

Putnam Absolute Return 500 Fund

Summary prospectus

2 | 28 | 18

FUNDSYMBOLS	CLASS A	CLASS B	CLASS C	CLASS M	CLASS P	CLASS R	CLASS R6	CLASST	CLASS Y
	PJMDX	PJMBX	PJMCX	PJMMX	—	PJMRX	PJMEX	Pending	PJMYX

Putnam Absolute Return 500 Fund

Prospectuses dated February 28, 2018

Putnam Investment Management, LLC (“Putnam Management”), the investment manager of Putnam Absolute Return 500 Fund (“AR 500 Fund” or the “fund”), has recommended, and the fund’s Board of Trustees has approved, the merger of AR 500 Fund into Putnam Absolute Return 700 Fund (“AR 700 Fund”). Putnam Management and the fund’s Board of Trustees believe that the merger is in the best interests of AR 500 Fund and its shareholders.

AR 500 Fund and AR 700 Fund have substantially similar investment strategies. AR 700 Fund has a higher risk and return profile than AR 500 Fund as a result of increased exposure to equities or equity-like investments. AR 500 Fund seeks to earn a positive total return that exceeds the return on U.S. Treasury bills by 500 basis points (or 5.00%) on an annualized basis over a reasonable period of time (generally at least three years or more) regardless of market conditions. AR 700 Fund currently has a substantially similar investment goal, except that it seeks to exceed the return on U.S. Treasury bills by 700 basis points (or 7.00%) on an annualized basis. At the time of the completion of the merger, AR 700 Fund is expected to be renamed Putnam Multi-Asset Absolute Return Fund and the fund’s investment goal is expected to be revised to seek positive total return, eliminating the goal of seeking a targeted return of 700 basis points over U.S. treasury bills. Following the name and investment goal changes, Putnam Management anticipates that AR 700 Fund will be managed in substantially the same manner as is currently the case.

AR 700 Fund’s Board of Trustees has approved an amended management contract for AR 700 Fund, which will take effect immediately following the consummation of the merger and which provides that AR 700 Fund’s management fee structure will be identical to the current management fee structure of AR 500 Fund. The amended management contract also provides for a reduction of the management fee for AR 700 Fund in any circumstance where the fee payable by the fund under the amended management contract is higher than the management fee would have been under AR 700 Fund’s current fee schedule. Under those circumstances, Putnam Management has agreed to reduce its management fee to reflect the lower amount that would have been payable under AR 700 Fund’s current fee schedule.

A full description of AR 700 Fund and the terms of the merger will be contained in a prospectus, which is expected to be mailed to shareholders in late March, 2018. No shareholder approval of the merger is required.

Completion of the merger is subject to a number of conditions. The merger is currently expected to occur on or about April 30, 2018, with the net asset value of the shares to be issued in the merger expected to be determined on or about April 27, 2018.

AR 500 Fund may close (or will be treated for federal income tax purposes as having closed) certain positions in connection with the merger. Depending on market conditions at the time, these transactions could also result in the realization of capital gains distributable to shareholders, which might be significant, whether net capital gains taxable as such, or short-term capital gains taxable as ordinary income.

AR 500 Fund will be closed to new accounts on or about March 26, 2018. At any time prior to the close of the merger, you can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the New York Stock Exchange is open. Shares may be sold or exchanged by mail, by phone, or online at putnam.com. Some restrictions may apply. Such exchanges will be taxable transactions.

The foregoing is not an offer to sell, nor a solicitation of an offer to buy, shares of AR 700 Fund, nor is it a solicitation of any proxy. For more information regarding AR 700 Fund, or to receive a free copy of the prospectus relating to the merger (and containing important information about fees, expenses and risk considerations) once a registration statement relating to the merger has been filed with the Securities and Exchange Commission and becomes effective, please call 1-800-225-1581. The prospectus relating to the merger will also be available for free on the Securities and Exchange Commission's Web site (<http://www.sec.gov>). Please read the prospectus relating to the merger carefully before making any investment decisions.

Shareholders should retain this Supplement for future reference.

Putnam Absolute Return 500 Fund

Before you invest, you may wish to review the fund's prospectus, which contains more information about the fund and its risks. You may obtain the prospectus and other information about the fund, including the statement of additional information (SAI) and most recent reports to shareholders, at no cost by visiting putnam.com/funddocuments, calling 1-800-225-1581, or e-mailing Putnam at funddocuments@putnam.com.

The fund's prospectus and SAI, both dated 2/28/18, are incorporated by reference into this summary prospectus.

Goal

Putnam Absolute Return 500 Fund seeks to earn a positive total return that exceeds the return on U.S. Treasury bills by 500 basis points (or 5.00%) on an annualized basis over a reasonable period of time (generally at least three years or more) regardless of market conditions.

Fees and expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least \$50,000 in Putnam funds. More information about these and other discounts is available from your financial advisor and in *How do I buy fund shares?* beginning on page 41 of the fund's prospectus, in the Appendix to the fund's prospectus, and in *How to buy shares* beginning on page II-1 of the fund's statement of additional information (SAI).

Shareholder fees *(fees paid directly from your investment)*

Share class	Maximum sales charge (load) imposed on purchases (as a percentage of offering price)	Maximum deferred sales charge (load) (as a percentage of original purchase price or redemption proceeds, whichever is lower)
Class A	5.75%	1.00%*
Class B	NONE	5.00%**
Class C	NONE	1.00%***
Class M	3.50%	NONE
Class P	NONE	NONE
Class R	NONE	NONE
Class R6	NONE	NONE
Class T	2.50%	NONE
Class Y	NONE	NONE

Annual fund operating expenses

(expenses you pay each year as a percentage of the value of your investment)

Share class	Management fees [†]	Distribution and service (12b-1) fees	Other expenses	Acquired fund fees and expenses	Total annual fund operating expenses	Expense reimbursement [‡]	Total annual fund operating expenses after expense reimbursement
Class A	0.59%	0.25%	0.21%	0.04%	1.09%	(0.03)%	1.06%
Class B	0.59%	1.00%	0.21%	0.04%	1.84%	(0.03)%	1.81%
Class C	0.59%	1.00%	0.21%	0.04%	1.84%	(0.03)%	1.81%
Class M	0.59%	0.75%	0.21%	0.04%	1.59%	(0.03)%	1.56%
Class P	0.59%	N/A	0.09%	0.04%	0.72%	(0.03)%	0.69%
Class R	0.59%	0.50%	0.21%	0.04%	1.34%	(0.03)%	1.31%
Class R6	0.59%	N/A	0.13%	0.04%	0.76%	(0.03)%	0.73%
Class T	0.59%	0.25%	0.21% ^{<}	0.04%	1.09%	(0.03)%	1.06%
Class Y	0.59%	N/A	0.21%	0.04%	0.84%	(0.03)%	0.81%

* Applies only to certain redemptions of shares bought with no initial sales charge.

** This charge is phased out over six years.

*** This charge is eliminated after one year.

† Management fees reflect a performance adjustment. The fund's base management fee is subject to adjustment, up or down, based on the fund's performance relative to the fund's target, which is the performance of the ICE BofAML Treasury Bill Index plus 500 basis points. For the fund's most recent fiscal year, the fund's base management fee prior to any performance adjustment was 0.725%.

Reflects Putnam Investment Management, LLC's contractual obligation to limit certain fund expenses through 2/28/19. This obligation may be modified or discontinued only with approval of the Board of Trustees.

< Other expenses are based on expenses of class A shares for the fund's last fiscal year.

Example

The following hypothetical example is intended to help you compare the cost of investing in the fund with the cost of investing in other funds. It assumes that you invest \$10,000 in the fund for the time periods indicated and then, except as indicated, redeem all your shares at the end of those periods. It assumes a 5% return on your investment each year and that the fund's operating expenses remain the same. Only the first year of each period in the example takes into account the expense reimbursement described above. Your actual costs may be higher or lower.

Share class	1 year	3 years	5 years	10 years
Class A	\$677	\$899	\$1,138	\$1,824
Class B	\$684	\$875	\$1,192	\$1,959
Class B (no redemption)	\$184	\$575	\$992	\$1,959
Class C	\$284	\$575	\$992	\$2,155
Class C (no redemption)	\$184	\$575	\$992	\$2,155
Class M	\$503	\$831	\$1,182	\$2,170
Class P	\$70	\$227	\$397	\$891
Class R	\$133	\$421	\$731	\$1,609
Class R6	\$74	\$240	\$419	\$938
Class T	\$355	\$585	\$833	\$1,542
Class Y	\$83	\$265	\$462	\$1,033

Portfolio turnover

The fund pays transaction-related costs, such as commissions, when it buys and sells securities (or “turns over” its portfolio). A higher turnover rate may indicate higher transaction costs and may result in higher taxes when the fund’s shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or the above example, affect fund performance. The fund’s turnover rate in the most recent fiscal year was 496%.

Investments, risks, and performance

Investments

The fund is designed to pursue a consistent absolute return by combining two independent investment strategies — a *beta* strategy, which provides broad exposure to investment markets, and an *alpha* strategy, which seeks returns from active trading. The *beta* strategy seeks to balance risk and to provide positive total return by investing, without limit, in many different asset classes, including U.S., international, and emerging markets equity securities (growth or value stocks or both) and fixed-income securities; mortgage- and asset-backed securities; below-investment-grade securities (sometimes referred to as “junk bonds”); inflation-protected securities; commodities; and real estate investment trusts (REITs). The *alpha* strategy involves the potential use of active trading strategies designed to provide additional total return through active security selection, tactical asset allocation, currency transactions and options transactions. In pursuing a consistent absolute return, the fund’s strategies are also generally intended to produce lower volatility over a reasonable period of time than has been historically associated with traditional asset classes that have earned similar levels of return over long historical periods. These traditional asset classes might include, for example, balanced portfolios with significant exposure to both stocks and bonds.

We may consider, among other factors, a company’s valuation, financial strength, growth potential, competitive position in its industry, projected future earnings, cash flows and dividends when deciding whether to buy or sell equity investments,

and, among other factors, credit, interest rate and prepayment risks when deciding whether to buy or sell fixed-income investments. We may also take into account general market conditions when making investment decisions. We typically use derivatives, such as futures, options, certain foreign currency transactions, warrants and swap contracts, to a significant extent for hedging purposes and to increase the fund's exposure to the asset classes and strategies mentioned above, which may create investment leverage.

Putnam Absolute Return 500 Fund has a lower risk and return profile than Putnam Absolute Return 700 Fund as a result of decreased exposure to the asset classes and strategies mentioned above.

Risks

It is important to understand that you can lose money by investing in the fund.

Our allocation of assets among asset classes may hurt performance. The value of stocks and bonds in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions (including, in the case of bonds, perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound.

Bond investments are subject to interest rate risk, which means the value of the fund's bond investments is likely to fall if interest rates rise. Bond investments also are subject to credit risk, which is the risk that the issuer of the bond may default on payment of interest or principal. Interest rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds, which may be considered speculative. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields.

The value of international investments traded in foreign currencies may be adversely impacted by fluctuations in exchange rates. International investments, particularly investments in emerging markets, may carry risks associated with potentially less stable economies or governments (such as the risk of seizure by a foreign government, the imposition of currency or other restrictions, or high levels of inflation), and may be or become illiquid. Our *alpha* strategy may lose money or not earn a return sufficient to cover associated trading and other costs. Our use of leverage obtained through derivatives increases the risk of investing in the fund by increasing investment exposure. Derivatives also involve the risk, in the case of many over-the-counter instruments, of the potential inability to terminate or sell derivatives

positions and the potential failure of the other party to the instrument to meet its obligations.

The fund may not achieve its goal, and it is not intended to be a complete investment program. The fund's efforts to produce lower volatility returns may not be successful and may make it more difficult at times for the fund to achieve its targeted return. In addition, under certain market conditions, the fund may accept greater volatility than would typically be the case, in order to seek its targeted return. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

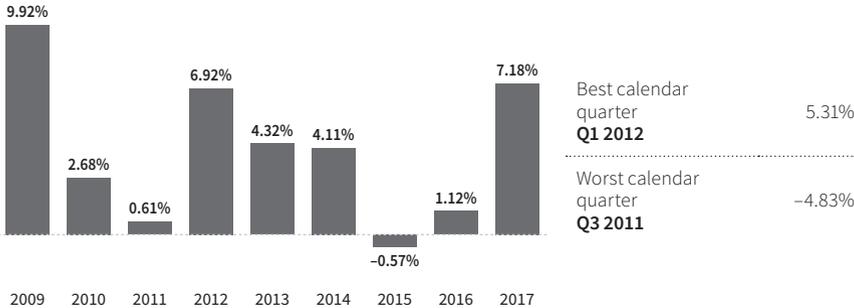
Investor profile

The fund is one of four Putnam Absolute Return Funds designed for investors seeking positive total return in excess of the return on U.S. Treasury bills by a targeted amount (100, 300, 500 or 700 basis points) on an annualized basis over a reasonable period (a full market cycle, which is generally at least three years but may potentially be significantly longer) of time regardless of market conditions. Because the fund seeks performance over a reasonable period of time, investors should be willing to wait out short-term market fluctuations and should generally have an investment horizon of at least three years or more. The fund may be suitable for you if you are considering a balanced fund, or a fund that can manage allocations and risk across global asset classes.

Performance

The performance information below gives some indication of the risks associated with an investment in the fund by showing the fund's performance year to year and over time. The bar chart does not reflect the impact of sales charges. If it did, performance would be lower. Please remember that past performance is not necessarily an indication of future results. Monthly performance figures for the fund are available at putnam.com.

Annual total returns for class A shares before sales charges



Average annual total returns after sales charges

(for periods ended 12/31/17)

Share class	1 year	5 years	Since inception (12/23/08)
Class A before taxes	1.02%	1.98%	3.29%
Class A after taxes on distributions	-0.02%	0.97%	2.44%
Class A after taxes on distributions and sale of fund shares	0.96%	1.24%	2.32%
Class B before taxes	1.43%	2.07%	3.28%
Class C before taxes	5.42%	2.42%	3.20%
Class M before taxes	2.92%	1.96%	3.05%
Class P before taxes*	7.57%	3.49%	4.26%
Class R before taxes	6.99%	2.95%	3.71%
Class R6 before taxes*	7.60%	3.54%	4.29%
Class T before taxes**	4.50%	2.68%	3.68%
Class Y before taxes	7.46%	3.45%	4.23%
ICE BofAML U.S. Treasury Bill Index (no deduction for fees, expenses or taxes)	0.81%	0.28%	0.24%
ICE BofAML U.S. Treasury Bill Index plus 500 basis points (no deduction for fees, expenses or taxes)	5.81%	5.28%	5.24%
Bloomberg Barclays U.S. Aggregate Bond Index (no deduction for fees, expenses or taxes)	3.54%	2.10%	3.89%
S&P 500 Index (no deduction for fees, expenses or taxes)	21.83%	15.79%	15.81%

* Performance for class R6 shares prior to their inception (7/2/12) and for class P shares prior to their inception (8/31/16) is derived from the historical performance of class Y shares and has not been adjusted for the lower investor servicing fees applicable to class R6 and class P shares; had it, returns would have been higher.

** Class T shares were not outstanding during the time periods shown. Performance shown for class T shares is derived from the historical performance of class A shares, adjusted for the lower initial sales charge currently applicable for class T shares.

After-tax returns reflect the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are shown for class A shares only and will vary for other classes. These after-tax returns do not apply if you hold your fund shares through a 401(k) plan, an individual retirement account (IRA), or another tax-advantaged arrangement.

Class B share performance reflects conversion to class A shares after eight years.

ICE BofAML Indexes: ICE Data Indices, LLC ("ICE BofAML"), used with permission. ICE BofAML permits use of the ICE BofAML indices and related data on an "as is" basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services.

The Bloomberg Barclays U.S. Aggregate Bond Index and the S&P 500 Index are broad measures of market performance. Securities in the fund do not match those in the indexes and the performance of the fund will differ.

Your fund's management

Investment advisor

Putnam Investment Management, LLC

Portfolio managers

Robert Schoen

Chief Investment Officer, Global Asset Allocation, portfolio manager of the fund since 2008

Jason Vaillancourt

Co-Head of Global Asset Allocation, portfolio manager of the fund since 2008

James Fetch

Co-Head of Global Asset Allocation, portfolio manager of the fund since 2008

Sub-advisors

Putnam Investments Limited*

The Putnam Advisory Company, LLC*

* Though the investment advisor has retained the services of both Putnam Investments Limited (PIL) and The Putnam Advisory Company, LLC (PAC), PIL and PAC do not currently manage any assets of the fund.

Purchase and sale of fund shares

You can open an account, purchase and/or sell fund shares, or exchange them for shares of another Putnam fund by contacting your financial advisor or by calling Putnam Investor Services at 1-800-225-1581. Effective April 1, 2017, purchases for class B shares will be closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

When opening an account, you must complete and mail a Putnam account application, along with a check made payable to the fund, to: Putnam Investor Services, P.O. Box 8383, Boston, MA 02266-8383. The minimum initial investment of \$500 is currently waived, although Putnam reserves the right to reject initial investments under \$500 at its discretion. There is no minimum for subsequent investments.

Class P shares are only available to other Putnam funds and other accounts managed by Putnam Investment Management, LLC or its affiliates.

You can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the New York Stock Exchange (NYSE) is open. Shares may be sold or exchanged by mail, by phone, or online at putnam.com. Some restrictions may apply.

Tax information

The fund's distributions will be taxed as ordinary income or capital gains unless you hold the shares through a tax-advantaged arrangement, in which case you will generally be taxed only upon withdrawal of monies from the arrangement.

Financial intermediary compensation

If you purchase the fund through a broker/dealer or other financial intermediary (such as a bank or financial advisor), the fund and its related companies may pay that intermediary for the sale of fund shares and related services. Please bear in mind that these payments may create a conflict of interest by influencing the broker/dealer or other intermediary to recommend the fund over another investment. Ask your advisor or visit your advisor's website for more information.

Information about the Summary Prospectus, Prospectus, and SAI

The summary prospectus, prospectus, and SAI for a fund provide information concerning the fund. The summary prospectus, prospectus, and SAI are updated at least annually and any information provided in a summary prospectus, prospectus, or SAI can be changed without a shareholder vote unless specifically stated otherwise. The summary prospectus, prospectus, and the SAI are not contracts between the fund and its shareholders and do not give rise to any contractual rights or obligations or any shareholder rights other than any rights conferred explicitly by federal or state securities laws that may not be waived.

Additional information, including current performance, is available at putnam.com/funddocuments, by calling 1-800-225-1581, or by e-mailing Putnam at funddocuments@putnam.com.

This page intentionally left blank.

This page intentionally left blank.

Class T shares of the fund
are not currently available
for purchase.

