

# Taxable income funds

As of December 31, 2018



	Diversified Income Trust <sup>1,2,3,4,5,8</sup>	Floating Rate Income <sup>1,2,4,6,9</sup>	Global Income Trust <sup>1,2,3,4,5,7,8</sup>	High Yield Fund <sup>1,2,4,9</sup>	Income Fund <sup>1,2,4,5,8</sup>	Mortgage Securities Fund <sup>*1,2,5,10</sup>	Short Duration Bond Fund <sup>†1,2,3,4,5,10,11</sup>	Fixed Income Absolute Return Fund <sup>‡1,2,3,4,5,10,11</sup>
	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018	12/31/2018
<b>Portfolio quality</b>								
AAA	49.14%	—	18.05%	—	53.64%	144.24%	12.00%	42.35%
AA	1.63	—	9.65	—	6.42	6.67	11.34	9.02
A	6.37	1.34%	27.62	0.38%	10.57	3.81	27.68	10.94
BBB	8.87	9.14	28.78	8.21	20.29	5.42	23.32	13.52
BB	23.00	38.19	7.55	39.55	8.89	5.71	3.76	21.57
B	16.47	43.52	1.36	33.60	3.20	6.47	0.38	6.01
CCC and below	8.07	3.07	0.98	12.48	0.68	1.60	0.24	2.35
Not rated	-13.55	0.22	6.01	2.33	-3.69	-73.92	21.28	-5.76
Net cash	—	4.52	—	3.45	—	—	—	—
<b>Portfolio structure</b>								
Agency CMO	22.92%	—	8.73%	—	16.50%	42.55%	7.36%	19.17%
Agency pass-through	19.35	—	-1.29	—	34.17	100.53	—	17.55
Asset-backed securities (ABS)	0.19	—	2.08	—	2.10	2.27	2.37	3.07
Bank loans	1.64	88.97%	—	5.80%	—	—	—	6.43
Commercial MBS	24.58	—	15.26	—	27.13	42.80	12.15	22.97
Convertible securities	1.85	0.06	—	1.20	—	—	—	—
Emerging-market bonds	13.02	0.35	5.89	1.14	0.11	—	—	3.91
Equity investments	0.01	0.11	—	1.38	—	—	—	—
High-yield corporate bonds	22.64	3.21	2.17	78.64	1.61	—	2.94	13.48
International Treasury/agency	3.39	—	36.19	0.41	—	—	—	1.95
Investment-grade corporate bonds	2.24	2.78	23.19	7.98	23.38	—	42.76	10.74
Municipal bonds	—	—	—	—	0.19	—	—	—
Residential MBS (non-agency)	12.29	—	5.74	—	8.62	19.40	7.06	6.87
U.S. Treasury/agency	—	—	—	—	—	—	—	—
Net cash	12.20	4.52	4.63	3.45	19.02	6.85	25.63	19.51
<b>Annualized total return performance (class Y shares)</b>								
One year at net asset value	-1.01%	-0.44%	-2.12%	-3.53%	0.64%	-0.62%	2.23%	0.90%
3 years at net asset value	3.63	3.93	2.55	6.09	2.97	0.46	2.71	2.87
5 years at net asset value	1.85	2.29	1.51	2.96	2.55	1.39	1.76	1.72
10 years at net asset value	8.80	7.43	6.51	9.60	7.93	4.68	1.78	2.63
Life of fund at net asset value	—	—	—	—	—	—	—	2.63
Total expense ratio	0.75	0.77	0.97	0.78	0.63	0.64	0.38	0.45
What you pay	0.75	0.77	0.97	0.78	0.63	0.50§	0.38	0.45
<b>Fund data</b>								
Number of holdings	1,842	219	1,027	536	1,220	860	405	1,044
Average effective duration	2.72	0.01	7.66	4.12	6.07	4.72	1.74	1.51
Average price	81.35	95.02	100.14	95.83	85.43	84.37	76.05	\$79.26
30-day SEC yield without subsidy	5.98%	4.98%	2.71%	6.51%	4.34%	5.46%	3.46%	4.55%
30-day SEC yield charge with subsidy	—	—	2.73%	—	—	5.65%	—	—
<b>Symbols</b>								
Class A	PDINX	PFLRX	PGGIX	PHYIX	PINCX	PGSIX	PARTX	PTRNX
Class B	PSIBX	PFRBX	PGLBX	PHYBX	PNCBX	PGSBX	PARPX	PTRBX
Class C	PDVCX	PFICX	PGGLX	PHYLX	PUICX	PGVCX	PARQX	PTRGX
Class M	PDVMX	PFLMX	PGGMX	PHYMX	PNCMX	PGSMX	PARZX	PZARX
Class R	PDVRX	PFLIX	PGBRX	PFJAX	PIFRX	PGVRX	PRARX	PTRKX
Class R6	PDVGX	PFRZX	PGGEX	PHYUX	PINHX	POLYX	PRREX	PTREX
Class Y	PDVYX	PFRYX	PGGYX	PHAYX	PNCYX	PUSYX	PARYX	PYTRX

\* Effective April 19, 2018, Putnam American Government Income Fund merged into Putnam U.S. Government Income Trust and the name of the fund changed to Putnam Mortgage Securities Fund.

† Prior to June 1, 2018, the fund was known as Putnam Absolute Return 100 Fund®. All fund data for dates prior to June 1, 2018, reflect the fund's previous investment strategy in effect at that time.

‡ Prior to April 30, 2018, the fund was known as Putnam Absolute Return 300 Fund®.

§ "What you pay" reflects Putnam Management's decision to contractually limit expenses through 4/20/19.

A negative percentage reflects the effect of fund strategies that are designed to enhance performance if certain securities decline in value.

Data is for class Y shares. Portfolio characteristics will vary over time. Due to rounding, percentages may not equal 100%.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit [putnam.com](http://putnam.com).

- 1 Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations.
- 2 Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses.
- 3 International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks.
- 4 Lower-rated bonds may offer higher yields in return for more risk.
- 5 Funds that invest in government securities are not guaranteed. Mortgage-backed investments carry the risk that they may increase in value when interest rates decline and decline in value when interest rates rise.
- 6 Floating rate loans may reduce, but not eliminate, interest-rate risk. These loans are typically secured by specific collateral or assets of the issuer. (Holders of the loan, such as the fund, have a priority claim on those assets in the event of the issuer's default or bankruptcy.) Value of collateral may be insufficient to meet the issuer's obligations, and the fund's access to collateral may be limited by bankruptcy or other insolvency laws.
- 7 The fund invests in fewer issuers or concentrates its investments by region or sector, and involves more risk than a more broadly invested fund.
- 8 Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Short-term cash bonds are included in their closest long-term equivalent rating category. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings and portfolio credit quality will vary over time. Derivative instruments, including currency forwards, are only included to the extent of any unrealized gain or loss on such instruments and are shown in the not-rated category. Cash is also shown in the not-rated category. Derivative offset values are included in the not-rated category and may result in negative weights. The fund itself has not been rated by an independent rating agency.
- 9 Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Short-term cash bonds are included in the net cash category. Ratings and portfolio credit quality will vary over time. Derivative instruments, including currency forwards, are only included to the extent of any unrealized gain or loss on such instruments and are shown in the net cash category. Cash is also shown in the net cash category. The fund itself has not been rated by an independent rating agency.
- 10 Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions of the risk (including perceptions about 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.
- 11 Allocation of assets among fixed-income strategies and sectors may hurt performance. The fund may not achieve its goal, and it is not intended to be a complete investment program. The fund's efforts to produce lower-volatility returns may not be successful and may make it more difficult at times for the fund to achieve its targeted return. Under certain market conditions, the fund may accept greater-than-typical volatility to seek its targeted return.

**For informational purposes only. Not an investment recommendation.**

**Clients can make purchases at NAV in any Putnam taxable fixed-income fund when investing \$500,000 or more.**

**Your clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus or summary prospectus containing this and other information for any Putnam fund or product, call the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.**

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Putnam Retail Management

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