Q2 | 2020

Explore Putnam's short-duration strategies

Two choices for pursuing income from diverse credit opportunities

	Putnam Ultra Short Duration Income Fund (PSDYX)	Putnam Short Duration Bond Fund (PARYX)
Investment style	Absolute return	Benchmark aware
Duration exposure	0.32 years	1.76 years
Duration strategy	Positive: 1 year or less	Positive: 3 years or less; managed neutral to the ICE BofA 1-3 Year U.S. Corporate Index
30-day SEC yield (Y shares)	0.76% without subsidy 0.83% with subsidy	1.41%
Opportunity set	Investment-grade money market and other ultra-short fixed-income securities: • Commercial paper • Asset-backed securities • Repurchase agreements • Agencies • Agency MBS • IG corporates • CMBS • Non-agency RMBS • 100% investment grade, at time of purchase	Diversified set of shorter dated fixed-income securities: • Agencies • Agency MBS • IG corporates • CMBS • Non-agency RMBS • Agency IO • High yield • Minimum 65% investment-grade securities
Correlation to BBG Barclays U.S. Aggregate Bond Index	0.30	0.40
Fund AUM	$15,784.02M	$1,623.77M
Morningstar category	Ultrashort bond	Short-term bond
Consider positioning in portfolios	A lower volatility alternative to ultra-short bond funds	A shorter duration diversified bond strategy
For investors seeking	• Potentially higher return on a conservative investment allocation • Options for diversifying significant short-term holdings • Liquidity for a short investment horizon • Low and sometimes negative correlation with the Aggregate Index	• Diversification in sectors with higher risk/return profiles • Lower duration risk than the Aggregate Index • Low and sometimes negative correlation with the Aggregate Index

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Source: Putnam, as of 6/30/20. Correlation reflects 3-year correlation to the BBG Barclays U.S. Aggregate Bond Index, net of fees for Y shares.

Competitive performance versus benchmarks

Annualized total return as of 6/30/20

Putnam Ultra Short Duration Income Fund (PSDYX)		
Class Y shares Inception 10/17/11	**At NAV**	**ICE BofA U.S. Treasury Bill Index**
1 year	2.18%	1.71%
3 years	2.17	1.80
5 years	1.69	1.22
Life of fund	1.27	0.74

Total expense ratio: 0.38%
What you pay: 0.30% (effective through 11/30/20)

Putnam Short Duration Bond Fund (PARYX)			
Class Y shares Inception 12/23/08	**At NAV**	**ICE BofA 1–3 yr U.S. Corp. Index**	**ICE BofA U.S. Treasury Bill-ICE BofA 1–3 yr U.S. Corp. Linked Bench.**
1 year	2.89%	4.58%	4.58%
3 years	3.35	3.42	3.58
5 years	2.75	2.80	2.28
10 years	1.95	2.65	1.19
Life of fund	2.10	3.80	1.07

Total expense ratio: 0.38%

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 are generally only available for corporate and institutional clients and have no initial sales charge.

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For Ultra Short Duration Income Fund, 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. The fund 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 extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to 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 generally greater for longer-term bonds, and credit risk is generally 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. Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

For Short Duration Bond Fund, consider these risks before investing: Allocation of assets among fixed-income strategies and sectors may hurt performance. The effects of inflation may erode the value of your investment over time. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to 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 generally greater for longer-term bonds, and credit risk is generally 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, which means that they may increase in value less when interest rates decline and decline in value more when interest rates rise. The fund may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields. International investing involves currency, economic, and political risks. Emerging-market securities have illiquidity and volatility risks. The fund may not achieve its goal, and it is not intended to be a complete investment program. 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. Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. The fund's prospectus lists additional risks.

The ICE BofA 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 BofA U.S. Treasury Bill-ICE BofA 1-3 Year U.S. Corporate Linked Benchmark represents performance of the ICE BofA U.S. Treasury Bill Index from the inception date of the fund, December 23, 2008, through May 31, 2018, and performance of the ICE BofA 1-3 Year U.S. Corporate Index from June 1, 2018, and thereafter.

The ICE BofA 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.

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.