Putnam Investments

Putnam PanAgora Risk Parity Fund

Prospectus

12 | 30 | 18

FUND SYMBOLS	CLASS A	CLASS B	CLASS C	CLASS M	CLASS R	CLASS R6	CLASS Y
	PPRPX	PPRLX	PPRNX	PPRVX	PPROX	PPRWX	PPRYX

Investment Category: Asset Allocation

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

Fund summary

Goal

Putnam PanAgora Risk Parity Fund seeks total return. Total return is composed of capital appreciation and income.

Fees and expenses

The following table describes the fees and expenses you may pay if you buy and hold shares of the fund. You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $50,000 in Putnam funds. More information about these and other discounts is available from your financial advisor and in *How do I buy fund shares?* beginning on page 24 of the fund's prospectus, in Appendix A to the fund's prospectus, and in *How to buy shares* beginning on page II-1 of the fund's statement of additional information (SAI).

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	5.75%	1.00%*
Class B[1]	NONE	5.00%**
Class C	NONE	1.00%***
Class M	3.50%	NONE
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=	Acquired fund fees and expenses	Total annual fund operating expenses	Expense reimbursement#	Total annual fund operating expenses after expense reimbursement
Class A	0.75%	0.25%	0.74%	0.13%	1.87%	(0.50)%	1.37%
Class B[1]	0.75%	1.00%	0.74%	0.13%	2.62%	(0.50)%	2.12%
Class C	0.75%	1.00%	0.74%	0.13%	2.62%	(0.50)%	2.12%
Class M	0.75%	0.75%	0.74%	0.13%	2.37%	(0.50)%	1.87%
Class R	0.75%	0.50%	0.74%	0.13%	2.12%	(0.50)%	1.62%
Class R6	0.75%	N/A	0.75%	0.13%	1.63%	(0.50)%	1.13%
Class Y	0.75%	N/A	0.74%	0.13%	1.62%	(0.50)%	1.12%

[1] 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.

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

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

*** This charge is eliminated after one year.

† Includes management fee payable to Putnam Investment Management, LLC (“Putnam Management”) by the fund’s wholly-owned subsidiary. The management fee paid by the fund to Putnam Management is reduced by an amount equal to the management fee Putnam Management receives from the subsidiary under the management contract between Putnam Management and the subsidiary.

= Other expenses shown have been annualized.

Reflects Putnam Management’s contractual obligation to limit certain fund expenses through 12/30/2019. This obligation may be modified or discontinued only with approval of the Board of Trustees.

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 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	$706	$1,083	$1,484	$2,601
Class B	$715	$1,067	$1,546	$2,734
Class B (no redemption)	$215	$767	$1,346	$2,734
Class C	$315	$767	$1,346	$2,917
Class C (no redemption)	$215	$767	$1,346	$2,917
Class M	$533	$1,017	$1,528	$2,925
Class R	$165	$616	$1,093	$2,412
Class R6	$115	$465	$839	$1,891
Class Y	$114	$462	$834	$1,880

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 period (September 20, 2017 (commencement of operations) through August 31, 2018) is 0%. However, the fund’s turnover rate is calculated without regard to transactions involving certain short-term instruments or derivatives. If such transactions were included in the calculation, the fund would have a higher turnover rate.

Investments, risks, and performance

Investments

The fund pursues an investment strategy designed to generate returns from investing in a combination of asset classes with diversified risk characteristics. The fund strategically allocates its investments among equities, fixed-income instruments and commodities in an effort to participate in periods of economic growth, preserve capital during periods of economic contraction, and preserve real rates of return during periods of heightened inflation.

In allocating the fund's assets among the different asset classes, PanAgora Asset Management, Inc. ("PanAgora"), the subadviser to the fund, employs a proprietary "risk parity" approach, which relies on quantitative models and information and data inputs to those models to seek to diversify the fund's portfolio risks across and within asset classes. When allocating investments across asset classes, the fund generally allocates a greater portion of its assets to asset classes PanAgora views as having lower risk, such as developed market bonds, than to asset classes PanAgora views as having higher risk, such as global equities. In its "neutral" position, the fund's assets are generally strategically allocated among the different asset classes so that the anticipated contribution of each asset class to the overall risk of the fund will be approximately as follows: 40% from equity risk; 40% from fixed income risk; and 20% from inflation risk. However, PanAgora may seek different risk contributions from time to time, including in response to market conditions. When allocating investments within each asset class, PanAgora's risk parity approach seeks to diversify the fund's risk exposures across a variety of factors, including industry sectors, geographies, companies and commodity types.

The fund will gain exposure to different areas of risk either through direct investment or through derivative instruments, primarily including forwards, futures, and swaps, but which may also include, but are not limited to, options. The fund may invest without limit in equity securities, including, but not limited to, global developed markets large-cap equities, emerging markets equities, and U.S. small and mid-cap equities. The fund may additionally invest in fixed-income securities of any credit quality, duration or maturity (including, but not limited to, U.S. and non-U.S. sovereign bonds, global inflation-linked government bonds (including Treasury Inflation Protected Securities), and investment-grade corporate bonds), commodities (including through, but not limited to, commodity-linked notes and commodity-related derivative instruments (primarily commodity futures and swaps on commodity futures)), exchange-traded funds ("ETFs"), exchange-traded notes, and emerging markets and other currencies (including through cash bonds and currency forwards). These asset classes offer different return potential and exposure to different investment risks.

While the fund normally does not engage in borrowing, the fund typically uses derivatives to a significant extent and may take "short" derivatives positions.

A significant portion of the assets of the fund will be invested in short-term instruments, including cash and cash equivalents generally with one year or less term to maturity. These investments serve as collateral for the derivative positions the fund takes and also may earn income for the fund.

The fund is "non-diversified," which means that it may invest a greater percentage of its assets in fewer issuers than a "diversified" fund.

The fund may invest directly or indirectly through its wholly-owned and controlled subsidiary, which, like the fund, is sub-advised by PanAgora. The fund may invest no more than 25% of its assets in the subsidiary. Generally, the subsidiary will invest primarily in commodity futures and swaps on commodity futures but it may also invest in other commodity-related instruments (such as financial futures, option and swap contracts) or other asset classes (including through derivatives). Unlike the fund, the subsidiary may invest without limitation in commodity-related instruments. Unless indicated otherwise, references to the fund's investments, investment exposures or risks include its indirect investments, investment exposures and risks through the subsidiary.

Risks

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

There can be no assurance that employing a "risk parity" approach will achieve any particular level of return or will, in fact, reduce volatility or potential loss. The fund's efforts to strategically allocate its investments among and within asset classes may be unsuccessful and may hurt performance, and efforts to diversify risk through the use of leverage may not be successful. If the quantitative models or data that are used in managing the fund prove to be incorrect or incomplete, investment decisions made in reliance on the models or data may not produce the desired results and the fund may realize losses. Additionally, market movements are likely to change the risk levels and risk allocations of the fund.

The value of the securities and other assets in which the fund invests (whether directly or indirectly through derivatives) 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 or 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. These risks are generally greater for small and midsize companies.

The fixed income securities in which the fund invests (whether directly or indirectly through derivatives) are subject to interest rate risk, which means the value of those investments is likely to fall if interest rates rise. The fund's investments in fixed income securities also are subject to credit risk, which is the risk that the issuer of the fixed income security may default on payment of interest or principal. Interest rate risk is generally greater for the fund's investments in longer-term fixed income securities, and credit risk is generally greater for below-investment-grade bonds, which may be considered speculative.

The value of the inflation-protected securities to which the fund is exposed generally declines during periods of rising real interest rates (i.e., nominal interest rate minus inflation) and increases during periods of declining real interest rates. When real interest rates are rising faster than nominal interest rates, inflation-indexed bonds, including Treasury Inflation Protected Securities, may experience greater losses than other fixed income securities with similar durations.

Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities. The value of commodity-linked instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity. Future regulatory developments may impact the fund's ability to invest in commodity-linked instruments.

The fund's investments in forwards, futures, swaps, and other derivatives are subject to losses caused by unanticipated market movements, and there may be imperfect correlation between price movements of a derivative and price movements of the security or other asset for which the derivative is intended as a substitute. Derivatives may be difficult to value and may increase the fund's transaction costs. Derivatives also involve the risk of the potential inability to terminate or sell the derivatives positions. Derivatives can significantly increase the fund's exposure to credit and counterparty risks. Derivatives, particularly over-the-counter instruments, involve the risk of the potential failure of the other party to the derivative to meet its obligations. Derivatives are subject to the risk that the fund may be delayed or prevented from recovering margin or other amounts deposited with a clearinghouse, futures commission merchant or other counterparty. If the fund has insufficient cash, it may have to sell its investments to meet daily variation margin requirements at a time when it may be disadvantageous to do so.

The fund's use of derivatives also increases its risks by increasing investment exposure (which may be considered leverage). Leveraging may cause the fund's performance to be more volatile, may expose the fund to losses in excess of the amounts invested, and may require the fund to liquidate portfolio securities when it may not be advantageous to do so; to satisfy its obligations or to meet segregation requirements.

The fund's use of "short" derivatives positions may have the effect of economic leverage, which magnifies investment exposure, and may result in losses if the underlying assets appreciate in value.

The value of international investments traded in foreign currencies may be adversely impacted by fluctuations in exchange rates. International investments, particularly investments in emerging markets, may carry risks associated with potentially less stable economies or governments (such as the risk of seizure by a foreign government, the imposition of currency or other restrictions, or high levels of inflation), and may be illiquid.

A fund that invests in (or provides exposure to) fewer issuers or that makes large investments in (or provides large amounts of exposure to) a small number of issuers is more vulnerable than a more broadly diversified fund to fluctuations in the values of the securities to which it has exposure.

An investment in an investment company or ETF involves substantially the same risks as investing directly in the underlying securities. An investment company or ETF may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect the fund's performance. The fund must pay its pro rata portion of an investment company's or ETF's fees and expenses. Shares of a closed-end investment company or ETF may trade at a premium or discount to the net asset value of its portfolio securities.

By investing in the subsidiary, the fund is indirectly exposed to the risks associated with the subsidiary's investments. The subsidiary is not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and is not subject to all the investor protections of the 1940 Act. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the fund and/or the subsidiary to operate as described in this prospectus and could adversely affect the fund.

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

Performance information will be available after the fund completes a full calendar year of operation.

Your fund's management

Investment advisor

Putnam Investment Management, LLC

Sub-advisor

PanAgora Asset Management, Inc.

Portfolio managers

Edward Qian
Chief Investment Officer & Head of Research, Multi Asset, portfolio manager of the fund since 2017

Bryan Belton
Director, Multi Asset, portfolio manager of the fund since 2017

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 219697, Kansas City, MO 64121-9697. 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, PanAgora pursues the fund's goal by following an investment strategy designed to generate returns from investing in a combination of asset classes with diversified risk characteristics.

- **Risk parity strategy.** The fund strategically allocates its assets among equities, fixed-income instruments and commodities in an effort to diversify the fund's risk over three areas: equity risk, fixed-income risk, and inflation risk. Because these asset classes offer different return potential and exposure to different investment risks, the fund strategically allocates its investments to these asset classes in an effort to participate in periods of economic growth, preserve capital during periods of economic contraction, and preserve real rates of return during periods of heightened inflation.

In allocating the fund’s assets among the different asset classes, PanAgora employs a proprietary “risk parity” approach, which seeks to balance the fund’s portfolio risks across and within asset classes. This risk parity approach relies on quantitative models and information and data inputs to those models.

When allocating investments across asset classes, the fund generally allocates a greater portion of its assets to asset classes PanAgora views as having lower risk, such as developed market bonds, than to asset classes PanAgora views as having higher risk, such as global equities.

In its “neutral” position, the fund’s assets are generally strategically allocated among the different asset classes so that the anticipated contribution of each asset class to the overall risk of the fund will be approximately as follows: 40% from equity risk; 40% from fixed income risk; and 20% from inflation risk. However, there is no assurance that the anticipated contribution of each asset class to the fund’s overall risk can be achieved; in addition, PanAgora may seek different risk contributions from time to time. Because of the difference in the amount of risk inherent in these asset classes, the percentage of the fund’s assets allocated to a particular asset class is likely to be significantly different from the anticipated contribution to overall risk from that asset class. PanAgora also expects to vary the fund’s allocation to the asset classes tactically in response to changing market conditions, including in an effort to protect from downside risk, using a proprietary dynamic risk allocation approach that will cause the fund to deviate from its neutral position. Additionally, market movements are likely to change the risk levels and risk allocations of the fund.

When allocating investments within each asset class, PanAgora’s risk parity approach seeks to diversify risk exposures across a variety of factors. For example, while a market index-like, capitalization-based index, may reflect very different exposures to particular industry sectors, geographies, companies and commodity types, PanAgora seeks to invest the fund’s assets so that the fund’s exposures to the risks associated with these and other factors more balanced.

PanAgora believes that a risk parity approach may result in a portfolio that exhibits a certain level of volatility. Volatility is a statistic measurement of the variation of return. However, there can be no assurance that the fund will exhibit the desired level of volatility. The fund’s ability to achieve its investment objective depends upon PanAgora’s analysis of various factors, including economic and market factors, and the mix of asset classes that results from such analysis. PanAgora’s analysis, including any evaluations and assumptions regarding such factors, may prove incorrect. The fund may experience losses or poor relative performance if PanAgora allocates a significant portion of the fund’s assets to an asset class or subset of an asset class that does not perform well relative to other asset classes or other subsets of asset classes. The fund may underperform funds that allocate their assets differently than the fund, due to differences in the relative performance of asset classes and subsets of asset classes.

The fund will gain exposure to different areas of risk either through direct investment or through derivative instruments, primarily including forwards, futures, and swaps, but which may also include, but are not limited to, options. The fund may invest without limit in equity securities, including, but not limited to, global developed markets, large-cap equities, emerging markets equities, and U.S. small and mid-cap equities. The fund may additionally invest in fixed-income securities of any credit quality, duration or maturity (including, but not limited to, U.S. and non-U.S. sovereign bonds, global inflation-linked government bonds (including Treasury Inflation Protected Securities, and investment-grade corporate bonds), commodities (including through, but not limited to, commodity-linked notes and commodity-related derivative instruments (primarily commodity futures and swaps on commodity futures)), exchange-traded funds ("ETFs"), exchange-traded notes, and emerging markets and other currencies (including through cash bonds and currency forwards). These asset classes offer different return potential and exposure to different investment risks.

A significant portion of the assets of the fund will be invested in short-term instruments, which may include, but are not limited to, U.S. Government securities (including U.S. Treasury bills), U.S. Government agency securities, investment-grade corporate obligations, Eurodollar obligations, bankers' acceptances, short-term fixed income securities, overnight and/or fixed term repurchase agreements, money market fund shares, and cash and cash equivalents generally with one year or less term to maturity. These investments serve as collateral for the derivative positions the fund takes and also may earn income for the fund.

- **Volatility.** The fund may have investments that appreciate or decrease significantly in value over short periods of time. The fund's net asset value per share may be volatile, experiencing significant increases or declines in value over short periods of time. Volatility is a statistical measurement of the dispersion of returns of a security or fund or index, as measured by the annualized standard deviation of its returns. Higher volatility generally indicates higher risk. However, the actual or realized volatility level for longer or shorter periods may be materially higher or lower depending on market conditions. While PanAgora seeks to mitigate the effects of extreme market conditions by attempting to adjust the fund's overall exposure to volatility, there can be no guarantee that PanAgora will be successful.
- **Model and data risk.** Given the nature of the fund's investments and strategies, PanAgora relies heavily on its proprietary models and on data supplied by third parties. PanAgora uses models and data to, among other things, construct sets of transactions and investments, provide risk management insights and assist in hedging the fund's investments. PanAgora regularly enhances and updates its models to reflect its developing research, fundamental analysis, and access to new data.

  If the quantitative models or data used in managing the fund prove to be incorrect or incomplete, investment decisions made in reliance on the models or data may not produce the desired results and may cause the fund to underperform its benchmark or other funds with a similar investment goal, and the fund may realize losses. For example, PanAgora may, in reliance on faulty models or data, be unsuccessful in its efforts to manage the fund's overall level of volatility and its efforts to diversify risk. Any hedging based on faulty models and data may prove to be unsuccessful. In addition, models may incorrectly forecast future behavior, leading to potential losses on a cash flow and/or mark-to-market basis. Use of these models in unforeseen or certain low-probability scenarios (often involving a market disruption of some kind) also may result in losses for the fund.

All models require data. Some of the models that PanAgora may use are typically constructed based on historical data, and the success of these models is dependent largely on the accuracy and reliability of the supplied historical data. If incorrect data is entered into a model, the resulting output will be incorrect. As a result, any investment decisions made in reliance on the incorrect output from a model may not produce the desired results and the fund may realize losses. Even when data is correctly inputted into a model, the resulting information may differ, sometimes substantially, from other available data. For example, "model prices" that are provided by a model will often differ substantially from market prices, particularly for instruments that are complex in nature, such as derivatives.

- **Derivatives.** As described above, investments in forwards, futures, and swaps are an important component of the fund's investment strategies. Investments in other derivatives, such as options, may also be used as part of the fund's investment strategies. 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, indexes or currencies. The fund 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, index or currency. The fund may use derivatives both for hedging and non-hedging purposes. For example, the fund 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 to a particular currency or group of currencies. The fund may also use derivatives as a substitute for a direct investment in the securities of one or more issuers. However, the fund may also choose not to use derivatives, based on an 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. In addition, derivatives positions that offset one another may be netted together for purposes of measuring the fund's investment and risk allocations. The fund's investment in derivatives may be limited by its intention to qualify as a regulated investment company.

  Derivatives (including forwards, futures, and swaps) involve special risks and may result in losses. The value of derivatives may move in unexpected ways due to unanticipated market movements, the use of leverage, imperfect correlation between the derivatives instrument and the reference asset or other factors, especially in unusual market conditions, and may result in increased volatility. Derivatives may be difficult to value and may increase the fund's transactions costs. The successful use of derivatives depends on the ability to manage these sophisticated instruments. There is no assurance that the fund's use of derivative instruments will enable the fund to achieve its investment objective or that PanAgora will be able to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors.

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. Derivatives, particularly over-the-counter instruments, also involve the risk that the other party to the derivatives transaction will not meet its obligations. Derivatives also are subject to the risk that the fund may be delayed or prevented from recovering margin or other amounts deposited with a clearinghouse, futures commission merchant or other counterparty. If the fund has insufficient cash, it may have to sell securities to meet daily variation margin requirements at a time when it may be disadvantageous to do so.

Derivatives transactions (including forwards, futures, and swaps) often involve "leverage," 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. Derivatives and other transactions that give rise to leverage may cause the fund's performance to be more volatile than if the fund had not been leveraged, as leveraging tends to magnify, sometimes significantly, the effect of any increase or decrease in the fund's exposure to an asset class. Leveraging also may require that the fund liquidate portfolio securities when it may not be advantageous to do so, to satisfy its obligations or to meet segregation requirements. Leveraging may expose the fund to losses in excess of the amounts invested. Furthermore, if the fund uses leverage through purchasing derivative instruments, the fund has the risk that losses may exceed the net assets of the Fund. The risk of loss from short derivatives positions is theoretically unlimited.

A portion of any capital gains from futures contracts in which the fund invests directly will be treated for federal income tax purposes as short-term capital gains that, when distributed to taxable shareholders, will be taxable as ordinary income. The fund's investments in swaps will generate ordinary income and losses for federal income tax purposes. The fund's investments in futures and swaps may cause the fund to recognize income without receiving cash with which to make the distributions necessary to qualify and be eligible for treatment as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") and avoid a fund-level tax. The fund may therefore need to liquidate other investments, including when it is not advantageous to do so, to meet its distribution requirement. The fund is not permitted to carry forward any net ordinary losses it realizes in a taxable year to offset ordinary income it realizes in subsequent taxable years.

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 Statement of Additional Information ("SAI").

- **Leverage.** Although the fund normally does not engage in borrowing, PanAgora generally seeks to adjust the fund's risk exposures, and enhance the fund's total returns, by using investment leverage through derivatives to increase the fund's exposure to investments. The fund may make an investment directly or may obtain exposure to the investment synthetically through the use of one or more derivatives. PanAgora treats a synthetic investment as having the same net notional investment exposure as the equivalent direct investment. The fund's active trading strategies may involve the use of derivatives that introduce additional investment leverage. There are costs associated with investment leverage, and these costs may vary over time. When determining the appropriate amount of investment leverage for the fund, PanAgora will take into account these costs. If PanAgora's judgments about the risk contribution or performance of asset classes or investments prove incorrect while the fund's exposure to underperforming asset classes or investments is increased through the use of investment leverage, a relatively small market movement may result in significant losses to the fund.
- **Common stocks.** Common stock represents an ownership interest in a company. The value of a company's stock may fall as a result of factors directly relating to that company, such as decisions made by its management or lower demand for the company's products or services. A stock's value may also fall because of factors affecting not just the company, but also other companies in the same industry or in a number of different industries, such as increases in production costs. From time to time, the fund may provide significant exposure to companies in one or more related industries or sectors, which would make the fund more vulnerable to adverse developments affecting those industries or sectors. The value of a company's stock may also be affected by changes in financial markets that are relatively unrelated to the company or its industry, such as changes in interest rates or currency exchange rates. In addition, a company's stock generally pays dividends only after the company invests in its own business and makes required payments to holders of its bonds and other debt. For this reason, the value of a company's stock will usually react more strongly than its bonds and other debt to actual or perceived changes in the company's financial condition or prospects.
- **Small and midsize companies.** These companies, some of which may have a market capitalization of less than $1 billion, are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Stocks of these companies often trade less frequently and in limited volume, and their prices may fluctuate more than stocks of larger companies. Stocks of small and midsize companies may therefore be more vulnerable to adverse developments than those of larger companies. Small companies in foreign countries could be relatively smaller than those in the United States. The fund may invest directly or indirectly in small and midsize companies without limit.

- **Market risk.** The value of securities and other assets in which the fund invests (whether directly or indirectly through derivatives) 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. 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.
- **Interest rate risk.** The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a debt instrument'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.

  Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore the fund might not benefit from any increase in value as a result of declining interest rates.

  The fund may invest in inflation-protected securities issued by the U.S. Department of Treasury, by non-U.S. governments, or by private issuers. Inflation-protected securities are debt instruments whose principal and/or interest are adjusted for inflation. If inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in the value of inflation-protected securities. In contrast, if nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in the value of inflation-protected securities. When real interest rates are rising faster than nominal interest rates, inflation-indexed bonds, including Treasury Inflation Protected Securities, may experience greater losses than other fixed income securities with similar durations. Inflation-protected securities issued by the U.S. Treasury pay a fixed rate of interest that is applied to an inflation-adjusted principal amount. The principal amount is adjusted based on changes in the Consumer Price Index, a measure of inflation. The principal due at maturity is typically equal to the inflation-adjusted principal amount, or to the instrument's original par value, whichever is greater. Because the principal amount would be adjusted downward during a period of deflation, the fund will be subject to deflation risk with respect to its investments in these securities. In addition, if the fund purchases inflation-adjusted debt instruments in the secondary market whose principal values have been adjusted upward due to inflation since issuance, the fund may experience a loss if there is a subsequent period of deflation.

- **Commodities risk.** The fund may gain exposure to physical commodities through investment in its wholly-owned and controlled subsidiary. The fund may also invest directly or indirectly in commodity-linked derivative instruments that are designed to provide it with exposure to the commodities markets without necessarily investing directly in physical commodities. Commodities are real assets such as oil, industrial metals, and precious metals such as gold or silver. The value of commodities may be affected by events that have less impact on non-commodity investments. Moreover, exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities due to a variety of factors, including supply and demand relationships, fiscal and exchange control programs, or international economic, political or regulatory developments. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, prolonged or intense speculation by investors, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, other weather phenomena, embargoes, tariffs and international economic, political and regulatory developments.

  Specifically, in the commodity futures markets, producers of the underlying commodity may decide to hedge the price risk of selling the commodity by selling futures contracts on one day to lock in the price of the commodity at delivery on the next day. In order to induce speculators to purchase the other side of the same futures contract, the commodity producer generally must sell the futures contract at a lower price than the expected future spot price of the commodity. Conversely, if most hedgers in the futures market are purchasing futures contracts to hedge against a rise in prices, then speculators will only sell the other side of the futures contract at a higher futures price than the expected future spot price of the commodity. The changing nature of the hedgers and speculators in the commodities markets will influence whether the prices of commodity-linked derivatives are above or below the expected future spot price, which can have significant implications for the fund and the subsidiary.

  Commodities markets (and commodity-linked derivative instruments) may be subject to temporary distortions and other disruptions due to, among other factors, lack of liquidity, the participation of speculators and government regulation and intervention.

  Each of Putnam Investment Management, LLC (“Putnam Management”) and PanAgora is registered as a commodity pool operator (“CPO”) with the Commodity Futures Trading Commission (“CFTC”) and is considered a CPO with respect to the fund. Each of Putnam Investment Management, PanAgora and the fund therefore are subject to regulation by the CFTC under the Commodity Exchange Act. Consequently, Putnam Management, PanAgora and the fund are required to comply with applicable CFTC regulations. Compliance with these regulations may increase the fund’s operating expenses.

- **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.

  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 PanAgora considers credit ratings in making investment decisions, PanAgora performs its own investment analysis and does not rely only on ratings assigned by the rating agencies.

  The fund's investments in U.S. government securities and U.S. government agency securities may also be subject to credit risk. Although securities issued or guaranteed by the U.S. Government are generally considered to be subject to a relatively low amount of credit risk, most securities issued by agencies and instrumentalities of the U.S. Government are not backed by the full faith and credit of the U.S. Government and are supported only by the credit of the issuing agency or instrumentality. If the fund invests in debt securities, the value of your investment may be adversely affected if a security's credit rating is downgraded, an issuer of an investment held by the fund fails to pay an obligation on a timely basis, otherwise defaults, or is perceived by other investors to be less creditworthy.

  The fund may also be subject to the credit risk presented by another party (counterparty credit risk) to the extent it engages in transactions, such as securities loans, repurchase agreements or certain derivatives, which involve a promise by the counterparty to honor an obligation to the fund. If the fund engages in transactions with a counterparty, the value of your investment may be adversely affected if the counterparty files for bankruptcy, becomes insolvent, or otherwise becomes unable or unwilling to honor its obligation to the fund.

  Although investment-grade investments generally have lower credit risk, they may share some of the risks of lower-rated investments.

- **Investment company and exchange traded fund risk.** Investments in open-end and closed-end investment companies and ETFs expose the fund to substantially the same risks as investing directly in the instruments held by these entities. However, investment companies and ETFs typically incur fees that are separate from those of the fund. Therefore, the fund's exposure to ETFs or other investment companies will result in the layer of expenses such that shareholders may indirectly bear a proportionate share of the ETFs' or other investment company's operating expenses, in addition to paying fund expenses. As a result, the total return from these investments will be reduced by the operating expenses and fees of the investment company or ETF.

An investment company or ETF may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect the fund's performance. Shares of a closed-end investment company or ETF may trade at a premium or discount to the NAV of its portfolio securities depending on a variety of factors, including market supply and demand.

- **Liquidity and illiquid investments.** The fund may invest up to 15% of its assets (directly or indirectly) 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 is limited by law or contract. Some investments may be difficult to value for purposes of determining the fund's NAV. PanAgora may not be able to sell the fund's illiquid investments when it considers it desirable to do so, or PanAgora may be able to sell them only at less than their value. The size of certain of the fund's holdings and the lack of liquidity in securities markets may limit PanAgora's ability to sell those securities, or to sell them at appropriate prices, thereby negatively impacting the fund.
- **Foreign investments.** Exposure to foreign investments involves certain special risks, including:
  - Unfavorable changes in currency exchange rates: Foreign investments are typically issued and traded in foreign currencies. As a result, their values may be affected by changes in exchange rates between foreign currencies and the U.S. dollar.
  - Political and economic developments: Foreign investments may be subject to the risks of seizure by a foreign government, direct or indirect impact of sovereign debt default, imposition of economic sanctions or restrictions on the exchange or export of foreign currency, and tax increases.
  - Unreliable or untimely information: There may be less information publicly available about a foreign company than about most publicly-traded U.S. companies, and foreign companies are usually not subject to accounting, auditing and financial reporting standards and practices as stringent as those in the United States.
  - Limited legal recourse: Legal remedies for investors may be more limited than the remedies available in the United States.
  - Limited markets: Certain foreign investments may be less liquid (harder to buy and sell) and more volatile than most U.S. investments, which means PanAgora may at times be unable to sell these foreign investments at desirable prices. In addition, there may be limited or no markets for bonds of issuers that became distressed. For the same reason, PanAgora may at times find it difficult to value the fund's foreign investments.
  - Trading practices: Brokerage commissions and other fees are generally higher for foreign investments than for U.S. investments. The procedures and rules governing foreign transactions and custody may also involve delays in payment, delivery or recovery of money or investments.

– Sovereign issuers: The willingness and ability of sovereign issuers to pay principal and interest on government securities depends on various economic factors, including the issuer's balance of payments, overall debt level, and cash flow from tax or other revenues. In addition, there may be no legal recourse for investors in the event of default by a sovereign government.

The risks of foreign investments are typically increased in countries with less developed markets, which are sometimes referred to as emerging markets. Emerging markets may have less developed economies and legal and regulatory systems and may be susceptible to greater political and economic instability than developed foreign markets. Countries with emerging markets are also more likely to experience high levels of inflation, deflation or currency devaluation, and investments in emerging markets may be more volatile and less liquid than investments in developed markets. For these and other reasons, investments in emerging markets are often considered speculative.

Certain risks related to foreign investments 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.

- **Short position risk.** The fund may take "short" derivatives positions, the values of which typically move in the opposite direction from the value of the underlying investment, pool of investments, index or currency. If the value of the underlying asset increases, the fund will incur a loss which is theoretically unlimited. The fund's use of short derivatives positions may effectively create leverage, which can amplify the effects of market volatility on the fund's share price and make the fund's returns more volatile. This is because leverage tends to magnify the effect of any increase or decrease in the value of the fund's portfolio securities. The use of leverage may also cause the fund to liquidate portfolio positions at undesirable prices in order to satisfy its obligations.
- **Non-diversification risk.** The fund is "non-diversified," which means it may invest a greater percentage of its assets in fewer issuers than a "diversified" fund. A fund that invests in (or provides exposure to) fewer issuers or that makes large investments in (or provides large amounts of exposure to) a small number of issuers is more vulnerable than a more broadly diversified fund to fluctuations in the values of the securities it holds. Although the fund will be "non-diversified" for purposes of the 1940 Act, the fund intends to comply with the diversification requirements under Subchapter M of the Code in order to be eligible to qualify as a regulated investment company.
- **Subsidiary risk.** The fund may seek to provide exposure to the investment returns of real assets that trade in the commodity markets through investment in commodity-linked derivative instruments and investment vehicles such as exchange traded funds that invest exclusively in commodities and are designed to provide this exposure without direct investment in physical commodities. The fund may also gain exposure to commodity markets by investing in a subsidiary, Putnam PanAgora

Risk Parity, Ltd. The subsidiary invests primarily in commodity-related instruments. The subsidiary may also have exposure to equity and fixed income securities, cash and cash equivalents, pooled investment vehicles (including those that are not registered pursuant to the 1940 Act) and other investments, either as investments or to serve as margin or collateral for the subsidiary's derivative positions. PanAgora is the sub-adviser of the subsidiary. The subsidiary (unlike the fund) may invest without limitation in commodity-related instruments; however, the subsidiary and the fund will comply in the aggregate with the same 1940 Act asset coverage requirements with respect to its investments in derivatives that are applicable to the fund's direct transactions in derivatives. The subsidiary is otherwise subject to the same fundamental, non-fundamental and certain other investment restrictions as the fund, and the subsidiary and the fund generally will comply with these restrictions on an aggregate basis. The fund will limit its investments in the subsidiary to no more than 25% of its total assets.

The subsidiary is managed on an aggregate basis with the fund pursuant to compliance policies and procedures that are the same, in all material respects, as the policies and procedures adopted by the fund. As a result, PanAgora, in managing the subsidiary's portfolio, is subject to the same investment policies and restrictions that apply to the management of the fund, and, in particular, to the requirements (which are consistent with the requirements of the 1940 Act) relating to portfolio leverage, liquidity, brokerage, transactions with affiliated persons, and the timing and method of the valuation of the subsidiary's portfolio investments and shares of the subsidiary. These policies and restrictions are described in detail in the SAI. The fund's Chief Compliance Officer oversees implementation of the subsidiary's policies and procedures and makes periodic reports to the Board regarding the subsidiary's compliance with its policies and procedures. The fund and subsidiary test for compliance with certain investment restrictions on a consolidated basis.

PanAgora provides investment management and other services to the subsidiary. PanAgora does not receive separate compensation from the subsidiary for providing it with investment management or administrative services. However, Putnam Management pays PanAgora based on the fund's assets, including the assets invested in the subsidiary. The subsidiary will also enter into separate contracts for the provision of custody (which are consistent with the requirements of the 1940 Act) and audit services with the same or with affiliates of the same service providers that provide those services to the fund.

By investing in the subsidiary, the fund is indirectly exposed to the risks associated with the subsidiary's investments. The commodity-related instruments held by the subsidiary are generally similar to those that are permitted to be held by the fund and are subject to the same risks that apply to similar investments if held directly by the fund (see "Derivatives" above).

There can be no assurance that the investment objective of the subsidiary will be achieved. The subsidiary is not registered under the 1940 Act, and, unless otherwise noted in this prospectus, is not subject to all of the investor protections of the 1940

Act. However, the fund wholly owns and controls the subsidiary, and the fund and the subsidiary are both managed by Putnam Investment Management, making it unlikely that the subsidiary will take action contrary to the interests of the fund and its shareholders. The Board has oversight responsibility for the investment activities of the fund, including its investment in the subsidiary, and the fund's role as sole shareholder of the subsidiary. To the extent applicable to the investment activities of the subsidiary, the subsidiary will be subject to the same investment restrictions and limitations, and will follow the same compliance policies and procedures, as the fund. Changes in the laws of the United States and/or the Cayman Islands could result in the inability of the fund and/or the subsidiary to operate as described in this prospectus and the SAI and could adversely affect the fund.

The financial statements of the subsidiary will be consolidated with the fund's financial statements in the fund's Annual and Semi-Annual Reports. The fund's Annual and Semi-Annual Reports are distributed to shareholders, and copies of the reports are provided without charge upon request as indicated on the back cover of this prospectus. Please refer to the SAI for additional information about the organization and management of the subsidiary.

- **Tax risk.** In order for the fund to qualify as a regulated investment company under Subchapter M of the Code the fund must derive at least 90 percent of its gross income each taxable year from certain sources of "qualifying income" specified in the Code. Income from certain commodity-linked derivative instruments in which the fund invests may not be considered qualifying income.

  The fund's investment in the subsidiary is expected to provide the fund with exposure to the commodities markets within the limitations of the federal tax requirements of Subchapter M of the Code. The fund's pursuit of its investment strategy may be limited by the fund's intention to qualify for treatment as a regulated investment company under Subchapter M of the Code. As noted below in "Fund distributions and taxes," the rules regarding the extent to which annual net income, if any, realized by the subsidiary and included in the fund's annual income for U.S. federal income purposes will constitute "qualifying income" for purposes of the fund's qualification as a regulated investment company under the Code are unclear and currently under consideration.

- **Segregation of assets.** Under the 1940 Act, 1940 Act rules and various SEC and SEC staff interpretive positions, the fund must "set aside" (often referred to as "asset segregation") liquid assets, or engage in other SEC staff-approved measures, to "cover" open positions with respect to certain kinds of derivative instruments. In the case of futures contracts that are not contractually required to cash settle, for example, the fund must set aside liquid assets equal to such contracts' full notional value while the positions are open. With respect to futures contracts that are contractually required to cash settle, however, the fund is permitted to set aside liquid assets in an amount equal to the fund's daily marked-to-market net obligations (i.e., the fund's daily net liability) under the contracts, if any, rather than such contracts' full notional value. Futures contracts and forward contracts that settle physically will be treated as cash settled for asset segregation purposes when the fund has entered into a contractual arrangement with a third party futures commission merchant or other counterparty to off-set the fund's exposure under the contract and, failing that, to assign its delivery obligation under the contract to the counterparty. The fund reserves the right to modify its asset segregation policies in the future to comply with any changes in the positions from time to time articulated by the SEC or its staff regarding asset segregation.

The fund generally will use its short-term instruments or other liquid assets to cover its obligations. The fund will take action as necessary for the purpose of complying with the asset segregation policy stated above. Such actions may include the sale of the fund's portfolio investments. There is a possibility that segregation of a large percentage of a fund's assets could impede portfolio management or the fund's ability to meet redemption requests or other current obligations.

- **Other investments.** In addition to the main investment strategies described above, the fund may make other types of investments, such as investments in preferred stocks, convertible securities and bank loans. The fund may also loan portfolio securities to earn income. 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, PanAgora may take temporary defensive positions for the fund, 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, PanAgora 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 ordinary 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 more specific information on the fund's portfolio, you may visit the Putnam Investments website, putnam.com/individual,

where portfolio information may be viewed monthly beginning approximately 15 days after the end of each month, and full portfolio holdings may be viewed beginning on the last business day of the month after the end of each calendar quarter. This information will remain available on the website until the 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 Street
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-advisory agreement described below is discussed in the fund's annual report to shareholders dated August 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 for which PanAgora is acting as sub-adviser launched on or after the date of the fund's management contract, as determined at the close of each business day during the month ("Combined Fund Average Net Assets"), as set forth below:

0.750% of the first $1 billion of Combined Fund Average Net Assets;

0.740% of the next $2 billion of Combined Fund Average Net Assets;

0.730% of the next $2 billion of Combined Fund Average Net Assets; and

0.720% of any excess thereafter.

The subsidiary pays a monthly management fee to Putnam Management at the same rate as the fund. For so long as the fund invests in the subsidiary, the management fee paid by the fund to Putnam Management is reduced by an amount equal to the management fee Putnam Management receives from the subsidiary under the management contract between Putnam Management and the subsidiary.

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

Putnam Management has retained its affiliate PanAgora to make investment decisions for such fund assets as may be designated from time to time for its management by Putnam Management. Putnam Management (and not the fund) will pay a quarterly sub-advisory fee to PanAgora for its services at the following annual rate of the average net asset value (NAV) of any fund assets managed by PanAgora:

0.350% of the first $250 million in fund assets;

0.340% of the next $500 million in fund assets;

0.330% of the next $250 million in fund assets; and

0.300% of over $1 billion in fund assets.

PanAgora is located at 470 Atlantic Avenue, 8th Floor, Boston, Massachusetts 02210.

- **Portfolio managers.** The officers of PanAgora 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
Edward Qian	2017	**PanAgora Asset Management, Inc.** 2005 – Present	Chief Investment Officer & Head of Research, Multi Asset
Bryan Belton	2017	**PanAgora Asset Management, Inc.** 2005 – Present	Director, Multi Asset

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. For example, the fund may value a stock at its fair value when the relevant exchange closes early or trading in the stock is suspended. It may also value a stock at fair value if recent transactions in the stock have been very limited or if, in the case of a security traded on a market that closes before the NYSE closes, material information about the issuer becomes available after the close of the relevant market.

The fund translates prices for its investments quoted in foreign currencies into U.S. dollars at current exchange rates, which are generally determined as of 4:00 p.m. Eastern Time each day the NYSE is open. As a result, changes in the value of those currencies in relation to the U.S. dollar may affect the fund's NAV. Because foreign markets may be open at different times than the NYSE, the value of the fund's shares may change on days when shareholders are not able to buy or sell them. Many securities markets and exchanges outside the U.S. close before the close of the NYSE, and the closing prices for securities in those markets or exchanges may not reflect events that occur after the close but before the scheduled close of regular trading on the NYSE. As a result, the fund has adopted fair value pricing procedures, which, among other things, require the fund to fair value foreign equity securities if there has been a movement in the U.S. market that exceeds a specified threshold. Although the threshold may be revised from time to time and the number of days on which fair value prices will be used will depend on market activity, it is possible that fair value prices will be used by a fund to a significant extent. As noted above, the value determined for an investment using the fund's fair value pricing procedures may differ from recent market prices for the investment.

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, C, and M 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 219697
Kansas City, MO 64121-9697

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 plus any applicable sales charge (class A and class M shares only). 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 four classes of fund shares: A, B, C and M. 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 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. 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. When you purchase shares of a 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, including:

- **How long you expect to hold your investment.** Class B shares charge a contingent deferred sales charge (CDSC) on redemptions that is phased out over the first six years; class C shares charge a CDSC on redemptions in the first year.
- **How much you intend to invest.** While investments of less than $100,000 can be made in any share class, classes A and M offer sales charge discounts starting at $50,000.
- **Total expenses associated with each share class.** As shown in the section entitled *Fund summary — Fees and expenses*, each share class offers a different combination of up-front and ongoing expenses. Generally, the lower the up-front sales charge, the greater the ongoing expenses.

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

Class A shares

- Initial sales charge of up to 5.75%

- Lower sales charges available for investments of $50,000 or more
- No deferred sales charge (except that a deferred sales charge of 1.00% may be imposed on certain redemptions of shares bought without an initial sales charge)
- Lower annual expenses, and higher dividends, than class B, C or M shares because of lower 12b-1 fees.

Class B shares

- 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
- No initial sales charge; your entire investment goes to work immediately
- Deferred sales charge of up to 5.00% if shares are sold within six years of purchase
- Higher annual expenses, and lower dividends, than class A or M shares because of higher 12b-1 fees
- Convert automatically to class A shares after eight years, thereby reducing future 12b-1 fees
- Orders for class B shares of one or more Putnam funds will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $100,000 or more. Investors considering cumulative purchases of $100,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class C shares

- No initial sales charge; your entire investment goes to work immediately
- Deferred sales charge of 1.00% if shares are sold within one year of purchase
- Higher annual expenses, and lower dividends, than class A or M shares because of higher 12b-1 fees
- Convert automatically 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, thereby reducing future 12b-1 fees. (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 employer-sponsored retirement plans, will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $500,000 or more. Investors considering cumulative purchases of $500,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class M shares

- Initial sales charge of up to 3.50%
- Lower sales charges available for investments of $50,000 or more
- No deferred sales charge
- Lower annual expenses, and higher dividends, than class B or C shares because of lower 12b-1 fees
- Higher annual expenses, and lower dividends, than class A shares because of higher 12b-1 fees
- No conversion to class A shares, so no reduction in future 12b-1 fees
- Orders for class M shares of one or more Putnam funds, other than class M shares sold to employer-sponsored retirement plans, will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $500,000 or more. Investors considering cumulative purchases of $500,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class R shares (available only to employer-sponsored retirement plans)

- No initial sales charge; your entire investment goes to work immediately
- No deferred sales charge
- Lower annual expenses, and higher dividends, than class B, C or M shares because of lower 12b-1 fees
- Higher annual expenses, and lower dividends, than class A shares because of higher 12b-1 fees
- No conversion to class A shares, so no reduction in future 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 lower investor servicing fees
- Higher annual expenses, and lower dividends, than class Y shares because of higher investor servicing fees.

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.

- 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
- Lower annual expenses, and higher dividends, than class R6 shares because of lower investor servicing fees.

Initial sales charges for class A and M shares

	Class A sales charge as a percentage of*:		**Class M sales charge as a percentage of*:**	
Amount of purchase at offering price ($)	**Net amount invested**	**Offering price****	**Net amount invested**	**Offering price****
Under 50,000	6.10%	5.75%	3.63%	3.50%
50,000 but under 100,000	4.71	4.50	2.56	2.50
100,000 but under 250,000	3.63	3.50	1.52	1.50
250,000 but under 500,000	2.56	2.50	1.01	1.00
500,000 and above	NONE	NONE	N/A***	N/A***

* 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.

*** The fund will not accept purchase orders for class M shares (other than by employer-sponsored retirement plans) where the total of the current purchase, plus existing account balances that are eligible to be linked under a right of accumulation (as described below) is $500,000 or more.

Reducing your class A or class M sales charge

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

- **Right of accumulation.** You can add the amount of your current purchases of class A or class M shares of the fund and 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 A or class M 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 *Mutual Funds,* then *Pricing and performance,* and then *About fund costs,* and in the SAI.

- **Additional reductions and waivers of sales charges.** In addition to the breakpoint discount methods described above for class A and class M 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 Appendix A to this prospectus (each, a "Specified Intermediary").

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

Class A and class M shares

The following categories of investors are eligible to purchase class A and class M 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 a fund "supermarket" or 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.

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.

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.

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.
- **Shares held through your employer's retirement plan.** For information on how to sell or exchange shares of the fund that were purchased through your employer's retirement plan, including any restrictions and charges that the plan may impose, please consult your employer.
- **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 class B, class C and certain class A shares

If you sell (redeem) class B shares within six years of purchase, you will generally 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%

A deferred sales charge of 1.00% will apply to class C shares if redeemed within one year of purchase. Class A shares that are part of a purchase of $500,000 or more (other than by an employer-sponsored retirement plan) will be subject to a 1.00% deferred sales charge if redeemed within twelve months of purchase, if the purchase is on or after March 1, 2018.

Deferred sales charges will be based on the lower of the shares' cost and current NAV. Shares not subject to any charge will be redeemed first, followed by shares held longest. 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

- **Risks of excessive short-term trading.** Excessive short-term trading activity may reduce the fund's performance and harm all fund shareholders by interfering with portfolio management, increasing the fund's expenses and diluting the fund's NAV. Depending on the size and frequency of short-term trades in the fund's shares, the fund may experience increased cash volatility, which could require the fund to maintain undesirably large cash positions or buy or sell portfolio securities it would not have bought or sold otherwise. The need to execute additional portfolio transactions due to these cash flows may also increase the fund's brokerage and administrative costs and, for investors in taxable accounts, may increase taxable distributions received from the fund.

Because 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.

When the fund invests in securities that may trade infrequently or may be more difficult to value, such as securities of smaller companies, it may be susceptible to trading by short-term traders who seek to exploit perceived price inefficiencies in the fund's investments. In addition, the market for securities of smaller companies may at times show "market momentum," in which positive or negative performance may continue from one day to the next for reasons unrelated to the fundamentals of the issuer. Short-term traders may seek to capture this momentum by trading frequently in the fund's shares, which will reduce the fund's performance and may dilute the interests of other shareholders. Because securities of smaller companies may be less liquid than securities of larger companies, the fund may also be unable to buy or sell these securities at desirable prices when the need arises (for example, in response to volatile cash flows caused by short-term trading). Similar risks may apply if the fund holds other types of less liquid securities, including below-investment-grade bonds.

- **Fund policies.** In order to protect the interests of long-term shareholders of the fund, Putnam Management and the fund's Trustees have adopted policies and procedures intended to discourage excessive short-term trading. The fund seeks to discourage excessive short-term trading by using fair value pricing procedures to value investments under some circumstances. In addition, Putnam Management monitors activity in those shareholder accounts about which it possesses the necessary information in order to detect excessive short-term trading patterns and takes steps to deter excessive short-term traders.
- **Account monitoring.** Putnam Management's Compliance Department currently uses multiple reporting tools to detect short-term trading activity occurring in accounts for investors held directly with the Putnam funds as well as within accounts held through certain financial intermediaries. Putnam Management measures excessive short-term trading in the fund by the number of "round trip" transactions above a specified dollar amount within a specified period of time. A "round trip" transaction is defined as a purchase or exchange into a fund followed, or preceded, by a redemption or exchange out of the same fund. Generally, if an investor has been identified as having completed two "round trip" transactions with values above a specified amount within a rolling 90-day period, Putnam Management will issue the investor and/or his or her financial intermediary, if any, a written warning. Putnam Management's practices for measuring excessive short-term trading activity and issuing warnings may change

from time to time. Certain types of transactions are exempt from monitoring, such as those in connection with systematic investment or withdrawal plans and reinvestment of dividend and capital gain distributions.

- **Account restrictions.** In addition to these monitoring practices, Putnam Management and the fund reserve the right to reject or restrict purchases or exchanges for any reason. Continued excessive short-term trading activity by an investor or intermediary following a warning may lead to the termination of the exchange privilege for that investor or intermediary. Putnam Management or the fund may determine that an investor's trading activity is excessive or otherwise potentially harmful based on various factors, including an investor's or financial intermediary's trading history in the fund, other Putnam funds or other investment products, and may aggregate activity in multiple accounts in the fund or other Putnam funds under common ownership or control for purposes of determining whether the activity is excessive. If the fund identifies an investor or intermediary as a potential excessive trader, it may, among other things, require future trades to be submitted by mail rather than by phone or over the Internet, impose limitations on the amount, number, or frequency of future purchases or exchanges, or temporarily or permanently bar the investor or intermediary from investing in the fund or other Putnam funds. The fund may take these steps in its discretion even if the investor's activity does not fall within the fund's current monitoring parameters.
- **Limitations on the fund's policies.** There is no guarantee that the fund will be able to detect excessive short-term trading in all accounts. For example, Putnam Management currently does not have access to sufficient information to identify each investor's trading history, and in certain circumstances there are operational or technological constraints on its ability to enforce the fund's policies. In addition, even when Putnam Management has sufficient information, its detection methods may not capture all excessive short-term trading.

  In particular, many purchase, redemption and exchange orders are received from financial intermediaries that hold omnibus accounts with the fund. Omnibus accounts, in which shares are held in the name of an intermediary on behalf of multiple beneficial owners, are a common form of holding shares among retirement plans and financial intermediaries such as brokers, advisers and third-party administrators. The fund is generally not able to identify trading by a particular beneficial owner within an omnibus account, which makes it difficult or impossible to determine if a particular shareholder is engaging in excessive short-term trading. Putnam Management monitors aggregate cash flows in omnibus accounts on an ongoing basis. If high cash flows or other information indicate that excessive short-term trading may be taking place, Putnam Management will contact the financial intermediary, plan sponsor or recordkeeper that maintains accounts for the beneficial owner and attempt to identify and remedy any excessive trading. However, the fund's ability to monitor and deter excessive short-term traders in omnibus accounts ultimately depends on the capabilities and cooperation of these third-party financial firms. A financial intermediary or plan sponsor may impose different or additional limits on short-term trading.

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 and 1.00% on class B, class C, class M and class R shares. The Trustees currently limit payments on class A, class M and class R shares to 0.25%, 0.75% and 0.50% of average net assets, respectively. 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 and class R shares may cost you more over time than paying the initial sales charge for class A shares. Because class M and class R shares, unlike class B and class C shares, do not convert to class A shares, class M and class R shares may cost you more over time than class B and class C 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.
- **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 normally distributes any net investment income and any net realized capital gains annually. You may choose to reinvest distributions from net investment income, capital gains or both 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 are generally taxable to you as ordinary income. Distributions that the fund properly reports to you as "qualified dividend income" are taxable at the reduced rates applicable to your net capital gain provided that both you and the fund meet certain holding period and other requirements. 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. In addition, the fund's investments in foreign securities or foreign currencies may increase or accelerate the fund's recognition of ordinary income and may affect the timing or amount of the fund's distributions.

The fund's use of derivatives may affect the amount, timing and character of distributions to shareholders and, therefore, may increase the amount of taxes payable by shareholders. A portion of any capital gains from futures contracts in which the fund invests directly will be treated for federal income tax purposes as short-term capital gains that, when distributed to taxable shareholders, will be taxable as ordinary income. The fund's investments in swaps will generate ordinary income and losses for federal income tax purposes. The fund's investments in futures and swaps may cause the fund to recognize income without receiving cash with which to make the distributions necessary to qualify and be eligible for treatment as a regulated investment company under Subchapter M of the Code and avoid a fund-level tax. The fund may therefore need to liquidate other investments, including when it is not advantageous to do so, to meet its distribution requirement. The fund is not permitted to carry forward any net ordinary losses it realizes in a taxable year to offset ordinary income it realizes in subsequent taxable years.

The fund intends to gain exposure to commodities and commodity-related investments, in whole or in part, through the fund's investment in the subsidiary. It is expected that all of the subsidiary's income will be "subpart F income" currently included in the fund's income as ordinary income for federal income tax purposes. The rules regarding the extent to which such subpart F inclusions will be treated as "qualifying income" for purposes of the 90% gross income requirement for qualification as a regulated investment company under Subchapter M of the Code are unclear and currently under consideration. In the absence of further guidance, the fund will seek to ensure that it satisfies the 90% gross income requirement, including but not limited to by ensuring that the subsidiary timely distributes to the fund an amount equal to the subsidiary's subpart F income by the end of the subsidiary's taxable year. In order to make such distributions, the subsidiary may be required to sell investments, including at a time when it may be disadvantageous to do so. Net losses incurred by the subsidiary during a tax year do not flow through to the fund and thus will not be available to offset income or capital gain generated from the fund's other investments. In addition, the subsidiary is not permitted to carry forward any net ordinary losses it realizes in a taxable year to offset ordinary income it realizes in subsequent taxable years. You should consult the SAI for additional information.

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 PricewaterhouseCoopers 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)

	INVESTMENT OPERATIONS				LESS DISTRIBUTION
Period ended	**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 realized gain on investments
Class A					
August 31, 2018†	**$10.00**	.01	.06	**.07**	(.07)
Class B					
August 31, 2018†	**$10.00**	(.06)	.06	**—**[e]	(.07)
Class C					
August 31, 2018†	**$10.00**	(.06)	.06	**—**[e]	(.07)
Class M					
August 31, 2018†	**$10.00**	(.04)	.07	**.03**	(.07)
Class R					
August 31, 2018†	**$10.00**	(.01)	.06	**.05**	(.07)
Class R6					
August 31, 2018†	**$10.00**	.04	.06	**.10**	(.07)
Class Y					
August 31, 2018†	**$10.00**	.03	.07	**.10**	(.07)

* Not annualized.

† For the period September 20, 2017 (commencement of operations) to August 31, 2018.

[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 and/or brokerage/service 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 1.27% as a percentage of average net assets.

[e] Amount represents less than $0.01 per share.

			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 (%)
(.07)	**$10.00**	**.71***	**$7,053**	1.18*	.08*	—
(.07)	**$9.93**	**.01***	**$10**	1.89*	(.63)*	—
(.07)	**$9.93**	**.01***	**$13**	1.89*	(.60)*	—
(.07)	**$9.96**	**.31***	**$10**	1.65*	(.39)*	—
(.07)	**$9.98**	**.51***	**$10**	1.42*	(.15)*	—
(.07)	**$10.03**	**1.01***	**$4,817**	.95*	.43*	—
(.07)	**$10.03**	**1.01***	**$19,020**	.94*	.32*	—

Appendix A — Financial intermediary specific sales charge waiver information

As described in the prospectus, class A and M shares may be subject to an initial sales charge and class B and C shares may be subject to a CDSC. Certain financial intermediaries may impose different initial sales charges or waive the initial sales charge or CDSC in certain circumstances. This Appendix details the variations in sales charge waivers by financial intermediary. Not all financial intermediaries specify financial intermediary-specific sales charge waiver categories for every share class. For information about sales charges and waivers available for share classes other than those listed below, please see the section "Additional reductions and waivers of sales charges" in the prospectus. 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

Appendix B — Related Performance Information of Similar Accounts

PUTNAM PANAGORA RISK PARITY FUND (THE "FUND") HAS COMPLETED LESS THAN A FULL CALENDAR YEAR OF OPERATION. THE PERFORMANCE INFORMATION PRESENTED BELOW IS FOR THE PANAGORA RISK PARITY MULTI-ASSET MASTER COMPOSITE (THE "COMPOSITE"). IT IS NOT THAT OF THE FUND AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE FUND'S OWN PERFORMANCE. PAST RETURNS ARE NOT INDICATIVE OF FUTURE PERFORMANCE.

Putnam Investment Management, LLC ("Putnam Management") is the fund's investment adviser. Putnam Management's affiliate, PanAgora Asset Management, Inc. ("PanAgora"), is the fund's sub-adviser and also acts as investment adviser or sub-adviser to the accounts in the Composite. The Composite includes all accounts managed by PanAgora that have investment objectives, policies and strategies that are substantially similar to those of the fund. The fund was also added to the Composite after its first complete month of operation. The performance information provided below for the Composite is intended to illustrate the past performance of PanAgora in managing accounts that are substantially similar to the fund. The fund's portfolio managers each played a primary role in the management of all of the accounts in the Composite during the entire period for which the Composite's performance is shown.

Included below are the Composite's (and its benchmark's) average annual total return, standard deviation,[1] and Sharpe ratio[2] over the 1-year, 3-year, 5-year, 10-year, and since inception periods ended October 31, 2018 and the Composite's (and its benchmark's) annual return, standard deviation, and Sharpe ratio for each complete calendar-year period since inception. The Composite's benchmark consists of a blended benchmark (60% MSCI World / 40% Citigroup World Government Bond Index). As of October 31, 2018, there were seven accounts in the Composite, including the fund, with approximately $6.8 billion in aggregate assets. Accounts using PanAgora's Risk Parity Multi-Asset strategy are included in the Composite beginning with the first complete month of performance. The actual returns of the accounts and of the fund may be higher or lower than the Composite returns shown below. Total fund expenses are higher than fees reflected in net-of-fee returns in the Composite.

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

2 The Sharpe ratio is a measure of risk-adjusted return that is calculated by taking a portfolio's rate of return, subtracting the so-called "risk-free rate" (typically the rate of return that may be earned on an investment in U.S. Treasury bills), and dividing the result by the standard deviation of the portfolio's returns. The Sharpe ratio can help indicate whether a portfolio's investment returns are the result of excessive risk. Higher Sharpe ratios signify better risk-adjusted performance (that is, relatively lower risk associated with a particular level of investment return, or, conversely, better investment return associated with a particular level of risk).

The Composite includes some accounts that are not registered under the Investment Company Act of 1940, as amended (the "1940 Act"), and therefore are not subject to certain investment restrictions, diversification requirements, and other regulatory requirements imposed by the 1940 Act or by the Internal Revenue Code of 1986, as amended. If those accounts had been registered under the 1940 Act, their returns might have been lower.

The Composite's monthly return is computed by asset-weighting the returns of each account within the Composite using their relative market values at the beginning of the period. The Composite's quarterly return is computed by geometrically linking (i.e., time-weighting and compounding) the returns of each month within the calendar quarter. The Composite's annual return is computed by geometrically linking the returns of each quarter within the calendar year. Investments held by accounts in the Composite are valued on a trade-date basis using accrual accounting. Individual account returns are calculated using the daily time-weighted rate of return (TWRR) methodology, which is a method of calculating period-by-period returns that removes the effects of cash inflows and outflows. Performance is expressed in U.S. dollars. Returns are net of foreign withholding taxes on dividends, interest, and capital gains. Gross-of-fee returns are net of transaction costs but do not reflect the deduction of management fees and other expenses that may be incurred by an account. An account's returns will be reduced by management and other fees. The net-of-fee returns shown below reflect the deduction of a model fee equivalent to the highest applicable management fee in effect during the performance period chargeable to any account in the Composite, without the benefit of breakpoints, applied on a monthly basis.

Also included below are:

- Average annual total return, standard deviation, and Sharpe ratio for the fund's custom blended benchmark — 35% of which is the MSCI ACWI Index, 50% of which is the Bloomberg Barclays Capital U.S. Long Treasury Index, and 15% of which is the S&P GSCI® — over the same periods for which similar information is provided for the Composite; and
- Average annual total return and standard deviation for cash (as measured by ICE BofAML U.S. Treasury Bill Index) over the same periods for which similar information is provided for the Composite.

Index results assume the reinvestment of dividends or interest paid on the securities included in the index. Unlike the accounts in the Composite and unlike the fund, an index does not incur fees or expenses.

Annualized Data for Periods Ended 10/31/18:	PanAgora Risk Parity Multi-Asset Master Composite (net of fees)			Composite Benchmark (60% MSCI World / 40% FTSE World Government Bond Index)		
	Return (%)	Standard Deviation (%)	Sharpe Ratio	Return (%)	Standard Deviation (%)	Sharpe Ratio
1 Year	–6.27	5.77	–1.38	–0.02	7.34	–0.23
3 Years	4.72	7.65	0.50	5.36	6.42	0.70
5 Years	5.32	7.88	0.61	4.09	6.65	0.53
10 Years	8.93	8.30	1.03	7.11	9.67	0.70
Since Inception (1/1/06)	5.95	9.10	0.52	5.06	9.95	0.39
Calendar-Year Data:						
YTD through 10/31/18	–7.58	—**	—**	–2.71	—**	—**
2017	13.48	4.90	2.58	16.24	2.19	7.04
2016	13.39	9.39	1.39	5.33	7.29	0.69
2015	–3.80	8.36	–0.46	–1.72	7.91	–0.22
2014	14.51	7.71	1.88	2.80	5.92	0.47
2013	3.23	9.76	0.32	13.54	6.57	2.05
2012	14.33	4.90	2.90	10.15	7.81	1.29
2011	10.92	8.83	1.23	–0.63	10.82	–0.07
2010	18.40	6.86	2.66	9.50	13.30	0.71
2009	6.79	9.83	0.67	18.72	16.33	1.13
2008	–13.69	17.15	–0.92	–22.97	14.98	–1.67
2007	14.03	5.78	1.56	9.98	5.37	0.92
2006	–1.57	5.33	–1.20	14.39	4.82	1.98

* Sharpe ratio statistics with respect to the ICE BofAML U.S. Treasury Bill Index, which itself is generally reflective of the risk-free rate, are not shown.

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

Annualized Data for Periods Ended 10/31/18:	PanAgora Risk Parity Multi-Asset Master Composite (gross of fees)			Composite Benchmark (60% MSCI World / 40% FTSE World Government Bond Index)		
	Return (%)	Standard Deviation (%)	Sharpe Ratio	Return (%)	Standard Deviation (%)	Sharpe Ratio
1 Year	–5.93	5.75	–1.32	–0.02	7.34	–0.23
3 Years	5.07	7.64	0.55	5.36	6.42	0.70
5 Years	5.67	7.86	0.65	4.09	6.65	0.53
10 Years	9.30	8.29	1.08	7.11	9.67	0.70
Since Inception (1/1/06)	6.31	9.09	0.56	5.06	9.95	0.39
Calendar-Year Data:						
YTD through 10/31/18	–7.29	—**	—**	–2.71	—**	—**
2016	13.83	4.89	2.65	16.24	2.19	7.04
2016	13.74	9.38	1.43	5.33	7.29	0.69
2015	–3.45	8.35	–0.42	–1.72	7.91	–0.22
2014	14.86	7.70	1.92	2.80	5.92	0.47
2013	3.58	9.75	0.36	13.54	6.57	2.05
2012	14.68	4.90	2.98	10.15	7.81	1.29
2011	11.30	8.83	1.27	–0.63	10.82	–0.07
2010	18.80	6.86	2.72	9.50	13.30	0.71
2009	7.16	9.83	0.71	18.72	16.33	1.13
2008	–13.39	17.15	–0.90	–22.97	14.98	–1.67
2007	14.43	5.78	1.63	9.98	5.37	0.92
2006	–1.22	5.33	–1.14	14.39	4.82	1.98

* Sharpe ratio statistics with respect to the ICE BofAML U.S. Treasury Bill Index, which itself is generally reflective of the risk-free rate, are not shown.

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

Fund Benchmark Performance (35% MSCI ACWI/50% BBG Barclays U.S. Long Treasury Index/15% S&P GSCI)			Cash (ICE BofAML U.S. Treasury Bill Index)*	
Return (%)	Standard Deviation (%)	Sharpe Ratio	Return (%)	Standard Deviation (%)
–1.62	6.98	–0.47	1.64	0.12
3.10	6.13	0.36	0.89	0.19
2.62	6.00	0.34	0.56	0.19
5.81	7.26	0.75	0.39	0.16
4.33	7.97	0.39	1.23	0.51
–4.81	—**	—**	1.47	—**
13.41	2.56	4.92	0.81	0.09
5.68	6.47	0.82	0.37	0.06
–6.24	6.05	–1.05	0.09	0.05
7.37	5.56	1.31	0.06	0.02
0.60	5.78	0.09	0.09	0.02
8.00	5.19	1.52	0.12	0.02
12.17	5.21	2.31	0.14	0.05
11.71	6.88	1.67	0.21	0.03
6.51	13.78	0.45	0.29	0.08
–14.18	14.91	–1.12	2.45	0.38
14.04	4.58	1.97	5.00	0.25
5.78	4.63	0.21	4.82	0.15

Fund Benchmark Performance (35% MSCI ACWI/50% BBG Barclays U.S. Long Treasury Index/15% S&P GSCI)			Cash (ICE BofAML U.S. Treasury Bill Index)*	
Return (%)	Standard Deviation (%)	Sharpe Ratio	Return (%)	Standard Deviation (%)
–1.62	6.98	–0.47	1.64	0.12
3.10	6.13	0.36	0.89	0.19
2.62	6.00	0.34	0.56	0.19
5.81	7.26	0.75	0.39	0.16
4.33	7.97	0.39	1.23	0.51
–4.81	—**	—**	1.47	—**
13.41	2.56	4.92	0.81	0.09
5.68	6.47	0.82	0.37	0.06
–6.24	6.05	–1.05	0.09	0.05
7.37	5.56	1.31	0.06	0.02
0.60	5.78	0.09	0.09	0.02
8.00	5.19	1.52	0.12	0.02
12.17	5.21	2.31	0.14	0.05
11.71	6.88	1.67	0.21	0.03
6.51	13.78	0.45	0.29	0.08
–14.18	14.91	–1.12	2.45	0.38
14.04	4.58	1.97	5.00	0.25
5.78	4.63	0.21	4.82	0.15

Make the most of your Putnam privileges

As a Putnam mutual fund shareholder, you have access to a number of services that can help you build a more effective and flexible financial program. Here are some of the ways you can use these privileges to make the most of your Putnam mutual fund investment.

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.

Dividends plus
Diversify your portfolio by investing dividends and other distributions from one Putnam fund automatically into another at net asset value.

Statement of intention
You may reduce a front-end sales charge by agreeing to invest a minimum dollar amount over 13 months. Depending on your fund, the minimum is $50,000 or $100,000. Whenever you make an investment under this arrangement, you or your financial representative should notify Putnam Investor Services that a Statement of Intention is in effect.

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.**

For more information about Putnam PanAgora Risk Parity 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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