The fund received a 4-star Overall Morningstar Rating as of 9/30/18 among 703 funds in the Allocation—50% to 70% Equity category (Y shares, based on risk-adjusted returns).

George Putnam Balanced Fund
A prudent balance of stocks and bonds since 1937

Balanced approach
One of the pioneering mutual funds, it offers a mix of stocks and bonds in a classic balanced portfolio.

Seeks lower volatility
A focus on high-quality bonds helps manage volatility, while high-conviction stocks can help drive relative returns.

Disciplined process
Experienced portfolio managers use rigorous fundamental research to find opportunities and manage risk.

Aaron M. Cooper, CFA
Portfolio Manager
(industry since 1999)

Paul D. Scanlon, CFA
Portfolio Manager
(industry since 1986)

Objective
The fund seeks to provide a balanced investment composed of a well-diversified portfolio of stocks and bonds which produce both capital growth and current income.

Morningstar category
Allocation—50% to 70% Equity

Lipper category
Balanced

Fund symbols
Class A  PGEOX
Class B  PGEBX
Class C  PGPCX
Class M  PGEMX
Class R  PGPRX
Class R6 PGEJX
Class Y  PGEYX

Number of holdings
518

Net assets
$1,246.89M

Dividend frequency
Quarterly

Current allocation
Stocks  64.82%
Bonds  33.26%
Cash and other net assets  1.92%

Sector weightings
- Information technology  16.8%
- Health care  14.0%
- Financials  13.8%
- Communication services  11.9%
- Consumer discretionary  11.2%
- Industrials  9.7%
- Consumer staples  6.9%
- Energy  6.2%
- Utilities  3.6%
- Materials  3.3%
- Real estate  0.8%
- Cash and net other assets  1.9%

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

The undclassified sector (where applicable) includes exchange traded funds and other securities not able to be classified by sector.

Top ten holdings
- Microsoft
- U.S. Treasury 2.00% 11/30/2020
- Amazon
- Apple
- Alphabet
- U.S. Treasury 1.13% 12/31/2019
- U.S. Treasury 1.50% 5/31/2020
- Bank of America
- Visa
- Citigroup

Holdings represent 18.89% of the portfolio and will vary over time.

Growth of a $10,000 investment
The fund has returned an average of 8.8% 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 11/5/37), 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.
George Putnam Balanced Fund

Annual performance at net asset value (all distributions reinvested)

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Y shares</td>
<td>26.2%</td>
<td>11.4%</td>
<td>3.0%</td>
<td>12.6%</td>
<td>18.1%</td>
<td>10.8%</td>
<td>-0.9%</td>
<td>8.2%</td>
<td>15.3%</td>
<td>5.9%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>26.5</td>
<td>15.1</td>
<td>2.1</td>
<td>16.0</td>
<td>32.4</td>
<td>13.7</td>
<td>1.4</td>
<td>12.0</td>
<td>21.8</td>
<td>10.6</td>
</tr>
</tbody>
</table>

Annualized total return performance

<table>
<thead>
<tr>
<th>Inception 3/31/94</th>
<th>Class Y shares</th>
<th>S&amp;P 500 Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>9.80%</td>
<td>17.91%</td>
</tr>
<tr>
<td>3 years</td>
<td>10.99%</td>
<td>17.31%</td>
</tr>
<tr>
<td>5 years</td>
<td>8.96%</td>
<td>13.95%</td>
</tr>
<tr>
<td>10 years</td>
<td>7.39%</td>
<td>11.97%</td>
</tr>
<tr>
<td>Life of fund</td>
<td>8.75%</td>
<td>- —</td>
</tr>
</tbody>
</table>

* The fund’s benchmark was introduced on 12/31/69, which post-dates the inception of the fund.

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 11/5/37), 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 (11/5/37–9/30/18)†

<table>
<thead>
<tr>
<th>Best 5-year return</th>
<th>Best period end date</th>
<th>Worst 5-year return</th>
<th>Worst period end date</th>
<th>Average 5-year return</th>
<th>% of 5-year periods with positive returns</th>
<th>Number of positive 5-year periods</th>
<th>Number of negative 5-year periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.26%</td>
<td>6/30/87</td>
<td>-6.01%</td>
<td>3/31/09</td>
<td>9.16%</td>
<td>94%</td>
<td>285</td>
<td>19</td>
</tr>
</tbody>
</table>

† Based on annualized returns for quarterly rolling periods.

The S&P 500 Index is an unmanaged index of common stock performance. You cannot invest directly in an index. The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. The Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% ten-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads.

Lipper rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives and as determined by Lipper. Not all share classes are available on all platforms.

The S&P 500 Index is an unmanaged index of common stock performance. You cannot invest directly in an index.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management F5021_Y 313837 10/18