Q3 | 2017

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Putnam INVESTMENTS

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Portfolio Manager
(industry since 1999)

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(industry since 1986)

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.

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 Y	PGEYX

Number of holdings

575

Net assets

$1,209.39M

Dividend frequency

Quarterly

Current allocation

Equities	60.15%
Bonds	37.59%
Cash and other net assets	2.26%

Sector weightings

Information technology	23.9%
Financials	14.5
Health care	14.0
Consumer discretionary	11.7
Industrials	10.0
Consumer staples	8.7
Energy	5.9
Materials	3.8
Utilities	3.1
Telecommunication services	1.3
Real estate	0.9
Cash and net other assets	2.3

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

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

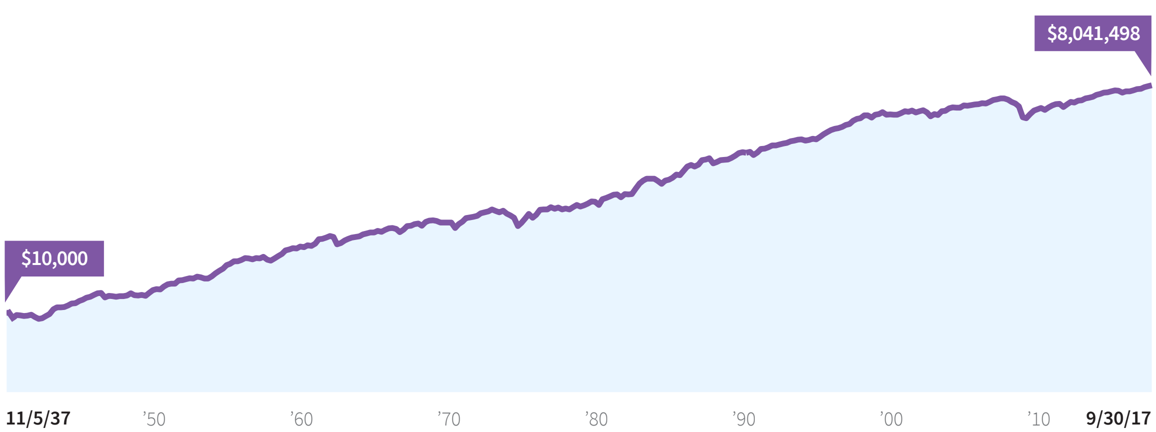
Top ten holdings

U.S. Treasury 2.00% 11/30/2020
U.S. Treasury 1.13% 12/31/2019
Apple
U.S. Treasury 1.00% 8/31/2019
Alphabet
Microsoft
FNMA TBA 4.50% 11/01/2047
U.S. Treasury 2.13% 12/31/2022
U.S. Treasury 2.75% 08/15/2042
Amazon

Holdings represent 19.7% of the portfolio and will vary over time.

Growth of a $10,000 investment

The fund has returned an average of 8.7% 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

Lipper rankings

(Y shares, based on total return)

1 year	13% (75/600)
3 years	10% (56/559)
5 years	8% (37/520)
10 years	78% (340/438)

Total expense ratio

(Y shares)
0.77%

Beta

0.67

Standard deviation

6.80

Price to earnings

19.16

Projected 5-yr EPS growth

11.30

30-day SEC yield

1.20%

Annual performance at net asset value (all distributions reinvested)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017YTD
Y shares	1.2%	-40.1%	26.2%	11.4%	3.0%	12.6%	18.1%	10.8%	-0.9%	8.2%	11.2%
S&P 500 Index	5.5	-37.0	26.5	15.1	2.1	16.0	32.4	13.7	1.4	12.0	14.2

Annualized total return performance

Inception 3/31/94	Class Y shares	S&P 500 Index
1 year	12.80%	18.61%
3 years	7.30	10.81
5 years	9.52	14.22
10 years	3.95	7.44
Life of fund	8.73	—*

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

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Highlights of five-year performance periods (11/5/37–9/30/17)†

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
22.26%	6/30/87	-6.01%	3/31/09	9.16%	94%	281	19

† 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.

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. The **price-earnings ratio** of a firm's common stock is calculated as the current stock price divided by projected earnings per share for the coming year. The projections used are based on street consensus estimates provided by IBES. **Earnings per share** (EPS) is found by taking the net income and dividing it by the basic or diluted number of shares outstanding, as reported. You can also take "expected" earnings for the current year or for future years to calculate other P/E ratios. **Standard deviation** measures how widely a set of values varies from the mean. It is a historical measure of the variability of return earned by an investment portfolio. For fixed income and equity funds, risk statistics are measured using a 3 and 5-year regression analysis respectively. For funds with shorter track records, Since Inception analysis is used.

Not all share classes are available on all platforms.

Consider these risks before investing: Stock and bond 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 factors may also lead to increased volatility and reduced liquidity in the bond markets. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. 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 greater for longer-term bonds, and credit risk is 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. 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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