

**Objective**

The fund seeks high current income. Capital growth is a secondary goal when consistent with achieving high current income.

**Portfolio Managers**

**Paul D. Scanlon, CFA**  
(industry since 1986)

**Michael J. Atkin**  
(industry since 1988)

**D. William Kohli**  
(industry since 1988)

**Morningstar category**

Emerging Markets Bond

**Lipper category**

Emerging Markets  
Hard Currency Debt

**Fund symbols**

Class A	PEMWX
Class B	PEMHX
Class C	PEMJX
Class M	PEMKX
Class Y	PEMOX

**This fund may be appropriate for:**

- Investors who wish to diversify their global fixed-income exposures in the pursuit of high current income
- Investors seeking the potential for currency appreciation through exposure to growing emerging markets
- Investors who want the potential for price appreciation as fundamentals and credit quality in emerging markets improve
- Investors who are seeking higher returns than are typical of less risky bond markets and are able to tolerate potentially significant volatility

# Putnam Emerging Markets Income Fund

**Pursuing high current income and diverse return opportunities across the emerging-market debt landscape**

**Improving fundamentals**

Today, many emerging-market economies are better positioned than those of developed countries, given lower sovereign debt levels and faster economic growth.

**Diversification benefits**

Emerging-market debt as an asset class offers low correlation and can help add diversification to investments in a number of more traditional asset classes.

**Active management**

Putnam's veteran fund managers have experience investing in emerging markets using fundamental research and top-down macro analysis, and have the expertise to pursue attractive opportunities while mitigating unwanted risks.

**Fund description**

The fund pursues its objective of high current income, and secondarily, capital growth, by combining bottom-up, security-level research with macro-level strategies. In addition, the fund uses an active currency management strategy to target those local currencies that the managers believe offer return potential while seeking to mitigate exposure to unwanted currency risks. All of the fund's investments may be negatively affected by exchange rate changes, which may fluctuate significantly over short periods.

**Top ten issuers**

Russian Federation
Republic of Turkey
Republic of Colombia
Federative Republic of Brazil
United Mexican States
Republic of Indonesia
Republic of Poland
Cemex
Petroleos Mexicanos
Provincia de Buenos Aires

Holdings in the top ten issuers represent 49.9% of the portfolio and will vary over time.

**Currency exposure**

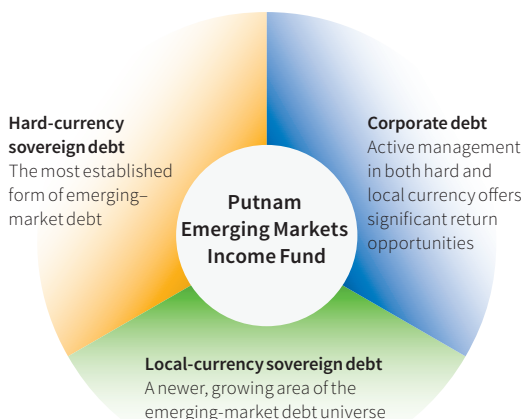
United States dollar	57.3%
Mexican peso	4.9%
Polish zloty	4.7%
Brazilian real	4.6%
Indonesian rupiah	4.6%
Russian ruble	4.2%
South African rand	4.1%
Turkish lira	3.9%
New Romanian leu	-0.1%
Singapore dollar	-0.8%
Other currencies	12.5%

Negative weights may result from timing differences between trade and settlement dates of securities, such as TBAs, or by the use of derivatives.

**Country exposure**

Mexico	13.1%
Russia	12.5%
Brazil	10.0%
Turkey	7.3%
Colombia	7.2%
Argentina	5.8%
Chile	5.7%
Other countries	38.4%

**Putnam pursues emerging-market debt opportunities in multiple ways**



**Investment universe**

The fund invests in the bonds of emerging-market companies and governments. These may include both investment-grade and below-investment-grade securities that are denominated in U.S. dollars or in foreign currencies. The fund may also use derivatives — such as futures, options, warrants, and swap contracts — for hedging purposes and to gain exposure to certain markets, rates, or currencies.

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

**Lipper rankings**

(Y shares, based on total return)

1 year	54% (139/260)
3 years	64% (134/209)

**Expense ratio**

(Y shares)  
Total expense ratio  
1.93%

What you pay  
1.00%

“What you pay” reflects Putnam Management’s decision to contractually limit expenses through 3/30/18.

**Number of holdings**

105

**Net assets**

\$19.01M

**Dividend frequency**

Monthly

**30-day SEC yield**

Without subsidy  
3.83%

With subsidy  
4.53%

**Average effective duration**

5.62

**Annual performance at net asset value (all distributions reinvested)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Y shares	—	—	—	—	—	—	—	1.6%	-2.8%	11.4%	7.0%
Putnam Emerging Market Income Blended Index (Equal Weighted)*	9.1%	-10.8%	30.1%	13.9%	3.0%	17.2%	-5.3%	2.4	-4.4	10.3	7.2

**Annualized total return performance**

Inception 3/27/13	Class Y shares	Putnam Emerging Market Income Blended Index (Equal Weighted)*
1 year	6.98%	6.50%
3 years	2.60	2.54
Life of fund	2.25	2.30

**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 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 the most recent month-end performance, please visit putnam.com.**

\* The blended index is equally weighted between one third JPMorgan Emerging Markets Bond Index Global Diversified, one third JPMorgan Corporate Emerging Markets Bond Index Diversified, and one third JPMorgan Government Bond Index—Emerging Markets Global Diversified.

**Portfolio quality**

AAA	1.4%
AA	2.1%
A	15.5%
BBB	41.5%
BB	24.5%
B	12.3%
CCC and below	1.4%
Not rated	1.4%

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

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. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings may vary over time. Cash, derivative instruments, and net other assets are shown in the not-rated category. Payables and receivables for TBA mortgage commitments are included in the not-rated category and may result in negative weights. **The fund itself has not been rated by an independent rating agency.**

Lipper rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper.

**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.

**Consider these risks before investing:** Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions of the risk of default, changes in government intervention, and factors related to a specific issuer or industry. These factors may also lead to periods of high volatility and reduced liquidity in the bond markets. International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. 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 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. 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 is considered non-diversified and can invest a greater portion of its assets in securities of individual issuers than can a diversified fund. As a result, changes in the market value of a single investment could cause greater fluctuations in share price than would occur in a more diversified 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.**