

Putnam Dynamic Asset Allocation Funds



December 31, 2018

	Dynamic Asset Allocation Conservative Fund	Dynamic Asset Allocation Balanced Fund	Dynamic Asset Allocation Growth Fund
<i>Inception date (Y shares)</i>	7/14/94	7/5/94	7/14/94
<i>Fund inception</i>	2/7/94	2/7/94	2/8/94
Annualized total return performance at net asset value (class Y shares)			
1 year	-4.55%	-6.95%	-9.41%
3 years	3.27	4.75	5.56
5 years	3.74	4.86	5.14
10 years	8.02	10.37	11.07
Life of fund	5.80	6.92	7.54
Total expense ratio	0.77	0.74	0.84
Benchmark	Bloomberg Barclays U.S. Aggregate Bond Index	Russell 3000 Index	Russell 3000 Index
Lipper rankings			
Lipper category	Mixed-asset target allocation conservative funds	Mixed-asset target allocation moderate funds	Mixed-asset target allocation growth funds
1 year	65% (225/346)	74% (422/576)	84% (408/489)
3 years	50% (155/315)	36% (187/521)	32% (142/448)
5 years	10% (27/278)	11% (48/469)	17% (68/400)
10 years	8% (16/209)	1% (2/348)	3% (9/304)
Morningstar ratings (class Y shares)			
	Tactical Allocation funds	Allocation — 50% to 70% Equity funds	Allocation — 70% to 85% Equity funds
Overall rating	★★★★ (240)	★★★★ (697)	★★★★★ (322)
Asset-class weightings			
Commodities	2.17%	3.69%	4.00%
Emerging-market equity	—	—	5.34
International equity	5.86	10.81	15.51
U.S. high-yield bonds	5.43	5.05	4.79
U.S. investment-grade bonds	61.00	28.77	6.69
U.S. large-cap equity	21.06	41.96	50.47
U.S. money markets	—	—	—
U.S. small- and mid-cap equity	4.48	9.72	13.20
Symbols			
Class A	PACAX	PABAX	PAEAX
Class B	PACBX	PABBX	PAEBX
Class C	PACCX	AABCX	PAECX
Class M	PACMX	PABMX	PAGMX
Class R	PACRX	PAARX	PASRX
Class R6	PCCEX	PAAEX	PAEEX
Class Y	PACYX	PABYX	PAGYX

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. For the most recent month-end performance, please visit putnam.com. Class Y shares before their inception are derived from the historical performance of the fund's inception, which have not been adjusted for the lower expenses; had they, returns would have been higher. For a portion of the periods, these funds may have had expense limitations, without which returns would have been lower. Class Y shares are generally only available for corporate and institutional clients and have no initial sales charge.

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

Lipper rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper.

The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Putnam Dynamic Asset Allocation Conservative Fund received 3, 4, and 5 stars for the 3-, 5-, and 10-year periods among 240, 178, and 63 Tactical Allocation funds, respectively. Putnam Dynamic Asset Allocation Balanced Fund received 3, 4, and 5 stars for the 3-, 5-, and 10-year periods among 697, 610, and 440 Allocation — 50% to 70% Equity funds, respectively. Putnam Dynamic Asset Allocation Growth Fund received 3, 4, and 5 stars for the 3-, 5-, and 10-year periods among 322, 280, and 196 Allocation — 70% to 85% Equity funds, respectively.

Not FDIC insured | May lose value | No bank guarantee

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Putnam Multi-Asset Absolute Return and Dynamic Risk Allocation funds

As of December 31, 2018

Multi-Asset Absolute Return Fund	
Inception date	12/23/08
Annualized total return performance at net asset value (class Y shares)	
1 year	-9.04%
3 years	1.03
5 years	1.55
10 years	4.02
Life of fund	4.01
Total expense ratio	0.83
What you pay*	0.82
Benchmark	ICE BofAML U.S. Treasury Bill Index
Risk allocation	
Directional	43.68%
Equity	13.65
Credit	4.72
Rates	8.92
Inflation	16.39
Non-directional	56.32
Capital allocation	
Agency CMO	7.20%
Agency pass-through	8.43
Asset-backed securities (ABS)	1.20
Bank loans	2.90
Commercial MBS	10.24
Commodities	26.97
Emerging-market bonds	1.90
Emerging-market stocks†	-0.37
High-yield corporate bonds	3.57
International stocks	5.14
International Treasury/agency	—
Investment-grade corporate bonds	0.33
Residential MBS (non-agency)	1.35
U.S. stocks	15.05
U.S. Treasury/agency	68.77
Net cash	33.93
Symbols	
Class A	PDMAX
Class B	PDMBX
Class C	PDMCX
Class M	PDMMX
Class R	PDMRX
Class R6	PDMEY
Class Y	PDMYX

* "What you pay" reflects Putnam Management's decision to contractually limit expenses through 4/30/19.

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

Includes money market funds.

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Clients can make purchases at NAV in any Putnam absolute return fund when investing \$500,000 or more.

Consider these risks before investing: Allocation of assets among asset classes may hurt performance. The value of stocks and bonds in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions (including, in the case of bonds, perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may also lead to increased volatility and reduced liquidity in the fund's portfolio holdings. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. 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. Lower-rated bonds may offer higher yields in return for more risk. 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 less when interest rates decline and decline in value more when interest rates rise. International investing involves currency, economic, and political risks. Emerging-market securities have illiquidity and volatility risks. Our alpha strategy may lose money or not earn a return sufficient to cover associated trading and other costs. Our use of leverage obtained through derivatives increases these risks by increasing investment exposure. 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. 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. The fund may not achieve its goal, and it is not intended to be a complete investment program. You can lose money by investing in the fund. The fund's prospectus lists additional risks. The fund is not intended to outperform stocks and bonds during strong market rallies.

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

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Putnam Retail Management

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Dynamic Risk Allocation Fund	
Inception date	9/19/11
Annualized total return performance at net asset value (class Y shares)	
1 year	-10.79%
3 years	3.45
5 years	1.36
10 years	—
Life of fund	3.18
Total expense ratio	1.14
What you pay*	0.90
Benchmark	Putnam Dynamic Risk Allocation Blended Index
Risk allocation	
Equity	40.59%
Credit	28.38
Rates	0.76
Inflation	30.26
Capital allocation	
Commodities	20.10%
Emerging-market bonds	5.27
Emerging-market equity	4.92
International bonds	26.42
International equity	12.13
Real estate investment trust	3.55
U.S. equity	24.34
U.S. high-yield bonds	15.44
U.S. investment-grade bonds	10.16
U.S. money markets†	-53.71
U.S. TIPS	31.38
Symbols	
Class A	PDREX
Class B	PDRBX
Class C	PDRFX
Class M	PDRTX
Class R	PDRRX
Class R6	PDRGX
Class Y	PDRYX

* "What you pay" reflects Putnam Management's decision to contractually limit expenses through 9/30/19.

† The negative U.S. money markets percentage reflects leverage utilized to establish the desired capital and risk allocations within the portfolio.

‡ Includes money market funds.

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