Goldman Sachs Europe High Yield Bond Portfolio

A sub-fund of Goldman Sachs Funds, SICAV

1220
Monthly Fund Update

Investor Profile

Investor objective
Income with some capital appreciation.

Position in your overall investment portfolio*
The fund can complement your portfolio.

The fund is designed for:
The fund is designed for investors who want exposure to sub-investment grade bonds primarily issued by European companies with the potential for higher returns but higher risks than an investment grade portfolio.

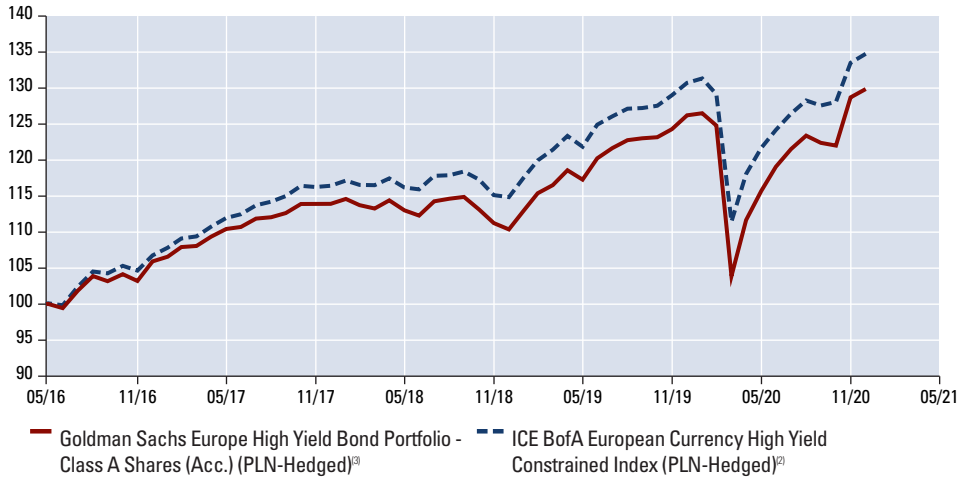
Performance (%)

	31-Dec-15 - 31-Dec-16	31-Dec-16 - 31-Dec-17	31-Dec-17 - 31-Dec-18	31-Dec-18 - 31-Dec-19	31-Dec-19 - 31-Dec-20
Fund (PLN)	-	7.5	-3.1	14.4	2.9
Index	-	9.1	-1.4	13.8	3.1

Fund Data

No. of holdings	289
% in top 10	11
Historical Volatility Portfolio - 3 yr	12.00
Historical Tracking Error - 3 yr	2.35
Excess Returns - 3 yr	-0.53
R^2 - 3 yr	0.99
Beta - 3 yr	1.21
Swing Pricing (%)	
Subscription (%)	0.68
Redemption (%)	0.68
Initial Sales Charge: up to (%)	4.00
Performance Fee Rate (%)	N/A
Ongoing Charges (%)[1]	1.60
Management Fee (%)	1.10
Distribution Fee (%)	0.25
Other Expenses (%)	0.25

Performance (Indexed)



This is an actively managed fund that is not designed to track its reference benchmark. Therefore the performance of the fund and the performance of its reference benchmark may diverge. In addition stated reference benchmark returns do not reflect any management or other charges to the fund, whereas stated returns of the fund do. **Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of capital may occur.**

Performance Summary (%)

	Cumulative				Annualised	
	Since Launch	1 Mth	3 Mths	YTD	1 Yr	3 Yrs
Class A Shares (Acc.) (PLN-Hedged)[3]	29.87	0.90	6.10	2.89	2.88	4.46
ICE BofA European Currency High Yield Constrained Index (PLN-Hedged)[2]	34.76	0.94	5.63	3.08	3.07	4.99

Calendar Year Performance (%)

	2016	2017	2018	2019	2020
Class A Shares (Acc.) (PLN-Hedged)	-	7.5	-3.1	14.4	2.9
ICE BofA European Currency High Yield Constrained Index (PLN-Hedged)	-	9.1	-1.4	13.8	3.1

Please see Additional Notes. All performance and holdings data as at 31-Dec-20.
Past performance does not guarantee future results, which may vary.
* We identify two broad categories of funds to help investors think about how to construct their overall investment portfolio. We describe the following as **"Core"**: (A) Equity funds with a global investment remit or those mainly focused on US and European markets, given the size and transparency of these markets. (B) Fixed income funds with a global investment remit or those mainly focused on US, European and UK markets and invest predominantly in investment grade debt, including government. (C) Multi asset funds with a multi asset benchmark. All other funds we describe as **"Complements"**. Both Core and Complement funds can vary in risk level and those terms are not meant to indicate the risk level of the funds. There is no guarantee that these objectives will be met.
For regionally focused investment portfolios we understand that the categorisation may be different from the perspective of different investors. **Consult your financial adviser before investing to help determine if an investment in this fund and the amount of the investment would be suitable**.

Goldman Sachs Asset Management

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Financial Information

Net Asset Value (NAV) - Class A Shares (Acc.) (PLN-Hedged)	PLN	129.87
Total Net Assets (m)	EUR	68
Current Duration of Portfolio (years)		3.46
Current Duration of Reference Benchmark (years)		3.47
Yield To Maturity of Portfolio (%)		3.44
Yield To Worst of Portfolio (%)		3.23

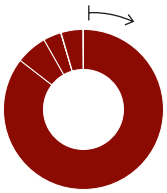
Fund Characteristics

Currency - Class A Shares (Acc.) (PLN-Hedged)	PLN
Inception Date - Class A Shares (Acc.) (PLN-Hedged)	27-May-16
Fund Domicile	Luxembourg

Fund Facts

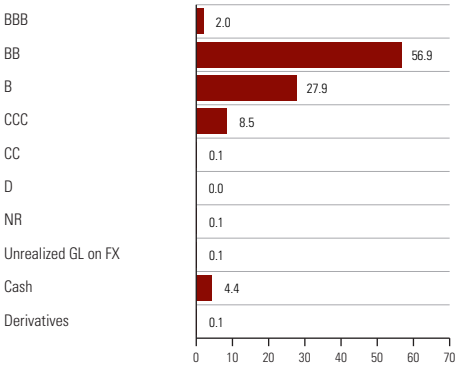
ISIN - Class A Shares (Acc.) (PLN-Hedged)	LU1204194473
Bloomberg Ticker - Class A Shares (Acc.) (PLN-Hedged)	GSEAAPH LX
Dividend Distribution Frequency	None
Dealing and valuation	Daily
Reporting year end	30 November
Reference Benchmark	ICE BofA European Currency High Yield Constrained Index (PLN-Hedged)
Settlement	T + 3

Sector Allocation (%)



85.5%	Non-Dollar
6.3%	US High Yield
3.6%	Emerging Markets
0.1%	Unrealized GL on FX
0.0%	Equities
4.4%	Cash
0.1%	Derivatives

Credit Allocation (%)



Top 10 Corporate Issuers[4]

Security	%
TITIM	3.0
F	2.1
STLAIM	1.7
EDF	1.6
TELEFO	1.6
SOFTBK	1.5
SFRFP	1.5
ZFFNGR	1.5
NFLX	1.5
TEVA	1.4

Please see Additional Notes. All performance and holdings data as at 31-Dec-20. Past performance does not guarantee future results, which may vary. The value of investments and the income derived from investments will fluctuate and can go down as well as up. A loss of capital may occur.

[1] The ongoing charges figure is based on expenses during the previous year. See details in the Key Investor Information Document. [2] The BofA ML High Yield Constrained Index is quoted at month-end with income reinvested and, in contrast to the Portfolio, is shown without the deduction of any expenses. [3] Fund returns are shown net of applicable ongoing fees within the portfolio, with dividends re-invested using the ex-dividend NAV. These returns are for comparison of performance against specified index. As the investor may be liable to other fees, charges and taxes, they are not meant to provide a measure of actual return to investors. The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares. [4] Portfolio holdings may not represent current, future investments or all of the portfolio's holdings. Future portfolio holdings may not be profitable.

Goldman Sachs Asset Management

Goldman Sachs Europe High Yield Bond Portfolio

Important Risk Considerations

- **Contingent Convertible ("Coco") Bond Risk** investment in this particular type of bond may result in material losses to the Portfolio based on certain trigger events. The existence of these trigger events creates a different type of risk from traditional bonds and may more likely result in a partial or total loss of value or alternatively they may be converted into shares of the issuing company which may also have suffered a loss in value.
- **Counterparty risk** a party that the Portfolio transacts with may fail to meet its obligations which could cause losses.
- **Credit risk** the failure of a counterparty or an issuer of a financial asset held within the Portfolio to meet its payment obligations will have a negative impact on the Portfolio.
- **Custodian risk** insolvency, breaches of duty of care or misconduct of a custodian or subcustodian responsible for the safekeeping of the Portfolio's assets can result in loss to the Portfolio.
- **Derivatives risk** derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.
- **Exchange rate risk** changes in exchange rates may reduce or increase the returns an investor might expect to receive independent of the performance of such assets. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.
- **High yield risk** high yield instruments, meaning investments which pay a high amount of income generally involve greater credit risk and sensitivity to economic developments, giving rise to greater price movement than lower yielding instruments.
- **Interest rate risk** when interest rates rise, bond prices fall, reflecting the ability of investors to obtain a more attractive rate of interest on their money elsewhere. Bond prices are therefore subject to movements in interest rates which may move for a number of reasons, political as well as economic.
- **Liquidity risk** the Portfolio may not always find another party willing to purchase an asset that the Portfolio wants to sell which could impact the Portfolio's ability to meet redemption requests on demand.
- **Market risk** the value of assets in the Portfolio is typically dictated by a number of factors, including the confidence levels of the market in which they are traded.
- **Operational risk** material losses to the Portfolio may arise as a result of human error, system and/or process failures, inadequate procedures or controls.
- **Mortgage-backed securities ("MBS") and asset-backed securities ("ABS") risk** the mortgages backing MBS and assets backing ABS may be repaid earlier than required, resulting in a lower return.

Glossary

- **Beta** – Measures the sensitivity of the fund's returns to the comparative benchmark index return (annualised). The nearer to 1.00, the closer the historical fluctuations in the value of the fund are to the benchmark. If above 1.00, then fund fluctuations have been greater than the benchmark.
- **Duration of the Portfolio** – Measure of the sensitivity of the price of a bond or portfolio to a change in interest rates paid. The larger the number (positive or negative), the greater the change in price for given changes in interest rates. When duration is positive a rise in interest rates results in a fall in price while for a negative duration a rise in interest rates results in a rise in price.
- **Excess returns** – The return of the fund in excess of the benchmark/index return (annualised).
- **Historical tracking error** - Measure of the actual deviation of the fund's returns from the comparative benchmark index returns (annualised). A higher number means that the fund is taking greater risk against the benchmark.
- **Historical Volatility of Portfolio** – Illustrates the dispersion of the fund's realized monthly returns around the average monthly return, indicating how volatile the fund's return is over time. The higher the number the more volatile the fund's returns.
- **Interest Rate Duration** – This is a modified measure of Total Average Duration that has been estimated by GSAM. This modified measure seeks to take account of the different behaviours of different bond markets around the world by re-expressing all duration exposures to a common US market standard. The goal is to improve the estimate of the portfolio's sensitivity to changes in interest rates. This estimate is guided by historical market observations amongst markets which are themselves subject to change over time and may not necessarily be reflected by the actual outcome.
- **Net Asset Value** – Represents the net assets of the fund (ex-dividend) divided by the total number of shares issued by the fund.
- **Ongoing Charges** – The ongoing charges figure is based on the fund's expenses during the previous 12 months, on a rolling basis. It excludes transaction costs and performance fees incurred by the fund.
- **Other Expenses** – Fees deduced from the Fund's assets incurred as part of the Fund's operations, including, where applicable, costs incurred by the Fund when investing in other funds.
- **R^2** – Measure that represents the percentage of a portfolio movement linked to movements in the benchmark index return (annualised). The nearer to [1.00], the more a fund is tracking the risk of the benchmark, and the less risk that the fund is taking against the benchmark.
- **Swing pricing** – The swing factor represents the factor in place month end and is subject to change on any Dealing Day depending on prevailing market conditions.
- **Yield to Maturity** – The rate of return anticipated on a bond if it is held until the maturity date shown without the deduction of any expenses.
- **Yield to Worst** – The lowest potential yield that can be received on a bond without the issuer actually defaulting.

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An investor should only invest if he/she has the necessary financial resources to bear a complete loss of this investment.

Swing Pricing: Please note that the fund operates a swing pricing policy. Investors should be aware that from time to time this may result in the fund performing differently compared to the reference benchmark based solely on the effect of swing pricing rather than price developments of underlying instruments.

Fees are generally billed and payable at the end of each quarter and are based on average month-end market values during the quarter.

Additional information is provided in our Form ADV Part-2 which is available at http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx.

The relevant articles of association, prospectus, supplement and key investor information document (KIID) and latest annual/semi-annual report (as applicable) are available free of charge from the fund's paying and information agents as listed below:

Austria: Raiffeisen Bank International AG, Am Stadtpark 9, A-1030 Wien, Austria.

Belgium: RBC Investor Services, Place Rogier II, 1210 Brussels, Belgium.

Denmark: Stockrate Asset Management, Mollevej 9 E2, DK-2990 Niva, Denmark.

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Switzerland: Swiss Representative of the fund is First Independent Fund Services Ltd, Klausstrasse 33, 8008 Zurich. Paying Agent of the fund in Switzerland is Goldman Sachs Bank AG, Claridenstrasse 25, 8022 Zurich. The Key Investor Information Document (KIID) as well as the annual and semi-annual reports of the fund may be obtained free of charge at the Swiss Representative or Goldman Sachs Bank AG in Zurich.

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