

**Portfolio Managers**

**Eric N. Harthun, CFA**  
(industry since 1994)

**Robert L. Salvin**  
(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 M	PCNMX
Class R	PCVRX
Class Y	PCGYX

**Number of holdings**

120

**Net assets**

\$683.74M

**Dividend frequency**

Quarterly

**Current allocation**

Bonds	71.14%
Stocks	25.33%
Cash and other net assets	3.53%

# Putnam Convertible Securities Fund

Offering investors the diverse benefits of convertible securities since 1972

**Growth potential**

The fund seeks to provide equity-like returns over time as the stock component of convertible securities tends to rise with the broader market.

**Steady income**

The fund's performance in down markets is bolstered by the coupon income from convertible securities.

**Effective diversification**

The fund can provide effective diversification for many investor portfolios because convertible securities are not highly correlated with either stocks or bonds.

**Fundamental investment research determines top holdings and sector weightings**

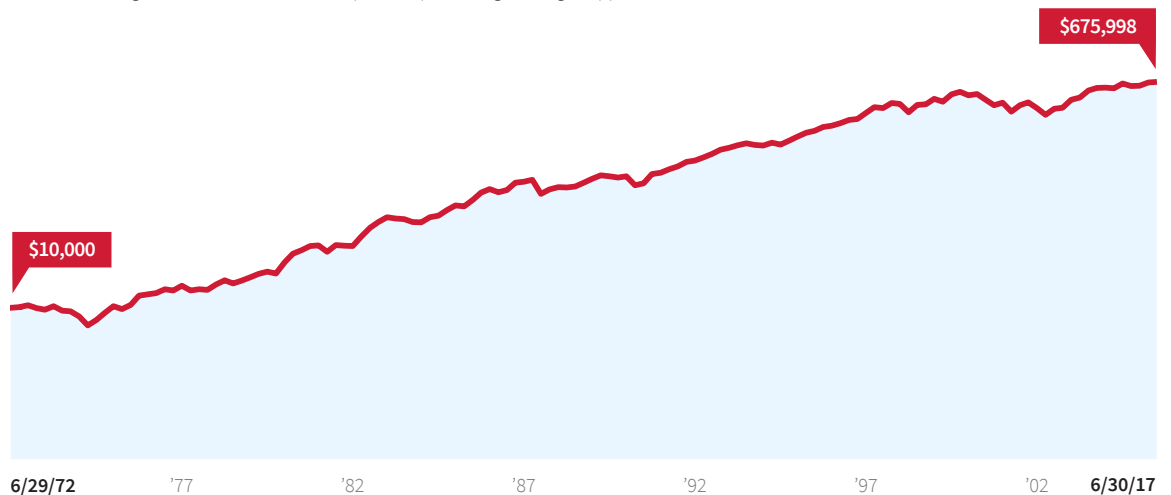
Top ten holdings		Sector		● Fund	● BofA ML U.S. Convertible Index
Microchip Technology	2.74%	Technology	33.7%	30.7%	
Priceline Group	2.44	Health care	16.6	17.1	
Liberty Media	2.27	Consumer cyclicals	12.4	12.0	
Allergan	2.27	Financial	10.4	16.5	
DISH Network	2.16	Communication services	6.1	5.5	
Micron Technology	2.10	Capital goods	5.4	3.6	
Lam Research	2.06	Energy	3.8	5.3	
Intel	1.86	Utilities	3.1	5.3	
American Tower	1.84	Consumer staples	2.1	1.9	
Jazz Investments I	1.78	Conglomerates	1.1	0.1	
		Transportation	0.9	0.5	
		Basic materials	0.8	1.5	

Cash and net other assets represent 3.5% of the portfolio.

**Growth of a \$10,000 investment**

The fund has returned an average of 9.8% 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 before their inception are 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	25% (23/94)
3 years	41% (31/76)
5 years	31% (22/71)
10 years	25% (10/39)

**Total expense ratio**(Y shares)  
0.84%**30-day SEC yield**

1.24%

**Beta**

0.98

**Annual performance at net asset value (all distributions reinvested)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Y shares	6.2%	-39.3%	54.1%	19.8%	-6.2%	15.4%	22.3%	7.7%	-6.8%	9.8%	8.3%
BofA ML U.S. Convertible Index	4.5	-35.7	49.1	16.8	-5.2	15.0	24.9	9.4	-3.0	10.4	7.9
Lipper Convertible Securities Funds Average	6.8	-32.7	38.9	16.3	-5.3	11.1	21.9	5.7	-3.6	7.7	7.4

**Annualized total return performance**

Inception 12/30/98	Class Y shares	BofA ML U.S. Convertible Index	Lipper Convertible Securities Funds Average
1 year	16.87%	16.79%	14.48%
3 years	3.65	4.92	3.07
5 years	9.70	11.25	8.54
10 years	5.62	6.54	4.87
Life of fund	9.82	—	—

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 before their inception are 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](http://putnam.com).

**Highlights of five-year performance periods (6/29/72–6/30/17)\***

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	10.66%	97%	156	5

\*Based on annualized returns for quarterly rolling periods.

The BofA Merrill Lynch U.S. Convertible Index consists of convertible bonds traded in U.S. dollar denominated investment-grade and non-investment-grade convertible securities that are sold into the U.S. market and are publicly traded in the United States. The index data referenced herein is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML") and/or its licensors and has been licensed for use by Putnam Investments. BofAML and its licensors accept no liability in connection with its use. See [putnam.com](http://putnam.com) for a full copy of the Disclaimer. You cannot invest directly in an index.

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.

**Beta** measures volatility in relation to the fund's benchmark. A beta of less than 1.0 indicates lower volatility; a beta of more than 1.0, higher volatility than the benchmark.

Not all share classes available on all platforms.

**Consider these risks before investing:** Convertible securities prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may also 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 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.**

For informational purposes only. Not an investment recommendation.

Putnam Retail Management  
FS019\_Y 307569 7/17