



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

117

Net assets

\$759.71M

Dividend frequency

Quarterly

Current allocation

Equities	28.97%
Bonds	68.66%
Cash and net other assets	2.37%

Putnam Convertible Securities Fund

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

Microchip Technology	4.12%
Bank of America	2.89
Broadcom	2.56
Crown Castle International	1.93
BD Medical	1.92
Danaher	1.88
Wells Fargo	1.88
DexCom	1.84
Sempra Energy	1.83
Liberty Media	1.81

Holdings represent 22.66% of the portfolio and will vary over time.

Sector weightings

Information technology	37.9%
Health care	16.4
Financials	8.7
Communication services	8.3
Consumer discretionary	7.8
Utilities	7.2
Industries	5.0
Real estate	4.0
Energy	1.3
Materials	1.1
Cash and net other assets	2.4

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

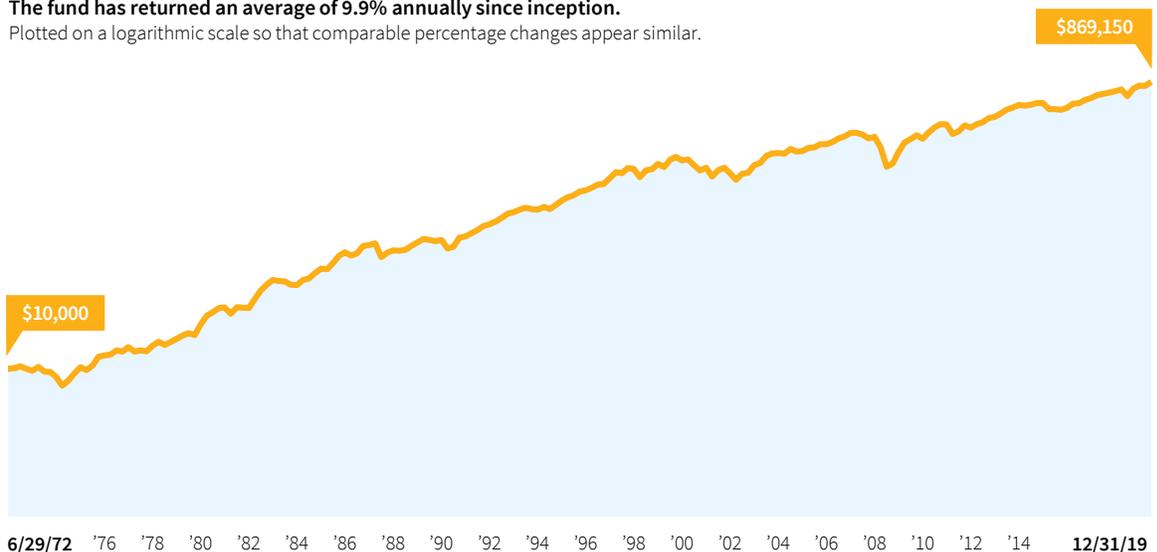
Portfolio composition

Convertible bonds and notes	68.2%
Mandatories	18.1
Convertible preferred stock	6.3
Common stock	4.6
Corporate bonds and notes	0.5
Cash and net other assets	2.4

Growth of a \$10,000 investment

The fund has returned an average of 9.9% 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**

Lipper rankings

(Y shares, based on total return)

1 year	40% (31/77)
3 years	42% (31/74)
5 years	50% (32/64)
10 years	24% (11/45)

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

1.04

30-day SEC yield

0.83%

Beta is defined as a fund's sensitivity to market movements and is used to evaluate market related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Risk statistics are measured using a 3-year regression analysis. For funds with shorter track records, Since Inception analysis is used.

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.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
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Annual performance at net asset value (all distributions reinvested)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Y shares	19.8%	-6.2%	15.4%	22.3%	7.7%	-6.8%	9.8%	15.2%	-3.1%	24.6%
ICE BofA U.S. Convertible Index	16.8	-5.2	15.0	24.9	9.4	-3.0	10.4	13.7	0.2	23.2
Lipper Convertible Securities Funds Average	16.4	-5.1	11.6	22.9	6.3	-3.9	8.2	13.4	-1.7	22.9

Annualized total return performance

Inception 12/30/98	Class Y shares	ICE BofA U.S. Convertible Index	Lipper Convertible Securities Funds Average
1 year	24.64%	23.15%	22.87%
3 years	11.67	11.93	11.00
5 years	7.34	8.48	7.30
10 years	9.30	10.09	8.60
Life of Fund	9.85	—	9.73

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.

Highlights of five-year performance periods (6/29/72–12/31/19)*

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	10.46%	97%	166	5

*Based on annualized returns for quarterly rolling periods.

Lipper 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 Lipper.

Not all share classes are available on all platforms.

Consider these risks before investing: Emerging-market securities carry illiquidity and volatility risks. 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 and the risk that they may increase in value when interest rates decline and decline in value when interest rates rise. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses. 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 or 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. International investing involves currency, economic, and political risks. You can lose money by investing in the fund. The fund's shares trade on a stock exchange at market prices, which may be lower than the fund's net asset value. 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. 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.