INVESCO OPPENHEIMER
GLOBAL STRATEGIC INCOME FUND

Q2 2019 COMMENTARY | AS OF 6/30/19

Fund Focus

The Fund typically invests in a strategic mix of global fixed income sectors to seek high income, yield and diversification.

Ticker Symbol

OPSIX (Class A Shares)
OSIYX (Class Y Shares)
OSIIX (Class R6 Shares)

Morningstar Category

Multisector Bond


Portfolio Managers
Hemant Baijal
(Since 1/18)
Chris Kelly
(Since 1/17)

Average Industry Experience
28 years

Invesco Oppenheimer Global Strategic Income Fund Class A, Y and R6 Shares
Average Annual Total Returns as of 6/30/19

	2Q19	1-Year	3-Year	5-Year	10-Year or Since Inception
Invesco Oppenheimer Global Strategic Income Fund (Class A shares without sales charge)	3.21%	6.65%	3.83%	2.30%	5.86%
Invesco Oppenheimer Global Strategic Income Fund (Class A shares with sales charge)	-1.06	2.02	2.35	1.40	5.40
Invesco Oppenheimer Global Strategic Income Fund (Class Y shares)	3.27	7.19	4.16	2.54	6.10
Invesco Oppenheimer Global Strategic Income Fund (Class R6 shares)*	3.59	7.35	4.33	2.76	3.83
Bloomberg Barclays U.S. Aggregate Bond Index[1]	3.08	7.87	2.31	2.95	3.90
Reference Index: Bloomberg Barclays U.S. Aggregate Bond Index (Linked Index)[2]	3.08	7.87	2.28	1.80	4.50
Morningstar Multisector Bond Category Average[3]	2.61	6.22	4.47	2.93	5.87
Morningstar Percentile Rank and Ranking Multisector Bond Category[4] (Class A shares based on total return)	—	42nd #149/350	71st #236/330	68th #196/287	58th #112/193

Returns for periods less than one year are cumulative and not annualized.
Annual Expense Ratios:
Class A shares: Gross: 1.05%; Net: 0.99%
Class Y shares: Gross: 0.80%; Net: 0.74%
Class R6 shares: Gross: 0.68%; Net: 0.62%
*Class R6 shares inception date is 1/27/12

The performance data quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month-end, visit oppenheimerfunds.com or call 1-800-959-4246. Fund returns include changes in net asset value with dividends and capital gains reinvested. Class A shares include the 4.25% maximum sales charge where indicated. Class Y and R6 shares are not subject to a sales charge. Fund performance reflects fee waivers, absent which, performance data quoted would have been lower. Total annual fund operating expenses after any contractual fee waivers and/or expense reimbursements by the adviser are in effect through May 28, 2021. See current prospectus for more information. As the result of a reorganization on May 24, 2019, the returns of the fund for periods on or prior to May 24, 2019 reflect performance of the Oppenheimer predecessor fund. Share class returns will differ from the predecessor fund due to a change in expenses and sales charges. Class I shares were reorganized into Class R6 shares. R6 shares are primarily intended for retirement plans that meet certain standards and for institutional investors. Y shares are generally intended for certain investors, such as wrap-fee based programs or commissionable brokerage platforms that charge sales commission. See prospectus for details.

MARKET REVIEW

The loss of momentum in the global economy that started in 2018 continued in the first half of the year. The second quarter started with some hopes for stabilization, with China's stimulus kicking in, U.S. data recovering from weakness in Q1, but these positive signs proved premature. Due to renewed tensions in the U.S.-China trade dispute and increasing risks regarding global trade, industrial production and trade globally has weakened noticeably. For most of the world, growth projections are being revised down. A first line of defense in a mild downturn is policy support and that has already started. Major central banks first removed their neutral or tightening biases and shifted to an easing bias. We expect the U.S. Federal Reserve (Fed) to lead the way, followed by the European Central Bank (ECB) and others. Fiscal policy may also be used where applicable. At this stage, policy makers are buying insurance to secure and sustain the global expansion, so we do not expect aggressive easing measures – but policy support is coming.

The U.S. economy is slowing down but from quite high levels towards its potential that is just below 2%. Part of the slowdown is due to the waning fiscal stimulus of last year but uncertainty about trade and the slowdown in the world economy are also factors. We expect consumption to remain resilient, thanks to the solid job market, wage gains, low household leverage, and strong confidence. Inflation is below target and will likely remain so until 2020.The Eurozone economic weakness continues because of its exposure to global trade. Weakness started mainly in manufacturing and trade, while more domestically oriented sectors proved resilient. On the domestic side, consumer confidence has declined from the cyclical highs but nevertheless remains at strong levels.

As we expected, Q1 was mired in further data weaknesses for Asian emerging markets (EM), despite some stabilization in China. We see this as a manifestation of global trade blues as global exports and industrial production fell sharply. In addition, Asia is also feeling the headwinds from a slowing technology cycle. In China, front-loading of exports before tariffs took effect and the domestic policy easing were behind the stabilizing growth numbers in Q1. However, forward-looking indicators point to further weakness ahead for the region as global demand weakens. The stabilization we had expected in the second half of 2019 was rooted in our expectation for a trade deal between China and the U.S. Despite the recent truce at G20 meeting, the higher tariff rates as well as continued uncertainty about a deal pose further downside risks to China's and Asian emerging markets' growth in the second half, notwithstanding the ongoing stimulus in China. We see this uncertainty a key driver for weak global investment, which in turn negatively affects Asian exports. On the positive side, we expect further easing from China should Q2 data surprise significantly. We believe that this global backdrop, benign demand-led inflation pressures and widening output gaps will allow room for more interest rate cuts in several countries, such as India, Indonesia, Korea, Malaysia, Philippines, Russia and South Africa.

The EM economies of Latin America have underperformed growth expectations and we are therefore cutting 2019's and 2020's growth forecasts across the board. The disappointing slowdown has broadened from its larger economies, which may see traction later, to the smaller economies. We have not materially changed our inflation outlook as output gaps are even wider and inflation risks are lower. We see easier global monetary conditions curbing exchange rate pressures and allowing all regional central banks to add stimulus. Mexico's growth was hurt by the U.S. slowdown and uncertainties over domestic policy. In our opinion, while the Mexican economy benefits of a good starting point with low debt levels, its economic fundamentals are deteriorating with President López Obrador (AMLO) and his heterodox policy mix. Within this context, we are constructive because we see inflation convergence with central bank easing, high real rates, and fiscal prudence. Economic activity has faltered on global and local shocks that allowed a large negative output gap, with domestic uncertainties failing to support a more benign environment. We think traction will come with higher growth more likely to materialize next year. Overall, decreasing global interest rates allow for more accommodative monetary policy which support EM assets. The primary risk to emerging markets is a full-blown trade war, instead of a protracted conflict-resolution solution, leading to recession. However, we see this as unlikely.

Government bond yields declined across many markets during the quarter. U.S. Treasury 10-year rates declined during the quarter from 2.41% from 2.01%. German 10-year yields went further negative and decreased to -0.33% while Japanese yields decreased to -0.16%. Indian yields declined to 6.88% and Brazilian yields decreased to 7.47%.

PERFORMANCE REVIEW: ATTRIBUTION & PORTFOLIO CHARACTERISTICS

The Fund's Class A Shares (without sales charge) generated a return of 3.21% during the quarter, outperforming the Bloomberg Barclays U.S. Aggregate Bond Index by 13 bps which returned 3.08%. The largest contributor was exposure to emerging local rates and foreign exchange (FX) while the primary detractor was due to our mortgage exposure.

During the quarter we decreased our exposure to emerging market credit while eliminating exposures to leveraged loans and preferred securities. We increased our exposure to international high yield, securitized products, and other income generating securities.

High-Yield Performance Review

The high-yield bond portfolio returned 2.83% during the second quarter, which outperformed the benchmark return of 2.44%. The outperformance was driven by good security selection across most sectors. Within our high yield portfolio, the Metals and Mining sector was the largest detractor from performance relative to our benchmark, while the Energy sector was the largest contributor.

In the Metals and Mining sector, the underperformance was driven by security selection in one relatively high beta thermal coal miner. Despite reporting a good operational quarter and encouraging forward guidance, the company's bonds underperformed due to the sharp drop in thermal coal prices during the period.

In the Energy sector, the outperformance was primarily driven by security selection in two relatively high beta energy companies. One of the credits, which had sold off in the

PERFORMANCE REVIEW: ATTRIBUTION & PORTFOLIO CHARACTERISTICS (CONTINUED)

High-Yield Performance Review (continued)

previous quarter, rallied due to the mismatch between current trading levels and estimated asset coverage. The second credit, which is an engineering and construction company in the Energy sector, rallied with improving fundamentals as the company won numerous new contracts.

Emerging Markets Performance Review

Emerging market bonds wobbled somewhat in April and May as U.S.-China trade talks broke down but rallied in June as the U.S. and China agreed to revive trade talks post the G20 summit. During Q2, the EM local currency debt index gained 5.6% coming from both rates and currency, while the EM hard currency index was up 4.1%.

MARKET OUTLOOK & PORTFOLIO POSITIONING

We still see global growth momentum slowing in Q3 but at a slower rate since we expect greater stability in the second half of the year. We think EM growth will improve marginally in the second half, but at a lower level than we originally expected in Q1. The slowdowns in trade and related investments have been the primary drivers of the decline in global growth. The domestic drivers of growth have been stable, in almost every region, despite signs of weakness evident in declining inflation expectations.

While the delta of change to growth is still negative, we think there will be some stability in the second half and an improvement in global growth in 2020. Our 2019 growth forecast is 2.8% for the countries in our investible universe and this is a bit below consensus. However, our 2020 growth forecast is 3.1% with the increase coming mainly from outside the U.S. While global growth is weaker, it is still very much in a sweet spot of being at potential or slightly below providing support for risk assets. In our view, the impact of both monetary and fiscal policy is expected to be positive for assets.

We expect that monetary policy globally will continue to become more supportive especially as the Fed has moved towards an easing bias. Similarly, the ECB has already announced further monetary policy stimulus is quite likely and we are only awaiting to see which form it takes. In this environment, there is room for EM central banks to provide monetary stimulus. EM central banks from India to Chile have eased and we expect other central banks to follow. Real policy rates in EM countries remain high with room to fall. The high real rates also highlight the fact that inflation remains very muted globally and there is little near-term risk of it accelerating in a meaningful manner. We expect the mix of moderate growth with falling inflation will have a positive impact on asset prices. While we will monitor global conditions closely, we do not expect a recession. The positive policy environment that began in Q1 should continue for our investment horizon.

Due to the shift in economics and the policy environment we have kept a stable outlook for our portfolio positioning. We continue to believe the U.S. dollar will slowly decline, possibly accelerating in the second half of 2019 into 2020 as the global growth differential to the U.S. may widen. We maintain our view that the medium-term trend for the dollar is lower, continuing the decline that started in 2015, and only interrupted in 2018 because of the large fiscal stimulus in the U.S. EM currencies will likely benefit from carry while developed market currencies could benefit from valuations.

We favor carry from EM currencies. We continue to favor EM interest rates over developed market interest rates. Real yields in emerging markets remain close to highs when compared to a combination of developed market yields.

SPECIAL RISKS

Fixed income investing entails credit and interest rate risks. Interest rate risk is the risk that rising interest rates, or an expectation of rising interest rates in the near future, will cause the values of the Fund's investments to decline. Risks associated with rising interest rates are heightened given that rates in the U.S. are at or near historic lows. When interest rates rise, bond prices generally fall, and the Fund's share prices can fall. The Fund may invest in senior floating rate loans that may be collateralized or uncollateralized. Senior loans are subject to credit, interest rate, prepayment and liquidity risk. Below-investment-grade ("high yield" or "junk") bonds are more at risk of default and are subject to liquidity risk. Mortgage-related securities are subject to default risk, prepayment risk, interest rate risk, and credit risk, and may be more volatile and less liquid than other types of securities. Sovereign debt instruments are subject to the risk that a government entity may be unable to pay interest or repay principal on its debt. Foreign investments may be volatile and involve additional expenses and special risks, including currency fluctuations, foreign taxes, regulatory and geopolitical risks. Emerging and developing market investments may be especially volatile. Eurozone investments may be subject to volatility and liquidity issues. Derivative instruments entail higher volatility and risk of loss compared to traditional stock or bond investments. Regulation S securities are privately offered securities, may be illiquid, and involve a high degree of risk which may result in substantial losses to the Fund. The Fund may also invest through a wholly owned Cayman Islands subsidiary, which involves the risk that changes to the laws of the Cayman Islands could negatively affect the Fund. Diversification does not guarantee profit or protect against loss.

Portfolio Characteristics*
2nd Quarter 2019 (as of 6/30/19)

	Fund
Average Effective Duration	3.37
Standardized Yield**	5.04%
Unsubsidized Yield**	5.00%
Number of Securities	1,715
Beta***	0.43
Alpha***	2.03
Information Ratio***	0.36
Fiscal Year Turnover	67%

** Standardized yield (Class A shares) is based on an SEC standardized formula designed to approximate the Fund's annualized hypothetical current income from securities less expenses for the 30 day-period ended 6/30/19 and that date's maximum offering price. The Unsubsidized Standardized Yield is computed under an SEC standardized formula based on net income earned over the past 30 days. It excludes contractual expense reimbursements, resulting in a lower yield.

*** Measured versus the Fund's Reference Index.

* PORTFOLIO CHARACTERISTICS DEFINITIONS

Alpha: An investment's return in excess of the return expected for the level of risk taken. For example, during a period in which the Bloomberg Barclays U.S. Aggregate Bond Index rises 10%, a portfolio assuming 20% more risk than the market would need to gain 12% to match the Bloomberg Barclays U.S. Aggregate Bond Index return on a risk-adjusted basis. This number is annualized based on three years of data.

Average Effective Duration: The average option-adjusted duration of securities weighted by market value. This number is based on three years of data. Certain senior loans have a feature that prevents their interest rates from adjusting below a specified minimum level, possibly resulting in the prices of these senior loans becoming more sensitive to changes in interest rates should short-term interest rates rise but remain below that minimum level. This feature is not accounted for in the duration figure quoted.

Beta: A measure of the risk of a security or portfolio in relation to an independent variable (i.e., the general market or other specified benchmark). The independent variable has a beta of 1.00 by definition. Any security or portfolio with a beta greater than 1.00 is considered more volatile, while a beta of less than 1.00 would be less volatile. Also known as the measure of systematic risk of a security. This number is based on three years of data.

Information Ratio (IR): A measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return, and dividing the result (the excess return) by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance. This number is based on three years of data.

Fiscal Year Turnover: A measure of the strategy's trading activity, which is computed by taking the lesser of purchases or sales during the strategy's latest fiscal year, divided by the total net asset value (NAV).

Invesco Oppenheimer Global Strategic Income Fund
Current and Historical Strategy Positioning[5]

The portfolio managers regularly adjust the Fund's allocations to reflect what they believe are the best current investment opportunities. The table below shows allocation changes over the past year, as of the date specified.

	June 30, 2019	**June 30, 2018**
High Yield Corporates	30.78%	33.02%
MBS/ABS/CMBS*	27.62%	23.67%
Emerging Markets Government	19.91%	16.76%
Investment Grade Corporates	9.14%	6.92%
U.S. Government	8.26%	0.00%
Developed Markets Government	2.44%	0.10%
Cat Bond	1.93%	2.04%
Senior Loans	0.47%	14.60%
Equity/Other	-0.67%	2.12%
Net Cash	0.12%	0.75%

*MBS represents Mortgage-Backed Securities; ABS represents Asset-Backed Securities; CMBS represents Commercial Mortgage-Backed Securities.

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DISCLOSURES

Past performance does not guarantee future results.

1. The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. corporate government and mortgage-backed securities. The index is unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund.
2. The Reference Index returns are linked and made up of the returns of (i) a custom weighted index currently comprised of the following underlying broad-based security indices: 40% FTSE Non-U.S. World Government Bond Index, 30% J.P. Morgan Domestic High Yield Index, and 30% Bloomberg Barclays U.S. Aggregate Bond Index from November 7, 2008 through December 31, 2016, and (ii) the Bloomberg Barclays U.S. Aggregate Bond Index from January 1, 2017 to present. Index performance includes total returns when first available. From November 7, 2008 through December 31, 2016, the Fund was not managed to be invested in the same percentage as those indices comprising the Reference Index. The FTSE Non-U.S. World Government Bond Index is an index of fixed-rate government bonds with a maturity of one year or longer and amounts outstanding of at least U.S. $25 million. The J.P. Morgan Domestic High Yield Index is an unmanaged index of high-yield fixed income securities issued by U.S. companies. The Bloomberg Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. corporate government and mortgage-backed securities. These indices are unmanaged, are shown for illustrative purposes only, and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund.
3. Source: Morningstar, Inc., 6/30/19. The Morningstar Multisector Bond Category Average is the average return of all funds within the investment category as defined by Morningstar. Returns include the reinvestment of distributions but do not consider sales charges. Performance is shown for illustrative purposes only and does not predict or depict the performance of the Fund.
4. Source: Morningstar, Inc., 6/30/19. Morningstar ranking is for Class A shares and ranking may include more than one share class of funds in the category, including other share classes of this Fund. Ranking is based on total returns as of 6/30/19, without considering sales charges. Different share classes may have different expenses and performance characteristics. Fund rankings are subject to change monthly. The Fund's total return percentile rank is relative to all funds that are in the Multisector Bond category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top performing fund in a category will always receive a rank of 1.
5. Holdings are subject to change, do not constitute recommendations by the Fund or Invesco, are based on net assets of the Fund and not a geographic breakdown.

Duration measures interest rate sensitivity. The longer the duration, the greater the expected volatility as interest rates change.

Carry is defined as the profit investors gain from selling a certain currency with a relatively low interest rate and using the funds to purchase a different currency yielding a higher interest rate.

The mention of specific sectors, countries or securities are subject to change and does not constitute a recommendation on behalf of the Fund or Invesco.

Shares of Invesco funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested.

These views represent the opinions of the Portfolio Managers at Invesco and are not intended as investment advice or to predict or depict the performance of any investment. These views are as of the close of business on June 30, 2019, and are subject to change based on subsequent developments. The Fund's portfolio and strategies are subject to change.

Total returns do not show the effects of income taxes on an individual's investment. Taxes may reduce an investor's actual investment returns on income or gains paid by the Fund or any gains realized if the investor sells his/her shares.

Before investing in any of the Invesco funds, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses and summary prospectuses contain this and other information about the funds, and may be obtained by asking your financial advisor, visiting oppenheimerfunds.com, or calling 1.800.959.4246. Read prospectuses and summary prospectuses carefully before investing.

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