



June 2020

June 2020 Update: GS Small/Mid Cap Growth Fund (GSMYX)

5 Reasons to Consider Investing in the GS Small/Mid Cap Growth Fund (GSMYX)

1. Strong relative performance and ranks over a ~15-year history:

- Same philosophy/process has been utilized since Steve Barry (Fundamental Equity CIO and Co-Head) launched the Fund in June 2005.
- Team was further strengthened by addition of **Greg Tuorto** in September 2019:
 - Greg is a 26-year industry veteran who was hired by FE Co-Heads Steve Barry and Katie Koch to head up the Small/SMID Growth Team (co-leading SMID Growth alongside Jessica Katz and Steve Barry).
- The Fund has demonstrated:
 - **Positive absolute returns** over all trailing time periods
 - **Strong outperformance versus its Russell 2500 Growth benchmark** over all trailing time periods
 - **Strong outperformance versus the S&P 500** over all trailing time periods.

Periods Ending 31-May-20 ¹	GSMYX Net Returns (%)	Russell 2500 Growth Index (%)	Net Excess Return vs. Russell 2500 Growth (bps)	Morningstar Rankings ² (%)	Net Excess Return vs. S&P 500 (bps)
Year-to-date	7.70	-1.60	+930	-	+1,291
Trailing 1 year	25.60	12.65	+1,295	10	+1,469
Trailing 3 year	16.69	11.44	+525	17	+717

Trailing 5 year	10.86	8.70	+217	30	+168
Trailing 10 year	13.97	13.26	+71	29	+153
Since Inception (30-Jun-05)	11.72	9.84	+188	6	+303

Source: GSAM as of 5/29/2020. GS Small/Mid Cap Growth Fund's official benchmark is the Russell 2500 Growth; the S&P 500 index is shown for illustrative purposes only to represent the broader equity market. Trailing returns are annualized. Numbers in green represent outperformance vs index or top half ranks. Please see standardized total returns and Morningstar disclosures below.

2. Provides exposure to secular growers that are at the epicenter of exciting technological innovation, while being less exposed to the currently more challenged areas of the market:

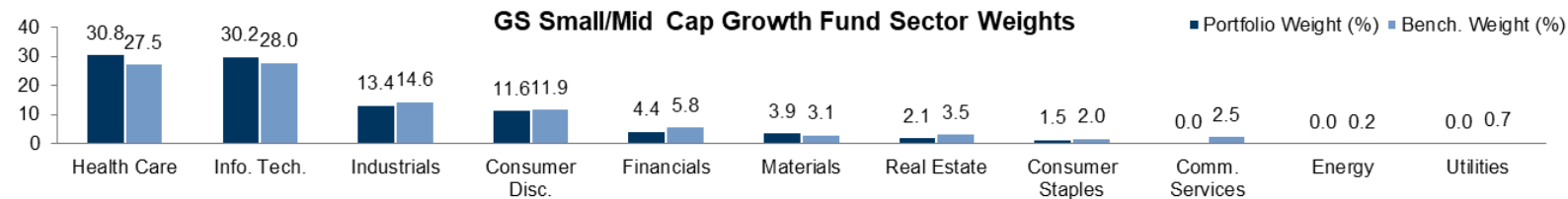
More exposed to cutting edge, technology-driven trends that are creating disruption across all sectors, including:

- >60% of Fund is in Technology and Health Care, two sectors we believe have strong tailwinds (as of 5/31/20). We seek companies with above-average growth, cash-generative operations and strong competitive positioning.
- In **Technology**, we have exposure to digital transformation, companies that enable enhanced cloud-based streaming, and next-generation cybersecurity and identity access management
- **Over ¾ of our Health Care holdings are companies working on solutions to address Covid-19** – including a frontrunner to a Covid-19 vaccine candidate, a telemedicine platform that allows you to see a doctor from your laptop, and genomics companies
- We have initiated/added to **Consumer** companies that may benefit from the digitalization of experiences, such as streaming fitness classes, online tutoring/education, and restaurants with strong online takeout/delivery footprints.

Less exposed to the currently more challenged, deeply cyclical areas of the market:

- Against the backdrop of volatile oil prices, the Fund has **0% Energy** exposure.

- Against the backdrop of record low rates, the Fund has **only ~4% Financials exposure**, in less rate-sensitive companies that may benefit from market volatility.



3. Utilizes an active, fundamental approach, which is critical in an environment where selectivity matters:

- **Why go active?**
 - The Russell 2500 Growth **index is limiting** in its opportunity set, with ~40% unprofitable companies, underscoring the importance of stock selection and a quality focus. The Fund casts a wider net beyond the flawed benchmark and currently includes 21% out of benchmark names (as of 5/31/20).
 - In our view, there is **tremendous value in meeting with company management teams** to assess quality of those at the helm and to be able to potentially anticipate change before it is reflected in backwards looking data.
- **Why go fundamental?**
 - A passive (or non-fundamental) approach may be unable to **participate in IPOs** –which GSMYX has benefitted from over time (14 IPOs in 2019, 2 in 2020 YTD).
 - Our experience, brand, and reputation let us **get to know companies pre-IPO**, so we can build long-term conviction and a keen awareness of when a stock's reaction to news may be an opportunity to add.

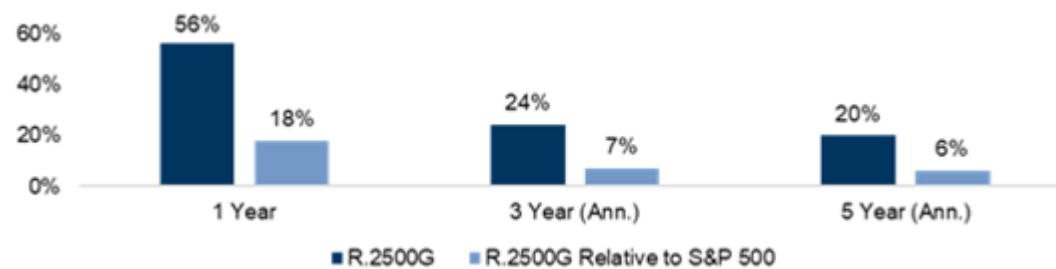
4. SMID provides a more conservative way to access the Small Cap asset class, with similar upside potential:

- SMID captures strong growth potential of successful small cap companies as they emerge into mid- and large-caps; and simply adds on the next 500 largest of the small companies onto the Russell 2000.
- Historically, SMID has provided similar strong upside potential as Small Cap, but has offered **lower volatility, better downside capture, better risk-adjusted returns, and an even greater frequency of outperformance versus Small Cap** (please see slide 5 in attached pitchbook below).
- Furthermore, the **Fund has a strong focus on downside risk management** and has historically declined less in down markets (please see slide 8 in attached pitchbook below).

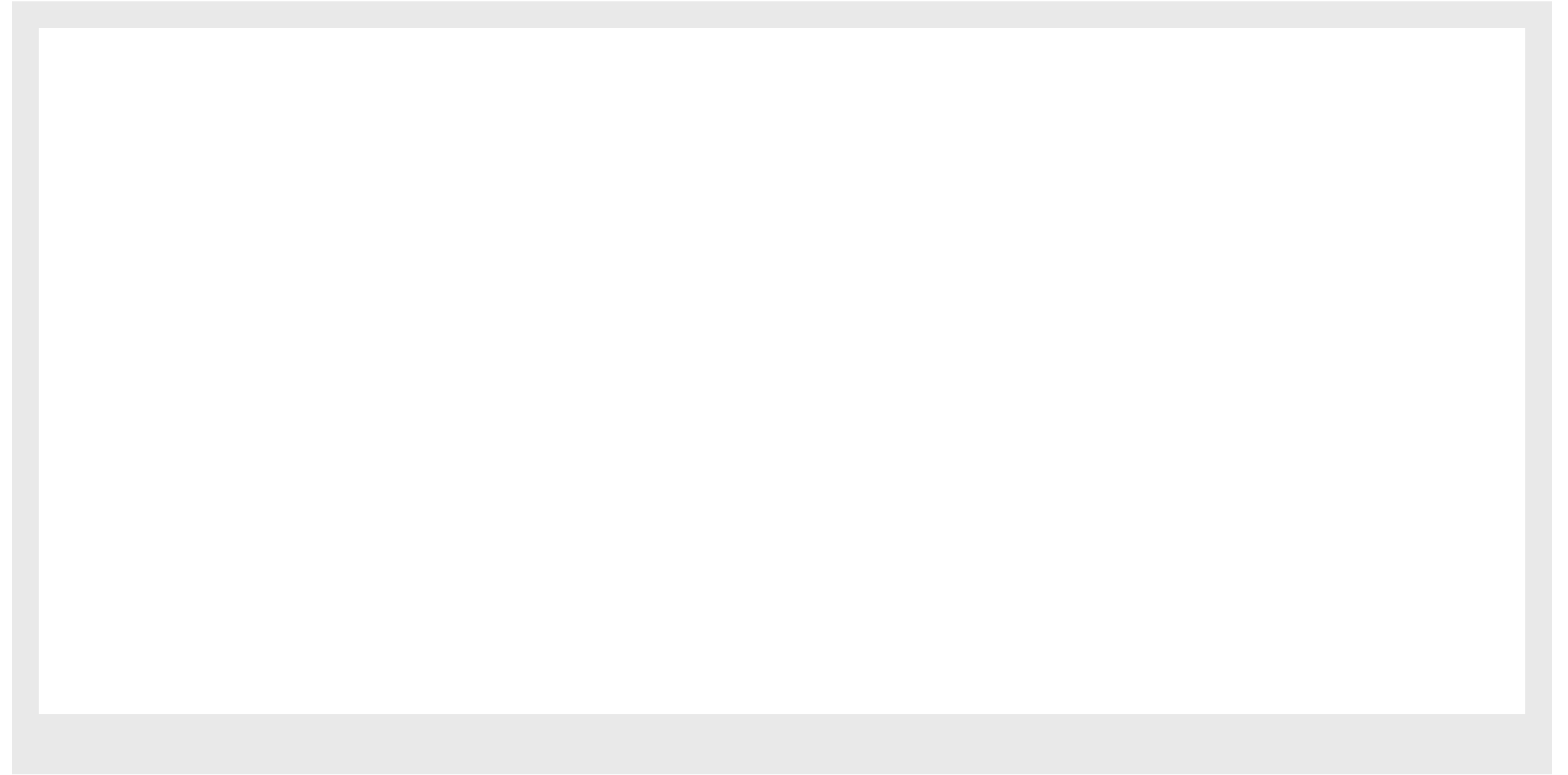
5. Historically, smaller cap growth stocks have led on the way out of bear markets, and are a great way to play the US recovery story:

- Smaller caps are more domestic, w/ ~¾ of revenues from the US (vs ~60% for LC) [use stats for R2500G vs S&P500].
- Historically, following the bottom of bear markets, forward returns of smaller cap growth stocks have been quite robust and outpaced large caps.

Average % Price Change Following a Bear Market in the Russell 2500 Growth:



Source: GSAM and Furey Research Partners as of 3/20/2020. Bear markets: Apr. '98 Oct. '98, March '00 – Oct. '02, Oct. '07 – March '09, April '10 – July '10, April '11 – Oct. '11, June '15 – Feb. '16, and Oct. '18 – Dec. '18. **Past performance does not guarantee future results, which may vary.**



¹Source: GSAM, data as of 5/29/2020. ²Morningstar, data as of 5/29/2020. Morningstar category: Mid Cap Growth - 1 Year rank out of 607 investments ranked in category, 3 year rank out of 587 investments, 5 year rank out of 561 investments, 10 year rank out of 510 investments, since inception rank out of 459 investments. **Morningstar Percentile Rankings** are based on the total

return percentile rank within each Morningstar Category and do not account for a fund's sales charge (if applicable). Rankings will not be provided for periods less than one year. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. Historical percentile ranks are based on a snapshot of the funds as they were at the time of the calculation. Percentile ranks within categories are most useful in those groups that have a large number of funds. For small universes, funds will be ranked at the highest percentage possible. For instance, if there are only two specialty-utility funds with 10-year average total returns, Morningstar will assign a percentile rank of 1 to the top-performing fund, and the second fund will earn a percentile rank of 51 (indicating the fund underperformed 50% of the sample). **Rankings for other share classes may vary. The returns represent past performance. Past performance does not guarantee future results. The Fund's investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. Please visit our Web site at: www.GSAMFUNDS.com to obtain the most recent month-end returns.**

Benchmarks: The Russell 2500 Index measures the performance of the 2,500 smallest companies in the Russell 3000 Index. It is calculated by Frank Russell Company, and reflects reinvestment of all dividends and capital gains. The Russell 2500 Growth Index measures the performance of Russell 2500 companies with higher price-to-book ratios and higher forecasted growth values. It is not possible to invest directly in an unmanaged index. The Russell 2000 index is an index measuring the performance of approximately 2,000 smallest-cap American companies in the Russell 3000 Index, which is made up of 3,000 of the largest U.S. stocks. It is a market-cap weighted index.

GSMYX Standardized Total Returns (I-Shares, Net of Fees %) as of 31-Mar-2020

Inception Date: 30-Jun-2005

1 Year: -4.99

5 Year: 5.56

10 Year: 10.71

Since Inception: 9.84

Current Expense Ratio (Net): 0.94

Expense Ratio Before Waivers (Gross): 0.94

GSMAX Standardized Total Returns (A-Shares, Net of Fees %) as of 31-Mar-2020

Inception Date: 30-Jun-2005

1 Year: -5.34

5 Year: 5.18

10 Year: 10.29

Since Inception: 9.44

Current Expense Ratio (Net): 1.27

Expense Ratio Before Waivers (Gross): 1.32

Standardized Total Returns are average annual total returns or cumulative total returns (only if the performance period is one year or less) as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. Because Institutional Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns. These returns reflect the maximum initial sales charge of 5.50% for Class A Shares.

The expense ratios of the Fund, both current (net of any fee waivers or expense limitations) and before waivers (gross of any fee waivers or expense limitations) are as set forth above. Pursuant to a contractual arrangement, the Fund's waivers and/or expense limitations will remain in place through at least December 27, 2020, and prior to such date the investment adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.

Performance reflects cumulative total returns for periods of less than one year and average annual total returns for periods of greater than one year. All Fund performance data reflect the reinvestment of distributions.

The Goldman Sachs Small/Mid Cap Growth Fund invests primarily in a diversified portfolio of equity investments in mid- and small-capitalization issuers. The Fund's investments are subject to **market risk**, which means that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions. The securities of **mid- and small-capitalization companies** involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements. **Different investment styles** (e.g., "quantitative") tend to shift in and out of favor, and at times the Fund may underperform other funds that invest in similar asset classes.

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A summary prospectus, if available, or a Prospectus for the Fund containing more information may be obtained from your authorized dealer or from Goldman Sachs & Co. LLC by calling (retail - 1-800-526-7384) (institutional – 1-800-621-2550). Please consider a fund's objectives, risks, and charges and expenses, and read the summary prospectus, if available, and the Prospectus carefully before investing. The summary prospectus, if available, and the Prospectus contains this and other information about the Fund.

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