

Objective

The fund seeks positive total return.

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	PTRNX
Class B	PTRBX
Class C	PTRGX
Class M	PZARX
Class R	PTRKX
Class R6	PTREX
Class Y	PYTRX

Putnam Fixed Income Absolute Return Fund

Seeking positive results balanced with lower volatility over time

Global diversification

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

Independent of indexes

The portfolio managers have the flexibility to mitigate a variety of risks, and are not constrained by traditional benchmarks.

Risk hedging

The fund's hedging and market neutral strategies can offer volatility dampening benefits to client portfolios.

Invests across global bond sectors

Commercial MBS	23.6%
Agency CMO	17.6
High-yield corporate bonds	14.2
Investment-grade corporate bonds	11.0
Bank loans	7.1
Agency pass-through	6.8
Residential MBS (non-agency)	6.7
Emerging-market bonds	3.0
Asset-backed securities (ABS)	2.0
International Treasury/agency	1.8
Net cash*	20.3

* 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)

Term structure	5.9%
Prepayments	27.5%
MBS credit	16.0%
Corporate credit	35.7%
Emerging markets	5.6%
Foreign exchange	9.3%
Total risk (ex-ante)	2.0%

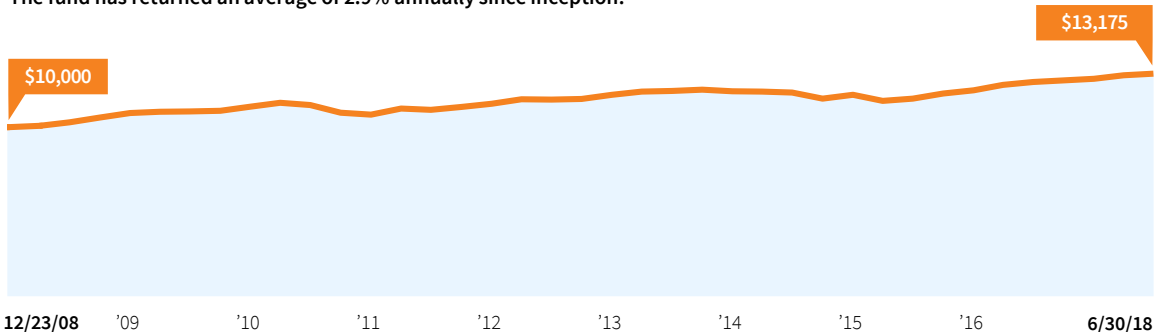
Top ten holdings

Top ten holdings	Sector
FNMA TBA 3.50% 08/01/2048	Agency pass-through
FNMA TBA 2.50% 07/01/2048	Agency pass-through
GNMA TBA 4.50% 07/01/2048	Agency pass-through
FHR 0.00% 04/15/2041	Agency CMO
CWALT 2.41% 11/20/2035	Residential MBS (non-agency)
Apple 2.00% 05/06/2020	Investment-grade corporate bonds
CSMC 144A Note 6.17% 02/15/2041	Commercial MBS
FHR 3.93% 05/15/2041	Agency CMO
Commonwealth Bank of Australia 144A Note 2.20% 11/09/2020	Investment-grade corporate bonds
MSBAM 144A Note 4.22% 07/15/2046	Commercial MBS

Holdings represent 13.68% of the portfolio and will vary over time.

Growth of a \$10,000 investment

The fund has returned an average of 2.9% 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 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)
0.45%**Adjustable management fees**

Base fee 0.60%

Fee adjusts lower if fund underperforms (and adjusts higher if it outperforms) the Treasury Bill Index plus three percent.

Number of holdings

1,009

Net assets

\$538.72M

Dividend frequency

Annually

Average effective duration

0.64

Standard deviation

2.90

Annual performance at net asset value (all distributions reinvested)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Y shares	8.4%	3.4%	-4.1%	5.9%	4.6%	1.8%	-1.7%	2.2%	5.5%	2.5%
ICE BofAML U.S. Treasury Bill Index	0.3	0.2	0.1	0.1	0.1	0.1	0.1	0.4	0.8	0.8

Annualized total return performance

Inception 12/23/08	Class Y shares	ICE BofAML U.S. Treasury Bill Index
1 year	3.93%	1.31%
3 years	3.01	0.67
5 years	2.52	0.43
Life of fund	2.94	0.31

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The ICE BofAML 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. ICE Data Indices, LLC (ICE BofAML), used with permission. ICE BofAML permits use of the ICE BofAML indices and related data on an "as is" basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services. 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.

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: Allocation of assets among fixed-income strategies and sectors may hurt performance. Bond prices may fall or fail to rise over time for several 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 generally greater for below-investment-grade bonds, which may be considered speculative. 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 also 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 efforts to produce lower volatility returns may be unsuccessful. 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.

For informational purposes only. Not an investment recommendation.