

Objective

The fund seeks as high a level of current income as Putnam Management believes is consistent with preservation of capital.

Portfolio Managers

D. William Kohli
(industry since 1988)

Michael J. Atkin
(industry since 1988)

Robert L. Davis, CFA
(industry since 1999)

Brett S. Kozlowski, CFA
(industry since 1997)

Michael V. Salm
(industry since 1989)

Paul D. Scanlon, CFA
(industry since 1986)

Morningstar category

Nontraditional Bond

Lipper category

Alternative Credit Focus

Average effective duration

2.79

30-day SEC yield

4.29%

Credit qualities are shown as a percentage of the fund's net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings may vary over time. Cash, derivative instruments, and net other assets are shown in the not-rated category. Payables and receivables for TBA mortgage commitments are included in the not-rated category and may result in negative weights. **The fund itself has not been rated by an independent rating agency.**

Putnam Diversified Income Trust

Offering a diversified portfolio of income opportunities since 1988

Broad diversification

The fund seeks multiple sources of return outside the constraints of its benchmark, investing across traditional and alternative bond markets.

Flexible risk allocations

The fund takes a unique approach to asset allocation, dynamically establishing diversified risk exposures rather than sector exposures.

Active duration management

As the fund's duration is independent of any index, the fund employs strategies that seek to reduce interest-rate risk.

Pursuing opportunities inside and outside the benchmark**Portfolio quality**

AAA	40.9%
AA	0.1
A	6.8
BBB	8.6
BB	17.5
B	18.3
CCC and Below	9.5
Not Rated	-1.6

Holdings represent 100% of the portfolio and will vary over time. Negative weights may result from timing differences between trade and settlement dates of securities, such as TBAs, or by the use of derivatives.

Sector breakdown

Commercial MBS	22.7%
High-yield corp bonds	19.2
Agency CMO	18.0
Agency pass-through	13.0
Residential MBS (non-agency)	11.5
Emerging-market bonds	9.6
International Treasury/agency	2.6
Investment-grade corp bonds	1.9
Convertible securities	1.9
Bank loans	1.4
Asset-backed securities (ABS)	0.1

Net cash represents 20.8% of the portfolio.

17.3% of the portfolio invested internationally.

Allocations will vary over time.

Fund allocations may not total 100% of net assets because the table includes notional value of the derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities.

The fund's strategy has resulted in low correlations to a variety of bond indexes

Correlation of Putnam Diversified Income Trust versus:	1 year	3 years	5 years
BBG Barclays U.S. Aggregate Bond Index	-0.58	-0.29	-0.38
BBG Barclays U.S. Treasury	-0.71	-0.52	-0.58
BBG Barclays Global Aggregate Bond Index	-0.07	-0.09	-0.08

Correlation is a measure of how similar the historical performances of two different asset classes or securities have been. The maximum correlation is 1.0 and the minimum is 0 with values between 0 and -1 indicating negative correlation. A positive correlation close to 1.0 indicates that the historical returns of the two asset classes being compared have been very similar. A negative correlation close to -1.0 indicates that the historical returns of the two asset classes being compared have been opposite each other; for example, when one gained 5%, the other declined 5%. Correlations near zero indicate that there has been little discernible relationship between the two asset classes being compared.

**Not FDIC insured
May lose value
No bank guarantee**

Fund symbols

Class A	PDINX
Class B	PSIBX
Class C	PDVCX
Class M	PDVMX
Class R	PDVRX
Class R6	PDVGX
Class Y	PDVYX

Lipper rankings

(A shares, based on total return)

1 year	11% (28/265)
3 years	23% (44/194)
5 years	10% (10/107)
10 years	22% (8/36)

Total expense ratio(A shares)
1.00%**Number of holdings**

1,653

Net assets

\$4,103.60M

Dividend frequency

Monthly

Standard deviation

4.96

Average effective maturity

5.72

Lipper rankings for class A shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
FS028_A 311097 5/18

Annual performance at net asset value (all distributions reinvested)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
A shares	58.0%	13.2%	-3.6%	12.7%	7.9%	1.0%	-2.9%	5.1%	6.5%	1.8%
ICE BofAML U.S. Treasury Bill Index	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.4	0.8	0.3
BBG Barclays U.S. Agg. Bond Index	5.9	6.5	7.8	4.2	-2.0	6.0	0.6	2.7	3.5	-1.5

Annualized total return performance

Inception	Before sales charge	After sales charge	ICE BofAML U.S. Treasury Bill Index	BBG Barclays U.S. Agg. Bond Index
10/3/88				
1 year	6.06%	1.82%	1.04%	1.20%
3 years	3.53	2.13	0.53	1.20
5 years	3.06	2.23	0.35	1.82
10 years	4.59	4.16	0.40	3.63
Life of fund	6.19	6.04	—	—

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 A shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns reflect a maximum 4.00% load. For the most recent month-end performance, please visit putnam.com.

Highlights of five-year performance periods (10/3/88–3/31/18)[‡]

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
15.94%	12/31/13	-4.49	12/31/08	6.09%	97%	95	3

[‡] Based on annualized returns for quarterly rolling periods.

As of January 30, 2018, the ICE BofAML U.S. Treasury Bill Index replaced the Bloomberg Barclays U.S. Aggregate Bond Index as the benchmark for this fund because, in Putnam Investment Management, LLC's opinion, the securities tracked by this index more accurately reflect the types of securities that generally will be held by the fund. ICE BofAML U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S. dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. The Bloomberg (BBG) Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities. 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.

Average effective duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates. **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. **Average effective maturity** takes into account the likelihood of the bond being called.

Not all share classes are available on all platforms.

Consider these risks before investing: International investing involves currency, economic, and political risks. 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 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. Unlike bonds, funds that invest in bonds have fees and expenses. 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 and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. 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.