

A world of investing.®



Putnam Short-Term Municipal Income Fund

Semiannual report

5 | 31 | 23



Income funds invest in bonds and other securities with the goal of providing a steady stream of income over time.

FUND SYMBOL
CLASS A
PSMEX

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Message from the Trustees

July 10, 2023

Dear Fellow Shareholder:

Stocks have generally advanced in the first half of the year, and the performance of bond markets has also improved compared with 2022. Inflation is trending downward, while economic growth has remained positive. At the same time, investors are weighing the impact of high borrowing costs, a weak housing market, and stress in the banking system.

Fortunately, a strong pulse of innovation is gaining investors' attention. The technology sector, for example, has started to rebound from a difficult 2022. More broadly, international markets are performing better this year, even though the reopening of China's economy lacked the dynamism many had anticipated.

As active managers, your investment team continues to research attractive opportunities for your fund while monitoring risks. This report offers an update on their efforts.

Thank you for investing with Putnam.

Respectfully yours,



A handwritten signature in black ink that reads "Robert L. Reynolds".

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments

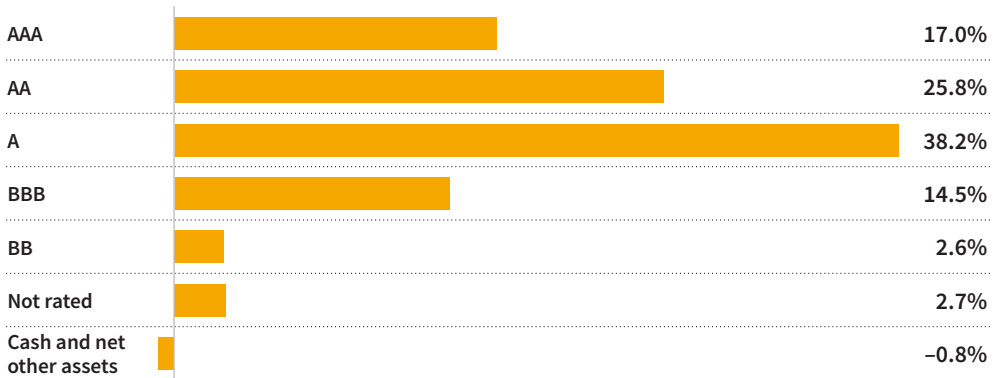


A handwritten signature in black ink that reads "Kenneth R. Leibler".

Kenneth R. Leibler
Chair, Board of Trustees

Your fund at a glance

Credit quality overview



Credit qualities are shown as a percentage of the fund's net assets as of 5/31/23. A bond rated BBB or higher (SP-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings may vary over time. Due to rounding, percentages may not equal 100%.

Cash and net other assets, if any, represent the market value weights of cash, derivatives, and short-term securities in the portfolio. The fund itself has not been rated by an independent rating agency.

Your fund's expenses

As a mutual fund investor, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. In the most recent six-month period, your fund's expenses were limited; had expenses not been limited, they would have been higher. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial representative.

Expense ratios

	Class A	Class C	Class R6	Class Y
Net expenses for the fiscal year ended 11/30/22*	0.60%	1.35%	0.33%	0.35%
Total annual operating expenses for the fiscal year ended 11/30/22	0.90%	1.65%	0.63%	0.65%
Annualized expense ratio for the six-month period ended 5/31/23	0.62%	1.37%	0.33%	0.37%

Fiscal year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

* Reflects Putnam Management's contractual obligation to limit certain fund expenses through 3/30/24.

Expenses per \$1,000

The following table shows the expenses you would have paid on a \$1,000 investment in each class of the fund from 12/1/22 to 5/31/23. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming *actual returns* and expenses.

	Class A	Class C	Class R6	Class Y
Expenses paid per \$1,000†	\$3.11	\$6.85	\$1.65	\$1.86
Ending value (after expenses)	\$1,009.60	\$1,005.80	\$1,011.00	\$1,011.80

* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 5/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period (182); and then dividing that result by the number of days in the year (365).

Estimate the expenses you paid

To estimate the ongoing expenses you paid for the six months ended 5/31/23, use the following calculation method. To find the value of your investment on 12/1/22, call Putnam at 1-800-225-1581.

How to calculate the expenses you paid

Value of your investment on 12/1/22 ÷ **\$1,000** × **Expenses paid per \$1,000** = **Total expenses paid**

Example Based on a \$10,000 investment in class A shares of your fund.

\$10,000 ÷ **\$1,000** × **\$3.11** (see preceding table) = **\$31.10**

Compare expenses using the SEC's method

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the following table shows your fund's expenses based on a \$1,000 investment, assuming a *hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

	Class A	Class C	Class R6	Class Y
Expenses paid per \$1,000**†	\$3.13	\$6.89	\$1.66	\$1.87
Ending value (after expenses)	\$1,021.84	\$1,018.10	\$1,023.29	\$1,023.09

* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 5/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period (182); and then dividing that result by the number of days in the year (365).

Other information for shareholders

Important notice regarding delivery of shareholder documents

In accordance with Securities and Exchange Commission (SEC) regulations, Putnam sends a single notice of internet availability, or a single printed copy, of annual and semiannual shareholder reports, prospectuses, and proxy statements to Putnam shareholders who share the same address, unless a shareholder requests otherwise. If you prefer to receive your own copy of these documents, please call Putnam at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577. We will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2022, are available in the Individual Investors section of putnam.com and on the SEC's website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the fund's Form N-PORT on the SEC's website at www.sec.gov.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam funds. As of May 31, 2023, Putnam employees had approximately \$470,000,000 and the Trustees had approximately \$66,000,000 invested in Putnam funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Liquidity risk management program

Putnam, as the administrator of the fund's liquidity risk management program (appointed by the Board of Trustees), presented the most recent annual report on the program to the Trustees in May 2023. The report covered the structure of the program, including the program documents and related policies and procedures adopted to comply with Rule 22e-4 under the Investment Company Act of 1940, and reviewed the operation of the program from January 2022 through December 2022. The report included a description of the annual liquidity assessment of the fund that Putnam performed in November 2022. The report noted that there were no material compliance exceptions identified under Rule 22e-4 during the period. The report included a review of the governance of the program and the methodology for classification of the fund's investments. The report also included a discussion of liquidity monitoring during the period, including during the market liquidity challenges caused by the Covid-19 pandemic, and the impact those challenges had on the liquidity of the fund's investments. Putnam concluded that the program has been operating effectively and adequately to ensure compliance with Rule 22e-4.

Important notice regarding Putnam's privacy policy

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' names, addresses, Social Security numbers, and dates of birth. Using this information, we are able to maintain accurate records of accounts and transactions.

It is our policy to protect the confidentiality of our shareholder information, whether or not a shareholder currently owns shares of our funds. In particular, it is our policy not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access

to our computer systems and procedures to protect personal information from unauthorized use.

Under certain circumstances, we must share account information with outside vendors who provide services to us, such as mailings and proxy solicitations. In these cases, the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. Finally, it is our policy to share account information with your financial representative, if you've listed one on your Putnam account.

Financial statements

These sections of the report, as well as the accompanying Notes, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share, which is calculated separately for each class of shares. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

Statement of changes in net assets shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal period.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover (not required for money market funds) in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.

The fund's portfolio 5/31/23 (Unaudited)

Key to holding's abbreviations

AGM Assured Guaranty Municipal Corporation

COP Certificates of Participation

FHA Insd. Federal Housing Administration Insured

FRB Floating Rate Bonds: The rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.

FRN Floating Rate Notes: The rate shown is the current interest rate or yield at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.

G.O. Bonds General Obligation Bonds

PSFG Permanent School Fund Guaranteed

VRDN Variable Rate Demand Notes, which are floating-rate securities with long-term maturities that carry coupons that reset and are payable upon demand either daily, weekly or monthly. The rate shown is the current interest rate at the close of the reporting period. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index rate, which was 3.56% as of the close of the reporting period.

MUNICIPAL BONDS AND NOTES (98.9%)*	Rating**	Principal amount	Value
Alabama (0.7%)			
Southeast Energy Auth. Commodity Supply Mandatory Put Bonds (12/1/29), Ser. A-1, 5.50%, 1/1/53	A1	\$500,000	\$533,232
			533,232
Arizona (1.6%)			
Coconino Cnty., Poll. Control Corp. Mandatory Put Bonds (3/31/26), (NV Pwr. Co.), Ser. B, 3.75%, 3/1/39	A+	750,000	751,248
Pima Cnty., Indl. Dev. Auth. Sr. Living 144A Rev. Bonds, (La Posada at Park Centre, Inc.), 5.75%, 11/15/24	BBB+/P	420,000	420,274
			1,171,522
California (13.6%)			
CA Hlth. Fac. Fin. Auth. Rev. Bonds, (Adventist Hlth. Syst./West Oblig. Group), Ser. A, 4.00%, 3/1/43	A-	230,000	208,034
CA State Enterprise Dev. Auth. Student Hsg. Rev. Bonds, (Provident Group-SDSU Properties, LLC), Ser. A			
5.00%, 8/1/26	Baa3	100,000	102,999
5.00%, 8/1/24	Baa3	100,000	100,871
CA State Infrastructure & Econ. Dev. Bank			
Mandatory Put Bonds (1/31/24), (CA Academy of Sciences), 3.91%, 8/1/47	A2	1,000,000	987,652
Mandatory Put Bonds (1/31/24), (DesertXpress Enterprises, LLC), 3.65%, 1/1/50	AAA	2,000,000	1,993,077
CA State Muni. Fin. Auth. Mobile Home Park Rev. Bonds, (Caritas Affordable Housing, Inc.), Ser. A, 5.00%, 8/15/23	A-	510,000	510,968
CA State Muni. Fin. Auth. COP, (Palomar Hlth.), Ser. A, AGM			
5.00%, 11/1/28	AA	115,000	121,730
5.00%, 11/1/27	AA	100,000	104,829
CA State Muni. Fin. Auth. Rev. Bonds, (HumanGood Oblig. Group), Ser. A, 4.00%, 10/1/30	A-/F	165,000	165,042

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
California cont.			
CA State Tobacco Securitization Agcy. Rev. Bonds, (Gold Country Settlement Funding Corp.), Ser. A, 5.00%, 6/1/23	A	\$1,025,000	\$1,025,000
CA State U. Mandatory Put Bonds (11/1/26), Ser. B-2, 0.55%, 11/1/49	Aa2	2,000,000	1,762,643
Fontana, Special Tax Bonds, (Cmnty. Fac. Dist. No. 85), 3.00%, 9/1/23	BB+/P	250,000	249,056
Imperial Cnty., Local Trans. Auth. Sales Tax Rev. Bonds, Ser. E, AGM, 5.00%, 6/1/32	AA	1,045,000	1,120,640
Los Angeles, Dept. of Arpt. Rev. Bonds, 5.00%, 5/15/28	Aa3	500,000	533,203
Port of Oakland Rev. Bonds, 1.181%, 5/1/25	A1	600,000	558,402
San Bernardino Cnty., FRB, Ser. C, 5.264%, 8/1/23	Aa1	125,000	124,953
			9,669,099
Colorado (2.9%)			
CO State Hlth. Fac. Auth. Hosp. Rev. Bonds, (CommonSpirit Hlth.), Ser. A, 5.00%, 11/1/24	A-	800,000	813,354
E-470 Pub. Hwy. Auth. Mandatory Put Bonds (9/1/24), Ser. B, 3.74%, 9/1/39	A+	1,000,000	994,136
Regl. Trans. Dist. Rev. Bonds, (Denver Transit Partners, LLC)			
5.00%, 7/15/25	Baa1	160,000	163,623
5.00%, 7/15/24	Baa1	100,000	100,676
			2,071,789
Connecticut (2.9%)			
CT State Hlth. & Edl. Fac. Auth. Mandatory Put Bonds (2/10/26), Ser. A, 2.80%, 7/1/48	Aaa	1,000,000	977,427
CT State Hlth. & Edl. Fac. Auth. Rev. Bonds, (Stamford Hosp. Oblig. Group (The)), Ser. L-1, 4.00%, 7/1/24	BBB+	500,000	497,502
CT State Hsg. Fin. Auth. Rev. Bonds, Ser. D2, 3.00%, 5/15/24	Aaa	600,000	594,472
			2,069,401
District of Columbia (1.3%)			
DC Rev. Bonds			
(D.C. Intl. School), 5.00%, 7/1/27	BBB	300,000	308,294
(Plenary Infrastructure DC, LLC), 5.00%, 8/31/25	A3	500,000	505,087
(KIPP DC), 5.00%, 7/1/23	BBB+	100,000	100,031
			913,412
Florida (11.0%)			
Broward Cnty., Hsg. Fin. Auth. Multi-Fam. Hsg. Mandatory Put Bonds (4/1/26), (St. Joseph Manor II, LLLP), 3.50%, 4/1/41	Aaa	1,000,000	1,000,906
FL State Dev. Fin. Corp. Ed. Fac. Rev. Bonds, (Nova Southeastern U., Inc.), 5.00%, 4/1/29	A3	150,000	161,240
Miami-Dade Cnty., Mandatory Put Bonds (7/1/24), (Waste Management, Inc.), Ser. B, 3.935%, 11/1/48	A-	1,000,000	978,455
Miami-Dade Cnty., Hsg. Fin. Auth. Multi-Fam. Hsg. Mandatory Put Bonds (9/1/25), (Quail Roost Transit Village, Ltd.), 5.00%, 9/1/26	AA+	500,000	509,583

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
Florida cont.			
Orange Cnty., Hlth. Fac. Auth. Rev. Bonds, (Presbyterian Retirement Cmnty., Inc.), 5.00%, 8/1/36 (Prerefunded 8/1/23)	A-/F	\$3,000,000	\$3,093,798
Palm Beach Cnty., HFA Mandatory Put Bonds (2/1/24), (Christian Manor Restoration, LP), 1.25%, 2/15/25	Aaa	1,985,000	1,933,712
St. John's Cnty., Incl. Dev. Auth. Rev. Bonds, (Life Care Ponte Vedra Oblig. Group), Ser. A, 4.00%, 12/15/28	BB+/F	200,000	186,660
			7,864,354
Georgia (2.8%)			
Burke Cnty., Dev. Auth. Poll. Control Mandatory Put Bonds (8/19/25), (GA Pwr. Co.), 2.875%, 12/1/49	Baa1	500,000	483,956
Mandatory Put Bonds (6/13/24), (GA Pwr. Co.), 2.15%, 10/1/32	Baa1	230,000	223,978
Main Street Natural Gas, Inc. Gas Supply Mandatory Put Bonds (9/1/23), Ser. B, 4.123%, 4/1/48	Aa1	800,000	800,111
Monroe Cnty., Dev. Auth. Poll. Control Mandatory Put Bonds (3/6/26), (GA Pwr. Co.), 3.875%, 10/1/48	Baa1	500,000	499,162
			2,007,207
Hawaii (1.1%)			
HI State Harbor Syst. Rev. Bonds, Ser. B, 0.90%, 7/1/23	Aa3	250,000	249,061
Honolulu City & Cnty., Multi-Fam. Mandatory Put Bonds (6/1/26) (Komohale Mauakea Venture LP), 5.00%, 6/1/27	Aaa	535,000	554,364
			803,425
Illinois (5.1%)			
Chicago, Special Assmt. Bonds, 1.99%, 12/1/23	BBB/P	98,000	96,804
Cook Cnty., Cmnty. College G.O. Bonds, (Dist. No. 508), 5.25%, 12/1/30	BBB	500,000	501,071
IL State G.O. Bonds Ser. A, 5.00%, 10/1/24	A3	500,000	508,171
Ser. A, 5.00%, 3/1/24	A3	800,000	807,118
4.00%, 8/1/25 (Prerefunded 8/8/23)	A3	225,000	225,194
IL State Fin. Auth. Mandatory Put Bonds (8/15/25)(11/15/24), Mandatory Put Bonds (8/15/25), (U. of Chicago Med. Ctr.), Ser. B-1, 5.00%, 8/15/52	AA+	500,000	513,459
Mandatory Put Bonds (11/15/24), (OSF Hlth. Care Syst. Oblig. Group), Ser. B-1, 5.00%, 5/15/50	A	500,000	504,228
IL State Fin. Auth. Rev. Bonds (Presbyterian Homes Oblig. Group), Ser. A, 5.00%, 11/1/23	A-/F	75,000	75,121
(The Washington and Jane Smith Home), 4.00%, 10/15/24	BBB-/F	215,000	211,816
(The Washington and Jane Smith Home), 4.00%, 10/15/23	BBB-/F	205,000	204,252
			3,647,234

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
Indiana (3.2%)			
Hammond, Multi-School Bldg. Corp. Rev. Bonds, 5.00%, 7/15/24	AA+	\$1,160,000	\$1,178,003
IN State Fin Auth. Mandatory Put Bonds (11/15/23), (Fulcrum Centerpoint, LLC), 4.50%, 12/15/46	AAA	650,000	647,877
Rockport, Poll. Control Rev. Bonds, (AEP Generating Co.), 3.125%, 7/1/25	A-	500,000	487,633
			2,313,513
Iowa (0.4%)			
IA State Fin. Auth. Solid Waste Fac. Mandatory Put Bonds (4/1/24), (Gevo NW Iowa RNG, LLC), 1.50%, 1/1/42	Aa3	300,000	291,268
			291,268
Louisiana (2.1%)			
LA Stadium & Exposition Dist. Rev. Bonds, 4.00%, 7/3/23	BBB+/F	1,000,000	1,000,057
LA State Offshore Term. Auth. Deepwater Port Mandatory Put Bonds (12/1/23), (Loop, LLC), Ser. A, 1.65%, 9/1/33	A3	400,000	394,801
St. John The Baptist Parish Mandatory Put Bonds (7/1/24), (Marathon Oil Corp.), 2.125%, 6/1/37	Baa3	100,000	97,860
			1,492,718
Maryland (0.5%)			
Frederick Cnty., Special Tax Bonds, (Oakdale-Lake Liganore), 2.625%, 7/1/24	BB/P	140,000	137,480
MD State Hlth. & Higher Ed. Fac. Auth. Rev. Bonds, (Stevenson U.), 5.00%, 6/1/29	BBB-	200,000	212,842
			350,322
Massachusetts (0.4%)			
Lowell, Collegiate Charter School Rev. Bonds, 4.00%, 6/15/24	BB-/P	20,000	19,828
MA State Hlth. & Edl. Fac. Auth. VRDN (MA Inst. of Tech.), 3.30%, 7/1/31	VMIG 1	250,000	250,000
			269,828
Michigan (1.9%)			
Detroit, G.O. Bonds, 5.00%, 4/1/25	Ba1	600,000	604,034
Flint, Hosp. Bldg. Auth. Rev. Bonds, (Hurley Med. Ctr.)			
4.75%, 7/1/28	Ba1	525,000	506,143
4.75%, 7/1/28 (Prerefunded 7/1/23)	AAA/P	35,000	35,028
MI State Fin. Auth. Rev. Bonds, (Tobacco Settlement), Ser. A-1, 2.326%, 6/1/30	A	248,893	237,911
			1,383,116
Minnesota (2.5%)			
Duluth, Econ. Dev. Auth. Rev. Bonds, (Benedictine Hlth. Syst. Oblig. Group), Ser. A, 3.00%, 7/1/24	BB/P	200,000	195,756
Duluth, Econ. Dev. Auth. Hlth. Care Fac. Rev. Bonds, (St. Luke's Hosp. of Duluth Oblig. Group), 5.00%, 6/15/27	BBB-	535,000	547,179
Hennepin Cnty., VRDN, Ser. B, 3.45%, 12/1/38	A-1+	1,000,000	1,000,000
MN State Res. Hsg. Fin. Agcy. Rev. Bonds, Ser. A, 4.00%, 7/1/38	Aa1	20,000	19,938
			1,762,873

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
Missouri (4.3%)			
Kansas City, Incl. Dev. Auth. Arpt. Special Oblig. Rev. Bonds			
(Kansas City, Intl. Arpt.), 5.00%, 3/1/30	A2	\$1,000,000	\$1,070,052
5.00%, 3/1/27	A2	1,000,000	1,041,493
5.00%, 3/1/26	A2	500,000	514,690
Poplar Bluff, Regl. Trans. Dist. Rev. Bonds, Ser. B, 3.375%, 12/1/31	BBB	500,000	481,117
			3,107,352
Montana (—%)			
MT State Board of Hsg. Rev. Bonds, Ser. A-2, FHA Insd., 3.00%, 12/1/43			
	Aa1	5,000	4,963
			4,963
Nebraska (1.4%)			
Central Plains, Energy Mandatory Put Bonds (1/1/24), (No. 4), 5.00%, 3/1/50			
	A2	1,000,000	1,004,756
			1,004,756
Nevada (0.7%)			
Clark Cnty., Arpt. Rev. Bonds, (Jet Aviation Fuel Tax), 5.00%, 7/1/26			
	A1	500,000	517,662
			517,662
New Jersey (5.7%)			
Newark, G.O. Bonds, Ser. A, AGM, 5.00%, 10/1/23			
	AA	960,000	964,916
NJ State Econ. Dev. Auth.			
Mandatory Put Bonds (12/3/29), (American Water Co., Inc.), 2.20%, 10/1/39	A1	500,000	428,736
Mandatory Put Bonds (6/1/23), (NJ-American Water Co., Inc.), 1.20%, 11/1/34	A1	500,000	500,000
NJ State Econ. Dev. Auth. Rev. Bonds, (NJ Transit Corp.), Ser. B, 5.00%, 11/1/24	A2	500,000	508,346
NJ State Higher Ed. Assistance Auth. Rev. Bonds, Ser. B, 5.00%, 12/1/26	Aaa	1,015,000	1,048,574
NJ State Trans. Trust Fund Auth. Rev. Bonds, Ser. AA, 5.25%, 6/15/30 (Prerefunded 7/3/23)	A2	650,000	650,456
			4,101,028
New Mexico (0.5%)			
Farmington, Poll. Control Rev. Bonds, (Pub. Service Co. of NM), Ser. B, 2.15%, 4/1/33			
	Baa2	250,000	198,000
NM State Hosp. Equip. Loan Council First Mtge. Rev. Bonds, (La Vida Expansion), Ser. C, 2.25%, 7/1/23			
	BB+/F	150,000	149,619
			347,619
New York (6.3%)			
Long Island, Pwr. Auth. Elec. Syst.			
Mandatory Put Bonds (9/1/26), Ser. B, 1.50%, 9/1/51	A2	200,000	184,307
Mandatory Put Bonds (9/1/25), Ser. B, 0.85%, 9/1/50	A2	500,000	466,204
NY City, Hsg. Dev. Corp. Mandatory Put Bonds (12/22/26), (Sustainable Dev.), Ser. F-2-B, FHA Insd., 3.40%, 11/1/62	AA+	1,500,000	1,474,276
NY City, Hsg. Dev. Corp. Rev. Bonds, Ser. A-1, 1.40%, 5/1/24	AA+	475,000	464,027

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
New York cont.			
NY State Dorm. Auth. Rev. Bonds, (St. Joseph's College)			
5.00%, 7/1/30	BBB-/F	\$75,000	\$79,291
5.00%, 7/1/29	BBB-/F	75,000	78,799
5.00%, 7/1/28	BBB-/F	75,000	78,182
5.00%, 7/1/26	BBB-/F	200,000	205,191
5.00%, 7/1/24	BBB-/F	175,000	176,373
5.00%, 7/1/23	BBB-/F	100,000	100,044
NY State Trans. Special Fac. Dev. Corp. Rev. Bonds, (JFK Intl. Arpt. Term. 4, LLC), 5.00%, 12/1/25			
	Baa1	225,000	229,450
Port Auth. of NY & NJ Rev. Bonds, Ser. 207, 5.00%, 9/15/25			
	Aa3	960,000	984,958
			4,521,102
Ohio (2.7%)			
Akron Bath Copley Joint Twp. Hosp. Dist. Rev. Bonds, (Summa Hlth. Syst. Oblig. Group)			
5.00%, 11/15/27	BBB+/F	180,000	188,871
5.00%, 11/15/25	BBB+/F	255,000	261,291
OH State Higher Edl. Fac. Comm. Rev. Bonds (Cleveland Inst. of Music (The)), 5.00%, 12/1/27			
	BBB-	700,000	711,853
(Ashtabula Cnty. Med. Ctr.), 5.00%, 1/1/26			
	BBB+/F	100,000	101,651
(Ashtabula Cnty. Med. Ctr.), 5.00%, 1/1/25			
	BBB+/F	100,000	100,830
(Ashtabula Cnty. Med. Ctr.), 5.00%, 1/1/24			
	BBB+/F	90,000	90,256
Ohio State Air Qlty. Dev. Auth. Mandatory Put Bonds (6/1/27), (Duke Energy Corp.), Ser. 22B, 4.00%, 9/1/30			
	Baa2	500,000	493,962
			1,948,714
Pennsylvania (5.8%)			
Monroeville, Fin. Auth. Rev. Bonds, (U. of Pittsburgh Med. Ctr.), Ser. B, 5.00%, 2/15/24			
	A2	715,000	721,593
PA State Econ. Dev. Fin. Auth. Rev. Bonds, (PennDOT Major Bridges), 5.00%, 12/31/29			
	Baa2	270,000	290,838
Philadelphia, Arpt. Rev. Bonds, Ser. C, 5.00%, 7/1/24			
	A2	750,000	757,624
Philadelphia, Auth. for Incl. Dev. City Agreement Rev. Bonds, 5.00%, 12/1/27			
	A1	1,560,000	1,618,217
Pittsburgh Wtr. & Swr. Auth. Mandatory Put Bonds (12/1/23), Ser. C, AGM, 4.21%, 9/1/40			
	AA	625,000	625,051
Westmoreland Cnty. Incl. Dev. Auth. Hlth. Syst. Rev. Bonds, (Excela Hlth. Oblig. Group), Ser. A, 4.00%, 7/1/23			
	Baa2	150,000	149,910
			4,163,233
Puerto Rico (0.8%)			
Cmnwlth. of PR, FRN, zero %, 11/1/51			
	BB/P	13,471	5,388
Cmnwlth. of PR, G.O. Bonds, Ser. A1			
5.375%, 7/1/25	BB/P	400,000	408,695
5.25%, 7/1/23	BB/P	124,996	125,126
			539,209

MUNICIPAL BONDS AND NOTES (98.9%)* cont.	Rating**	Principal amount	Value
South Carolina (0.7%)			
SC State Pub. Svcs. Auth. Rev. Bonds			
Ser. C, 5.00%, 12/1/25	A3	\$355,000	\$367,130
Ser. E, 5.00%, 12/1/25	A3	150,000	155,125
			522,255
Tennessee (0.1%)			
Metro. Nashville, Arpt. Auth. Rev. Bonds, Ser. B, 5.00%, 7/1/26			
	A1	50,000	51,766
			51,766
Texas (6.4%)			
Fort Bend, Indpt. School Dist. Mandatory Put Bonds (8/1/26), Ser. B, PSFG, 0.72%, 8/1/51			
	AAA	860,000	778,748
Houston, Indpt. School Dist. Mandatory Put Bonds (6/1/25), Ser. A-2, PSFG, 3.50%, 6/1/39			
	Aaa	2,000,000	1,987,296
SA Energy Acquisition Pub. Fac. Corp. Rev. Bonds, (Gas Supply), 5.50%, 8/1/25			
	A2	75,000	76,419
San Antonio, Wtr. Syst. Mandatory Put Bonds (5/1/24), Ser. A, 2.625%, 5/1/49			
	AA+	1,000,000	988,129
Tarrant Cnty., Cultural Ed. Fac. Fin. Corp. Mandatory Put Bonds (5/15/26), (Baylor Scott & White Hlth.), 5.00%, 11/15/52			
	Aa3	650,000	674,695
TX State Affordable Hsg. Corp. Rev. Bonds, Ser. A, GNMA, 5.25%, 9/1/28			
	Aaa	55,000	55,024
			4,560,311
Utah (2.1%)			
Infrastructure Agcy. Telecomm. Rev. Bonds, 5.00%, 10/15/27			
	BBB-/F	455,000	460,402
Salt Lake City, Arpt. Rev. Bonds, Ser. A, 5.00%, 7/1/29			
	A2	500,000	523,408
UT Infrastructure Agcy. Rev. Bonds, Ser. A			
3.00%, 10/15/26	BBB-/F	250,000	236,580
3.00%, 10/15/23	BBB-/F	250,000	248,106
			1,468,496
Virgin Islands (0.2%)			
Matching Fund Special Purpose Securitization Corp. Rev. Bonds, Ser. A, 5.00%, 10/1/25			
	BB/P	125,000	126,388
			126,388
Virginia (0.4%)			
VA State Small Bus. Fin. Auth. Rev. Bonds, (National Sr. Campuses, Inc. Oblig. Group), 5.00%, 1/1/25			
	A/F	250,000	252,874
			252,874
Washington (3.5%)			
Port of Seattle Rev. Bonds, Ser. B, 5.00%, 5/1/27			
	AA-	1,000,000	1,047,624
Seattle, Muni. Lt. & Pwr. Mandatory Put Bonds (11/1/26), Ser. B, 3.81%, 5/1/45			
	Aa2	1,500,000	1,462,347
			2,509,971
Wisconsin (3.3%)			
Pub. Fin. Auth. Rev. Bonds, (Roseman U. of Hlth. Sciences), 5.00%, 4/1/25			
	BB	800,000	799,391
WI State COP, Ser. A, 4.00%, 9/1/24			
	Aa2	1,545,000	1,555,515
			2,354,906
Total municipal bonds and notes (cost \$71,714,185)			\$70,716,918

SHORT-TERM INVESTMENTS (0.1%)*	Shares	Value
Putnam Short Term Investment Fund Class P 5.21% ^L	75,087	\$75,087
Total short-term investments (cost \$75,087)		\$75,087

TOTAL INVESTMENTS		
Total investments (cost \$71,789,272)		\$70,792,005

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from December 1, 2022 through May 31, 2023 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of \$71,487,998.

** The Moody's, Standard & Poor's or Fitch ratings indicated are believed to be the most recent ratings available at the close of the reporting period for the securities listed. Ratings are generally ascribed to securities at the time of issuance. While the agencies may from time to time revise such ratings, they undertake no obligation to do so, and the ratings do not necessarily represent what the agencies would ascribe to these securities at the close of the reporting period. Securities rated by Fitch are indicated by "/F." Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications. If a security is insured, it will usually be rated by the ratings organizations based on the financial strength of the insurer. For further details regarding security ratings, please see the Statement of Additional Information.

^L Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

On Mandatory Put Bonds, the rates shown are the current interest rates at the close of the reporting period and the dates shown represent the next mandatory put dates. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index, 1 Month US LIBOR or 3 Month US LIBOR rates, which were 3.56%, 5.19% and 5.52%, respectively, as of the close of the reporting period.

The dates shown parenthetically on prerefunded bonds represent the next prerefunding dates.

The dates shown on debt obligations are the original maturity dates.

The fund had the following sector concentrations greater than 10% at the close of the reporting period (as a percentage of net assets):

Transportation	15.5%
Utilities	13.0
Local debt	12.1
Health care	11.1
Housing	10.0

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund’s investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund’s net assets as of the close of the reporting period:

Investments in securities:	Valuation inputs		
	Level 1	Level 2	Level 3
Municipal bonds and notes	\$—	\$70,716,918	\$—
Short-term investments	—	75,087	—
Totals by level	\$—	\$70,792,005	\$—

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities 5/31/23 (Unaudited)

ASSETS

Investment in securities, at value (Note 1):	
Unaffiliated issuers (identified cost \$71,714,185)	\$70,716,918
Affiliated issuers (identified cost \$75,087) (Note 5)	75,087
Interest and other receivables	803,477
Receivable for shares of the fund sold	16,585
Receivable for investments sold	117,000
Receivable from Manager (Note 2)	31,382
Prepaid assets	50,550
Total assets	71,810,999

LIABILITIES

Payable for shares of the fund repurchased	256,502
Payable for custodian fees (Note 2)	6,678
Payable for investor servicing fees (Note 2)	10,129
Payable for Trustee compensation and expenses (Note 2)	976
Payable for administrative services (Note 2)	472
Payable for distribution fees (Note 2)	13,113
Payable for auditing and tax fees	25,402
Other accrued expenses	9,729
Total liabilities	323,001
Net assets	\$71,487,998

REPRESENTED BY

Paid-in capital (Unlimited shares authorized) (Notes 1 and 4)	\$72,712,614
Total distributable earnings (Note 1)	(1,224,616)
Total — Representing net assets applicable to capital shares outstanding	\$71,487,998

COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE

Net asset value and redemption price per class A share (\$31,043,496 divided by 3,183,259 shares)	\$9.75
Offering price per class A share (100/97.75 of \$9.75)*	\$9.97
Net asset value and offering price per class C share (\$363,181 divided by 37,390 shares)**	\$9.71
Net asset value, offering price and redemption price per class R6 share (\$4,740,102 divided by 486,543 shares)	\$9.74
Net asset value, offering price and redemption price per class Y share (\$35,341,219 divided by 3,625,773 shares)	\$9.75

*On single retail sales of less than \$100,000. On sales of \$100,000 or more the offering price is reduced.

**Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

The accompanying notes are an integral part of these financial statements.

Statement of operations Six months ended 5/31/23 (Unaudited)

INVESTMENT INCOME	
Interest (including interest income of \$37,123 from investments in affiliated issuers) (Note 5)	\$1,144,770
Total investment income	1,144,770
EXPENSES	
Compensation of Manager (Note 2)	108,992
Investor servicing fees (Note 2)	33,108
Custodian fees (Note 2)	5,414
Trustee compensation and expenses (Note 2)	1,771
Distribution fees (Note 2)	40,648
Administrative services (Note 2)	1,918
Auditing and tax fees	25,216
Blue sky expense	40,849
Other	16,657
Fees waived and reimbursed by Manager (Note 2)	(92,126)
Total expenses	182,447
Expense reduction (Note 2)	(101)
Net expenses	182,346
Net investment income	962,424
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain on:	
Securities from unaffiliated issuers (Notes 1 and 3)	56,550
Swap contracts (Note 1)	35,000
Total net realized gain	91,550
Change in net unrealized depreciation on:	
Securities from unaffiliated issuers	(145,574)
Total change in net unrealized depreciation	(145,574)
Net loss on investments	(54,024)
Net increase in net assets resulting from operations	\$908,400

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

INCREASE (DECREASE) IN NET ASSETS	Six months ended 5/31/23*	Year ended 11/30/22
Operations		
Net investment income	\$962,424	\$692,149
Net realized gain (loss) on investments	91,550	(378,987)
Change in net unrealized depreciation of investments	(145,574)	(1,235,531)
Net increase (decrease) in net assets resulting from operations	908,400	(922,369)
Distributions to shareholders (Note 1):		
From ordinary income		
Taxable net investment income		
Class A	(7,895)	(920)
Class C	(111)	(13)
Class R6	(1,346)	(148)
Class Y	(11,151)	(1,345)
Net realized short-term gain on investments		
Class A	—	(109,412)
Class B	—	(86)
Class C	—	(1,504)
Class R6	—	(10,773)
Class Y	—	(79,823)
From tax-exempt net investment income		
Class A	(349,594)	(265,400)
Class B	—	(5)
Class C	(3,241)	(1,652)
Class R6	(66,527)	(57,069)
Class Y	(513,789)	(318,921)
From net realized long-term gain on investments		
Class A	—	(15,646)
Class B	—	(12)
Class C	—	(215)
Class R6	—	(1,543)
Class Y	—	(11,454)
Increase (decrease) from capital share transactions (Note 4)	(9,491,531)	30,384,321
Total increase (decrease) in net assets	(9,536,785)	28,586,011
NET ASSETS		
Beginning of period	81,024,783	52,438,772
End of period	\$71,487,998	\$81,024,783

*Unaudited.

The accompanying notes are an integral part of these financial statements.

Financial highlights

(For a common share outstanding throughout the period)

Period ended	INVESTMENT OPERATIONS			LESS DISTRIBUTIONS	
	Net asset value, beginning of period	Net investment income (loss)	Net realized and unrealized gain (loss) on investments	Total from investment operations	From net investment income
Class A					
May 31, 2023**	\$9.77	.12	(.03)	.09	(.11)
November 30, 2022	10.17	.10	(.36)	(.26)	(.10)
November 30, 2021	10.15	.07	.04	.11	(.07)
November 30, 2020	10.08	.12	.07	.19	(.12)
November 30, 2019	9.95	.17	.13	.30	(.17)
November 30, 2018	9.97	.14	(.02)	.12	(.14)
Class C					
May 31, 2023**	\$9.73	.08	(.02)	.06	(.08)
November 30, 2022	10.15	.05	(.39)	(.34)	(.04)
November 30, 2021	10.15	.01	.02	.03	(.01)
November 30, 2020	10.08	.04	.08	.12	(.05)
November 30, 2019	9.94	.09	.14	.23	(.09)
November 30, 2018	9.97	.07	(.03)	.04	(.07)
Class R6					
May 31, 2023**	\$9.76	.13	(.02)	.11	(.13)
November 30, 2022	10.17	.13	(.37)	(.24)	(.13)
November 30, 2021	10.15	.09	.04	.13	(.09)
November 30, 2020	10.08	.14	.08	.22	(.15)
November 30, 2019	9.94	.20	.13	.33	(.19)
November 30, 2018†	9.93	.10	.01	.11	(.10)
Class Y					
May 31, 2023**	\$9.76	.13	(.01)	.12	(.13)
November 30, 2022	10.17	.13	(.38)	(.25)	(.12)
November 30, 2021	10.15	.09	.04	.13	(.09)
November 30, 2020	10.08	.14	.08	.22	(.15)
November 30, 2019	9.94	.19	.14	.33	(.19)
November 30, 2018	9.97	.17	(.03)	.14	(.17)

* Not annualized.

** Unaudited.

† For the period May 22, 2018 (commencement of operations) to November 30, 2018.

^a Total return assumes dividend reinvestment and does not reflect the effect of sales charges.

^b Includes amounts paid through expense offset and brokerage/service arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

				RATIOS AND SUPPLEMENTAL DATA			
From net realized gain on investments	Total distributions	Net asset value, end of period	Total return at net asset value (%) ^a	Net assets, end of period (in thousands)	Ratio of expenses to average net assets (%) ^{b,c}	Ratio of net investment income (loss) to average net assets (%) ^c	Portfolio turnover (%)
—	(.11)	\$9.75	.96*	\$31,043	.31*	1.17*	18*
(.04)	(.14)	9.77	(2.56)	30,735	.60	1.09	39
(.02)	(.09)	10.17	1.00	27,661	.59	.63	54
— ^d	(.12)	10.15	1.95	20,955	.59	1.19	51
—	(.17)	10.08	2.99	14,450	.60	1.67	83
—	(.14)	9.95	1.22	9,792	.61	1.43	76
—	(.08)	\$9.71	.58*	\$363	.68*	.79*	18*
(.04)	(.08)	9.73	(3.31)	444	1.35	.34	39
(.02)	(.03)	10.15	.21	374	1.34	(.07)	54
— ^d	(.05)	10.15	1.22	423	1.34	.37	51
—	(.09)	10.08	2.32	311	1.35	.93	83
—	(.07)	9.94	.36	280	1.36	.68	76
—	(.13)	\$9.74	1.10*	\$4,740	.17*	1.31*	18*
(.04)	(.17)	9.76	(2.36)	4,940	.33	1.44	39
(.02)	(.11)	10.17	1.27	2,715	.33	.91	54
— ^d	(.15)	10.15	2.22	2,313	.33	1.42	51
—	(.19)	10.08	3.37	1,347	.33	1.95	83
—	(.10)	9.94	1.10*	1,091	.17*	1.02*	76
—	(.13)	\$9.75	1.18*	\$35,341	.18*	1.29*	18*
(.04)	(.16)	9.76	(2.39)	44,906	.35	1.44	39
(.02)	(.11)	10.17	1.26	21,666	.34	.91	54
— ^d	(.15)	10.15	2.21	22,819	.34	1.38	51
—	(.19)	10.08	3.34	8,489	.35	1.93	83
—	(.17)	9.94	1.37	7,694	.36	1.66	76

^c Reflects an involuntary contractual expense limitations in effect during the period. As a result of such limitations, the expenses of each class reflect a reduction of the following amount (Note 2):

	Percentage of average net assets					
	5/31/23	11/30/22	11/30/21	11/30/20	11/30/19	11/30/18
Class A	0.12%	0.30%	0.32%	0.47%	0.84%	1.01%
Class C	0.12	0.30	0.32	0.47	0.84	1.01
Class R6	0.12	0.30	0.32	0.47	0.84	0.54
Class Y	0.12	0.30	0.32	0.47	0.84	1.01

^d Amount represents less than \$0.01 per share.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 5/31/23 (Unaudited)

Unless otherwise noted, the “reporting period” represents the period from December 1, 2022 through May 31, 2023. The following table defines commonly used references within the Notes to financial statements:

References to	Represent
Putnam Management	Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC
State Street	State Street Bank and Trust Company
JPMorgan	JPMorgan Chase Bank, N.A.
the SEC	the Securities and Exchange Commission
OTC	over-the-counter
PIL	Putnam Investments Limited, an affiliate of Putnam Management

Putnam Short-Term Municipal Income Fund (the fund) is a diversified series of Putnam Funds Trust (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The goal of the fund is to seek as high a level of current income exempt from federal income tax as Putnam Management believes is consistent with preservation of capital. The fund invests mainly in bonds that pay interest that is exempt from federal income tax (but that may be subject to federal alternative minimum tax (AMT)) and that have short-term maturities (i.e., three years or less). The bonds the fund invests in are mainly investment-grade in quality. Under normal circumstances, Putnam Management invests at least 80% of the fund’s net assets in tax-exempt investments, which for purposes of this policy include investments paying interest subject to the federal AMT for individuals. This investment policy cannot be changed without the approval of the fund’s shareholders. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments.

The fund offers the following share classes. The expenses for each class of shares may differ based on the distribution and investor servicing fees of each class, which are identified in Note 2.

Share class	Sales charge	Contingent deferred sales charge	Conversion feature
Class A	Up to 2.25%	1.00% on certain redemptions of shares bought with no initial sales charge	None
Class C	None	1.00% eliminated after one year	Converts to class A shares after 8 years
Class R6†	None	None	None
Class Y†	None	None	None

† Not available to all investors.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund’s management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the fund’s Amended and Restated Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Note 1: Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. If the fund were liquidated, shares of each class would receive their pro-rata share of the net assets of the fund. In addition, the Trustees declare separate dividends on each class of shares.

Security valuation Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund's assets in accordance with these procedures to Putnam Management. Putnam Management has established an internal Valuation Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

Tax-exempt bonds and notes are generally valued on the basis of valuations provided by an independent pricing service approved by the Trustees. Such services use information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining value. These securities will generally be categorized as Level 2.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

Security transactions and related investment income Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes, if any, is recorded on the accrual basis. Amortization and accretion of premiums and discounts on debt securities, if any, is recorded on the accrual basis.

Total return swap contracts The fund entered into OTC and/or centrally cleared total return swap contracts, which are arrangements to exchange a market-linked return for a periodic payment, both based on a notional principal amount, for hedging and gaining exposure to interest rate and term structure risk.

To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market maker. Any change is recorded as an unrealized gain or loss on OTC total return swaps. Daily fluctuations in the value of centrally cleared total return swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of

assets and liabilities and recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and/or centrally cleared total return swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

Interfund lending The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to borrow from or lend to other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.

Lines of credit The fund participates, along with other Putnam funds, in a \$320 million syndicated unsecured committed line of credit, provided by State Street (\$160 million) and JPMorgan (\$160 million), and a \$235.5 million unsecured uncommitted line of credit, provided by State Street. Prior to May 2, 2023, the fund participated, along with other Putnam funds, in a \$100 million unsecured committed line of credit and a \$235.5 million unsecured uncommitted line of credit, both provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the committed line of credit and 1.30% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit and 0.04% of the uncommitted line of credit has been paid by the participating funds and a \$75,000 fee has been paid by the participating funds to State Street as agent of the syndicated committed line of credit. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

Federal taxes It is the policy of the fund to distribute all of its income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies. It is also the intention of the fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Code.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At November 30, 2022, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

Loss carryover		
Short-term	Long-term	Total
\$103,682	\$239,234	\$342,916

Tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but closely approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. The aggregate identified cost on a tax basis is \$71,797,835, resulting in gross unrealized appreciation and depreciation of \$210,475 and \$1,216,305, respectively, or net unrealized depreciation of \$1,005,830.

Distributions to shareholders Income dividends are recorded daily by the fund and are paid monthly. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal year. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations.

Expenses of the Trust Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the Trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Note 2: Management fee, administrative services and other transactions

The fund pays Putnam Management a management fee (based on the fund's average net assets and computed and paid monthly) at annual rates that may vary based on the average of the aggregate net assets of all open-end mutual funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid "double counting" of those assets). Such annual rates may vary as follows:

0.440%	of the first \$5 billion,	0.240%	of the next \$50 billion,
0.390%	of the next \$5 billion,	0.220%	of the next \$50 billion,
0.340%	of the next \$10 billion,	0.210%	of the next \$100 billion and
0.290%	of the next \$10 billion,	0.205%	of any excess thereafter.

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.140% of the fund's average net assets.

Putnam Management has contractually agreed, through March 30, 2025, to waive fees and/or reimburse the fund's expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund's investor servicing contract, investment management contract and distribution plans, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund's average net assets over such fiscal year-to-date period. During the reporting period, the fund's expenses were reduced by \$14,086 as a result of this limit.

Putnam Management has also contractually agreed to waive fees (and, to the extent necessary, bear other expenses) of the fund through March 30, 2025, to the extent that total expenses of the fund (excluding brokerage, interest, taxes, investment-related expenses, payments under distribution plans, extraordinary expenses, payments under the fund's investor servicing contract and acquired fund fees and expenses, but including payments under the fund's investment management contract) would exceed an annual rate of 0.28% of the fund's average net assets. During the reporting period, the fund's expenses were reduced by \$78,040 as a result of this limit.

PIL is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by PIL.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by State Street. Custody fees are based on the fund's asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. received fees for investor servicing for class A, class C and class Y shares that included (1) a per account fee for each direct and underlying non-defined contribution account (retail account) of the fund; (2) a specified rate of the fund's assets attributable to defined contribution plan accounts; and (3) a specified rate based on the average net assets in retail accounts. Putnam Investor Services, Inc. has agreed that the aggregate investor servicing fees for each fund's retail and defined contribution accounts for these share classes will not exceed an annual rate of 0.25% of the fund's average assets attributable to such accounts.

Class R6 shares paid a monthly fee based on the average net assets of class R6 shares at an annual rate of 0.05%.

During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

Class A	\$13,550	Class R6	1,308
Class C	189	Class Y	18,061
		Total	\$33,108

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by \$101 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$66, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustee's meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee's average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted distribution plans (the Plans) with respect to the following share classes pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Plans is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for services provided and expenses incurred in distributing shares of the fund. The Plans provide payments by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to the following amounts (Maximum %) of the average net assets attributable to each class. The Trustees have approved payment by the fund at the following annual rate (Approved %) of the average net assets attributable to each class. During the reporting period, the class-specific expenses related to distribution fees were as follows:

	Maximum %	Approved %	Amount
Class A	0.35%	0.25%	\$38,507
Class C	1.00%	1.00%	2,141
Total			\$40,648

For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received net commissions of \$121 from the sale of class A shares and received no monies in contingent deferred sales charges from redemptions of class C shares.

A deferred sales charge of up to 1.00% is assessed on certain redemptions of class A shares. For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received no monies on class A redemptions.

Note 3: Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales, excluding short-term investments, were as follows:

	Cost of purchases	Proceeds from sales
Investments in securities (Long-term)	\$12,875,317	\$17,276,690
U.S. government securities (Long-term)	—	—
Total	\$12,875,317	\$17,276,690

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

Note 4: Capital shares

At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Transactions, including, if applicable, direct exchanges pursuant to share conversions, in capital shares were as follows:

Class A	SIX MONTHS ENDED 5/31/23		YEAR ENDED 11/30/22	
	Shares	Amount	Shares	Amount
Shares sold	1,495,980	\$14,652,726	2,611,269	\$25,692,379
Shares issued in connection with reinvestment of distributions	36,289	355,257	39,163	387,368
	1,532,269	15,007,983	2,650,432	26,079,747
Shares repurchased	(1,495,793)	(14,660,890)	(2,223,290)	(21,961,349)
Net increase	36,476	\$347,093	427,142	\$4,118,398

Class B	YEAR ENDED 11/30/22*	
	Shares	Amount
Shares sold	—	\$—
Shares issued in connection with reinvestment of distributions	10	102
	10	102
Shares repurchased	(2,227)	(22,525)
Net decrease	(2,217)	\$(22,423)

Class C	SIX MONTHS ENDED 5/31/23		YEAR ENDED 11/30/22	
	Shares	Amount	Shares	Amount
Shares sold	2,663	\$26,151	25,281	\$246,800
Shares issued in connection with reinvestment of distributions	340	3,313	317	3,138
	3,003	29,464	25,598	249,938
Shares repurchased	(11,244)	(109,689)	(16,771)	(164,599)
Net increase (decrease)	(8,241)	\$(80,225)	8,827	\$85,339

Class R6	SIX MONTHS ENDED 5/31/23		YEAR ENDED 11/30/22	
	Shares	Amount	Shares	Amount
Shares sold	129,771	\$1,271,938	479,180	\$4,694,946
Shares issued in connection with reinvestment of distributions	6,944	67,873	6,942	68,237
	136,715	1,339,811	486,122	4,763,183
Shares repurchased	(156,514)	(1,532,444)	(246,903)	(2,399,524)
Net increase (decrease)	(19,799)	\$(192,633)	239,219	\$2,363,659

Class Y	SIX MONTHS ENDED 5/31/23		YEAR ENDED 11/30/22	
	Shares	Amount	Shares	Amount
Shares sold	1,464,162	\$14,343,487	4,326,978	\$42,052,991
Shares issued in connection with reinvestment of distributions	53,645	524,940	41,770	411,543
	1,517,807	14,868,427	4,368,748	42,464,534
Shares repurchased	(2,492,602)	(24,434,193)	(1,898,800)	(18,625,186)
Net increase (decrease)	(974,795)	\$(9,565,766)	2,469,948	\$23,839,348

* Class B shares were liquidated on January 6, 2022.

Note 5: Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

Name of affiliate	Fair value as of 11/30/22	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 5/31/23
Short-term investments					
Putnam Short Term Investment Fund*	\$321,429	\$28,897,187	\$29,143,529	\$37,123	\$75,087
Total Short-term investments	\$321,429	\$28,897,187	\$29,143,529	\$37,123	\$75,087

* Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management. There were no realized or unrealized gains or losses during the period.

Note 6: Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing

arrangements. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Various financial industry groups have been planning for the transition away from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. Neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of related transactions, such as hedges. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur at any time.

Note 7: Summary of derivative activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was based on an average of the holdings at the end of each fiscal quarter:

OTC total return swap contracts (notional)	\$430,000
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As of the close of the reporting period, the fund did not hold any derivative instruments.

The following is a summary of realized gains or losses of derivative instruments on the Statement of operations for the reporting period (Note 1) (there were no unrealized gains or losses on derivative instruments):

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815	Swaps	Total
Interest rate contracts	\$35,000	\$35,000
Total	\$35,000	\$35,000

Note 8: Of special note

On May 31, 2023, Franklin Resources, Inc. (“Franklin Resources”) and Great-West Lifeco, Inc., the parent company of Putnam U.S. Holdings I, LLC (“Putnam Holdings”), announced that they have entered into a definitive agreement for a subsidiary of Franklin Resources to acquire Putnam Holdings in a stock and cash transaction.

As part of this transaction, Putnam Management, a wholly owned subsidiary of Putnam Holdings and investment manager to the Putnam family of funds (the “Putnam Funds”), would become an indirect wholly-owned subsidiary of Franklin Resources.

The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals. Subject to such approvals and the satisfaction of these conditions, the transaction is currently expected to be consummated in the fourth quarter of 2023.

Under the Investment Company Act of 1940, as amended, consummation of the transaction will result in the automatic termination of the investment management contract between each Putnam Fund and Putnam Management and any related sub-management and sub-advisory contracts, where applicable. In anticipation of this automatic termination, on June 23, 2023, the Board of Trustees of the Putnam Funds approved a new investment management contract between each Putnam Fund and Putnam Management (and new sub-management and sub-advisory contracts, if applicable), which will be presented to the shareholders of each Putnam Fund for their approval at shareholder meetings currently expected to occur in October 2023.

Putnam family of funds

The following is a list of Putnam's open-end mutual funds offered to the public. *Investors should carefully consider the investment objective, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, contact your financial advisor or call Putnam Investor Services at 1-800-225-1581. Please read the prospectus carefully before investing.*

Blend

Core Equity Fund
Emerging Markets Equity Fund
Focused Equity Fund
Focused International Equity Fund
International Capital Opportunities Fund
International Equity Fund
Research Fund

Global Sector

Global Health Care Fund
Global Technology Fund

Growth

Large Cap Growth Fund
Small Cap Growth Fund
Sustainable Future Fund
Sustainable Leaders Fund

Value

International Value Fund
Large Cap Value Fund
Small Cap Value Fund

Income

Convertible Securities Fund
Core Bond Fund
Diversified Income Trust
Floating Rate Income Fund
Global Income Trust
Government Money Market Fund*
High Yield Fund
Income Fund
Money Market Fund†
Mortgage Opportunities Fund
Mortgage Securities Fund
Short Duration Bond Fund
Ultra Short Duration Income Fund

Tax-free Income

Intermediate-Term Municipal Income Fund
Short-Term Municipal Income Fund
Strategic Intermediate Municipal Fund
Tax Exempt Income Fund
Tax-Free High Yield Fund

State tax-free income funds:‡

California, Massachusetts, Minnesota,
New Jersey, New York, Ohio, and Pennsylvania

Asset Allocation

George Putnam Balanced Fund
Dynamic Asset Allocation Balanced Fund
Dynamic Asset Allocation Conservative Fund
Dynamic Asset Allocation Growth Fund
Multi-Asset Income Fund

Asset Allocation (cont.)

Retirement Advantage Maturity Fund
Retirement Advantage 2065 Fund
Retirement Advantage 2060 Fund
Retirement Advantage 2055 Fund
Retirement Advantage 2050 Fund
Retirement Advantage 2045 Fund
Retirement Advantage 2040 Fund
Retirement Advantage 2035 Fund
Retirement Advantage 2030 Fund
Retirement Advantage 2025 Fund

Sustainable Retirement Maturity Fund
Sustainable Retirement 2065 Fund
Sustainable Retirement 2060 Fund
Sustainable Retirement 2055 Fund
Sustainable Retirement 2050 Fund
Sustainable Retirement 2045 Fund
Sustainable Retirement 2040 Fund
Sustainable Retirement 2035 Fund
Sustainable Retirement 2030 Fund
Sustainable Retirement 2025 Fund

* You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

† You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

‡ Not available in all states.

Check your account balances and the most recent month-end performance in the Individual Investors section at putnam.com.

Services for shareholders

Investor services

Systematic investment plan Tell us how much you wish to invest regularly — weekly, semimonthly, or monthly — and the amount you choose will be transferred automatically from your checking or savings account. There's no additional fee for this service, and you can suspend it at any time. This plan may be a great way to save for college expenses or to plan for your retirement.

Please note that regular investing does not guarantee a profit or protect against loss in a declining market. Before arranging a systematic investment plan, consider your financial ability to continue making purchases in periods when prices are low.

Systematic exchange You can make regular transfers from one Putnam fund to another Putnam fund. There are no additional fees for this service, and you can cancel or change your options at any time.

Dividends PLUS You can choose to have the dividend distributions from one of your Putnam funds automatically reinvested in another Putnam fund at no additional charge.

Free exchange privilege You can exchange money between Putnam funds free of charge, as long as they are the same class of shares. A signature guarantee is required if you are exchanging more than \$500,000. The fund reserves the right to revise or terminate the exchange privilege.

Reinstatement privilege If you've sold Putnam shares or received a check for a dividend or capital gain, you may reinvest the proceeds with Putnam within 90 days of the transaction and they will be reinvested at the

fund's current net asset value — with no sales charge. However, reinstatement of class B shares may have special tax consequences. Ask your financial or tax representative for details.

Check-writing service You have ready access to many Putnam accounts. It's as simple as writing a check, and there are no special fees or service charges. For more information about the check-writing service, call Putnam or visit our website.

Dollar cost averaging When you're investing for long-term goals, it's time, not timing, that counts. Investing on a systematic basis is a better strategy than trying to figure out when the markets will go up or down. This means investing the same amount of money regularly over a long period. This method of investing is called dollar cost averaging. When a fund's share price declines, your investment dollars buy more shares at lower prices. When it increases, they buy fewer shares. Over time, you will pay a lower average price per share.

For more information

Visit the Individual Investors section at putnam.com A secure section of our website contains complete information on your account, including balances and transactions, updated daily. You may also conduct transactions, such as exchanges, additional investments, and address changes. Log on today to get your password.

Call us toll free at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577 Ask a helpful Putnam representative or your financial advisor for details about any of these or other services, or see your prospectus.

Fund information

Founded over 85 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We manage funds across income, value, blend, growth, sustainable, and asset allocation categories.

Investment Manager

Putnam Investment
Management, LLC
100 Federal Street
Boston, MA 02110

Investment Sub-Advisor

Putnam Investments Limited
16 St James's Street
London, England SW1A 1ER

Marketing Services

Putnam Retail Management
Limited Partnership
100 Federal Street
Boston, MA 02110

Custodian

State Street Bank
and Trust Company

Legal Counsel

Ropes & Gray LLP

Trustees

Kenneth R. Leibler, *Chair*
Barbara M. Baumann, *Vice Chair*
Liaquat Ahamed
Katinka Domotorffy
Catharine Bond Hill
Jennifer Williams Murphy
Marie Pillai
George Putnam III
Robert L. Reynolds
Manoj P. Singh
Mona K. Sutphen

Officers

Robert L. Reynolds
President

James F. Clark
*Vice President, Chief Compliance
Officer, and Chief Risk Officer*

Michael J. Higgins
*Vice President, Treasurer,
and Clerk*

Jonathan S. Horwitz
*Executive Vice President,
Principal Executive Officer,
and Compliance Liaison*

Richard T. Kircher
*Vice President and
BSA Compliance Officer*

Martin Lemaire
*Vice President and
Derivatives Risk Manager*

Susan G. Malloy
*Vice President and
Assistant Treasurer*

Alan G. McCormack
*Vice President and
Derivatives Risk Manager*

Denere P. Poulack
*Assistant Vice President,
Assistant Clerk, and
Assistant Treasurer*

Janet C. Smith
*Vice President,
Principal Financial Officer,
Principal Accounting Officer,
and Assistant Treasurer*

Stephen J. Tate
*Vice President and
Chief Legal Officer*

Mark C. Trenchard
Vice President

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