



The fund received a 4-star Overall Morningstar Rating as of 12/31/23 among 224 funds in the Bank Loan category (R6 shares, based on risk-adjusted returns)

Portfolio Managers

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

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

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

Objective

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

Morningstar category

Bank Loan

Lipper category

Loan Participation

Benchmark

Morningstar LSTA US Leveraged Loan Index

Fund symbols

Class A	PFLRX
Class B	PFRBX
Class C	PFICX
Class R	PFLX
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 table 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.**

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

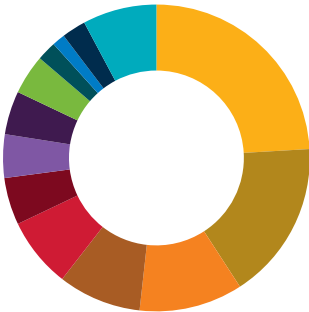
Bank loans have historically performed well amid rising interest rates because their yields adjust higher and become more attractive.

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	24.7%
Technology	17.2
Basic materials	11.2
Capital goods	9.0
Health care	7.6
Consumer staples	5.1
Financials	4.7
Energy	4.7
Communication services	4.3
Transportation	2.1
Utilities	1.4
Non-cash investments	2.6
Net cash	8.0



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	85.2%
High-yield corporate bonds	8.5
Investment-grade corporate bonds	0.5
Emerging market bonds	0.3
Net cash	8.0

Portfolio quality

BBB	4.3%
BB	35.8
B	49.7
CCC and below	2.2
Net cash	8.0

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

Annualized total return performance

	Q4	1 year	3 years	5 years	10 years
R6 shares (Inception 5/22/18)	3.19%	12.97%	4.84%	4.78%	3.53%
Benchmark	2.84	13.29	5.74	5.78	4.41

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](https://www.putnam.com).

**Morningstar rankings**

(R6 shares, based on total return)

1 year	31% (55/237)
3 years	36% (76/224)
5 years	38% (71/215)

**Total expense ratio**

(R6 shares)

0.70%

**Net assets**

\$368.78M

**Number of issues**

227

**Number of issuers**

196

**Dividend frequency**

Monthly

**Standard deviation**

4.22

**Average effective duration**

0.15

**Average effective maturity**

4.21

**30-day SEC yield**

0.05%

**Maturity breakdown**

0-1 year	6.6%
1-5 years	65.7%
5-10 years	27.6%

For informational purposes only. Not an investment recommendation.

Distributed by Putnam Retail Management.

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**Annual performance (all distributions reinvested)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
R6 shares at net asset value	0.68%	-0.92%	8.91%	3.54%	-0.43%	8.37%	1.14%	3.36%	-1.32%	12.97%
Benchmark	1.60	-0.69	10.14	4.11	0.47	8.64	3.12	5.20	-0.79	13.29

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**Highlights of five-year performance periods (8/4/04-12/31/23)\***

	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	3.86%	100%	58	0

\* Based on annualized returns for quarterly rolling periods.

The Morningstar® LSTA® US Leveraged Loan Index is an unmanaged index of U.S. leveraged loans. 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 3-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 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-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 3-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam Floating Rate Income Fund received 3 and 4 stars for the 3- and 5-year periods among 224 and 215 Bank Loan funds, respectively.

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.**

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