

Fund domicile

Australia

Fund type

Registered Managed Investment Scheme

Objective

The Fund seeks to outperform the ICE BofA U.S. Treasury Bill Index by 5%–7% over a full investment cycle (typically 3–5 years).

Fund inception (Class A)

14 August 2019

Base currency

AUD

Fund assets (Class A)

\$91.3M AUD

Benchmark

ICE BofA U.S. Treasury Bill Index

Investment minimums (AUD)

Initial investment: \$500,000

Additional investment: \$100,000

Withdrawal: \$100,000

APIR code

ETL0180AU

Income distribution

Annual (end of June)

Deal closing time

2:00 p.m. (Sydney, AU)

Daily valuation point

4:00 p.m. (NYSE)

Fee structure*

Management fees: 0.65% p.a. of the NAV of the Fund
Indirect costs: 0.03% p.a. of the NAV of the Fund

* Please see the Product Disclosure Statement (PDS) on putnam.co/au/ for additional information on management fees and indirect costs.

Contact details

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For institutional investors

Putnam Securitised Opportunities Fund

Class A (open ended)

Pursuing attractive return and diversification potential in structured credit

Dynamic risk allocation

We believe that opportunistically shifting exposure based on risk rather than sub-sector enables us to capitalize on the best relative value ideas in structured credit.

Fundamental diversification

The team pursues alpha via structured credit opportunities of various maturities, vintages, priorities in the capital structure, and asset types.

Proven capabilities

Putnam's dedicated structured credit team includes Portfolio Managers who average over 20 years of experience and specialists organized by risk with deep knowledge of collateral and market structures.

Putnam expertise in securitised debt

- PM team averages 26 years of securitised market experience
- \$22.6 billion (USD) under management in securitised assets across fixed income portfolios
- 13-year institutional track record

Sector allocation

	Cash investments		Non-cash investments		Total portfolio	
	Weight	Spread duration	Weight	Spread duration	Weight	Spread duration
Agency pass-through	0.08%	0.00%	95.91%	4.24%	95.99%	4.24%
Commercial MBS	34.06	1.19	1.77	-0.02	35.83	1.17
Agency CMO	30.91	1.31	0.00	0.00	30.91	1.31
Residential MBS (non-agency)	16.79	0.47	0.00	0.00	16.79	0.47
Asset-backed securities (ABS)	2.03	0.05	0.00	0.00	2.03	0.05
Interest-rate swaps	0.00	0.00	0.00	-8.61	0.00	-8.61
Net cash	16.13	0.00	0.00	0.00	16.13	0.00

Portfolio details may vary with market conditions.

Spread duration estimates the price sensitivity of a specific sector or asset class to a 100 basis-point movement (either widening or narrowing) in its spread relative to Treasuries. 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.

Sectors with attractive liquidity premiums also provide diversification

- Securitised sectors have historically exhibited low correlations to corporate assets
- Low correlations between securitised sectors due to various balance sheets and structures

Correlations of monthly duration-hedged excess returns since 2009

	IG	HY	Loans	EM USD	S&P	MSCI World	NA RMBS	Agency IO	CMBS	Agency MBS
IG	—									
HY	0.88	—								
Loans	0.69	0.80	—							
EM USD	0.83	0.85	0.70	—						
S&P	0.63	0.73	0.55	0.64	—					
MSCI World	0.69	0.78	0.60	0.72	0.96	—				
NA RMBS	0.50	0.50	0.60	0.45	0.22	0.29	—			
Agency IO	0.26	0.31	0.39	0.28	0.10	0.13	0.26	—		
CMBS	0.44	0.46	0.49	0.40	0.29	0.32	0.45	0.29	—	
Agency MBS	0.26	0.26	0.27	0.28	0.15	0.18	0.17	0.26	0.26	—

→ Lower correlations ≤ 0.6 ←
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Sources: Bloomberg, Putnam, as of 9/30/22. For illustrative purposes only. Indexes used in the above calculation include the Bloomberg U.S. Corporate Index, Bloomberg U.S. High Yield Index, Morningstar LSTA US Leveraged Loan Index, and the Bloomberg EM USD Sovereign Indices. Where there is no available representative index, data is based on a universe of securities selected by Putnam that are representative of various fixed income sectors and subsectors within the mortgage market. Past performance is not a guarantee of future results. Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

Correlation measures the similarity of the historical performances of two different asset classes. Positive correlation is indicated by numbers greater than 0 but less than 1 (which is the maximum positive correlation). Negative correlation is indicated by numbers less than 0 but greater than -1 (which is the maximum negative correlation). No correlation is indicated by 0.

Investment management team

Michael V. Salm
Chief Investment Officer,
Fixed Income
(industry since 1989)

Brett S. Kozlowski, CFA
Portfolio Manager
(industry since 1997)

Jatin Misra, PhD, CFA
Portfolio Manager
(industry since 2004)

Cumulative total return performance

Inception 14/8/19	Class A (AUD)	ICE BofA U.S. Treasury Bill Index (hedged to AUD)	Class A (USD)	ICE BofA U.S. Treasury Bill Index (USD)
Q3	8.12%	0.30%	1.09%	0.42%
1 year	13.76	0.07	1.25	0.47
3 year	1.96	0.19	0.35	0.58
Life of fund	2.52	0.21	0.93	0.64

Data is historical. Past performance is not a guarantee of future results. More recent returns may be more or less than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your units. Performance assumes reinvestment of distributions at net asset value (NAV) and reflects Fund operating expenses such as management fees, but does not account for any taxes.

The ICE BofA 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 BofA), used with permission. ICE BofA permits use of the ICE BofA 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 BofA 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.

Indices noted in the correlation chart include the Bloomberg U.S. Corporate Index, Bloomberg U.S. High Yield Index, Bloomberg U.S. High Yield Loan Index, Bloomberg EM USD Sovereign Index, and S&P 500 Index. Where there is no available representative index, data is based on a universe of securities selected by Putnam that are representative of various fixed income sectors and subsectors within the mortgage market.

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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 (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial and housing markets, and factors related to a specific issuer, industry, geography (such as a region of the United States), or sector (such as the housing or real estate markets). 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). Default risk is generally higher for non-qualified mortgages. Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Mortgage- and asset-backed securities are subject to prepayment risk and the risk that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. The fund's investments in mortgage-backed securities and asset-backed securities, and in certain other securities and derivatives, may be or become illiquid. The fund's concentration in an industry group comprising privately issued mortgage-backed securities and mortgage-backed securities issued or guaranteed by the U.S. government or its agencies or instrumentalities may make the fund's net asset value more susceptible to economic, market, political, and other developments affecting the housing or real estate markets. 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. Our use of short selling may result in losses if the securities appreciate in value. 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.

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Unitholders may obtain information about portfolio holdings from time to time by contacting the Fund's Managers. Portfolio holdings information will only be provided for legitimate purposes as determined by the Managers, and will be subject to a reasonable delay intended to protect the Fund.

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