

Objective

The fund seeks a positive return of 1% above the return of U.S. T-bills, over a reasonable period of time, generally at least three years, regardless of market condition.

Portfolio Managers

D. William Kohli
(industry since 1988)

Albert Chan, CFA
(industry since 2002)

Michael V. Salm
(industry since 1989)

Paul D. Scanlon, CFA
(industry since 1986)

Serves investors with a horizon of at least three years, and who may be considering:

- A bond fund
- An investment to diversify a portfolio of traditional funds
- A fund that can use modern strategies to seek to reduce market volatility

Fund symbols

Class A	PARTX
Class B	PARPX
Class C	PARQX
Class M	PARZX
Class R	PRARX
Class Y	PARYX

Putnam Absolute Return 100 Fund®

Seeking positive results balanced with lower volatility over time

A wide range of securities for diversification

The fund can invest across global fixed-income sectors and can adjust dynamically as opportunities change.

Ultimate flexibility to be independent of indexes

Freed from the constraints of traditional benchmarks that may carry unwanted risks, the portfolio managers can invest across diverse securities, asset classes, and strategies.

Modern investment tools seeking reduced risk

With the ability to hedge and use market neutral strategies, the fund can provide a new type of diversification to traditional portfolios.

Invests across global bond sectors

Investment-grade corp. bonds	36.5%
Commercial MBS	19.3%
Residential MBS (non-agency)	5.8%
Emerging-market bonds	4.7%
Agency pass-through	3.0%
Agency CMO	2.9%
Asset-backed securities (ABS)	1.3%
High-yield corporate bonds	0.1%
Net cash*	32.7%

* Includes money market funds. 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.

Diverse risk strategies (% of total risk)

MBS credit	55.2%
Emerging markets	15.5%
Corporate credit	15.4%
Term structure	10.9%
Prepayments	3.1%
Total risk (ex-ante)	1.0%

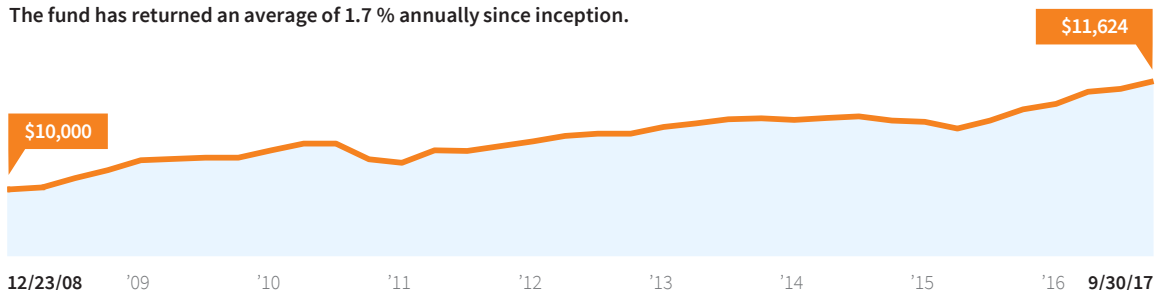
Top ten holdings Sector

Net cash*	Net cash
KKR Group 6.38% 09/29/2020	Investment-grade corp. bonds
Altria Group 2.63% 01/14/2020	Investment-grade corp. bonds
Russian Federation 5.63% 04/04/2042	Emerging-market bonds
CWALT 1.43% 08/25/2046	Residential MBS (non-agency)
CWALT 1.83% 06/25/2046	Residential MBS (non-agency)
Skandinaviska Enskilda 2.30% 03/11/2020	Investment-grade corp. bonds
LNSTR 3.33% 04/20/2048	Commercial MBS
Petroleos Mexicanos 5.50% 01/21/2021	Emerging-market bonds
MRAFT 2.41% 06/10/2019	Asset-backed securities (ABS)

Holdings represent 40.5% of the portfolio and will vary over time.

Growth of a \$10,000 investment

The fund has returned an average of 1.7 % 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 Y shares assumes reinvestment of distributions and does not account for taxes. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For a portion of the periods, the fund had expense limitations, without which returns would have been lower. For the most recent month-end performance, please visit putnam.com.

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

Total expense ratio(Y shares)
0.38%**Number of holdings**

492

Net assets

\$204.69M

Dividend frequency

Annually

Average effective duration

0.12

Standard deviation

1.37

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. 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.

For informational purposes only. Not an investment recommendation.

Annual performance at net asset value (all distributions reinvested)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017YTD
Y shares	—	—	4.3%	1.4%	-1.8%	3.1%	2.0%	1.0%	-0.3%	2.4%	3.0%
BofA Merrill Lynch U.S. Treasury Bill Index	5.0%	2.5%	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.4	0.6

Annualized total return performance

Inception 12/23/08	Class Y shares	BofA Merrill Lynch U.S. Treasury Bill Index
1 year	3.78%	0.64%
3 years	1.66	0.34
5 years	1.76	0.24
Life of fund	1.73	0.22

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Shareholder-friendly, adjustable management fee

Putnam Absolute Return 100 Fund has an innovative management fee structure — the fee adjusts based on fund performance. This feature aligns the interests of fund managers and shareholders.

Performance fee information

Base management fee	0.40%
Example of lower fee if fund underperforms its target by 1%	0.36%
Example of higher fee if fund outperforms its target by 1%	0.44%
Maximum performance adjustment	+/-0.04%

The BofA Merrill Lynch 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 index data referenced herein is the property of Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML") and/or its licensors and has been licensed for use by Putnam Investments. BofAML and its licensors accept no liability in connection with its use. See putnam.com for a full copy of the Disclaimer. You cannot invest directly in an index.

Because the dollar amount of the monthly performance fee adjustment is based on the fund's average assets during the rolling performance period, the amount of any dollar adjustment as a percentage of a fund's current assets could exceed the "maximum annualized performance adjustment rates." Performance fee adjustments will not commence until a fund has been operating under a shareholder-approved management contract with a performance fee adjustment for at least 12 months.

The fund is not intended to outperform stocks and bonds during strong market rallies.

Not all share classes are available on all platforms.

Consider these risks before investing: Allocation of assets among fixed-income strategies and sectors may hurt performance. Bond prices may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions of the risk (including perceptions about 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. 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 greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses. 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 less when interest rates decline and decline in value more when interest rates rise. International investing involves currency, economic, and political risks. Emerging-market securities have illiquidity and volatility risks. The fund may not achieve its goal, and it is not intended to be a complete investment program. 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. The fund's effort to produce lower-volatility returns may not be successful and may make it more difficult at times for the fund to achieve its targeted return. Under certain market conditions, the fund may accept greater-than-typical volatility to seek its targeted return. You can lose money by investing in the fund. The fund's prospectus lists additional risks. The fund is not intended to outperform stocks and bonds during strong market rallies.

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.