

Putnam PanAgora alternative strategies

Putnam is pleased to offer three non-traditional funds subadvised by PanAgora Asset Management. Each strategy pursues diverse return streams with a systematic approach. PanAgora is a pioneer in risk-budgeting techniques used in portfolio construction to seek enhanced risk-adjusted returns.

	Putnam PanAgora Managed Futures Strategy (PPFYX) Inception 9/21/17	Putnam PanAgora Market Neutral Fund (PPMYX) Inception 9/21/17	Putnam PanAgora Risk Parity Fund (PPRYX) Inception 9/20/17
Objective	Absolute return	Absolute return	Total return
Description	A long/short strategy that combines a momentum-based algorithm pursuing price trends in global equity, fixed income, commodity, and currency markets and a risk-parity approach that makes each position contribute equal risk to the portfolio.	A diversified set of arbitrage sub-strategies designed to pursue stock-specific alpha from long-term, intermediate-term, and short-term market inefficiencies.	A risk-parity approach to balanced investing that pursues equal risk contributions across and within equities, fixed income, and commodities.
Potential role in a portfolio	Diversifier/bear market protection Offers returns uncorrelated to traditional asset classes with potential for meaningful diversification during bear markets.	Diversifier/volatility dampener Offers low-to-zero correlation and beta to equity markets.	Core holding/diversifier Offers diversification across asset classes and global markets for all economic conditions.
Portfolio managers	Edward E. Qian, Ph.D., CFA Bryan D. Belton, CFA Kun Yang, Ph.D., CFA	George D. Mussalli, CFA Richard Tan, CFA	Edward E. Qian, Ph.D., CFA Bryan D. Belton, CFA
Benchmark	ICE BofAML U.S. Treasury Bill Index	ICE BofAML U.S. Treasury Bill Index	35% MSCI ACWI Index 50% Bloomberg Barclays U.S. Long Treasury Index 15% S&P GSCI
Total expense ratio (Y shares)	1.60%	2.04%	1.40%
What you pay*	1.35%	1.65%	1.10%
Morningstar category	Managed Futures	Market Neutral	Tactical Allocation
Net assets (as of 12/31/17)	\$12.52 million	\$10.88 million	\$30.43 million

*The fund's expense ratio is taken from the most recent prospectus and is subject to change. What you pay reflects Putnam Management's decision to contractually limit expenses through 12/30/18.

[Visit putnam.com](http://putnam.com) for more information about the funds.

About PanAgora and Putnam

PanAgora Asset Management is a sub-advisor to three mutual funds that pursue liquid alternative strategies and are distributed by Putnam Retail Management.

Founded in 1937, Putnam Investments is a global money management firm with 80 years of experience serving investors, financial advisors, and institutions. Putnam managed \$171 billion in assets as of December 31, 2017. Putnam operates from offices in Boston, London, Frankfurt, Tokyo, Singapore, and Sydney.

PanAgora Asset Management and Putnam Investments are affiliated members of the Power Financial Corporation group of companies.

For informational purposes only. Not an investment recommendation.

Consider these risks before investing: 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. 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 funds' 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 funds invest in fewer issuers or concentrate their investments by region or sector, and involve more risk than a fund that invests more broadly.

International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. The funds may invest a portion of their assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations. 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. 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. Funds that invest in government securities are not guaranteed.

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. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. 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 the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

Not FDIC insured | May lose value | No bank guarantee

For investment professional use only.

Putnam Investments | One Post Office Square | Boston, MA 02109 | putnam.com

Putnam Retail Management

PA104_RE 308502 2/18