Q2 | 2017

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Putnam INVESTMENTS

Portfolio Managers

James A. Fetch
(industry since 1994)

Robert J. Kea, CFA
(industry since 1988)

Robert J. Schoen
(industry since 1990)

Jason R. Vaillancourt, CFA
(industry since 1993)

Objective
The Conservative Fund seeks total return consistent with preservation of capital.

Morningstar category
Tactical Allocation

Lipper category
Mixed-Asset Target Alloc Conservative

Fund symbols

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

Number of holdings
1,718

Net assets
$1,072.81M

Dividend frequency
Monthly

Not FDIC insured
May lose value
No bank guarantee

Putnam Dynamic Asset Allocation Conservative Fund

A globally diversified fund for preserving wealth

More than 10 asset classes

The fund holds a variety of investments in all market conditions to be positioned to benefit from a wide range of opportunities.

Individual securities

The managers select individual stocks and bonds, not other funds, to finely tune the portfolio and avoid overlap in holdings.

Active rebalancing

The managers proactively pursue opportunities and regularly rebalance the portfolio to maintain a consistent risk profile.

A flexible stock-bond mix

Stocks	
U.S. large-cap equity	19.9%
International equity	7.5
U.S. small- and mid-cap equity	6.6
Bonds	
U.S. investment-grade bonds	59.9
U.S. high-yield bonds	6.2

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

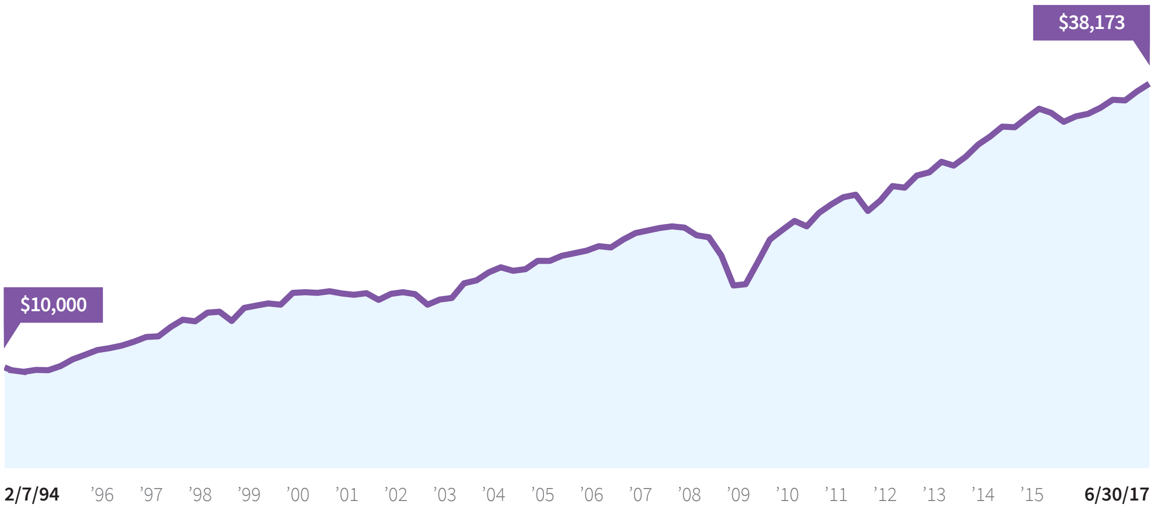
Top ten holdings

GNMA TBA 3.50% 03/20/2047
FNMA TBA 3.50% 01/01/2047
FNMA TBA 3.00% 12/01/2031
FHMLC 4.00% 11/01/2045
FNMA TBA 3.50% 09/01/2046
FNMA TBA 6.00% 07/01/2047
Apple
Alphabet
Microsoft
GNMA TBA 3.50% 07/01/2047

Holdings represent 19.2% of the portfolio and will vary over time.

Growth of a $10,000 investment

The fund has returned an average of 5.9% 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.

Putnam Dynamic Asset Allocation Conservative Fund

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★★★★
The fund received a 4-star Overall Morningstar Rating as of 6/30/17 among 249 funds in the Tactical Allocation category (A shares, based on risk-adjusted returns)

Lipper rankings
(A shares, based on total return)

1 year	37% (132/361)
3 years	11% (32/317)
5 years	11% (29/282)
10 years	26% (53/208)

Total expense ratio
(A shares)
1.04%

Beta
0.53

Standard deviation
4.25

30-day SEC yield
1.58%

Annual performance at net asset value (all distributions reinvested)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017YTD
A shares	2.4%	-24.1%	30.5%	10.8%	1.5%	10.5%	9.4%	8.2%	0.4%	4.6%	4.5%
Bloomberg Barclays U.S. Aggregate Bond Index	7.0	5.2	5.9	6.5	7.8	4.2	-2.0	6.0	0.6	2.7	2.3

Annualized total return performance

Class A shares Inception 2/7/94	Before sales charge	After sales charge	Bloomberg Barclays U.S. Aggregate Bond Index
1 year	6.65%	0.51%	-0.31%
3 years	4.03	1.99	2.48
5 years	6.49	5.24	2.21
10 years	4.82	4.20	4.48
Life of fund	5.89	5.63	5.37

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Highlights of five-year performance periods (2/7/94–6/30/17)*

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
12.54%	3/31/14	-1.78%	3/31/09	5.64%	97%	72	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. 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. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a 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% 10-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. Putnam Dynamic Asset Allocation Conservative Fund received 4, 4, and 4 stars for the 3-, 5-, and 10-year periods among 249, 176, and 66 Tactical Allocation funds, respectively.

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 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. 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 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, factors related to a specific issuer or industry and, with respect to bond prices, changing market perceptions of the risk of default and changes in government intervention. These factors may also lead to increased volatility and reduced liquidity in the bond markets. 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 greater for longer-term bonds, and credit risk is 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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