

# Taxable income funds

As of June 30, 2017



	American Government Income <sup>1,2,8</sup>	Diversified Income Trust <sup>1,2,3,4,5,8</sup>	Emerging Markets Income <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>	U.S. Government Income Trust <sup>1,2,5,8</sup>
	6/30/17	6/30/17	6/30/17	6/30/17	6/30/17	6/30/17	6/30/17	6/30/17
<b>Portfolio quality</b>								
AAA	103.26%	44.83%	1.39%	—	51.44%	—	82.64%	160.84%
AA	—	0.19%	2.12%	0.48%	8.16%	—	1.44%	—
A	14.09%	4.86%	15.54%	1.69%	25.15%	0.42%	9.05%	4.42%
BBB	—	9.41%	41.48%	6.25%	28.14%	3.77%	25.24%	—
BB	—	21.68%	24.46%	45.05%	5.78%	38.47%	10.13%	—
B	—	19.41%	12.25%	38.02%	2.55%	38.58%	6.62%	—
CCC and below	—	9.45%	1.36%	4.04%	2.17%	13.00%	1.82%	—
Not rated	-17.35%	-9.83%	1.40%	0.77%	-23.39%	2.16%	-36.94%	-65.26%
Net cash	—	—	—	3.70%	—	3.60%	—	—
<b>Portfolio structure</b>								
Agency CMO	33.21%	18.83%	—	—	9.02%	—	18.77%	31.73%
Agency pass-through	47.33%	23.46%	—	—	29.13%	—	56.52%	127.91%
Asset-backed securities (ABS)	0.32%	—	—	—	0.23%	—	0.53%	0.32%
Bank loans	—	1.77%	—	83.60%	—	5.93%	—	—
Commercial MBS	—	24.03%	—	—	16.66%	—	31.04%	—
Convertible securities	—	0.02%	—	0.08%	—	1.54%	—	—
Emerging-market bonds	—	10.22%	95.06%	0.28%	6.51%	0.92%	0.50%	—
Equity investments	—	0.01%	—	0.16%	—	1.11%	—	—
High-yield corporate bonds	—	18.64%	1.01%	7.89%	2.33%	81.21%	-2.40%	—
International Treasury/agency	—	2.41%	1.77%	—	37.89%	—	—	—
Investment-grade corporate bonds	—	1.82%	0.67%	4.29%	19.76%	5.19%	26.11%	—
Municipal bonds	—	—	—	—	0.18%	—	0.20%	—
Residential MBS (non-agency)	—	11.89%	—	—	3.96%	—	9.17%	—
U.S. Treasury/agency	23.23%	—	—	—	—	—	0.03%	—
Net cash	13.88%	13.95%	1.49%	3.70%	7.97%	3.60%	8.73%	5.39%
<b>Annualized total return performance (class Y shares)</b>								
1 year at net asset value	-0.44%	12.57%	6.98%	6.09%	2.86%	10.83%	4.33%	1.33%
3 years at net asset value	0.72%	1.34%	2.60%	2.64%	0.76%	3.38%	1.51%	0.61%
5 years at net asset value	1.18%	4.71%	—	4.07%	2.73%	6.00%	3.52%	1.55%
10 years/life of fund at net asset value	4.60%	3.96%	2.25%	3.44%	5.41%	6.63%	5.65%	4.76%
Total expense ratio	0.69%	0.75%	1.93%	0.78%	0.96%	0.82%	0.62%	0.64%
What you pay	0.69%	0.75%	1.00%*	0.78%	0.96%	0.82%	0.62%	0.64%
<b>Fund data</b>								
Number of holdings	539	1,282	105	276	866	562	1,127	620
Average effective duration	5.99	1.58	5.62	0.38	6.16	3.30	6.31	4.97
Average price	\$89.25	\$89.74	\$139.70	\$100.04	\$102.01	\$105.16	\$89.92	\$90.65
30-day SEC yield without subsidy	2.42%	4.58%	3.83%	3.56%	2.17%	4.64%	3.73%	3.00%
30-day SEC yield with subsidy	—	—	4.53%	—	—	—	—	—
<b>Symbols</b>								
Class A	PAGVX	PDINX	PEMWX	PFLRX	PGGIX	PHYIX	PINCX	PGSIX
Class B	PAMBX	PSIBX	PEMHX	PFRBX	PGLBX	PHYBX	PNCBX	PGSBX
Class C	PAMIX	PDVCX	PEMJX	PFICX	PGGLX	PHYLX	PUICX	PGVCX
Class M	PAMMX	PDVMX	PEMKX	PFLMX	PGGMX	PHYMX	PNCMX	PGSMX
Class R	PAMRX	PDVRX	—	PFLRX	PGBRX	PFJAX	PIFRX	PGVRX
Class Y	PATYX	PDVYX	PEMOX	PFRYX	PGGYX	PHAYX	PNCYX	PUSYX

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).

\*"What you pay" reflects Putnam Management's decision to contractually limit expenses through 3/30/18.

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

For dealer use only. Not for public distribution.

Not FDIC insured | May lose value | No bank guarantee

# Comparing Putnam Absolute Return 100 Fund<sup>®</sup> and 300 Fund<sup>®</sup>

	Absolute Return 100 Fund <sup>1, 2, 3, 8</sup>	Absolute Return 300 Fund <sup>1, 2, 3, 8</sup>
<b>Portfolio quality</b>	<b>6/30/17</b>	<b>6/30/17</b>
AAA	13.76%	43.43%
AA	6.80%	0.63%
A	48.14%	16.55%
BBB	20.50%	18.16%
BB	1.99%	13.09%
B	1.96%	8.28%
CCC and below	3.21%	4.62%
Not rated	3.64%	-4.76%
<b>Portfolio structure</b>		
Agency CMO	3.34%	19.73%
Agency pass-through	2.64%	16.66%
Asset-backed securities (ABS)	1.40%	0.23%
Bank loans	—	8.50%
Commercial MBS	20.04%	24.16%
Emerging-market bonds	4.69%	4.68%
Equity investments	—	0.05%
High-yield corporate bonds	0.10%	2.45%
International Treasury/agency	—	1.78%
Investment-grade corporate bonds	35.62%	20.37%
Residential MBS (non-agency)	4.98%	6.91%
U.S. Treasury/agency	0.03%	0.08%
Net cash	32.85%	14.30%
<b>Annualized total return performance (class Y shares)</b>		
1 year at net asset value	4.31%	8.40%
3 years at net asset value	1.36%	1.44%
5 years at net asset value	1.70%	2.83%
Life of fund at net asset value	1.66%	2.82%
Total expense ratio	0.38%	0.45%
What you pay	0.38%	0.45%
<b>Fund data</b>		
Number of holdings	444	731
Average effective duration	0.21	1.50
Average price	\$88.99	\$82.80
<b>Symbols</b>		
Class A	PARTX	PTRNX
Class B	PARPX	PTRBX
Class C	PARQX	PTRGX
Class M	PARZX	PZARX
Class R	PRARX	PTRKX
Class Y	PARYX	PYTRX

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

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.

**Clients can make purchases at NAV in any Putnam taxable fixed-income or absolute return 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 Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.**

For dealer use only. Not for public distribution.

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

These funds pursue positive returns with less volatility than more traditional funds. With an absolute return objective, they seek to outperform U.S. T-bills, over a reasonable period of time, generally at least three years, regardless of market condition.

- The 100 Fund seeks positive results 1% above the returns of U.S. T-bills.
- The 300 Fund seeks positive results 3% above the returns of U.S. T-bills.

These funds can invest in fixed-income securities from all sectors and global markets, and have the flexibility to change allocations without constraint.

The funds are not intended to outperform stocks and bonds during strong market rallies.

- 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 securities are subject to prepayment risk and 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.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management

US561 307228 7/17