

# Dynamic Asset Allocation Funds

As of September 30, 2017



|                                                                                | Dynamic Asset Allocation Conservative Fund       | Dynamic Asset Allocation Balanced Fund       | Dynamic Asset Allocation Growth Fund       |
|--------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------|--------------------------------------------|
| Inception date (Y shares)                                                      | 7/14/94                                          | 7/5/94                                       | 7/14/94                                    |
| Fund inception                                                                 | 2/7/94                                           | 2/7/94                                       | 2/8/94                                     |
| <b>Annualized total return performance at net asset value (class Y shares)</b> |                                                  |                                              |                                            |
| 1 year                                                                         | 7.14%                                            | 12.92%                                       | 17.11%                                     |
| 3 years                                                                        | 5.16                                             | 7.28                                         | 8.44                                       |
| 5 years                                                                        | 6.38                                             | 9.56                                         | 11.41                                      |
| 10 years                                                                       | 5.29                                             | 6.08                                         | 6.03                                       |
| Life of fund                                                                   | 6.21                                             | 7.44                                         | 8.16                                       |
| Total expense ratio                                                            | 0.79%                                            | 0.75%                                        | 0.86%                                      |
| Benchmark                                                                      | Bloomberg Barclays U.S. Aggregate Bond Index     | Russell 3000 Index                           | Russell 3000 Index                         |
| <b>Lipper rankings</b>                                                         |                                                  |                                              |                                            |
| Lipper category                                                                | Mixed-asset target allocation conservative funds | Mixed-asset target allocation moderate funds | Mixed-asset target allocation growth funds |
| 1 year                                                                         | 28% (98/356)                                     | 9% (45/546)                                  | 3% (13/503)                                |
| 3 years                                                                        | 12% (35/311)                                     | 4% (17/494)                                  | 4% (15/450)                                |
| 5 years                                                                        | 9% (23/286)                                      | 3% (11/452)                                  | 3% (11/420)                                |
| 10 years                                                                       | 14% (27/206)                                     | 6% (19/334)                                  | 17% (51/313)                               |
| <b>Morningstar ratings (class Y shares)</b>                                    |                                                  |                                              |                                            |
|                                                                                | Tactical Allocation funds                        | Allocation — 50% to 70% Equity funds         | Allocation — 70% to 85% Equity funds       |
| Overall rating                                                                 | ★★★★ (252)                                       | ★★★★ (725)                                   | ★★★★ (319)                                 |
| <b>Asset-class weightings</b>                                                  |                                                  |                                              |                                            |
| Emerging-market equity                                                         | —                                                | —                                            | 5.62%                                      |
| International equity                                                           | 7.64%                                            | 13.03%                                       | 17.46%                                     |
| U.S. high-yield bonds                                                          | 3.18%                                            | 2.94%                                        | 2.71%                                      |
| U.S. investment-grade bonds                                                    | 59.99%                                           | 30.19%                                       | 10.78%                                     |
| U.S. large-cap equity                                                          | 19.74%                                           | 36.64%                                       | 43.03%                                     |
| U.S. money markets                                                             | 2.95%                                            | 3.24%                                        | 2.84%                                      |
| U.S. small- and mid-cap equity                                                 | 6.50%                                            | 13.96%                                       | 17.56%                                     |
| <b>Symbols</b>                                                                 |                                                  |                                              |                                            |
| 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 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](http://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 4, 4, and 5 stars for the 3-, 5-, and 10-year periods among 252, 190, and 69 Tactical Allocation funds, respectively.

Putnam Dynamic Asset Allocation Balanced Fund received 4, 5, and 4 stars for the 3-, 5-, and 10-year periods among 725, 664, and 458 Allocation — 50% to 70% Equity funds, respectively. Putnam Dynamic Asset Allocation Growth Fund received 5, 5, and 4 stars for the 3-, 5-, and 10-year periods among 319, 284 and 202 Allocation — 70% to 85% Equity funds, respectively.

**Not FDIC insured | May lose value | No bank guarantee**

For dealer use only. Not for public distribution.

# Putnam multi-asset Absolute Return and Dynamic Risk Allocation funds

As of September 30, 2017

|                                                                                | Absolute Return 500 Fund                    | Absolute Return 700 Fund                    |
|--------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| <i>Inception date</i>                                                          | 12/23/08                                    | 12/23/08                                    |
| <b>Annualized total return performance at net asset value (class Y shares)</b> |                                             |                                             |
| 1 year                                                                         | 5.55%                                       | 8.03%                                       |
| 3 years                                                                        | 2.68                                        | 3.67                                        |
| 5 years                                                                        | 2.90                                        | 3.98                                        |
| 10 years                                                                       | —                                           | —                                           |
| Life of fund                                                                   | 4.12                                        | 5.41                                        |
| Total expense ratio                                                            | 0.85%                                       | 0.96%                                       |
| What you pay*                                                                  | 0.82%                                       | 0.96%                                       |
| Benchmark                                                                      | BofA Merrill Lynch U.S. Treasury Bill Index | BofA Merrill Lynch U.S. Treasury Bill Index |
| <b>Risk allocation</b>                                                         |                                             |                                             |
| <b>Directional</b>                                                             | <b>37.57%</b>                               | <b>39.57%</b>                               |
| Equity                                                                         | 16.46%                                      | 17.12%                                      |
| Credit                                                                         | -2.20%                                      | -2.24%                                      |
| Rates                                                                          | 4.05%                                       | 4.30%                                       |
| Inflation                                                                      | 19.27%                                      | 20.39%                                      |
| <b>Non-directional</b>                                                         | <b>62.43%</b>                               | <b>60.43%</b>                               |
| <b>Capital allocation</b>                                                      |                                             |                                             |
| Agency CMO                                                                     | 4.49%                                       | 5.89%                                       |
| Agency pass-through                                                            | 9.09%                                       | 14.51%                                      |
| Asset-backed securities (ABS)                                                  | 0.05%                                       | 0.05%                                       |
| Bank loans                                                                     | 4.58%                                       | 2.67%                                       |
| Commercial MBS                                                                 | 6.37%                                       | 8.52%                                       |
| Commodities                                                                    | 13.93%                                      | 20.42%                                      |
| Emerging-market bonds                                                          | 1.55%                                       | 1.89%                                       |
| Emerging-market stocks                                                         | -0.25%                                      | -0.36%                                      |
| High-yield corporate bonds                                                     | -16.72%                                     | -20.55%                                     |
| International stocks                                                           | 2.68%                                       | 3.55%                                       |
| Investment-grade corporate bonds                                               | 0.38%                                       | 0.26%                                       |
| Residential MBS (non-agency)                                                   | 0.84%                                       | 1.12%                                       |
| U.S. stocks                                                                    | 19.63%                                      | 26.53%                                      |
| U.S. Treasury/agency                                                           | 0.54%                                       | 8.99%                                       |
| Net cash†                                                                      | 53.46%                                      | 41.35%                                      |
| <b>Symbols</b>                                                                 |                                             |                                             |
| Class A                                                                        | PJMDX                                       | PDMAX                                       |
| Class B                                                                        | PJMBX                                       | PDMBX                                       |
| Class C                                                                        | PJMCX                                       | PDMCX                                       |
| Class M                                                                        | PJMMX                                       | PDMMX                                       |
| Class R                                                                        | PJMRX                                       | PDMRX                                       |
| Class Y                                                                        | PJMYX                                       | PDMYX                                       |

\* "What you pay" reflects Putnam Management's decision to contractually limit expenses through 2/28/18.

|                                                                                | Dynamic Risk Allocation Fund                 |
|--------------------------------------------------------------------------------|----------------------------------------------|
| <i>Inception date</i>                                                          | 9/19/11                                      |
| <b>Annualized total return performance at net asset value (class Y shares)</b> |                                              |
| 1 year                                                                         | 8.31%                                        |
| 3 years                                                                        | 3.48                                         |
| 5 years                                                                        | 3.53                                         |
| 10 years                                                                       | —                                            |
| Life of fund                                                                   | 4.98                                         |
| Total expense ratio                                                            | 1.12%                                        |
| What you pay‡                                                                  | 0.89%                                        |
| Benchmark                                                                      | Putnam Dynamic Risk Allocation Blended Index |
| <b>Risk allocation</b>                                                         |                                              |
| Equity                                                                         | 57.90%                                       |
| Credit                                                                         | 8.66%                                        |
| Rates                                                                          | 0.46%                                        |
| Inflation                                                                      | 32.98%                                       |
| <b>Capital allocation</b>                                                      |                                              |
| Commodities                                                                    | 19.72%                                       |
| Emerging-market bonds                                                          | 4.97%                                        |
| Emerging-market equity                                                         | 5.53%                                        |
| International bonds                                                            | 24.58%                                       |
| International equity                                                           | 12.72%                                       |
| Real estate investment trust                                                   | 3.29%                                        |
| U.S. equity                                                                    | 19.40%                                       |
| U.S. high-yield bonds                                                          | 0.65%                                        |
| U.S. investment-grade bonds                                                    | 15.67%                                       |
| U.S. money markets                                                             | -36.21%                                      |
| U.S. TIPS                                                                      | 29.68%                                       |
| <b>Symbols</b>                                                                 |                                              |
| Class A                                                                        | PDREX                                        |
| Class B                                                                        | PDRBX                                        |
| Class C                                                                        | PDRFX                                        |
| Class M                                                                        | PDRTX                                        |
| Class R                                                                        | PDRRX                                        |
| Class Y                                                                        | PDRYX                                        |

† Includes money market funds.

‡ "What you pay" reflects Putnam Management's decision to contractually limit expenses through 2/28/18.

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

For informational purposes only. Not an investment recommendation.

**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. 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.**

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

**Consider these risks before investing:** Our allocation of assets among permitted asset categories may hurt performance. The prices of stocks and bonds in the funds' portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific issuer or industry. Our active trading 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. 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 ongoing 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. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility. Our use of derivatives may increase these risks by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. The funds may not achieve their goal, and they are not intended to be a complete investment program. The funds' effort to produce lower-volatility returns may not be successful and may make it more difficult at times for the fund to achieve their targeted return. In addition, under certain market conditions, the funds may accept greater volatility than would typically be the case, in order to seek their targeted return. **For the 500 Fund and 700 Fund, these risks also apply:** REITs involve the risks of real estate investing, including declining property values. Commodities involve the risks of changes in market, political, regulatory, and natural conditions. Additional risks are listed in the funds' prospectus. You can lose money by investing in the funds.

**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 Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.**

For investment professional use only. Not for public distribution.

Putnam Retail Management

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

SU562 308188 10/17