

PUTNAM SPECTRUM FUNDS

Unconventional portfolios built with conviction



“I maintain large positions in my best investment ideas and don’t get distracted by market noise.”

DAVID GLANCY, Portfolio Manager

David Glancy, a former hedge fund manager with expertise across a range of security types, has navigated changing markets since he began investing in 1987. As manager of Putnam Spectrum Funds, he pursues unconventional return opportunities, seeking to build portfolios that are differentiated from the broader market.

Patience is a critical component of his investment approach. With a willingness to wait for growth catalysts to take effect, he can maintain a concentrated portfolio that is unconstrained by traditional indexes.

He has the flexibility to maintain large positions in his best ideas, and he can hold significant levels of cash until he finds securities that meet his exacting standards. He can also short-sell securities that he believes are overvalued.

A distinct approach

Backed by 30 years of industry experience, David Glancy specializes in seeking unconventional value. He has developed investment capabilities across high-yield debt, bank loans, and equities, and is known for his conviction and differentiated approach to building portfolios.

- Joined Putnam in 2009 and has been in the investment industry since 1987
- Has managed a hedge fund and mutual funds in many market environments
- Specialized skill in analyzing balance sheets and corporate capital structures
- Decades of experience studying companies that use debt strategically

A flexible investment process, unconstrained by traditional indexes

David Glancy can go beyond benchmark indexes, build concentrated positions, hold large amounts of cash, and short-sell securities he considers overvalued. As a result, his portfolios are often markedly different from traditional benchmark-oriented strategies.



Looks for companies that are underfollowed and under-researched



Believes that over-diversification of the portfolio may dilute its long-term returns



Focuses on strengths of individual companies rather than macro-economic factors



Looks for companies with growth catalysts that may be unappreciated by the market



Seeks performance from securities outside of traditional benchmarks

“If I like a company’s prospects, I get in front of the story early, and then remain patient as the idea blossoms.”

DAVID GLANCY, Portfolio Manager

Concentrated portfolios from a seasoned investor

Putnam Capital Spectrum Fund (PVSYX)

Can invest in the most attractive securities across a company’s capital structure, including common stocks, bonds, bank loans, and convertibles

Putnam Equity Spectrum Fund (PYSYX)

Focuses on equity securities, can pursue mispriced stocks that attract little research coverage, and is able to favor cash and short sell securities.

Consider these risks before investing: The value of stocks in the fund’s portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions and factors related to a specific issuer, industry, or sector. These and other factors may also lead to increased volatility and reduced liquidity in the fund’s portfolio holdings. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. These risks are generally greater for small and midsize companies. The fund will be more susceptible to these risks than other funds because it may concentrate its investments in a limited number of issuers and currently focuses its investments in particular sectors. Because the fund currently invests significantly in the communications services and health-care sectors, the fund may perform poorly as a result of adverse developments affecting those companies or sectors. The fund may focus its investments in other sectors in the future, in which case it would be exposed to risks relating to those sectors. The value of international investments traded in foreign currencies may be adversely impacted by fluctuations in exchange rates. International investments, particularly investments in emerging markets, may carry risks associated with potentially less stable economies or governments (such as the risk of seizure by a foreign government, the imposition of currency or other restrictions, or high levels of inflation or deflation), and may be or become illiquid. The fund’s investments in leveraged companies and the fund’s “non-diversified” status, which means the fund may invest a greater percentage of its assets in fewer issuers than a “diversified” fund, and the fund’s use of short selling can increase the risks of investing in the fund. You can lose money by investing in the fund. **For Capital Spectrum Fund, these risks also apply:** The risks associated with bond investments include interest rate risk, which means the prices of the fund’s investments are likely to fall if interest rates rise. Bond investments are also subject to credit risk, which is the risk that the issuers of the bond may default on payment of interest or principal. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds, which may be considered speculative. Mortgage- and other asset-backed investments carry the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields. Our use of derivatives may increase the risks of investing in the fund by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential failure of the other party to the instrument to meet its obligations.

For informational purposes only. Not an investment recommendation.

Your clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

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Putnam Retail Management

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