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Putnam INVESTMENTS

Portfolio Managers

Robert L. Salvin
(industry since 1986)

Norman P. Boucher
(industry since 1985)

Objective
Seeks high current income with capital growth as a secondary goal when consistent with high current income

Type
Active, fully transparent, traditional ETF with daily disclosure of portfolio holdings to public investors and traders

Ticker	CUSIP
PHYD	746729888

Primary exchange
NYSE

Fund distributor
Foreside Fund Services, LLC

Inception
January 19, 2023

Benchmark
JPMorgan Developed High Yield Index

Total expense ratio
0.55%

Dividend frequency
Monthly

Putnam ESG High Yield ETF (PHYD)

Corporate bonds selected for higher income potential

Income focused

Pursues a higher level of income than most bonds offer by investing in higher-yielding, lower-rated corporate bonds

Bottom-up process

Invests across a range of industries and companies with the ability to adjust fund holdings to capitalize on market opportunities

Integrated ESG approach

Incorporates consideration of material environmental, social, and governance (ESG) issues that managers view as additive to the fundamental understanding of each issuer

Higher-yielding securities

The fund invests mainly in bonds that are below investment grade in quality, which can offer above-average current income for investors.

Active strategy

To navigate the complexity of today's fixed income markets, the fund pursues active management with a commitment to fundamental research.

Relevant ESG criteria

The portfolio team invests with a focus on companies or bond issuers that meet relevant sector-specific ESG criteria.

Why ETFs?

- **Cost competitive**
  ETFs may reduce costs to investors with a simplified fee structure compared to alternatives.
- **Tax efficient**
  The structure of ETFs can reduce the impact of capital gains distributions relative to other investment vehicles.
- **Intraday liquidity**
  ETFs trade at any time of day, offering convenience and price clarity when buying and selling.

Why active?

- **Potential for outperformance**
  Active strategies aim to outperform passive indexes through investment research and portfolio positioning.
- **Active risk management**
  Proactive analysis helps to identify better risk/reward potential than an index offers and seeks to reduce unintended risk.
- **Professional oversight**
  Experienced portfolio managers balance risk and return while delivering the ETF's structural benefits.

Experienced portfolio managers

- Robert Salvin is Head of Corporate and Tax-Exempt Credit for Putnam's fixed income team, responsible for managing the investment process. He also covers the retail sector and portions of the non-cyclical market.
- Portfolio Manager Norman Boucher covers all cyclical fixed income sectors and portions of the non-cyclical market, including food/beverages and utilities.

The JPMorgan Developed High Yield Index is an unmanaged index of high-yield fixed income securities issued in developed countries. You cannot invest directly in an index.

Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Key risks for each fund are below.

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: Investing with a focus on companies or issuers that exhibit a commitment to ESG factors may result in the fund investing in certain types of companies or issuers that underperform the market as a whole. In evaluating an investment opportunity, we may make investment decisions based on information and data that is incomplete or inaccurate. Due to changes in the products or services of the companies and issuers in which the fund invests, the fund may temporarily hold securities that are inconsistent with its ESG investment criteria.

Fixed income 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. 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. Lower-rated bonds may offer higher yields in return for more risk. Unlike bonds, funds that invest in bonds have fees and expenses.

The value of investments in the fund's portfolio may fall or fail to rise over 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. Our investment techniques, analyses, and judgments may not produce the outcome we intend. You can lose money by investing in the fund.

You should consider the fund's investment objectives, risks, charges, and expenses carefully before you invest. This and other important information is contained in the fund's prospectus available on putnam.com or by calling 1-833-228-5577. Please read carefully before you invest.

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