

**Objective**

The fund seeks high current income. Preservation of capital is a secondary goal.

**Portfolio Managers**

**Robert L. Salvin**  
(industry since 1986)

**Norman P. Boucher**  
(industry since 1985)

**Scott M. D'Orsi, CFA**  
(industry since 1990)

**Morningstar category**

Bank Loan

**Lipper category**

Loan Participation

**Benchmark**

S&P/LSTA Leveraged Loan Index

**Fund symbols**

Class A	PFLRX
Class B	PFRBX
Class C	PFICX
Class R	PFLFX
Class R6	PFRZX
Class Y	PFRYX

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.**

Effective 3/31/22, Paul Scanlon left Putnam and was replaced as Portfolio Manager by Robert Salvin.

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

# Putnam Floating Rate Income Fund

An income fund that can benefit from higher interest rates

**Floating-rate bank loans**

The fund primarily invests in bank loans with yields that are set at a margin above short-term interest rates and adjust when rates change.

**Guard against rising interest rates**

Bank loans have historically performed well amid rising interest rates because their yields adjust higher and become more attractive.

**Backed by team research**

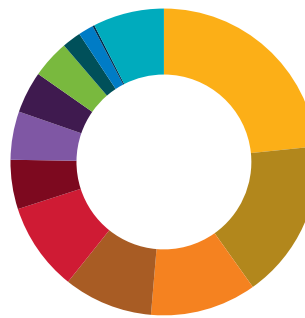
The fund's experienced managers select a diverse range of loans using careful credit research.

**Diversification across market sectors**

Consumer cyclicals	23.4%
Technology	16.8
Capital goods	11.2
Health care	9.4
Basic materials	9.3
Consumer staples	5.2
Financials	5.1
Communication services	4.4
Energy	4.0
Transportation	2.0
Utilities	1.6
Conglomerates	0.2
Net cash	7.5

Allocations may 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.



**Portfolio structure**

Bank loans	89.9%
High-yield corporate bonds	2.2
Investment-grade corporate bonds	0.4
Net cash	7.5

**Portfolio quality**

BBB	4.5%
BB	32.8
B	53.1
CCC and below	2.0
Net cash	7.5

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

**Annualized total return performance**

	1 year	3 years	5 years	10 years	Life of fund
R6 shares (Inception 5/22/18)	2.02%	2.73%	2.91%	3.48%	3.57%
Benchmark	3.25	4.24	4.01	4.30	4.62

**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 (inception 10/4/05), 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.

**Morningstar rankings**

(R6 shares, based on total return)

 1 year 59% (141/237)  
 3 years 63% (140/228)
**Total expense ratio**(R6 shares)  
0.70%**Net assets**

\$497.46M

**Number of issues**

250

**Number of issuers**

218

**Dividend frequency**

Monthly

**Standard deviation**

7.25

**Average effective duration**

0.01

**Average effective maturity**

4.76

**30-day SEC yield**

3.18%

**Maturity breakdown**
 0-1 year 8.2%  
 1-5 years 39.3%  
 5-10 years 52.3%  
 Over 15 years 0.2%
**Annual performance (all distributions reinvested)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
R6 shares at net asset value	-0.92%	8.91%	-0.91%	8.92%	3.54%	-0.43%	8.37%	1.14%	3.36%	-0.48%
Benchmark	5.29	1.60	-0.69	10.14	4.11	0.47	8.64	3.12	5.20	-0.10

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**Highlights of five-year performance periods (8/4/04-3/31/22)\***

	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
R6 shares	12.82%	12/31/13	0.92%	3/31/20	4.01%	100%	51	0

\* Based on annualized returns for quarterly rolling periods.

The S&P/LSTA Leveraged Loan Index (LLI) is an unmanaged index of U.S. leveraged loans. You cannot invest directly in an index.

Morningstar 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 Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

**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** depends on the maturity of the underlying bonds within each fund. The longer the maturity, the greater the interest-rate risk. **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. Unlike bonds, funds that invest in bonds have fees and expenses. 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. Floating-rate loans may reduce, but not eliminate, interest-rate risk. These loans are typically secured by specific collateral or assets of the issuer (so that holders of the loan, such as the fund, have a priority claim on those assets in the event of the issuer's default or bankruptcy). The value of collateral may be insufficient to meet the issuer's obligations, and the fund's access to collateral may be limited by bankruptcy or other insolvency laws.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. 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.**

Putnam Investments | 100 Federal Street | Boston, MA 02110 | 1-800-225-1581 | [putnam.com](http://putnam.com)