

PUTNAM BOND INDEX FUND
CUSIP 74680L766
(Class M units)

Disclosure for ERISA 408(b)(2) Reporting

A. Background

Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), requires a “covered service provider” to a retirement plan (“Plan”) to disclose the compensation that it receives in connection with providing services to the Plan. Putnam Fiduciary Trust Company (“PFTC”), as trustee of the Putnam Bond Index Fund (the “Fund”), in which your Plan has invested, is a covered service provider. This report is designed to meet Putnam’s disclosure obligations under ERISA Section 408(b)(2). Please review it in combination with the Plan’s participation agreement (or investment instructions) as well as the offering statement, declaration of trust, and most recent annual report for the Fund.

B. Explanation of Services

The Fund is a collective trust established and maintained by PFTC, a non-depository New Hampshire trust company. As trustee, PFTC is responsible for making investment decisions for the Fund and managing the Fund’s other affairs and business. PFTC invests the assets in accordance with the investment objective of the Fund, which is described in detail in the offering statement.

PFTC has contracted with its affiliate, PanAgora Asset Management, Inc. (“PanAgora”), to provide certain non-discretionary investment advisory and administrative services to PFTC in connection with the Fund. The fees for these services will be borne by PFTC.

C. Fiduciary Status

PFTC is a fiduciary for the Fund, and accordingly, for your Plan with respect to the assets invested in the Fund. PanAgora is a fiduciary for your Plan and is an investment adviser registered under the Investment Advisers Act of 1940.

D. Compensation

Management Fee. Your plan pays a management fee equal to 0.10% of the plan’s assets invested in the Fund. This fee is deducted from your assets in the Fund. A portion of the fee may be applied to payments made by PFTC to financial advisors, or other service providers for marketing and servicing expenses and plan administrative costs, as directed from time to time. For more information, see the section entitled “Fees” in the Fund’s offering statement.

The Fund may also bear other expenses, as described further in the offering statement and annual report, such as audit fees. For information on the Fund’s Total Annual Operating Expense Ratio, which includes each of these expenses, please refer to Section E, “Investment Disclosures” below.

Bank Account Earnings. PFTC and its affiliates may earn additional compensation in the form of “float” (income earnings or bank fee credits) generated from clients’ balances in the Putnam bank accounts used for Fund subscriptions and redemptions/distributions. The item numbers in the description below correspond to the disclosure requirements listed under the “Obligations of Service Providers” as set forth in the Department of Labor’s *Field Assistance Bulletin 2002-3*.

1. *Disclose the specific circumstances under which float will be earned and retained.*

All Fund contributions, distributions, and transfers processed by Putnam as trustee of the Fund are initially deposited in one or more non-interest bearing, omnibus demand deposit accounts (“DDA”). The funds remain in the DDA only to the extent needed to process the particular transaction, as described in items 2 and 3 below.

Depending on the size of the overall balance in the DDA at the end of each business day, a portion of the balance may be invested on an overnight basis in a money market mutual fund or other short term investment vehicle. The balance not invested remains in the DDA as a “buffer” for subscription/redemption activity. Balances invested overnight generate a short-term investment return.

Under current practice, any balances in the DDA that are not invested overnight generate bank fee credits, which are used to offset general banking expenses of Putnam. Accordingly, to the extent the float reduces these expenses, it forms part of the compensation payable to PFTC or its affiliates for the services it provides to the Fund.

2. *In the case of float on contributions pending investment direction, establish, disclose and adhere to specific time frames within which cash pending investment direction will be invested following direction from the plan fiduciary, as well as any exceptions that might apply.*

Generally, there is no float when a contribution is made to the Fund because Putnam receives the contribution or other transfer and completes the purchase and settlement (i.e. settles with the Fund) on the same day. If, however, there is a delay in the settlement (for example, if the order comes in late or funds are received without corresponding instructions), there would be float as described above for as long as the trade is delayed.

Putnam agrees to adhere to the foregoing procedures.

3. *In the case of float on distributions, disclose when the float period commences (e.g., the date the check is requested, the date the check is written, the date the check is mailed) and ends (the date the check is presented for payment). Also disclose, and adhere to, time frames for mailing and any other administrative practices that might affect the duration of the float period.*

Generally, there is no float when a redemption or transfer is made from the Fund because Putnam receives the request for distribution and completes the disbursement and settlement on the same day. If, however, there is a delay in the settlement (for example, if the transaction request comes in late), there would be float as described above for as long as the trade is delayed. In such case, the money is held in the DDA where it earns float until the settlement.

Dividends paid by the Putnam collective trust funds, if any, are currently settled same day and, as a result, typically would not generate float.

4. *Disclose the rate of the float or the specific manner in which such rate will be determined. For example, earnings on cash pending investment and earnings on uncashed checks are generally at a money market interest rate.*

Amounts that are invested on an overnight basis are invested in a money market mutual fund or similar investment vehicle selected by PFTC or its affiliates from time to time. Overnight investment returns are generally at money market rates. Currently, overnight balances are invested in a government money market mutual fund that returned 0.01% for the one-year period ended March 31, 2017. For information about the most recent returns and investment vehicle, please contact Putnam.

Under current practice, any balances in the DDA that are not invested overnight do not earn explicit interest or other amounts; instead, the float is used to offset general banking expenses of Putnam based on a “credit” rate set by the bank holding the account. This credit rate is generally higher than overnight interest rates by a small margin (for example, based on a 3-month Treasury Bill rate after deducting a margin for bank capital requirements).

Gifts and Entertainment. PFTC may receive indirect compensation from parties other than the Plan or the Fund in connection with managing the Fund. Putnam employees, including portfolio managers, may receive limited gifts and entertainment from third parties. Under Putnam’s policies and procedures, any gifts and entertainment must be of a reasonable value so they do not influence the nature of the investment advice given to clients, the selection of broker-dealers to execute portfolio trades, or other business decisions.

Termination. There is no fee for termination of services provided by PFTC.

E. Investment Disclosures

The table below provides certain additional information for the Fund or instructions on how to locate the additional information. For access to the additional information and any updated information, please visit www.putnam.com/dcio/erisa.

Investment Information	
The name of the investment option/issuer.	Putnam Bond Index Fund
The category of the Fund.	Bond Index
The average annual total return of the Fund for 1, 5, and 10-calendar year periods (or for the life of the alternative, if shorter).	Annual total returns are provided in the Quarterly Performance Update available on Putnam’s website at www.putnam.com/dcio/erisa

<p>The name and returns of an appropriate broad based benchmark over the same 1, 5, and 10-calendar year periods (or for the life of the alternative, if shorter) as above.</p>	<p>Benchmark returns are provided in the Quarterly Performance Update available on Putnam’s website at www.putnam.com/dcio/erisa</p>
<p>Updated annual total return of the Fund for 1, 5, and 10-periods (or for the life of the alternative, if shorter) for the most recently completed calendar quarter.</p>	<p>Updated returns for the most recent calendar quarter are provided in the Quarterly Performance Update available on Putnam’s website at www.putnam.com/dcio/erisa</p>
<p>The amount and description of each shareholder type fees (fees charged against investment – such as commissions, sales loads, sales charges, redemption fees, surrender charges, exchange fees, account fees and purchase fees, which are not included in the total annual operating expenses).</p>	<p>There are no shareholder type fees for the Fund that are not part of the Total Annual Operating Expense Ratio below.</p>
<p>A description of any restriction or limitation that may be applicable to a purchase, transfer or withdrawal of the investment in whole or in part (such as round trip, equity wash, or other restrictions).</p>	<p>None</p>
<p>Total annual operating expenses of the Fund.</p>	<p>Total annual operating expenses are provided in the Quarterly Performance Update available on Putnam’s website at www.putnam.com/dcio/erisa</p>
<p>Total annual operating expenses of the Fund for a one year period expressed as a dollar amount for a \$1,000 investment. This information is based on the Fund’s most recent fiscal year end.</p>	<p>Total annual operating expenses (per \$1,000 investment) are provided in the Quarterly Performance Update available on Putnam’s website at www.putnam.com/dcio/erisa</p>
<p>The Fund’s objectives or goals.</p>	<p>Please refer to the section entitled “Goal” in the offering statement.</p>
<p>The Fund’s principal strategies and risks.</p>	<p>Please refer to the sections entitled “Investment Strategies” in the offering statement.</p>

The Fund's portfolio turnover rate .	The portfolio turnover rate <i>is</i> provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa
---	--

F. Questions

If you have any additional questions regarding the fees associated with your plan or the information in this report, please e-mail Putnam at plan_provider_services@putnam.com