Goldman Sachs Asset Management

Performance Update

As of 9/30/2019

GS Small Cap Value Fund – I Shares

Performance Summary, as of 30-Sep-2019 (I Shares, Net)	3Q19	YTD	Last 1 Year	Last 3 Years	Last 5 Years	Last 10 Years	Since 2000[1]
GS Small Cap Value Fund (%)	**-0.93**	**15.03**	**-5.77**	**7.27**	**7.20**	**11.84**	**11.23**
Russell 2000 Value Index (%)	-0.57	12.82	-8.24	6.54	7.17	10.05	9.16
Net Excess Returns (bps)	**-35**	**+221**	**+248**	**+73**	**+3**	**+179**	**+207**
Morningstar Percentile Ranking (Small Cap Blend)[2]			**34**	**55**	**52**	**18**	**2**
Morningstar Absolute Ranking[2]			219/723	341/640	269/508	72/371	5/310

3Q 2019 Performance Review

- During the trailing 3 months, the Fund has returned -0.93% (net), underperforming the Russell 2000 Value Index by 35 bps (net).
- Our investments in the Health Care and Energy sectors contributed to relative returns, while our investments in Information Technology and Industrials detracted from relative returns.
  - Top Contributors: **CyrusOne, Inc. (Ending Weight 1.3%),** a data center real estate investment trust (REIT), was a top contributor. During the quarter, the stock returned 37.9% contributing 36 basis points (bps) to relative returns. Initially, the stock appreciated at the end of July following the release of positive second quarter earnings and then again in August, when management considered selling the company after receiving takeover interest. Whether or not the company goes private, we continue to believe that the company is beneficiary of cloud-based technology growth and has competitive advantages in its sales force and customer penetration. **Saia, Inc. (0.9%),** a transportation logistics company focused on less-than-truckload delivery, was a top contributor. During the quarter, the stock returned 44.9% contributing 23 bps to relative returns. The freight industry rebounded from a more challenged period in 2018 and Saia has expanded its business by taking share of truckload shipments and new business in the northeast region. In our view, Saia has a favorable cost structure and operating margins, as well as stronger pricing power
  - Top Detractors**:** **Apergy Corp. (0.7%),** an oil services spinoff form Dover Corp., was a top detractor from relative returns in the third quarter. During this quarter, the stock returned -19.4% detracting -15 bps from relative returns. The company released earnings within consensus expectations and the stock performed in-line with other energy services companies, which were down during the quarter with the decline of oil prices. We believe that Apergy Corp. is well positioned for long-term growth and sustainably high free cash flow given its competitively advantaged product offerings. **Golar LNG Limited (0.5%),** a

[1] Since 1-Jan-2000. Inception Date: 15-Aug-1997. Performance data has been presented since 2000 to highlight the management of the Fund since implementation of the current portfolio management team's views as there were significant changes to the Value team at the end of 1999.

[2]Source: Morningstar as of 30-Jun-2019**. 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). **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. Net/Gross Expense Ratios: 0.94%0.97%. 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 28, 2019, and prior to such date the Investment Adviser may not terminate the arrangements without the approval of the Fund's Board of Trustees.**

shipping and storage liquefied natural gas (LNG) carrier, was a top detractor from relative returns in the third quarter. During this quarter, the stock returned -29.7% detracting -15 bps from relative returns. During the second quarter earnings call, management was less confident of spinning off its shipping business and decided to temporarily suspend the dividend to deploy cash for buybacks. While we believe that the cut in the dividend was rational, it was received negatively by the market. We believe that the company could improve free cash flow as some of its large scale floating LNG facilities and power assets become utilized.

Trailing 1-Year Performance

- Over the last 1 year, the Fund has outperformed its benchmark by 148 bps (net) and ranks in the 34th percentile relative to its peers.
- Our stock selection in the Health Care and Consumer Discretionary sectors contributed to our performance relative to the benchmark, while our investments in Utilities and Real Estate detracted from relative returns.
- Stock-specific drivers of last 1 year performance:
  - Contributors: **PS Business Parks, Inc. (1.0%),** a commercial REIT, was a top contributor to returns over the trailing-twelve-month period. During the period, the stock returned 46.2%, contributing 39 bps to returns. We believe the company's steady execution, including in-line earnings and low leverage, have provided defensive characteristics during the more tumultuous trading period. We continue to believe that the company is attractively valued among peers, has a solid management team, and is a high-quality company for the longer-term. **Lattice Semiconductor Corp. (0.0%),** a company that produces programmable logic devices used in circuits of mobile phones, telecom and internet-of-things infrastructure was a top contributor to returns over the trailing 1-year period. During the trailing twelve-month-period, the stock returned 141.3%, contributing 35 bps to returns. After a broader sell-off in the semiconductor industry at the end of 2018, the industry rebounded in early 2019. Lattice Semiconductor's stock price was supported by better-than-expected fourth quarter revenues and relatively stable earnings, despite this more challenging environment. This was the first quarter under the tenure of the new CEO, who has a background of improving operations at Advanced Micro Devices, Inc. The stock continued to perform well in the second quarter of 2019, in-line with the broader semiconductor industry. We decided to exit the position after strong performance and take profits.
  - Detractors: **WPX Energy, Inc. (0.7%),** an oil and gas exploration and production company primarily located in the Williston and Permian Basins, was a top detractor from returns during the period. During the period, the stock returned -50.3%, detracting 43 bps from returns. Macro factors and declining oil and natural gas prices were the primary drivers of underperformance during the period. We remain positive on WPX's transformation from a high-cost natural gas production company to an oil-focused production company, in addition to its portfolio of low-cost acreage in the core of the Permian basin. We also believe the stock is undervalued as investors have not fully recognized the quality of the company's assets and its ability to de-lever its balance sheet with strong cash flow generation. Additionally, **Callon Petroleum Co. (0.2%),** was a top detractor from returns over the trailing-twelve-months. During the period, the stock returned -66.0%, detracting 33 bps from returns. The stock price fell following the announcement that Callon would be acquiring another company for a significant premium. We continue to believe that Callon has high-quality acreage, improving operational performance, and a discounted trading multiple relative to peers.

Positioning & Outlook

- The US equity market has experienced robust performance in 2019, gaining more than 20% through the first three quarters, and we continue to view equities favorably. Volatility increased in the third quarter stemming from continued geopolitical and trade tensions as well as increased fears of a US recession. Further decline and volatility in 10 year treasury rates and a shift in Federal Reserve policy to rate cuts did help buoy equities. We believe we are beginning to see, and expect to continue to see, more signals of an aging cycle moving forward.

- We expect choppy conditions, however, without clearer indications of deteriorating fundamentals, we think it is too early to position for a downturn in global growth or corporate earnings. Within this more volatile backdrop, we believe a thorough understanding of both market and company specific variables will be crucial to navigating this challenging environment.
- With that said, our investment philosophy will not change based on short-term fluctuations in markets. We plan to maintain our focus on high-quality companies with strong market positions and experienced management teams. In our opinion, emphasizing these durable businesses can potentially set up portfolios to outperform amidst heightened volatility

3Q19 Attribution by Stock

Top 5 Contributors

Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
CyrusOne Inc	1.3	37.1	36
Saia Inc	0.9	43.3	22
KB Home	0.8	29.5	12
Entegris Inc	0.4	27.7	12
Crocs Inc	0.4	41.5	11

Top 5 Detractors

Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
Apergy Corp	0.7	-22.6	-17
Golar LNG Ltd	0.5	-31.2	-15
Cars.com Inc	0.2	-54.5	-14
Callon Petroleum Co	0.2	-38.2	-14
Ingevity Corp	0.3	-20.7	-11

Trailing-Twelve-Month Attribution by Stock

Top 5 Contributors

Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
PS Business Parks Inc	1.0	46.2	39
Lattice Semiconductor Corp	0.0	141.3	35
Kinsale Capital Group Inc	0.7	57.2	35
CyrusOne Inc	1.3	28.0	35
Entegris Inc	0.4	65.7	29

Top 5 Detractors

Security Name	Ending Weight (%)	Gross Return (%)	Contribution (bps)
WPX Energy Inc	0.7	-50.3	-43
Callon Petroleum Co	0.2	-66.0	-33
Golar LNG Ltd	0.5	-53.3	-26
Apergy Corp	0.7	-40.4	-25
Centennial Resource Development Inc	0.1	-80.9	-25

Fund Risk Considerations:

The Goldman Sachs Small Cap Value Fund invests primarily in a diversified portfolio of equity investments in 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. **Investing in REITs** involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. REITs whose underlying properties are focused in a particular industry or geographic region are also subject to risks affecting such industries and regions. The securities of REITs involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements because of interest rate changes, economic conditions and other factors.

General Disclosures

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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The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

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.

Free cash flow represents the cash that is available for a company to spend after financing its capital projects.

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