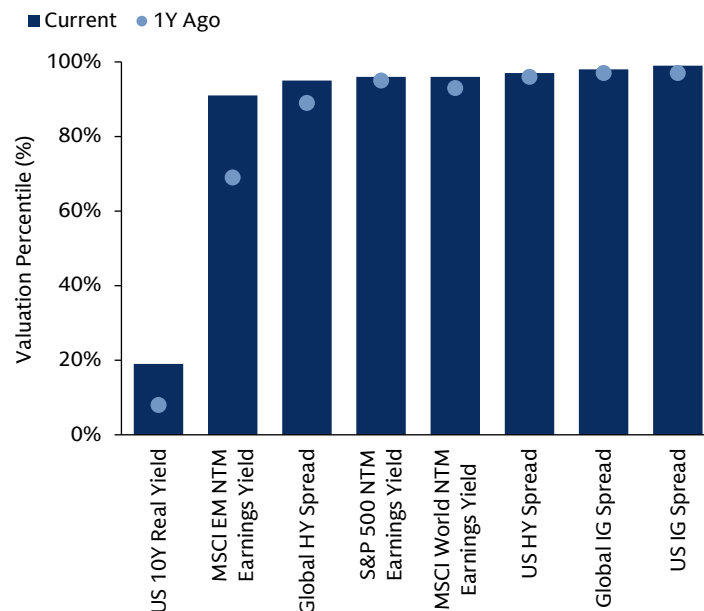


SAS MARKET STRATEGY

Market Pulse: 10 for 2026

- Growth:** We believe fading tariff headwinds and rising real incomes should contribute to global growth in 2026. GS Research expects the US, Euro area, and China to grow 2.7%, 1.3%, and 4.8%, respectively. In the US, we see acceleration in 1H from supportive financial conditions and fiscal stimulus.
- Inflation:** Although the impact of tariff pass-through is diminishing, we believe it remains central to policy decisions. Court rulings may affect the speed of tariff implementation, but the administration has other paths to advance its agenda. GS Research expects US Core PCE to fall to 2.2% by YE 2026.
- Labor:** The principal risk to our baseline outlook is a sharper deterioration in the US labor market. Rising layoff indicators suggest an increased likelihood of a more rapid uptick in unemployment; however, this risk may be managed by the cyclical acceleration anticipated in the first half of 2026.
- Central Banks:** We expect additional rate reductions from the Fed in 2026, with the labor market driving the pace and scale of easing. We expect the ECB to hold, and the BOJ to remain the outlier by moving towards a higher rate regime.
- DM Equity:** Consistent with late-cycle expansions, 2026 is likely to set the opportunities of cyclical acceleration and earnings momentum against lofty valuations and burgeoning macro vulnerabilities. We expect the former to prevail, producing mid-to-high single digit returns across DMs.
- EM Equity:** We expect ongoing EM outperformance from favorable macro conditions and commodity cycles, earnings growth, AI broadening, deregulation, and FX tailwinds.
- Rates:** US short rates will be shaped by new Fed leadership that may enable more aggressive easing, while a divided FOMC could introduce more uncertainty. Elevated long rates appear necessary to support deficit financing globally.
- Credit:** Corporate balance sheets are historically strong with recent credit events clearly localized. We think positioning should become ever more idiosyncratic as leverage builds.
- Currency:** USD likely has further to fall as a less-exceptional macro backdrop erodes a still-rich valuation, though further repricing may be shallower and less euro-centric than in 2025.
- Commodities:** We expect oil prices to decline as surplus supply persists. Gold may continue to attract strong flows, driven by macro vulnerabilities, deficit concerns, and dollar weakness.

Chart of the Month: Investing in Expensive Markets



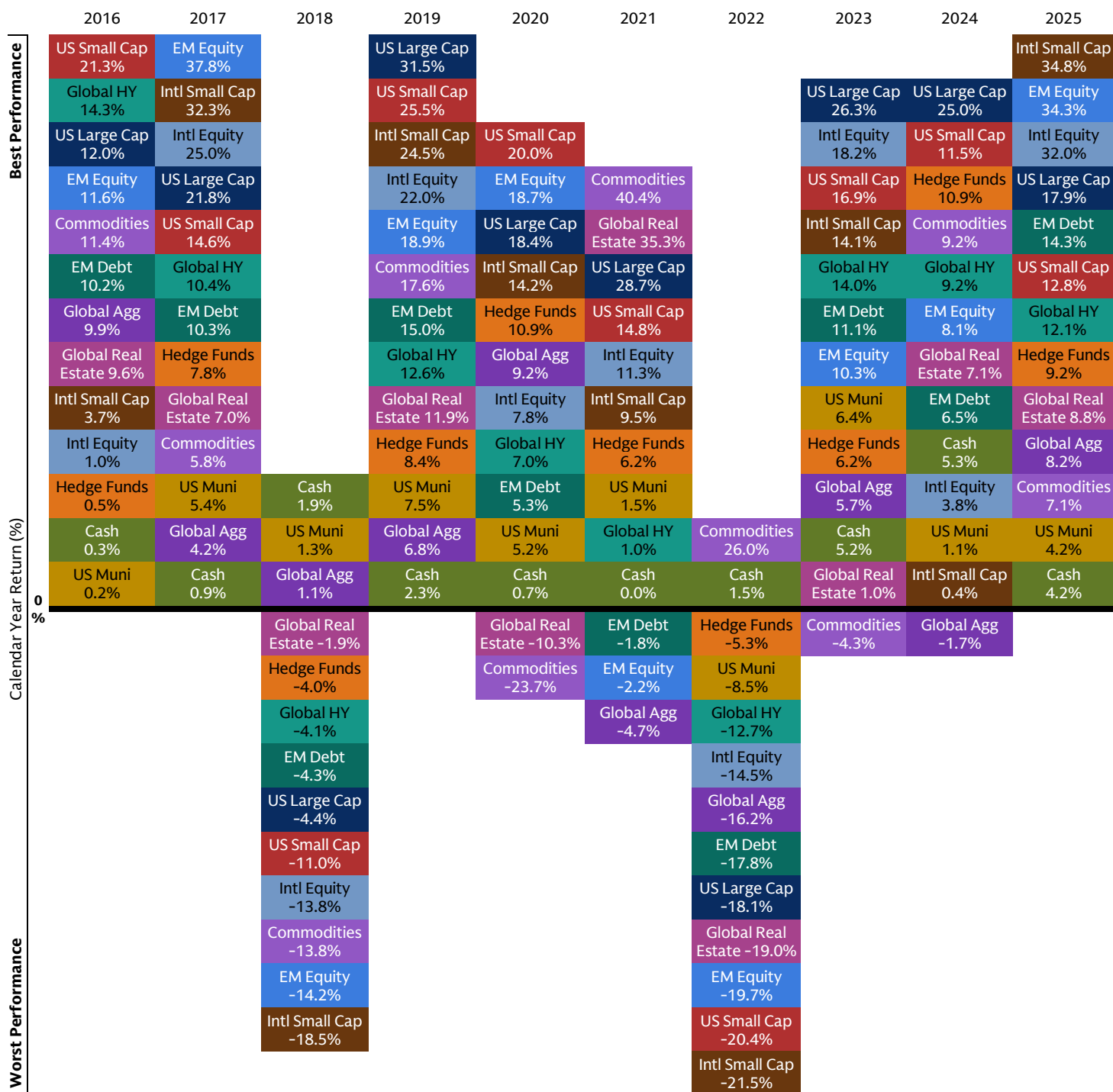
Asset Class Forecasts

	Current	3m	12m	% Δ to 12m
Equities				
S&P 500 (\$)	6,858	7,200	7,600	10.8
STOXX Europe (€)	596	590	615	3.2
MSCI Emerging Markets (\$)	1,429	1,430	1,565	9.5
TOPIX (¥)	3,409	3,400	3,600	5.6
Rates				
10-Year Treasury	4.2	4.2	4.2	1 bp
10-Year Bund	2.9	3.0	3.2	35 bp
10-Year JGB	2.0	2.0	2.0	-4 bp
Currencies				
Euro (€/\$)	1.17	1.18	1.25	6.5
Pound (£/\$)	1.35	1.33	1.36	0.8
Yen (\$/¥)	157	157	152	-3.0
Real Assets				
Brent Crude Oil (\$/bbl)	60.8	58	57	-6.2
London Gold (\$/troy oz)	4,332	4,160	4,745	9.8

Source: Goldman Sachs Asset Management, GIR, and MSCI. As of January 5, 2026. "We/Our" refers to Goldman Sachs Asset Management. The macro and market views expressed may differ from those of GIR and other divisions of Goldman Sachs and its affiliates. See page 3 for additional disclosures. The economic and market forecasts presented herein are for informational purposes as of the date of this document. There can be no assurance that the forecasts will be achieved. **Past performance does not predict future returns and does not guarantee future results, which may vary.**

Diversification: The Comeback Tour

Diversified portfolios outperformed in 2025 as global equities posted double-digit gains, with developed ex-US and emerging markets outpacing the US for the first time since 2017. In 2026, we expect the equity opportunity set to continue to broaden amid greater dispersion of secular themes, while potential volatility reinforces the importance of diversifying income and risk.



Source: Bloomberg, MSCI, and GSAM. As of December 31, 2025. "We/Our" refers to Goldman Sachs Asset Management. The economic and market forecasts presented herein are for informational purposes as of the date of this document. There is no guarantee that objectives will be met. There can be no assurance that forecasts will be achieved. Diversification does not protect an investor from market risk and does not ensure a profit. Please see additional disclosures at the end of this document. **Past performance does not predict future returns and does not guarantee future results, which may vary.**

IMPORTANT INFORMATION

1. Chart of the Month: Source: Bloomberg and Goldman Sachs Asset Management. As of January 2, 2026. Valuation percentiles are since 2005, earliest common inception.
2. Asset Class Forecasts: Price targets of major asset classes are provided by Goldman Sachs Global Investment Research. Source: "Publishing our 2026 Global Macro Outlooks." As of January 5, 2026.

Page 1 Definitions

AI refers to artificial intelligence

BoJ refers to the Bank of Japan

Bp refers to basis point, or 1/100th of a percent

DM refers to developed markets

ECB refers to the European Central Bank

EM refers to emerging markets

Fed refers to the Federal Reserve

FOMC refers to the Federal Open Market Committee, the Federal Reserve's rate-setting body

FX refers to foreign exchange

GIR refers to Goldman Sachs Global Investment Research

PCE refers to personal consumption expenditures, the Federal Reserve's preferred inflation measure

Page 2 Notes

Chart shows calendar-year returns for key market indices from 2016–2025. US Large Cap refers to the S&P 500 Index, US Small Cap refers to the Russell 2000 Index, Intl Equity refers to the MSCI EAFE Index, US Muni refers to the Bloomberg Barclays Muni Index, Cash refers to the J.P. Morgan 1 Month Cash Index, EM Debt refers to the J.P. Morgan EMBI Global Diversified Composite Index, Global HY refers to the Barclays Global High Yield Index, Global Agg refers to the Bloomberg Global Aggregate Index, EM Equity refers to the MSCI EM Index, Intl Small Cap refers to the S&P Developed Ex-US Small Cap Index, Commodities refers to the S&P GSCI Index, Hedge Funds refers to the HFRI Fund of Funds Composite I Index, and Global Real Estate refers to the GPR 250 REIT Index.

This example is for illustrative purposes only to show the performance dispersion between various asset classes over time and the potential importance of diversification. Diversification is the process of allocating capital in a way that reduces the exposure to any one particular asset or risk. Diversification does not protect an investor from market risks and does not ensure a profit. Past performance does not predict future returns and does not guarantee future results, which may vary.

Index Benchmarks

The **S&P 500 Index** is the Standard & Poor's 500 Composite Stock Prices Index of 500 stocks, an unmanaged index of common stock prices. The index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.

The **STOXX Europe 600 Index** is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries in Europe.

The **Japan TOPIX Index** is a capitalization-weighted index of the largest companies found in the First Section of the Tokyo Stock Exchange.

The **MSCI Emerging Markets Index** captures large and mid cap representation across 24 Emerging Markets (EM) countries.

Indices are unmanaged. The figures for the index reflect the reinvestment of all income or dividends, but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices.

RISK CONSIDERATIONS

Equity securities are more volatile than bonds and subject to greater risks. Foreign and emerging markets investments may be more volatile and less liquid than investments in US securities and are subject to the risks of currency fluctuations and adverse economic or political developments. Investments in commodities may be affected by changes in overall market movements, commodity index volatility, changes in interest rates or factors affecting a particular industry or commodity. The currency market affords investors a substantial degree of leverage. This leverage presents the potential for substantial profits but also entails a high degree of risk including the risk that losses may be similarly substantial. Currency fluctuations will also affect the value of an investment.

Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, liquidity, interest rate, prepayment and extension risk. Bond prices fluctuate inversely to changes in interest rates. Therefore, a general rise in interest rates can result in the decline in the bond's price. The value of securities with variable and floating interest rates are generally less sensitive to interest rate changes than securities with fixed interest rates. Variable and floating rate securities may decline in value if interest rates do not move as expected. Conversely, variable and floating rate securities will not generally rise in value if market interest rates decline. Credit risk is the risk that an issuer will default on payments of interest and principal. Credit risk is higher when investing in high yield bonds, also known as junk bonds. Prepayment risk is the risk that the issuer of a security may pay off principal more quickly than originally anticipated. Extension risk is the risk that the issuer of a security may pay off principal more slowly than originally anticipated. All fixed income investments may be worth less than their original cost upon redemption or maturity.

International securities may be more volatile and less liquid and are subject to the risks of adverse economic or political developments. International securities are subject to greater risk of loss as a result of, but not limited to, the following: inadequate regulations, volatile securities markets, adverse exchange rates, and social, political, military, regulatory, economic or environmental developments, or natural disasters.

Strategies with exposure to the commodities markets may be subject to greater volatility than investments in traditional securities. Investments in commodities may be affected by changes in overall market movements, changes in interest rates, or factors affecting a particular industry or commodity. Commodities are also subject to social, political, military, regulatory, economic, environmental or natural disaster risks.

An investment in private credit and private equities is not suitable for all investors. Investors should carefully review and consider the potential investments, risks, charges, and expenses of private equity before investing. They are speculative, highly illiquid, involve a high degree of risk, have high fees and expenses that could reduce returns, and subject to the possibility of partial or total loss of capital. They are, therefore, intended for experienced and sophisticated long-term investors who can accept such risks.

Private equity and private credit investments are speculative, highly illiquid, involve a high degree of risk, have high fees and expenses that could reduce returns, and subject to the possibility of partial or total loss of fund capital; they are, therefore, intended for experienced and sophisticated long-term investors who can accept such risks.

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Date of first use: January 6, 2026. Compliance Code: 480393-OTU-2434299

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MPJAN2026