Goldman Sachs Global Equity Income Share Portfolio Fund

May 2026

Global Market Review

Global Markets posted a return of 4.6% (MSCI World, USD) in May. Equity markets extended April's recovery, buoyed by renewed confidence in secular AI growth themes, robust corporate earnings, and hopes for de-escalation of the Middle East conflict. Risk appetite broadened as easing oil prices tempered inflationary concerns.

In the U.S., headline inflation rose to 3.8% in April 2026, up from 3.3% in March, reaching its highest level in over two years, driven by elevated energy costs. The Federal Reserve maintained its policy rate at 3.50%–3.75%, continuing a cautious stance amid persistent price pressures. Unemployment held at 4.3%, while non-farm payrolls edged up by 179,000, suggesting a cooling but resilient labor market. The economy expanded at an annualized 1.6% in Q1 2026, revised down from 2.0%, reflecting softer consumer spending and subdued business investment.

In Europe, Eurozone inflation accelerated to 3.2% in May 2026, fueled by energy cost pass-through and supply chain disruptions. The ECB held its deposit facility rate at 2.0%, maintaining a vigilant outlook. Unemployment remained stable at 6.3%. Eurozone GDP contracted 0.2% in Q1, following an unwinding in Irish exports and a subsequent 12% plunge in GDP. In the UK, inflation eased to 2.8% in April from 3.3% in March, supported by moderating transport and food prices.

In Japan, inflation edged lower to 1.4% in April 2026 as energy subsidies, government tuition relief, and softer commodity prices dampened pressures. The BoJ maintained its policy rate at 0.75%, the highest since 1995, while unemployment fell to 2.5% easing from an unexpected 2.7% print in March.

Growth stocks outperformed value in May, benefiting from renewed confidence in AI-driven earnings visibility and improved large-cap technology fundamentals, while value posted muted gains amid energy sector weakness.

The Information Technology sector led performance, surging on the AI infrastructure boom, strong semiconductor earnings, and elevated capex commitments. The Energy sector was the primary laggard, weighed down by declining oil prices as markets priced in a potential diplomatic resolution to Middle East tensions.

Markets continued their recovery in May, but the macro backdrop remains complex. Persistent above-target inflation in the U.S. and Europe constrains central bank flexibility, while slowing GDP growth raises questions about economic durability. Upcoming June central bank meetings will signal the policy path ahead.

Performance Overview

When looking at region level attribution, Asia ex Japan and Japan were the greatest contributors to performance over the month while North America and Europe were the greatest detractors. At the sector level, Communication Services and Real Estate were the greatest contributors to relative returns. Information Technology and Consumer Staples were the most significant detractors.

Contributors

Cisco Systems, the American networking equipment leader, was the largest contributor to relative returns during the month. Performance was driven by strong quarterly results that beat expectations, with double-digit revenue growth underpinned by robust demand for its networking and AI infrastructure products. The company continued to establish itself as a critical enabler of AI buildout, with accelerating order momentum from hyperscale customers and new sovereign partnerships. Management raised full-year guidance and provided an optimistic near-term outlook, further reinforcing confidence. We remain constructive on Cisco given its expanding role in AI infrastructure, the growing campus networking refresh cycle, and attractive valuation relative to its improving growth profile.

Infineon, the German semiconductor company, was another key contributor during the month. Performance was supported by strong quarterly results where management guided for a meaningful ramp in revenues and margins in the second half of 2026, driven by AI-related demand and industrial recovery. Infineon is well positioned to benefit from increasing power content as AI datacenters transition to higher-voltage power architectures. Coupled with a strong product portfolio and upcoming supply availability from its new fabrication facility, Infineon is expected to be a go-to supplier for next-generation power semiconductors. We remain constructive on the name given its market-leading position in power semiconductors and long-term design wins secured with key AI infrastructure builders.

Detractors

Ferguson, the US-based specialist distributor of plumbing, HVAC, and infrastructure products, was the key detractor from relative returns during the month. The stock came under pressure despite reporting solid first quarter results, as continued softness in residential end markets and HVAC demand weighed on investor sentiment. While non-residential revenues remained strong, driven by momentum in large capital projects including datacenters, the residential segment continued to face headwinds from weak housing starts and affordability pressures. Broader market caution around industrial names amid rising input costs and geopolitical uncertainty further pressured the stock. We remain constructive on Ferguson given its dominant market position, structural ability to outgrow underlying end markets through share gains and bolt-on acquisitions, and significant exposure to the expanding megaproject pipeline that should drive durable medium-term growth as construction activity normalizes.

Walmart, the American retail giant and dominant value retailer, was another key detractor from relative returns during the month. Despite reporting solid quarterly results with continued strong e-commerce growth and gains across income cohorts, operating income came in below expectations due to elevated fuel costs that pressured margins. Investor sentiment turned cautious despite management reiterating full-year guidance, as concerns around tariff impacts on gross margins and a more pressured lower-income consumer weighed on the stock. We remain positive on Walmart given its unrivalled scale in grocery, accelerating e-commerce profitability, and the emergence of higher-margin alternative revenue streams including advertising and membership that continue to reshape the earnings profile.

Purchases

We initiated a position in **L'Oreal**, 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. We continue to like the name as we believe L'Oreal is well positioned to benefit from the trends of premiumization, rising emerging market incomes, ageing demographics driving skincare demand, and increased fragrance usage among younger consumers within the beauty sector.

We initiated a position in **Airbus**, the European multinational aerospace corporation and one of the world's largest aircraft manufacturers. The company's record backlog of over 9,000 aircraft provides exceptional multiyear revenue visibility and pricing leverage. We see a favorable setup supported by the ongoing recovery in global air travel, particularly widebody demand, and an acceleration in European defense spending. While near term deliveries have been paced by engine supply constraints, management has maintained its full year guidance for approximately 870 commercial aircraft deliveries, and we expect the delivery trajectory to improve as supply chain conditions normalize.

We initiated a position in **NVIDIA**, the American technology company, given its leadership across end to end AI infrastructure and its ability to meet growing enterprise inference demand. The company continues to benefit from robust data center spending driven by hyperscaler and enterprise adoption of AI workloads. With its next generation Blackwell architecture ramping strongly and demand visibility remaining healthy, we see NVIDIA as attractively positioned relative to its growth trajectory at current valuation levels.

We initiated a position in **Citigroup**, the American multinational banking and financial services company. We see improving fundamentals driven by ongoing transformation, strengthening revenue momentum and a supportive regulatory backdrop. The bank is nearing the end of its multiyear transformation program, with costs expected to decline from 2026, supporting a meaningful improvement in efficiency over time. At the same time, Citi’s Services franchise, which includes Treasury and Trade Solutions and

Securities Services, remains a key strength given its global footprint and should continue to drive solid revenue growth. In addition, Citi is well positioned to benefit from a more favorable regulatory environment, which should reduce capital requirements and enable higher returns to shareholders.

We initiated a position in **Mizuho Financial Group**, the Japanese multinational banking and financial services company. We are constructive on the Japanese banking sector as rising interest rates provide meaningful tailwinds for the industry. Mizuho, in particular, is well positioned given its greater exposure to corporate loan growth relative to peers and improving net interest margins and loan growth support a favourable outlook for net interest income. The bank remains well capitalized and is increasing shareholder returns through dividends and share buybacks. We see scope for earnings to exceed consensus expectations, driven by stronger net interest income and lower provisions, which could support further capital return over time.

Sales

We exited our position in **Intuit**, the American financial software company specializing in tax preparation, accounting, and personal finance solutions. While the company raised its full year guidance, recent results highlighted structural headwinds in the DIY tax segment, where price sensitive filers are increasingly shifting to lower cost and AI powered alternatives. The company's announcement of a 17% workforce reduction, combined with moderating growth in its Mailchimp platform, led us to reassess the risk reward profile. We chose to redeploy proceeds into opportunities where we see a more favorable growth and competitive outlook.

We exited our position in **Broadcom**, the American multinational designer, developer, manufacturer and global supplier of semiconductor and infrastructure software products. The company has delivered strong absolute returns during our period of holding, supported by robust demand for its AI networking and custom accelerator solutions. With valuation levels having risen meaningfully to reflect this strong execution, we felt it was appropriate to redeploy proceeds into other opportunities with more attractive risk reward profiles .

Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
CISCO SYSTEMS INC	2.80	53
INFINEON TECHNOLOG	1.47	45
TAIWAN SEMICON MAN	1.92	16
TOKYO ELECTRON	1.26	16
ALPHABET	1.46	15

Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
FERGUSON ENTERPRISES INC	1.50	-28
WALMART INC	1.78	-23
JPMORGAN CHASE & CO	3.26	-22
TOTALENERGIES SE	2.09	-21
WASTE MANAGEMENT INC	1.46	-21

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