

Q2 | 2017

Rising rates and their impact on Putnam Diversified Income Trust and Floating Rate Income Fund

Period of rising rates	Change in yield on 10-year Treasury bond	Bloomberg Barclays U.S. Aggregate Bond Index return	U.S. 10-year Treasury return	Putnam Floating Rate Income Y shares return	Putnam Diversified Income Trust Y shares return
11/30/09 to 12/28/09	64 bps (3.20 to 3.84)	-1.67%	-4.94%	2.39%	1.82%
10/8/10 to 12/15/10	114 bps (2.38 to 3.52)	-3.09	-8.60	1.91	0.30
10/3/11 to 10/27/11	61 bps (1.79 to 2.40)	-1.25	-5.09	3.45	2.74
2/27/12 to 3/19/12	46 bps (1.92 to 2.38)	-1.23	-3.84	0.63	1.98
7/24/12 to 8/16/12	43 bps (1.41 to 1.84)	-1.19	-3.40	0.68	2.27
11/13/12 to 2/19/13	48 bps (1.55 to 2.03)	-0.90	-3.14	2.33	5.82
5/2/13 to 7/5/13	109 bps (1.63 to 2.72)	-4.45	-8.55	-0.66	-1.05
7/22/13 to 9/5/13	49 bps (2.49 to 2.98)	-1.95	-3.98	0.17	1.28
10/23/13 to 12/31/13	52 bps (2.49 to 3.01)	-1.07	-3.70	1.65	2.31
1/30/15 to 3/6/15	60 bps (1.64 to 2.14)	-1.91	-4.71	1.60	4.22
4/3/15 to 6/10/15	65 bps (1.85 to 2.50)	-2.44	-4.65	0.98	1.46
7/5/16 to 12/20/16	120 bps (1.37 to 2.57)	-4.05	-9.74	4.18	8.19

Sources: Federal Reserve, Bloomberg, Putnam.

Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Putnam's fixed-income management team takes a 360-degree view of the bond markets.

Successful investing in today's markets requires a broad-based approach, the flexibility to exploit a range of sectors and investment opportunities, and a keen understanding of the complex global interrelationships that drive the markets.

That's why Putnam has more than 90 fixed-income professionals focusing on key areas from global rates and credit to portfolio construction. Together, our team offers comprehensive coverage of every aspect of the fixed-income world, based not only on sector, but also on the broad sources of risks — and opportunities — most likely to drive returns.

Our commitment to fundamental research and active management leads our portfolio managers to areas of the market that are outside the index, are often overlooked by other investors, or may be too inefficient for larger funds to invest in effectively.

Class Y shares at net asset value as of 6/30/17	Inception date	1 year	3 years	5 years	10 years	Since inception	Total expense ratio
Putnam Floating Rate Income (PFRYX)*	10/4/05	6.09%	2.64%	4.07%	3.44%	3.82%	0.78%
Putnam Diversified Income Trust (PDVIX)†	7/1/96	12.57	1.34	4.71	3.96	6.36	0.75

* Putnam Floating Rate Income Fund class A shares inception date is 8/4/04.

† Putnam Diversified Income Trust class A shares inception date is 10/3/88.

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Putnam Retail Management

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