



GS Growth Opportunities Fund – I Shares

Performance Summary, as of 30-Sep-2018 (I Shares, Net) ¹							
	3Q18	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception ²
GS Growth Opportunities Fund (%)	7.83	12.06	18.53	14.14	10.47	12.10	11.49
Russell Mid Cap Growth Index (%)	7.57	13.38	21.10	16.64	13.00	13.46	8.06
Net Excess Returns (bps)	26	-132	-257	-250	-253	-136	343
Morningstar Ranking (Mid Cap Growth)	29%	62%	62%	71%	76%	50%	6%
Morningstar Absolute Ranking	177/620	407/611	400/601	393/540	384/483	164/342	19/315

¹Green Shading indicates top 50% performance

3Q 2018 Performance Review

- Following a challenging second quarter in which the Fund underperformed its benchmark by 308 basis points (bps), the Fund returned 7.83% (net), outperforming its benchmark by 26 bps in the third quarter, ranking in the 29th percentile relative to peers.
- Much of the outperformance during the quarter can be traced to stock selection in the Consumer Discretionary, Materials, and Industrials sectors.
 - Top Contributors: Genetics company **Illumina, Inc. (2.0%)³** was a top contributor to relative returns during the quarter. Continued strength in its genetic sequencing platform, NovaSeq, as evidenced by its late-July earnings release, was a primary driver of performance. In our view, the company is well positioned as a leader in its industry to capitalize on the NovaSeq product cycle with the benefit of strong and increasing secular demand for genetic sequencing. **John Bean Technologies Corp. (1.1%)**, a commercial food processor, was another name in the portfolio whose robust earnings had a sizeable impact on overall excess returns. Sentiment surged in late July along with the stock price after the company reported significant improvements in organic growth and margins, two metrics that came in much softer in the prior quarter's results.
 - Top Detractors: **Black Knight Financial Services, Inc. (2.2%)** was a top detractor from relative returns during the quarter. In late July, the company reported mixed second quarter results in which earnings per share beat investor expectations but revenues were slightly below consensus. Despite the mixed results, we remain positive on Black Knight given its significant market position and have confidence in the company's unique platform, high market share and long-term potential growth. During the quarter, semiconductor producer, **Marvell Technology Group Ltd (1.1%)**, was a top detractor from relative returns. Shares weakened due to broader semiconductor industry pressures, challenging quarterly results, and a dampened reported earnings figure, largely attributed to the integration of a recent acquisition. Despite the transitory difficulty, we continue to view Marvell favorably as it works to accelerate growth, expand margins and strategically deploy capital.

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. 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.

¹Source: Morningstar as of 9/30/2018. **Morningstar Percentile and Absolute 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). **Past performance is not guarantee of future results.** Performance reflects cumulative total returns for periods of less than one year and average annual total returns for periods of greater than one year.

²Inception Date: 24-May-1999

³Portfolio Ending Weights as of 30-Sep-2018

Trailing 1-Year Performance

- Over the last 1 year, the Fund has underperformed its benchmark by 257 bps (net) and ranks in the 62nd percentile relative to its peers.
- Stock-specific drivers of last 1 year performance:
 - Detractors: **Middleby Corp. (0.0%)** was a top detractor from relative returns during the period. Continued organic growth pressures coupled with operating hiccups led the stock to underperform during the year. This led us to review our initial thesis and ultimately exit our position, as our confidence in the company's ability to execute eroded. **Expedia Group, Inc. (0.0%)** was also a top detractor from relative returns during the period. Shares of the company remained under pressure throughout the period due to several disappointing earnings releases. Numerous factors led us to become less positive on the company moving forward, causing us to exit the position earlier in the year.
 - Contributors: **Illumina, Inc. (2.0%)** was a top contributor to relative returns during the trailing one year period in addition to during the quarter. In April, the company reported encouraging quarterly results that drew attention to NovaSeq's outperformance, and the positive effect of this on shares was further amplified in July after the earnings announcement mentioned above. To reiterate, we view Illumina's growth to be at an inflection point and feel strongly that NovaSeq may be able to provide considerable benefits to shareholders moving forward. Similarly, two consecutive earnings releases that exceeded investor expectations led **Five Below, Inc. (1.3%)** to finish the period as a top contributor to relative returns. The company demonstrated stable same stores sales growth and healthy earnings in each report and announced progress on its plan to grow to its store count significantly. We remain positive on Five Below as we believe it is relatively insulated from e-commerce pressures given the significantly discounted price of its merchandise.

Positioning & Outlook

- Year-to-date 2018 performance for the Fund has been characterized by a strong first quarter, a challenged environment for relative returns in the second quarter, and then a recovery in the third quarter.
- Some windows of the benchmark's performance have been difficult to beat; the Russell Mid Cap Growth Index recently returned over 9 percent in 9 weeks⁴. Moreover, the Fund's preference for higher-quality companies yielded a higher average market capitalization versus the index, which was a headwind when smaller stocks were staging rapid gains earlier in the year.
- Moving forward in the economic cycle we feel that the portfolio is well positioned to potentially generate strong relative performance, and we view our third quarter results as a testament to this capability.
- We also feel that several macro themes may be setting the stage for us, as high-quality business buyers, to outperform.
- Increased geopolitical uncertainty and trade tensions have created more volatility in global equity markets throughout the year, and as these developments persist, we believe a thorough understanding of both market and company specific variables is crucial to navigating the ever-changing investment landscape.
- We are closely monitoring new regulatory developments, normalizing monetary policy, and geopolitical uncertainty and feel that these factors may provide a promising opportunity for active management and that our time-tested approach of bottom-up stock picking has the potential to deliver strong relative returns.

⁴ Based on total returns from 27-Jun-2018 to 29-Aug-2018.

Fund Risk Considerations:

The Goldman Sachs Growth Opportunities Fund invests primarily in U.S. equity investments with a primary focus on mid-capitalization companies. 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.

General Disclosures

This material is provided at your request solely for your use.

Mutual Funds are sold by prospectus and summary prospectus, if available, only. Encourage your client to consider the investment objectives, risks, charges and expenses of the mutual fund carefully before investing. The summary prospectus, if available, and the prospectus contains this and other information about the fund. The summary prospectus, if available, and the prospectus must be read carefully before investing. 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 1-800-526-7384.

This information discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. This material has been prepared by GSAM and is not financial research nor a product of Goldman Sachs Global Investment Research (GIR). It was not prepared in compliance with applicable provisions of law designed to promote the independence of financial analysis and is not subject to a prohibition on trading following the distribution of financial research. The views and opinions expressed may differ from those of Goldman Sachs Global Investment Research or other departments or divisions of Goldman Sachs and its affiliates. Investors are urged to consult with their financial advisors before buying or selling any securities. This information may not be current and GSAM has no obligation to provide any updates or changes.

The Russell Midcap Growth Index is an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values. Investors cannot directly invest in an unmanaged index.

Fund holdings and allocations shown are unaudited, and may not be representative of current or future investments. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by GSAM to buy, sell, or hold any security. Views and opinions are current as of the date of this presentation and may be subject to change, they should not be construed as investment advice.

The Global Industry Classification Standard (GICS) was developed by and is the exclusive property and a service mark of Morgan Stanley Capital International Inc. (MSCI) and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (S&P) and is licensed for use by Goldman Sachs. Neither MSCI, S&P nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

©2018 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is not guarantee of future results.

Confidentiality

No part of this material may, without GSAM's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

Goldman Sachs & Co. LLC is the distributor of the Goldman Sachs Funds

© 2018 Goldman Sachs. All Rights Reserved.

Date of First Use: 10/16/2018

Compliance code: 146376-OTU-848970