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Putnam Global High Yield Bond Fund  
a sub-fund of Putnam World Trust  
Annual Report and Audited Non-Statutory Financial Statements

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Annual report and audited financial statements for the financial year ended 30 June 2020. A Unit Trust authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the provisions of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “UCITS Regulations”).



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## Background to the Trust

Putnam World Trust (the “Trust”) is an umbrella Unit Trust authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the provisions of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48 (1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). The Trust was constituted on 18 February 2000 and commenced operations on 22 February 2000. The Trust has adopted specific policies and procedures in order to comply with its obligations under these Central Bank UCITS Regulations.

The Trust comprises Funds (collectively the “Funds”) in which different classes of Units may be issued from time to time. Each Fund represents interests in a trust comprising a separate and distinct portfolio of investments. Putnam Investments (Ireland) Limited (the “Manager”) may issue different classes of Units in each Fund. Each Fund will bear its own liabilities and shall not bear the liabilities of any other Fund.

This Annual Report and Audited Non-Statutory Financial Statements includes the financial statements for Putnam Global High Yield Bond Fund (the “Fund”) which is authorised for distribution in Switzerland. These non-statutory financial statements have been extracted from the statutory financial statements of the Trust for the year ended 30 June 2020. Some disclosures may reference or relate to other Funds of the Trust, however this Annual Report and Audited Non-Statutory Financial Statements relate only to Putnam Global High Yield Bond Fund.

As of 30 June 2020, the following classes of Units are in issue:

<b>Fund</b>	<b>Classes of Units currently in issue</b>	<b>Fund's Functional Currency</b>
Putnam Global High Yield Bond Fund	Classes A, B, C, E, E2, I, S, S2 and S3	U.S. Dollar

For Class E Units and Class E2 Units unit values of these unit classes are stated in euro (€) throughout this report.

For Class S Units, Class S2 Units and Class S3 Units, unit values of these unit classes are stated in sterling (£) throughout this report.

## Investment Objective

The assets of the Fund will be invested separately in accordance with the investment objectives and policies of the Fund. Each Fund has its own investment goal and strategy for pursuing it.

### **Putnam Global High Yield Bond Fund**

The Fund seeks high current income. Capital growth is a secondary objective when consistent with the objective of high current income. The Fund is actively managed in reference to the ICE BofA Global High Yield Investment Grade Country Constrained Index, which is an unmanaged, USD-hedged index of high yield corporate bonds from those countries that issue investment-grade government bonds.

The Fund seeks to achieve its objective by investing at least two-thirds of its total assets (after deduction of ancillary liquid assets) in high-yielding, lower-rated debt securities worldwide such as those rated lower than S&P's BBB or Moody's Baa and listed or traded on Recognised Exchanges (including unleveraged freely transferable loan participations securitised and traded on a Recognised Exchange, zero-coupon bond and payment-in-kind bonds) constituting a portfolio which the Investment Advisor believes does not involve undue risk to income or principal. The Fund may also invest in 144A securities.

# Policies

## Distribution Policy

The Fund is certified (with respect to certain classes of Units) as a Reporting Fund under Regulation 51 of the Offshore Funds (Tax) Regulations 2009.

Each Fund has its own specific distribution policy. If the Manager decides to make a distribution, it will be paid at the Manager's discretion as set out in the relevant Prospectus supplement for the Fund. For certain Funds, the Manager will distribute all net investment income of a Fund at least annually and sometimes more frequently as specified in the relevant supplement. Distributions shall be made to the Unitholders on record on the date of distribution in accordance with the number of Units held in that particular Fund. The distributions payable to Unitholders will be reinvested in Classes of Units of the relevant Fund unless otherwise requested by the Unitholder.

Distributions are payable to Unitholders who have elected to receive distributions in cash by transfer of funds (any charges being at the expense of the Unitholder) unless the amount of such distribution is USD50 or less or such other amount as determined by the Manager from time to time. Such amount shall not be distributed but shall be retained and reinvested.

The Manager does not currently intend to distribute net investment income with respect to:

- Class E2 Units, Class S2 Units and Class S3 Units of Putnam Global High Yield Bond Fund.

If, in the future, it is determined that these Classes will distribute net investment income, the amount to be distributed to Unitholders will be decided upon by the Manager.

## Calculation of Net Asset Value

The Net Asset Value of each Fund will be expressed in the functional currency of the relevant Fund and will be calculated on each Dealing Day by ascertaining the value of the assets of the Fund on such Dealing Day and deducting, from such value, the liabilities of the Fund on such Dealing Day. The Net Asset Value per Unit is calculated by dividing the Net Asset Value of the relevant Fund by the number of Units then outstanding for that Fund, or the Net Asset Value of the relevant Fund attributable to the Class of Unit divided by the number of Units in that Class then in issue or deemed to be in issue on such Dealing Day and rounding the result to the nearest unit of currency.

The most recently available Net Asset Value per Unit by Class on each Dealing Day will be made public at the registered office of State Street Fund Services (Ireland) Limited (the "Administrator") and at the following website addresses: [www.fundinfo.com](http://www.fundinfo.com) for investors in Switzerland or [www.putnam.com/ucits](http://www.putnam.com/ucits) for all other investors and/or in such other publication that the Manager may from time to time determine. Investors should note that the Trust and the Manager are not responsible for any other content (other than Net Asset Value) provided on the foregoing non-Putnam websites, and do not guarantee or assume responsibility for their contents.

## Calculation of Sales Charges

An initial sales charge of up to 6.25% of the Net Asset Value per Unit may be charged on certain classes or a contingent deferred sales charge ("CDSC") of up to 4% of the Net Asset Value per Unit may be charged at the discretion of the Manager.

Currently, Class A Units, Class M Units and Class T Units may be subject to a sales charge of up to 6.25% of the Net Asset Value per Unit. Class A Units that are part of a subscription of USD 1 million or more (USD500,000 or more for Putnam Global High Yield Bond Fund), may be subject to a 1.00% CDSC if redeemed within nine months of purchase, provided, however, that no other initial sales charge has been imposed in respect of the Class A Units to which the CDSC is applied.

Currently, Class B Units and Class C Units are offered without an initial sales charge at the time of purchase but a higher ongoing management fee is paid out of assets allocated to the relevant Fund and Class. Unitholders who purchase Class B Units may incur a CDSC of up to 4% if Units are redeemed within four years as set out in the Prospectus. Unitholders who purchase Class C Units may incur a 1% CDSC if Units are redeemed within one year of purchase.

## **Policies** *cont.*

### **Calculation of Sales Charges** *cont.*

There are no initial or deferred sales charges with respect to Class D Units, Class E Units, Class E2 Units, Class I Units, Class I2 Units, Class NK Units, Class S Units, Class SK Units, Class S2 Units, Class S3 Units and Class Y Units.

Any initial sales charges are accounted for before monies come into the Fund.

### **Financial Derivative Instruments**

The Manager may, on behalf of each Fund, employ techniques and instruments relating to transferable securities and money market instruments under and in accordance with conditions or requirements imposed by the Central Bank. The derivatives used by the Funds may include futures, swaps, swaptions, options, TBA purchases and sales, forward contracts, and contracts for difference, and they may be used for hedging and for investment purposes, including as a substitute for direct investment in securities or to obtain additional exposure beyond that which might be obtained from a traditional securities portfolio, subject always to the restrictions and requirements of the Central Bank.

Details of the derivatives that may be used are set out in the derivatives risk management process filed with the Central Bank. The Funds may also use forward foreign exchange contracts and other currency instruments for hedging or to alter the currency exposure characteristics of transferable securities held by the Funds as an alternative currency exposure management strategy. The techniques and instruments that the Manager may use on behalf of the Trust or any Fund are set out in Appendix II of the Prospectus and, if applicable to a particular Fund, the relevant supplement.

For the purpose of providing margin or collateral in respect of the application of transactions in techniques and instruments, State Street Custodial Services (Ireland) Limited (the "Depository") may transfer, mortgage, charge, or encumber any assets or cash forming part of the relevant Fund, on proper instruction from the Investment Advisor.

## Manager's Report

Dear Unitholder:

In the final months of 2020, the world continues to confront the challenges of the COVID-19 pandemic. Economic activity and employment remain well below levels at the start of the year. The stock and bond markets have fared better, displaying confidence in the early stages of recovery and indicating optimism that successful vaccines will be approved by early next year. Putnam, as in all market conditions, continues to pursue superior investment performance for you and your fellow unitholders. Committed to racial equity, Putnam is also working toward its goals of improving diversity and inclusion within its organisation.

Although no one can predict the direction of markets in the months ahead, Putnam's experienced investment professionals actively seek to position their fund portfolios for all types of conditions. They take a research-intensive approach to investing that includes risk management strategies designed to serve investors through changing markets. In all environments, we believe investors should remain focused on time-tested approaches: maintain a well-diversified portfolio, think about long-term goals, and speak regularly with a financial advisor.

I would like to take this opportunity to welcome new unitholders to the Trust and, on behalf of everyone at Putnam Investments (Ireland) Limited, to thank all of our investors for your continued confidence in the Putnam World Trust family of funds.

Respectfully yours,



F. Peter Ferrelli

Director

Putnam Investments (Ireland) Limited

September 2020

The views expressed here are exclusively those of Putnam as of 30 September 2020. They are not meant as investment advice. Expectations about future market performance are subject to change.

Please note that the holdings discussed in this report may not have been held by the relevant Fund for the financial year ended 30 June 2020. Portfolio composition is subject to review in accordance with each Fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.



## **Total Return for the financial period ended 30 June 2020**

The total return table for the Fund is disclosed in the Fund's Manager's Report.

Total return is the change in Unit value and assumes reinvestment of all distributions back into the Fund. Investment returns and principal value will fluctuate so an investor's units, when sold, may be worth more or less than their original cost. Fund performance data does not take into account any adjustment for taxes payable on reinvested distributions. All performance in this table is based on U.S. Dollar valuations.

Performance data represent past results. Past performance may not be a reliable guide to future performance. The performance data does not take account of the commissions and costs incurred on the issue and redemption of Units. More recent returns may be less or more than those shown.

Investment return, Net Asset Value, and market price of investments will fluctuate, and you may have a gain or a loss when you sell your Units. Performance assumes reinvestment of distributions at Net Asset Value and does not account for any taxes or sales charges. The payment of any sales charges will reduce performance.

The difference at any one time between the issue price and the redemption price of Fund Units means that the investment should be viewed as medium to long term. For Funds with income as an objective, income may fluctuate in accordance with market conditions and taxation arrangements. Changes in the exchange rates may have an adverse effect on the value, price, or income of the Funds.

The Funds are sub-funds of Putnam World Trust, an umbrella Unit Trust domiciled in Ireland. The Trust is established as an undertaking for collective investment in transferable securities pursuant to the Central Bank UCITS Regulations. Prior to 18 February 2000, Putnam Global High Yield Bond Fund was domiciled in the Cayman Islands and was subject to lower fees and expenses.

Putnam Global High Yield Bond Fund uses ICE Data Indices, LLC ("ICE BofA"), with permission. ICE BofA permits use of the ICE BofA 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 BofA 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.

## Manager's Report *cont.*

### Putnam Global High Yield Bond Fund

For the 12 months ended 30 June 2020, the Fund's unit classes posted negative returns and underperformed the benchmark.

At the sector/industry level, security selection in services and health care, along with overall positioning in cable & satellite TV, aided relative performance. On the downside, underweight allocations in financials and telecommunications — sectors that outperformed the benchmark — detracted, as did selection in gaming, lodging & leisure.

The top individual relative contributors included underweighting financially troubled energy exploration and production (E&P) company Chesapeake Energy and not owning bankrupt index member and rental car provider The Hertz Corporation. The biggest individual relative detractors were greater-than-benchmark positions in energy E&P company Denbury Resources and resort and casino operator Golden Nugget.

We currently have a moderately constructive outlook overall. The biggest risk on the horizon is the still-to-be-determined impact of the coronavirus pandemic on economic growth, corporate earnings growth, and cash flows.

That said, except for the energy sector, we have a fairly positive intermediate-term view on corporate fundamentals and the market's supply-and-demand backdrop. Also, even though high-yield spreads retightened somewhat following their sizable widening in March, we think valuations remain relatively attractive. (Spreads are the yield advantage high-yield bonds offer over comparable-maturity U.S. Treasuries.)

From a fundamental perspective, we are closely watching sectors vulnerable to the disruption caused by the coronavirus. In addition to energy, we are monitoring the impact on gaming, lodging & leisure, retail, and several other cohorts. Within these groups, we are focusing on the health of issuers' balance sheets and liquidity metrics, as well as the increasing risk of defaults or credit-rating downgrades.

As for supply/demand dynamics, new issuance of high-yield debt resurfaced in April and remained strong through period end. Overall, we think a resurgence in new-issue supply is being met by renewed demand.

From a valuation standpoint, the average spread of the Fund's benchmark rose 3.65 percentage points during March to about 9.5 percentage points over Treasuries. As of 30 June, spreads had tightened to 7.2 percentage points over Treasuries and the benchmark's yield was at 7.6%. In our view, spreads at this level continue to offer a broad range of attractive relative-value investment opportunities. Moreover, we think the market's yield remains compelling in the face of much lower global yields.

The Fund's benchmark, the ICE BofA Global High Yield Investment Grade Country Constrained Index (100% USD Hedged), returned -0.12% in U.S. dollar terms, -2.46% in euro terms, and -1.77% in sterling terms. All index returns were fully hedged. See page 7 for ICE BofA benchmark disclosure.

For the year ended 30 June 2020, the Fund generated the following returns by unit class.

Unit value	Class A		Class B		Class C	
	NAV%	NAV%	CDSC %	NAV%	CDSC %	NAV%
<b>1 year</b>	(2.39)	(2.82)	(6.58)	(2.79)	(3.72)	
<b>5 years</b>						
Cumulative	16.34	13.53	13.53	14.00	14.00	
Annualised	3.07	2.57	2.57	2.66	2.66	
<b>10 years</b>						
Cumulative	68.01	59.77	59.77	61.23	61.23	
Annualised	5.33	4.80	4.80	4.89	4.89	
<b>Life of Fund (since 18/02/00) *</b>						
Cumulative	162.41	136.67	136.67	143.85	143.85	
Annualised	4.85	4.32	4.32	4.47	4.47	

Unit value	Class E	Class E2	Class I	Class S	Class S2	Class S3
	NAV%	NAV%	NAV%	NAV%	NAV%	NAV%
<b>1 year</b>	(4.07)	(3.86)	(1.61)	(3.34)	(3.05)	(3.54)
<b>5 years</b>						
Cumulative	9.21	-	21.43	13.62	-	-
Annualised	1.78	-	3.96	2.59	-	-
<b>10 years</b>						
Cumulative	60.21	-	81.50	70.47	-	-
Annualised	4.83	-	6.14	5.48	-	-
<b>Life of Fund (since 18/02/00) *</b>						
Cumulative	153.66	(0.50)	192.89	155.23	20.70	(2.00)
Annualised	5.59	(0.26)	5.42	5.87	4.03	(1.79)

\* With the exception of Class I Units which launched on 8 June 2000, Class E Units which launched on 23 May 2003, Class S Units which launched on 30 January 2004, Class C Units which launched on 27 February 2004, Class S2 Units which launched on 25 September 2015, Class E2 Units which launched on 31 July 2018 and Class S3 Units which launched on 17 May 2019. Returns shown for Class C Units and Class I Units for the years prior to inception are derived from the historical performance of Class A Units adjusted to reflect the lower operating expenses applicable to such Units.

Distributions	Number	Income	Capital gain	Total
Class A	12	\$0.2640	-	\$0.2640
Class B	12	\$0.2260	-	\$0.2260
Class C	12	\$0.3000	-	\$0.3000
Class E	12	€ 0.3290	-	€ 0.3290
Class E2	-	-	-	-
Class I	12	\$0.1200	-	\$0.1200
Class S	12	€0.2310	-	€0.2310
Class S2	-	-	-	-
Class S3	-	-	-	-

International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. Funds that invest in bonds are subject to certain risks including interest-rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses.

The views expressed here are exclusively those of Putnam as of 30 July 2020. They are not meant as investment advice. Expectations about future market performance are subject to change.

## Total Expense Ratio ("TER")\* (unaudited)

The TER for the Fund for the financial year from 1 July 2019 to 30 June 2020 is presented below:

Unit Classes	Putnam Global High Yield Bond Fund
A	1.55%
A2	-
B	2.05%
C	1.95%
E	0.69%
E2	0.35%
I	0.70%
I2	-
M	-
S	0.70%
S2	0.35%
S3	0.69%

\* The TER is calculated as the total operating expenses for each Unit Class of the Fund in the functional currency of the Fund as a percentage of the average net assets of the Fund for the period in question. Average net assets are calculated using figures based on the Fund's net assets at each calculation of the Net Asset Value. All Funds are valued on a daily basis.

TERs are annualised for 12 months, where applicable. For a list of all Unit Classes which launched or fully redeemed during the year, please refer to Note 14.

## Statement of Manager's Responsibilities

The Manager is responsible for the preparation of financial statements, which give a true and fair view of the financial affairs of the Trust and of its results for the year. In preparing those financial statements the Manager is required to:

- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question subject to any material departure from those standards being disclosed and explained in the notes to the financial statements;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable it to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with the Trust Deed and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The measures taken by the Manager to secure compliance with the Trust's obligations to keep proper accounting records are the use of appropriate systems and procedures and the employment of competent persons. To this end, the Directors of the Manager have appointed State Street Fund Services (Ireland) Limited for the purpose of maintaining proper accounting records.

The Manager is responsible for the maintenance and integrity of the corporate and financial information in relation to the Trust as included on the following website addresses: <http://www.fundinfo.com> for investors in Switzerland or <http://www.putnam.com/ucits> for all other investors. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The accounting records are kept at 78 Sir John Rogerson's Quay, Dublin 2, Ireland. The Manager is also responsible for safeguarding the assets of the Trust. In this regard, the Manager has entrusted the assets of the Trust to a Depositary for safekeeping in accordance with the Trust Deed. The Manager is also responsible for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with laws and regulations.

The Directors of the Manager adopted the Irish Funds Industry Corporate Governance Code for collective investment schemes and management companies on 14 November 2012 with effect from 31 December 2012. The Manager has been in compliance with the Code throughout the duration of the year ended 30 June 2020.

### Dealings with Connected Persons

Regulation 43(1) of the Central Bank UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person conducted a) at arm's length; and b) in the best interest of the unit-holders of the UCITS".

As required under Central Bank UCITS Regulation 81(4), the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected person; and all transactions with connected persons that were entered into during the period to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

On behalf of the Manager:

Director:  
14 October 2020

Director:

## Report of the Depositary to the Unitholders

We have enquired into the conduct of the Manager in respect of Putnam World Trust (the “Trust”) for the year ended 30 June 2020, in our capacity as Depositary to the Trust. This report including the opinion has been prepared for and solely for the Unitholders in the Trust, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, (‘the UCITS Regulations’), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depositary

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Manager in each annual accounting period and report thereon to the unitholders.

Our report shall state whether, in our opinion, the Trust has been managed in that period in accordance with the provisions of the Trust’s Trust Deed and the UCITS Regulations. It is the overall responsibility of the Manager to comply with these provisions. If the Manager has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Depositary Opinion

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Trust Deed and the appropriate regulations and (ii) otherwise in accordance with the Trust’s constitutional documentation and the appropriate regulations.

### Opinion

In our opinion, the Trust has been managed during the year, in all material respects:

(i) in accordance with the limitations imposed on the investment and borrowing powers of the Manager and the Depositary by the Trust Deed, by the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (‘the Central Bank UCITS Regulations’); and

(ii) otherwise in accordance with the provisions of the Trust Deed, the UCITS Regulations and the Central Bank UCITS Regulations.

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

14 October 2020

# Independent Auditors' Report

## Independent auditors' report to the manager of Putnam World Trust on Putnam Global High Yield Bond Fund, a fund of Putnam World Trust

### Report on the audit of the non-statutory financial statements

#### Opinion

In our opinion, Putnam Global High Yield Bond Fund's non-statutory financial statements (the "financial statements"):

- give a true and fair view of the Fund's assets, liabilities and financial position as at 30 June 2020 and of its results for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

We have audited the financial statements which comprise:

- the Statement of Financial Position as at 30 June 2020;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders for the year then ended;
- the Schedule of Investments; and
- the notes to the financial statements, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") including ISA (Ireland) 805.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern.

#### Reporting on other information

The other information comprises all of the information in the Annual Report and Audited Non-Statutory Financial Statements other than the financial statements and our auditors' report thereon. The manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

## Independent Auditors' Report *cont.*

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the manager for the financial statements*

As explained more fully in the Statement of Manager's Responsibilities set out on page 10, the manager is responsible for the preparation of the financial statements in accordance with the applicable framework giving a true and fair view.

The manager is also responsible for such internal control as the manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the manager intends to cease operations, or has no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at:

[https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinion, has been prepared for and only for the manager to discharge their obligations in reporting to the Swiss Financial Market Supervisory Authority in respect of Putnam Global High Yield Bond Fund, a fund of Putnam World Trust in accordance with our engagement letter dated 7 August 2020 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come including without limitation under any contractual obligations of the Trust, save where expressly agreed by our prior consent in writing.

#### **Other matter**

We draw attention to the fact that these financial statements have not been prepared under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and are not the Fund's statutory financial statements.

PricewaterhouseCoopers  
Chartered Accountants  
Kilkenny  
14 October 2020

# Putnam Global High Yield Bond Fund

Schedule of Investments  
30 June 2020

## NON-U.S. EQUITIES (-%) (30 June 2019: 0.07%)

Number of Shares	Value USD	% of Fund
<b>Biotechnology (-%)</b>		
4,173 Advanz Pharma Corporation Limited (Canada)	USD 12,727	-
	<b>12,727</b>	<b>-</b>
<b>Environmental Control (-%)</b>		
384 Tervita Corporation (Canada)	1,078	-
	<b>1,078</b>	<b>-</b>
<b>Oil and Natural Gas Utilities (-%)</b>		
1,430 CHC Group LLC (Cayman Islands)	715	-
	<b>715</b>	<b>-</b>
<b>Total Non-U.S. Equities</b>	<b>USD 14,520</b>	<b>-</b>

## U.S. EQUITIES (0.18%) (30 June 2019: 0.82%)

Number of Shares	Value USD	% of Fund
<b>Advertising (0.01%)</b>		
18,457 Clear Channel Outdoor Holdings Incorporated	USD 19,195	0.01
	<b>19,195</b>	<b>0.01</b>
<b>Banking (0.04%)</b>		
5,462 CIT Group Incorporated	113,227	0.04
	<b>113,227</b>	<b>0.04</b>

## U.S. EQUITIES (0.18%) (30 June 2019: 0.82%) cont.

Number of Shares	Value USD	% of Fund
<b>Diversified Financial Services (0.13%)</b>		
18,005 Ally Financial Incorporated	USD 357,039	0.13
	<b>357,039</b>	<b>0.13</b>
<b>Media (-%)</b>		
922 iHeartMedia Incorporated	7,699	-
	<b>7,699</b>	<b>-</b>
<b>Oil and Natural Gas Utilities (-%)</b>		
387 Milagro Oil & Gas Incorporated (F)	-	-
	<b>-</b>	<b>-</b>
<b>Packaging and Containers (-%)</b>		
14 Ion Media Networks Incorporated (F)	6,328	-
	<b>6,328</b>	<b>-</b>
<b>Total U.S. Equities</b>	<b>USD 503,488</b>	<b>0.18</b>

## WARRANTS (0.02%) (30 June 2019: 0.03%)

Number of Warrants	Value USD	% of Fund
6,927 iHeartMedia Incorporated	USD 52,992	0.02
8,537 Stearns Holdings LLC (F)	8,537	-
	<b>USD 61,529</b>	<b>0.02</b>

## REPURCHASE AGREEMENTS (0.55%) (30 June 2019: 1.79%)

Principal Amount	Effective Yield	Maturity Date	Value USD	% of Fund
USD 1,500,000 Repurchase Agreement - BofA Securities Incorporated*	0.06	01/07/2020	USD 1,500,000	0.55
<b>Total Repurchase Agreements</b>			<b>USD 1,500,000</b>	<b>0.55</b>

\* Interest in USD14,687,000 bulk repurchase agreement dated 30 June 2020 with BofA Securities Incorporated due 1 July 2020 - maturity value of USD1,500,003 for an effective yield of 0.060% (collateralised by a U.S. Treasury note with a coupon rate of 0.000% and a due date of 21 July 2020, valued at USD14,979,502).

## U.S. GOVERNMENT AGENCY OBLIGATIONS (-%) (30 June 2019: 0.90%)

### NON-U.S. CORPORATE BONDS AND NOTES (27.20%) (30 June 2019: 26.75%)

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Advertising (0.12%)</b>				
EUR 295,000 Summer BC Holdco B SARL (Luxembourg)	5.75	31/10/2026	USD 316,518	0.12
			<b>316,518</b>	<b>0.12</b>
<b>Aerospace and Defense (0.19%)</b>				
USD 645,000 Bombardier Incorporated (Canada)	7.88	15/04/2027	422,475	0.16
145,000 Bombardier Incorporated (Canada)	7.50	01/12/2024	94,975	0.03
			<b>517,450</b>	<b>0.19</b>
<b>Apparel (0.12%)</b>				
EUR 350,000 Samsonite Finco Sarl (Luxembourg)	3.50	15/05/2026	340,045	0.12
			<b>340,045</b>	<b>0.12</b>
<b>Auto Parts and Equipment (1.51%)</b>				
USD 345,000 Clarios Global LP (Canada)	6.75	15/05/2025	358,800	0.13
550,000 Clarios Global LP (International)	8.50	15/05/2027	552,723	0.20
EUR 360,000 Clarios Global LP (International)	4.38	15/05/2026	398,393	0.15
USD 355,000 Clarios Global LP (International)	6.25	15/05/2026	366,094	0.13
EUR 540,000 Faurecia SE (France)	2.38	15/06/2027	564,925	0.21
455,000 Faurecia SE (France)	3.13	15/06/2026	498,413	0.18
140,000 Faurecia SE (France)	2.63	15/06/2025	152,420	0.06

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



# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## NON-U.S. CORPORATE BONDS AND NOTES (27.20%) (30 June 2019: 26.75%) *cont.*

Principal Amount		Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Auto Parts and Equipment (1.51%) <i>cont.</i></b>					
EUR 190,000	Gestamp Automocion SA (Spain)	3.25	30/04/2026	USD 203,033	0.07
500,000	Gestamp Funding Luxembourg SA (Luxembourg)	3.50	15/05/2023	544,161	0.20
505,000	Grupo Antolin-Irausa SA (Spain)	3.25	30/04/2024	494,852	0.18
				<b>4,133,814</b>	<b>1.51</b>
<b>Automotive (0.59%)</b>					
340,000	Fiat Chrysler Automobiles NV (Netherlands)	4.50	07/07/2028	381,990	0.14
700,000	Volkswagen International Finance NV (Netherlands)	3.88	31/12/2099	782,517	0.29
390,000	Volvo Car AB (Sweden)	2.13	02/04/2024	428,446	0.16
				<b>1,592,953</b>	<b>0.59</b>
<b>Banking (2.12%)</b>					
800,000	Banco Bilbao Vizcaya Argentaria SA (Spain)	8.88	29/12/2049	927,256	0.33
GBP 250,000	Barclays PLC (United Kingdom)	7.88	29/12/2049	310,937	0.11
USD 420,000	BNP Paribas SA (France)	4.50	31/12/2099	368,025	0.13
200,000	Commerzbank AG (Germany)	7.00	31/12/2099	192,363	0.07
EUR 400,000	Commerzbank AG (Germany)	6.13	31/03/2099	427,492	0.16
USD 220,000	Credit Suisse Group AG (Switzerland)	5.10	31/12/2099	208,450	0.08
460,000	Credit Suisse Group AG (Switzerland)	7.25	31/12/2099	472,650	0.17
200,000	Credit Suisse Group AG (Switzerland)	6.25	29/12/2049	209,250	0.08
335,000	Credit Suisse Group AG (Switzerland)	6.25	29/12/2049	348,719	0.13
EUR 335,000	Intesa Sanpaolo SpA (Italy)	6.25	31/12/2099	375,902	0.14
USD 1,175,000	UBS Group AG (Switzerland)	7.00	31/12/2099	1,220,530	0.45
395,000	UBS Group AG (Switzerland)	6.88	29/12/2049	399,228	0.15
EUR 400,000	UniCredit SpA (Italy)	3.88	31/12/2099	331,432	0.12
				<b>5,792,234</b>	<b>2.12</b>
<b>Beverages (0.34%)</b>					
850,000	Sunshine Mid BV (Netherlands)	6.50	15/05/2026	942,407	0.34
				<b>942,407</b>	<b>0.34</b>
<b>Building Materials (0.74%)</b>					
USD 420,000	Cemex SAB de CV (Mexico)	5.45	19/11/2029	387,954	0.14
200,000	Cemex SAB de CV (Mexico)	7.38	05/06/2027	203,200	0.07
730,000	Cemex SAB de CV (Mexico)	5.70	11/01/2025	713,575	0.27
495,000	James Hardie International Finance DAC (Ireland)	5.00	15/01/2028	504,900	0.18
215,000	Masonite International Corporation (Canada)	5.38	01/02/2028	219,838	0.08
				<b>2,029,467</b>	<b>0.74</b>
<b>Chemicals (1.02%)</b>					
400,000	Atotech Alpha 3 BV (Netherlands)	6.25	01/02/2025	394,000	0.14
200,000	Axalta Coating Systems LLC (International)	4.75	15/06/2027	201,040	0.07
600,000	Nouryon Holding BV (Netherlands)	8.00	01/10/2026	612,000	0.22
915,000	Syngenta Finance NV (Netherlands)	5.18	24/04/2028	976,027	0.36
435,000	Syngenta Finance NV (Netherlands)	4.89	24/04/2025	457,321	0.17
175,000	Tronox Finance PLC (United Kingdom)	5.75	01/10/2025	161,875	0.06
				<b>2,802,263</b>	<b>1.02</b>
<b>Commercial Services (1.79%)</b>					
705,000	Garda World Security Corporation (Canada)	9.50	01/11/2027	745,538	0.27
255,000	IHS Markit Limited (Bermuda)	4.75	01/08/2028	299,306	0.11
EUR 420,000	La Financiere Atalian SASU (France)	5.13	15/05/2025	349,184	0.13
380,000	La Financiere Atalian SASU (France)	4.00	15/05/2024	315,928	0.12
355,000	Loxam SAS (France)	3.75	15/07/2026	365,946	0.13
USD 550,000	Nielsen Company Luxembourg SARL (Luxembourg)	5.00	01/02/2025	540,375	0.20
EUR 1,230,000	Techem Verwaltungsgesellschaft 674 mbH (Germany)	6.00	30/07/2026	1,409,542	0.51
100,000	Verisure Holding AB (Sweden)	5.00	15/04/2025	113,339	0.04
675,000	Verisure Midholding AB (Sweden)	5.75	01/12/2023	759,090	0.28
				<b>4,898,248</b>	<b>1.79</b>

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## NON-U.S. CORPORATE BONDS AND NOTES (27.20%) (30 June 2019: 26.75%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Distribution/Wholesale (0.12%)</b>				
GBP 380,000 Matalan Finance PLC (United Kingdom)	6.75	31/01/2023	USD 329,601	0.12
			<b>329,601</b>	<b>0.12</b>
<b>Diversified Financial Services (0.21%)</b>				
USD 580,000 goeasy Limited (Canada)	5.38	01/12/2024	562,600	0.21
			<b>562,600</b>	<b>0.21</b>
<b>Electrical Components &amp; Equipment (0.15%)</b>				
EUR 360,000 Energizer Gamma Acquisition BV (Netherlands)	4.63	15/07/2026	410,871	0.15
			<b>410,871</b>	<b>0.15</b>
<b>Engineering and Construction (0.15%)</b>				
450,000 Ellaktor Value PLC (United Kingdom)	6.38	15/12/2024	420,952	0.15
			<b>420,952</b>	<b>0.15</b>
<b>Entertainment (0.27%)</b>				
175,000 Banijay Entertainment SASU (France)	3.50	01/03/2025	186,925	0.07
545,000 Cirs Finance International Sarl (Luxembourg)	6.25	20/12/2023	553,226	0.20
			<b>740,151</b>	<b>0.27</b>
<b>Environmental Control (0.61%)</b>				
USD 342,000 GFL Environmental Incorporated (Canada)	8.50	01/05/2027	371,925	0.14
430,000 GFL Environmental Incorporated (Canada)	5.13	15/12/2026	445,050	0.16
804,000 GFL Environmental Incorporated (Canada)	7.00	01/06/2026	844,200	0.31
			<b>1,661,175</b>	<b>0.61</b>
<b>Food (0.57%)</b>				
EUR 300,000 Casino Guichard Perrachon SA (France)	3.58	07/02/2025	285,188	0.10
100,000 Quatrim SASU (France)	5.88	15/01/2024	114,737	0.04
1,075,000 Sigma Holdco BV (Netherlands)	5.75	15/05/2026	1,173,607	0.43
			<b>1,573,532</b>	<b>0.57</b>
<b>Forest Products &amp; Paper (0.46%)</b>				
USD 1,090,000 Smurfit Kappa Treasury Funding DAC (Ireland)	7.50	20/11/2025	1,267,125	0.46
			<b>1,267,125</b>	<b>0.46</b>
<b>Health-Care Services (0.35%)</b>				
EUR 515,000 Constantin Investissement 3 SASU (France)	5.38	15/04/2025	579,829	0.21
335,000 Unilabs Subholding AB (Sweden)	5.75	15/05/2025	371,035	0.14
			<b>950,864</b>	<b>0.35</b>
<b>Home Builders (0.76%)</b>				
USD 555,000 Mattamy Group Corporation (Canada)	4.63	01/03/2030	532,800	0.19
810,000 Mattamy Group Corporation (Canada)	5.25	15/12/2027	805,950	0.30
GBP 590,000 Miller Homes Group Holdings PLC (United Kingdom)	5.50	15/10/2024	731,069	0.27
			<b>2,069,819</b>	<b>0.76</b>
<b>Investment Companies (0.08%)</b>				
EUR 200,000 Vertical Holdco GmbH (International) (FWC)	0.01	15/07/2028	224,700	0.08
			<b>224,700</b>	<b>0.08</b>
<b>Leisure Time (0.30%)</b>				
USD 215,000 Carnival Corporation (Panama)	11.50	01/04/2023	233,275	0.09
GBP 450,000 Pinnacle Bidco PLC (United Kingdom)	6.38	15/02/2025	468,380	0.17
USD 100,000 Royal Caribbean Cruises Limited (Liberia)	9.13	15/06/2023	99,124	0.04
			<b>800,779</b>	<b>0.30</b>
<b>Machinery (0.70%)</b>				
710,000 Husky III Holding Limited (Canada)	13.00	15/02/2025	683,375	0.25
575,000 Titan Acquisition Limited (International)	7.75	15/04/2026	544,094	0.20
460,000 Vertical Holdco GmbH (Germany) (FWC)	7.63	15/07/2028	460,000	0.17
EUR 200,000 Vertical Midco GmbH (Germany) (FWC)	4.38	15/07/2027	224,700	0.08
			<b>1,912,169</b>	<b>0.70</b>
<b>Media (3.27%)</b>				
USD 375,000 Altice Financing SA (Luxembourg)	5.00	15/01/2028	372,510	0.14
240,000 Altice Financing SA (Luxembourg)	7.50	15/05/2026	251,400	0.09

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## NON-U.S. CORPORATE BONDS AND NOTES (27.20%) (30 June 2019: 26.75%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Media (3.27%) <i>cont.</i></b>				
EUR 630,000 Altice Finco SA (Luxembourg)	4.75	15/01/2028	USD 644,102	0.24
420,000 Banijay Group SAS (France)	6.50	01/03/2026	420,795	0.15
USD 555,000 Quebecor Media Incorporated (Canada)	5.75	15/01/2023	580,669	0.21
EUR 485,000 Tele Columbus AG (Germany)	3.88	02/05/2025	506,117	0.18
USD 400,000 Videotron Limited (Canada)	5.00	15/07/2022	413,500	0.15
505,000 Videotron Limited (Canada)	5.13	15/04/2027	524,003	0.19
EUR 260,000 Virgin Media Finance PLC (United Kingdom)	3.75	15/07/2030	286,501	0.10
USD 515,000 Virgin Media Finance PLC (United Kingdom)	5.00	15/07/2030	503,521	0.18
GBP 1,450,000 Virgin Media Secured Finance PLC (United Kingdom)	4.13	15/08/2030	1,770,428	0.65
350,000 Virgin Media Secured Finance PLC (United Kingdom)	5.25	15/05/2029	453,201	0.17
EUR 1,555,000 Ziggo Bond Company BV (Netherlands)	3.38	28/02/2030	1,642,726	0.60
265,000 Ziggo BV (Netherlands)	2.88	15/01/2030	292,889	0.11
USD 301,000 Ziggo BV (Netherlands)	5.50	15/01/2027	304,781	0.11
			<b>8,967,143</b>	<b>3.27</b>
<b>Mining (0.90%)</b>				
250,000 Constellium SE (France)	5.63	15/06/2028	245,000	0.09
EUR 1,415,000 Constellium SE (France)	4.25	15/02/2026	1,554,189	0.57
USD 175,000 Constellium SE (France)	5.88	15/02/2026	174,344	0.06
520,000 Hudbay Minerals Incorporated (Canada)	7.63	15/01/2025	494,000	0.18
			<b>2,467,533</b>	<b>0.90</b>
<b>Oil and Natural Gas Utilities (1.42%)</b>				
590,000 Aker BP ASA (Norway)	3.75	15/01/2030	556,813	0.20
180,000 Aker BP ASA (Norway)	6.00	01/07/2022	183,375	0.07
245,000 Baytex Energy Corporation (Canada)	5.63	01/06/2024	149,450	0.05
73,568 CHC Group LLC (Cayman Islands)	0.00	01/10/2020	11,035	-
280,000 MEG Energy Corporation (Canada)	7.13	01/02/2027	232,750	0.08
687,000 MEG Energy Corporation (Canada)	6.50	15/01/2025	641,053	0.24
280,000 Nabors Industries Limited (Bermuda)	7.50	15/01/2028	172,200	0.06
280,000 Nabors Industries Limited (Bermuda)	7.25	15/01/2026	172,200	0.06
230,000 Noble Holding International Limited (Cayman Islands)	7.88	01/02/2026	59,800	0.02
USD 250,000 Noble Holding International Limited (Cayman Islands)	7.75	15/01/2024	5,000	-
CAD 835,000 Parkland Corporation (Canada)	5.63	09/05/2025	621,207	0.24
USD 765,000 Precision Drilling Corporation (Canada)	7.13	15/01/2026	489,600	0.19
175,000 Transocean Incorporated (Cayman Islands)	7.50	15/04/2031	49,000	0.02
162,825 Transocean Pontus Limited (Cayman Islands)	6.13	01/08/2025	142,472	0.05
425,000 Transocean Poseidon Limited (Cayman Islands)	6.88	01/02/2027	361,250	0.13
435,000 Valaris PLC (United Kingdom)	7.75	01/02/2026	32,625	0.01
			<b>3,879,830</b>	<b>1.42</b>
<b>Packaging and Containers (1.10%)</b>				
EUR 1,075,000 ARD Finance SA (Luxembourg)	5.00	30/06/2027	1,156,432	0.42
USD 820,000 ARD Finance SA (Luxembourg)	6.50	30/06/2027	811,288	0.30
200,000 Ardagh Packaging Finance PLC (International)	5.25	15/08/2027	196,476	0.07
EUR 265,000 Ardagh Packaging Finance PLC (International)	2.13	15/08/2026	286,250	0.10
USD 360,000 Ardagh Packaging Finance PLC (International)	4.13	15/08/2026	354,186	0.13
215,000 Trivium Packaging Finance BV (Netherlands)	5.50	15/08/2026	216,881	0.08
			<b>3,021,513</b>	<b>1.10</b>
<b>Pharmaceuticals (3.14%)</b>				
230,000 Bausch Health Companies Incorporated (Canada)	5.25	30/01/2030	218,213	0.08
515,000 Bausch Health Companies Incorporated (Canada)	7.25	30/05/2029	540,750	0.20
365,000 Bausch Health Companies Incorporated (Canada)	6.25	15/02/2029	366,825	0.13
230,000 Bausch Health Companies Incorporated (Canada)	5.00	30/01/2028	216,543	0.08

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## NON-U.S. CORPORATE BONDS AND NOTES (27.20%) (30 June 2019: 26.75%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Pharmaceuticals (3.14%) <i>cont.</i></b>				
USD 255,000 Bausch Health Companies Incorporated (Canada)	7.00	15/01/2028	USD 262,650	0.10
390,000 Bausch Health Companies Incorporated (Canada)	5.50	01/11/2025	399,750	0.15
985,000 Bausch Health Companies Incorporated (Canada)	6.13	15/04/2025	999,055	0.35
850,000 Bausch Health Companies Incorporated (Canada)	7.00	15/03/2024	881,875	0.32
EUR 175,000 Cheplapharm Arzneimittel GmbH (Germany)	3.50	11/02/2027	193,445	0.07
USD 472,999 Endo Dac (International)	6.00	30/06/2028	305,085	0.11
308,999 Endo Dac (International)	9.50	31/07/2027	326,829	0.12
297,000 Mallinckrodt International Finance SA (Luxembourg)	10.00	15/04/2025	177,458	0.06
210,000 Teva Pharmaceutical Finance IV BV (Curacao)	3.65	10/11/2021	209,780	0.08
EUR 430,000 Teva Pharmaceutical Finance Netherlands II BV (Netherlands)	6.00	31/01/2025	509,400	0.19
410,000 Teva Pharmaceutical Finance Netherlands II BV (Netherlands)	1.25	31/03/2023	427,119	0.16
USD 1,210,000 Teva Pharmaceutical Finance Netherlands III BV (Netherlands)	6.75	01/03/2028	1,278,824	0.47
1,435,000 Teva Pharmaceutical Finance Netherlands III BV (Netherlands)	3.15	01/10/2026	1,281,282	0.47
			<b>8,594,883</b>	<b>3.14</b>
<b>Real Estate (0.20%)</b>				
GBP 470,000 Iron Mountain UK PLC (United Kingdom)	3.88	15/11/2025	553,684	0.20
			<b>553,684</b>	<b>0.20</b>
<b>Retail (1.13%)</b>				
USD 300,000 1011778 BC ULC (Canada)	3.88	15/01/2028	290,625	0.11
405,000 1011778 BC ULC (Canada)	4.38	15/01/2028	396,977	0.14
670,000 1011778 BC ULC (Canada)	5.00	15/10/2025	665,813	0.24
235,000 1011778 BC ULC (Canada)	4.25	15/05/2024	235,416	0.09
EUR 365,000 eG Global Finance PLC (United Kingdom)	6.25	30/10/2025	402,130	0.15
USD 700,000 eG Global Finance PLC (United Kingdom)	6.75	07/02/2025	683,374	0.25
GBP 900,000 Phosphorus Holdco PLC (United Kingdom)	1.00	01/04/2021	33,567	0.01
EUR 270,000 Tendam Brands SAU (Spain)	5.00	15/09/2024	261,198	0.10
GBP 100,000 Very Group Funding PLC (United Kingdom)	7.75	15/11/2022	112,802	0.04
			<b>3,081,902</b>	<b>1.13</b>
<b>Telecommunications (2.69%)</b>				
EUR 1,050,000 Altice France Holding SA (Luxembourg)	4.00	15/02/2028	1,061,589	0.39
USD 900,000 Altice France Holding SA (Luxembourg)	6.00	15/02/2028	849,942	0.31
615,000 Altice France Holding SA (Luxembourg)	10.50	15/05/2027	677,453	0.25
EUR 565,000 Altice France SA (France)	3.38	15/01/2028	604,625	0.22
100,000 Altice France SA (France)	5.88	01/02/2027	118,810	0.04
USD 710,000 Altice France SA (France)	7.38	01/05/2026	740,388	0.27
935,000 Intelsat Jackson Holdings SA (Luxembourg)	9.75	15/07/2025	565,675	0.21
EUR 350,000 Matterhorn Telecom SA (Luxembourg)	4.00	15/11/2027	394,357	0.14
225,000 Telecom Italia SpA (Italy)	3.00	30/09/2025	256,417	0.09
130,000 Telecom Italia SpA (Italy)	2.75	15/04/2025	146,311	0.05
430,000 Telecom Italia SpA (Italy)	3.63	19/01/2024	501,463	0.18
1,200,000 Telefonica Europe BV (Netherlands)	5.88	31/03/2049	1,452,685	0.54
			<b>7,369,715</b>	<b>2.69</b>
<b>Transportation (0.08%)</b>				
225,000 CMA CGM SA (France)	5.25	15/01/2025	209,814	0.08
			<b>209,814</b>	<b>0.08</b>
<b>Total Non-U.S. Corporate Bonds and Notes</b>			<b>USD 74,435,754</b>	<b>27.20</b>

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%)

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Advertising (0.51%)</b>				
USD 165,000 Outfront Media Capital LLC	4.63	15/03/2030	USD 149,325	0.05
470,000 Outfront Media Capital LLC	6.25	15/06/2025	473,079	0.17
800,000 Terrier Media Buyer Incorporated	8.88	15/12/2027	767,000	0.29
			<b>1,389,404</b>	<b>0.51</b>
<b>Aerospace and Defense (0.76%)</b>				
770,000 TransDigm Incorporated	5.50	15/11/2027	671,979	0.25
345,000 TransDigm Incorporated	6.38	15/06/2026	314,288	0.11
670,000 TransDigm Incorporated	6.25	15/03/2026	668,338	0.24
100,000 TransDigm Incorporated	8.00	15/12/2025	105,099	0.04
15,000 TransDigm Incorporated	6.50	15/05/2025	14,026	0.01
320,000 TransDigm Incorporated	6.50	15/07/2024	305,533	0.11
			<b>2,079,263</b>	<b>0.76</b>
<b>Apparel (0.41%)</b>				
205,000 Hanesbrands Incorporated	5.38	15/05/2025	207,306	0.08
210,000 Levi Strauss & Company	5.00	01/05/2025	210,790	0.08
380,000 Wolverine World Wide Incorporated	5.00	01/09/2026	365,749	0.13
315,000 Wolverine World Wide Incorporated	6.38	15/05/2025	329,963	0.12
			<b>1,113,808</b>	<b>0.41</b>
<b>Automotive (2.00%)</b>				
920,000 Allison Transmission Incorporated	4.75	01/10/2027	913,100	0.33
105,000 Ford Motor Company	9.63	22/04/2030	124,352	0.05
785,000 Ford Motor Company	9.00	22/04/2025	849,527	0.31
210,000 Ford Motor Company	8.50	21/04/2023	222,075	0.08
1,365,000 Ford Motor Credit Company LLC	4.27	09/01/2027	1,272,435	0.46
350,000 Ford Motor Credit Company LLC	5.13	16/06/2025	350,140	0.13
380,000 General Motors Company	6.13	01/10/2025	427,000	0.16
655,000 Navistar International Corporation	6.63	01/11/2025	620,613	0.23
640,000 Navistar International Corporation	9.50	01/05/2025	685,792	0.25
			<b>5,465,034</b>	<b>2.00</b>
<b>Banking (0.94%)</b>				
1,010,000 CIT Group Incorporated	5.25	07/03/2025	1,046,400	0.38
85,000 Freedom Mortgage Corporation	8.25	15/04/2025	84,150	0.03
575,000 Freedom Mortgage Corporation	8.13	15/11/2024	557,750	0.20
959,000 Provident Funding Associates LP	6.38	15/06/2025	896,665	0.33
			<b>2,584,965</b>	<b>0.94</b>
<b>Building Materials (2.05%)</b>				
710,000 BMC East LLC	5.50	01/10/2024	715,324	0.26
930,000 Boise Cascade Company	5.63	01/09/2024	936,974	0.33
444,000 Builders FirstSource Incorporated	6.75	01/06/2027	454,545	0.17
341,000 CEMEX Finance LLC	6.00	01/04/2024	337,488	0.12
183,000 Cornerstone Building Brands Incorporated	8.00	15/04/2026	184,373	0.07
375,000 JELD-WEN Incorporated	4.88	15/12/2027	360,000	0.13
160,000 JELD-WEN Incorporated	4.63	15/12/2025	153,600	0.06
200,000 JELD-WEN Incorporated	6.25	15/05/2025	208,750	0.08
670,000 Louisiana-Pacific Corporation	4.88	15/09/2024	675,166	0.25
140,000 Standard Industries Incorporated	4.75	15/01/2028	141,925	0.05
570,000 Standard Industries Incorporated	5.00	15/02/2027	577,125	0.21
340,000 Standard Industries Incorporated	5.38	15/11/2024	349,350	0.13
533,000 US Concrete Incorporated	6.38	01/06/2024	526,338	0.19
			<b>5,620,958</b>	<b>2.05</b>
<b>Chemicals (1.61%)</b>				
150,000 Avient Corporation	5.75	15/05/2025	154,313	0.06
1,115,000 CF Industries Incorporated	4.95	01/06/2043	1,201,746	0.43

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Chemicals (1.61%) <i>cont.</i></b>				
USD 485,000 GCP Applied Technologies Incorporated	5.50	15/04/2026	USD 483,788	0.18
EUR 455,000 Kronos International Incorporated	3.75	15/09/2025	498,806	0.18
USD 75,000 Tronox Incorporated	6.50	01/05/2025	75,750	0.03
345,000 Valvoline Incorporated	4.25	15/02/2030	339,825	0.12
155,000 Valvoline Incorporated	4.38	15/08/2025	155,775	0.06
370,000 WR Grace & Company	4.88	15/06/2027	374,821	0.14
1,075,000 WR Grace & Company	5.63	01/10/2024	1,131,438	0.41
			<b>4,416,262</b>	<b>1.61</b>
<b>Commercial Services (2.25%)</b>				
780,000 Carriage Services Incorporated	6.63	01/06/2026	815,100	0.30
105,000 Gartner Incorporated	4.50	01/07/2028	106,229	0.04
190,000 Gartner Incorporated	5.13	01/04/2025	194,570	0.07
155,000 Jaguar Holding Company II	5.00	15/06/2028	158,681	0.06
100,000 Jaguar Holding Company II	4.63	15/06/2025	101,770	0.04
955,000 Nielsen Finance LLC	5.00	15/04/2022	951,619	0.35
545,000 Prime Security Services Borrower LLC	6.25	15/01/2028	513,663	0.19
1,135,000 Refinitiv US Holdings Incorporated	6.25	15/05/2026	1,203,099	0.43
770,000 Service Corporation International	5.13	01/06/2029	828,520	0.30
750,000 Service Corporation International	4.63	15/12/2027	781,875	0.29
605,000 TMS International Holding Corporation	7.25	15/08/2025	493,075	0.18
			<b>6,148,201</b>	<b>2.25</b>
<b>Computers (1.54%)</b>				
540,000 Banff Merger Sub Incorporated	9.75	01/09/2026	543,375	0.20
1,245,000 Dell International LLC	6.02	15/06/2026	1,427,362	0.51
155,000 Dell International LLC	5.85	15/07/2025	178,126	0.07
565,000 Dell International LLC	7.13	15/06/2024	585,305	0.21
205,000 Tempo Acquisition LLC	5.75	01/06/2025	210,125	0.08
1,220,000 Tempo Acquisition LLC	6.75	01/06/2025	1,235,250	0.45
45,000 Western Digital Corporation	4.75	15/02/2026	46,505	0.02
			<b>4,226,048</b>	<b>1.54</b>
<b>Distribution/Wholesale (0.52%)</b>				
265,000 American Builders & Contractors Supply Company Incorporated	4.00	15/01/2028	257,519	0.09
155,000 American Builders & Contractors Supply Company Incorporated	5.88	15/05/2026	153,450	0.06
425,000 Resideo Funding Incorporated	6.13	01/11/2026	415,438	0.15
585,000 Univar Solutions USA Incorporated	5.13	01/12/2027	591,797	0.22
			<b>1,418,204</b>	<b>0.52</b>
<b>Diversified Financial Services (2.39%)</b>				
505,000 AG Issuer LLC	6.25	01/03/2028	469,650	0.17
1,565,000 Ally Financial Incorporated	8.00	01/11/2031	2,019,357	0.73
465,000 JPMorgan Chase Financial Company LLC	0.25	01/05/2023	448,725	0.16
830,000 LPL Holdings Incorporated	5.75	15/09/2025	840,375	0.31
280,000 Nationstar Mortgage Holdings Incorporated	6.00	15/01/2027	266,000	0.10
145,000 Nationstar Mortgage Holdings Incorporated	9.13	15/07/2026	153,338	0.06
470,000 Nationstar Mortgage Holdings Incorporated	8.13	15/07/2023	482,338	0.18
210,000 OneMain Finance Corporation	5.38	15/11/2029	196,350	0.07
460,000 OneMain Finance Corporation	6.63	15/01/2028	455,400	0.17
245,000 OneMain Finance Corporation	7.13	15/03/2026	253,573	0.09
205,000 OneMain Finance Corporation	8.88	01/06/2025	219,155	0.08
365,000 OneMain Finance Corporation	6.88	15/03/2025	374,467	0.14
3,052 Stearns Holdings LLC	5.00	05/11/2024	1,831	-
430,000 TMX Finance LLC	11.13	01/04/2023	359,050	0.13
			<b>6,539,609</b>	<b>2.39</b>

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount		Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Electric Utilities (1.59%)</b>					
USD 165,000	AES Corporation	3.30	15/07/2025	USD 169,919	0.06
855,000	Calpine Corporation	4.50	15/02/2028	833,625	0.30
920,000	Calpine Corporation	5.25	01/06/2026	928,933	0.35
850,000	NRG Energy Incorporated	3.75	15/06/2024	897,270	0.33
825,000	Pacific Gas and Electric Company	2.50	01/02/2031	807,122	0.29
205,000	Pacific Gas and Electric Company	2.10	01/08/2027	202,878	0.07
490,000	Pacific Gas and Electric Company	2.95	01/03/2026	527,975	0.19
				<b>4,367,722</b>	<b>1.59</b>
<b>Electrical Components &amp; Equipment (0.36%)</b>					
50,000	Energizer Holdings Incorporated	7.75	15/01/2027	53,314	0.02
105,000	Energizer Holdings Incorporated	6.38	15/07/2026	108,566	0.04
515,000	WESCO Distribution Incorporated	7.25	15/06/2028	544,612	0.20
260,000	WESCO Distribution Incorporated	7.13	15/06/2025	273,814	0.10
				<b>980,306</b>	<b>0.36</b>
<b>Electronics (0.44%)</b>					
375,000	Itron Incorporated	5.00	15/01/2026	373,594	0.14
825,000	TTM Technologies Incorporated	5.63	01/10/2025	818,301	0.30
				<b>1,191,895</b>	<b>0.44</b>
<b>Engineering and Construction (0.64%)</b>					
415,000	Brand Industrial Services Incorporated	8.50	15/07/2025	373,500	0.14
170,000	Great Lakes Dredge & Dock Corporation	8.00	15/05/2022	174,250	0.06
590,000	TopBuild Corporation	5.63	01/05/2026	595,900	0.22
600,000	Weekley Homes LLC	6.00	01/02/2023	595,500	0.22
				<b>1,739,150</b>	<b>0.64</b>
<b>Entertainment (2.63%)</b>					
825,000	Caesars Resort Company Collection LLC	5.25	15/10/2025	717,749	0.25
100,000	Cinemark USA Incorporated	8.75	01/05/2025	104,500	0.04
285,000	Cinemark USA Incorporated	4.88	01/06/2023	240,825	0.09
305,000	Cinemark USA Incorporated	5.13	15/12/2022	266,875	0.10
90,000	Eldorado Resorts Incorporated	6.00	15/09/2026	97,229	0.04
160,000	Eldorado Resorts Incorporated	7.00	01/08/2023	162,400	0.06
185,000	Lions Gate Capital Holdings LLC	5.88	01/11/2024	174,825	0.06
530,000	Lions Gate Capital Holdings LLC	6.38	01/02/2024	516,750	0.19
255,000	Live Nation Entertainment Incorporated	6.50	15/05/2027	262,650	0.10
305,000	Live Nation Entertainment Incorporated	5.63	15/03/2026	277,550	0.10
210,000	Live Nation Entertainment Incorporated	4.88	01/11/2024	189,000	0.07
450,000	Penn National Gaming Incorporated	5.63	15/01/2027	419,796	0.15
925,000	Scientific Games International Incorporated	7.25	15/11/2029	740,000	0.27
270,000	Scientific Games International Incorporated	7.00	15/05/2028	216,000	0.08
EUR 380,000	Scientific Games International Incorporated	3.38	15/02/2026	391,123	0.14
390,000	Six Flags Entertainment Corporation	5.50	15/04/2027	348,563	0.13
500,000	Six Flags Theme Parks Incorporated	7.00	01/07/2025	516,875	0.19
EUR 235,000	WMG Acquisition Corporation	3.63	15/10/2026	272,731	0.10
USD 180,000	WMG Acquisition Corporation	5.50	15/04/2026	186,246	0.07
315,000	WMG Acquisition Corporation	5.00	01/08/2023	318,938	0.12
705,000	Wynn Resorts Finance LLC	5.13	01/10/2029	630,094	0.23
145,000	Wynn Resorts Finance LLC	7.75	15/04/2025	146,044	0.05
				<b>7,196,763</b>	<b>2.63</b>
<b>Environmental Control (0.48%)</b>					
215,000	Clean Harbors Incorporated	5.13	15/07/2029	222,989	0.08
375,000	Clean Harbors Incorporated	4.88	15/07/2027	385,313	0.14
750,000	Waste Pro USA Incorporated	5.50	15/02/2026	715,867	0.26
				<b>1,324,169</b>	<b>0.48</b>

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Food (1.90%)</b>				
USD 160,000 Albertsons Companies Incorporated	4.88	15/02/2030	USD 163,701	0.06
790,000 Albertsons Companies Incorporated	4.63	15/01/2027	790,000	0.29
360,000 Albertsons Companies Incorporated	7.50	15/03/2026	388,800	0.14
560,000 Fresh Market Incorporated	9.75	01/05/2023	473,200	0.17
580,000 Kraft Heinz Foods Company	5.00	15/07/2035	638,165	0.23
75,000 Kraft Heinz Foods Company	3.88	15/05/2027	78,374	0.03
1,230,000 Kraft Heinz Foods Company	3.00	01/06/2026	1,239,690	0.46
365,000 Lamb Weston Holdings Incorporated	4.88	15/05/2028	386,721	0.14
1,005,000 Lamb Weston Holdings Incorporated	4.88	01/11/2026	1,040,175	0.38
			<b>5,198,826</b>	<b>1.90</b>
<b>Forest Products &amp; Paper (0.23%)</b>				
290,000 Mercer International Incorporated	5.50	15/01/2026	272,600	0.10
160,000 Mercer International Incorporated	7.38	15/01/2025	159,200	0.06
200,000 Mercer International Incorporated	6.50	01/02/2024	196,542	0.07
			<b>628,342</b>	<b>0.23</b>
<b>Hand/Machine Tools (0.20%)</b>				
635,000 Werner FinCo LP	8.75	15/07/2025	539,750	0.20
			<b>539,750</b>	<b>0.20</b>
<b>Health-Care Services (4.74%)</b>				
585,000 Air Methods Corporation	8.00	15/05/2025	412,425	0.15
1,145,000 Centene Corporation	4.63	15/12/2029	1,207,975	0.44
195,000 Centene Corporation	5.38	15/08/2026	202,841	0.07
250,000 Centene Corporation	5.38	01/06/2026	259,165	0.09
335,000 Centene Corporation	5.25	01/04/2025	344,939	0.13
275,000 CHS	8.00	15/03/2026	259,930	0.09
740,000 CHS	6.63	15/02/2025	695,600	0.25
469,000 CHS	8.13	30/06/2024	314,230	0.11
1,155,000 CHS	6.25	31/03/2023	1,087,144	0.40
270,000 HCA Incorporated	3.50	01/09/2030	260,056	0.09
895,000 HCA Incorporated	5.38	01/09/2026	974,431	0.36
2,075,000 HCA Incorporated	5.25	15/06/2026	2,397,294	0.88
320,000 Molina Healthcare Incorporated	4.88	15/06/2025	321,600	0.12
1,110,000 Tenet Healthcare Corporation	5.13	01/11/2027	1,095,237	0.40
260,000 Tenet Healthcare Corporation	6.25	01/02/2027	258,050	0.09
1,210,000 Tenet Healthcare Corporation	4.88	01/01/2026	1,178,238	0.43
125,000 Tenet Healthcare Corporation	7.50	01/04/2025	132,969	0.05
330,000 Tenet Healthcare Corporation	4.63	15/07/2024	323,331	0.12
1,190,000 Tenet Healthcare Corporation	8.13	01/04/2022	1,249,500	0.47
			<b>12,974,955</b>	<b>4.74</b>
<b>Home Builders (0.83%)</b>				
545,000 Lennar Corporation	5.88	15/11/2024	595,549	0.22
839,000 PulteGroup Incorporated	7.88	15/06/2032	1,050,847	0.37
265,000 Taylor Morrison Communities Incorporated	5.75	15/01/2028	272,950	0.10
120,000 TRI Pointe Group Incorporated	5.88	15/06/2024	123,241	0.04
260,000 TRI Pointe Group Incorporated	5.70	15/06/2028	263,900	0.10
			<b>2,306,487</b>	<b>0.83</b>
<b>Household Products/Wares (0.34%)</b>				
155,000 Spectrum Brands Incorporated	5.00	01/10/2029	153,063	0.06
760,000 Spectrum Brands Incorporated	6.13	15/12/2024	780,900	0.28
			<b>933,963</b>	<b>0.34</b>
<b>Housewares (0.63%)</b>				
520,000 Newell Brands Incorporated	4.70	01/04/2026	545,693	0.20
280,000 Newell Brands Incorporated	4.88	01/06/2025	293,241	0.11
850,000 Scotts Miracle-Gro Company	4.50	15/10/2029	874,438	0.32
			<b>1,713,372</b>	<b>0.63</b>

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



# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Insurance (0.57%)</b>				
USD 355,000 Alliant Holdings Intermediate LLC	6.75	15/10/2027	USD 353,800	0.13
630,000 HUB International Limited	7.00	01/05/2026	628,677	0.23
580,000 USI Incorporated	6.88	01/05/2025	585,075	0.21
			<b>1,567,552</b>	<b>0.57</b>
<b>Internet (1.49%)</b>				
260,000 Match Group Holdings II LLC	4.63	01/06/2028	262,275	0.10
620,000 Match Group Holdings II LLC	5.00	15/12/2027	645,140	0.24
EUR 725,000 Netflix Incorporated	3.63	15/06/2030	836,424	0.30
175,000 Netflix Incorporated	4.88	15/06/2030	187,688	0.07
310,000 Netflix Incorporated	5.38	15/11/2029	339,512	0.12
EUR 425,000 Netflix Incorporated	4.63	15/05/2029	528,951	0.19
USD 240,000 Netflix Incorporated	6.38	15/05/2029	278,400	0.10
555,000 Netflix Incorporated	5.88	15/11/2028	632,006	0.23
195,000 Netflix Incorporated	4.88	15/04/2028	208,508	0.08
EUR 140,000 Netflix Incorporated	3.63	15/05/2027	164,418	0.06
			<b>4,083,322</b>	<b>1.49</b>
<b>Investment Companies (0.49%)</b>				
USD 345,000 Icahn Enterprises LP	5.25	15/05/2027	332,925	0.12
685,000 Icahn Enterprises LP	6.25	15/05/2026	685,480	0.26
325,000 Icahn Enterprises LP	4.75	15/09/2024	305,565	0.11
10,000 Icahn Enterprises LP	6.75	01/02/2024	10,075	-
			<b>1,334,045</b>	<b>0.49</b>
<b>Iron/Steel (0.55%)</b>				
60,000 Allegheny Technologies Incorporated	5.88	01/12/2027	55,500	0.02
695,000 Allegheny Technologies Incorporated	7.88	15/08/2023	711,506	0.26
785,000 Big River Steel LLC	7.25	01/09/2025	749,675	0.27
			<b>1,516,681</b>	<b>0.55</b>
<b>Leisure Time (0.49%)</b>				
875,000 Constellation Merger Sub Incorporated	8.50	15/09/2025	700,000	0.25
615,000 Sabre GLBL Incorporated	9.25	15/04/2025	648,056	0.24
			<b>1,348,056</b>	<b>0.49</b>
<b>Lodging (1.51%)</b>				
290,000 Boyd Gaming Corporation	4.75	01/12/2027	249,400	0.09
500,000 Boyd Gaming Corporation	6.00	15/08/2026	467,350	0.17
252,000 Boyd Gaming Corporation	6.38	01/04/2026	239,400	0.09
230,000 Boyd Gaming Corporation	8.63	01/06/2025	240,350	0.09
350,000 Hilton Worldwide Finance LLC	4.88	01/04/2027	341,688	0.12
400,000 Marriott International Incorporated	4.63	15/06/2030	415,046	0.15
170,000 Marriott International Incorporated	5.75	01/05/2025	184,681	0.07
545,000 Station Casinos LLC	4.50	15/02/2028	461,206	0.17
535,000 Sugarhouse HSP Gaming Prop Mezz LP	5.88	15/05/2025	521,625	0.19
500,000 Wyndham Hotels & Resorts Incorporated	5.38	15/04/2026	481,250	0.18
630,000 Wynn Las Vegas LLC	5.25	15/05/2027	544,635	0.19
			<b>4,146,631</b>	<b>1.51</b>
<b>Machinery (1.14%)</b>				
900,000 RBS Global Incorporated	4.88	15/12/2025	904,500	0.33
765,000 Stevens Holding Company Incorporated	6.13	01/10/2026	799,425	0.29
680,000 Tennant Company	5.63	01/05/2025	686,800	0.25
740,000 Vertical US Newco Incorporated (FWC)	5.25	15/07/2027	740,000	0.27
			<b>3,130,725</b>	<b>1.14</b>
<b>Media (7.67%)</b>				
375,000 CCO Holdings LLC	4.50	01/05/2032	379,688	0.14
265,000 CCO Holdings LLC	4.50	15/08/2030	270,300	0.10

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Media (7.67%) <i>cont.</i></b>				
USD 3,300,000 CCO Holdings LLC	5.38	01/06/2029	USD 3,481,499	1.26
650,000 CCO Holdings LLC	5.00	01/02/2028	671,125	0.25
655,000 CCO Holdings LLC	5.88	01/05/2027	683,460	0.25
375,000 CCO Holdings LLC	5.50	01/05/2026	388,241	0.14
615,000 Clear Channel Worldwide Holdings Incorporated	5.13	15/08/2027	590,400	0.22
319,000 Clear Channel Worldwide Holdings Incorporated	9.25	15/02/2024	295,904	0.11
300,000 CSC Holdings LLC	4.63	01/12/2030	291,408	0.11
485,000 CSC Holdings LLC	5.75	15/01/2030	505,128	0.18
520,000 CSC Holdings LLC	7.50	01/04/2028	567,450	0.21
490,000 CSC Holdings LLC	5.50	15/05/2026	502,921	0.18
200,000 CSC Holdings LLC	10.88	15/10/2025	215,000	0.08
1,555,000 CSC Holdings LLC	5.25	01/06/2024	1,636,638	0.59
315,000 CSC Holdings LLC	6.75	15/11/2021	329,963	0.12
490,000 Diamond Sports Group LLC	6.63	15/08/2027	260,925	0.10
520,000 Diamond Sports Group LLC	5.38	15/08/2026	376,350	0.14
1,140,000 DISH DBS Corporation	5.88	15/11/2024	1,134,300	0.41
395,000 DISH DBS Corporation	6.75	01/06/2021	402,406	0.15
496,000 DISH Network Corporation	3.38	15/08/2026	455,633	0.17
470,000 Entercom Media Corporation	6.50	01/05/2027	421,825	0.15
510,000 Entercom Media Corporation	7.25	01/11/2024	443,700	0.16
900,000 Gray Television Incorporated	7.00	15/05/2027	927,000	0.34
120,000 Gray Television Incorporated	5.13	15/10/2024	120,000	0.04
830,456 iHeartCommunications Incorporated	8.38	01/05/2027	759,867	0.28
155,000 iHeartCommunications Incorporated	6.38	01/05/2026	153,450	0.06
505,000 Meredith Corporation	6.88	01/02/2026	421,675	0.15
495,000 Meredith Corporation	6.50	01/07/2025	490,050	0.18
795,000 Nexstar Broadcasting Incorporated	5.63	15/07/2027	789,085	0.29
865,000 Nexstar Broadcasting Incorporated	5.63	01/08/2024	871,488	0.32
580,000 Sinclair Television Group Incorporated	5.50	01/03/2030	536,500	0.20
385,000 Sirius XM Radio Incorporated	5.00	01/08/2027	392,700	0.14
500,000 Townsquare Media Incorporated	6.50	01/04/2023	430,000	0.16
520,000 Univision Communications Incorporated	6.63	01/06/2027	496,600	0.18
270,000 Univision Communications Incorporated	9.50	01/05/2025	286,200	0.10
40,000 Univision Communications Incorporated	5.13	15/02/2025	37,675	0.01
			<b>21,016,554</b>	<b>7.67</b>
<b>Medical Technology (0.23%)</b>				
285,000 Hologic Incorporated	4.38	15/10/2025	287,790	0.11
340,000 Ortho-Clinical Diagnostics Incorporated	7.38	01/06/2025	345,950	0.12
			<b>633,740</b>	<b>0.23</b>
<b>Metal Fabricate/Hardware (0.28%)</b>				
930,000 Park-Ohio Industries Incorporated	6.63	15/04/2027	762,600	0.28
			<b>762,600</b>	<b>0.28</b>
<b>Mining (1.28%)</b>				
885,000 Compass Minerals International Incorporated	6.75	01/12/2027	929,250	0.35
10,000 Compass Minerals International Incorporated	4.88	15/07/2024	10,200	-
650,000 Freeport-McMoRan Incorporated	5.45	15/03/2043	637,000	0.23
265,000 Joseph T Ryerson & Son Incorporated	11.00	15/05/2022	270,637	0.10
385,000 Novelis Corporation	4.75	30/01/2030	367,675	0.13
1,285,000 Novelis Corporation	5.88	30/09/2026	1,283,393	0.47
			<b>3,498,155</b>	<b>1.28</b>
<b>Miscellaneous Manufacturer (0.36%)</b>				
575,000 Amsted Industries Incorporated	4.63	15/05/2030	568,600	0.21
405,000 Amsted Industries Incorporated	5.63	01/07/2027	417,656	0.15
			<b>986,256</b>	<b>0.36</b>

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount		Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Oil and Natural Gas Utilities (6.18%)</b>					
USD 635,000	Antero Resources Corporation	5.13	01/12/2022	USD 458,788	0.17
490,000	Antero Resources Corporation	5.38	01/11/2021	453,250	0.17
265,000	Apache Corporation	5.10	01/09/2040	217,711	0.08
670,000	Apache Corporation	4.38	15/10/2028	591,651	0.22
225,000	Apache Corporation	3.25	15/04/2022	217,722	0.08
85,000	California Resources Corporation	8.00	15/12/2022	2,922	-
670,000	ChampionX Corporation	6.38	01/05/2026	622,611	0.23
200,000	Comstock Resources Incorporated	9.75	15/08/2026	187,000	0.07
155,000	Comstock Resources Incorporated	9.75	15/08/2026	144,538	0.05
210,000	Comstock Resources Incorporated	7.50	15/05/2025	190,313	0.07
275,000	Continental Resources Incorporated	4.90	01/06/2044	218,969	0.08
165,000	Continental Resources Incorporated	4.38	15/01/2028	145,236	0.05
930,000	Continental Resources Incorporated	4.50	15/04/2023	890,196	0.33
280,000	Continental Resources Incorporated	5.00	15/09/2022	274,400	0.10
381,000	Denbury Resources Incorporated	9.00	15/05/2021	145,733	0.05
195,000	Devon Energy Corporation	5.60	15/07/2041	190,366	0.07
370,000	Devon Energy Corporation	7.95	15/04/2032	428,835	0.16
250,000	Devon Energy Corporation	7.88	30/09/2031	293,407	0.11
265,000	Diamondback Energy Incorporated	4.75	31/05/2025	283,557	0.10
670,000	Diamondback Energy Incorporated	5.38	31/05/2025	689,680	0.25
1,115,000	Endeavor Energy Resources LP	5.75	30/01/2028	1,070,400	0.39
520,000	Endeavor Energy Resources LP	6.63	15/07/2025	524,066	0.19
405,000	Indigo Natural Resources LLC	6.88	15/02/2026	376,650	0.14
840,000	Nabors Industries Incorporated	5.75	01/02/2025	340,200	0.12
175,000	Newfield Exploration Company	5.63	01/07/2024	168,000	0.06
405,000	Newfield Exploration Company	5.75	30/01/2022	405,772	0.15
245,000	Noble Energy Incorporated	6.00	01/03/2041	238,876	0.09
390,000	Noble Energy Incorporated	3.90	15/11/2024	392,372	0.14
505,000	Oasis Petroleum Incorporated	6.25	01/05/2026	83,325	0.03
172,000	Oasis Petroleum Incorporated	2.63	15/09/2023	26,247	0.01
29,000	Oasis Petroleum Incorporated	6.88	15/03/2022	4,785	-
1,255,000	Occidental Petroleum Corporation	6.45	15/09/2036	1,060,475	0.38
260,000	Occidental Petroleum Corporation	3.50	15/06/2025	219,700	0.08
190,000	Occidental Petroleum Corporation	2.90	15/08/2024	162,351	0.06
900,000	Occidental Petroleum Corporation	4.85	15/03/2021	893,250	0.33
1,440,000	Occidental Petroleum Corporation	4.10	01/02/2021	1,445,759	0.52
520,000	SM Energy Company	6.63	15/01/2027	254,800	0.09
465,000	SM Energy Company	6.75	15/09/2026	233,839	0.09
120,000	SM Energy Company	5.00	15/01/2024	64,500	0.02
260,000	USA Compression Partners LP	6.88	01/09/2027	249,600	0.09
515,000	USA Compression Partners LP	6.88	01/04/2026	497,619	0.18
170,000	Viper Energy Partners LP	5.38	01/11/2027	166,756	0.06
390,000	WPX Energy Incorporated	5.88	15/06/2028	374,771	0.14
500,000	WPX Energy Incorporated	5.25	15/10/2027	467,094	0.17
255,000	WPX Energy Incorporated	5.75	01/06/2026	247,350	0.09
290,000	WPX Energy Incorporated	8.25	01/08/2023	321,900	0.12
				<b>16,937,342</b>	<b>6.18</b>
<b>Packaging and Containers (1.41%)</b>					
USD 445,000	Berry Global Incorporated	4.50	15/02/2026	438,401	0.16
EUR 410,000	Berry Global Incorporated	1.00	15/01/2025	434,720	0.16
USD 355,000	Crown Americas LLC	4.75	01/02/2026	361,756	0.13
415,000	Crown Cork & Seal Company Incorporated	7.38	15/12/2026	485,550	0.18

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Packaging and Containers (1.41%) <i>cont.</i></b>				
USD 810,000 Greif Incorporated	6.50	01/03/2027	USD 824,474	0.30
600,000 Mauser Packaging Solutions Holding Company	7.25	15/04/2025	544,061	0.20
EUR 355,000 Mauser Packaging Solutions Holding Company	4.75	15/04/2024	386,957	0.14
USD 165,000 Mauser Packaging Solutions Holding Company	8.50	15/04/2024	169,950	0.06
210,000 Owens-Brockway Glass Container Incorporated	6.63	13/05/2027	218,400	0.08
			<b>3,864,269</b>	<b>1.41</b>
<b>Pharmaceuticals (0.44%)</b>				
510,000 Bausch Health Americas Incorporated	8.50	31/01/2027	544,425	0.20
500,000 Elanco Animal Health Incorporated	5.65	28/08/2028	554,400	0.20
115,999 Par Pharmaceutical Incorporated	7.50	01/04/2027	118,609	0.04
			<b>1,217,434</b>	<b>0.44</b>
<b>Pipelines (2.15%)</b>				
205,000 Buckeye Partners LP	5.85	15/11/2043	177,899	0.06
215,000 Buckeye Partners LP	4.50	01/03/2028	201,025	0.07
145,000 Buckeye Partners LP	3.95	01/12/2026	136,634	0.05
545,000 Cheniere Corpus Christi Holdings LLC	5.13	30/06/2027	598,885	0.22
875,000 DCP Midstream Operating LP	6.75	15/09/2037	787,499	0.29
370,000 DCP Midstream Operating LP	5.63	15/07/2027	371,850	0.14
1,515,000 Energy Transfer Operating LP	6.63	31/12/2099	1,159,269	0.42
1,085,000 Hess Midstream Operations LP	5.63	15/02/2026	1,073,596	0.39
135,000 Holly Energy Partners LP	5.00	01/02/2028	128,588	0.05
134,000 Kinder Morgan Incorporated	7.75	15/01/2032	187,286	0.07
575,000 Tallgrass Energy Partners LP	5.50	15/01/2028	497,375	0.18
175,000 Targa Resources Partners LP	5.50	01/03/2030	168,984	0.06
155,000 Targa Resources Partners LP	6.88	15/01/2029	162,363	0.06
245,000 Targa Resources Partners LP	6.50	15/07/2027	245,613	0.09
			<b>5,896,866</b>	<b>2.15</b>
<b>Real Estate (1.95%)</b>				
1,025,000 Diversified Healthcare Trust	9.75	15/06/2025	1,100,594	0.41
325,000 ESH Hospitality Incorporated	5.25	01/05/2025	312,000	0.11
725,000 Howard Hughes Corporation	5.38	15/03/2025	674,685	0.25
480,000 Iron Mountain Incorporated	5.25	15/03/2028	477,600	0.17
410,000 Iron Mountain Incorporated	4.88	15/09/2027	400,775	0.15
745,000 iStar Incorporated	4.25	01/08/2025	674,225	0.25
775,000 iStar Incorporated	4.75	01/10/2024	723,656	0.26
285,000 Ladder Capital Finance Holdings LLLP	4.25	01/02/2027	228,000	0.08
180,000 Service Properties Trust	7.50	15/09/2025	189,636	0.07
615,000 Starwood Property Trust Incorporated	4.75	15/03/2025	559,650	0.20
			<b>5,340,821</b>	<b>1.95</b>
<b>Retail (2.72%)</b>				
120,000 Beacon Roofing Supply Incorporated	4.50	15/11/2026	117,374	0.04
565,000 Beacon Roofing Supply Incorporated	4.88	01/11/2025	504,263	0.18
190,000 Gap Incorporated	8.63	15/05/2025	201,163	0.07
330,000 Gap Incorporated	8.38	15/05/2023	359,288	0.13
640,000 Golden Nugget Incorporated	8.75	01/10/2025	361,600	0.13
1,030,000 Golden Nugget Incorporated	6.75	15/10/2024	740,312	0.27
255,000 IRB Holding Corporation	7.00	15/06/2025	262,829	0.10
677,000 KFC Holding Company	4.75	01/06/2027	693,925	0.26
515,000 KFC Holding Company	5.25	01/06/2026	527,875	0.19
285,000 L Brands Incorporated	6.75	01/07/2036	233,700	0.09
335,000 L Brands Incorporated	7.50	15/06/2029	294,381	0.11
130,000 L Brands Incorporated	6.88	01/07/2025	134,225	0.05
105,000 L Brands Incorporated	9.38	01/07/2025	105,126	0.04

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## U.S. CORPORATE BONDS AND NOTES (67.90%) (30 June 2019: 65.13%) *cont.*

Principal Amount	Coupon Rate	Maturity Dates	Value USD	% of Fund
<b>Retail (2.72%) <i>cont.</i></b>				
USD 125,000 Macy's Incorporated	8.38	15/06/2025	USD 124,436	0.05
410,000 Nordstrom Incorporated	8.75	15/05/2025	441,219	0.16
360,000 Penske Automotive Group Incorporated	5.38	01/12/2024	359,100	0.13
249,000 Rite Aid Corporation	7.50	01/07/2025	249,000	0.09
431,000 Rite Aid Corporation	6.13	01/04/2023	419,148	0.15
260,000 Staples Incorporated	10.75	15/04/2027	152,750	0.06
980,000 Staples Incorporated	7.50	15/04/2026	770,034	0.28
275,000 Yum! Brands Incorporated	4.75	15/01/2030	279,125	0.10
100,000 Yum! Brands Incorporated	7.75	01/04/2025	107,875	0.04
			<b>7,438,748</b>	<b>2.72</b>
<b>Semiconductors (0.52%)</b>				
535,000 Microchip Technology Incorporated	4.25	01/09/2025	538,404	0.20
290,000 ON Semiconductor Corporation	1.63	15/10/2023	351,918	0.12
515,000 Qorvo Incorporated	5.50	15/07/2026	535,600	0.20
			<b>1,425,922</b>	<b>0.52</b>
<b>Software (1.42%)</b>				
620,000 Ascend Learning LLC	6.88	01/08/2025	624,573	0.24
300,000 Ascend Learning LLC	6.88	01/08/2025	301,500	0.11
250,000 Boxer Parent Company Incorporated	9.13	01/03/2026	258,750	0.09
135,000 Boxer Parent Company Incorporated	7.13	02/10/2025	141,548	0.05
35,000 Dun & Bradstreet Corporation	6.88	15/08/2026	36,892	0.01
675,000 Solera LLC	10.50	01/03/2024	686,813	0.26
207,000 Splunk Incorporated	1.13	15/06/2027	220,528	0.08
195,000 Splunk Incorporated	1.13	15/09/2025	286,479	0.10
1,295,000 SS&C Technologies Incorporated	5.50	30/09/2027	1,320,899	0.48
			<b>3,877,982</b>	<b>1.42</b>
<b>Telecommunications (4.32%)</b>				
160,000 CommScope Incorporated	5.50	01/03/2024	161,600	0.06
480,000 CommScope Technologies LLC	6.00	15/06/2025	463,536	0.17
940,000 Frontier Communications Corporation	8.50	01/04/2026	888,300	0.32
1,010,000 Frontier Communications Corporation	10.50	15/09/2022	348,450	0.13
370,000 Level 3 Financing Incorporated	4.25	01/07/2028	369,575	0.13
600,000 Level 3 Financing Incorporated	4.63	15/09/2027	604,500	0.22
2,015,000 Level 3 Financing Incorporated	5.25	15/03/2026	2,070,412	0.76
1,075,000 Plantronics Incorporated	5.50	31/05/2023	936,594	0.34
935,000 Sprint Capital Corporation	6.88	15/11/2028	1,138,363	0.43
900,000 Sprint Corporation	7.63	01/03/2026	1,062,333	0.39
205,000 T-Mobile USA Incorporated	3.88	15/04/2030	228,157	0.08
990,000 T-Mobile USA Incorporated	4.75	01/02/2028	1,045,836	0.38
515,000 T-Mobile USA Incorporated	3.75	15/04/2027	570,708	0.21
270,000 T-Mobile USA Incorporated	5.38	15/04/2027	284,175	0.10
255,000 T-Mobile USA Incorporated	4.50	01/02/2026	258,050	0.09
1,040,000 T-Mobile USA Incorporated	6.38	01/03/2025	1,068,600	0.39
240,000 Zayo Group Holdings Incorporated	6.13	01/03/2028	233,400	0.09
100,000 Zayo Group Holdings Incorporated	4.00	01/03/2027	95,156	0.03
			<b>11,827,745</b>	<b>4.32</b>
<b>Toys/Games/Hobbies (0.30%)</b>				
805,000 Mattel Incorporated	5.88	15/12/2027	829,150	0.30
			<b>829,150</b>	<b>0.30</b>
<b>Transportation (0.44%)</b>				
1,180,000 Watco Companies LLC	6.50	15/06/2027	1,209,004	0.44
			<b>1,209,004</b>	<b>0.44</b>
<b>Total U.S. Corporate Bonds and Notes</b>			<b>USD 185,987,056</b>	<b>67.90</b>

(FWC) Forward commitment, in part or in entirety (Note 2).

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## FOREIGN GOVERNMENT AND AGENCY BONDS AND NOTES (0.02%) (30 June 2019: 0.01%)

Principal Amount	Coupon Rate	Maturity Date	Value USD	% of Fund
CHF 30,000 Swiss Confederation Government Bond (Switzerland)	4.00	08/04/2028	USD 43,023	0.02
<b>Total Foreign Government and Agency Bonds and Notes</b>			<b>USD 43,023</b>	<b>0.02</b>

## COMMERCIAL PAPER (-%) (30 June 2019: 0.49%)

### CONVERTIBLE PREFERRED STOCKS (0.79%) (30 June 2019: 0.19%)

Number of Shares	Value USD	% of Fund
<b>Electric Utilities (0.15%)</b>		
11,675 CenterPoint Energy Incorporated	USD 415,163	0.15
	<b>415,163</b>	<b>0.15</b>
<b>Medical Technology (0.19%)</b>		
425 Danaher Corporation	531,667	0.19
	<b>531,667</b>	<b>0.19</b>
<b>Real Estate (0.28%)</b>		
520 Crown Castle International Corporation	773,900	0.28
	<b>773,900</b>	<b>0.28</b>
<b>Semiconductors (0.17%)</b>		
430 Broadcom Incorporated	479,171	0.17
	<b>479,171</b>	<b>0.17</b>
<b>Total Convertible Preferred Stocks</b>	<b>USD 2,199,901</b>	<b>0.79</b>

### PREFERRED STOCKS (0.21%) (30 June 2019: -%)

Number of Shares	Value USD	% of Fund
<b>Telecommunications (0.21%)</b>		
561 2020 Cash Exchange Trust	572,781	0.21
<b>Total Preferred Stocks</b>	<b>USD 572,781</b>	<b>0.21</b>

### U.S. TREASURY OBLIGATIONS (3.34%) (30 June 2019: 2.99%)

Principal Amount	Yield (%)	Maturity Dates	Value USD	% of Fund
USD 2104,000 United States Treasury Bill <sup>1</sup>	0.02	03/09/2020	USD 2,103,944	0.77
1,095,000 United States Treasury Bill <sup>2</sup>	0.00	20/08/2020	1,095,000	0.40
3,052,000 United States Treasury Bill <sup>3</sup>	0.00	13/08/2020	3,052,000	1.11
905,000 United States Treasury Bill <sup>4</sup>	0.01	06/08/2020	904,991	0.33
622,000 United States Treasury Bill	0.96	23/07/2020	621,884	0.23
334,000 United States Treasury Bill	7.38	16/07/2020	333,792	0.12
1,029,000 United States Treasury Bill <sup>5</sup>	0.30	09/07/2020	1,028,987	0.38
<b>Total U.S. Treasury Obligations</b>			<b>USD 9,140,598</b>	<b>3.34</b>
<b>Total Value of Investments excluding financial derivative instruments</b>			<b>USD 274,458,650</b>	<b>100.21</b>

<sup>1</sup>Security is partly held as collateral by Bank of America (USD 455,619), Barclays Bank PLC (USD 120,371), Citibank (USD 333,258), Goldman Sachs (USD 202,939), JP Morgan Chase (USD 318,336), State Street Bank (USD 389,962), UBS (USD 60,378) and Westpac (USD 211,893).

<sup>2</sup>Security is partly held as collateral by Citibank (USD 170,111), Goldman Sachs (USD 352,160), JP Morgan Chase (USD 150,215), State Street Bank (USD 216,867) and Westpac (USD 199,955).

<sup>3</sup>Security is partly held as collateral by Bank of America (USD 501,380), Citibank (USD 331,269), Goldman Sachs (USD 471,536), JP Morgan Chase (USD 300,430), Natwest Markets PLC (USD 230,794) and State Street Bank (USD 170,111).

<sup>4</sup>Security is partly held as collateral by State Street Bank (USD 209,924).

<sup>5</sup>Security is partly held as collateral by Barclays Bank PLC (USD 70,645).

(F) This security is valued by the Investment Advisor at fair value. Securities may be classified as Level 2 or Level 3 for Financial Reporting Standard 102 ("FRS 102"), "Fair Value: Disclosure", based on the securities' valuation inputs. See Note 2 to the Financial Statements regarding valuation of investments.

### FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS (-1.25%) (30 June 2019: 0.16%)

Counterparty	Currency	Contract type*	Delivery date	Value USD	Aggregate face value USD	Unrealised Appreciation/ (Depreciation) USD	% of Fund
<b>Bank of America, N.A.</b>							
	British Pound	Buy	16/09/2020	USD 35,826	USD 36,407	USD (581)	-
	British Pound	Buy	16/09/2020	26,686,534	27,119,483	(432,950)	(0.17)

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS (-1.25%) (30 June 2019: 0.16%) *cont.*

Counterparty	Currency	Contract type*	Delivery date	Value USD	Aggregate face value USD	Unrealised Appreciation/ (Depreciation) USD	% of Fund
<b>Bank of America, N.A. <i>cont.</i></b>							
	British Pound	Buy	16/09/2020	USD 13,145,853	USD 13,359,125	USD (213,272)	(0.09)
	British Pound	Sell	16/09/2020	1,996,454	2,028,843	32,390	0.01
	British Pound	Sell	16/09/2020	334,705	341,046	6,341	-
	Euro	Buy	16/09/2020	403,561	409,747	(6,186)	-
	Euro	Buy	16/09/2020	222,262	222,932	(670)	-
	Euro	Buy	16/09/2020	1,837,631	1,832,996	4,635	-
	Euro	Sell	16/09/2020	4,161,651	4,151,153	(10,498)	-
	Euro	Sell	16/09/2020	12,154	12,123	(31)	-
<b>Barclays Bank PLC</b>							
	British Pound	Buy	16/09/2020	110,577	112,349	(1,772)	-
	British Pound	Buy	16/09/2020	554,247	563,130	(8,883)	-
	British Pound	Buy	16/09/2020	9,833,388	9,990,995	(157,607)	(0.06)
	British Pound	Sell	16/09/2020	45,619	46,350	731	-
	Euro	Sell	16/09/2020	12,544,147	12,518,081	(26,065)	(0.01)
	Euro	Sell	16/09/2020	1,109,286	1,106,981	(2,305)	-
	Euro	Sell	16/09/2020	14,968	14,936	(32)	-
<b>Citibank, N.A.</b>							
	British Pound	Buy	16/09/2020	307,805	312,798	(4,993)	-
	British Pound	Buy	16/09/2020	26,776	27,152	(376)	-
	British Pound	Buy	16/09/2020	23,305	23,689	(384)	-
	British Pound	Buy	16/09/2020	3,208,210	3,261,012	(52,802)	(0.02)
	British Pound	Buy	16/09/2020	29,540,205	30,019,379	(479,175)	(0.18)
	British Pound	Buy	16/09/2020	2,131,452	2,136,765	(5,313)	-
	British Pound	Sell	16/09/2020	1,625,303	1,651,667	26,365	0.01
	British Pound	Sell	16/09/2020	445,654	452,883	7,229	-
	Canadian Dollar	Sell	15/07/2020	34,327	33,251	(1,076)	-
	Euro	Buy	16/09/2020	398,497	397,582	915	-
	Euro	Buy	16/09/2020	4,323,593	4,313,665	9,928	-
	Euro	Sell	16/09/2020	6,977	6,961	(16)	-
<b>Credit Suisse AG</b>							
	British Pound	Buy	16/09/2020	51,941	52,771	(830)	-
<b>Goldman Sachs International</b>							
	British Pound	Buy	16/09/2020	337,804	343,178	(5,374)	-
	British Pound	Buy	16/09/2020	71,900	73,043	(1,143)	-
	British Pound	Buy	16/09/2020	26,736,616	27,161,966	(425,351)	(0.17)
	British Pound	Buy	16/09/2020	12,508,798	12,707,799	(199,001)	(0.07)
	Euro	Buy	16/09/2020	4,931,747	4,917,769	13,978	0.01
	Euro	Buy	16/09/2020	207,857	207,268	589	-
	Euro	Sell	16/09/2020	2,836,405	2,828,365	(8,040)	-
<b>HSBC Bank</b>							
	British Pound	Buy	16/09/2020	24,669	24,945	(276)	-
	British Pound	Buy	16/09/2020	2,210,913	2,235,637	(24,724)	(0.01)
	British Pound	Buy	16/09/2020	574,081	580,501	(6,420)	-
	British Pound	Sell	16/09/2020	86,280	87,651	1,371	-
	British Pound	Sell	16/09/2020	14,941,484	15,178,946	237,462	0.10
	British Pound	Sell	16/09/2020	1,955,174	1,986,247	31,073	0.01
	Euro	Buy	16/09/2020	1,335,262	1,332,336	2,926	-
	Euro	Buy	16/09/2020	436,084	439,109	(3,025)	-
	Euro	Buy	16/09/2020	5,177	5,213	(36)	-
	Euro	Buy	16/09/2020	7,315	7,380	(65)	-
	Euro	Buy	16/09/2020	13,167	13,138	29	-
	Euro	Sell	16/09/2020	5,034,382	5,023,351	(11,031)	-

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

# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS (-1.25%) (30 June 2019: 0.16%) *cont.*

Counterparty	Currency	Contract type*	Delivery date	Value USD	Aggregate face value USD	Unrealised Appreciation/ (Depreciation) USD	% of Fund
<b>JPMorgan Chase Bank, N.A.</b>							
	British Pound	Buy	16/09/2020	USD 529,578	USD 538,050	USD (8,472)	-
	British Pound	Buy	16/09/2020	25,944,109	26,359,153	(415,045)	(0.16)
	British Pound	Buy	16/09/2020	5,884,116	5,978,248	(94,132)	(0.03)
	British Pound	Sell	16/09/2020	459,414	466,763	7,349	-
	Euro	Buy	16/09/2020	2,534,466	2,527,521	6,945	-
	Euro	Buy	16/09/2020	4,942,889	4,929,344	13,545	0.01
	Euro	Buy	16/09/2020	221,362	220,755	607	-
	Swiss Franc	Sell	16/09/2020	45,804	45,162	(642)	-
<b>NatWest Markets PLC</b>							
	British Pound	Buy	16/09/2020	123,345	125,328	(1,983)	-
	British Pound	Buy	16/09/2020	3,016,437	3,069,859	(53,422)	(0.02)
	British Pound	Buy	16/09/2020	5,273,217	5,358,006	(84,789)	(0.03)
	British Pound	Buy	16/09/2020	753,706	767,055	(13,349)	-
	British Pound	Sell	16/09/2020	1,797,490	1,800,501	3,011	-
	British Pound	Sell	16/09/2020	1,978,107	1,971,195	(6,912)	-
	British Pound	Sell	16/09/2020	94,213	95,728	1,515	-
	Euro	Buy	16/09/2020	67,523	67,713	(190)	-
	Euro	Buy	16/09/2020	243,982	243,379	603	-
	Euro	Sell	16/09/2020	3,993,407	3,983,528	(9,879)	-
<b>State Street Bank &amp; Trust Company</b>							
	British Pound	Buy	16/09/2020	341,275	350,582	(9,307)	-
	British Pound	Buy	16/09/2020	463,505	470,933	(7,428)	-
	British Pound	Buy	16/09/2020	24,173	24,714	(541)	-
	British Pound	Buy	16/09/2020	22,562	23,144	(582)	-
	British Pound	Buy	16/09/2020	1,951,951	2,002,316	(50,365)	(0.02)
	British Pound	Buy	16/09/2020	23,510,183	23,886,973	(376,790)	(0.15)
	British Pound	Buy	16/09/2020	1,689,269	1,701,972	(12,703)	-
	British Pound	Buy	16/09/2020	479,496	491,868	(12,372)	-
	British Pound	Buy	16/09/2020	10,923,163	11,098,225	(175,062)	(0.06)
	British Pound	Buy	16/09/2020	423,216	426,399	(3,183)	-
	Canadian Dollar	Sell	15/07/2020	657,729	637,676	(20,053)	(0.01)
	Euro	Buy	16/09/2020	6,273,874	6,260,306	13,568	0.01
	Euro	Buy	16/09/2020	2,635,299	2,629,600	5,699	-
	Euro	Buy	16/09/2020	241,506	241,720	(214)	-
	Euro	Buy	16/09/2020	242,407	242,228	179	-
	Euro	Buy	16/09/2020	4,502	4,461	41	-
	Euro	Buy	16/09/2020	6,190	6,185	5	-
	Euro	Buy	16/09/2020	11,366	11,342	24	-
	Euro	Sell	16/09/2020	382,629	382,356	(273)	-
	Euro	Sell	16/09/2020	287,759	289,285	1,526	-
	Euro	Sell	16/09/2020	810,273	814,835	4,562	-
	Euro	Sell	16/09/2020	967,713	962,930	(4,783)	-
	Euro	Sell	16/09/2020	884,773	880,083	(4,690)	-
	Euro	Sell	16/09/2020	436,760	437,148	388	-
	Euro	Sell	16/09/2020	8,215	8,223	8	-
<b>Toronto-Dominion Bank</b>							
	Euro	Buy	16/09/2020	242,182	241,487	695	-

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



# Putnam Global High Yield Bond Fund

Schedule of Investments *cont.*  
30 June 2020

## FORWARD FOREIGN EXCHANGE CURRENCY CONTRACTS (-1.25%) (30 June 2019: 0.16%) *cont.*

Counterparty	Currency	Contract type*	Delivery date	Value USD	Aggregate face value USD	Unrealised Appreciation/ (Depreciation) USD	% of Fund
<b>UBS AG</b>							
	British Pound	Buy	16/09/2020	USD 91,114	USD 92,595	USD (1,481)	-
	British Pound	Buy	16/09/2020	7,006,246	7,120,081	(113,835)	(0.04)
	British Pound	Sell	16/09/2020	1,120,270	1,138,472	18,202	0.01
	British Pound	Sell	16/09/2020	23,057	22,858	(199)	-
	British Pound	Sell	16/09/2020	34,214	34,538	324	-
	British Pound	Sell	16/09/2020	3,175,608	3,205,629	30,021	0.01
	British Pound	Sell	16/09/2020	496,107	491,811	(4,296)	-
	British Pound	Sell	16/09/2020	774,284	781,604	7,320	-
	Euro	Buy	16/09/2020	697,060	695,639	1,421	-
	Euro	Buy	16/09/2020	1,238	1,235	3	-
	Euro	Sell	16/09/2020	10,494,157	10,472,768	(21,389)	(0.01)
	Euro	Sell	16/09/2020	5,289	5,291	2	-
<b>Westpac Banking Corporation</b>							
	British Pound	Buy	16/09/2020	38,801	39,420	(619)	-
	British Pound	Buy	16/09/2020	19,308,146	19,616,018	(307,872)	(0.12)
	British Pound	Sell	16/09/2020	290,326	294,955	4,629	-
	Canadian Dollar	Sell	15/07/2020	163,309	158,355	(4,954)	-
	Euro	Buy	16/09/2020	2,552,697	2,546,813	5,884	-
	Euro	Buy	16/09/2020	1,463	1,460	3	-
<b>Unrealised Appreciation on Forward Foreign Exchange Currency Contracts</b>						<b>USD 504,041</b>	<b>0.18</b>
<b>Unrealised Depreciation on Forward Foreign Exchange Currency Contracts</b>						<b>USD (3,912,109)</b>	<b>(1.43)</b>
<b>Net Unrealised Depreciation on Forward Foreign Exchange Currency Contracts</b>						<b>USD (3,408,068)</b>	<b>(1.25)</b>
<b>Total Financial Assets at Fair Value through Profit or Loss</b>						<b>USD 274,962,691</b>	<b>100.39</b>
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>						<b>USD (3,912,109)</b>	<b>(1.43)</b>

\* The exchange currency for all contracts listed is the United States Dollar.

	% of Total Assets
<b>Analysis of Total Assets (unaudited)</b>	
Transferable securities admitted to official stock exchange listing	49.67
Transferable securities dealt on another regulated market	29.01
Other transferable securities of the type referred to in Regulation 68(1)(a), (b) and (c)	18.89
OTC financial derivative instruments	0.18
Other assets	2.25
<b>Total Assets</b>	<b>100.00</b>

# Statement of Comprehensive Income

## Putnam Global High Yield Bond Fund

	Year ended 30 June 2020 USD	Year ended 30 June 2019 USD
<b>Operating (Loss)/Income</b>		
Interest Income	\$ 17,127,186	\$ 17,975,495
Dividend Income	104,723	74,616
Other Income	5,000	10,000
Net Realised Losses on Financial Assets and Liabilities at Fair Value through Profit or Loss	(10,841,882)	(20,374,726)
Net Movement in Unrealised (Losses)/Gains on Financial Assets and Liabilities at Fair Value through Profit or Loss	(15,360,871)	12,673,197
	<b>\$ (8,965,844)</b>	<b>\$ 10,358,582</b>
<b>Operating Expenses</b>		
Management Fees (Note 11)	1,537,237	1,535,044
Depository Fees (Note 8)	144,102	156,562
Administrator Fees (Note 8)	378,511	379,714
Auditors' Fees	40,260	42,150
Professional Fees (Note 11)	21,456	34,375
Other Expenses	18,726	120,455
	<b>\$ 2,140,292</b>	<b>\$ 2,268,300</b>
Expense reimbursement from Manager (Note 11)	(137,245)	(193,159)
	<b>\$ 2,003,047</b>	<b>\$ 2,075,141</b>
<b>Operating (Loss)/Profit</b>	<b>\$ (10,968,891)</b>	<b>\$ 8,283,441</b>
<b>Finance Costs</b>		
Distributions to redeemable participating Unitholders (Note 3)	(11,983,053)	(11,888,197)
<b>Loss for Financial Year after Distributions and before Tax</b>	<b>\$ (22,951,944)</b>	<b>\$ (3,604,756)</b>
Non-reclaimable withholding tax	(36,091)	(45,731)
<b>Decrease in Net Assets attributable to redeemable participating Unitholders from operations</b>	<b>\$ (22,988,035)</b>	<b>\$ (3,650,487)</b>

There are no recognised gains or losses arising in the year other than the decrease in Net Assets attributable to redeemable participating Unitholders from operations. In arriving at the results for the financial year, all amounts above relate to continuing operations.

On behalf of the Manager:

Director

Director

14 October 2020

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

# Statement of Financial Position

## Putnam Global High Yield Bond Fund

	30 June 2020 USD	30 June 2019 USD
<b>Current Assets</b>		
Financial Assets at Fair Value through Profit or Loss	\$ 274,962,691	\$ 325,313,946
Cash at Bank (Note 2)	256,338	443,751
Broker Cash Held as Collateral for Financial Derivative Instruments (Note 6)	350,000	493,000
Receivable for Expense Reimbursement from Manager (Note 11)	32,503	97,518
Sales of Investments Awaiting Settlement	1,978,997	1,067,435
Subscription of Units Awaiting Settlement	153,729	467,824
Interest Income Receivable	3,539,327	4,434,440
<b>Total Assets</b>	<b>\$ 281,273,585</b>	<b>\$ 332,317,914</b>
<b>Creditors</b>		
<b>(amounts falling due within one year)</b>		
Financial Liabilities at Fair Value through Profit or Loss	3,912,109	583,892
Purchase of Investments Awaiting Settlement	2,131,347	2,843,337
Broker Cash due to Counterparties for Financial Derivative Instruments (Note 6)	350,000	493,000
Redemption of Units Awaiting Settlement	147,946	401,629
Distributions Payable	-	10,800
Expenses Payable	837,045	1,062,720
<b>Total Current Liabilities</b>	<b>\$ 7,378,447</b>	<b>\$ 5,395,378</b>
<b>Net Assets attributable to redeemable participating Unitholders</b>	<b>\$ 273,895,138</b>	<b>\$ 326,922,536</b>

On behalf of the Manager:

Director:

Director:

14 October 2020

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

# Statement of Changes in Net Assets Attributable to Redeemable Participating Unitholders

## Putnam Global High Yield Bond Fund

	Year ended 30 June 2020 USD	Year ended 30 June 2019 USD
<b>Net Assets attributable to redeemable participating Unitholders at beginning of year</b>	<b>\$ 326,922,536</b>	<b>\$ 312,969,274</b>
Decrease in Net Assets attributable to redeemable participating Unitholders from operations	(22,988,035)	(3,650,487)
Issue of redeemable participating Units	39,981,322	57,500,680
Redemption of redeemable participating Units	(77,657,526)	(46,524,097)
<b>Net (Decrease)/Increase in Net Assets resulting from Unit Transactions</b>	<b>(37,676,204)</b>	<b>10,976,583</b>
Dividends Reinvested	7,636,841	6,627,166
<b>(Decrease)/Increase in Net Assets</b>	<b>(53,027,398)</b>	<b>13,953,262</b>
<b>Net Assets attributable to redeemable participating Unitholders at end of year</b>	<b>\$ 273,895,138</b>	<b>\$ 326,922,536</b>

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

# Notes to the Financial Statements

for the year ended 30 June 2020

## 1. Basis of Preparation

The financial statements have been prepared for the year ended 30 June 2020.

All references to net assets throughout the documents refers to Net assets attributable to holders of Redeemable Participating Units unless otherwise stated.

### Statement of compliance

These financial statements have been prepared on a going concern basis and in accordance with FRS 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended, (the "UCITS Regulations"). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Financial Reporting Council ("FRC").

The Trust has continued to avail of the exemption available to open-ended investment funds under FRS 102 and is not presenting a Cash Flow Statement.

### Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions are outlined below.

#### *Fair value of financial instruments*

The Trust may, from time to time, hold financial instruments that are not quoted in active markets, such as securities which are valued using prices sourced from a broker, and over-the-counter ("OTC") derivatives. The fair value of such instruments is determined using valuation techniques, further details are included in Note 2 A) (i) Fair value estimation. Where valuation techniques are used to determine fair value they are validated and periodically reviewed by experienced personnel at the Manager or its affiliates, independent of the party that created them. The prices used at the year end which have been sourced from a single broker source are the best estimates of fair value as at the year end date. However, there is a degree of uncertainty in respect of these prices. It may not always be possible to close out the positions at the stated mark with the given counterparty.

Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Manager. 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. Refer to Note 5 (C) of the financial statements for the Fair Valuation Hierarchy of these investments.

The Directors believe that the values arrived at are reasonable and prudent, however, actual results may differ from these estimates and the differences could be material.

All the Trust's financial assets and financial liabilities are held for the purpose of being traded.

#### *Functional currency*

The Board of Directors of the Manager considers the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions to be U.S. Dollar for the Fund. The U.S. Dollar is the currency in which the Fund measures its performance and reports its results.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies

The accounting policies set out in this note have, unless otherwise stated, been applied consistently to all financial years/periods presented in these financial statements.

### A) Investments

#### i) Valuation of Investments

Investments are reported at fair value at the Statement of Financial Position date. The fair value of securities traded in active markets is based on the last quoted trade price for listed equities, except where the Investment Advisor deems it appropriate to apply fair value estimation as outlined in more detail in the "Fair Value Estimation" section of this note, and the closing bid price for fixed income securities. Where any of the investments are not listed on Recognised Stock Exchanges or traded on regulated markets and a quotation from an independent pricing service is not available, such securities shall be valued at their fair value as determined by the Manager or its delegate, each of them being approved by the Depositary as a competent person for such purpose. Securities valued following procedures approved by the Investment Advisor are indicated by "F" in the Fund's Schedule of Investments. The total fair value of securities valued by following the procedures approved by the Investment Advisor for the Fund as at 30 June 2020 and 30 June 2019 is listed below.

#### 30 June 2020

Fund		Number of Positions	Fair Value	% of Fund
Putnam Global High Yield Bond Fund	USD	3	14,865	0.01%

#### 30 June 2019

Fund		Number of Positions	Fair Value	% of Fund
Putnam Global High Yield Bond Fund	USD	7	67,222	0.01%

#### Classification

The Trust classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives held by the Funds are categorised by the Trust's Manager as held for trading.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Trust's documented investment strategy. The Trust's policy is for the Investment Advisor to evaluate the information about these financial assets on a fair value basis together with other related financial information. Except for derivatives, financial assets and liabilities held by the Funds are categorised by the Trust's Manager as designated at fair value through profit or loss at inception.

Financial assets and financial liabilities are acquired or incurred principally for the purpose of generating a profit from fluctuation in price.

#### Fair value estimation

The fair value of financial instruments traded in active markets is based upon market prices at the Statement of Financial Position date. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this mid-price to the net open position, as appropriate.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Trust uses a variety of methods and makes assumptions that are based on market conditions existing at each Statement of Financial Position date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. Please see Note 1 'Critical accounting estimates and assumptions' for more details.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### A) Investments *cont.*

#### i) Valuation of Investments *cont.*

##### **Fair value estimation** *cont.*

Certain securities may be valued on the basis of a price provided by a single broker. Some Funds may invest in securities with contractual cash flows, such as asset-backed securities, collateralised mortgage obligations and commercial mortgage backed securities, including securities backed by sub-prime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and, therefore, the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the scheduled close of the New York Stock Exchange. Accordingly, on certain days, the Investment Advisor will fair value certain equity securities taking into account multiple factors including movements in the U.S. securities markets, currency valuations and comparisons to the valuation of American Depository Receipts, exchange-traded funds and futures contracts. These equity securities, which would generally be classified as Level 1 securities, will be transferred to Level 2 of the fair value hierarchy when they are valued at this fair value.

##### **Rights and Warrants**

Rights and warrants contracts are options to purchase additional securities from the issuer at a specified price during a specified year. Rights and warrants are sometimes used to gain exposure to emerging market equities where custody, liquidity, or other issues make ownership of local shares sub-optimal.

The valuation of the rights and warrants depends on the level of trading. If the rights and warrants are actively traded in the market then the market price is used. If the rights and warrants are not actively traded in the market then either the intrinsic value of the right/warrant based on underlying equity price and right/warrant strike price or modified Black-Scholes derived value, adjusted for liquidity or other risks deemed appropriate are used. Premiums paid on rights which expired or were unexercised are recognised on the expiry date as realised gains or losses in the Statement of Comprehensive Income. If a right is exercised, the premium paid is included with the cost of the transaction to determine whether the Fund has realised a gain or loss on the related investment transaction.

##### **Futures**

The potential risk to the Funds is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. With futures, there is minimal counterparty credit risk to the Funds since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognised on the Funds' Statement of Financial Position.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The Funds and the broker agree to exchange an amount of cash based on the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin". For open futures, changes in the value of the contract are recognised as unrealised profits or losses by "marking-to-market" the value of the contract at the Statement of Financial Position date. Unrealised gains or losses on open futures contracts are shown in the Schedule of Investments of each relevant Fund and as appropriate, on the Statement of Financial Position as part of financial assets or financial liabilities at fair value through profit or loss. When the contract is closed, the Funds record a realised gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

##### **Options Contracts**

The potential risk to the Funds is that the change in value of options contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. Unrealised gains and losses on purchased and written options are shown in the Schedule of Investments of each relevant Fund and as appropriate, in the Statement of Financial Position as part of financial assets or financial liabilities at fair value through profit or loss. If a written call option is exercised, the premium originally received is recorded as an addition to sales proceeds. If a written put option is exercised, the premium originally received is recorded as a reduction to the cost of investments.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### A) Investments *cont.*

#### i) Valuation of Investments *cont.*

##### Options Contracts *cont.*

Exchange traded options are valued at the last sale price or, if no sales are reported, the last bid price for purchased options and the last ask price for written options. OTC traded options are valued using prices supplied by dealers.

Options on swaps are similar to options on securities except that the premium paid or received is to buy or grant the right to enter into a previously agreed upon interest rate or contract. Forward premium swap option contracts include premiums that have extended settlement dates. The delayed settlement of the premiums is factored into the daily valuation of the option contracts. In the case of interest rate cap and floor contracts, in return for a premium, ongoing payments between two parties are based on interest rates exceeding a specified rate, in the case of a cap contract, or falling below a specified rate in the case of a floor contract.

##### Forward Foreign Exchange Currency Contracts

Please refer to Note 2C(i) for the discussion on forward foreign exchange currency contracts.

##### Total Return Swap Contracts

The Funds may enter into OTC and/or centrally cleared total return swap contracts, which are arrangements between two parties to exchange a market linked return for a periodic payment, both based on a notional principal amount to help enhance the Funds' return and manage the Funds' exposure to 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 Funds 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 unrealised 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 as part of the financial assets or financial liabilities at fair value through profit or loss in the Statement of Financial Position and recorded as unrealised gain or loss. Payments received or made are recorded as realised gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates, and are indicated by "E" in the Schedule of Investments. Payments related to these swap contracts are accrued based on the terms of the contract.

The Funds could be exposed to credit or market risk due to unfavourable 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 Funds' maximum risk of loss from counterparty risk or central clearing 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 Funds 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 recognised on the Statement of Financial Position.

##### Interest Rate Swap Contracts

The Funds may enter into OTC and/or centrally cleared interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, to manage the Funds' exposure to interest rates. An OTC and centrally cleared interest rate swap can be purchased or sold with an upfront premium. For OTC interest rate swap contracts, an upfront payment paid/(received) by the Funds is recorded as an asset/(liability) on the Funds' accounting records. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change is recorded as an unrealised gain or loss on OTC interest rate swaps. Daily fluctuations in the value of centrally cleared interest rate swaps are settled through a central clearing agent and are recorded as part of financial assets or financial liabilities at fair value through profit or loss in the Statement of Financial Position and recorded as unrealised gain or loss. Payments, including upfront premiums, received or made are recorded as realised gains or losses at the reset date or the closing of the contract. Certain OTC and centrally cleared interest rate swap contracts may include extended effective dates, and are indicated by "E" in the Schedule of Investments. Payments related to these swap contracts are accrued based on the terms of the contract.

The Funds could be exposed to credit or market risk due to unfavourable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform under the contract. The Funds' 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 interest rate swap contracts by having a master netting arrangement between the Funds and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate 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 recognised on the Statement of Financial Position.



# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### A) Investments *cont.*

#### i) Valuation of Investments *cont.*

##### **Credit Default Contracts**

The Funds may enter into OTC and/or centrally cleared credit default contracts to provide a measure of protection against risk of loss following a default, or other credit event in respect of issuers within an underlying index or a single issuer, or to gain credit exposure to an underlying index or issuer. In OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. For OTC credit default contracts, an upfront payment received by a Fund is recorded as a liability on the Funds' books. An upfront payment made by a Fund is recorded as an asset on the Funds' books. Upfront and periodic payments received or paid by the Funds for OTC and centrally cleared credit default contracts are recorded as realised gains or losses at the reset date or close of the contract. Centrally cleared credit default contracts provide the same rights to the protection buyer and seller except the payments between parties, including upfront premiums, are settled through a central clearing agent through variation margin payments. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change in value of OTC credit default contracts is recorded as an unrealised gain or loss. Daily fluctuations in the value of centrally cleared credit default contracts are recorded as part of the financial assets or financial liabilities at fair value through profit or loss in the Statement of Financial Position and recorded as unrealised gain or loss. Upon the occurrence of a credit event, the difference between the par value and fair value of the reference obligation, net of any proportional amount of the upfront payment, is recorded as a realised gain or loss.

In addition to bearing the risk that the credit event will occur, the Funds could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that a Fund may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the Funds may enter into offsetting OTC and centrally cleared credit default contracts which would mitigate its risk of loss. Risk of loss may exceed amounts recognised on the Statement of Financial Position. A Fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for the OTC credit default contracts by having a master netting arrangement between that Fund and the counterparty and for centrally cleared credit default contracts through the daily exchange of variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default contracts due to the clearing house guarantee fund and other resources that are available in the event of a clearing member default. Where a Fund is a seller of protection, the maximum potential amount of future payments the Funds may be required to make is equal to the notional amount.

##### **When-Issued and Delayed Delivery Securities**

The Funds may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of hedging and investment purposes. In this instance payment for and delivery of securities take place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Fund at the time of entering into the transaction. Securities are considered "delayed delivery" securities when traded in the secondary market, or "when-issued" securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Fund and will be subject to risks of fair value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Fund until settlement date and, when issued or delivered as the case may be, such securities will be taken into account when calculating the investment restrictions limits. When-issued (WIS) and delayed delivery or forward commitment (FWC) securities, if any, are disclosed in each Fund's Schedule of Investments.

##### **To Be Announced ("TBA") Commitments**

The Funds may enter into TBA commitments to purchase securities for a fixed unit price at a future date beyond customary settlement time. Although the unit price and par amount have been established, the actual securities have not been specified. However, it is anticipated that the amount of the commitments will not significantly differ from the principal amount. The Funds hold, and maintain until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the Funds may enter into offsetting contracts for the forward sale of other securities it owns. Income on the securities will not be earned until settlement date.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### A) Investments *cont.*

#### i) Valuation of Investments *cont.*

##### To Be Announced (“TBA”) Commitments *cont.*

The Funds may also enter into TBA sales commitments to hedge its portfolio positions, to sell mortgage-backed securities it owns under delayed delivery arrangements or to take a short position in mortgage-backed securities. Proceeds of TBA sales commitments are not received until the contractual settlement date. During the time a TBA sales commitment is outstanding either equivalent deliverable securities, or an offsetting TBA purchase commitment deliverable on or before the sale commitment date, are held as “cover” for the transaction, or other liquid assets in an amount equal to the notional value of the TBA sales commitment are segregated. If the TBA sales commitment is closed through the acquisition of an offsetting TBA purchase commitment, the Funds realise a gain or loss. If the Funds deliver securities under the commitment, the Funds realise a gain or a loss from the sale of the securities based upon the unit price established at the date the commitment was entered into.

TBA commitments, which are accounted for as purchase and sale transactions, may be considered securities themselves, and involve a risk of loss due to changes in the value of the security prior to the settlement date as well as the risk that the counterparty to the transaction will not perform. Counterparty risk is mitigated by having a master agreement between the Funds and the counterparty.

Unsettled TBA commitments are valued at their fair value. The contract is marked to market daily and the change in fair value is recorded by the Funds as an unrealised gain or loss. Based on market circumstances, the Manager will determine whether to take delivery of the underlying securities or to dispose of the TBA commitments prior to settlement.

##### Repurchase Agreements

Securities purchased under agreements to resell are valued at notional value plus accrued interest. Interest rates vary for each repurchase agreement and are set at the initiation of the agreement. Interest earned under such agreements is accounted for on an accruals basis.

##### Investments in Investment Funds/Investment Companies

Investments in Investment Funds or Investment Companies are valued at the latest available unaudited Net Asset Value for the shares obtained from the relevant administrator unless, in the Manager’s reasonable opinion, there are reasons to justify departing temporarily or permanently from that price. Such reasons may, without limitation include those associated with the liquidity and/or the pricing methodology being employed by such investment funds/companies. The changes in the daily Net Asset Value of these shares is recognised as part of “Net Movement in Unrealised Gains/(Losses) on Financial Assets and Liabilities at Fair Value through Profit or Loss” as part of the Statement of Comprehensive Income.

##### Cash and Other Liquid Assets

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. All Cash at Bank as per the Statement of Financial Position as at 30 June 2020 and 30 June 2019, and all cash equivalents where applicable, are held with State Street Bank and Trust Company. There were no cash equivalents held on the Funds as at 30 June 2020 and 30 June 2019.

Cash and other liquid assets will be valued at their face value with interest accrued, where applicable.

Refer to Note 2 (f) for details of bank overdrafts.

##### Accounting for Investments

###### *Recognition/derecognition*

Purchases and sales of investments are recognised on the day the transaction takes place (the trade date). Investments are derecognised when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

###### *Measurement*

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value in accordance with the policies above. Gains and losses arising from changes in the fair value of the financial assets and financial liabilities at fair value through profit or loss category are presented in the Statement of Comprehensive Income in the year in which they arise.

###### *Classification*

The Funds classify their investments as financial assets or financial liabilities at fair value through profit or loss under FRS 102.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### A) Investments *cont.*

#### i) Valuation of Investments *cont.*

##### **Net Gains/(Losses) on Investment Activities**

In respect of each instrument type classified as financial assets or financial liabilities at fair value through profit or loss, the movement in unrealised gains/(losses) since the prior year end and realised gains/(losses) are reflected in the "net realised gains/(losses) on financial assets and liabilities at fair value through profit or loss" and "net movement in unrealised gains/(losses) on financial assets and liabilities at fair value through profit or loss" lines of the Statement of Comprehensive Income.

Realised gains and losses on investment transactions are calculated using the average cost method.

### B) Income and Expenses

#### i) Dividend Income

Dividend income arising on the underlying equity investments of the Funds is credited to the Statement of Comprehensive Income on the date on which the relevant securities are listed as "ex-dividend". Income is accounted for gross of any non-reclaimable/irrecoverable withholding taxes and net of any tax credits. The withholding tax is shown separately in the Statement of Comprehensive Income.

#### ii) Interest Income and Expense

Bond interest is recognised as income of the Funds on an effective interest basis. Bond interest is included in interest income in the Statement of Comprehensive Income. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Funds estimate cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The net amounts of interest payments and receipts on swaps are included in interest income in the Statement of Comprehensive Income and in premium paid or received on swap contracts or purchase of investments awaiting settlement (as appropriate) on the Statement of Financial Position. The interest income earned on repurchase agreements is disclosed as part of interest income in the Statement of Comprehensive Income.

Bank interest is recognised on an accruals basis and included in interest income in the Statement of Comprehensive Income.

#### iii) Other Income

Other income, as reflected in the Statements of Comprehensive Income, is recognised on an accruals basis.

#### iv) Capital Gains Tax

The Funds currently incur taxes imposed by certain countries on capital gains. Such gains are recorded gross of capital gains tax in the Statement of Comprehensive Income. Capital gains tax, where it occurs, is shown as a separate item in the Statement of Comprehensive Income.

#### v) Expenses

Each Fund shall pay all of its expenses and such proportion of the Trust's expenses which are allocated to that Fund based on the average Net Asset Value of the Fund when the expense is accrued. The costs and gains or losses of any currency hedging transactions will be attributable to the relevant Class in their entirety. To the extent that expenses are attributable entirely to a specific Class of a Fund, that Class shall bear such expenses. All expenses are accrued on a daily basis.

#### vi) Transaction Costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on the purchase and sale of fixed income investments, forwards, repurchase agreements, swaps and swaptions, are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

Transaction costs on purchases and sales of equities, investment funds/companies, futures and options are included in net gains/(losses) on investments in the Statement of Comprehensive Income for each Fund.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 2. Accounting Policies *cont.*

### C) Foreign Exchange Translation

#### i) Functional and Presentation Currency

Items included in each Fund's financial statements are measured and reported using the currency of the primary economic environment in which it operates (the "functional currency" or "presentation currency"). As stated in Note 1, US Dollars is the functional currency for the Fund.

Assets and liabilities, including net assets attributable to redeemable participating Unitholders, are translated at the closing rate at each Statement of Financial Position date. Exchange differences arising between the rate of translation of subscriptions and redemptions are also attributed to the redeemable participating Unitholders.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

#### ii) Forward Foreign Exchange Currency Contracts

The Funds may enter into various types of forward foreign exchange currency contracts including EUR and GBP Class level hedging, foreign security hedging and security transaction level hedging. The unrealised gain or loss on open forward foreign exchange currency contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realised gains or losses include net gains on contracts, which have been settled or offset by other contracts. For foreign security hedges and security transaction level hedges, realised and unrealised gains and losses are allocated at the Fund level. For EUR and GBP Class level hedges, these realised and unrealised gains and losses are allocated solely to the EUR and GBP Unit Classes. While the Funds will attempt to hedge against the USD to EUR and GBP currency exposure, there can be no guarantee that the value of the EUR and GBP Classes will not be affected by the value of the EUR and GBP relative to the USD.

### D) Redeemable Participating Units and Distributions

Redeemable participating units are issued and redeemed at the Unitholder's option at prices based on a Fund's Net Asset Value per unit at the time of issue or redemption.

The Fund has more than one class of redeemable participating units are in issue which are redeemable at the Unitholder's option and are classified as financial liabilities. A Fund's Net Asset Value per unit is calculated by dividing the net assets attributable to holders of Redeemable Participating Units of each class of units with the total number of outstanding units for each respective class. Distributions to redeemable participating Unitholders are recognised as a finance cost in the Statement of Comprehensive Income and are recognised on ex-date. The participating unit can be put back to a Fund at any time for cash equal to a proportionate share of the Fund's Net Asset Value. The participating unit is carried at the redemption amount that is payable at the Statement of Financial Position date if the Unitholder exercised his/her right to put the unit back to the Fund.

### E) Other Receivables and Payables

#### i) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised at fair value plus transaction costs that are directly attributable to their acquisition origination.

#### ii) Payables

Payables are recognised at fair value.

#### iii) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### F) Bank overdrafts

Under the Trust Deed between the Manager and State Street Custodial Services (Ireland) Limited, the depositary bank has a lien on the securities of each Fund to the extent permitted by the Trust Deed.

## 3. Number of Units in Issue and Net Assets attributable to redeemable Participating Unitholder

Each of the units entitles the holder to participate equally on a pro rata basis in the profits and dividends of the Funds attributable to such Class of units and to attend and vote at meetings of the Fund represented by those units. No class of units confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of units or any voting rights in relation to matters relating solely to any other class of units. Each unit represents an undivided beneficial interest in the relevant Fund.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 3. Number of Units in Issue and Net Assets attributable to redeemable Participating Unitholder *cont.*

The return on an investment in the Funds will depend solely upon the investment performance of the assets and liabilities in that Fund and the increase or decrease (as the case may be) in the Net Asset Value of the units. The amount payable to a Unitholder in respect of each unit upon liquidation of the relevant Funds will equal the Net Asset Value of the Units of that Fund.

Net assets attributable to Unitholders represent a liability on the Statement of Financial Position, carried at the redemption amount that would be payable at the Statement of Financial Position date if the Unitholder exercised the right to redeem his/her Units to the Fund.

If the number of Units in a Fund falling to be redeemed on any Dealing Day is equal to 10% or more of the total number of Units in issue or deemed to be in issue in that Fund on such Dealing Day, the Manager may in its discretion refuse to redeem any Units in that Fund in excess of 10% of the total number of Units in issue or deemed to be in issue in that Fund as aforesaid and, if the Manager so refuses, upon notification to the relevant Unitholders, the requests for redemption of Units in that Fund on such Dealing Day shall be reduced rateably and the Units in that Fund to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Units in that Fund to which the original request related have been redeemed provided, however, that the Manager may at its discretion, redeem in full the Units of smaller redemption requests (that represent 1% or less of Units in issue or deemed to be in issue) rather than including them in the pro rata calculation with the larger redemption requests received on such Dealing Day. Redemption requests will be dealt with fairly in accordance with the above.

The Manager may also apply a provision for market spreads and duties and charges in any other case where it considers such a provision to be in the best interests of a Fund. Any such sum will be paid into the account of the relevant Fund. Notwithstanding the foregoing, the levy with respect to Putnam Global High Yield Bond Fund will not exceed 1% of the Net Asset Value of that Fund under normal market conditions.

#### Distributions Payable to Redeemable Participating Unitholders

Distributions to holders of redeemable units are recognised in the Statement of Comprehensive Income when the Funds, incur a legal or constructive obligation to pay such a distribution. The distribution on these redeemable units is recognised in the Statement of Comprehensive Income as a finance cost. Certain classes of the Funds were certified as reporting funds by HM Revenue & Customs in the UK for the year ending 30 June 2020. The Trust has been approved for the UK reporting regime for the year ending 30 June 2020. There was no change in the nature of the Trust's business during the year.

### 4. Current and Prior Year NAV

The Net Assets for each unit class of each Fund in the following tables are denominated in U.S. Dollar. The Net Asset Value per Unit for each unit class of the Fund is denominated in the hedged currency of each respective unit class, as denoted by the relevant currency symbol.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 4. Current and Prior Year NAV *cont.*

Putnam Global High Yield Bond Fund	30 June 2020 USD		30 June 2019 USD		30 June 2018 USD	
Total Net Asset Value	\$	273,895,138	\$	326,922,536	\$	312,969,274
<b>Class A</b>						
Units in Issue		864,356		1,017,251		1,655,955
Net Assets		5,405,000		6,787,305		10,844,355
Net Asset Value per Unit	\$	6.25	\$	6.67	\$	6.55
<b>Class B</b>						
Units in Issue		231,776		255,322		308,854
Net Assets		1,445,878		1,698,322		2,016,869
Net Asset Value per Unit	\$	6.24	\$	6.65	\$	6.53
<b>Class C</b>						
Units in Issue		303,466		270,658		393,193
Net Assets		2,398,570		2,282,167		3,257,606
Net Asset Value per Unit	\$	7.90	\$	8.43	\$	8.29
<b>Class E</b>						
Units in Issue		3,308,655		2,957,757		2,624,098
Net Assets		23,116,603		22,956,461		21,239,634
Net Asset Value per Unit	€	6.23	€	6.83	€	6.93
<b>Class E2*</b>						
Units in Issue		38,485		38,485		-
Net Assets		429,905		452,806		-
Net Asset Value per Unit	€	9.95	€	10.35	€	-
<b>Class I</b>						
Units in Issue		13,102,814		13,143,777		13,251,493
Net Assets		31,303,278		33,476,637		33,151,778
Net Asset Value per Unit	\$	2.39	\$	2.55	\$	2.50
<b>Class S</b>						
Units in Issue		31,582,445		29,167,018		27,404,600
Net Assets		164,904,807		170,527,836		167,111,203
Net Asset Value per Unit	£	4.22	£	4.60	£	4.62
<b>Class S2</b>						
Units in Issue		2,853,640		5,574,977		4,841,704
Net Assets		42,635,566		88,199,247		75,347,829
Net Asset Value per Unit	£	12.07	£	12.45	£	11.78
<b>Class S3**</b>						
Units in Issue		185,796		41,969		-
Net Assets		2,255,531		541,755		-
Net Asset Value per Unit	£	9.80	£	10.16	£	-

\* Class E2 of Putnam Global High Yield Bond Fund launched on 31 July 2018.

\*\* Class S3 of Putnam Global High Yield Bond Fund launched on 17 May 2019.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments

As defined in FRS 102 Financial Instruments, risk can be separated into the following components: market risk (which includes market price risk, foreign currency risk and interest rate risk), liquidity risk and credit or default risk. The Trust's risk management process consists of a multi-layered and cross functional review that provides a system of checks and balances. The Investment Advisor performs reviews at least monthly and agrees on policies for managing each of these risks which are summarised below. The Board of Directors of the Manager of the Trust receives monthly reporting on risk matters and reviews the risk management process on an annual basis. These policies have remained substantially unchanged since the beginning of the year to which these financial statements relate.

#### A) Market Price Risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Trust might suffer through holding market positions in the face of price movements caused by factors specific to the individual investment or factors affecting all instruments traded in the market. The Investment Advisor considers the asset allocation of the portfolios in order to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Trust's investment objectives.

The Investment Advisor measures both the Fund's total risk as well as its risk of underperformance versus its stated benchmark (also referred to as active risk or tracking error "TE").

The market risk exposure for each Fund as at 30 June 2020 and 30 June 2019 is equivalent to the fair values of investments held, as reflected in each Fund's Schedule of Investments, and Statement of Financial Position under Financial Assets at Fair Value through Profit or Loss and Financial Liabilities at Fair Value through Profit or Loss.

#### *Aggregate Value at Risk*

The Funds use relative Value at Risk ("VaR") as a risk measurement technique to measure, monitor and manage risks.

The VaR measure estimates the potential loss in pre-taxation profit over a given holding year for a specified confidence level. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities as well as risk diversification by recognising offsetting positions and correlations between products and markets. Risks can be measured consistently across all markets and products, and risk measures can be aggregated to arrive at a single risk number.

Given the interdependencies between market variables, the Trust also estimates the VaR or threshold loss that is not expected to be exceeded at the 99th percentile confidence level over a 1-day horizon. The Investment Advisor uses a proprietary multi-factor model to estimate the total risk from which VaR estimates can be analytically derived. The VaR estimates presented below are point-in-time and vary over time as a function of market and portfolio composition changes.

Given its reliance on historical data, VaR is most effective in estimating risk exposures in markets in which there are no sudden fundamental changes or sudden shifts in market conditions. An inherent limitation of VaR is that the distribution of past changes in market risk factors may not produce accurate predictions of future risk. Different VaR methodologies and distributional assumptions could produce a materially different VaR. Moreover, VaR calculated for a one-day time horizon does not fully capture the market risk of positions that cannot be liquidated or offset with hedges within one day. Changes in VaR between reporting years are generally due to changes in levels of exposure, volatilities and/or correlations among asset classes.

The tables below show the VaR of the Fund, its stated benchmark (if applicable) as well as the ratio between the two measures (also referred to as relative VaR) for Funds in issue as of 30 June 2020 and 30 June 2019:

#### Portfolio VaR

Fund		1 Day %	Min %	Average %	Max %
Putnam Global High Yield Bond Fund	30-Jun-20	1.54	0.61	0.94	1.58
	30-Jun-19	0.83	0.83	1.03	1.20

#### Benchmark VaR

Fund		1 Day %	Min %	Average %	Max %	Reference Benchmark
Putnam Global High Yield Bond Fund	30-Jun-20	1.31	0.64	0.88	1.39	ICE BofA Global High Yield Investment Grade Country Constrained Index (100% USD Hedged)
	30-Jun-19	0.80	0.79	0.91	1.03	

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 5. Risks Associated with Financial Instruments *cont.*

### A) Market Price Risk *cont.*

#### Relative VaR (ratio of Fund VaR / Benchmark VaR)

Fund		1 Day %
Putnam Global High Yield Bond Fund	30-Jun-20	1.18
	30-Jun-19	1.04

The below table details the daily VaR utilisation for the years ending 30 June 2020 and 30 June 2019.

#### Daily VaR Utilisation\*

Fund		1 Day %	Min %	Average %	Max %
Putnam Global High Yield Bond Fund	30-Jun-20	59%	46%	53%	65%
	30-Jun-19	52%	52%	57%	62%

\* VaR Utilisation = Portfolio VaR / Benchmark VaR / 2.

VaR utilisation measures the Fund's VaR relative to the Fund's VaR limit (99% confidence level over a 1 day horizon).

Utilisation > 100% equates to breaking the limit.

### Leverage

In accordance with ESMA Guidelines (CESR/10-788), each Fund's leverage during the year is calculated as the gross sum of the notionals of all the derivative instruments used by a Fund, with the sum expressed as a percentage of a Fund's net assets. As a result of this calculation methodology, each Fund's level of leverage as depicted by the figures below may be overstated and not representative of the actual exposure represented by the derivative positions in the Fund. The leverage figure calculated takes the absolute sum of long and short derivative positions and sums them. There is no reduction for offsetting or partial offsetting positions or even exposures to positions that have been closed or partially closed. For example, if a Fund opened a long Australian Dollar currency forward position against the British Pound for \$1 million notional exposure (*i.e.*, buying Australian Dollar, selling Pounds) and then later closed that position by executing the same trade in the offsetting direction (*i.e.*, selling Australian Dollar, buying Pounds), these trades would count \$2 million notional toward the sum despite that these positions have an economic exposure of 0. Another example of how this figure may overstate leverage is in interest rate hedging. If a Fund opens an interest rate swap position to pay on USD rates fixed versus floating for \$1 million notional and then re-hedges that interest rate position by receiving on USD rates fixed versus floating for a \$1 million notional, these trades would count \$2 million notional toward the sum despite the fact that these positions have an economic exposure of 0.

The figures provided below are an average across the year and will vary from time to time.

Fund	Year Ended	Average %	Year Ended	Average %
Putnam Global High Yield Bond Fund	30-Jun-20	17	30-Jun-19	15



## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### B) Foreign Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The risk arises on financial instruments that are denominated in a currency other than the functional currency in which these are measured. A substantial proportion of each Fund's assets are held in currencies other than the base currency with the result that each Funds' Statement of Financial Position can be significantly affected by currency movements.

Certain Class level hedges as included in the analysis of the Schedule of Investments are entered into in order to hedge the value of the Euro and Pound Sterling Hedge Classes, in the U.S. Dollar Funds.

#### Putnam Global High Yield Bond Fund

##### 2020

Foreign Currency	Monetary Assets/(Liabilities) USD	Non-Monetary Assets USD	Gross Foreign Currency Exposure USD	Forwards Currency Contracts at Portfolio Level USD	Net Foreign Currency Exposure USD
British Pound	6,454,892	-	6,454,892	(3,360,633)	3,094,259
Canadian Dollar	626,189	1,078	627,267	(26,083)	601,184
Euro	32,838,816	-	32,838,816	(20,710)	32,818,106
Swiss Franc	43,213	-	43,213	(642)	42,571
<b>Total</b>	<b>39,963,110</b>	<b>1,078</b>	<b>39,964,188</b>	<b>(3,408,068)</b>	<b>36,556,120</b>

##### 2019

Foreign Currency	Monetary Assets/(Liabilities) USD	Non-Monetary Assets USD	Gross Foreign Currency Exposure USD	Forwards Currency Contracts at Portfolio Level USD	Net Foreign Currency Exposure USD
British Pound	7,050,811	-	7,050,811	773,942	7,824,753
Canadian Dollar	652,823	146,683	799,506	(17,680)	781,826
Euro	41,835,294	-	41,835,294	(231,049)	41,604,245
Swiss Franc	43,807	-	43,807	(856)	42,951
<b>Total</b>	<b>49,582,735</b>	<b>146,683</b>	<b>49,729,418</b>	<b>524,357</b>	<b>50,253,775</b>

#### C) Fair Valuation Hierarchy

FRS 102 Section 11.27 on "Fair Value: Disclosure" requires disclosure relating to the fair valuation hierarchy in which fair value measurements are categorised for assets and liabilities. The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value.

The fair valuation hierarchy as required under the amendment to FRS 102 is based on the valuation inputs used to fair value the financial assets and liabilities and consideration of the market activity for each individual financial asset and liability. The definition for levels 1, 2 and 3 are set out below.

- Level 1: The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the last traded market value price.
- Level 2: When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g., because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
- Level 3: If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### C) Fair Valuation Hierarchy *cont.*

Investments typically classified within level 1 include active listed equities, exchange traded derivatives and exchange traded investment funds/companies. Investments typically classified as level 2 include investments in fixed income securities, rights and warrants, certain listed equities, repurchases agreements and over-the-counter derivatives. Investment funds/companies are also considered level 2 investments if there is evidence that redemptions occurred during the year and there were no restrictions preventing redemptions at the year end. Investments typically classified within level 3 include certain corporate bonds and certain equities.

Some equities have been classified as Level 2 and Level 3. These are securities which the Investment Advisor has fair valued taking into account several factors, which are outlined in Note 2 (A) (i) of the Financial Statements, under "Fair Value Estimation".

The following tables are a summary of the fair value hierarchy applied under FRS 102 in valuing the Funds' financial assets and liabilities measured at fair value at 30 June 2020 and 30 June 2019.

#### Putnam Global High Yield Bond Fund

30 June 2020	Level 1 USD	Level 2 USD	Level 3 USD
<b>Assets</b>			
Equities	510,965	715	6,328
Warrants	52,992	-	8,537
Repurchase Agreements	-	1,500,000	-
Corporate Bonds and Notes	-	260,422,810	-
Foreign Government and Agency Bonds and Notes	-	43,023	-
Convertible Preferred Stocks	894,334	1,305,567	-
Preferred Stocks	-	527,781	-
U.S. Treasury Obligations	-	9,140,598	-
Unrealised Appreciation on Forward Foreign Exchange Currency Contracts	-	504,041	-
<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>1,458,291</b>	<b>273,489,535</b>	<b>14,865</b>
<b>Liabilities</b>			
Unrealised Depreciation on Forward Foreign Exchange Currency Contracts	-	(3,912,109)	-
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>	<b>-</b>	<b>(3,912,109)</b>	<b>-</b>

30 June 2019	Level 1 USD	Level 2 USD	Level 3 USD
<b>Assets</b>			
Equities	2,832,335	143	58,560
Warrants	95,251	-	-
U.S. Government Agency Obligations	-	2,943,422	-
Repurchase Agreements	-	5,841,000	-
Corporate Bonds and Notes	-	300,375,180	62
Foreign Government and Agency Bonds and Notes	-	43,623	-
Commercial Paper	-	1,598,209	-
Convertible Preferred Stocks	-	630,403	-
U.S. Treasury Obligations	-	9,787,509	-
Unrealised Appreciation on Forward Foreign Exchange Currency Contracts	-	1,108,249	-
<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>2,927,586</b>	<b>322,327,738</b>	<b>58,622</b>
<b>Liabilities</b>			
Unrealised Depreciation on Forward Foreign Exchange Currency Contracts	-	(583,892)	-
<b>Total Financial Liabilities at Fair Value through Profit or Loss</b>	<b>-</b>	<b>(583,892)</b>	<b>-</b>

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### D) Interest Rate Risk

Interest rate risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk arises on cash at bank and on financial instruments whose fair value or future cash flows are affected by changes in interest rates. Short-term securities are less sensitive to interest rate changes than longer-term securities, but they also usually offer lower yields. The Funds invest in both fixed rate and floating rate securities.

The following tables disclose the interest rate risk exposure of the Funds at 30 June 2020 and 30 June 2019.

#### Putnam Global High Yield Bond Fund

##### 2020

	Up to 1 year		1-5 years		Over 5 years		Non-interest bearing	Total USD
	Fixed	Floating	Fixed	Floating	Fixed	Floating		
Transferable securities	13,538,781	33,567	75,854,048	116,261	172,377,069	9,186,705	3,352,219	274,458,650
Financial derivative instruments	-	-	-	-	-	-	504,041	504,041
Cash and bank balances	-	256,338	-	-	-	-	-	256,338
Broker cash held as collateral for financial derivative instruments	-	350,000	-	-	-	-	-	350,000
Other assets	-	-	-	-	-	-	5,704,556	5,704,556
<b>Total assets</b>	<b>13,538,781</b>	<b>639,905</b>	<b>75,854,048</b>	<b>116,261</b>	<b>172,377,069</b>	<b>9,186,705</b>	<b>9,560,816</b>	<b>281,273,585</b>
Financial derivative instruments	-	-	-	-	-	-	(3,912,109)	(3,912,109)
Broker cash due to counterparties for financial derivative instruments	-	(350,000)	-	-	-	-	-	(350,000)
Other liabilities	-	-	-	-	-	-	(3,116,338)	(3,116,338)
<b>Total liabilities</b>	<b>-</b>	<b>(350,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,028,447)</b>	<b>(7,378,447)</b>
<b>Total net assets attributable to redeemable participating Unitholders</b>								<b>273,895,138</b>

##### 2019

	Up to 1 year		1-5 years		Over 5 years		Non-interest bearing	Total USD
	Fixed	Floating	Fixed	Floating	Fixed	Floating		
Transferable securities	20,170,140	45,832	72,752,443	175,598	216,933,832	10,511,160	3,616,692	324,205,697
Financial derivative instruments	-	-	-	-	-	-	1,108,249	1,108,249
Cash and bank balances	-	443,751	-	-	-	-	-	443,751
Broker cash held as collateral for financial derivative instruments	-	493,000	-	-	-	-	-	493,000
Other assets	-	-	-	-	-	-	6,067,217	6,067,217
<b>Total assets</b>	<b>20,170,140</b>	<b>982,583</b>	<b>72,752,443</b>	<b>175,598</b>	<b>216,933,832</b>	<b>10,511,160</b>	<b>10,792,158</b>	<b>332,317,914</b>
Financial derivative instruments	-	-	-	-	-	-	(583,892)	(583,892)
Broker cash due to counterparties for financial derivative instruments	-	(493,000)	-	-	-	-	-	(493,000)
Other liabilities	-	-	-	-	-	-	(4,318,486)	(4,318,486)
<b>Total liabilities</b>	<b>-</b>	<b>(493,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,902,378)</b>	<b>(5,395,378)</b>
<b>Total net assets attributable to redeemable participating Unitholders</b>								<b>326,922,536</b>

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### E) Liquidity Risk

This is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities. The Funds' assets primarily comprise mainly readily realisable securities. The main liability of each Fund is the redemption of any units that investors wish to sell, as well as other liabilities, such as purchases of investments awaiting settlement.

The Funds' financial instruments may include investments in OTC derivative contracts, which are not traded in an organised public market and may be illiquid. As a result, the Funds may not be able to promptly liquidate some of their investments in these instruments at an amount close to its fair value in order to meet their liquidity requirements or to respond to specific events such as deterioration in the credit worthiness of any particular issuer. Fair value amounts are presented in the Schedule of Investments to indicate the extent of the Funds' involvement in such instruments.

The trading volumes of stocks and fixed income securities held by each Fund are generally sufficient to satisfy liquidity requirements when necessary. However, to minimise or mitigate the effect of liquidity risk where deemed necessary, the Investment Advisor could either reposition the portfolio or adjust the allocation to obtain a higher concentration of more liquid securities. These adjustments could impact the Funds' returns.

If the number of Units in a Fund falling to be redeemed on any Dealing Day is equal to 10% or more of the total number of Units in issue in that Fund, the Manager may in its discretion refuse to redeem any Units in that Fund in excess of 10% of the total number of Units in that Fund.

Under the Trust Deed between the Manager and the Depositary, an overdraft facility is in place for the Funds, which further mitigates the liquidity risk of the Funds.

The following tables disclose the liquidity risk exposure of the Funds at 30 June 2020 and 30 June 2019.

#### Putnam Global High Yield Bond Fund

	As at 30 June 2020 USD			As at 30 June 2019 USD		
	<3 months	3-12 months	>12 months	<3 months	3-12 months	>12 months
Financial liabilities at fair value through profit or loss	3,912,109	-	-	583,892	-	-
Broker cash due to counterparties	350,000	-	-	493,000	-	-
Expenses payable	837,045	-	-	1,062,720	-	-
Other liabilities	2,279,293	-	-	3,255,766	-	-
Redeemable participating Units	273,895,138	-	-	326,922,536	-	-
<b>Total financial liabilities</b>	<b>281,273,585</b>	<b>-</b>	<b>-</b>	<b>332,317,914</b>	<b>-</b>	<b>-</b>

#### F) Credit Risk

The Funds are exposed to credit risk from parties with whom they trade and also bears the risk of settlement default. The Funds seek to minimise concentration of credit risk by undertaking transactions with a large number of counterparties on recognised and reputable exchanges and the over-the-counter market.

The Funds' maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that the Depositary, counterparties and brokers fail to perform their obligations as of 30 June 2020 and 30 June 2019 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

It is the Funds' policy to take custody of securities purchased under repurchase agreements on a daily basis to protect the Funds in the event the securities are not repurchased by the counterparty. The Funds will generally obtain additional collateral if the fair value of the underlying securities is less than the obligation to repurchase plus any accrued interest. In the event of default on the obligation to repurchase, the Funds have the right to liquidate the collateral and apply the proceeds in satisfaction of the obligation. In the event of default or bankruptcy by the counterparty to the agreement, realisation and or retention of the collateral or proceeds may be subject to legal proceedings.

Credit default contracts provide a measure of protection against defaults of debt issuers. The use of credit default contracts does not assure their use will be effective or will have the desired result. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The maximum exposure upon entering into credit default contracts is equal to the notional amount which is disclosed in the Schedule of Investments. Buying credit default protection reduces the buyer's exposure to a reference entity (it is intended to reduce risk when a party owns a security issued by or otherwise has exposure to the reference entity or to create a synthetic short position in the reference entity). As the protection buyer, the buyer may lose its investment and recover nothing if a credit event does not occur and may be required to make periodic payments to the protection seller until the contracts matures.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### F) Credit Risk *cont.*

The Funds hold interest rate swaps and credit default contracts at year end which are centrally cleared, and a party to a cleared derivatives transaction is subject to the credit risk of the clearing broker through which it holds its cleared position, rather than the credit risk of its original counterparty to the derivative transaction. The Funds' exposure to credit risk on swap contracts in which they have a net gain position is reduced by such gains received in cash from the counterparty under the daily mark-to-market mechanism (variation margin). They will also be exposed on any cash collateral pledged to cover contracts in a net loss position. All funds received by a clearing broker are generally held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Funds.

The clearing and depository operations for the Funds' security transactions are mainly concentrated with one depository, namely State Street Custodial Services (Ireland) Limited. The long term credit rating of State Street Custodial Services (Ireland) Limited as at 30 June 2020 was A1 (30 June 2019: A1). At 30 June 2020 and 30 June 2019, all cash and cash equivalents and investments, other than financial derivative instruments, are placed in custody with State Street Custodial Services (Ireland) Limited. The Funds also employ Barclays Bank Plc (credit rating of A1 at 30 June 2020 (30 June 2019: A2)) as a clearing broker for their centrally cleared swap transactions. In addition, there are risks involved in dealing with custodians or brokers who settle trades with regard to the segregation of assets. It is expected that all securities and other assets deposited with custodians or brokers will be clearly identified as being assets of the Funds; the Funds should not therefore be exposed to a credit risk with respect to such parties. However, it may not always be possible to achieve this segregation, so the portfolio of the Funds may experience increased exposure to credit risk associated with the applicable custodians or brokers. Bankruptcy or insolvency of the Depository may cause the Funds' rights with respect to cash and securities held by the Depository to be delayed or limited and the Funds would be treated as a general creditor of that entity in respect of their cash balances.

The following are the credit ratings, as rated by Moody's, for the counterparties which held open financial derivative positions as at 30 June 2020 and 30 June 2019:

	30 June 2020	30 June 2019
Bank of America, N.A.	Aa2	Aa2
Barclays Bank PLC	A1	A2
Citibank N.A.	Aa3	Aa3
Citigroup Global Markets, Inc.	A3	A1
Credit Suisse AG	A1	A1
Credit Suisse International	A1	A1
Goldman Sachs International	A1	A1
HSBC Bank PLC	Aa2	Aa2
HSBC Bank USA, N.A.	Aa3	Aa3
JPMorgan Chase Bank, N.A.	A2	A2
JPMorgan Securities LLC	Aa3	Aa3
Merrill Lynch International	A2	A2
Morgan Stanley & Co. International PLC	A3	A3
NatWest Markets PLC	Baa2	Baa2
State Street Bank & Trust Company	Aa2	Aa2
Toronto-Dominion Bank	Aa1	-
UBS AG	Aa2	Aa2
Westpac Banking Corporation	Aa2	Aa2

Risks associated with derivative contracts involve the possibility that the counterparty to the contract may default on its obligation to perform. Counterparty exposure is managed in accordance with the investment restrictions specified in the Trust's Prospectus. The Funds could be exposed to credit or market risk due to unfavourable changes in the fluctuation of interest rates or in the price of the underlying security or index or the possibility that there is no liquid market for these agreements. The Funds' maximum risk of loss from failure of a counterparty is the fair value of the contract. This risk may be mitigated by having a master netting arrangement between the Funds and the counterparty. Risk of loss may exceed amounts recognised on the Statement of Financial Position. Fair Value amounts are presented in the Schedule of Investments to indicate the extent of the Funds' involvement in such instruments.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 5. Risks Associated with Financial Instruments *cont.*

#### F) Credit Risk *cont.*

The table below outlines the credit ratings of the Fund's bond investments and exposure on derivatives:

**30 June 2020**

Moody's/S&P /Fitch Credit Rating	Putnam Global High Yield Bond Fund
AAA	0.02%
AA	-
A	0.16%
BAA	12.35%
BA	46.21%
B	28.28%
CAA	8.47%
CA	-
C	-
D	0.77%
P-1*	-
P-2*	-
P-3*	-
Not Rated	1.49%
Cash and other net assets	2.25%
	<b>100.00%</b>

**30 June 2019**

Moody's/S&P /Fitch Credit Rating	Putnam Global High Yield Bond Fund
AAA	0.01%
AA	-
A	-
BAA	9.80%
BA	44.98%
B	30.88%
CAA	7.45%
CA	-
C	-
D	0.05%
P-1*	-
P-2*	-
P-3*	-
Not Rated	1.11%
Cash and other net assets	5.72%
	<b>100.00%</b>

\*Moody's employs the following designations to indicate the relative repayment ability of rated issuers:

P-1: Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

P-2: Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

P-3: Issuers (or supporting institutions) rated Prime-3 have an acceptable ability to repay short-term debt obligations.

NP: Issuers (or supporting institutions) rated Not Prime do not fall within any of the Prime rating categories.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 5. Risks Associated with Financial Instruments *cont.*

### F) Credit Risk *cont.*

Credit qualities are shown as a percentage of the Funds' Net Asset Value. A bond rated BAA or higher (Prime-3 or higher, for short-term debt) is considered investment grade. The chart reflects "best" rating between Moody's, Standard & Poor's (S&P) and Fitch, showing ratings based on S&P lettering. To-be-announced ("TBA") mortgage commitments, if any, are included based on their issuer ratings. Ratings and portfolio credit quality will vary over time. Derivative instruments, including forward currency contracts, are only included to the extent of any unrealised gain or loss on such instruments and are shown in the not-rated category. Cash is shown in the not-rated category, except Putnam Global High Yield Bond Fund, where cash and net other assets, if any, represent the fair value weights of cash, derivatives, short-term securities, and other unclassified assets in the portfolio. Derivative offset values are included in the not-rated category and may result in negative weights. The Funds themselves have not been rated by an independent rating agency.

### Global Exposure

Under the Central Bank UCITS Regulations, the Investment Advisor is required to employ a risk management process which enables it to accurately monitor and manage the global exposure to the Funds from financial derivative instruments ("FDIs"). FDI exposure including global exposure is controlled through the use of VaR methodology by the Investment Advisor. In accordance with the Central Bank UCITS Regulations, global exposure for each Fund to FDIs must not exceed 100% of each Fund's Net Asset Value. Depending on the Fund, as outlined in further detail in Note 5(a), the maximum VaR permitted is either that which equates to a portfolio relative VaR of twice that of an appropriate benchmark or reference portfolio that is representative of the investment objective of the relevant Fund but which will not include derivatives. The Funds' reference portfolios are disclosed in the Benchmark VaR table in Note 5(a). VaR will be calculated daily using a one-tailed 99% confidence interval, a holding period equivalent to one day and quarterly data set updates (or more frequent when market prices are subject to material changes), and the historical observation period will not be less than one year unless a shorter period is justified by a significant increase in price volatility.

### 6. Collateral

The Funds' assets may be pledged as collateral to, and held by the counterparty and brokers for open futures, options, forward currency contracts and swap contracts. The Funds may also receive securities pledged as collateral from counterparties and brokers for open futures, options, forward currency contracts and swap contracts. Under the Central Bank UCITS Regulations, counterparties and brokers are not permitted to sell, re-pledge or re-invest non-cash collateral received by the Funds. As at 30 June 2020 and 30 June 2019, the fair value of securities received by the Fund as collateral from the respective counterparties are as follows:

Counterparty	Putnam Global High Yield Bond Fund	
	30 June 2020	30 June 2019
	USD	USD
Bank of America	-	123,453
State Street Bank	-	50,686
<b>Total</b>	-	<b>174,139</b>

Cash collateral received by a Fund is identified in the Statement of Financial Position as Broker Cash Held as Collateral for Financial Derivative Instruments. The obligation to return the cash collateral is identified in the Statement of Financial Position as Broker Cash due to Counterparties for Financial Derivative Instruments. Cash collateral received by the Fund as at 30 June 2020 and 30 June 2019, and the respective brokers, are as follows:

Counterparty	Putnam Global High Yield Bond Fund	
	30 June 2020	30 June 2019
	USD	USD
Citibank	-	160,000
Goldman Sachs	-	110,000
HSBC	350,000	-
JP Morgan Chase	-	173,000
Westpac	-	50,000
<b>Total</b>	<b>350,000</b>	<b>493,000</b>

The Funds' assets may be deposited by or on behalf of the Funds for collateral purposes with counterparties and brokers, for open futures, options, forward currency contracts and swaps, held on the Funds. Such assets remain in the ownership of the relevant Funds and are recorded as an asset on the Statement of Financial Position. Securities pledged by the Funds as collateral are recognised at fair value in the relevant Funds' Schedule of Investments and are referenced accordingly, where applicable, in the Schedule of Investments.

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 7. Taxation

Under current law and practice, the Trust qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not chargeable to Irish tax on its income or gains.

The Trust will be regarded as resident in Ireland for tax purposes if the Depositary is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland. It is the intention of the Manager that the business of the Trust will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

Irish tax can arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation or transfer of Units and the holding of Units at the end of each eight year period beginning with the acquisition of such Units.

No Irish tax will arise on the Trust in respect of "chargeable events" in respect of:

- a) a Unitholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997 (of Ireland), as amended, are held by the Trust or the Trust has been authorised by the Irish Revenue to make gross Payments in the absence of appropriate declarations; and
- b) certain exempted Irish tax resident Unitholders who have provided the Trust with the necessary signed statutory declarations.

Dividends, interest and capital gains received on investments made by the Trust may be subject to taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Trust or its Unitholders.

The Trust intends to comply with any regulations issued by the Irish government to give effect to the Ireland/U.S. Intergovernmental Agreement ("IGA") (signed in December 2012) and to implement the terms of the U.S. Foreign Account Tax Compliance Act ("FATCA"). The Trust also intends to comply with any applicable regulations issued with respect to the Common Reporting Standard ("CRS") and to implement the terms of the CRS in line with OECD guidance, where applicable. There are significant similarities between both reporting regimes and under the CRS, the Trust has similar obligations in terms of account onboarding and annual reporting. The Trust, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any applicable obligations imposed on it in relation to the CRS.

Under the IGA and any related Irish regulations, Irish financial institutions (as defined under the IGA) are required to report annually to the Irish Revenue Commissioners details of its U.S. account holders including the name, address and taxpayer identification number ("TIN") and certain other details. The Trust was also required to amend its account on-boarding procedures with effect from 1 July 2014 in order to identify new U.S. account holders and report this information to the Irish Revenue. The Trust, in conjunction with assistance from its service providers where necessary, will endeavour to ensure that it satisfies any obligations imposed on it in relation to FATCA.

Unitholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA and CRS on their interest in the Trust.

## 8. Fees

The fees of the Manager, the Administrator and the Depositary are borne individually by each of the Funds.

### Administrator, Depositary and Transfer Agent

The Administrator, Depositary and Transfer Agent together shall each be entitled to receive out of the assets of each Fund annual fees, and those fees will generally not in total exceed 0.40% of the average Net Asset Value of each Fund calculated on the last Dealing Day of each month (plus VAT if any thereon). The Depositary shall also be entitled to receive out of the assets of each Fund an annual safekeeping (depositary) fee not to exceed 0.50% of the average Net Asset Value of each Fund. The Administrator and the Depositary shall also be entitled to be paid any transaction charges and expenses and any sub-depositary fees, which shall be at normal commercial rates. The Administrator shall also be entitled to an annual fee of US\$10,000 out of the assets of the relevant Funds for general administration services. This shall be apportioned pro rata among the Funds. The "Average Net Asset Value" shall refer to the average monthly Net Asset Value. Citibank Europe plc, the Transfer Agent for the Fund, receives its fees out of the assets of the relevant Funds. Please note that the foregoing fees, along with other operating expenses of certain of the Funds, are currently subject to an overall expense cap, as described in Note 11.

## 9. Soft Commission Arrangements, Directed Brokerage and Transaction Costs

During the year, there were soft dollar transactions in the Funds. Soft dollar transactions occurred when the Investment Advisor used certain investment research services which assisted in the management of the Funds' portfolio investments, which were paid for by certain brokers. These services could include, for example, research and analysis of the relative merits of individual shares or markets. In return, the Investment Advisor placed a proportion of business with these brokers including transactions relating to the Funds' investments. The Investment Advisor has satisfied itself that it obtained best execution on behalf of the Funds and that these arrangements were to the benefit of the Funds. There were no directed brokerage arrangements entered into by the Funds during the year ended 30 June 2020 and 30 June 2019.



## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 9. Soft Commission Arrangements, Directed Brokerage and Transaction Costs *cont.*

For the years ended 30 June 2020 and 30 June 2019, the Funds incurred separately identifiable transaction costs, as defined in Note 2 (B)(vi) as follows:

Fund		2020	2019
Putnam Global High Yield Bond Fund	\$	22,467	25,159

### 10. Master Agreements

Each Fund is a party to International Swap and Derivatives Association, Inc. ("ISDA") Master Agreements that govern OTC derivative and foreign exchange contracts and Master Securities Forward Transaction Agreements ("Master Agreements") that govern transactions involving mortgage-backed and other asset-backed securities that may result in delayed delivery with certain counterparties entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the Funds and the applicable counterparty. Collateral requirements are determined based on the Funds' net position with each counterparty. With respect to ISDA Master Agreements, termination events applicable to the Funds may occur upon a decline in the Funds' net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term and short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the Funds' counterparties to elect early termination could impact the Funds' future derivative activity.

Under the terms of ISDA Master Agreements with certain brokers, the Funds allow certain counterparties the right to hold and re-register collateral in the name of the counterparty or in another name other than the Funds, to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use any amount of the collateral, and to use or invest cash collateral at its own risk.

### 11. Significant Agreements and Related Party Transactions

#### Transactions with entities who have significant influence

The Investment Advisor is paid by the Manager. Fees charged to the Funds by the Manager and the amount due at the year end are shown in the Statement of Comprehensive Income and the Statement of Financial Position (as part of Expenses Payable), respectively.

#### Management fees

The fees of the Manager are borne individually by each of the Funds.

At 30 June 2020, the Manager was entitled to receive a fee out of the assets of each Fund at the annual rate below out of which the Manager will pay the Investment Advisor a fee for the investment advisory services provided by the Investment Advisor. Such fees shall accrue daily and be payable monthly in arrears. All management fee rates as disclosed in the table below are the same as at 30 June 2019, unless otherwise stated in the footnotes to the table.

Unit Classes	Putnam Global High Yield Bond Fund	
Retail	A	1.35%
	A2	n/a
	B	1.85%
	C	1.75%
	M	1.35%
	T	1.35%
Institutional	D	n/a
	E	0.50%
	E2	0.50%‡
	I	0.50%
	I2	n/a
	NK	0.50%
	S	0.50%
	S2	0.50%‡
	S3	0.50%
	SK	0.50%
Y	0.50%	

‡ The fee stated in the above table is the maximum management fee with respect to Class E2 Units and Class S2 Units for this Fund, as stated in the Prospectus. Currently, the Manager charges a management fee of 0.35%.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 11. Significant Agreements and Related Party Transactions *cont.*

With respect to Class E2 Units and Class S2 Units of Putnam Global High Yield Bond Fund, the Manager has currently agreed to waive all or such part of its management fee as is required to ensure that overall Class E2 Units and Class S2 Units operating expenses do not exceed 0.35% per annum. The Manager may terminate these caps at any time. They are currently expected to continue through 30 June 2020 and may be extended at the Manager's discretion.

During the years ended 30 June 2020 and 30 June 2019 the Manager received the following fees:

<b>Fund</b>	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>Payable to Manager at 30 June 2020</b>	<b>Payable to Manager at 30 June 2019</b>
Putnam Global High Yield Bond Fund	\$ 1,537,237	\$ 1,535,044	\$ 563,497	\$ 782,644

The Manager or Investment Advisor may from time to time voluntarily undertake to waive fees and/or reimburse certain fund expenses. Any such waiver may be effected by way of a rebate to the relevant Unitholder's account and/or by fixing the management fee for all Unitholders in a given Class of Units at a lower level than the maximum rate stated in the Prospectus. Any such waiver or reimbursement would be voluntary and may be modified or discontinued by the Manager or Investment Advisor at any time without notice. In addition, in accordance with the powers of the Manager pursuant to the Trust Deed of the Trust, the Manager may also restrict access to a given Class of Units based on an investor's country of domicile, platform or channel of distribution, strategic or overall business relationship, or status as an affiliate of the Manager.

During the years ended 30 June 2020 and 30 June 2019 the Manager waived and/or reimbursed the following fees:

<b>Fund</b>	<b>30 June 2020</b>	<b>30 June 2019</b>	<b>Receivable from Manager at 30 June 2020</b>	<b>Receivable from Manager at 30 June 2019</b>
Putnam Global High Yield Bond Fund	\$ 137,245	\$ 193,159	\$ 32,503	\$ 97,518

#### Sub-investment advisor

The Investment Advisor has entered into a sub-investment advisory agreement with Putnam Investments Limited, an affiliate of The Putnam Advisory Company, LLC. Putnam Investments Limited has its principal office at 16 St. James's Street, London SW1A 1ER and is a company organised under the laws of England and Wales (the "Sub-investment advisor"). The Sub-investment advisor is licensed as a manager by the Financial Conduct Authority of the United Kingdom and is registered under the United States Investment Advisers Act of 1940, as amended. The Sub-investment advisor acted as sub-investment advisor for Putnam Global High Yield Bond Fund during the year. The fees of the Sub-investment advisor are being paid out of the fees of the Investment Advisor.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 11. Significant Agreements and Related Party Transactions *cont.*

#### Transactions with Depository affiliate

State Street Bank and Trust Company, an affiliate of the Depository, is a major U.S. bank that may act as counterparty on securities trades for the Trust, subject to the Investment Advisor's best execution policy. Any open over-the-counter derivatives transactions with State Street Bank and Trust Company at 30 June 2020 are listed in each Fund's respective Schedule of Investments.

#### Transactions with key management personnel

##### Professional fees

David Dillon, is a Director and shareholder of Bridge Consulting which provide governance and monitoring support services to the Manager. During the year ended 30 June 2020, the Trust incurred fees of EUR 50,964, relating to consultancy fees provided by Bridge Consulting (year ended 30 June 2019: EUR 51,852). Fees payable to Bridge Consulting at 30 June 2020 were EUR 12,300 (30 June 2019: EUR 13,069).

##### Other transactions with the Manager

For the year ended 30 June 2020, the Unit transactions of the Manager in the Funds, the value of the Unit transactions and the number of Units held in the Funds by the Manager for the year then ended, were as follows:

Fund	Putnam Global High Yield Bond Fund
Number of Units as at 30 June 2019	76,485
Units subscribed for the year	-
Units redeemed for the year	-
Distributions reinvested for the year (in Units)	-
Number of Units as at 30 June 2020	76,485

*...cont.*

Fund	Putnam Global High Yield Bond Fund USD
Value of Units as at 30 June 2019	943,325
Value of Units subscribed	-
Value of Units redeemed	-
Value of Distributions reinvested	-
Value of Units as at 30 June 2020	891,218

For the year ended 30 June 2019, the Unit transactions of the Manager in the Funds, the value of the Unit transactions and the number of Units held in the Funds by the Manager for the year then ended, were as follows:

Fund	Putnam Global High Yield Bond Fund
Number of Units as at 30 June 2018	-
Units subscribed for the year	76,485
Units redeemed for the year	-
Distributions reinvested for the year (in Units)	-
Number of Units as at 30 June 2019	76,485

*...cont.*

Fund	Putnam Global High Yield Bond Fund USD
Value of Units as at 30 June 2018	-
Value of Units subscribed	933,056
Value of Units redeemed	-
Value of Distributions reinvested	-
Value of Units as at 30 June 2019	943,325

# Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

## 11. Significant Agreements and Related Party Transactions *cont.*

### Significant Unitholders

The following table details Funds in which Unitholders hold at least 20% of the value of the Fund's total Units in issue as of 30 June 2020:

Fund	Number of Significant Unitholders	Value of Holding	% of Fund's Net Assets
Putnam Global High Yield Bond Fund	One	\$ 104,011,562	37.97

The following table details Funds in which Unitholders hold at least 20% of the value of the Fund's total Units in issue as of 30 June 2019:

Fund	Number of Significant Unitholders	Value of Holding	% of Fund's Net Assets
Putnam Global High Yield Bond Fund	One	\$ 95,049,036	29.07

There were no distributions made to the related parties during the year ended 30 June 2020 and 30 June 2019.

The Manager is not aware of any other transactions with related parties during the year, other than those disclosed in these financial statements.

## 12. Efficient Portfolio Management

Each Fund utilises Financial Derivative Instruments ("FDI") for investment purposes and/or for efficient portfolio management purposes. In addition to the investments in FDI set down in the Prospectus and subject to the conditions and within the limits laid down by the Central Bank, each Fund may employ techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund and may not be speculative in nature. These techniques and instruments may include investments in FDI. New techniques and instruments may be developed which may be suitable for use by a Fund and the Manager may employ such techniques and instruments. Techniques and instruments which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the UCITS Regulations;
- (c) their risks are adequately captured by the risk management process of the Fund; and
- (d) they cannot result in a change to the Fund's declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

The direct and indirect operational costs and fees are not readily identifiable and therefore are not split out separately on the face of the Statements of Comprehensive Income.

All of the Trust's Funds are actively managed in reference to either LIBOR or a specific index, as highlighted in the "Investment Objectives" section.

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 12. Efficient Portfolio Management *cont.*

Set out below are details of the efficient portfolio management techniques and instruments currently used across the Fund.

Repurchase Agreements: The Fund entered into repurchase agreements, which are used as short-term cash management vehicles. The interest income earned on repurchase agreements is disclosed as part of interest income in the Statement of Comprehensive Income. Repurchase agreements are secured by collateral, typically U.S. government or agency securities. It is the Funds' policy that the Depositary take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. In the event of default by the counterparty, a Fund has the contractual right to liquidate the collateral securities and to apply the proceeds in satisfaction of the obligation.

### 13. Foreign Exchange

The exchange rates ruling at 30 June 2020 were:

Currency	Vs. EUR Rate	Vs. USD Rate
Argentine Peso	79.15908	70.45760
Australian Dollar	1.62802	1.44907
Brazilian Real	6.10970	5.43810
British Pound	0.90671	0.80704
Canadian Dollar	1.52526	1.35760
Czech Koruna	26.65300	23.72320
Danish Krone	7.45161	6.63250
Euro	1.00000	0.89008
Hong Kong Dollar	8.70768	7.75050
Hungarian Forint	354.10993	315.18475
Indian Rupee	84.82843	75.50375
Indonesian Rupiah	16,049.19131	14,285.00000
Israeli Shekel	3.89175	3.46395
Japanese Yen	121.30987	107.97500
Malaysian Ringgit	4.81420	4.28500
Mexican Peso	25.82308	22.98450
New Zealand Dollar	1.74105	1.54967
Norwegian Krone	10.81396	9.62525
Philippine Peso	55.97837	49.82500
Polish Zloty	4.44490	3.95630
Russian Ruble	79.95666	71.16750
Singapore Dollar	1.56571	1.39360
South African Rand	19.49553	17.35250
South Korean Won	1,351.40145	1,202.85000
Swedish Krona	10.46899	9.31820
Swiss Franc	1.06446	0.94745
Taiwan Dollar	33.14829	29.50450
Thailand Baht	34.72456	30.90750
Turkish Lira	7.69990	6.85350
US Dollar	1.12350	1.00000

The exchange rates ruling at 30 June 2019 were:

Currency	Vs. EUR Rate	Vs. USD Rate
Argentine Peso	48.30322	42.47930
Australian Dollar	1.61969	1.42440
Brazilian Real	4.36641	3.83995
British Pound	0.89539	0.78743
Canadian Dollar	1.48909	1.30955
Chinese Yuan (offshore)	7.81267	6.87070
Czech Koruna	25.42653	22.36085
Danish Krone	7.46410	6.56415
Euro	1.00000	0.87943
Hong Kong Dollar	8.88269	7.81170
Hungarian Forint	323.06011	284.10875
Indian Rupee	78.49118	69.02750
Indonesian Rupiah	16,064.38261	14,127.50000
Israeli Shekel	4.05808	3.56880
Japanese Yen	122.59645	107.81500
Kenyan Shilling	116.60962	102.55000
Malaysian Ringgit	4.69907	4.13250
Mexican Peso	21.82522	19.19375
New Zealand Dollar	1.69262	1.48854
Norwegian Krone	9.69998	8.53045
Philippine Peso	58.25933	51.23500
Polish Zloty	4.24553	3.73365
Russian Ruble	71.90595	63.23625
Singapore Dollar	1.53850	1.35300
South African Rand	16.01606	14.08500
South Korean Won	1,312.95271	1,154.65000
Swedish Krona	10.55928	9.28615
Swiss Franc	1.11004	0.97620
Taiwan Dollar	35.31776	31.05950
Thailand Baht	34.87202	30.66750
Turkish Lira	6.58438	5.79050
United Arab Emirates Dirham	4.17674	3.67315
US Dollar	1.13710	1.00000

## Notes to the Financial Statements

for the year ended 30 June 2020 *cont.*

### 14. Significant Events during the Year

Mr Daniel R. Melley resigned as a Director of the Manager effective 31 January 2020.

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a virus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have adversely affected and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact each Fund's performance.

A new Prospectus for the Trust was approved by the Central Bank of Ireland on 17 June 2020 and incorporated the following changes, among other minor updates and ministerial edits:

- Daniel Melley has been removed from the Prospectus as he is no longer a Director of Putnam Investments (Ireland) Limited.
- Risk factors section of the Prospectus has been updated: disclosures on the UK's withdrawal from the European Union, large unitholder redemptions, LIBOR and COVID-19 have been included.
- Disclosures on the use of benchmarks and indices by the Trust have been inserted in the Prospectus. Amendment to each Fund supplement to clarify that each portfolio is actively managed.
- Details of benchmarks used for performance comparison purposes have also been inserted.
- The sections headed 'Application for Units' and 'Redemption of Units' have been updated: electronic forms of dealing have been included.

### 15. Subsequent Events

The effects of the COVID-19 pandemic continue and may continue to adversely affect the global economy, the economies of certain nations and individual issuers, all of which may negatively impact the Funds' performance. Given the inherent uncertainties, it is not practicable at this time to determine what impact COVID-19 will have on the Funds or to provide a quantitative estimate of any future impact.

### 16. Availability of Portfolio Information

Unitholders may obtain information about certain Funds' portfolio holdings on [www.putnam.com](http://www.putnam.com) or by contacting the Manager. Portfolio holdings information will only be provided for legitimate purposes as determined by the Manager, and will be subject to a reasonable delay intended to protect the Funds. Unitholders may also request information about each Fund's management team and other relevant information relating to the Trust.

### 17. Approval of the Financial Statements

The financial statements were approved by the Directors of the Manager on 14 October 2020.

## Putnam Global High Yield Bond Fund

Schedule of Portfolio Changes (unaudited)\*  
for the financial year ended 30 June 2020

### Largest cumulative purchases in excess of 1% of total purchases

<b>Principal Amount</b>		<b>Cost USD</b>
USD 7,863,000	United States Treasury Bill 05/12/2019	7,804,224
6,029,000	United States Treasury Bill 09/07/2020	6,026,889
3,150,000	Atlantic Asset Securitization 12/09/2019	3,149,814
3,089,000	United States Treasury Bill 07/11/2019	3,074,461
3,052,000	United States Treasury Bill 13/08/2020	3,052,000
3,000,000	Freddie Mac Discount Notes 20/12/2019	2,999,877
2,772,000	United States Treasury Bill 23/07/2020	2,768,900
2,277,000	United States Treasury Bill 25/06/2020	2,275,971
2,104,000	United States Treasury Bill 03/09/2020	2,103,857
2,000,000	Manhattan Asset Funding Company 2.11% 10/02/2020	1,993,933
1,900,000	Toronto Dominion Bank 05/12/2019	1,890,310
1,878,000	United States Treasury Bill 21/04/2020	1,874,791
1,730,000	CCO Holdings LLC 5.38% 01/06/2029	1,845,706
GBP 1,450,000	Virgin Media Secured Finance PLC (United Kingdom) 4.13% 15/08/2030	1,819,749
USD 1,800,000	ING Groep NV (Netherlands) 5.75% 31/12/2099	1,800,000
1,700,000	Atlantic Asset Securitization 2.00% 17/01/2020	1,697,167
1,700,000	Nationwide Building Society 29/08/2019	1,696,633
EUR 1,555,000	Ziggo Bond Company BV (Netherlands) 3.38% 28/02/2030	1,694,985
USD 1,700,000	United States Treasury Bill 16/07/2020	1,689,305
1,675,000	Tenet Healthcare Corporation 4.88% 01/01/2026	1,675,000

\* In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the year or at least the top 20 purchases and sales.

## Putnam Global High Yield Bond Fund *cont.*

Schedule of Portfolio Changes (unaudited)\* *cont.*  
for the financial year ended 30 June 2020

### Largest cumulative sales in excess of 1% of total sales

Principal Amount		Proceeds USD
USD 5,000,000	United States Treasury Bill 09/07/2020	4,999,300
2,150,000	United States Treasury Bill 23/07/2020	2,149,746
1,880,000	Equinix Incorporated 5.38% 15/05/2027	2,045,414
1,935,000	Sprint Communications Incorporated 6.00% 15/11/2022	2,024,760
1,976,000	United States Treasury Bill 25/06/2020	1,975,966
1,800,000	ING Groep NV (Netherlands) 5.75% 31/12/2099	1,853,505
EUR 1,655,000	Ziggo Bond Company BV (Netherlands) 4.63% 15/01/2025	1,850,206
USD 1,580,000	Sprint Corporation 7.88% 15/09/2023	1,623,238
1,255,000	CSC Holdings LLC 7.50% 01/04/2028	1,424,425
GBP 900,000	Phosphorus Holdco PLC (United Kingdom) 1.00% 01/04/2021	1,413,026
USD 1,366,000	United States Treasury Bill 16/07/2020	1,365,887
GBP 1,000,000	Stonegate Pub Company Financing PLC (United Kingdom) 4.88% 15/03/2022	1,330,568
EUR 1,070,000	Fiat Chrysler Automobiles NV (Netherlands) 3.75% 29/03/2024	1,313,220
USD 1,255,000	CCO Holdings LLC 5.88% 01/04/2024	1,311,196
EUR 1,230,000	Refinitiv US Holdings Incorporated 4.50% 15/05/2026	1,265,157
USD 1,200,000	Altice France SA (France) 7.38% 01/05/2026	1,261,020
EUR 1,085,000	Altice Luxembourg SA (Luxembourg) 6.25% 15/02/2025	1,241,693
1,090,000	Summer BC Holdco A Sarl (Luxembourg) 9.25% 31/10/2027	1,203,878
1,620,000	Europcar Mobility Group (France) 4.13% 15/11/2024	1,187,119
1,165,000	Novafives SAS (France) 5.00% 15/06/2025	1,182,172

\* In accordance with the UCITS regulations this statement presents the aggregate purchases and aggregate sales of a security exceeding 1.00% of the total value of purchases or sales for the year or at least the top 20 purchases and sales.



## Securities Financing Transactions Regulation (unaudited)

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) (“SFTR”) came into force on 12 January 2016 and, amongst other requirements, introduces new disclosure requirements in the Trust’s financial statements published after 13 January 2017 detailing the Funds’ use of securities financing transactions (“SFTs”) and/or total return swaps (“TRSs”). As a result, additional disclosures have been included in this Appendix.

### Putnam Global High Yield Bond Fund

#### Repurchase Agreements

	Below is the value of assets engaged in securities financing transactions at 30 June 2020 as disclosed in the Fund’s Schedule of Investments
	<b>Value USD</b>
	1,500,000
<b>% of Fund</b>	0.55%

	Listed below are the Counterparties used for each type of SFT at 30 June 2020
	<b>USD</b>
<b>Counterparty Name</b>	BofA Securities Incorporated
<b>Value of outstanding transactions</b>	1,500,000
<b>Country of Establishment</b>	United States

	Settlement/clearing for each type of SFT
	Bi-Lateral

	Maturity tenor of the SFTs
	<b>USD</b>
<b>Less than 1 day</b>	1,500,000

	Type, Quality and Currency of Collateral received
	<b>USD</b>
<b>Bonds</b>	1,529,874

Quality:	USD
<b>AAA</b>	1,529,874

	Maturity tenor of the Collateral received
	<b>USD</b>
<b>1 week to 1 month</b>	1,529,874

	Largest Collateral Issuers for received collateral
	<b>USD</b>
<b>Collateral Issuer</b>	U.S. Treasury Note 21/07/2020
<b>Volume of collateral received</b>	1,529,874

	Safe-keeping of Collateral received
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Detailed in the table below are the number and names of the depositaries who are responsible for the safe-keeping of the collateral received in relation to each of the SFTs held on the Fund.

<b>Number of Depositaries/Counterparties</b>	One
<b>Depositary/Counterparty</b>	State Street Custodial Services (Ireland) Limited
	<b>USD</b>
<b>Value of Collateral received</b>	1,529,874
<b>% of Total Collateral received</b>	100.00%

	Returns and costs of the SFTs
	<b>USD</b>
<b>Income received</b>	125,274
<b>Gains/Losses</b>	-
<b>Net returns</b>	125,274

## Remuneration disclosure (unaudited)

### Summary of the Remuneration Policy of Putnam Investments (Ireland) Limited

In line with the requirements of Directive 2009/65/EC, as amended by Directive 2014/91/EU (the “UCITS Directive”), effective as of 18 March, 2016, Putnam Investments (Ireland) Limited (the “Company”), which is also the Manager of the Trust, has a remuneration policy in place, which includes the relevant principles governing how the Company remunerates its members of staff and recognised “Identified Staff”.

As outlined in the remuneration policy, the remuneration arrangements of the Company have been designed in a manner that (i) are consistent with and promote sound and effective risk management, (ii) do not encourage risk-taking that is inconsistent with the risk profile of the Funds of the Trust, and (iii) do not impair compliance with the Company’s duty to act in the best interests of the Unitholders of the Funds.

### Identified Staff

As at the date of the Company’s remuneration policy, the “Identified Staff” of the Company are the Board of Directors and the Designated Persons performing the designated functions for the Company.

### Remuneration paid

Certain members of the Board of Directors of the Company receive an annual fixed directorship fee and such Board members do not receive performance-based remuneration therefore avoiding a potential conflict of interest. The fixed fee of an independent Board member is set at a level that is on par with the rest of the market and reflects the qualifications and contribution required in view of the nature, scope and complexity of the Company’s activities, the extent of the responsibilities and the number of board meetings. No pension contributions are payable on Board members’ fees.

Each of the other members of the Board, being the executive Board members, does not receive any directorship fee in respect of the Company given their association with the Putnam group.

### Disapplication of certain principles

The Company does not pay any variable remuneration to any of its “Identified Staff”. Accordingly, the Board of Directors is satisfied that the principles in respect of variable remuneration (i.e., the pay out process requirements of payment of variable remuneration in instruments, retention, deferral and ex post incorporation of risk for variable remuneration) as outlined in the UCITS Directive are not applicable to the Company. For the same reason, the Company has not established a remuneration committee.

### ESMA Guidelines on Remuneration

On 31 March 2016, the European Securities and Markets Authority (“ESMA”) published its final Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The ESMA Guidelines provide clarity on the requirements under the UCITS Directive for management companies when establishing and implementing a remuneration policy for certain staff. The ESMA Guidelines apply from 1 January, 2017. Accordingly, the remuneration policy is reviewed and updated where necessary.

### Approval and up to date information

The remuneration policy has been adopted and will be reviewed on an annual basis by the non-executive members of the Board of Directors of the Company in their supervisory function, and any revisions to the remuneration policy require approval of such members. A paper copy of the remuneration policy will be made available free of charge upon request from the registered office of the Company, 1 North Wall Quay, Dublin 1, Ireland.

# Organisation

## Manager:

Putnam Investments (Ireland) Limited®

## Registered Office of the Manager:

Citibank Europe plc  
1 North Wall Quay  
Dublin 1  
Ireland

## Directors of the Manager:

David Dillon (Ireland) (non-Executive Director)  
F. Peter Ferrelli (U.S.)  
Susan G. Malloy (U.S.)  
Daniel R. Melley (U.K.) (resigned effective 31 January 2020)  
Stephen J. Tate (U.S.)  
Wyndham Williams (Ireland) (Independent non-Executive Director)

## Investment Advisor:

The Putnam Advisory Company, LLC  
100 Federal Street  
Boston, Massachusetts 02110  
United States of America

## Sub-Investment Advisor

Putnam Investments Limited  
16 St. James's Street  
London SW1A 1ER  
United Kingdom

## Depository:

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Administrator:

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Transfer Agent:

Citibank Europe plc  
1 North Wall Quay  
Dublin 1  
Ireland

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Independent Auditors:

PricewaterhouseCoopers  
Chartered Accountants  
Leggettsrath Business Park  
Dublin Road  
Kilkenny  
Ireland

## Legal Advisors:

Dechert  
Second Floor  
5 Earlsfort Terrace  
Dublin 2  
D02 CK83  
Ireland

## Representative and Paying Agent in Switzerland\*:

BNP Paribas Securities Services, Paris, Succursale de  
Zurich  
Selnaustrasse 16  
CH-8002 Zurich  
Switzerland

\* The management regulations, the Prospectus, the Key Investor Information Documents, the unaudited semi-annual reports, as well as the audited annual reports, can be obtained free of charge from the Representative and Paying Agent in Switzerland. A copy of the list of changes in the portfolio during the reference period may be obtained free of charge at the depository or paying agents, at the Representative and Paying Agent in Switzerland.





**Putnam Investments (Ireland) Limited®**  
**1 North Wall Quay**  
**Dublin 1**  
**Ireland**

Authorised and regulated by the  
Central Bank of Ireland.

**Putnam Investments Limited®**  
**16 St. James's Street**  
**London SW1A 1ER**  
**United Kingdom**

**Tel: +44 (0)20-7907-8200**

Authorised and regulated  
by the Financial Conduct  
Authority.

**A world of investing.®**



The website is not intended for use by investors in certain jurisdictions. Please refer to the Prospectus.  
[putnam.com/ucits](http://putnam.com/ucits)

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