

Goldman Sachs Global Equity Income Share Portfolio Fund

August 2026

Global Market Review

Global equities advanced in August, with the MSCI World Index returning 2.58% (Net, USD), as a strong second-quarter earnings season and resilient economic data restored risk appetite following July's technology-led sell-off. Confidence in AI-related investment improved during the month, supporting a recovery in technology shares, while firmer commodity markets provided a tailwind to cyclical sectors. Sentiment became more cautious into month-end, however, after the Fed warned at Jackson Hole that inflation had not moderated sufficiently to rule out further policy tightening.

In the U.S., headline inflation eased to 3.4% in July from 3.5% in June, while the Federal Reserve left its policy rate unchanged at 3.50%-3.75%. Despite progress on inflation, policymakers maintained a firm tone, reinforcing expectations that policy would remain restrictive. The labour market showed clearer signs of moderation, with non-farm payrolls declining slightly and prior months revised materially lower, although unemployment held steady at 4.1%. Reflecting this softer backdrop, Q2 GDP growth slowed to an annualized 1.5%, down from 2.1% in the first quarter.

In Europe, Eurozone inflation accelerated to 3.3% in August as rising energy prices more than offset easing pressures elsewhere. The ECB held its main refinancing rate at 2.40% while maintaining a cautious stance toward the inflation outlook. Economic activity proved firmer than expected, with Q2 GDP expanding 0.6% after flat growth in the first quarter. In the UK, inflation rose to 2.9% in July, largely reflecting higher household energy costs following the increase in the regulated energy price cap.

In Japan, inflation accelerated to 1.9% in July as the withdrawal of energy subsidies continued to feed through to consumer prices. The Bank of Japan kept its policy rate unchanged at 1.0%, while signaling that further policy normalization may be warranted as underlying inflation moves closer to target. Labour market conditions remained tight, with unemployment edging down to 2.4%.

Growth and value stocks performed broadly in line during the month, as the recovery in technology shares offset the cyclical leadership that characterized July. Materials led the market, while Energy also outperformed as high oil and gas prices supported the sector.

Markets enter the autumn facing a delicate balance. While inflation pressures remain elevated and central banks continue to signal caution, economic activity has so far proven resilient. The key question is whether inflation can continue to moderate alongside growth, while investors watch for evidence that sustained AI investment can translate into durable earnings growth.

Performance Overview

When looking at region level attribution, Asia/Pacific ex Japan was the greatest contributor to performance over the month while North America and Europe were the greatest detractors. At the sector level, Financials and Communication Services were the greatest contributors to relative returns. Information Technology and Industrials were the most significant detractors.

Contributors

Alphabet, the American technology conglomerate, was the largest contributor to relative returns during the month. The stock came under pressure during the month as investors focused on the company's higher capital spending plans for its artificial intelligence infrastructure and the potential near-term margin impact, alongside growing competition in artificial intelligence and continued regulatory scrutiny of its core businesses. The stock contributed to portfolio returns due to our underweight position in the name by



nature of the portfolio. We remain constructive on Alphabet given its leadership in artificial intelligence, the scale and growth of its cloud franchise, and the durability of its core advertising business.

Rio Tinto, the global mining group and one of the world's largest producers of iron ore, aluminum and copper, was another key contributor during the month. The stock was supported by strong half-year results, which featured a sharp rise in profit and free cash flow and a substantial increase in the interim dividend. Sentiment was further helped by the group's growing pivot toward copper, including progress on new investment in the metal, alongside a firmer backdrop for commodity-linked equities. We remain positive on the name given its low cost, high-quality asset base, its expanding exposure to copper and the energy transition, and a disciplined approach to capital returns.

Detractors

NVIDIA, the American technology company, was the largest detractor from relative returns during the month. The stock performed strongly over the period, supported by continued robust demand for its artificial intelligence computing hardware and sustained momentum across its data center franchise, as large operators kept scaling the computing capacity needed to support artificial intelligence workloads. The stock detracted from portfolio returns due to our underweight position in the name by nature of the portfolio. We remain constructive on NVIDIA given its leadership in artificial intelligence computing, the scale of structural demand for its hardware, and the durability of its data center growth.

Honeywell Aerospace, the recently separated aerospace supplier of aircraft engines, cockpit systems and related components, was another key detractor from relative returns during the month. The stock fell sharply after its first quarterly results as a standalone company, in which management materially cut its full-year growth and earnings outlook. The company cited persistent supply chain constraints that forced it to prioritize deliveries of lower-margin original equipment to manufacturers such as Boeing and Airbus over its more profitable aftermarket business. We remain positive on the name given the long-term strength of aerospace demand, its large and profitable aftermarket franchise, and scope for margin recovery as supply chain pressures ease.

Portfolio Activity – Key Buys and Sells

During the month, we had no new initiations and eliminations.

Top 5 Contributors

Security Name	Ending Weight (%)	Relative Contribution (bps)
Alphabet	1.27	+22
Rio Tinto	2.38	+16
Merck & Co	1.89	+14
Blackstone	1.38	+12
Microsoft	5.29	+8

Top 5 Detractors

Security Name	Ending Weight (%)	Relative Contribution (bps)
NVIDIA	1.01	-32
Honeywell Aerospace	0.67	-21
Cisco Systems	2.50	-16
Infineon Technologies	1.42	-14
Honeywell Technologies	0.90	-14

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



The information given in this document is based on Discovery's understanding of current law and practice in South Africa. No liability will be accepted for the effect of any future legislative or regulatory changes. Discovery Life Limited, registration number 1966/003901/06, is a licensed insurer, and an authorised financial services and registered credit provider, NCR Reg No. NCRCP3555.

The investor must communicate with Discovery Life Investment Services Pty (Ltd) (Discovery Invest) in order to give any valid instructions. Discovery Invest is an authorised financial services provider (registration number 2007/005969/07) and administrator of this Discovery life investment product.

This investment choice is only available via the above unit linked life insurance policy contract. The value of investments may go down as well as up and past performance is not necessarily a guide to the future. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. This document does not include the full detail of how our investment plans work. The information in this document must be read with the relevant fact files.

This Discovery Global Portfolio utilises asset allocations provided by Goldman Sachs. Goldman Sachs does not provide any service or product to you, and has not considered the suitability of its asset allocations against individual needs, objectives and risk tolerances for investors. As such, Goldman Sachs's asset allocations do not constitute investment advice or an offer to sell or a solicitation of an offer to buy any securities.