



**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 M	PCNMX
Class R	PCVRX
Class Y	PCGYX

**Number of holdings**

121

**Net assets**

\$720.51M

**Dividend frequency**

Quarterly

# Putnam Convertible Securities Fund

Offering investors the diverse benefits of convertible securities since 1972

**Growth potential**

The fund seeks to provide stock-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 contractually guaranteed 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.

**Top ten holdings**

Microchip Technology	3.31%
Liberty Media	2.39
Micron Technology	2.37
BD Medical	2.04
Intel	1.97
Lam Research	1.92
Booking Holdings	1.89
DISH Network	1.86
On Semiconductor	1.63
Jazz Investments	1.61

Holdings represent 20.99% of the portfolio and will vary over time.

**Sector**

Information technology	40.0%
Health care	14.3
Consumer discretionary	12.4
Industrials	8.9
Financials	6.6
Energy	4.5
Real estate	3.7
Utilities	2.7
Consumer staples	0.8
Materials	0.8
Telecommunication services	0.3

Cash and net other assets represent 5.1% of the portfolio.

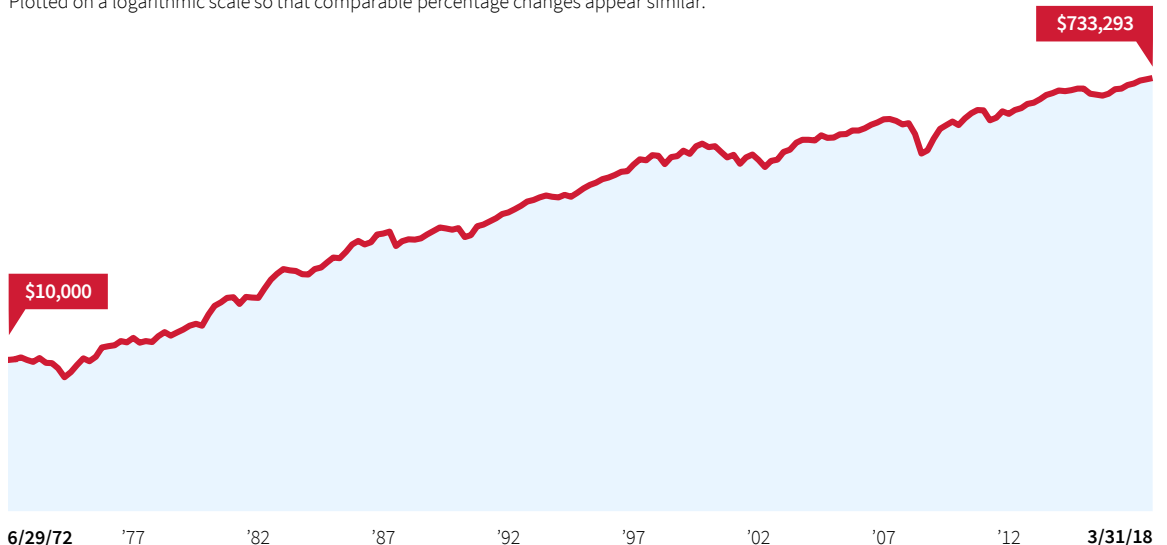
**Portfolio composition**

Convertible bonds and notes	74.7%
Mandatories	13.4
Convertible preferred stock	4.0
Common stock	2.7
Corporate bonds and notes	0.2
Cash and net other assets	5.1

**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	34% (28/82)
3 years	53% (38/71)
5 years	48% (30/62)
10 years	22% (9/40)

**Total expense ratio**(Y shares)  
0.82%**Beta**

0.98

**30-day SEC yield**

0.92%

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Y shares	54.1%	19.8%	-6.2%	15.4%	22.3%	7.7%	-6.8%	9.8%	15.2%	2.0%
ICE BofAML U.S. Convertible Index	49.1	16.8	-5.2	15.0	24.9	9.4	-3.0	10.4	13.7	2.4
Lipper Convert. Securities Funds Average	38.9	16.3	-5.3	11.1	21.9	5.7	-3.6	7.7	13.2	2.0

**Annualized total return performance**

Inception 12/30/98	Class Y shares	ICE BofAML U.S. Convertible Index	Lipper Convert. Securities Funds Average
1 year	11.60%	10.57%	10.29%
3 years	5.53	6.58	5.40
5 years	8.20	9.65	7.84
10 years	7.35	8.22	6.67
Life of fund	9.84	—	—

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**Highlights of five-year performance periods (6/29/72–3/31/18)\***

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	10.63%	97%	159	5

\*Based on annualized returns for quarterly rolling periods.

The ICE BofAML U.S. Convertibles 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. ICE Data Indices, LLC (ICE BofAML), used with permission. ICE BofAML permits use of the ICE BofAML 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 BofAML 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.

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 are 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  
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