Q3 | 2018

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Putnam INVESTMENTS

Putnam Dynamic Asset Allocation Conservative Fund

A globally diversified fund for preserving wealth

Portfolio Managers

Robert J. Schoen
(industry since 1990)

James A. Fetch
(industry since 1994)

Jason R. Vaillancourt, CFA
(industry since 1993)

Objective

The fund seeks total return consistent with preservation of capital.

Morningstar category

Tactical Allocation

Lipper category

Mixed-Asset Target Alloc Consv

Fund symbols

Class A	PACAX
Class B	PACBX
Class C	PACCX
Class M	PACMX
Class R	PACRX
Class R6	PCCEX
Class Y	PACYX

Number of holdings

1,755

Net assets

$1,113.80M

Dividend frequency

Monthly

Global benchmark

The fund starts with a globally diversified benchmark seeking more efficient exposures relative to a typical 30/70 benchmark.

Tactical flexibility

The managers have the ability to tilt overall equity and fixed-income allocations +/-15% and shift exposures within each asset class.

Active implementation

Managers proactively research and determine the most efficient implementation method for each asset class.

The investment process provides consistent diversification with alpha potential from active allocation and implementation decisions

A global benchmark guides consistent diversification

Tactical flexibility allows timely adjustments

	Categories	Benchmark	Fund	UNDERWEIGHT	OVERWEIGHT
STOCKS	U.S. large-cap equity	20.7%	18.3%		
	U.S. small- and mid-cap equity	4.3	5.5		
	International equity	5.0	6.6		
BONDS	Investment-grade bonds	65.0	64.6		
	High-yield bonds	5.0	3.4		
	Money markets/cash	—	0.6		
	Commodities	—	1.0		
				-15% -5%	5% 15%

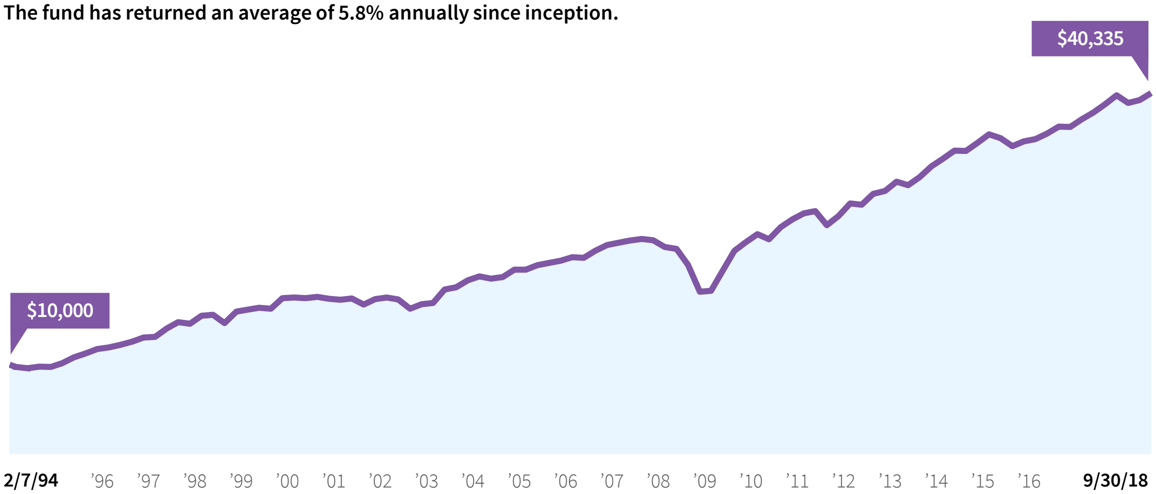
Data as of 9/30/18.

Active implementation enhances efficiency

The portfolio management team decides both how much of each asset class to own and how to build positions in each asset class, selecting individual securities where it is advantageous.

Growth of a $10,000 investment

The fund has returned an average of 5.8% 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 A shares assumes reinvestment of distributions and does not account for taxes. Returns do not reflect a 5.75% sales charge; had they, returns would have been lower. For the most recent month-end performance, please visit putnam.com.

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Lipper rankings

(A shares, based on total return)

1 year	33% (114/347)
3 years	43% (135/316)
5 years	14% (38/278)
10 years	16% (33/209)

Total expense ratio

(A shares)
1.02%

Standard deviation

3.64

Beta (S&P 500)

0.42

30-day SEC yield

1.77%

Annual performance before sales charge (all distributions reinvested)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
A shares	30.5%	10.8%	1.5%	10.5%	9.4%	8.2%	0.4%	4.6%	9.7%	0.6%
BBG Barclays U.S. Aggregate Bond Index	5.9	6.5	7.8	4.2	-2.0	6.0	0.6	2.6	3.5	-1.6
Putnam Conservative Blended Benchmark	15.2	10.0	5.3	8.5	7.8	6.9	0.4	5.9	9.0	1.6

Annualized total return performance

Inception 2/7/94	Before sales charge	After sales charge	BBG Barclays U.S. Aggregate Bond Index	Putnam Conservative Blended Benchmark
1 year	3.17%	-2.76%	-1.22%	3.71%
3 years	5.44	3.38	1.31	5.92
5 years	5.44	4.20	2.16	5.30
10 years	6.68	6.05	3.77	6.43
Life of fund	5.82	5.57	5.08	—*

* The fund's custom benchmark was introduced on 12/31/94, which post-dates the inception of the fund.

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Highlights of five-year performance periods (2/7/94–9/30/18)†

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
12.52%	3/31/14	-1.78%	3/31/09	5.64%	97%	77	2

† Based on annualized returns for quarterly rolling periods.

The Bloomberg (BBG) Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities. The Putnam Conservative Blended Benchmark is a blended benchmark administered by Putnam Management and comprises 65% the Bloomberg Barclays U.S. Aggregate Bond Index, 25% the Russell 3000 Index, 5% the MSCI EAFE Index (ND), and 5% the JPMorgan Developed High Yield Index. You cannot invest directly in an index.

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.

Beta is defined as a fund's sensitivity to market movements and is used to evaluate market related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Risk statistics are measured using a 3-year regression analysis. For funds with shorter track records, Since Inception analysis is used. **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.

Not all share classes are available on all platforms.

Consider these risks before investing: Allocation of assets among asset classes may hurt performance. Stock and bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including, in the case of bonds, 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. International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. Funds that invest in government securities are not guaranteed. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds 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). Default risk is generally higher for non-qualified mortgages. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses. The use of derivatives may increase these risks by increasing investment exposure (which may be considered leverage) or, in the case of over-the-counter instruments, because of 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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