

Objective

The fund seeks high current income. Capital growth is a secondary goal when consistent with achieving high current income.

Portfolio Managers

Paul D. Scanlon, CFA
(industry since 1986)

Norman P. Boucher
(industry since 1985)

Robert L. Salvin
(industry since 1986)

Morningstar category

High Yield Bond

Lipper category

High Yield

Putnam High Yield Fund

Seeking a high level of income for investors since 1986

Income focused

The portfolio managers strive for a higher level of income than most bonds offer by investing in higher-yielding, lower rated corporate bonds.

Focus on performance

The managers can invest across a range of industries and companies, and can adjust the fund's holdings to capitalize on market opportunities.

Leading research

The fund's managers, supported by Putnam's fixed-income research division, analyze a range of bonds to build a diversified portfolio.

Diversification across market sectors

| | |
|------------------------|-------|
| Consumer cyclicals | 18.4% |
| Communication services | 12.7 |
| Basic materials | 12.1 |
| Energy | 11.4 |
| Financial | 9.3 |
| Health care | 8.5 |
| Capital goods | 7.1 |
| Consumer staples | 5.1 |
| Technology | 4.8 |
| Utilities | 3.4 |
| Transportation | 0.2 |
| Non-cash investments | 1.0 |
| Net cash | 7.0 |

Maturity breakdown

| | |
|----------------|-------|
| 0 to 1 year | 16.7% |
| 1 to 5 years | 50.2 |
| 5 to 10 years | 29.3 |
| 10 to 15 years | 2.1 |
| Over 15 years | 1.6 |

Portfolio quality

| | |
|---------------|------|
| A | 0.3% |
| BBB | 8.6 |
| BB | 41.6 |
| B | 31.7 |
| CCC and below | 8.9 |
| Not rated | 1.9 |
| Net cash | 7.0 |

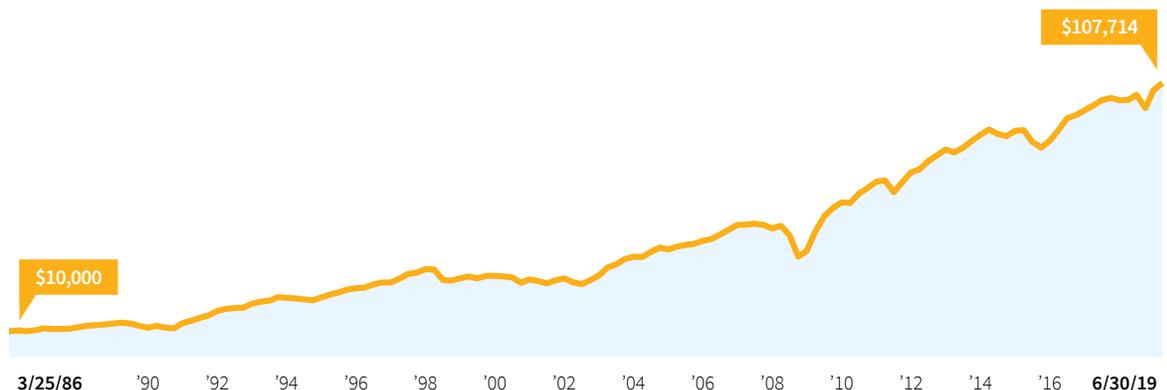
Holdings represent 100% of the portfolio and will vary over time.

Allocations will vary over time.

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

Growth of a \$10,000 investment

With dividends reinvested, the fund has returned an average of 7.4% annually since inception.



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 R6 shares assumes reinvestment of distributions and does not account for taxes. Class R6 shares, available to qualified employee-benefit plans only, are sold without an initial sales charge and have no CDSC. Performance for class R6 shares prior to their inception is derived from the historical performance of class Y shares and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

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. Ratings and portfolio credit quality will vary over time. Cash and net other assets, if any, represent the market value weights of cash, derivatives, and short-term securities in the portfolio. **The fund itself has not been rated by an independent rating agency.**

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

Fund symbols

| | |
|----------|-------|
| Class A | PHYIX |
| Class B | PHYBX |
| Class C | PHYLX |
| Class M | PHYMX |
| Class R | PFJAX |
| Class R6 | PHYUX |
| Class Y | PHAYX |

Lipper rankings

(R6 shares, based on total return)
1 year 44% (211/479)

Total expense ratio

(R6 shares)
0.67%

Number of holdings

540

Net assets

\$1,349.98M

Dividend frequency

Monthly

Standard deviation

4.46

Average effective duration

3.11

30-day SEC yield

5.16%

Annual performance at net asset value (all distributions reinvested)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 YTD |
|-------------------------------------|-------|------|-------|------|------|-------|-------|------|-------|----------|
| R6 shares | 13.6% | 3.4% | 15.4% | 7.1% | 2.2% | -5.2% | 15.5% | 7.2% | -4.0% | 10.2% |
| JPMorgan Developed High Yield Index | 14.9 | 6.6 | 15.7 | 8.4 | 2.2 | -4.5 | 18.2 | 7.8 | -2.4 | 10.1 |

Annualized total return performance

| Inception 5/22/18 | Class R6 shares | JPMorgan Developed High Yield Index |
|-------------------|-----------------|-------------------------------------|
| 1 year | 6.71% | 7.51% |
| 3 years | 6.52 | 7.80 |
| 5 years | 3.80 | 4.78 |
| 10 years | 8.12 | 9.66 |
| Life of fund | 7.41 | — |

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Highlights of five-year performance periods (3/25/86–6/30/19)*

| 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 |
|--------------------|----------------------|---------------------|-----------------------|-----------------------|---|-----------------------------------|-----------------------------------|
| 18.71% | 12/31/95 | -2.56% | 9/30/02 | 7.74% | 96% | 110 | 4 |

* Based on annualized returns for quarterly rolling periods.

The JPMorgan Developed High Yield Index is an unmanaged index of high-yield fixed-income securities issued in developed countries. You cannot invest directly in an index.

Lipper rankings for class R6 shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper.

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 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.

Not all share classes are available on all platforms.

Consider these risks before investing: The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political or financial market conditions, investor sentiment and market perceptions, government actions, geopolitical events or changes, and factors related to a specific issuer, geography, industry or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. Lower-rated bonds may offer higher yields in return for more risk. 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 generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds (a significant part of the fund's investments). 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. 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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