

Putnam PanAgora Managed Futures Strategy

Pursuing absolute return with low correlation to traditional asset classes.

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 BofAML U.S. Treasury Bill Index

Fund symbols

Class A	PPMF
Class B	PPFM
Class C	PPFL
Class M	PPFV
Class R	PPFW
Class Y	PPFY

Dividend frequency

Annually

Net assets

\$12.52M

Expense ratio

(Y shares)
Total expense ratio
1.60%

What you pay
1.35%

“What you pay” reflects Putnam Management’s decision to contractually limit expenses through 12/30/18.

Targets trends

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

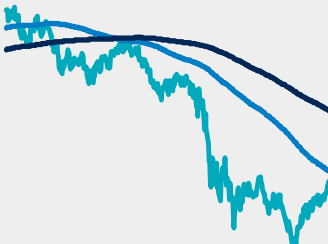
Low market correlation

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 balances risk exposures in an effort to generate attractive returns in diverse market conditions that are generally uncorrelated with the returns of traditional asset classes.



Stop-loss mechanism 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.

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

Cumulative total return performance

Inception 9/21/17	Class Y shares	ICE BofAML U.S. Treasury Bill Index
4Q17	2.20%	0.25%
Life of fund	1.59%	0.28%

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).

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. You cannot invest directly in an index.

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.

Consider these risks before investing: Bond investments are subject to interest-rate risk, which means the prices of the fund's bond investments are likely to fall if interest rates rise. Bond investments also are subject to credit risk, which is the risk that the issuer of the bond may default on payment of interest or principal. 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 ongoing fees and expenses. Commodities involve the risks of changes in market, political, regulatory, and natural conditions. Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Strategies that use leverage extensively to gain exposure to various markets may not be suitable for all investors. Any use of leverage exposes the strategy to risk of loss. In some cases, the risk may be substantial. The fund's use of leverage obtained through derivatives increases its risks by increasing investment exposure. Over-the-counter derivatives are also subject to the risk of 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 invests in fewer issuers or concentrates its investments by region or sector, and involves more risk than a fund that invests more broadly. 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.