

SAS MARKET STRATEGY

Market Pulse

Macro Views

US: The US remains relatively resilient as a net energy exporter, though higher-for-longer prices may weigh on consumer demand in the coming months. Tax refunds may provide a near-term buffer, while AI capex and productivity gains remain a powerful longer-term trend. Our colleagues in Global Investment Research expect 2026 growth of 2.3%, core inflation ending the year at 2.6%, and still see capacity for the Fed to cut later in the year.

Europe: The Euro area is more vulnerable to energy disruption, though we expect the aggregate shock to be smaller than 2022 given a more modest manufacturing impact and summer seasonality. Our research colleagues forecast 0.7% GDP growth for 2026 and two ECB hikes in June and September before cutting back to 2% in 2027.

Emerging Markets: Our research colleagues see 3.6% 2026 GDP growth, led by China’s 4.7% as resilient export growth and policy easing offset headwinds from higher energy prices and weak domestic demand. Broadly, AI and energy remain key themes.

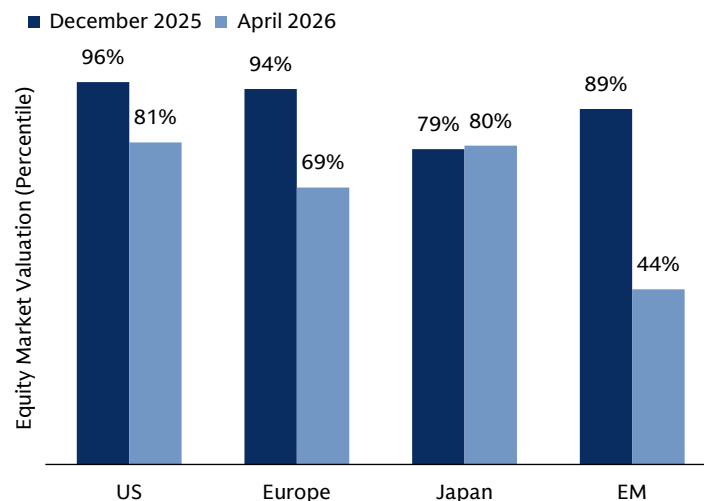
Market Views

Equities: When the conflict in the Middle East weighed on equity prices in March, earnings expectations kept marching along. In doing so, we got a meaningful shift in multiples – particularly in the US and EM. We believe equities can continue to look past the present situation and focus on future earnings and growth potential. However, during potential pockets of volatility we would expect equity income and dividend strategies to outperform.

Commodities: Physical oil markets have rapidly tightened as estimated oil flows from the Persian Gulf (including pipeline redirections) are at 40% of normal levels and oil-on-water approaches an all-time low. However, market participants are pricing a high probability of short-lived disruption, with Brent priced to end the year in the \$80s. We think oil around \$90 is more likely if flows normalize in June, though the upside risk from longer disruption and more persistent supply losses is significant.

Rates: Government bond markets are highly attuned to energy-induced inflation risk, but we think central bank playbooks will differ from 2022 for a few reasons: inflation is closer to trend, wage-price spiral risks are limited, and policy rates are starting at more restrictive levels. As such, we see scope for rate relief in the year ahead and value in duration.

Chart of the Month: More Attractive Entry Points



Asset Class Forecasts

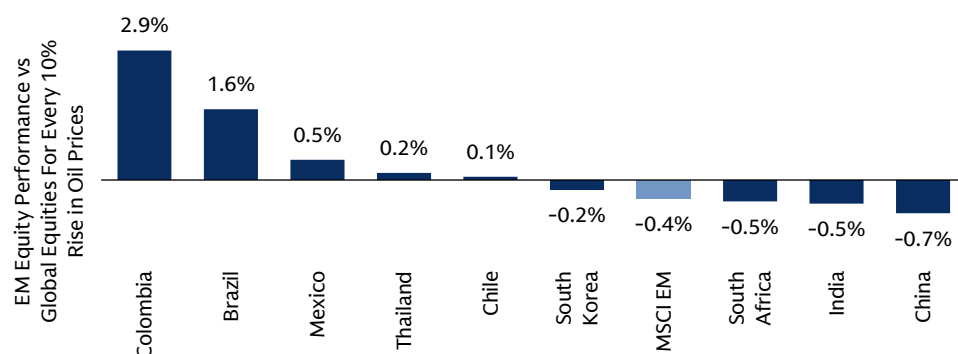
	Current	3M	12M	% Δ to 12M
Equities				
S&P 500 (\$)	7,209	7,200	7,600	5.4
STOXX Europe (€)	611	605	625	2.3
MSCI Emerging Markets (\$)	1,618	1,630	1,750	8.2
TOPIX (¥)	3,727	3,800	4,200	12.7
Rates				
10-Year Treasury	4.4	4.2	4.1	-29 bp
10-Year Bund	2.5	2.9	3.0	55 bp
10-Year JGB	2.5	2.0	2.0	-53 bp
Currencies				
Euro (€/\$)	1.17	1.14	1.2	2.6
Pound (£/\$)	1.36	1.33	1.33	-2.2
Yen (\$/¥)	157	160	155	-1.3
Real Assets				
Brent Crude Oil (\$/bbl)	110	94	86	-21.8
London Gold (\$/troy oz)	4,630	4,805	5,445	17.6

Source: Goldman Sachs Asset Management, GIR, and MSCI. As of May 1, 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. Goldman Sachs does not provide accounting, tax or legal advice. See page 4 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.**

Emerging Opportunities

Emerging market equities have a high beta to global growth and energy prices, as we have experienced in this year’s volatility and rapid recovery. As geopolitical risks recede, we see renewed potential in EM given strong earnings, attractive valuations, and conservative positioning. We would continue to expect differentiation across markets, with LatAm and North Asia outperforming on cyclical and secular tailwinds, and believe an active approach is key to accessing the right potential opportunities. In fact, 92% of active EM managers have beaten their benchmark through Q1 according to Morningstar data.

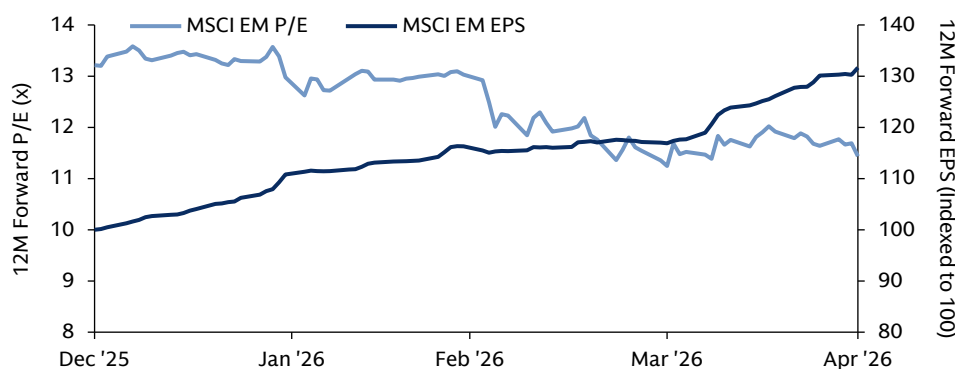
Commodity Crosscurrents



Source: Bloomberg and Goldman Sachs Asset Management. As of April 30, 2026.

The evolution of the energy disruption will be critical for EM, though the relationship to oil differs across economies. LatAm exporters may benefit from higher energy prices, while Asian importers have historically been more challenged. Of note, China has increased resilience in recent years by shifting towards renewables (now 10-15% of energy consumption) while also building the world’s largest oil reserves (approx. 1.5 billion barrels, equivalent to ~4 months of imports).

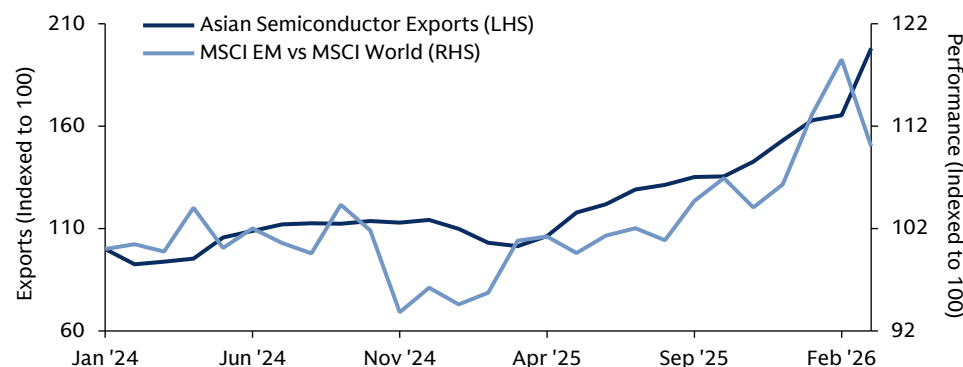
Rising Earnings Expectations



Source: Bloomberg and Goldman Sachs Asset Management. As of April 30, 2026.

Despite the macro uncertainty, consensus earnings expectations have continually been revised higher since the start of the year. That has led to an attractive de-rating of EM equities, with 12m forward P/E now trading at 12x and below the 10-year average. We expect AI themes to be a major driver of EM earnings, with AI-related demand contributing nearly 70% to our EPS growth forecast for 2026.

Long-Term AI Exposure



Source: Macrobond and Goldman Sachs Asset Management. As of March 31, 2026.

EM economies are a critical source of “picks and shovels” for the AI buildout, accounting for two-thirds of global semiconductor production. Demand continues to climb, with South Korean exports alone rising from \$20 billion in December to \$30 billion in March 2026. While higher input prices may weigh on margins, we believe North Asia will still be able to secure oil and gas supplies, and AI customers may be willing to pay higher prices for hardware given growing compute constraints.

Morningstar and Goldman Sachs. As of May 1, 2026. “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. **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 April 30, 2026. Percentiles are based on 20 years of forward price to earnings multiples of the MSCI indices. **Past performance does not predict future returns and does not guarantee future results, which may vary.** For illustrative purposes only.
2. Asset Class Forecasts: Price targets of major asset classes are provided by Goldman Sachs Global Investment Research. As of May 1, 2026.

Page 1 Definitions

AI refers to artificial intelligence

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

GIR refers to Goldman Sachs Global Investment Research

Page 2 Notes

Top Section Notes: Chart shows the difference in equity market performance versus the MSCI World for every 10% rise in oil prices.

Middle Section Notes: Chart shows the 12-month forward price-to-earnings (P/E) multiple and earnings per share (EPS) estimate for the MSCI Emerging Markets Index.

Bottom Section Notes: Chart shows the growth in Asian semiconductor exports and the relative performance of the MSCI Emerging Markets Index and the MSCI World Index. "Picks and shovels" refers to the essential infrastructure or tools of an emerging industry.

Index Benchmarks

The **MSCI World Index** captures large and mid-cap representation across 23 Developed Markets (DM) countries.

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.

The indices referenced herein have been selected because they are well known, easily recognized by investors, and reflect those indices that the Investment Manager believes, in part based on industry practice, provide an appropriate benchmark against which to evaluate the investment or broader market described herein.

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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.

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