

Goldman Sachs Global Future Generations Share Portfolio Fund

May 2026

Global Market Review

Global Markets posted a return of 5.2% (MSCI ACWI, 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.

- The Global Future Generations Equity Portfolio delivered 7.3% (I Acc, USD) in absolute returns during the month, outperforming MSCI ACWI Growth index by 7 bps and outperforming MSCI World index by 278 bps. This brings since inception returns to 12.9% underperforming MSCI ACWI Growth by 260 bps and underperforming MSCI World by 58 bps.
- At the sector level, our under allocation to Industrials and stock selection in Health Care supported portfolio performance during the month while our stock selection in Information Technology and Consumer Discretionary detracted the most from portfolio returns.
- At the stock level, Advanced Micro Devices (the American semiconductor company) and Infineon (the German semiconductor company) contributed to portfolio performance while NextEra Energy (the US-based clean energy leader) and Jentech Precision (the Taiwanese precision cooling solutions provider) were the biggest detractors from performance.



Performance Commentary

Top Contributors	Ending Weight (%)	Relative Contribution (bps)	Top Detractors	Ending Weight (%)	Relative Contribution (bps)
Advanced Micro Devices	4.4	+79	NextEra Energy	2.3	-50
Infineon	2.0	+45	Jentech Precision	0.6	-39
Eli Lilly	3.5	+18	Walmart	2.0	-38
TSMC	6.3	+16	Netflix	2.1	-24
Marvell	1.4	+16	Alphabet	8.6	-24

Top contributors to portfolio performance:

- Advanced Micro Devices (AMD) (Contributor)** – The American semiconductor company was the largest contributor during the month. Performance was driven by improving demand trends for traditional CPUs, as increasing adoption of AI agents in enterprise workflows is significantly boosting datacenter CPU requirements. AMD is also expected to ramp its next-generation datacenter GPUs in the second half of 2026, supported by multi-year agreements with OpenAI and Meta. With strong growth coming from both CPUs and GPUs, AMD is expected to see meaningful acceleration in its growth profile. We continue to like the name as AMD is well positioned to gain share in the fast-growing GPU market while simultaneously expanding its CPU market share amid robust industry growth.
- Infineon (Contributor)** – 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 potentially 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.

Top detractors

- NextEra Energy (Detractor)** – The US-based clean energy leader, was the largest detractor from performance during the month. Despite reporting strong first-quarter results that beat expectations, the stock faced pressure following the announcement of a landmark all-stock merger with Dominion Energy, which raised investor concerns around dilution risk and regulatory complexity. We remain constructive on NextEra given its dominant position in renewable energy, record backlog driven by AI and datacenter-related power demand, and long-term growth trajectory supported by the structural shift toward electrification and clean energy infrastructure.
- Jentech Precision (Detractor)** – The Taiwanese precision cooling solutions provider was another key detractor from performance during the month. The stock underperformed amid market concerns following reports that NVIDIA may be shifting toward alternative cooling architectures for its next-generation GPU platforms, potentially reducing demand for Jentech's liquid cooling components. We continue to hold the name as we believe Jentech's deep expertise in precision thermal management and strong existing relationships position it to adapt to evolving cooling requirements. As power density in AI infrastructure continues to increase, advanced cooling solutions remain a critical bottleneck, supporting the long-term demand outlook for Jentech's capabilities.



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