

Objective

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

Portfolio managers

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Inception

September 21, 2017

Benchmark

ICE BofAML U.S.
Treasury Bill Index

Symbols

Quotron
PPFYX

CUSIP
74680L568

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.

FOR INVESTMENT
PROFESSIONAL USE ONLY

Not FDIC insured
May lose value
No bank guarantee

INTRODUCING**Putnam PanAgora Managed Futures Strategy**

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.

Fund description

The fund uses a proprietary, momentum-based trend-following strategy that seeks to identify and profit from price trends in global equity, fixed income, commodity, and currency markets. Following the identification of a trend, the fund may take either a long or short position in an asset class. Because the fund can hold both long positions and short positions across asset classes, it has the potential to generate absolute returns under different market conditions. Moreover, the fund’s returns are expected to have low correlation to traditional asset classes.

Portfolio characteristics

The fund utilizes systematic long/short exposure to liquid futures and forwards across commodities, equities, fixed income, and currencies. A significant portion of the assets of the fund will be invested directly or indirectly in short-term instruments. These cash or cash equivalent holdings serve as collateral for the fund’s derivative positions and also may earn income for the fund.

A systematic, research-driven approach

The fund invests in liquid derivatives that provide exposure to several asset classes, including commodities, equities, fixed income, and developed- and emerging-market currencies. The fund’s trend-following strategy seeks to identify trends across these markets and then takes either long or short positions to profit from these trends. PanAgora Asset Management takes a systematic approach in managing the fund’s portfolio, using quantitative models to determine the direction, magnitude, and duration of a price trend. Once a position has been added to the fund’s portfolio, PanAgora monitors for any indication of a reversal or loss of momentum in the price trend in order to determine when to exit the position. PanAgora regularly enhances and updates its models to reflect its developing research, fundamental analysis, and access to new data.

Role in a portfolio

The fund seeks to generate absolute return over time with low correlation to traditional asset classes through long/short exposures across asset classes. The fund is designed to provide meaningful diversification for client portfolios and may offer protection from bear markets (a market decline of more than 20% over four months or longer).

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.

About PanAgora and Putnam

PanAgora Asset Management, the fund's sub-advisor, is a premier provider of research-driven investment solutions in alternatives, risk premia, and active strategies spanning all major asset classes and risk ranges. PanAgora manages systematic strategies that combine cutting-edge quantitative techniques with fundamental insights of experienced investment professionals. The firm is a recognized leader in innovative portfolio construction techniques implemented throughout its strategies. Founded in 1989, PanAgora is headquartered in Boston and had \$54 billion in assets under management as of December 31, 2017.

Putnam Retail Management is the fund's distributor and shares with PanAgora a commitment to offering investment choices that pursue long-term performance through active research and portfolio management. PanAgora and Putnam are affiliated members of the Power Financial Corporation group of companies.

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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.

Your clients 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 the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.