Objective
The fund seeks total return, a combination of capital appreciation and income.

Portfolio managers
Edward E. Qian, Ph.D., CFA
Bryan D. Belton, CFA

Inception
September 20, 2017

Benchmark
35% MSCI ACWI Index
50% Bloomberg Barclays U.S. Long Treasury Index
15% S&P GSCI

Symbols

Quotron
PPRYX

CUSIP
74680L386

Expense ratio
(Y shares)
Total expense ratio
1.40%

What you pay
1.10%

"What you pay" reflects Putnam Management's decision to contractually limit expenses through 12/30/18.

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INTRODUCING

Putnam PanAgora Risk Parity Fund

Pursuing long-term total return through strategic diversification across equities, fixed income, and commodities.

Balanced for all markets

The fund pursues total return with strategic diversification across asset classes for changing market environments.

A strategy pioneer

PanAgora has more than two decades of investment experience, including actively managing risk parity strategies for institutional investors since 2006.

Active risk management

The fund seeks to balance risk across and within asset classes using proprietary risk-budgeting techniques, including dynamic risk allocation.

Fund description

The fund invests with the belief that risk diversification can generate more stable returns and greater downside protection than traditional asset diversification. The portfolio of equities, fixed income, and commodities provides diversified risk characteristics, and the investment process is designed to actively balance the allocation of risk across and within asset classes with the goal of more stable long-term performance.

Role in a portfolio

The fund's risk-diversified global exposure can help to generate better risk-adjusted returns over time than more traditional multi-asset approaches. The fund may be used as a core multi-asset investment or as a diversifying complement within a traditional portfolio.

A strategic approach to diversifying risk

The fund seeks to participate in periods of economic growth with an allocation to equities, to preserve capital during periods of economic contraction with an allocation to fixed-income securities, and to preserve real rates of return during periods of heightened inflation with an allocation to commodities.

The portfolio's strategic neutral risk positioning is 40% from equity risk, 40% from fixed-income risk, and 20% from inflation risk. The managers can vary the allocations tactically in response to changing market conditions by using a proprietary dynamic risk allocation approach. The fund typically allocates a greater portion of its assets in dollar terms to lower risk asset classes than to higher risk asset classes. Given the difference in risk across these asset classes, allocations to each asset class are likely to be significantly different from the risk contribution of each asset class.

Portfolio characteristics

The portfolio's diversification includes a mix of investments within each asset class. Equities can include U.S. large, mid, and small caps, as well as equities in developed markets and emerging markets. Fixed income can include U.S. and non-U.S. sovereign bonds, global inflation-linked government bonds, and investment-grade corporate bonds. Other investments can also include commodities, exchange-traded funds, exchange-traded notes, futures, options, swaps, and emerging-market currencies.

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 $52 billion in assets under management as of September 30, 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 of Canada family of companies.

Related performance: A record of impressive risk-adjusted returns

PanAgora Asset Management has offered risk parity strategies to institutions since 2006 and has built a solid track record of total return performance and attractive risk-adjusted returns as measured by Sharpe ratio. The benchmark index of Putnam PanAgora Risk Parity Fund will be a composite reflecting the fund's diversification across equities, fixed income, and commodities.

	PanAgora Risk Parity Multi-Asset Master Composite (Net of fees)			Composite Benchmark (60% MSCI World/40% Citigroup World Government Bond Index)			Fund Benchmark Performance (35% MSCI ACWI/50% BBG Barclays U.S. Long Treasury Index/15% S&P GSCI)		
Annualized returns for periods ended 9/30/17	**Total return**	**Standard deviation**	**Sharpe ratio**	**Total return**	**Standard deviation**	**Sharpe ratio**	**Total return**	**Standard deviation**	**Sharpe ratio**
1 year	3.17%	7.47%	0.34	9.43%	4.54%	1.93	3.26%	5.53%	0.47
3 years	7.13	8.20	0.83	5.09	6.66	0.72	2.32	5.71	0.35
5 years	7.32	8.42	0.84	6.42	6.55	0.95	3.04	5.73	0.49
10 years	7.17	9.77	0.69	4.04	10.79	0.33	4.08	8.51	0.42
Since inception (1/1/06)	6.84	9.27	0.62	5.46	10.17	0.43	4.78	8.06	0.45
Annual performance									
2017 YTD through 9/30/17	8.68%	—*	—*	12.09%	—*	—*	8.36%	—*	—*
2016	13.39	9.39%	1.39	5.33	7.29%	0.69	5.63	6.76%	0.78
2015	-3.80	8.36	-0.46	-1.72	7.91	-0.22	-6.24	6.32	-1.00
2014	14.51	7.71	1.88	2.80	5.92	0.47	7.36	5.80	1.26
2013	3.23	9.76	0.32	13.54	6.57	2.05	0.59	6.03	0.09
2012	14.33	4.90	2.90	10.15	7.81	1.29	7.99	5.41	1.46
2011	10.92	8.83	1.23	-0.63	10.82	-0.07	12.16	5.44	2.22
2010	18.40	6.86	2.66	9.50	13.30	0.71	11.69	7.19	1.61
2009	6.79	9.83	0.67	18.72	16.33	1.13	6.48	14.39	0.44
2008	-13.69	17.15	-0.92	-22.97	14.98	-1.67	-14.38	15.57	-1.06
2007	14.03	5.78	1.56	9.98	5.37	0.92	13.27	4.78	1.73
2006	-1.57	5.33	-1.20	14.39	4.82	1.98	5.02	4.83	0.04

*Risk statistics with respect to performance periods for less than 1 year are not shown.

Putnam PanAgora Risk Parity Fund (the "fund") is newly organized and has performance history. The performance information presented above is for the PanAgora Risk Parity Multi-Asset Master Composite (the "Composite"). It is not that of the fund and should not be considered a substitute for the fund's own performance. Past returns are not indicative of future performance.

Putnam Investment Management, LLC ("Putnam Management") is the fund's investment advisor. Putnam Management's affiliate, PanAgora Asset Management, Inc. ("PanAgora"), is the fund's sub-advisor and also acts as investment advisor or sub-advisor to the accounts in the Composite. The Composite includes all accounts managed by PanAgora that have investment objectives, policies, and strategies that are substantially similar to those of the fund. This performance information provided above for the Composite is intended to illustrate the past performance of PanAgora in managing accounts that are substantially similar to the fund. The fund's portfolio managers each played a primary role in the management of all the accounts in the Composite during the entire period for which the Composite's performance is shown. The Composite includes some accounts that are not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and therefore are not subject to certain investment restrictions, diversification requirements, and other regulatory requirements imposed by the 1940 Act or by the Internal Revenue Code of 1986, as amended. If those accounts had been registered under the 1940 Act, their returns might have been lower. Total fund expenses are expected to be generally higher than fees reflected in net-of-fee returns in the Composite.

PanAgora is a broad-based investment management organization that provides investment services to institutions through separately managed accounts, pooled funds, and mutual funds. The firm is an independent investment advisor registered under the Investment Advisers Act of 1940 specializing in quantitative investment strategies and includes all assets under management. The accounts within the Risk Parity Multi-Asset Master Composite seek to generate attractive, absolute risk-adjusted returns utilizing a multi-asset investing approach through a combination of strategic asset allocation and tactical portfolio management. The strategy seeks to deliver true diversification through balanced risk budgeting between equities, bonds, and commodities. The Composite consists of portfolios deploying a Risk Parity Multi-Asset approach to asset allocation that target an expected annualized volatility of 10%. The Composite is composed of all discretionary institutional accounts managed by the firm in this investment style. The inception date for the Composite is January 1, 2006. The creation date for the Composite was February 15, 2012. There is a minimum of $2 million in assets for inclusion in this composite. The Risk Parity Multi-Asset strategy employs leverage in its risk efficient asset allocation portfolios in order to achieve the expected risk levels, predominantly through the use of exchange-traded futures, forward contracts, and swaps. In normal market conditions, the gross notional exposure of long and short positions has typically represented up to four times the market value of a client's account. The extent of leverage will vary by client. The Composite's benchmark consists of a blended benchmark representing 60% MSCI World Index/40% Citigroup World Government Bond Index.

Annualized returns for periods ended 9/30/17	PanAgora Risk Parity Multi-Asset Master Composite (Gross of fees) Total return	Standard deviation	Sharpe ratio	Composite Benchmark (60% MSCI World/40% Citigroup World Government Bond Index) Total return	Standard deviation	Sharpe ratio	Fund Benchmark Performance (35% MSCI ACWI/50% BBG Barclays U.S. Long Treasury Index/15% S&P GSCI) Total return	Standard deviation	Sharpe ratio
1 year	3.51%	7.46%	0.38	9.43%	4.54%	1.93	3.26%	5.53%	0.47
3 years	7.48	8.19	0.87	5.09	6.66	0.72	2.32	5.71	0.35
5 years	7.67	8.41	0.89	6.42	6.55	0.95	3.04	5.73	0.49
10 years	7.53	9.76	0.72	4.04	10.79	0.33	4.08	8.51	0.42
Since inception (1/1/06)	7.20	9.26	0.66	5.46	10.17	0.43	4.78	8.06	0.45
Annual performance									
2017 YTD through 9/30/17	8.94%	—*	—*	12.09%	—*	—*	8.36%	—*	—*
2016	13.74	9.38%	1.43	5.33	7.29%	0.69	5.63	6.76%	0.78
2015	-3.45	8.35	-0.42	-1.72	7.91	-0.22	-6.24	6.32	-1.00
2014	14.86	7.70	1.92	2.80	5.92	0.47	7.36	5.80	1.26
2013	3.58	9.75	0.36	13.54	6.57	2.05	0.59	6.03	0.09
2012	14.68	4.90	2.98	10.15	7.81	1.29	7.99	5.41	1.46
2011	11.30	8.83	1.27	-0.63	10.82	-0.07	12.16	5.44	2.22
2010	18.80	6.86	2.72	9.50	13.30	0.71	11.69	7.19	1.61
2009	7.16	9.83	0.71	18.72	16.33	1.13	6.48	14.39	0.44
2008	-13.39	17.15	-0.90	-22.97	14.98	-1.67	-14.38	15.57	-1.06
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*Risk statistics with respect to performance periods for less than 1 year are not shown.

Returns are stated in U.S. dollars and are net of foreign withholding taxes on dividends, interest, and capital gains. Gross-of-fee returns are net of transaction costs but do not reflect the deduction of management fees and other expenses that may be incurred by an account. An account's returns will be reduced by management and other fees. The net-of-fee returns reflect the deduction of a model fee equivalent to the highest applicable management fee in effect during the performance period chargeable to any account in the Composite, without the benefit of breakpoints, applied on a monthly basis. Actual performance of the accounts, including the fund, will be different, and may be higher or lower, than the Composite returns presented.

The fund's benchmark is a custom blend representing 35% MSCI ACWI Index, 50% Bloomberg Barclays U.S. Long Treasury Index, and 15% S&P GSCI®. Index results assume the reinvestment of dividends or interest paid on the securities included in the index. Unlike the accounts in the Composite and unlike the fund, an index does not incur fees or expenses.

Standard deviation is calculated as the amount by which individual returns differ or vary from the average returns over a specified period, and is used to measure the overall level of volatility of a portfolio's returns. Generally, the higher the standard deviation, the greater the expected volatility of returns and potentially higher risk.

The Sharpe ratio is a measure of historical adjusted performance calculated by dividing the fund's return minus the risk-free rate (ICE BofAML U.S. 3-month T-bill) by the standard deviation of the fund's return. The Sharpe ratio can help indicate whether a portfolio's investment returns are the result of excessive risk. Higher Sharpe ratios signify better risk-adjusted performance (that is, relatively lower risk associated with a particular level of investment return, or, conversely, better investment return associated with a particular level of risk).

For informational purposes only. Not an investment recommendation.

Consider these risks before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. The fund may invest a portion of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise. Allocation of assets among asset classes may hurt performance, and efforts to diversify risk through the use of leverage and allocation decisions may not be successful. Derivatives carry additional risks, such as the inability to terminate or sell derivatives positions and the failure of the other party to meet its obligations. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. Bond 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 greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses. Active trading strategies may lose money or not earn a return sufficient to cover trading and other costs. Use of leverage obtained through derivatives increases these 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. REITs are subject to the risk of economic downturns that have an adverse impact on real estate markets. The use of short selling may result in losses if the securities appreciate in value. Commodities involve market, political, regulatory, and natural conditions risks. Stock and bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, factors related to a specific issuer or industry and, with respect to bond prices, changing market perceptions of the risk of default and changes in government intervention. These factors may also lead to increased volatility and reduced liquidity in the bond markets. 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 Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

Putnam Retail Management

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