

Dollar cost averaging: A time-tested strategy for all markets

When investing for long-term goals, it is time, not timing, that counts. Rather than trying to figure out when markets will rise or fall — “timing” the market — a better strategy may be to invest systematically over time. Dollar cost averaging means investing the same amount of money at regular intervals over an extended period.

When a stock or mutual fund share price declines, your investment automatically buys more shares at a lower price; when the price increases, your investment buys fewer shares. If share prices fluctuate over time, you will pay a lower average price per share.

Dollar cost averaging can be particularly helpful in turbulent markets because it generally smooths out the fluctuating cost of buying shares.

As with any investment strategy, consult your financial advisor about the best way to implement dollar cost averaging in your financial program.

Buy more shares at a lower average price over time

With dollar cost averaging, over time you may buy more shares at a lower average cost per share.

Month	Share price	Dollar cost averaging \$25,000 per quarter	Lump sum \$100,000
December	\$2.50	10,000 shares	40,000 shares
March	\$1.25	20,000	—
June	\$2.75	9,091	—
September	\$2.50	10,000	—
Total shares purchased		49,091	40,000
Average share cost		\$2.04	\$2.50
Average share price		\$2.25	\$2.50
Ending account value		\$122,727	\$100,000

Investing a lump sum in January buys 40,000 shares at \$2.50 a share. Dollar cost averaging buys 49,091 shares at an average cost of \$2.04 per share — less than the average share price over the period.

Regular investing does not guarantee a profit or protect against loss in a declining market. Investors should consider their financial ability to continue their purchases through periods of low price levels.

Symbols for Putnam funds as of February 2018

Tax-Free Income	A share	C share	M share	R share	Y share
AMT-Free Municipal Fund	PPNAX	PAMTX	PPMTX	—	PAMYX
California Tax Exempt Income Fund	PCTEX	PCTCX	PCLMX	—	PCIYX
Intermediate-Term Municipal Income Fund	PIMEX	PIMFX	PIMMX	—	PIMYX
Massachusetts Tax Exempt Income Fund	PXMAX	PMMCX	PMAMX	—	PMAYX
Minnesota Tax Exempt Income Fund	PXMNX	PMOCX	PMNMX	—	PMNYX
New Jersey Tax Exempt Income Fund	PTNJX	PNJCX	PNJMX	—	PNJYX
New York Tax Exempt Income Fund	PTEIX	PNNCX	PNYMX	—	PNYYX
Ohio Tax Exempt Income Fund	PXOHX	POOCX	POHMX	—	POTYX
Pennsylvania Tax Exempt Income Fund	PTEPX	PPNCX	PPAMX	—	PPTYX
Short-Term Municipal Income Fund	PSMEX	PSMTX	PSMMX	—	PSMYX
Tax Exempt Income Fund	PTAEX	PTECX	PTXMX	—	PTEYX
Tax-Free High Yield Fund	PTHAX	PTCCX	PTYMX	—	PTFYX
Taxable Income	A share	C share	M share	R share	Y share
American Government Income Fund	PAGVX	PAMIX	PAMMX	PAMRX	PATYX
Diversified Income Trust	PDINX	PDV CX	PDVMX	PDRVX	PDVYX
Emerging Markets Income Fund	PEMWX	PEMJX	PEMKX	—	PEMOX
Floating Rate Income Fund	PFLRX	PFICX	PFLMX	PFL LX	PFRYX
Global Income Trust	PGGIX	PGGLX	PGGMX	PGBRX	PGGYX
Government Money Market Fund*	PGDXX	—	—	—	—
High Yield Fund	PHYIX	PHY LX	PHYMX	PFJAX	PHAYX
Income Fund	PINCX	PUICX	PNCMX	PIFRX	PNCYX
Money Market Fund†	PDDXX	PFCCX	PTMXX	PURXX	PMMXX
Short Duration Income Fund	PSDTX	PSDLX	PSD GX	PSDRX	PSDYX
U.S. Government Income Trust	PGSIX	PGVCX	PGSMX	PGV RX	PUSYX
Value	A share	C share	M share	R share	Y share
Convertible Securities Fund	PCONX	PRCCX	PCNMX	PCVRX	PCGYX
Equity Income Fund	PEYAX	PEQCX	PEIMX	PEQRX	PEIYX
International Value Fund	PNGAX	PIGRX	PIGMX	PIHRX	PNGYX
Multi-Cap Value Fund	PMVAX	PMPCX	PMCVX	PMVRX	PMVYX
Small Cap Value Fund	PSLAX	PSL CX	PSLMX	PSCRX	PYSVX
Blend	A share	C share	M share	R share	Y share
Capital Opportunities Fund	PCOAX	PCOCX	POPMX	PCORX	PYCOX
Capital Spectrum Fund	PVSAX	PVSCX	PVSMX	PVSRX	PVSYX
Emerging Markets Equity Fund	PEMMX	PEMZX	PEMAX	PEMLX	PEMYX
Equity Spectrum Fund	PYSAX	PYSCX	PYSMX	PYSRX	PYSYX
Europe Equity Fund	PEUGX	PEECX	PEUMX	PEERX	PEUYX
Global Equity Fund	PEQUX	PUGCX	PEQMX	PGLRX	PEQYX
International Capital Opportunities Fund	PNVAX	PUV CX	PIVMX	PICRX	PIVYX
International Equity Fund	POVSX	PIGCX	POVMX	PIERX	POVYX
Investors Fund	PINVX	PCINX	PNVMX	PIVRX	PNVYX
Low Volatility Equity Fund	PLVEX	PLVGX	PLVHX	—	PLVKX
Multi-Cap Core Fund	PMYAX	PMYCX	PMYMX	PMYZX	PMYYX
Research Fund	PNRAX	PRACX	PRFMX	PRSRX	PURYX
Growth	A share	C share	M share	R share	Y share
Growth Opportunities Fund	POGAX	POGCX	POGMX	PGORX	PGOYX
International Growth Fund	PINOX	PIOCX	PINMX	PNPRX	PINYX
Multi-Cap Growth Fund	PNOPX	PNOCX	PNOMX	PNORX	PNOYX
Small Cap Growth Fund	PNSAX	PNSCX	PSGMX	PSGRX	PSYGX
Global Sector	A share	C share	M share	R share	Y share
Global Consumer Fund	PGCOX	PGCNX	PGCMX	PGCIX	PGCYX
Global Financials Fund	PGFFX	PGFDX	PGFMX	PGFRX	PGFYX
Global Health Care Fund	PHSTX	PCHSX	PHLMX	PHSRX	PHSYX
Global Industrials Fund	PGIAX	PGIEX	PGIHX	PGIOX	PGILX
Global Natural Resources Fund	EBERX	PGLCX	PGLMX	PGNRX	PGRYX
Global Sector Fund	PPGAX	PPGCX	PPGMX	PPGSX	PPGYX
Global Technology Fund	PGTAX	PGTDX	PGTMX	PGTRX	PGTYX
Global Telecommunications Fund	PGBZX	PGBNX	PGBMX	PGBTX	PGBYX
Global Utilities Fund	PUGIX	PUTCX	PUTMX	PULRX	PUTYX
Asset Allocation	A share	C share	M share	R share	Y share
Dynamic Asset Allocation Balanced Fund	PABAX	AABCX	PABMX	PAARX	PABYX
Dynamic Asset Allocation Conservative Fund	PACAX	PACCX	PACMX	PACRX	PACYX
Dynamic Asset Allocation Growth Fund	PAEAX	PAECX	PAGMX	PASRX	PAGYX
Dynamic Risk Allocation Fund	PDREX	PDRFX	PDRTX	PDRRX	PDRYX
George Putnam Balanced Fund	PGEOX	PGPCX	PGEMX	PGPRX	PGEYX
Retirement Income Fund Lifestyle 1	PRMAX	PRMCX	PRMMX	PRMKX	PRMYX
Absolute Return	A share	C share	M share	R share	Y share
Absolute Return 100 Fund®	PARTX	PARQX	PARZX	PRARX	PARYX
Absolute Return 300 Fund®	PTRNX	PTRGX	PZARX	PTRKX	PYTRX
Absolute Return 500 Fund®	PJMDX	PJMCX	PJMMX	PJMRX	PJMYX
Absolute Return 700 Fund®	PDMAX	PDMCX	PDMMX	PDMRX	PDMYX

Consider these risks before investing:

* You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The values of money market investments usually rise and fall in response to changes in interest rates. Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

† You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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 Putnam at 1-800-225-1581 and ask for a prospectus. Please read the prospectus carefully before investing.