

**Fund domicile/type**

Ireland/UCITS

**Fund inception**

25 February 2008

**Net assets**

£184.0 million

**Base currency**

Sterling

**Benchmark (class S)**6-month Sterling  
LIBOR**Registered countries**Denmark, Finland,  
Germany, Ireland,  
Netherlands, Norway,  
Sweden, United Kingdom**Minimum initial  
investment**

£ 10 million

**Subsequent  
investment**

£ 25,000

**Symbols****ISIN**

S Units IE00B29LMS96

**Bloomberg**

S Units PUTGFIS

**Income distribution**

Annually (Class S only)

**Available Unit  
classes /currencies**S (Sterling), E (Euro),  
I (US dollar), Y (Yen)**Contact details**+44 (0)20 7907 8200  
putnam.com

# Putnam Fixed Income Global Alpha Fund

FOR INSTITUTIONAL INVESTORS  
Putnam World Trust

**Investment objective**

Putnam's Fixed Income Global Alpha strategy is built on the premise that one of the most effective deliveries of fixed income alpha results from efficiently mixing as many independent investment strategies as possible.

This actively managed global bond fund seeks to exploit market inefficiencies. It pursues consistent absolute returns with low volatility and limited market risk through a diversified portfolio of uncorrelated strategies across global markets and sectors. The investment objective is to achieve an annual total return that exceeds six-month Sterling LIBOR by 2.0% or more, as measured over rolling three-year periods. Broad diversification seeks to prevent overexposure to any one sector or strategy.

**Fund highlights**

Pursues the full opportunity set of available global fixed income instruments to diversify portfolio exposure and seek to maintain advantageous strategies regardless of market conditions

Benefits from broad exposure to all sectors and sub sectors including sovereign (developed and emerging), credit (investment grade, high yield, convertible bonds), and securitised (MBS, ABS, CMBS, CMO)

Emphasises security selection with subsector allocation and macro strategies (currency, country, and global term structure) also serving as important secondary alpha generators

Uses derivatives to fine-tune portfolio strategies, hedge risk factors and as an alternative to cash investments

**KEY CHARACTERISTICS**

Average duration	-0.27 years
Yield to maturity	4.29%

Integrates alpha generation from sector specialists using a disciplined portfolio construction process

Applies disciplined risk management using a proprietary portfolio risk decomposition model

Uses an integrated investment process combining valuation, proprietary risk management, and advanced portfolio construction

Draws on the strength and research skills of Putnam's 90-member fixed income group

**ANNUALISED FUND PERFORMANCE AT NAV (%)\***

	1Q17 (3 mos.)	1 year	3 years	5 years	Since inception (25/02/08)
Class S Units (GBP)	1.63%	7.14%	1.42%	2.34%	2.67%
6-month Sterling LIBOR	0.23	1.02	0.88	0.82	1.38

Periods less than one year are not annualised.

Source: Putnam Investments.

\* Data is historical. Past performance is not a guarantee of future results. More recent returns may be more or less than those shown. Investment return and principal value 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 (NAV) and reflects Fund operating expenses such as management fees, but does not account for any taxes or sales charges. The payment of any sales charges will reduce performance.

**Deal closing time**

4:00 p.m. (EST)

**Dealing day**

Every Friday and the last business day of the month

**Fee structure**

Annual base fee of 0.20% and a performance fee equal to 20% (15%, as of 1 January 2016) of the "Excess return", if any, achieved by Class S Units.†

†Credit qualities are shown as a percentage of the fund's net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade.

This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings may vary over time. Cash, derivative instruments, and net other assets are shown in the not-rated category. Payables and receivables for TBA mortgage commitments are included in the not-rated category and may result in negative weights. The fund itself has not been rated by an independent rating agency.

Unitholders may obtain information about portfolio holdings from time to time by contacting the Fund's 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.

**Portfolio details as of 31/03/17\***

SECTOR ALLOCATION (%)						
	Cash Investments		Non-Cash Invest.		Total Portfolio	
	Weight	Spread Duration	Weight	Spread Duration	Weight	Spread Duration
Agency CMO	12.54	0.32	1.25	0.05	13.78	0.37
Agency pass-through	0.01	0.00	8.83	0.71	8.85	0.71
Asset-backed securities (ABS)	0.93	0.00	0.00	0.00	0.93	0.00
Commercial MBS	19.94	0.67	5.29	0.27	25.23	0.93
Convertible securities	0.03	0.00	0.00	0.00	0.03	0.00
Emerging market bonds	5.82	0.34	0.00	0.00	5.82	0.34
High yield corporate bonds	11.36	0.54	-3.48	-0.14	7.89	0.40
Interest rate swaps	0.00	0.00	0.00	-2.72	0.00	-2.72
International Treasury/agency	1.05	0.08	0.00	-0.04	1.05	0.04
Investment grade corp. bonds	29.05	1.28	0.00	0.00	29.05	1.28
Residential MBS (non-agency)	6.73	0.35	0.00	0.00	6.73	0.35
U.S. Treasury/agency	0.00	0.00	0.00	0.03	0.00	0.03
Net cash	12.52	0.00	0.00	0.00	12.52	0.00

Spread duration estimates the price sensitivity of a specific sector or asset class to a 100 basis-point movement (either widening or narrowing) in its spread relative to Treasuries. Allocations may not total 100% of net assets because the table includes the notional value of derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities.

CONTRIBUTION TO DURATION (CTD) IN YEARS			
Canada	0.26	Spain	0.02
New Zealand	0.21	Ireland	0.01
Mexico	0.17	Netherlands	0.01
Switzerland	0.13	Sri Lanka	0.01
Greece	0.08	Venezuela	0.01
Sweden	0.06	Hungary	0.01
Brazil	0.06	Luxembourg	0.01
Russia	0.06	Germany	-0.03
Indonesia	0.06	Australia	-0.06
Argentina	0.05	United Kingdom	-0.37
Norway	0.05	European Community	-0.43
Jersey	0.04	United States	-0.71
France	0.02		
<b>Total duration</b>			<b>-0.27</b>

CREDIT RATING (%)†	
AAA	29.77
AA	4.20
A	20.16
BBB	20.64
BB or below	28.98
Not rated	-3.74

Due to rounding, percentages may not equal 100%.

CURRENCY EXPOSURE (%)			
British Pound	99.46	South Korean Won	0.01
Swedish Krona	4.01	Swiss Franc	0.01
Australian Dollar	3.03	South African Rand	-0.46
Indian Rupee	0.77	Norwegian Krone	-0.49
Brazilian Real	0.75	Japanese Yen	-0.49
Chilean Peso	0.50	Singapore Dollar	-0.51
Canadian Dollar	0.27	Euro	-1.57
Mexican Peso	0.26	United States Dollar	-2.14
Indonesian Rupiah	0.25	New Zealand Dollar	-3.68
Hong Kong Dollar	0.04		

\* Portfolio details may vary with market conditions.

† The performance fee will be payable to the Manager equal to 20% of the "Excess Return" if any, achieved by Class S Units over the performance "Benchmark". The Benchmark is defined as the daily 6-month Sterling LIBOR for Class S Units. Please refer to the Fund's prospectus for complete disclosure of the performance fee calculation methodology.

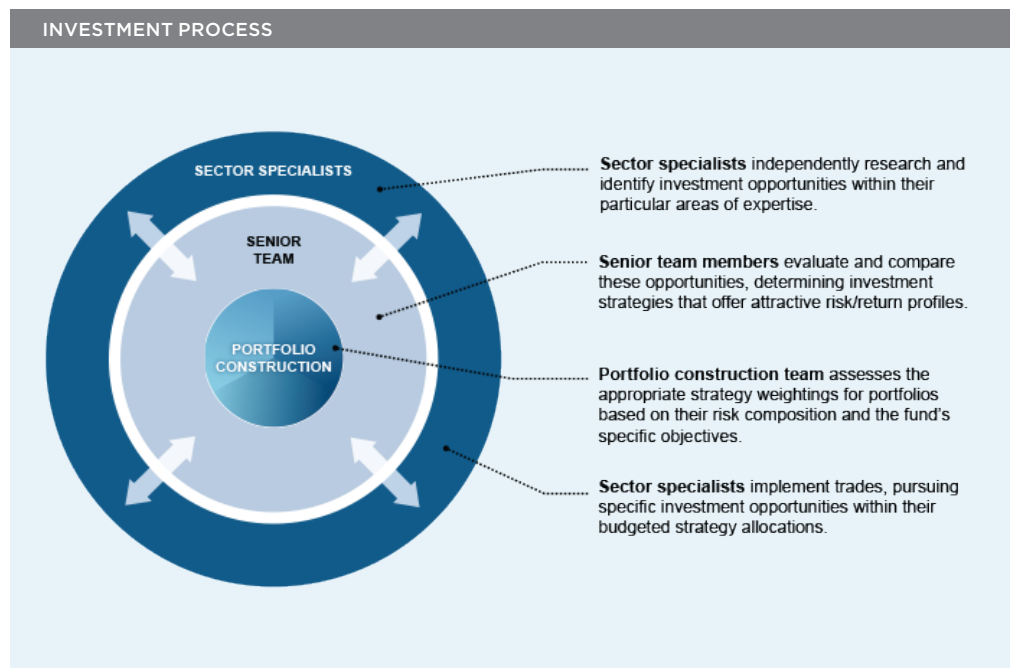
## Investment management team

**D. William Kohli**  
Co-Head of Fixed Income  
29 years of investment experience

**Michael V. Salm**  
Co-Head of Fixed Income  
28 years of investment experience

**Paul D. Scanlon, CFA**  
Co-Head of Fixed Income  
31 years of investment experience

**Albert Chan, CFA**  
Portfolio Manager  
15 years of investment experience



**An integrated investment process that blends decentralised specialisation with centralised portfolio construction and risk management:**

### Idea Generation

- Sector specialisation is the most effective way to approach today's sophisticated and complex fixed income market.
- Dedicated teams of sector specialists across global rates, securitised bonds, and credit are active risk takers responsible for uncovering and executing upon the most attractive opportunities in their markets.
- Portfolio managers promote strategies and allocate risk within sectors, aiding the specialists in vetting ideas for expected return, volatility, and downside risks.

### Portfolio Construction

- Portfolio construction adds value, fulfilling the traditional role of portfolio manager, but aiming to operate in a more systematic and objective fashion.
  - Portfolio construction specialists allocate risk across strategies in an unbiased manner aimed at balancing the trade-off between risk and expected return.
- \* Sizing of strategies is a function of forward looking excess return, volatility, and liquidity estimates, subject to portfolio specific investment guidelines and risk budgets.

### Risk Management

- Unique approach to risk decomposition across term structure, prepayment, credit, and liquidity risks.
- Diversification means more than just multi-sector exposure (common factor risk, investment horizon, strategy identification).
- Flexible and open proprietary risk system seeks to objectively quantify common factor and idiosyncratic risks across strategies regardless of sector.
- Risk modelling approach is complemented with the use of historical simulation, stress testing, and VAR to assess the impact of tail risk.

The Fund is a subfund 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 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

**Risks:** Global investing involves certain risks, such as currency fluctuations, economic instability, and political developments. 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. The use of derivatives involves special risks and may result in losses. 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.

This material is not a Prospectus and does not constitute an offering of units. If investors would like further information regarding this Fund, including charges, expenses and risk considerations, they should contact their financial representative for a free Prospectus and/ or Key Investor Information Document (KIID). Not all units are for sale in each jurisdiction. Investors should read the Prospectus carefully before investing. Fund units may not be offered or sold to citizens or residents of the United States of America or in any other country, state, or jurisdictions where it would be unlawful to offer, solicit an offer for, or sell the units. It is the responsibility of the dealer to ensure that the offering and sale of fund units comply with the relevant national law.

**Austria:** The units described in the Fund's Prospectus and the related documents have not and may not be offered or sold, directly or indirectly, to the public in the Republic of Austria. These materials and the related documents are not intended to constitute a public offering in Austria and should not be construed as such. In particular, these materials shall not constitute an offer to sell or a solicitation of an offer to buy the units described in the Fund's Prospectus and the related documents and no steps may be taken which would constitute or result in a public offering of the units in Austria. The Fund's Prospectus has not been and is not expected to be submitted to the Oesterreichische Kontrollbank Aktiengesellschaft and has not been prepared in accordance with the Austrian Capital Markets Act (Kapitalmarktgesetz) or the Austrian Investment Funds Act (Investmentfondsgesetz). It is therefore not a Prospectus pursuant to the Capital Markets Act or the Investment Funds Act.

**Switzerland:** The Fund has not been and is not intended to be approved for distribution to non-qualified investors in or from Switzerland by the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, units of the Fund and this document and any other document or offering material relating to the Fund and/or the units in the Fund may only be distributed in or from Switzerland to "qualified investors" as defined in the Federal Act on Collective Investment Schemes of 23 June 2006 and its implementing ordinances, as amended from time to time, and the most current practice of the FINMA and the competent courts.

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