscal shortfall.

In Japan, Sanae Takaichi became the country’s first female prime minister after a leadership reshuffle in the Liberal Democratic Party. As a long-time advocate of “Abenomics,” Takaichi aims to pursue expansionary fiscal and monetary policies, which the equity market is viewing as broadly positive.

Growth stocks extended their outperformance versus value stocks buoyed by continued enthusiasm for AI. The Information Technology sector led market performance during the month, propelled by strong earnings and announcements around new AI-related deals and partnerships. In contrast, the materials sector lagged.

Overall, October was a broadly positive month for global markets, with equities extending gains amid easing geopolitical tensions and encouraging macro data. Looking ahead, key developments to watch include the expected resolution of the U.S. government shutdown in November, the Bank of England’s upcoming policy decision, and greater clarity on fiscal plans from Japan’s new Prime Minister.

Performance Overview

When looking at region level attribution, Europe and Asia ex Japan were the only contributors to performance over the month. Stock selection in North America was the only significant detractor. At the sector level, stock selection in Financials and Energy were the greatest contributors to relative returns. Stock selection in Communication Services and the portfolio’s underweight to Information Technologies were the most significant detractors.

Contributors

Taiwan Semiconductor Manufacturing (TSMC), one of the largest semiconductor foundries, was the greatest contributor to performance. The company performed strongly due to the surging demand for advanced AI and high-performance computing chips, resulting in record-breaking sales and a raised revenue outlook. The company's leadership in node technology and continued global expansion solidified investor optimism and helped its stock outperform broader markets. We believe TSMC stands to benefit from the 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.

Tokyo Electron, one of the world's leading manufacturers of semiconductors and Flat Panel Display (FPD) equipment, was another contributor to performance. The company posted above expectation quarterly results and raised its dividend and profit guidance propelled by increased demand for AI infrastructure. We believe Tokyo Electron is well positioned for growth in wafer fab equipment driven by higher manufacturing complexity, geographical diversification, and higher demand for leading edge nodes. Tokyo Electron is ramping up R&D spend and Capex in the next five years in anticipation of strong long-term structural growth and is investing significantly to develop & build the next-generation tools and maintain leadership in its product segments.

Detractors

Blackstone, the largest global private asset manager with >$1T in AUM, was the largest detractor to returns over the month. In its most recent earnings release, despite strong revenue growth, Blackstone's profit per share was significantly below analyst expectations which weighed on the stock. We believe the company's scale, diversification, and track record support its wide moat, driving resilient inflows on the back of secularly growing penetration of alternative assets and increasing consolidation of managers. We fundamentally like the business model of Alternative asset managers (capital-light recurring fee businesses) and are constructive on the long term growth outlook.

Smurfit WestRock, an Irish paper-based packaging company, was another detractor to returns during the month. The underperformance was primarily due to the company's disappointing earnings results with weaker than expected profitability and ongoing operating challenges such as facility closures. Despite this, we believe Smurfit WestRock is poised to deliver robust EBITDA growth and strong free cash flow conversion, driven by significant synergies and operational efficiencies, with the potential for a re-rating as it aligns with higher US packaging multiples. The consolidated US containerboard market and ongoing cost improvements further support sustained margin expansion and long-term pricing power.

Purchases

We initiated a position in **Intercontinental Hotels Group**, a British company that owns and operates a portfolio of hotel businesses worldwide. We believe the company is well-positioned for sustained growth, underpinned by the structural resilience of the travel industry, the ongoing preference for branded hotels, and its highly scalable asset-light model that delivers robust margins and strong cash flows. Intercontinental Hotels Group is also supported by disciplined management and a clear focus on shareholder returns.

Sales

We exited our position in **Transurban**, an Australian transportation and toll road company. The company had been a steady holding, but we decided to rotate into higher conviction holdings as we look to increase cyclicality in the portfolio.

Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
TSMC	2.02	+24
Tokyo Electron	1.14	+19
NatWest Group	1.57	+13
Rio Tinto	1.84	+12
AstraZeneca	1.92	+10

Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
Blackstone	1.58	-27
Smurfit Westrock	1.21	-21
Texas Instruments	1.22	-16
AT&T Inc	1.26	-16
Blackrock	1.80	-16

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