



Robert L. Salvin
Portfolio Manager
(industry since 1986)



Anthony J. Daigle
Assistant Portfolio Manager
(industry since 2004)

Objective

The fund seeks, with equal emphasis, current income and capital appreciation. Its secondary objective is conservation of capital.

Morningstar category

Convertibles

Lipper category

Convertible Securities

Fund symbols

Class A	PCONX
Class B	PCNBX
Class C	PRCCX
Class R	PCVRX
Class R6	PCNTX
Class Y	PCGYX

Number of holdings

128

Net assets

\$886.04M

Dividend frequency

Quarterly

Putnam Convertible Securities Fund (PCGYX)

Offering investors the diverse benefits of convertible securities since 1972

Balanced profile

The fund seeks to achieve an equilibrium balancing much of the upside potential of equities, the lower downside risk of bonds, and an attractive current yield.

Effective diversification

The fund can provide effective diversification for investor portfolios; convertible securities are not highly correlated with stocks and correlation is near zero versus aggregate bond strategies.

Joint venture

Uniquely combining both dedicated fixed income and equity expertise to enhance the ability to fully exploit these hybrid securities.

Top ten holdings

Tesla	4.84%
Broadcom	2.44
Danaher	2.05
Microchip Technology	2.00
Square	1.92
DexCom	1.68
Zillow Group	1.62
Splunk	1.59
DISH Network	1.57
Southwest Airlines	1.57

Holdings represent 21.28% of the portfolio and will vary over time.

Sector weightings

Information technology	34.3%
Consumer discretionary	19.7
Health care	18.0
Communication services	9.5
Industrials	4.8
Utilities	4.0
Financials	3.3
Real estate	1.4
Energy	0.8
Materials	0.5
Cash and net other assets	3.7

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

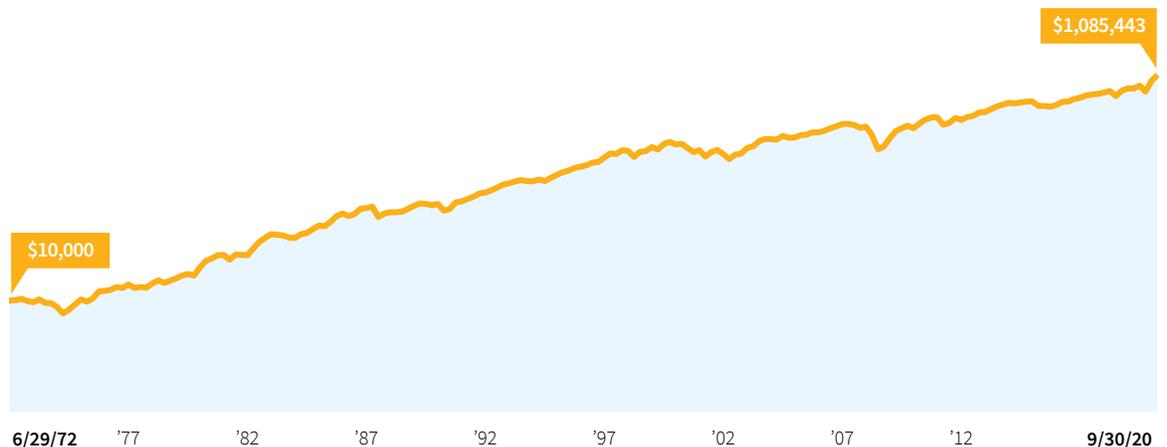
Portfolio composition

Convertible bonds and notes	77.2%
Mandatories	15.2
Convertible preferred stock	2.3
Common stock	1.6
Cash and net other assets	3.7

Growth of a \$10,000 investment

The fund has returned an average of 10.2% annually since inception.

Plotted on a logarithmic scale so that comparable percentage changes appear similar.



Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance of class Y shares assumes reinvestment of distributions and does not account for taxes. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. Performance for class Y shares prior to their inception is derived from the historical performance of class A shares (inception 6/29/72), which have not been adjusted for the lower expenses; had they, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

Not FDIC insured
May lose value
No bank guarantee

Morningstar rankings

(Y shares, based on total return)

1 year	32% (29/74)
3 years	32% (33/72)
5 years	37% (30/68)
10 years	39% (20/50)

Total expense ratio(Y shares)
0.80%**Beta**

0.95

30-day SEC yield

0.34%

Annual performance at net asset value (all distributions reinvested)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
Y shares	-6.2%	15.4%	22.3%	7.7%	-6.8%	9.8%	15.2%	-3.1%	24.6%	24.9%
ICE BofA U.S. Convertible Index	-5.2	15.0	24.9	9.4	-3.0	10.4	13.7	0.2	23.2	22.2
Lipper Convertible Securities Funds Average	-5.1	11.6	22.9	6.3	-3.9	8.2	13.4	-1.7	22.9	21.4

Annualized total return performance

Inception 12/30/98	Class Y shares	ICE BofA U.S. Convertible Index	Lipper Convertible Securities Funds Average
1 year	33.14%	31.20%	30.13%
3 years	15.42	15.24	14.46
5 years	13.78	13.80	12.97
10 years	10.62	11.38	10.11
Life of fund	10.20	—	10.07

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Highlights of five-year performance periods (6/29/72–9/30/20)*

Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
23.04%	3/31/83	-3.30%	12/31/08	10.44%	97%	169	5

* Based on annualized returns for quarterly rolling periods.

The ICE BofA U.S. Convertible Index tracks the performance of publicly issued U.S. dollar denominated convertible securities of U.S. companies. You cannot invest directly in an index. The Lipper Convertible Securities Funds Average is an arithmetic average of the total return of all Lipper Convertible Securities Funds. ICE Data Indices, LLC (ICE BofA), used 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. You cannot invest directly in an index.

Morningstar rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

Not all share classes are available on all platforms.

Consider these risks before investing: The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. These risks are generally greater for convertible securities issued by small and/or midsize companies. Convertible securities' prices may be adversely affected by underlying common stock price changes. While convertible securities tend to provide higher yields than common stocks, the higher yield may not protect against the risk of loss or mitigate any loss associated with a convertible security's price decline. Convertible securities are subject to credit risk, which is the risk that an issuer of the fund's investments may default on payment of interest or principal. Credit risk is generally greater for below-investment-grade convertible securities. Convertible securities may be less sensitive to interest-rate changes than non-convertible bonds because of their structural features (e.g., convertibility, "put" features). Interest-rate risk is generally greater, however, for longer-term bonds and convertible securities whose underlying stock price has fallen significantly below the conversion price. Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

Request a prospectus or a summary prospectus, if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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Putnam Retail Management
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