

Putnam Short Duration Income Fund

Prospectus

11 | 30 | 18

| FUND SYMBOLS | CLASS A | CLASS B | CLASS C | CLASS M | CLASS N | CLASS R | CLASS R6 | CLASS Y | |
|---|---------|---------|---------|---------|---------|---------|----------|---------|----|
| | PSDTX | PSDBX | PSDLX | PSDGX | PSDNX | PSDRX | PSDQX | PSDYX | |
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Investment Category: Income

This prospectus explains what you should know about this mutual fund before you invest. Please read it carefully.

These securities have not been approved or disapproved by the Securities and Exchange Commission (SEC) nor has the SEC passed upon the accuracy or adequacy of this prospectus. Any statement to the contrary is a crime.

All Putnam Retail open-end funds, except Putnam AMT-Free Municipal Fund, Putnam California Tax Exempt Income Fund, Putnam Dynamic Asset Allocation Equity Fund, Putnam Intermediate-Term Municipal Income Fund, Putnam Massachusetts Tax Exempt Income Fund, Putnam Minnesota Tax Exempt Income Fund, Putnam Mortgage Opportunities Fund, Putnam New Jersey Tax Exempt Income Fund, Putnam New York Tax Exempt Income Fund, Putnam Ohio Tax Exempt Income Fund, Putnam Pennsylvania Tax Exempt Income Fund, Putnam Short Term Investment Fund, Putnam Short-Term Municipal Income Fund, Putnam Tax Exempt Income Fund and Putnam Tax-Free High Yield Fund

Effective March 30, 2019, similar language under the heading *Class Y shares (available only to investors listed below)* in the section *How do I buy fund shares? – Here is a summary of the differences among the classes of shares* is replaced in its entirety with the following:

- The following investors may purchase class Y shares if approved by Putnam:
 - » employer-sponsored retirement plans that are clients of third-party administrators (including affiliates of Putnam) that have entered into agreements with Putnam;
 - » bank trust departments and trust companies that have entered into agreements with Putnam and offer institutional share class pricing to their clients;
 - » corporate individual retirement accounts (IRAs) administered by Putnam, if another retirement plan of the sponsor is eligible to purchase class Y shares;
 - » college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code;
 - » other Putnam funds and Putnam investment products;
 - » investors purchasing shares through an asset-based fee program that is sponsored by a registered broker-dealer or other financial institution;
 - » investors purchasing shares through a commission-based platform of a registered broker-dealer or other financial institution that charges you additional fees or commissions, other than those described in the prospectus and SAI, and that has entered into an agreement with Putnam Retail Management Limited Partnership (PRM) to offer class Y shares through such a program;
 - » clients of a financial representative who are charged a fee for consulting or similar services;
 - » corporations, endowments, foundations and other institutional investors that have been approved by Putnam;
 - » unaffiliated investment companies (whether registered or private) that have been approved by Putnam;
 - » current and retired Putnam employees and their immediate family members (including an employee's spouse, domestic partner, fiancé(e), or other family members who are living in the same household) as well as, in each case, Putnam-offered health savings accounts, IRAs, and other similar tax-advantaged plans solely owned by the foregoing

individuals; current and retired directors of Putnam Investments, LLC; current and retired Great-West Life & Annuity Insurance Company employees; and current and retired Trustees of the fund. Upon the departure of any member of this group of individuals from Putnam, Great-West Life & Annuity Insurance Company, or the fund's Board of Trustees, the member's class Y shares convert automatically to class A shares, unless the member's departure is a retirement, as determined by Putnam in its discretion for employees and directors of Putnam and employees of Great-West Life & Annuity Insurance Company and by the Board of Trustees in its discretion for Trustees; provided that conversion will not take place with respect to class Y shares held by former Putnam employees and their immediate family members in health savings accounts where it is not operationally practicable due to platform or other limitations; and

- » personal and family member IRAs of registered representatives and other employees of broker-dealers and other financial institutions having a sales agreement with Putnam Retail Management, if (1) the registered representative or other employee is the broker of record or financial representative for the account, (2) the broker-dealer or other financial institution's policies prohibit the use of class A shares or other classes of fund shares that pay 12b-1 fees in such accounts to avoid potential prohibited transactions under Internal Revenue Service rules due to the account owners' status as "disqualified persons" under those rules, and (3) the broker-dealer or other financial institution has an agreement with Putnam Retail Management related to the use of class Y shares in these accounts.

Trust companies or bank trust departments that purchased class Y shares for trust accounts may transfer them to the beneficiaries of the trust accounts, who may continue to hold them or exchange them for class Y shares of other Putnam funds. Defined contribution plans (including corporate IRAs) that purchased class Y shares under prior eligibility criteria may continue to purchase class Y shares.

The following language is added to the *Appendix*:

Raymond James & Associates, Inc., Raymond James Financial Services, Inc. & Raymond James affiliates ("Raymond James")

Effective March 1, 2019, shareholders purchasing fund shares through a Raymond James platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this fund's prospectus or SAI. It is the purchaser's responsibility to notify their financial intermediary at the time of purchase of any relationship or other facts qualifying the purchaser for sales charge waivers or discounts. For waivers or discounts not available through a particular intermediary, shareholders will have to purchase fund shares from the fund or through another intermediary to receive these waivers or discounts.

Front-end sales load waivers on Class A shares available at Raymond James

- Shares purchased in an investment advisory program.
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family).
- Employees and registered representatives of Raymond James or its affiliates and their family members as designated by Raymond James.

- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement).
- A shareholder in the fund's Class C shares will have their shares converted at net asset value to Class A shares of the fund if the shares are no longer subject to a CDSC and the conversion is in line with the policies and procedures of Raymond James.

CDSC Waivers on Classes A, B and C shares available at Raymond James

- Death or disability of the shareholder.
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus.
- Return of excess contributions from an IRA Account.
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 70½ as described in the fund's prospectus.
- Shares sold to pay Raymond James fees but only if the transaction is initiated by Raymond James.
- Shares acquired through a right of reinstatement.

Front-end load discounts available at Raymond James: breakpoints and/or rights of accumulation

- Breakpoints as described in the fund's prospectus and SAI.
- Rights of accumulation which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of Putnam fund family assets held by accounts within the purchaser's household at Raymond James. Eligible fund family assets not held at Raymond James may be included in the rights of accumulation calculation only if the shareholder notifies his or her financial advisor about such assets.

Class A or Class M Sales Charge Waivers Available Only Through Specified Intermediaries

As described in the prospectus, class A or class M shares may be purchased at net asset value without payment of a sales charge through a broker-dealer, financial institution, or financial intermediary that has entered into an agreement with Putnam Retail Management to offer shares through a retail self-directed brokerage account with or without the imposition of a transaction fee.

The following intermediaries have entered into such an agreement:

National Financial Services LLC

Charles Schwab & Co., Inc.

Merrill Lynch, Pierce, Fenner & Smith Incorporated

J.P. Morgan Securities LLC

TD Ameritrade, Inc. and TD Ameritrade Clearing, Inc.

Morgan Stanley Smith Barney LLC

Fund summary

Goal

Putnam Short Duration Income Fund seeks as high a rate of current income as Putnam Investment Management, LLC believes is consistent with preservation of capital and maintenance of liquidity.

Fees and expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the fund. Information about sales charge discounts is available from your financial advisor and in the Appendix to the fund's prospectus.

Shareholder fees *(fees paid directly from your investment)*

| Share class | Maximum sales charge (load) imposed on purchases (as a percentage of offering price) | Maximum deferred sales charge (load) (as a percentage of original purchase price or redemption proceeds, whichever is lower) |
|-------------|--|--|
| Class A | NONE | 1.00%* |
| Class B | NONE | 5.00%* |
| Class C | NONE | 1.00%* |
| Class M | NONE | NONE |
| Class N | 1.50% | 0.25%† |
| Class R | NONE | NONE |
| Class R6 | NONE | NONE |
| Class Y | NONE | NONE |

Annual fund operating expenses

(expenses you pay each year as a percentage of the value of your investment)

| Share class | Management fees | Distribution and service (12b-1) fees | Other expenses | Total annual fund operating expenses | Expense reimbursement* | Total annual fund operating expenses after expense reimbursement |
|-------------|-----------------|---------------------------------------|----------------|--------------------------------------|------------------------|--|
| Class A | 0.34% | 0.10% | 0.10% | 0.54% | (0.14)% | 0.40% |
| Class B | 0.34% | 0.50% | 0.10% | 0.94% | (0.14)% | 0.80% |
| Class C | 0.34% | 0.50% | 0.10% | 0.94% | (0.14)% | 0.80% |
| Class M | 0.34% | 0.15% | 0.10% | 0.59% | (0.14)% | 0.45% |
| Class N | 0.34% | 0.25% | 0.10%< | 0.69% | (0.14)% | 0.55% |
| Class R | 0.34% | 0.50% | 0.10% | 0.94% | (0.14)% | 0.80% |
| Class R6 | 0.34% | N/A | 0.09% | 0.43% | (0.14)% | 0.29% |
| Class Y | 0.34% | N/A | 0.10% | 0.44% | (0.14)% | 0.30% |

* A deferred sales charge on class A, B and C shares may apply to certain redemptions of shares purchased by exchange from another Putnam fund.

† Applies only to certain redemptions of shares bought with no initial sales charge.

Reflects Putnam Investment Management, LLC's contractual obligation to limit certain fund expenses through November 30, 2019. This obligation may be modified or discontinued only with approval of the Board of Trustees.

< Other expenses are based on expenses of class A shares for the fund's last fiscal year.

Example

The following hypothetical example is intended to help you compare the cost of investing in the fund with the cost of investing in other funds. It assumes that you invest \$10,000 in the fund for the time periods indicated and then, except as indicated, redeem or hold all your shares at the end of those periods. It assumes a 5% return on your investment each year and that the fund's operating expenses remain the same. Only the first year of each period in the example takes into account the expense reimbursement described above. Your actual costs may be higher or lower.

| Share class | 1 year | 3 years | 5 years | 10 years |
|-------------------------|--------|---------|---------|----------|
| Class A | \$41 | \$159 | \$288 | \$664 |
| Class B* | \$582 | \$586 | \$706 | \$1,028 |
| Class B (no redemption) | \$82 | \$286 | \$506 | \$1,028 |
| Class C | \$182 | \$286 | \$506 | \$1,142 |
| Class M | \$46 | \$175 | \$315 | \$725 |
| Class N | \$205 | \$354 | \$515 | \$983 |
| Class R | \$82 | \$286 | \$506 | \$1,142 |
| Class R6 | \$30 | \$124 | \$227 | \$529 |
| Class Y | \$31 | \$127 | \$232 | \$541 |

* Reflects assessment of deferred sales charge assuming class B shares were acquired by exchange from one or more other Putnam funds immediately after purchase of shares from such other fund(s).

Portfolio turnover

The fund pays transaction-related costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher turnover rate may indicate higher transaction costs and may result in higher taxes when the fund's shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or the above example, affect fund performance. The fund's turnover rate in the most recent fiscal year was 36%.

Investments, risks, and performance

Investments

We invest in a diversified portfolio of fixed income securities comprised of short duration, investment-grade money market and other fixed income securities. The fund's investments may include obligations of the U.S. government, its agencies and instrumentalities, which are backed by the full faith and credit of the United States (e.g., U.S. Treasury bonds and Ginnie Mae mortgage-backed bonds) or by only the credit of a federal agency or government-sponsored entity (e.g., Fannie Mae or Freddie Mac mortgage-backed bonds), domestic corporate debt obligations, taxable municipal debt securities, securitized debt instruments (such as mortgage- and

asset-backed securities), repurchase agreements, certificates of deposit, bankers acceptances, commercial paper (including asset-backed commercial paper), time deposits, Yankee Eurodollar securities and other money market instruments. We may also invest in U.S. dollar-denominated foreign securities of these types. Under normal circumstances, the effective duration of the fund's portfolio will generally not be greater than one year. 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. Under normal circumstances, the dollar-weighted average portfolio maturity of the fund is not expected to exceed three and one-half years.

We may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. We may also use derivatives, such as futures, options and swap contracts, for both hedging and non-hedging purposes.

Risks

It is important to understand that you can lose money by investing in the fund.

The effects of inflation may erode the value of your investment over time. The value of securities in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. The risks associated with fixed income investments include interest rate risk, which means the value of the fund's investments is likely to fall if interest rates rise. Fixed income investments are also subject to credit risk, which is the risk that the issuer of a fixed income investment may default on payment of interest or principal. Credit risk is generally greater for debt not backed by the full faith and credit of the U.S. government, and interest rate risk is generally greater for longer-term debt. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields.

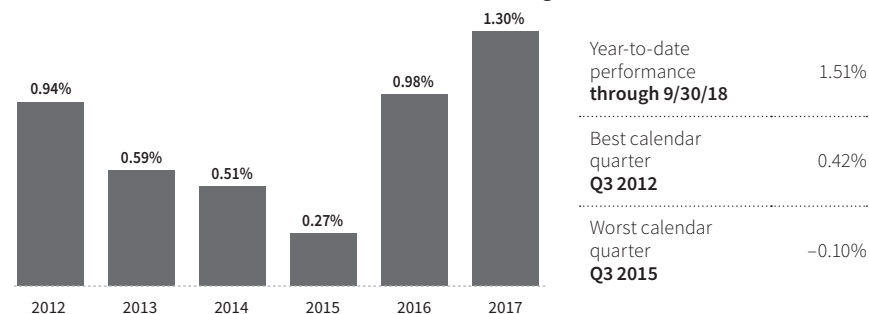
Our use of derivatives may increase the risks of investing in the fund by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations.

The fund may not achieve its goal, and it is not intended to be a complete investment program. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Performance

The performance information below gives some indication of the risks associated with an investment in the fund by showing the fund's performance year to year and over time. The bar chart does not reflect the impact of sales charges. If it did, performance would be lower. Please remember that past performance is not necessarily an indication of future results. Monthly performance figures for the fund are available at putnam.com.

Annual total returns for class A shares before sales charges



Average annual total returns after sales charges (for periods ended 12/31/17)

| Share class | 1 year | 5 years | Since inception (10/17/11) |
|--|--------|---------|----------------------------|
| Class A before taxes | 1.30% | 0.73% | 0.74% |
| Class A after taxes on distributions | 0.78% | 0.42% | 0.46% |
| Class A after taxes on distributions and sale of fund shares | 0.73% | 0.41% | 0.44% |
| Class B before taxes | 0.89% | 0.33% | 0.34% |
| Class C before taxes | 0.89% | 0.33% | 0.34% |
| Class M before taxes | 1.15% | 0.68% | 0.68% |
| Class N before taxes* | -0.35% | 0.28% | 0.36% |
| Class R before taxes | 0.89% | 0.33% | 0.34% |
| Class R6 before taxes** | 1.40% | 0.85% | 0.88% |
| Class Y before taxes | 1.39% | 0.83% | 0.86% |
| ICE BofAML U.S. Treasury Bill Index (no deduction for fees, expenses or taxes) | 0.81% | 0.28% | 0.25% |

* Class N shares were not outstanding during the periods shown. Performance shown for class N shares is derived from the historical performance of class A shares, adjusted for the sales charge and higher 12b-1 fees currently applicable to class N shares.

** Performance for class R6 shares prior to its inception (7/2/12) is derived from the historical performance of class Y shares and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher.

ICE BofAML Indexes: ICE Data Indices, LLC ("ICE BofAML"), used with permission. ICE BofAML permits use of the ICE BofAML indices and related data on an "asis" basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom; assumes no liability in

connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services.

After-tax returns reflect the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns are shown for class A shares only and will vary for other classes. These after-tax returns do not apply if you hold your fund shares through a 401(k) plan, an IRA, or another tax-advantaged arrangement.

Your fund's management

Investment advisor

Putnam Investment Management, LLC

Portfolio managers

Michael Salm

Co-Head of Fixed Income, portfolio manager of the fund since 2011

Emily Shanks

Portfolio Manager, portfolio manager of the fund since 2017

Joanne Driscoll

Portfolio Manager, portfolio manager of the fund since 2011

Sub-advisor

Putnam Investments Limited*

* Though the investment advisor has retained the services of Putnam Investments Limited (PIL), PIL does not currently manage any assets of the fund.

Purchase and sale of fund shares

You can open an account, purchase and/or sell fund shares, or exchange them for shares of another Putnam fund by contacting your financial advisor or by calling Putnam Investor Services at 1-800-225-1581. Purchases of class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

When opening an account, you must complete and mail a Putnam account application, along with a check made payable to the fund, to: Putnam Investor Services, P.O. Box 8383, Boston, MA 02266-8383. The minimum initial investment of \$500 is currently waived, although Putnam reserves the right to reject initial investments under \$500 at its discretion. There is no minimum for subsequent investments.

You can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the New York Stock Exchange (NYSE) is open. Shares may be sold or exchanged by mail, by phone, or online at putnam.com. Some restrictions may apply.

Tax information

The fund's distributions will be taxed as ordinary income or capital gains unless you hold the shares through a tax-advantaged arrangement, in which case you will generally be taxed only upon withdrawal of monies from the arrangement.

Financial intermediary compensation

If you purchase the fund through a broker/dealer or other financial intermediary (such as a bank or financial advisor), the fund and its related companies may pay that intermediary for the sale of fund shares and related services. Please bear in mind that these payments may create a conflict of interest by influencing the broker/dealer or other intermediary to recommend the fund over another investment. Ask your advisor or visit your advisor's website for more information.

What are the fund's main investment strategies and related risks?

This section contains greater detail on the fund's main investment strategies and the related risks you would face as a fund shareholder. It is important to keep in mind that risk and reward generally go hand in hand; the higher the potential reward, the greater the risk.

As mentioned in the fund summary, we pursue the fund's goal by investing in a diversified portfolio of fixed income securities comprised of short duration, investment-grade money market and other fixed income securities.

- **Interest rate risk.** The values of money market and other fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing fixed income securities, and rising interest rates generally decrease the value of existing fixed income securities. Changes in a fixed income security's value usually will not affect the amount of interest income paid to the fund, but will affect the value of the fund's shares. Interest rate risk is generally greater for investments with longer maturities.

Under normal circumstances, the dollar-weighted average portfolio maturity of the fund is not expected to exceed three and one-half years. Short-term investments may have lower yields than longer-term investments. As mentioned in the fund summary, under normal circumstances the effective duration of the fund's portfolio will generally not be greater than one year. 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. As a general rule, a 1% rise in interest rates means a 1% fall in value for every year of duration.

Some investments that we purchase have an interest rate that changes based on a market interest rate and/or allow the holder to demand payment of principal and accrued interest before the scheduled maturity date. We measure the maturity of these obligations using the relatively short period until the interest rate resets and/or payment could be demanded. Because the interest rate on these investments can change, these investments are unlikely to be able to lock in favorable longer-term interest rates.

- **Credit risk.** Investors normally expect to be compensated in proportion to the risk they are assuming. Thus, debt of issuers with poor credit prospects usually offers higher yields than debt of issuers with more secure credit. Higher-rated investments generally have lower credit risk.

We invest in investment-grade investments. These are rated at least BBB or its equivalent at the time of purchase by a nationally recognized securities rating agency, or are unrated investments we believe are of comparable quality. We will not necessarily sell an investment if its rating is reduced after we buy it. This means we may at times hold securities rated below-investment-grade (sometimes referred to as “junk bonds”) if the rating for a security held by the fund is reduced to below-investment-grade.

Investments rated below BBB or its equivalent are below-investment-grade in quality and may be considered speculative. This rating reflects a greater possibility that the issuers may be unable to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those investments will usually be more volatile and are likely to fall. A default or expected default could also make it difficult for us to sell the investments at prices approximating the values previously placed on them. Lower-rated debt usually has a more limited market than higher-rated debt, which may at times make it difficult for us to buy or sell certain debt instruments or to establish their fair values. Credit risk is generally greater for zero-coupon bonds and other investments that are issued at less than their face value and that are required to make interest payments only at maturity rather than at intervals during the life of the investment.

Credit ratings are based largely on the issuer’s historical financial condition and the rating agencies’ investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer’s current financial condition, and does not reflect an assessment of the investment’s volatility or liquidity. Although we consider credit ratings in making investment decisions, we perform our own investment analysis and do not rely only on ratings assigned by the rating agencies. Our success in achieving the fund’s goal may depend more on our own credit analysis when we buy lower-rated debt than when we buy investment-grade debt. We may have to participate in legal proceedings involving the issuer. This could increase the fund’s operating expenses and decrease its net asset value.

Although investment-grade investments generally have lower credit risk, they may share some of the risks of lower-rated investments. U.S. government investments generally have the least credit risk, but are not completely free of credit risk. While some investments, such as U.S. Treasury obligations and Ginnie Mae certificates, are backed by the full faith and credit of the U.S. government, others are backed only by the credit of the issuer. Mortgage-backed securities may be subject to the risk that underlying borrowers will be unable to meet their obligations.

- **Prepayment risk.** Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. In contrast, payments on securitized debt instruments, including mortgage-backed and asset-backed

investments, typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily or as a result of refinancing or foreclosure. We may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields.

Compared to debt that cannot be prepaid, mortgage-backed investments are less likely to increase in value during periods of declining interest rates and have a higher risk of decline in value during periods of rising interest rates. These investments may increase the volatility of the fund. Some mortgage-backed investments receive only the interest portion or the principal portion of payments on the underlying mortgages. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying mortgages. The market for these investments may be volatile and limited, which may make them difficult to buy or sell. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle installment sales or installment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Asset-backed securities are subject to risks similar to those of mortgage-backed securities.

- **Derivatives.** We may engage in a variety of transactions involving derivatives, such as futures, options and swap contracts. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments or indexes. We may make use of “short” derivatives positions, the values of which typically move in the opposite direction from the price of the underlying investment, pool of investments or index. We may use derivatives both for hedging and non-hedging purposes. For example, we may use derivatives to increase or decrease the fund’s exposure to long- or short-term interest rates (in the United States or abroad) or as a substitute for a direct investment in the securities of one or more issuers. However, we may also choose not to use derivatives based on our evaluation of market conditions or the availability of suitable derivatives. Investments in derivatives may be applied toward meeting a requirement to invest in a particular kind of investment if the derivatives have economic characteristics similar to that investment.

Derivatives involve special risks and may result in losses. The successful use of derivatives depends on our ability to manage these sophisticated instruments. Some derivatives are “leveraged,” which means they provide the fund with investment exposure greater than the value of the fund’s investment in the derivatives. As a result, these derivatives may magnify or otherwise increase investment losses to the fund. The risk of loss from certain short derivatives positions is theoretically unlimited. The value of derivatives may move in unexpected ways due to the use of leverage or other factors, especially in unusual market conditions, and may result in increased volatility.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the fund’s derivatives positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid. Over-the-counter instruments also involve the risk that the

other party to the derivatives transaction will not meet its obligations. For further information about additional types and risks of derivatives and the fund's asset segregation policies, see *Miscellaneous Investments, Investment Practices and Risks* in the SAI.

- **Foreign investments.** We may invest in foreign investments denominated in U.S. dollars, although foreign investments do not represent a primary focus of the fund. Foreign investments involve certain special risks. For example, their values may decline in response to changes in currency exchange rates, unfavorable political and legal developments, unreliable or untimely information, and economic and financial instability. In addition, the liquidity of these investments may be more limited than for most U.S. investments, which means we may at times be unable to sell them at desirable prices. Foreign settlement procedures may also involve additional risks. These risks are generally greater in the case of developing (also known as emerging) markets, which typically have less developed legal and financial systems.

Certain of these risks may also apply to some extent to U.S.-traded investments that are denominated in foreign currencies, investments in U.S. companies that are traded in foreign markets, or investments in U.S. companies that have significant foreign operations.

- **Liquidity and illiquid investments.** We may invest up to 15% of the fund's assets in illiquid investments, which may be considered speculative and which may be difficult to sell. The sale of many of these investments is prohibited or limited by law or contract. Some investments may be difficult to value for purposes of determining the fund's net asset value. We may not be able to sell the fund's investments when we consider it desirable to do so, or we may be able to sell them only at less than their value.
- **Market risk.** The value of securities in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions (including, in the case of bonds, perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. During those periods, the fund may experience high levels of shareholder redemptions, and may have to sell securities at times when it would otherwise not do so, and at unfavorable prices.
- **Other investments.** In addition to the main investment strategies described above, the fund may make other types of investments, such as investments in hybrid and structured bonds and notes, and preferred securities that would be characterized as debt securities under applicable accounting standards and tax laws. These practices may be subject to other risks, as described under *Miscellaneous Investments, Investment Practices and Risks* in the SAI.
- **Temporary defensive strategies.** In response to adverse market, economic, political or other conditions, we may take temporary defensive positions, such as investing some or all of the fund's assets in cash and cash equivalents, that differ from the fund's usual investment strategies. However, we may choose not to use

these temporary defensive strategies for a variety of reasons, even in very volatile market conditions. These strategies may cause the fund to miss out on investment opportunities, and may prevent the fund from achieving its goal. Additionally, while temporary defensive strategies are mainly designed to limit losses, such strategies may not work as intended.

- **Changes in policies.** The Trustees may change the fund's goal, investment strategies and other policies set forth in this prospectus without shareholder approval, except as otherwise provided in the prospectus or SAI.
- **Portfolio turnover rate.** The fund's portfolio turnover rate measures how frequently the fund buys and sells investments. A portfolio turnover rate of 100%, for example, would mean that the fund sold and replaced securities valued at 100% of the fund's assets within a one-year period.

From time to time the fund may engage in frequent trading.

Funds with high turnover may be more likely to realize capital gains that must be distributed to shareholders as taxable income. High turnover may also cause a fund to pay more brokerage commissions and to incur other transaction costs (including imputed transaction costs), which may detract from performance. The fund's portfolio turnover rate and the amount of brokerage commissions it pays and transaction costs it incurs will vary over time based on market conditions.

- **Portfolio holdings.** The SAI includes a description of the fund's policies with respect to the disclosure of its portfolio holdings. For information on the fund's portfolio, you may visit the Putnam Investments website, putnam.com/individual, where the fund's portfolio holdings and related portfolio information may be viewed monthly beginning on or after the fifth business day after the end of each month. This information will remain available on the website until a fund files a Form N-CSR or N-Q (or, once the fund begins filing on Form N-PORT in April 2019, a Form N-CSR or publicly available Form N-PORT) with the SEC for the period that includes the date of the information, after which such information can be found on the SEC's website at <http://www.sec.gov>.

Who oversees and manages the fund?

The fund's Trustees

As a shareholder of a mutual fund, you have certain rights and protections, including representation by a Board of Trustees. The Putnam Funds' Board of Trustees oversees the general conduct of the fund's business and represents the interests of the Putnam fund shareholders. At least 75% of the members of the Putnam Funds' Board of Trustees are independent, which means they are not officers of the fund or affiliated with Putnam Investment Management, LLC (Putnam Management).

The Trustees periodically review the fund's investment performance and the quality of other services such as administration, custody, and investor services. At least annually, the Trustees review the fees paid to Putnam Management and its affiliates for providing or overseeing these services, as well as the overall level of the fund's

operating expenses. In carrying out their responsibilities, the Trustees are assisted by an administrative staff, auditors and legal counsel that are selected by the Trustees and are independent of Putnam Management and its affiliates.

Contacting the fund's Trustees

Address correspondence to:
The Putnam Funds Trustees
100 Federal St.
Boston, MA 02110

The fund's investment manager

The Trustees have retained Putnam Management, which has managed mutual funds since 1937, to be the fund's investment manager, responsible for making investment decisions for the fund and managing the fund's other affairs and business.

The basis for the Trustees' approval of the fund's management contract and the sub-management contract described below is discussed in the fund's annual report to shareholders dated July 31, 2018.

The fund pays a monthly management fee to Putnam Management. The fee is calculated by applying a rate to the fund's average net assets for the month. The rate is based on the monthly average of the aggregate net assets of all open-end funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid "double counting" of those assets), and generally declines as the aggregate net assets increase.

The fund paid Putnam Management a management fee (after any applicable waivers) of 0.20% of average net assets for the fund's last fiscal year.

Putnam Management's address is 100 Federal Street, Boston, MA 02110.

Putnam Management has retained its affiliate PIL to make investment decisions for such fund assets as may be designated from time to time for its management by Putnam Management. PIL is not currently managing any fund assets. If PIL were to manage any fund assets, Putnam Management (and not the fund) would pay a quarterly sub-management fee to PIL for its services at the annual rate of 0.25% of the average net asset value (NAV) of any fund assets managed by PIL. PIL, which provides a full range of international investment advisory services to institutional clients, is located at 16 St James's Street, London, England, SW1A 1ER.

Pursuant to this arrangement, Putnam investment professionals who are based in foreign jurisdictions may serve as portfolio managers of the fund or provide other investment services, consistent with local regulations.

- **Portfolio managers.** The officers of Putnam Management identified below are primarily responsible for the day-to-day management of the fund's portfolio.

| Portfolio managers | Joined fund | Employer | Positions over past five years |
|--------------------|-------------|-------------------------------------|--|
| Michael Salm | 2011 | Putnam Management 1997 – Present | Co-Head of Fixed Income |
| Joanne Driscoll | 2011 | Putnam Management 1995 – Present | Portfolio Manager |
| Emily Shanks | 2017 | Putnam Management 2012 – Present | Portfolio Manager Previously, Analyst |

The SAI provides information about these individuals' compensation, other accounts managed by these individuals and these individuals' ownership of securities in the fund.

How does the fund price its shares?

The price of the fund's shares is based on its NAV. The NAV per share of each class equals the total value of its assets, less its liabilities, divided by the number of its outstanding shares. Shares are only valued as of the scheduled close of regular trading on the NYSE each day the exchange is open.

The fund values its investments for which market quotations are readily available at market value. It values all other investments and assets at their fair value, which may differ from recent market prices. Market quotations are not considered to be readily available for many debt securities. These securities are generally valued at fair value on the basis of valuations provided by an independent pricing service approved by the fund's Trustees or dealers selected by Putnam Management. Pricing services and dealers determine valuations for normal institutional-size trading units of such securities using information with respect to transactions in the bond being valued, market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities. To the extent a pricing service or dealer is unable to value a security or provides a valuation that Putnam Management does not believe accurately reflects the security's fair value, the security will be valued at fair value by Putnam Management.

The fund's most recent NAV is available on Putnam Investments' website at putnam.com/individual or by contacting Putnam Investor Services at 1-800-225-1581.

How do I buy fund shares?

Opening an account

You can open a fund account and purchase class A, B (only in exchange for class B shares of another Putnam fund), C, M and N shares by contacting your financial representative or Putnam Investor Services at 1-800-225-1581 and obtaining a Putnam account application. Purchases of class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment. The completed application,

along with a check made payable to the fund, must then be returned to Putnam Investor Services at the following address:

Putnam Investor Services
P.O. Box 8383
Boston, MA 02266-8383

You can open a fund account with as little as \$500. The minimum investment is waived if you make regular investments weekly, semi-monthly or monthly through automatic deductions from your bank checking or savings account. Although Putnam is currently waiving the minimum, it reserves the right to reject initial investments under the minimum at its discretion.

The fund sells its shares at the offering price, which is the NAV. Your financial representative or Putnam Investor Services generally must receive your completed buy order before the close of regular trading on the NYSE for your shares to be bought at that day's offering price.

If you participate in an employer-sponsored retirement plan that offers the fund, please consult your employer for information on how to purchase shares of the fund through the plan, including any restrictions or limitations that may apply.

Federal law requires mutual funds to obtain, verify, and record information that identifies investors opening new accounts. Investors must provide their full name, residential or business address, Social Security or tax identification number, and date of birth. Entities, such as trusts, estates, corporations and partnerships must also provide additional identifying documentation. For trusts, the fund must obtain and verify identifying information for each trustee listed in the account registration. For certain legal entities, the fund must also obtain and verify identifying information regarding beneficial owners and/or control persons. The fund is unable to accept new accounts if any required information is not provided. If Putnam Investor Services cannot verify identifying information after opening your account, the fund reserves the right to close your account at the then-current NAV, which may be more or less than your original investment, net of any applicable sales charges. Putnam Investor Services may share identifying information with third parties for the purpose of verification subject to the terms of Putnam's privacy policy.

Also, the fund may periodically close to new purchases of shares or refuse any order to buy shares if the fund determines that doing so would be in the best interests of the fund and its shareholders.

Purchasing additional shares

Once you have an existing account, you can make additional investments at any time in any amount in the following ways:

- **Through a financial representative.** Your representative will be responsible for furnishing all necessary documents to Putnam Investor Services and may charge you for his or her services.

- **Through Putnam’s Systematic Investing Program.** You can make regular investments weekly, semi-monthly or monthly through automatic deductions from your bank checking or savings account.
- **Via the Internet or phone.** If you have an existing Putnam fund account and you have completed and returned an Electronic Investment Authorization Form, you can buy additional shares online at putnam.com or by calling Putnam Investor Services at 1-800-225-1581.
- **By mail.** You may also request a book of investment stubs for your account. Complete an investment stub and write a check for the amount you wish to invest, payable to the fund. Return the check and investment stub to Putnam Investor Services.
- **By wire transfer.** You may buy fund shares by bank wire transfer of same-day funds. Please call Putnam Investor Services at 1-800-225-1581 for wiring instructions. Any commercial bank can transfer same-day funds by wire. The fund will normally accept wired funds for investment on the day received if they are received by the fund’s designated bank before the close of regular trading on the NYSE. Your bank may charge you for wiring same-day funds. Although the fund’s designated bank does not currently charge you for receiving same-day funds, it reserves the right to charge for this service. You cannot buy shares for employer-sponsored retirement plans by wire transfer.

Which class of shares is best for me?

This prospectus offers you five classes of fund shares: A, B (only in exchange for class B shares of another Putnam fund), C, M and N. Employer-sponsored retirement plans may also choose class R or R6 shares, and certain investors described below may also choose class Y or R6 shares. Purchases for class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

Each share class represents investments in the same portfolio of securities, but each class has its own sales charge and expense structure, as illustrated in the *Fund summary—Fees and expenses* section, allowing you and your financial representative to choose the class that best suits your investment needs. While class A, B, C, M, R, R6 and Y shares purchased directly from the fund (or in the case of class B shares, purchased in exchange for class B shares of another Putnam fund) are not subject to any initial sales or deferred sales charge, certain redemptions of class A, B and C shares that were acquired through exchange from another Putnam fund may be subject to a deferred sales charge, as explained below. Class N shares are subject to an initial sales charge, but offer sales charge discounts starting at \$50,000. When you purchase shares of the fund, you must choose a share class. Deciding which share class best suits your situation depends on a number of factors that you should discuss with your financial representative.

Here is a summary of the differences among the classes of shares

Class A and M shares only

A deferred sales charge of 1.00% may apply to class A shares obtained by exchanging shares from another Putnam fund that were originally purchased without an initial sales charge, if the shares are redeemed within nine months of the original purchase. Class M shares have no deferred sales charge.

Shares not subject to any charge will be redeemed first, followed by shares held the longest. The deferred sales charge will be based on the lower of the shares' original cost and current NAV. You may sell shares acquired by reinvestment of distributions without a charge at any time.

Orders for class M shares of one or more Putnam funds, other than class M shares sold to qualified employee-benefit plans, will be refused when the total value of the purchasing shareholder's existing accounts that are eligible to be linked under a right of accumulation is \$1,000,000 or more. Investors considering cumulative purchases of \$1,000,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class A and M shares have lower annual expenses, and higher dividends, than class B or C shares because of lower 12b-1 fees. Class A shares have lower annual expenses, and higher dividends, than class M shares because of lower 12b-1 fees.

Class B and C shares only

Class B shares will only be offered to class B shareholders of other Putnam funds wishing to exchange into the fund. If you sell (redeem) class B shares of the fund within six years after you originally acquired the class B shares of the other Putnam fund, you will pay a deferred sales charge according to the following schedule:

| Year after purchase | 1 | 2 | 3 | 4 | 5 | 6 | 7+ |
|---------------------|----|----|----|----|----|----|----|
| Charge | 5% | 4% | 3% | 3% | 2% | 1% | 0% |

Shares not subject to any charge will be redeemed first, followed by shares held the longest. The deferred sales charge will be based on the lower of the shares' original cost and current NAV. You may sell shares acquired by reinvestment of distributions without a charge at any time.

Class B shares convert automatically to class A shares eight years after the original purchase date in the original fund purchased, thereby reducing the 12b-1 fees.

Class C shares of the fund will automatically convert to class A shares after ten years, provided that the fund or the financial intermediary through which a shareholder purchased class C shares has records verifying that the class C shares have been held for at least ten years, and that class A shares are available for purchase by residents in the shareholder's jurisdiction. Group retirement plan recordkeeping platforms of certain broker-dealer intermediaries who hold class C shares with the fund in an omnibus account do not track participant level share lot aging. These class C shares would not satisfy the conditions for the conversion.

Orders for class C shares of one or more Putnam funds, other than class C shares sold to qualified employee-benefit plans, will be refused when the total value of the purchasing shareholder's existing accounts that are eligible to be linked under a right of accumulation is \$1,000,000 or more. Investors considering cumulative purchases of \$1,000,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

If you sell (redeem) class C shares obtained in an exchange for class C shares of another Putnam fund within one year after you originally acquired the class C shares of the other Putnam fund, you will pay a deferred sales charge of 1.00%.

Class B and C shares have higher annual expenses, and lower dividends, than class A or M shares because of higher 12b-1 fees.

Class N shares only

- Initial sales charge of up to 1.50%
- Lower sales charges available for investments of \$50,000 or more
- No deferred sales charge (except that a deferred sales charge of 0.25% may be imposed on certain redemptions of shares bought without an initial sales charge)
- Higher annual expenses, and lower dividends, than class A or M shares because of higher 12b-1 fees
- Lower annual expenses, and higher dividends, than class B or C shares because of lower 12b-1 fees.

Class R shares only

- Class R shares have no deferred sales charge.
- Class R shares have higher annual expenses, and lower dividends, than class A or M shares because of higher 12b-1 fees.

Class R6 shares (available only to investors listed below)

- The following investors may purchase class R6 shares:
 - employer-sponsored retirement plans that are clients of third-party administrators (including affiliates of Putnam) that have entered into agreements with Putnam;
 - investors purchasing shares through an asset-based fee program that is sponsored by a registered broker-dealer or other financial institution;
 - investors purchasing shares through a commission-based platform of a registered broker-dealer or other financial institution that charges you additional fees or commissions, other than those described in the prospectus and statement of additional information, and that has entered into an agreement with Putnam Retail Management to offer class R6 shares through such a program;
 - corporations, endowments, foundations and other institutional investors that have been approved by Putnam; and

- unaffiliated investment companies (whether registered or private) that have been approved by Putnam.
- No initial sales charge; your entire investment goes to work immediately
- No deferred sales charge
- Lower annual expenses, and higher dividends, than class A, B, C, M or R shares because of no 12b-1 fees and certain contractual expense limitations (as described in *Fund summary — Fees and expenses — Annual fund operating expenses*)

Class Y shares (available only to investors listed below)

- The following investors may purchase class Y shares if approved by Putnam:
 - employer-sponsored retirement plans that are clients of third-party administrators (including affiliates of Putnam) that have entered into agreements with Putnam and offer institutional share class pricing (no sales charge or 12b-1 fee);
 - bank trust departments and trust companies that have entered into agreements with Putnam and offer institutional share class pricing to their clients;
 - corporate individual retirement accounts (IRAs) administered by Putnam, if another retirement plan of the sponsor is eligible to purchase class Y shares;
 - college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code;
 - other Putnam funds and Putnam investment products;
 - investors purchasing shares through an asset-based fee program that regularly offers institutional share classes and that is sponsored by a registered broker-dealer or other financial institution;
 - clients of a financial representative who are charged a fee for consulting or similar services;
 - corporations, endowments and foundations that have entered into an arrangement with Putnam;
 - fee-paying clients of a registered investment advisor (RIA) who initially invests for clients an aggregate of at least \$100,000 in Putnam funds;
 - investment companies (whether registered or private), both affiliated and unaffiliated with Putnam;
 - current and retired Putnam employees and their immediate family members (including an employee’s spouse, domestic partner, fiancé(e), or other family members who are living in the same household) as well as, in each case, Putnam-offered health savings accounts, IRAs, and other similar tax-advantaged plans solely owned by the foregoing individuals; current and retired directors of Putnam Investments, LLC; current and retired Great-West Life & Annuity Insurance Company employees; and current and retired Trustees of the fund. Upon the departure of any member of this group of individuals from Putnam, Great-West Life & Annuity

Insurance Company, or the fund’s Board of Trustees, the member’s class Y shares convert automatically to class A shares, unless the member’s departure is a retirement, as determined by Putnam in its discretion for employees and directors of Putnam and employees of Great-West Life & Annuity Insurance Company and by the Board of Trustees in its discretion for Trustees; provided that conversion will not take place with respect to class Y shares held by former Putnam employees and their immediate family members in health savings accounts where it is not operationally practicable due to platform or other limitations; and

- personal and family member IRAs of registered representatives and other employees of broker-dealers and other financial institutions having a sales agreement with Putnam Retail Management, if (1) the registered representative or other employee is the broker of record or financial representative for the account, (2) the broker-dealer or other financial institution’s policies prohibit the use of class A shares or other classes of fund shares that pay 12b-1 fees in such accounts to avoid potential prohibited transactions under Internal Revenue Service rules due to the account owners’ status as “disqualified persons” under those rules, and (3) the broker-dealer or other financial institution has an agreement with Putnam Retail Management related to the use of class Y shares in these accounts.

Trust companies or bank trust departments that purchased class Y shares for trust accounts may transfer them to the beneficiaries of the trust accounts, who may continue to hold them or exchange them for class Y shares of other Putnam funds. Defined contribution plans (including corporate IRAs) that purchased class Y shares under prior eligibility criteria may continue to purchase class Y shares.

Class Y shares have lower annual expenses, and higher dividends, than class A, B, C, M or R shares because of lower 12b-1 fees.

Class Y shares have higher annual expenses, and lower dividends, than class R6 shares because of higher investor servicing fees.

Initial sales charges for class N shares

| Amount of purchase at offering price (\$) | Class N sales charge as a percentage of*: | |
|---|---|------------------|
| | Net amount invested | Offering price** |
| Under 50,000 | 1.52% | 1.50% |
| 50,000 but under 100,000 | 1.27% | 1.25% |
| 100,000 but under 250,000 | 1.01% | 1.00% |
| 250,000 and above | NONE | NONE |

* Because of rounding in the calculation of offering price and the number of shares purchased, actual sales charges you pay may be more or less than these percentages.

** Offering price includes sales charge.

Reducing your class N sales charge

The fund offers two principal ways for you to qualify for discounts on initial sales charges on class N shares, often referred to as “breakpoint discounts”:

- **Right of accumulation.** You can add the amount of your current purchases of class N shares of the fund and other Putnam funds and purchases of class A and class M shares of other Putnam funds to the value of your existing accounts in the fund and other Putnam funds. Individuals can also include purchases by, and accounts owned by, their spouse and minor children, including accounts established through different financial representatives. For your current purchases, you will pay the initial sales charge applicable to the total value of the linked accounts and purchases, which may be lower than the sales charge otherwise applicable to each of your current purchases. Shares of Putnam money market funds, other than money market fund shares acquired by exchange from other Putnam funds, are not included for purposes of the right of accumulation.

To calculate the total value of your existing accounts and any linked accounts, the fund will use the higher of (a) the current maximum public offering price of those shares or (b) if you purchased the shares after December 31, 2007, the initial value of the total purchases, or, if you held the shares on December 31, 2007, the market value at maximum public offering price on that date, in either case, less the market value on the applicable redemption date of any of those shares that you have redeemed.

- **Statement of intention.** A statement of intention is a document in which you agree to make purchases of class N shares in a specified amount within a period of 13 months. For each purchase you make under the statement of intention, you will pay the initial sales charge applicable to the total amount you have agreed to purchase. While a statement of intention is not a binding obligation on you, if you do not purchase the full amount of shares within 13 months, the fund will redeem shares from your account in an amount equal to the difference between the higher initial sales charge you would have paid in the absence of the statement of intention and the initial sales charge you actually paid.

Account types that may be linked with each other to obtain breakpoint discounts using the methods described above include:

- Individual accounts
- Joint accounts
- Accounts established as part of a retirement plan and IRA accounts (some restrictions may apply)
- Shares of Putnam funds owned through accounts in the name of your dealer or other financial intermediary (with documentation identifying beneficial ownership of shares)
- Accounts held as part of a Section 529 college savings plan managed by Putnam Management (some restrictions may apply)

In order to obtain a breakpoint discount, you should inform your financial representative at the time you purchase shares of the existence of other accounts or purchases that are eligible to be linked for the purpose of calculating the initial sales

charge. The fund or your financial representative may ask you for records or other information about other shares held in your accounts and linked accounts, including accounts opened with a different financial representative. Restrictions may apply to certain accounts and transactions. Further details about breakpoint discounts can be found on Putnam Investments' website at putnam.com/individual by selecting *Funds*, then *Pricing and performance*, and then *About fund costs*, and in the SAI.

- **General (all classes).** Because the fund seeks to be fully invested at all times, the fund only sells shares to you when it receives "same-day funds," which are monies that are credited to the fund's designated bank account at the Federal Reserve Bank of Boston. If the fund receives same-day funds before the close of trading on the NYSE, it will accept the order to buy shares that day.
- **Additional reductions and waivers of sales charges.** In addition to the breakpoint discount methods described above for class N shares, the fund may sell the classes of shares specified below without a sales charge or CDSC under the circumstances described below. The sales charge and CDSC waiver categories described below do not apply to customers purchasing shares of the fund through any of the financial intermediaries specified in the Appendix to this prospectus (each, a "Specified Intermediary").

Different financial intermediaries may impose different sales charges. Please refer to the Appendix for the sales charge or CDSC waivers that are applicable to each Specified Intermediary.

Class B and class C shares

A CDSC is waived in the event of a redemption under the following circumstances:

- (i) a withdrawal from a Systematic Withdrawal Plan ("SWP") of up to 12% of the net asset value of the account (calculated as set forth in the SAI);
- (ii) a redemption of shares that are no longer subject to the CDSC holding period therefor;
- (iii) a redemption of shares that were issued upon the reinvestment of distributions by the fund;
- (iv) a redemption of shares that were exchanged for shares of another Putnam fund, provided that the shares acquired in such exchange or subsequent exchanges (including shares of a Putnam money market fund or Putnam Short Duration Income Fund) will continue to remain subject to the CDSC, if applicable, until the applicable holding period expires; and
- (v) in the case of individual, joint or Uniform Transfers to Minors Act accounts, in the event of death or post-purchase disability of a shareholder, for the purpose of paying benefits pursuant to tax-qualified retirement plans ("Benefit Payments"), or, in the case of living trust accounts, in the event of the death or post-purchase disability of the settlor of the trust.

Class N shares

The following categories of investors are eligible to purchase class N shares without payment of a sales charge:

- (i) current and former Trustees of the fund, their family members, business and personal associates; current and former employees of Putnam Management and certain current and former corporate affiliates, their family members, business and personal associates; employer-sponsored retirement plans for the foregoing; and partnerships, trusts or other entities in which any of the foregoing has a substantial interest;
- (ii) clients of administrators or other service providers of employer-sponsored retirement plans (for purposes of this waiver, employer-sponsored retirement plans do not include SEP IRAs, SIMPLE IRAs or SARSEPs) (not applicable to tax-exempt funds);
- (iii) registered representatives and other employees of broker-dealers having sales agreements with Putnam Retail Management; employees of financial institutions having sales agreements with Putnam Retail Management or otherwise having an arrangement with any such broker-dealer or financial institution with respect to sales of fund shares; and their immediate family members (spouses and children under age 21, including step-children and adopted children);
- (iv) a trust department of any financial institution purchasing shares of the fund in its capacity as trustee of any trust (other than a tax-qualified retirement plan trust), through an arrangement approved by Putnam Retail Management, if the value of the shares of the fund and other Putnam funds purchased or held by all such trusts exceeds \$1 million in the aggregate;
- (v) clients of (i) broker-dealers, financial institutions, financial intermediaries or registered investment advisors that charge a fee for advisory or investment services or (ii) broker-dealers, financial institutions, or financial intermediaries that have entered into an agreement with Putnam Retail Management to offer shares through retail self directed brokerage account with or without the imposition of a transaction fee;
- (vi) college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code of 1986, as amended (the "Code"); and
- (vii) shareholders reinvesting the proceeds from a Putnam Corporate IRA Plan distribution into a nonretirement plan account.

Administrators and other service providers of employer-sponsored retirement plans are required to enter into contractual arrangements with Putnam Investor Services in order to offer and hold fund shares. Administrators and other service providers of employer-sponsored retirement plans seeking to place trades on behalf of their plan clients should consult Putnam Investor Services as to the applicable requirements.

Additional information about reductions and waivers of sales charges, including deferred sales charges, is included in the SAI. You may consult your financial representative or Putnam Retail Management for assistance.

How do I sell or exchange fund shares?

You can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the NYSE is open, either through your financial representative or directly to the fund. In the case of exchanges, shareholders of class A shares will, in most cases, be required to pay a sales charge, which varies depending on the fund to which they exchange shares and the amount exchanged. Class N shares of the fund may be exchanged for class A or N shares of other Putnam funds, and will not be subject to a sales charge upon exchange.

If you redeem your shares shortly after purchasing them, your redemption payment for the shares may be delayed until the fund collects the purchase price of the shares, which may be up to 7 calendar days after the purchase date.

Regarding exchanges, not all Putnam funds offer all classes of shares or may be open to new investors. If you exchange shares otherwise subject to a deferred sales charge, the transaction will not be subject to the deferred sales charge. When you redeem the shares acquired through the exchange, however, the redemption may be subject to the deferred sales charge, depending upon when and from which fund you originally purchased the shares. The deferred sales charge will be computed using the schedule of any fund into or from which you have exchanged your shares that would result in your paying the highest deferred sales charge applicable to your class of shares. For purposes of computing the deferred sales charge, the length of time you have owned your shares will be measured from the date of original purchase, unless you originally purchased the shares from another Putnam fund that does not directly charge a deferred sales charge, in which case the length of time you have owned your shares will be measured from the date you exchange those shares for shares of another Putnam fund that does charge a deferred sales charge, and will not be affected by any subsequent exchanges among funds.

- **Selling or exchanging shares through your financial representative.** Your representative must receive your request in proper form before the close of regular trading on the NYSE for you to receive that day's NAV, less any applicable deferred sales charge. Your representative will be responsible for furnishing all necessary documents to Putnam Investor Services on a timely basis and may charge you for his or her services.
- **Selling or exchanging shares directly with the fund.** Putnam Investor Services must receive your request in proper form before the close of regular trading on the NYSE in order to receive that day's NAV, less any applicable deferred sales charge.
- **By mail.** Send a letter of instruction signed by all registered owners or their legal representatives to Putnam Investor Services.

- **By telephone.** You may use Putnam's telephone redemption privilege to redeem shares valued at less than \$100,000 unless you have notified Putnam Investor Services of an address change within the preceding 15 days, in which case other requirements may apply. Unless you indicate otherwise on the account application, Putnam Investor Services will be authorized to accept redemption instructions received by telephone. A telephone exchange privilege is currently available for amounts up to \$500,000. The telephone redemption and exchange privileges may be modified or terminated without notice.
- **Via the Internet.** You may also exchange shares via the Internet at putnam.com/individual.
- **Additional requirements.** In certain situations, for example, if you sell shares with a value of \$100,000 or more, the signatures of all registered owners or their legal representatives must be guaranteed by a bank, broker-dealer or certain other financial institutions. In addition, Putnam Investor Services usually requires additional documents for the sale of shares by a corporation, partnership, agent or fiduciary, or surviving joint owner. For more information concerning Putnam's signature guarantee and documentation requirements, contact Putnam Investor Services.

The fund also reserves the right to revise or terminate the exchange privilege, limit the amount or number of exchanges or reject any exchange. The fund into which you would like to exchange may also reject your exchange. These actions may apply to all shareholders or only to those shareholders whose exchanges Putnam Management determines are likely to have a negative effect on the fund or other Putnam funds. Consult Putnam Investor Services before requesting an exchange. Ask your financial representative or Putnam Investor Services for prospectuses of other Putnam funds. Some Putnam funds are not available in all states.

Deferred sales charges for certain class A and certain class N shares

Class A shares obtained by exchanging shares from another Putnam fund that were originally purchased on or after March 1, 2018 without an initial sales charge may be subject to a 1.00% CDSC if redeemed within twelve months of the original purchase.

Purchases of class N shares that are part of a purchase of \$250,000 or more (other than by an employer-sponsored retirement plan) will be subject to a 0.25% deferred sales charge if redeemed within 9 months of purchase.

Deferred sales charges will be based on the lower of the shares' cost and current NAV. You may sell shares acquired by reinvestment of distributions without a charge at any time.

- **Payment information.** The fund typically expects to send you payment for your shares the business day after your request is received in good order, although if you hold your shares through certain financial intermediaries or financial intermediary programs, the fund typically expects to send payment for your shares within three business days after your request is received in good order. However, it is possible that payment of redemption proceeds may take up to seven days. Under unusual circumstances, the fund may suspend redemptions, or postpone payment for

more than seven days, as permitted by federal securities law. Under normal market conditions, the fund typically expects to satisfy redemption requests by using holdings of cash and cash equivalents or selling portfolio assets to generate cash. Under stressed market conditions, the fund may also satisfy redemption requests by borrowing under the fund's lines of credit or interfund lending arrangements. For additional information regarding the fund's lines of credit and interfund lending arrangements, please see the Statement of Additional Information.

To the extent consistent with applicable laws and regulations, the fund reserves the right to satisfy all or a portion of a redemption request by distributing securities or other property in lieu of cash ("in-kind" redemptions), under both normal and stressed market conditions. In-kind redemptions are typically used to meet redemption requests that represent a large percentage of the fund's net assets in order to minimize the effect of the large redemption on the fund and its remaining shareholders. Any in-kind redemption will be effected through a pro rata distribution of all publicly traded portfolio securities or securities for which quoted bid prices are available, subject to certain exceptions. The securities distributed in an in-kind redemption will be valued in the same manner as they are valued for purposes of computing the fund's net asset value. Once distributed in-kind to an investor, securities may increase or decrease in value before the investor is able to convert them into cash. Any transaction costs or other expenses involved in liquidating securities received in an in-kind redemption will be borne by the redeeming investor. The fund has committed, in connection with an election under Rule 18f-1 under the Investment Company Act of 1940, to pay all redemptions of fund shares by a single shareholder during any 90-day period in cash, up to the lesser of (i) \$250,000 or (ii) 1% of the fund's net assets measured as of the beginning of such 90-day period. For information regarding procedures for in-kind redemptions, please contact Putnam Retail Management. You will not receive interest on uncashed redemption checks.

- **Redemption by the fund.** If you own fewer shares than the minimum set by the Trustees (presently 20 shares), the fund may redeem your shares without your permission and send you the proceeds after providing you with at least 60 days' notice to attain the minimum. To the extent permitted by applicable law, the fund may also redeem shares if you own more than a maximum amount set by the Trustees. There is presently no maximum, but the Trustees could set a maximum that would apply to both present and future shareholders.

Policy on excessive short-term trading

- **Policy on excessive short-term trading.** Because the fund is a fund that investors may seek to use as a source of short-term liquidity, Putnam Management and the fund's Trustees have not adopted policies to discourage short-term trading in the fund. However, because very large cash flows based on short-term trading may, under some market conditions, decrease a fund's performance, Putnam Management and the fund reserve the right to revise or terminate the exchange privilege, limit the amount or number of exchanges or reject any exchange. Any fund into which you would like to exchange may also reject your exchange. These actions may apply to all

shareholders or only to those shareholders whose exchanges Putnam Management determines are likely to have a negative effect on the fund or other Putnam funds. Consult Putnam Investor Services before requesting an exchange.

When the fund invests in foreign securities, its performance may be adversely impacted and the interests of longer-term shareholders may be diluted as a result of time-zone arbitrage, a short-term trading practice that seeks to exploit changes in the value of the fund's investments that result from events occurring after the close of the foreign markets on which the investments trade, but prior to the later close of trading on the NYSE, the time as of which the fund determines its NAV. If an arbitrageur is successful, he or she may dilute the interests of other shareholders by trading shares at prices that do not fully reflect their fair value.

Distribution plans and payments to dealers

Putnam funds are distributed primarily through dealers (including any broker, dealer, bank, bank trust department, registered investment advisor, financial planner, retirement plan administrator, and any other institution having a selling, services, or any similar agreement with Putnam Retail Management or one of its affiliates). In order to pay for the marketing of fund shares and services provided to shareholders, the fund has adopted distribution and service (12b-1) plans, which increase the annual operating expenses you pay each year in certain share classes, as shown in the table of annual fund operating expenses in the section *Fund summary — Fees and expenses*. Putnam Retail Management and its affiliates also make additional payments to dealers that do not increase your fund expenses, as described below.

- **Distribution and service (12b-1) plans.** The fund's 12b-1 plans provide for payments at annual rates (based on average net assets) of up to 0.35% on class A shares, 0.75% on class B shares, 1.00% on class C, class M and class R shares and 0.25% on class N shares. The Trustees currently limit payments on class A and class M shares to 0.10% and 0.15% of average net assets, respectively, and to 0.50% of average net assets for class B, class C, and class R shares. Because these fees are paid out of the fund's assets on an ongoing basis, they will increase the cost of your investment. The higher fees for class B, class C, class M, class N and class R shares mean they have higher ongoing expenses and lower dividends than class A shares. Because class C, class M, class N and class R shares, unlike class B shares, do not convert to class A shares, class C, class M, class N and class R shares may cost you more over time than class B shares. Class R6 and class Y shares, for shareholders who are eligible to purchase them, will be less expensive than other classes of shares because they do not bear sales charges or 12b-1 fees, and are subject to certain contractual expense limitations (as described in *Fund summary — Fees and expenses — Annual fund operating expenses*).
- **Payments to dealers.** If you purchase your shares through a dealer, your dealer generally receives payments from Putnam Retail Management representing some or all of the sales charges and distribution and service (12b-1) fees, if any, shown in the tables under *Fund summary — Fees and expenses* at the front of this prospectus.

Putnam Retail Management and its affiliates also pay additional compensation to selected dealers in recognition of their marketing support and/or program servicing (each of which is described in more detail below). These payments may create an incentive for a dealer firm or its representatives to recommend or offer shares of the fund or other Putnam funds to its customers. These additional payments are made by Putnam Retail Management and its affiliates and do not increase the amount paid by you or the fund as shown under *Fund summary — Fees and expenses*.

The additional payments to dealers by Putnam Retail Management and its affiliates are generally based on one or more of the following factors: average net assets of a fund attributable to that dealer, sales or net sales of a fund attributable to that dealer, or reimbursement of ticket charges (fees that a dealer firm charges its representatives for effecting transactions in fund shares), or on the basis of a negotiated lump sum payment for services provided.

Marketing support payments are generally available to most dealers engaging in significant sales of Putnam fund shares. These payments are individually negotiated with each dealer firm, taking into account the marketing support services provided by the dealer, including business planning assistance, educating dealer personnel about the Putnam funds and shareholder financial planning needs, placement on the dealer's preferred or recommended fund company list, and access to sales meetings, sales representatives and management representatives of the dealer, as well as the size of the dealer's relationship with Putnam Retail Management. Although the total amount of marketing support payments made to dealers in any year may vary, on average, the aggregate payments are not expected, on an annual basis, to exceed 0.085% of the average net assets of Putnam's retail mutual funds attributable to the dealers.

Program servicing payments, which are paid in some instances to dealers in connection with investments in the fund through dealer platforms and other investment programs, are not expected, with certain limited exceptions, to exceed 0.20% of the total assets in the program on an annual basis. These payments are made for program or platform services provided by the dealer, including shareholder recordkeeping, reporting, or transaction processing, as well as services rendered in connection with dealer platform development and maintenance, fund/investment selection and monitoring, or other similar services.

You can find a list of all dealers to which Putnam made marketing support and/or program servicing payments in 2017 in the SAI, which is on file with the SEC and is also available on Putnam's website at putnam.com. You can also find other details in the SAI about the payments made by Putnam Retail Management and its affiliates and the services provided by your dealer. Your dealer may charge you fees or commissions in addition to those disclosed in this prospectus. You can also ask your dealer about any payments it receives from Putnam Retail Management and its affiliates and any services your dealer provides, as well as about fees and/or commissions it charges.

- **Other payments.** Putnam Retail Management and its affiliates may make other payments (including payments in connection with educational seminars or conferences) or allow other promotional incentives to dealers to the extent permitted by SEC and NASD (as adopted by FINRA) rules and by other applicable laws and regulations. The fund's transfer agent may also make payments to certain financial intermediaries in recognition of subaccounting or other services they provide to shareholders or plan participants who invest in the fund or other Putnam funds through their retirement plan. See the discussion in the SAI under *Management — Investor Servicing Agent* for more details.

Fund distributions and taxes

The fund declares a distribution daily of all its net income. The fund normally distributes any net investment income monthly. You may choose to reinvest distributions from net investment income in additional shares of your fund or other Putnam funds, or you may receive them in cash in the form of a check or an electronic deposit to your bank account. If you do not select an option when you open your account, all distributions will be reinvested. If you choose to receive distributions in cash, but correspondence from the fund or Putnam Investor Services is returned as “undeliverable,” the distribution option on your account may be converted to reinvest future distributions in the fund. You will not receive interest on uncashed distribution checks.

For shares purchased through your employer's retirement plan, the terms of the plan will govern how the plan may receive distributions from the fund.

For federal income tax purposes, distributions of net investment income are generally taxable to you as ordinary income. Taxes on distributions of capital gains are determined by how long the fund owned (or is deemed to have owned) the investments that generated them, rather than by how long you have owned (or are deemed to have owned) your shares. Distributions that the fund properly reports to you as gains from investments that the fund owned for more than one year are generally taxable to you as long-term capital gains includible in net capital gain and taxed to individuals at reduced rates. Distributions of gains from investments that the fund owned for one year or less and gains on the sale of or payment on bonds characterized as market discount are generally taxable to you as ordinary income. The fund does not expect to distribute significant gains taxable as capital gains. Distributions are taxable in the manner described in this paragraph whether you receive them in cash or reinvest them in additional shares of this fund or other Putnam funds.

Distributions by the fund to retirement plans that qualify for tax-advantaged treatment under federal income tax laws will not be taxable. Special tax rules apply to investments through such plans. You should consult your tax advisor to determine the suitability of the fund as an investment through such a plan and the tax treatment of distributions (including distributions of amounts attributable to an investment in the fund) from such a plan.

Unless you are investing through a tax-advantaged retirement account (such as an IRA), you should consider avoiding a purchase of fund shares shortly before the fund makes a distribution because doing so may cost you money in taxes. Distributions are taxable to you even if they are paid from income or gains earned by the fund before your investment (and thus were included in the price you paid). Contact your financial representative or Putnam to find out the distribution schedule for your fund.

The fund's investments in certain debt obligations may cause the fund to recognize taxable income in excess of the cash generated by such obligations. Thus, the fund could be required at times to liquidate other investments, including when it is not advantageous to do so, in order to satisfy its distribution requirements.

The fund's investments in foreign securities, if any, may be subject to foreign withholding or other taxes. In that case, the fund's return on those investments would be decreased. Shareholders generally will not be entitled to claim a credit or deduction with respect to these foreign taxes.

The fund's use of derivatives, if any, may affect the amount, timing and character of distributions to shareholders and, therefore, may increase the amount of taxes payable by shareholders.

Any gain resulting from the sale or exchange of your shares generally also will be subject to tax.

The above is a general summary of the tax implications of investing in the fund. Please refer to the SAI for further details. You should consult your tax advisor for more information on your own tax situation, including possible foreign, state and local taxes.

Information about the Summary Prospectus, Prospectus, and SAI

The summary prospectus, prospectus, and SAI for a fund provide information concerning the fund. The summary prospectus, prospectus, and SAI are updated at least annually and any information provided in a summary prospectus, prospectus, or SAI can be changed without a shareholder vote unless specifically stated otherwise. The summary prospectus, prospectus, and the SAI are not contracts between the fund and its shareholders and do not give rise to any contractual rights or obligations or any shareholder rights other than any rights conferred explicitly by federal or state securities laws that may not be waived.

Financial highlights

The financial highlights tables are intended to help you understand the fund's recent financial performance. Certain information reflects financial results for a single fund share. The total returns represent the rate that an investor would have earned or lost on an investment in the fund, assuming reinvestment of all dividends and distributions. The financial highlights have been audited by KPMG LLP. The Independent Registered Public Accounting Firm's report and the fund's financial statements are included in the fund's annual report to shareholders, which is available upon request.

Financial highlights (For a common share outstanding throughout the period)

| Period ended | INVESTMENT OPERATIONS | | | | LESS DISTRIBUTIONS | |
|-----------------|--------------------------------------|---|--|----------------------------------|----------------------------|---------------------------------------|
| | Net asset value, beginning of period | Net investment income (loss) ^a | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment income | From net realized gain on investments |
| Class A | | | | | | |
| July 31, 2018 | \$10.06 | .17 | (.01) | .16 | (.17) | — ^e |
| July 31, 2017 | 10.04 | .10 | .02 | .12 | (.10) | — |
| July 31, 2016 | 10.03 | .06 | .01 | .07 | (.06) | — ^e |
| July 31, 2015 | 10.06 | .04 | (.02) | .02 | (.04) | (.01) |
| July 31, 2014 | 10.03 | .05 | .03 | .08 | (.05) | — ^e |
| Class B | | | | | | |
| July 31, 2018 | \$10.04 | .13 | — ^e | .13 | (.13) | — ^e |
| July 31, 2017 | 10.02 | .06 | .02 | .08 | (.06) | — |
| July 31, 2016 | 10.02 | .02 | — ^e | .02 | (.02) | — ^e |
| July 31, 2015 | 10.05 | — ^e | (.02) | (.02) | — ^e | (.01) |
| July 31, 2014 | 10.02 | .01 | .03 | .04 | (.01) | — ^e |
| Class C | | | | | | |
| July 31, 2018 | \$10.04 | .13 | — ^e | .13 | (.13) | — ^e |
| July 31, 2017 | 10.02 | .06 | .02 | .08 | (.06) | — |
| July 31, 2016 | 10.02 | .02 | — ^e | .02 | (.02) | — ^e |
| July 31, 2015 | 10.05 | — ^e | (.02) | (.02) | — ^e | (.01) |
| July 31, 2014 | 10.02 | .01 | .03 | .04 | (.01) | — ^e |
| Class M | | | | | | |
| July 31, 2018 | \$10.05 | .16 | (.01) | .15 | (.16) | — ^e |
| July 31, 2017 | 10.03 | .09 | .02 | .11 | (.09) | — |
| July 31, 2016 | 10.02 | .06 | .01 | .07 | (.06) | — ^e |
| July 31, 2015 | 10.05 | .04 | (.02) | .02 | (.04) | (.01) |
| July 31, 2014 | 10.02 | .04 | .03 | .07 | (.04) | — ^e |
| Class R | | | | | | |
| July 31, 2018 | \$10.05 | .13 | (.01) | .12 | (.13) | — ^e |
| July 31, 2017 | 10.02 | .06 | .03 | .09 | (.06) | — |
| July 31, 2016 | 10.02 | .02 | — ^e | .02 | (.02) | — ^e |
| July 31, 2015 | 10.05 | — ^e | (.02) | (.02) | — ^e | (.01) |
| July 31, 2014 | 10.02 | .01 | .03 | .04 | (.01) | — ^e |
| Class R6 | | | | | | |
| July 31, 2018 | \$10.07 | .18 | (.01) | .17 | (.18) | — ^e |
| July 31, 2017 | 10.05 | .11 | .02 | .13 | (.11) | — |
| July 31, 2016 | 10.04 | .07 | .01 | .08 | (.07) | — ^e |
| July 31, 2015 | 10.07 | .05 | (.02) | .03 | (.05) | (.01) |
| July 31, 2014 | 10.04 | .06 | .03 | .09 | (.06) | — ^e |
| Class Y | | | | | | |
| July 31, 2018 | \$10.07 | .18 | (.01) | .17 | (.18) | — ^e |
| July 31, 2017 | 10.05 | .11 | .02 | .13 | (.11) | — |
| July 31, 2016 | 10.04 | .07 | .01 | .08 | (.07) | — ^e |
| July 31, 2015 | 10.07 | .05 | (.02) | .03 | (.05) | (.01) |
| July 31, 2014 | 10.04 | .06 | .03 | .09 | (.06) | — ^e |

See notes to financial highlights at the end of this section.

| | | | RATIOS AND SUPPLEMENTAL DATA | | | |
|---------------------|--------------------------------|--|--|--|--|------------------------|
| Total distributions | Net asset value, end of period | Total return at net asset value (%) ^b | Net assets, end of period (in thousands) | Ratio of expenses to average net assets (%) ^{c,d} | Ratio of net investment income (loss) to average net assets (%) ^d | Portfolio turnover (%) |
| (.17) | \$10.05 | 1.61 | \$6,002,162 | .40 | 1.71 | 36 |
| (.10) | 10.06 | 1.17 | 3,843,494 | .40 | .99 | 45 |
| (.06) | 10.04 | .76 | 1,926,055 | .40 | .65 | 51 |
| (.05) | 10.03 | .20 | 1,411,923 | .40 | .41 | 46 |
| (.05) | 10.06 | .81 | 1,603,517 | .40 | .47 | 45 |
| (.13) | \$10.04 | 1.31 | \$1,529 | .80 | 1.27 | 36 |
| (.06) | 10.04 | .76 | 1,751 | .80 | .55 | 45 |
| (.02) | 10.02 | .26 | 2,042 | .80 ^f | .27 ^f | 51 |
| (.01) | 10.02 | (.18) | 1,091 | .79 ^f | .02 ^f | 46 |
| (.01) | 10.05 | .42 | 583 | .79 ^f | .09 ^f | 45 |
| (.13) | \$10.04 | 1.31 | \$15,434 | .80 | 1.21 | 36 |
| (.06) | 10.04 | .76 | 24,162 | .80 | .57 | 45 |
| (.02) | 10.02 | .26 | 17,590 | .80 ^f | .28 ^f | 51 |
| (.01) | 10.02 | (.18) | 9,622 | .79 ^f | .02 ^f | 46 |
| (.01) | 10.05 | .42 | 8,586 | .79 ^f | .09 ^f | 45 |
| (.16) | \$10.04 | 1.56 | \$3,343 | .45 | 1.54 | 36 |
| (.09) | 10.05 | 1.12 | 6,912 | .45 | .90 | 45 |
| (.06) | 10.03 | .71 | 10,323 | .45 | .61 | 51 |
| (.05) | 10.02 | .15 | 6,913 | .45 | .36 | 46 |
| (.04) | 10.05 | .76 | 777 | .45 | .43 | 45 |
| (.13) | \$10.04 | 1.21 | \$5,019 | .80 | 1.26 | 36 |
| (.06) | 10.05 | .86 | 4,178 | .80 | .58 | 45 |
| (.02) | 10.02 | .26 | 2,393 | .79 ^f | .26 ^f | 51 |
| (.01) | 10.02 | (.18) | 2,131 | .79 ^f | .03 ^f | 46 |
| (.01) | 10.05 | .42 | 1,407 | .79 ^f | .10 ^f | 45 |
| (.18) | \$10.06 | 1.72 | \$3,680 | .29 | 1.75 | 36 |
| (.11) | 10.07 | 1.27 | 3,151 | .29 | 1.08 | 45 |
| (.07) | 10.05 | .87 | 2,270 | .29 | .79 | 51 |
| (.06) | 10.04 | .30 | 1,303 | .30 | .50 | 46 |
| (.06) | 10.07 | .91 | 831 | .30 | .56 | 45 |
| (.18) | \$10.06 | 1.71 | \$4,952,524 | .30 | 1.82 | 36 |
| (.11) | 10.07 | 1.27 | 2,925,780 | .30 | 1.09 | 45 |
| (.07) | 10.05 | .86 | 1,381,082 | .30 | .77 | 51 |
| (.06) | 10.04 | .30 | 663,319 | .30 | .51 | 46 |
| (.06) | 10.07 | .91 | 477,216 | .30 | .56 | 45 |

Financial highlights (Continued)

- ^a Per share net investment income (loss) has been determined on the basis of the weighted average number of shares outstanding during the period.
- ^b Total return assumes dividend reinvestment and does not reflect the effect of sales charges.
- ^c Includes amounts paid through expense offset arrangements, if any. Also excludes acquired fund fees and expenses, if any.
- ^d Reflects an involuntary contractual expense limitation in effect during the period. As a result of such limitation, the expenses of each class reflect a reduction of the following amounts as a percentage of net assets:

| | 7/31/18 | 7/31/17 | 7/31/16 | 7/31/15 | 7/31/14 |
|----------|---------|---------|---------|---------|---------|
| Class A | 0.14% | 0.15% | 0.15% | 0.12% | 0.12% |
| Class B | 0.14 | 0.15 | 0.15 | 0.12 | 0.12 |
| Class C | 0.14 | 0.15 | 0.15 | 0.12 | 0.12 |
| Class M | 0.14 | 0.15 | 0.15 | 0.12 | 0.12 |
| Class R | 0.14 | 0.15 | 0.15 | 0.12 | 0.12 |
| Class R6 | 0.14 | 0.15 | 0.15 | 0.13 | 0.14 |
| Class Y | 0.14 | 0.15 | 0.15 | 0.12 | 0.12 |

^e Amount represents less than \$0.01 per share.

^f Reflects a voluntary waiver of certain fund expenses in effect during the period relating to the enhancement of certain annualized net yields for the fund. As a result of such waivers, the expenses reflect a reduction of the following amounts as a percentage of average net assets:

| | 7/31/16 | 7/31/15 | 7/31/14 |
|---------|-----------------|---------|---------|
| Class B | —% [‡] | 0.01% | 0.01% |
| Class C | — [‡] | 0.01 | 0.01 |
| Class R | 0.01 | 0.01 | 0.01 |

[‡] Amount represents less than 0.01% per share.

Appendix

Financial intermediary specific sales charge waiver information

As described in the prospectus, class A, B and C shares may be subject to a CDSC if purchased by exchange from another Putnam fund. Certain financial intermediaries may waive the CDSC in certain circumstances. This Appendix details the variations in sales charge waivers by financial intermediary. You should consult your financial representative for assistance in determining whether you may qualify for a particular sales charge waiver.

AMERIPRISE FINANCIAL:

Class A Shares Front-End Sales Charge Waivers Available at Ameriprise Financial

The following information applies to class A share purchases if you have an account with or otherwise purchase class A shares through Ameriprise Financial:

Effective June 1, 2018, shareholders purchasing class A shares of the fund through Ameriprise Financial will be eligible for the following front-end sales charge waivers only, which may differ from those disclosed elsewhere in this prospectus or the SAI:

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs or SAR-SEPs
- Shares purchased through an Ameriprise Financial investment advisory program
- Shares purchased by third party investment advisors on behalf of their advisory clients through Ameriprise Financial's platform
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other Putnam fund)
- Shares exchanged from Class C shares of the same fund in the month of or following the 10-year anniversary of the purchase date. To the extent that this prospectus elsewhere provides for a waiver with respect to such shares following a shorter holding period, that waiver will apply to exchanges following such shorter period. To the extent that this prospectus elsewhere provides for a waiver with respect to exchanges of Class C shares for load waived shares, that waiver will also apply to such exchanges
- Employees and registered representatives of Ameriprise Financial or its affiliates and their immediate family members
- Shares purchased by or through qualified accounts (including IRAs, Coverdell Education Savings Accounts, 401(k)s, 403(b) TSCAs subject to ERISA and defined benefit plans) that are held by a covered family member, defined as an Ameriprise financial advisor and/or the advisor's spouse, advisor's lineal ascendant (mother, father, grandmother, grandfather, great grandmother, great grandfather), advisor's lineal descendant (son, step-son, daughter, step-daughter, grandson, granddaughter,

great grandson, great granddaughter) or any spouse of a covered family member who is a lineal descendant

- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (i.e. Rights of Reinstatement)

MERRILL LYNCH

Effective April 10, 2017, if you purchase fund shares through a Merrill Lynch platform or account held at Merrill Lynch, you will be eligible only for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in the fund's prospectus or SAI. It is your responsibility to notify your financial representative at the time of purchase of any relationship or other facts qualifying you for sales charge waivers or discounts.

Front-end Sales Charge Waivers on Class A Shares available through Merrill Lynch

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code of 1986, as amended
- Shares purchased through a Merrill Lynch-affiliated investment advisory program
- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
- Shares of funds purchased through the Merrill Edge Self-Directed platform
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the fund (but not any other Putnam fund)
- Shares exchanged from Class C shares of the same fund in the month of or following the 10-year anniversary of the purchase date
- Employees and registered representatives of Merrill Lynch or its affiliates and their family members
- Trustees of the fund, and employees of Putnam Management or any of its affiliates, as described in the fund's prospectus
- Shares purchased from the proceeds of redemptions from a Putnam fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as Rights of Reinstatement)

CDSC Waivers on A, B and C Shares available through Merrill Lynch

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the fund's prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 70½
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts that are exchanged for a share class with lower operating expenses due to transfer to certain fee based accounts or platforms (applicable to A and C shares only)

Front-end Sales Charge Discounts available through Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent

- Breakpoints as described in the fund's prospectus and SAI
- Rights of Accumulation (ROA), which entitle you to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within your household at Merrill Lynch. Eligible Putnam fund assets not held at Merrill Lynch may be included in the ROA calculation only if you notify your financial representative about such assets
- Letters of Intent (LOI), which allow for breakpoint discounts based on anticipated purchases of Putnam funds, through Merrill Lynch, over a 13-month period

MORGAN STANLEY WEALTH MANAGEMENT

Effective July 1, 2018, shareholders purchasing fund shares through a Morgan Stanley Wealth Management transactional brokerage account will be eligible only for the following front-end sales charge waivers with respect to class A shares, which may differ from and may be more limited than those disclosed elsewhere in this fund's Prospectus or SAI.

Front-end Sales Charge Waivers on class A Shares available at Morgan Stanley Wealth Management:

- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley's account linking rules
- Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund

- Shares purchased through a Morgan Stanley self-directed brokerage account
- Class C (i.e., level-load) shares that are no longer subject to a contingent deferred sales charge and are converted to Class A shares of the same fund pursuant to Morgan Stanley Wealth Management's share class conversion program
- Shares purchased from the proceeds of redemptions within the same fund family, provided (i) the repurchase occurs within 90 days following the redemption, (ii) the redemption and purchase occur in the same account, and (iii) redeemed shares were subject to a front-end or deferred sales charge

Make the most of your Putnam privileges

The following services are available to you as a Putnam mutual fund shareholder.

Systematic investment plan

Invest as much as you wish. The amount you choose will be automatically transferred weekly, semi-monthly or monthly from your checking or savings account.

Systematic withdrawal

Make regular withdrawals monthly, quarterly, semiannually, or annually from your Putnam mutual fund account.

Systematic exchange

Transfer assets automatically from one Putnam account to another on a regular, prearranged basis.

Exchange privilege

Exchange money between Putnam funds. The exchange privilege allows you to adjust your investments as your objectives change. A signature guarantee is required for exchanges of more than \$500,000 and shares of all Putnam funds may not be available to all investors.

Investors may not maintain, within the same fund, simultaneous plans for systematic investment or exchange (into the fund) and systematic withdrawal or exchange (out of the fund). These privileges are subject to change or termination.

Many of these services can be accessed online at **putnam.com**.

For more information about any of these services and privileges, call your financial representative or a Putnam customer service representative toll-free at **1-800-225-1581**.

Putnam family of funds

The following is a list of Putnam's open-end mutual funds offered to the public. *Investors should carefully consider the investment objective, 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, contact your financial advisor or call Putnam Investor Services at 1-800-225-1581. Please read the prospectus carefully before investing.*

Growth

Growth Opportunities Fund
International Growth Fund
Small Cap Growth Fund
Sustainable Future Fund
Sustainable Leaders Fund

Blend

Capital Spectrum Fund
Emerging Markets Equity Fund
Equity Spectrum Fund
Europe Equity Fund
Global Equity Fund
International Capital Opportunities Fund
International Equity Fund
Multi-Cap Core Fund
Research Fund

Value

Convertible Securities Fund
Equity Income Fund
International Value Fund
Small Cap Value Fund

Income

Diversified Income Trust
Floating Rate Income Fund
Global Income Trust
Government Money Market Fund*
High Yield Fund
Income Fund
Money Market Fund**
Mortgage Securities Fund
Short Duration Bond Fund
Short Duration Income Fund

* You could 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.

** You could 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 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.

Tax-exempt

AMT-Free Municipal Fund
Intermediate-Term Municipal
Income Fund
Short-Term Municipal Income Fund
Tax Exempt Income Fund
Tax-Free High Yield Fund

State tax-exempt income funds†:
California, Massachusetts, Minnesota,
New Jersey, New York, Ohio,
and Pennsylvania

Absolute Return

Fixed Income Absolute Return Fund
Multi-Asset Absolute Return Fund

Global Sector

Global Communications Fund
Global Consumer Fund
Global Financials Fund
Global Health Care Fund
Global Industrials Fund
Global Natural Resources Fund
Global Sector Fund
Global Technology Fund
Global Utilities Fund

Asset Allocation

George Putnam Balanced Fund
Dynamic Risk Allocation Fund

Global Asset Allocation Funds —
three investment portfolios
that spread your money across a
variety of stocks, bonds, and money
market investments.

Dynamic Asset Allocation
Balanced Fund
Dynamic Asset Allocation
Conservative Fund
Dynamic Asset Allocation
Growth Fund

Retirement Income Fund Lifestyle 1 —
portfolio with managed allocations
to stocks, bonds, and money
market investments to generate
retirement income.

RetirementReady® Funds —
portfolios with adjusting allocations
to stocks, bonds, and money market
instruments, becoming more conservative
over time.

RetirementReady® 2060 Fund
RetirementReady® 2055 Fund
RetirementReady® 2050 Fund
RetirementReady® 2045 Fund
RetirementReady® 2040 Fund
RetirementReady® 2035 Fund
RetirementReady® 2030 Fund
RetirementReady® 2025 Fund
RetirementReady® 2020 Fund

Putnam PanAgora Managed
Futures Strategy
Putnam PanAgora Market Neutral Fund
Putnam PanAgora Risk Parity Fund

† Not available in all states.

For more information about Putnam Short Duration Income Fund

The fund's SAI and annual and semiannual reports to shareholders include additional information about the fund. The SAI is incorporated by reference into this prospectus, which means it is part of this prospectus for legal purposes. The fund's annual report discusses the market conditions and investment strategies that significantly affected the fund's performance during its last fiscal year. You may get free copies of these materials, request other information about any Putnam fund, or make shareholder inquiries, by contacting your financial representative, by visiting Putnam's website at putnam.com/individual, or by calling Putnam toll-free at 1-800-225-1581.

You may access reports and other information about the fund on the EDGAR Database on the Securities and Exchange Commission's website at <http://www.sec.gov>. You may get copies of this information, with payment of a duplication fee, by electronic request at the following E-mail address: publicinfo@sec.gov. You may need to refer to the fund's file number.

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