A world of investing.®

Putnam INVESTMENTS

Putnam PanAgora Managed Futures Strategy (PPFYX)

Pursuing absolute return with low correlation to traditional asset classes

Targets trends

The fund's investment strategy seeks to identify and profit from price trends in global equity, fixed income, commodity, and currency markets.

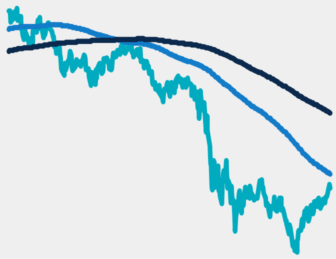
Low market correlation

The fund pursues absolute return over time with low correlation to traditional asset classes and may perform well during prolonged equity market drawdowns.

Risk-based construction

PanAgora Asset Management, the fund's sub-advisor, has two decades of investment experience and is a pioneering thought leader in risk-based portfolio construction.

A disciplined investment process guides the portfolio

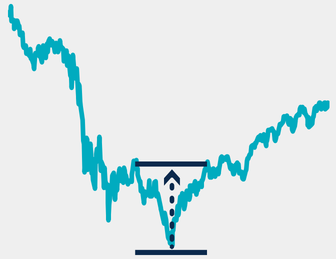


Rules-based algorithm identifies asset trends

The fund uses a proprietary, momentum-based algorithm that seeks to identify and profit from price trends in 60+ liquid markets, including global equity, fixed income, commodity, and currency markets. When a trend is identified, the fund may take either a long or short position.

Risk parity approach avoids unintended risk

The fund's risk parity approach to portfolio construction seeks to avoid unintended risk concentrations. The strategy seeks to balance risk exposures in an effort to generate attractive returns in diverse market conditions, and generally uncorrelated with the returns of traditional asset classes.



Stop-loss mechanism seeks to protect against reversals

Once a position is added to the portfolio, PanAgora monitors for any indication of a reversal or loss of momentum in the price trend to determine when to exit the position. This mechanism adapts to recent volatility levels with the goal of protecting the portfolio against sharp reversals.

Objective
The fund seeks absolute return (i.e., positive total return in diverse market environments over time).

Portfolio Managers

Edward E. Qian, Ph.D., CFA
(industry since 1996)

Bryan D. Belton, CFA
(industry since 1997)

Kun Yang, Ph.D., CFA
(industry since 2006)

Morningstar category
Managed Futures

Lipper category
Alternative Managed Futures

Inception
September 21, 2017

Benchmark
ICE BofA U.S. Treasury Bill Index

Fund symbols

Class A	PPMFX
Class B	PPFMX
Class C	PPFLX
Class R	PPFWX
Class R6	PPFRX
Class Y	PPFYX

Dividend frequency
Annually

Net assets
$9.33M

Expense ratio
(Y shares)

Total expense ratio
2.70%

What you pay
1.27%

"What you pay" reflects Putnam Management's decision to contractually limit expenses through 12/30/21.

Correlation to S&P
-0.14

Beta versus S&P
-0.07

Annualized total return performance

Inception 9/21/17	Class Y shares	ICE BofA U.S. Treasury Bill Index
4Q20*	-0.66%	0.03%
1 year	-10.81	0.74
3 year	-7.52	1.65
Life of fund	-6.45	1.60

*Period less than one year are not annualized.

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

Role in a portfolio

The fund is designed to provide meaningful diversification for portfolios and may offer protection from bear markets (a market decline of more than 20% over four months or longer).

Long and short positions

An owner of a "long" position benefits when the underlying asset class increases in price. An owner of a "short" position benefits when the underlying asset class decreases in price.

The fund primarily gains long and short exposure to an asset class by investing in exchanged-traded futures and over-the-counter forward contracts, but may also invest in an asset class through other derivatives (such as options and swap contracts) or directly. Short derivatives positions may have effect of economic leverage, which magnifies investment exposure and may result in losses if the underlying assets appreciate in value.

Diversification does not guarantee a profit or ensure against loss. It is possible to lose money in a diversified portfolio.

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. Index returns do not reflect any fees, expenses, or sales charges. You cannot invest directly in an index.

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.

Beta is defined as a fund's sensitivity to market movements and is used to evaluate market related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Beta shown is calculated based on a regression of daily returns since fund inception. **Correlation** is a measure of how similar the historical performances of two different asset classes or securities have been. The maximum correlation is 1.0 and the minimum is 0 with values between 0 and -1 indicating negative correlation. A positive correlation close to 1.0 indicates that the historical returns of the two asset classes being compared have been very similar. A negative correlation close to –1.0 indicates that the historical returns of the two asset classes being compared have been opposite each other: For example, when one gained 5%, the other declined 5%. Correlations near zero indicate that there has been little discernible relationship between the two asset classes being compared. Correlation shown is calculated based on a regression of daily returns since fund inception.

Consider these risks before investing: There can be no assurance that a trend following strategy will achieve any particular level of return. The fund's allocation of assets may hurt performance, and efforts to balance risk exposures may be unsuccessful. Quantitative models or data may be incorrect or incomplete, and reliance on those models or data may not produce the desired results. 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. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Bond investments in which the fund invests (or has exposure to) are subject to interest-rate risk and credit risk. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities. Risks associated with derivatives (including "short" derivatives) include losses caused by unexpected market movements (which are potentially unlimited), imperfect correlation between the price of the derivative and the price of the underlying asset, increased investment exposure (which may be considered leverage), the potential inability to terminate or sell derivatives positions, the potential need to sell securities at disadvantageous times to meet margin or segregation requirements, the potential inability to recover margin or other amounts deposited from a counterparty, and the potential failure of the other party to the instrument to meet its obligations. Leverage can result in volatility in the fund's performance and losses in excess of the amounts invested. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. The fund invests in (or provides exposure to) fewer issuers or makes large investments in (or provides large amounts of exposure to) a small number of issuers, and involves more risk than a fund that invests more broadly. By investing in a subsidiary, the fund is indirectly exposed to the risks associated with the subsidiary's investments. 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.

Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call your financial representative or call Putnam at 1-800-225-1581. Please read the prospectus carefully before investing.

For informational purposes only. Not an investment recommendation.