



## Navigating Global Bond Markets

With 10-year Treasury yields at 2.40%<sup>1</sup>—and the prospect of declining prices if interest rates rise—US bond fund investors face strong headwinds. A more flexible strategy may potentially help identify additional income sources and navigate global market events.

### Diversified Sources of Potential Returns

The team seeks attractive return opportunities across the global bond spectrum and invests in sectors that are overlooked or not easily accessible. Leveraging more than 200 investment professionals, covering all sectors of the global fixed income market, will bring our highest conviction ideas to the portfolio.

**Goal:** Investing across the global bond spectrum may potentially provide multiple, diverse income sources, not typically found in a portfolio, and the potential for higher returns

### Less Interest Rate Sensitivity

Interest rates directly impact bond prices, but they do not have to dictate performance of a portfolio. Actively managing interest rate sensitivity allows the team to potentially de-emphasize duration and returns generated from interest rate movements. In addition, the team can take bearish views on rising interest rates which could potentially lead to positive total returns.

**Goal:** Low sensitivity to rate movements may potentially bring positive returns in any rate environment

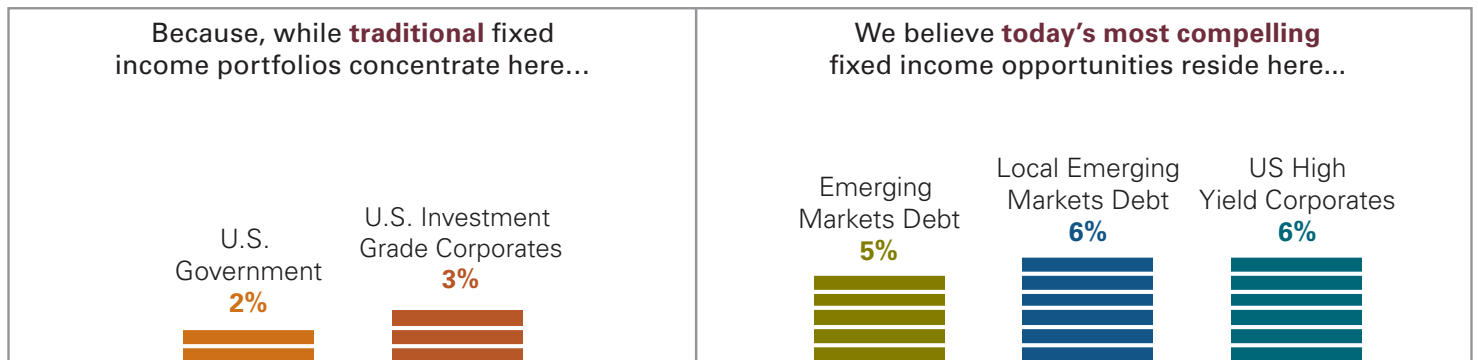
### Dynamic, Flexible Approach

The team can potentially shift sector, security, duration and currency allocations as the team uncovers opportunities throughout the economic cycle. Our expert strategy teams can help investors implement positions and uncover unique opportunities as market conditions change.

**Goal:** A dynamic and flexible approach may potentially dampen the swings in portfolio value—because even with bonds, a loss of capital can occur

## Why Explore Beyond Traditional Fixed Income Opportunities?

Yield-to-Maturity as of 9.30.17



Source: Barclays as of September 30, 2017. A traditional fixed income portfolio consists of government bonds, corporate bonds and US mortgage-backed securities and typically mirrors the **Bloomberg Barclays US Aggregate Bond Index** which represents an unmanaged diversified portfolio of fixed-income securities, including U.S. Treasuries, investment-grade corporate bonds, and mortgage-backed and asset-backed securities.

**Yield-to-Maturity (YTM) is the rate of return anticipated on a bond if it is held until the maturity date, it does not reflect the yield for the Fund.**

Diversification does not protect an investor from market risk and does not ensure a profit.

High yield, lower rated securities involve greater price volatility and present greater risks than higher rated fixed income securities. Fixed income securities of emerging markets are less liquid, are subject to greater price volatility and subject to the risks of currency fluctuations and sudden economic or political developments. The securities markets of emerging countries have less government regulation and are subject to less extensive accounting and financial reporting requirements than the markets of more developed countries. **US**

**Government Bonds:** Bloomberg Barclays US Government Index, which includes Treasuries and agencies; **US Investment Grade Corporates:** Barclays U.S. Corporate Investment Grade Index, which includes publicly issued US corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered; **Emerging Markets Debt:** JP Morgan EMBI Global Diversified Index, an unmanaged index of debt instruments of 31 emerging countries; **Local Emerging Markets Debt:** JP Morgan Government Bond Index-Emerging Markets Global Diversified Index, an unmanaged index of debt instruments of 14 Emerging Countries; **US High Yield Corporates:** Bloomberg Barclays High Yield Municipal Bond Index an unmanaged index made up of bonds that are non-investment grade, unrated, or rated below Ba1 by Moody's Investors Service with a remaining maturity of at least one year. An investor cannot invest directly in an unmanaged index. Index figures do not reflect any deduction for fees, expenses or taxes.

**Past performance does not guarantee future results, which may vary. There is no guarantee that the Fund's dynamic management strategy will cause it to achieve its investment objective. The yields shown do not represent the performance of the Fund. Rankings for other share classes may vary.**

**Sector Allocations (%)<sup>2</sup>**

Asset Backed Securities	33.8
Governments	20.7
Emerging Market Debt	12.8
Mortgage Backed Securities	8.8
High Yield	6.8
Corporates	1.5
Municipals	0.9
Quasi-Governments	0.7
Cash	9.9
Derivatives	3.0
Equities	1.1



**Jonathan Beinrer**

CIO, Co-Head Global Fixed Income and Liquidity Management  
29 Years of Investment Experience



**Michael Swell**

Co-Head of Global Portfolio Management, Portfolio Manager  
24 Years of Investment Experience

**Overview**

A flexible global bond portfolio designed to serve as a core income-oriented investment.

**Fund Total Returns (%) as of 9.30.17**

Inception Date: 9.30.10	30-DAY STANDARDIZED <sup>3</sup>					30-Day Distribution Rates	EXPENSE RATIOS <sup>4</sup>	
	One Year	Three Years	Since Incept.	Subsidized Yield	Unsubsidized Yield		Net	Gross
Class I	1.97	-0.20	2.75	1.63	1.63	0.84	0.59	0.59
Class A	1.63	-0.54	2.40	1.44	1.43	0.49	0.93	0.93
Class A Std. Total Rtns (reflect max. initial sales charge)	-2.16	-	1.86	-	-	-	-	-

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 here. Please visit our Web site at [www.GSAMFUNDS.com](http://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. Class A share return reflects the maximum initial sales charge of 3.75%. Because Institutional Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

The Distribution Rate is the net annualized distribution rate for the month, based on the average daily income dividend during the period and the ending NAV per unit.

1. Source: Bloomberg as of September 30, 2017. 2. 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. 3. The method of calculation of the 30-Day Standardized Subsidized Yield is mandated by the Securities and Exchange Commission and is determined by dividing the net investment income per share earned during the last 30 days of the period by the maximum public offering price ("POP") per share on the last day of the period. This number is then annualized. The 30-Day Standardized Subsidized Yield reflects fee waivers and/or expense reimbursements recorded by the Fund during the period. Without waivers and/or reimbursements, yields would be reduced. This yield does not necessarily reflect income actually earned and distributed by the Fund and, therefore, may not be correlated with the dividends or other distributions paid to shareholders. The 30-Day Standardized Unsubsidized Yield does not adjust for any fee waivers and/or expense reimbursements in effect. If the Fund does not incur any fee waivers and/or expense reimbursements during the period, the 30-Day Standard Subsidized Yield and 30-Day Standardized Unsubsidized Yield will be identical. 4. The expense ratios of the Fund do not have a fee waiver and expense limitation. The Net and Gross expense ratios will be the same.

**Fund Risk Considerations:** The Goldman Sachs Strategic Income Fund invests in a broadly diversified portfolio of U.S. and foreign investment grade and non-investment grade fixed income investments including, but not limited to: U.S. government securities, non-U.S. sovereign debt, agency securities, corporate debt securities, agency and non-agency mortgage-backed securities, asset-backed securities, custodial receipts, municipal securities, loan participations and loan assignments and convertible securities. Investments in fixed income securities are subject to the risks associated with debt securities generally, including credit, liquidity and interest rate risk. Investments in mortgage-backed securities are also subject to, among other risks, prepayment risk (i.e., the risk that in a declining interest rate environment, issuers may pay principal more quickly than expected, causing the Fund to reinvest proceeds at lower prevailing interest rates). High yield, lower rated investments involve greater price volatility, are less liquid and present greater risks than higher rated fixed income securities. Foreign and emerging markets investments may be more volatile and less liquid than investments in U.S. securities and are subject to the risks of currency fluctuations and adverse economic or political developments. The Fund is also subject to the risk that the issuers of sovereign debt or the government authorities that control the payment of debt may be unable or unwilling to repay principal or interest when due. The Fund may be more sensitive to adverse economic, business or political developments if it invests a substantial portion of its assets in bonds of similar projects or in particular types of municipal securities. The Fund may invest in loans directly, through loan assignments, or indirectly, by purchasing participations or sub-participations from financial institutions. Indirect purchases may subject the Fund to greater delays, expenses and risks than direct obligations in the case that a borrower fails to pay scheduled principal and interest. Derivative instruments may involve a high degree of financial risk. These risks include the risk that a small movement in the price of the underlying security or benchmark may result in a disproportionately large movement, unfavorable or favorable, in the price of the derivative instrument; risks of default by a counterparty; and liquidity risk. At times, the Fund may be unable to sell certain of its illiquid investments without a substantial drop in price, if at all. The Fund is subject to the risks associated with implementing short positions. Taking short positions involves leverage of the Fund's assets and presents various other risks. Losses on short positions are potentially unlimited as a loss occurs when the value of an asset with respect to which the Fund has a short position increases.

Derivatives (guidelines permitting) may include futures, swaps, options, and forwards and may be used for hedging purposes and/or to express outright investment views. The table's market value percentage total for derivatives reflects aggregated unrealized gains or losses on all derivative positions.

Cash may include local currency, foreign currency, short-term investment funds, bank acceptances, commercial paper, margin, repurchase agreements, time deposits, variable-rate demand notes, and/or money market mutual funds. The Cash category may show a negative market value percentage as a result of a) the timing of trade date versus settlement date transactions and/or b) the portfolio's derivative investments, which are collateralized by the portfolio's available cash and securities. Such securities are AAA rated by an independent rating agency, have durations between -2 and 1 years, and are limited to the following sectors: governments, agencies, supranationals, corporates, and agency-backed adjustable-rate mortgages.

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