

# Dynamic Asset Allocation Funds

As of December 31, 2017



	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
<b>Annualized total return performance at net asset value (class Y shares)</b>			
1 year	10.04%	15.44%	20.08%
3 years	5.06	7.49	9.08
5 years	6.68	10.19	12.15
10 years	5.61	6.79	6.92
Life of fund	6.26	7.54	8.31
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	24% (84/351)	13% (69/546)	6% (28/495)
3 years	18% (56/315)	6% (27/498)	5% (20/445)
5 years	6% (15/287)	3% (13/453)	3% (11/421)
10 years	11% (23/215)	4% (12/343)	10% (31/311)
<b>Morningstar ratings (class Y shares)</b>			
	Tactical Allocation funds	Allocation — 50% to 70% Equity funds	Allocation — 70% to 85% Equity funds
Overall rating	★★★★ (258)	★★★★ (718)	★★★★★ (316)
<b>Asset-class weightings</b>			
Emerging-market equity	—	—	5.77%
International equity	7.21%	11.85%	15.55%
U.S. high-yield bonds	5.19%	4.86%	4.56%
U.S. investment-grade bonds	61.42%	31.73%	12.33%
U.S. large-cap equity	20.56%	40.60%	47.79%
U.S. money markets	—	—	—
U.S. small- and mid-cap equity	5.62%	10.96%	14.00%
<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 3, 4, and 5 stars for the 3-, 5-, and 10-year periods among 258, 195, and 72 Tactical Allocation funds, respectively.

Putnam Dynamic Asset Allocation Balanced Fund received 4, 4, and 4 stars for the 3-, 5-, and 10-year periods among 718, 670, and 477 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 316, 279, and 201 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, 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	7.46%	10.09%
3 years	2.77	3.77
5 years	3.45	4.75
10 years	—	—
Life of fund	4.23	5.57
Total expense ratio	0.85%	0.96%
What you pay*	0.82%	0.96%
Benchmark	ICE BofAML U.S. Treasury Bill Index	ICE BofAML U.S. Treasury Bill Index
<b>Risk allocation</b>		
<b>Directional</b>	<b>39.71%</b>	<b>39.92%</b>
Equity	19.30%	18.62%
Credit	1.69%	1.96%
Rates	12.43%	13.30%
Inflation	6.29%	6.04%
<b>Non-directional</b>	<b>60.29%</b>	<b>60.08%</b>
<b>Capital allocation</b>		
Agency CMO	4.10%	5.23%
Agency pass-through	6.05%	9.51%
Asset-backed securities (ABS)	0.16%	0.16%
Bank loans	3.58%	2.04%
Commercial MBS	5.89%	7.82%
Commodities	9.48%	13.90%
Emerging-market bonds	1.42%	1.76%
Emerging-market stocks†	-0.40%	-0.56%
High-yield corporate bonds†	-3.37%	-1.51%
International stocks	2.63%	3.46%
International Treasury/agency	3.14%	3.12%
Investment-grade corporate bonds	0.46%	0.25%
Residential MBS (non-agency)	0.85%	1.03%
U.S. stocks	21.45%	28.53%
U.S. Treasury/agency	17.09%	33.69%
Net cash‡	53.69%	43.21%
<b>Symbols</b>		
Class A	PJMDX	PDMAX
Class B	PJMBX	PDMBX
Class C	PJMCMX	PDMCMX
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.

† 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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**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). 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. The funds are 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
<i>Inception date</i>	9/19/11
<b>Annualized total return performance at net asset value (class Y shares)</b>	
1 year	12.96%
3 years	4.96
5 years	4.42
10 years	—
Life of fund	5.47
Total expense ratio	1.12%
What you pay*	0.89%
Benchmark	Putnam Dynamic Risk Allocation Blended Index
<b>Risk allocation</b>	
Equity	59.21%
Credit	15.15%
Rates	0.83%
Inflation	24.81%
<b>Capital allocation</b>	
Commodities	15.61%
Emerging-market bonds	4.98%
Emerging-market equity	5.58%
International bonds	24.81%
International equity	12.78%
Real estate investment trust	3.23%
U.S. equity	19.84%
U.S. high-yield bonds	9.78%
U.S. investment-grade bonds	24.81%
U.S. money markets†‡	-51.27%
U.S. TIPS	29.85%
<b>Symbols</b>	
Class A	PDREX
Class B	PDRBX
Class C	PDRFX
Class M	PDRTX
Class R	PDRRX
Class Y	PDRYX

\* "What you pay" reflects Putnam Management's decision to contractually limit expenses through 9/30/18.

† Includes money market funds.

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

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