

# Choose active income funds to diversify your client portfolios

	Putnam Ultra Short Duration Income Fund (PSDYX)*	Putnam Short Duration Bond Fund (PARYX)	Putnam Income Fund (PNCYX)	Putnam Fixed Income Absolute Return Fund (PYTRX)	Putnam Diversified Income Trust (PDVYX)
<b>Investment style</b>	Absolute return	Benchmark aware	Benchmark aware	Absolute return	Absolute return
<b>Duration exposure</b>	0.22 years	1.74 years	5.46 years	2.25 years	3.40 years
<b>Duration strategy</b>	Positive: 1 year or less	Positive: 3 years or less; managed neutral to the ICE BofAML 1-3 Year U.S. Corporate Index	Positive: Managed relative to the BBG Barclays U.S. Aggregate Bond Index	Flexible: Can be negative or positive	Flexible: Can be negative or positive
<b>30-day SEC yield (Y shares)</b>	2.45% without subsidy 2.58% with subsidy	2.83%	3.49%	3.86%	4.19%
<b>Opportunity set</b>	Investment-grade money market and other ultra-short fixed income securities: <ul style="list-style-type: none"> <li>• Commercial paper</li> <li>• Asset-backed securities</li> <li>• Repurchase agreements</li> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• 100% investment grade, at time of purchase</li> </ul>	Diversified set of shorter dated fixed income securities: <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Minimum 65% investment-grade securities</li> </ul>	All sectors of the U.S. bond market (USD and mainly investment grade): <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> </ul>	Less constrained: <ul style="list-style-type: none"> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Emerging-market debt</li> <li>• Currencies</li> <li>• Bank loans</li> </ul>	Less constrained: <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Emerging-market debt</li> <li>• Currencies</li> <li>• Bank loans</li> <li>• Convertibles</li> </ul>
<b>Correlation to BBG Barclays Aggregate Index</b>	0.16	0.33	0.88	-0.17	-0.21
<b>Fund AUM</b>	\$15,885.00M	\$715.62M	\$2,055.40M	\$553.34M	\$4,214.88M
<b>Morningstar category</b>	Ultrashort bond	Short-term bond	Intermediate core-plus bond	Nontraditional bond	Nontraditional bond
<b>How to position in portfolios</b>	A lower volatility alternative to ultra-short bond funds	A shorter duration diversified bond strategy	A broadly diversified core bond strategy	A nontraditional income strategy	A more aggressive nontraditional income strategy
<b>For investors seeking</b>	<ul style="list-style-type: none"> <li>• Potentially higher return on a conservative investment allocation</li> <li>• Options for diversifying significant short-term holdings</li> <li>• Liquidity for a short investment horizon</li> <li>• Low and sometimes negative correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Diversification in sectors with higher risk/return profiles</li> <li>• Lower duration risk than the Aggregate Index</li> <li>• Low and sometimes negative correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Less alignment with the sector allocations of the BBG Barclays U.S. Aggregate Bond Index</li> <li>• A complement to core bond strategies that closely track the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible duration risk</li> <li>• Diversification in sectors with higher risk/return profiles and lower correlation with investment-grade bonds</li> <li>• Negative correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible duration risk</li> <li>• Diversification in sectors with higher risk/return profiles and lower correlation with investment-grade bonds</li> <li>• Negative correlation with the Aggregate Index</li> </ul>

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Source: Putnam, as of 6/30/19. Correlation reflects 3-year correlation to the BBG Barclays U.S. Aggregate Index, net of fees for Y shares.

\* Effective June 1, 2019, the fund's name changed from Putnam Short Duration Income Fund.

# The funds offer positive long-term records

## Putnam Ultra Short Duration Income Fund (PSDYX)

Inception	Class Y shares	ICE BofAML U.S. Treasury Bill Index
10/17/11		
1 year	2.60%	2.39%
3 years	1.85	1.38
5 years	1.31	0.89
Life of fund	1.16	0.61

Total expense ratio: 0.44%

What you pay: 0.30% (effective through 11/30/19)

## Putnam Short Duration Bond Fund (PARYX)

Inception	Class Y shares	ICE BofAML 1-3 Year U.S. Corporate Index	ICE BofAML U.S. Treasury Bill — ICE BofAML 1-3 Year U.S. Corporate Linked Benchmark
12/23/08			
1 year	4.54%	5.06%	5.06%
3 years	3.83	2.37	2.20
5 years	2.24	2.08	1.38
10 years	1.96	3.00	0.76
Life of fund	2.03	3.73	0.74

Total expense ratio: 0.38%

## Putnam Income Fund (PNCYX)\*

Inception	Class Y shares	BBG Barclays U.S. Aggregate Bond Index
6/16/94		
1 year	7.59%	7.87%
3 years	4.93	2.31
5 years	2.99	2.95
10 years	6.49	3.90
Life of fund	7.52	—

Total expense ratio: 0.63%

\* Putnam Income Fund class A shares inception date is 11/1/54.

## Putnam Fixed Income Absolute Return Fund (PYTRX)

Inception	Class Y shares	ICE BofAML U.S. Treasury Bill Index
12/23/08		
1 year	3.69%	2.39%
3 years	5.32	1.38
5 years	2.38	0.89
10 years	2.88	0.52
Life of fund	3.01	0.51

Total expense ratio: 0.55%

## Putnam Diversified Income Trust (PDVYX)<sup>†</sup>

Inception	Class Y shares	ICE BofAML U.S. Treasury Bill Index
7/1/96		
1 year	3.59%	2.39%
3 years	7.19	1.38
5 years	2.63	0.89
10 years	7.04	0.52
Life of fund	6.25	—

Total expense ratio: 0.73%

<sup>†</sup> Putnam Diversified Income Trust class A shares inception date is 10/3/88.

*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 class A shares, which have not been adjusted for the lower expenses; had they, returns would have been higher. For a portion of the periods, this fund 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.*

**Consider these risks before investing:** Putnam Ultra Short Duration Income Fund is not a money market fund. The effects of inflation may erode the value of your investment over time. Funds that invest in government securities are not guaranteed. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. We may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields. The value of investments in the fund's portfolio may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy and interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These factors may also lead to periods of increased volatility and reduced liquidity in the fund's portfolio holdings. 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. Credit risk is generally greater for debt not backed by the full faith and credit of the U.S. government. 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. Unlike bonds, funds that invest in bonds have fees and expenses. You can lose money by investing in the fund. The funds' prospectuses list additional risks.

**For Diversified Income Trust, these risks also apply:** International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Lower-rated bonds may offer higher yields in return for more risk. You can lose money by investing in the fund.

The ICE BofAML U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S.-dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. The ICE BofAML U.S. Treasury Bill — ICE BofAML 1-3 Year U.S. Corporate Linked Benchmark represents performance of the ICE BofAML U.S. Treasury Bill Index through June 1, 2018, and performance of the ICE BofAML 1-3 Year U.S. Corporate Index thereafter. You cannot invest directly in an index.

The ICE BofAML 1-3 year U.S. Corporate Index is an unmanaged index of U.S. investment-grade corporate debt with a remaining term to maturity of less than 3 years.

The Bloomberg (BBG) Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

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