Dear Fellow Shareholder:

We are sending this prospectus to you because you are a shareholder of Putnam High Yield Trust. The Board of Trustees of Putnam High Yield Trust is pleased to announce the upcoming merger of Putnam High Yield Trust with and into Putnam High Yield Advantage Fund. In this merger, shares of Putnam High Yield Trust would, in effect, be exchanged for shares of Putnam High Yield Advantage Fund with an equal total net asset value. The exchange is expected to be tax free for federal income tax purposes.

Putnam High Yield Trust and Putnam High Yield Advantage Fund both seek high current income. The funds pursue substantially similar investment strategies, investing primarily in bonds that are obligations of U.S. companies that are below-investment-grade in quality (sometimes referred to as “junk bonds”) and have intermediate- to long-term maturities (three years or longer). Under normal circumstances, each fund invests at least 80% of its net assets in securities rated below-investment-grade.

Putnam Management has recommended the merger because it believes that it is in the best interests of shareholders of Putnam High Yield Trust and Putnam High Yield Advantage Fund. Because the funds have the same portfolio managers, identical investment goals and pursue substantially similar investment strategies, Putnam Management believes the most effective way to manage Putnam High Yield Trust is to combine the fund with Putnam High Yield Advantage Fund. Following the merger (after payment of the costs of the merger), Putnam High Yield Trust shareholders would be invested in a larger fund with the same total expense ratio.
The Trustees of your fund have carefully reviewed the terms of the merger and unanimously approved the merger. We are not asking you for a proxy, and you are requested not to send a proxy. Details regarding the terms of the merger, and its potential benefits and costs to shareholders, are discussed in the prospectus, which we urge you to review carefully.

Sincerely yours,

Robert L. Reynolds
President, The Putnam Funds
President and Chief Executive Officer, Putnam Investments

Jameson A. Baxter, Chair
Board of Trustees
The Putnam Funds
This prospectus relates to the merger of Putnam High Yield Trust with and into Putnam High Yield Advantage Fund. In the merger, each shareholder of Putnam High Yield Trust will receive shares of the corresponding class of Putnam High Yield Advantage Fund equal in aggregate value at the date of the exchange to the aggregate value of the shareholder’s Putnam High Yield Trust shares.

The prospectus explains what you should know about the merger and investing in Putnam High Yield Advantage Fund, an open-end registered management investment company. Please read this prospectus and keep it for future reference.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY
The statement of additional information relating to the merger, dated March 8, 2017 (the “Merger SAI”) and the other documents identified below are incorporated into this prospectus by reference. Shareholders may obtain free copies of any document incorporated by reference into this prospectus, request other information about the funds or make shareholder inquiries by contacting their financial advisor, by visiting the Putnam Investments website at www.putnam.com, by calling Putnam toll-free at 1-800-225-1581, or by emailing Putnam at funddocuments@putnam.com. This information may also be obtained by contacting the Securities and Exchange Commission (the “SEC”), as described below.

The securities offered by this prospectus have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Shares of Putnam High Yield Advantage Fund are not deposits or obligations of, or guaranteed or endorsed by, any financial institution, are not insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other agency, and involve risk, including the possible loss of principal amounts invested.

The following documents have been filed with the SEC and are incorporated into this prospectus by reference:

(i) the statement of additional information of Putnam High Yield Advantage Fund, dated March 30, 2016, as supplemented;

(ii) the prospectus and statement of additional information of Putnam High Yield Trust, dated December 30, 2016, as supplemented;

(iii) the Merger SAI;

(iv) the Report of Independent Registered Public Accounting Firm, audited financial highlights and financial statements included in Putnam High Yield Advantage Fund’s Annual Report to Shareholders for the fiscal year ended November 30, 2016; and

(v) the Report of Independent Registered Public Accounting Firm, audited financial highlights and financial statements included in Putnam High Yield Trust’s Annual Report to Shareholders for the fiscal year ended August 31, 2016.

Information regarding Putnam High Yield Advantage Fund’s investment advisor and portfolio managers, the pricing, purchase, sale and redemption of Putnam High Yield Advantage Fund shares, the tax treatment of distributions and tax consequences to shareholders of buying, holding, exchanging and selling Putnam High Yield Advantage Fund shares, financial highlights, Putnam High Yield Advantage Fund’s policy regarding frequent trading in Putnam High Yield Advantage Fund shares and regarding dividends and distributions, sales charges and 12b-1 fees is included in this prospectus. This document will give you information about the merger. Much of the information is required under SEC rules; some of it is technical. If there is anything you do not understand, please contact us at our toll-free number, 1-800-225-1581, or call your financial advisor. Like
Putnam High Yield Trust, Putnam High Yield Advantage Fund is in the family of funds managed by Putnam Investment Management, LLC (“Putnam Management”). Putnam High Yield Advantage Fund and Putnam High Yield Trust are collectively referred to as the “funds,” and each is referred to individually as a “fund.”

Putnam High Yield Trust and Putnam High Yield Advantage Fund are subject to the informational requirements of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended (the “1940 Act”), and, as a result, file reports and other information with the SEC. You may review and copy information about the funds, including reports and the Merger SAI, at the SEC’s public reference room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may call the SEC at 202-551-8090 for information about the operation of the public reference room. You may obtain copies of this information, with payment of a duplication fee, by electronic request at the following e-mail address: publicinfo@sec.gov, or by writing the SEC’s Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, DC 20549. You may also access reports and other information about the funds on the EDGAR database on the SEC’s website at www.sec.gov. You may need to refer to a fund’s file number.

I. Questions and Answers Regarding the Merger

The responses to the questions that follow provide an overview of key points typically of concern to shareholders regarding a mutual fund merger. These responses are qualified in their entirety by the remainder of the prospectus, which contains additional information and further details about the merger.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

1. What is happening?
The Trustees of The Putnam Funds have approved the merger of Putnam High Yield Trust into Putnam High Yield Advantage Fund contemplated by the Agreement and Plan of Reorganization (the form of which is attached as Appendix A and described in Part III). Upon the closing of the merger, all of the assets of Putnam High Yield Trust will be transferred to Putnam High Yield Advantage Fund. In exchange, Putnam High Yield Advantage Fund will issue and deliver shares of Putnam High Yield Advantage Fund (the “Merger Shares”) to Putnam High Yield Trust and will also assume all of the liabilities of Putnam High Yield Trust. The Merger Shares will have an aggregate value equal to the value of Putnam High Yield Trust’s assets net of liabilities. Immediately after it receives the Merger Shares, Putnam High Yield Trust will distribute the Merger Shares to its shareholders, pro rata. Shareholders will receive Merger Shares of the same class as Putnam High Yield Trust shares they held. It is currently anticipated that the merger will close on or about May 8, 2017, with the net asset value of shares to be issued in the merger currently expected to be determined on or about May 5, 2017.
When adopting Rule 17a-8 under the 1940 Act, the SEC stated its view that approval by shareholders of a target fund would be required if the merger would result in a change that, in a context other than a merger, would require shareholder approval under the 1940 Act. These factors generally include increased distribution fees as a result of the merger, materially different advisory contracts, different Trustees or materially different fundamental investment policies as between the target and surviving funds. None of the factors requiring a shareholder vote are present in this merger.

2. What will happen to my shares of Putnam High Yield Trust as a result of the merger?
Your shares of Putnam High Yield Trust will, in effect, be exchanged for shares of Putnam High Yield Advantage Fund of the same class and with an equal aggregate net asset value on the date of the merger. The merger is expected to be a tax-free reorganization for federal income tax purposes.

3. Why did the Trustees approve the merger?
Putnam Management has recommended the merger because it believes that it is in the best interests of shareholders of Putnam High Yield Trust and Putnam High Yield Advantage Fund. Putnam High Yield Advantage Fund commenced operations on January 13, 1986 and had net assets of $566,179,132 as of September 30, 2016. Putnam High Yield Trust commenced operations on December 13, 1977 and had net assets of $1,129,491,034 as of September 30, 2016. Putnam Management has recommended the merger because the funds have the same portfolio manager, identical investment goals and pursue the substantially similar investment strategies, both focusing mainly in bonds that are obligations of U.S. companies, are below-investment-grade in quality (“junk bonds”), and have intermediate- to long-term maturities (three years or longer). Combining the funds will facilitate the deployment of investment management resources on behalf of fund shareholders through focus on a single fund rather than two funds. Putnam High Yield Advantage Fund historically has not invested in equity securities (including common stock, certain preferred stocks and warrants) due to a non-fundamental investment restriction that was adopted in connection with the fund’s offering in Japan to address certain Japanese tax considerations. The Trustees have approved the elimination of this non-fundamental investment policy. Consequently, upon the closing of the merger there will be no material difference between the investment strategies of Putnam High Yield Trust and Putnam High Yield Advantage Fund. As a result, Putnam Management believes that the funds are appropriate merger partners and that the most efficient way to manage Putnam High Yield Trust is to combine the fund with and merge it into Putnam High Yield Advantage Fund.

After the merger, Putnam High Yield Trust shareholders would be invested in a larger fund with the same total expense ratio. Shareholders of each fund may also benefit from the possibility of additional economies of scale through the spreading of certain expenses across a larger asset base.
The Trustees have determined that the merger is in the best interests of the shareholders of your fund.

4. How do the investment goals, strategies, policies and restrictions of the two funds compare?

**Investment Goals and Strategies**

The stated investment goals of the funds are identical and the funds pursue substantially similar investment strategies. Both funds are income-oriented vehicles primarily invested in bonds that are obligations of U.S. companies, are below-investment-grade in quality and have intermediate- to long-term maturities (three years or longer). Under normal circumstances, each fund invests at least 80% of its net assets in securities rated below-investment-grade. A non-fundamental investment restriction has historically prohibited Putnam High Yield Advantage Fund from investing in equity securities.* This restriction had been adopted to address Japanese tax considerations in connection with the offering of Putnam High Yield Advantage Fund in Japan. Due to a change in Japanese tax law, the Trustees have approved the elimination of this non-fundamental investment restriction, and, as a result, Putnam High Yield Advantage Fund is expected to invest in equity securities as Putnam High Yield Trust has historically done.

<table>
<thead>
<tr>
<th></th>
<th>Putnam High Yield Trust</th>
<th>Putnam High Yield Advantage Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Goal</strong></td>
<td>The fund seeks high current income. Capital growth is a secondary goal when consistent with achieving high current income.</td>
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</tr>
<tr>
<td><strong>Investment Strategies</strong></td>
<td>The fund invests mainly in bonds that are obligations of U.S. companies, are below-investment-grade in quality (sometimes referred to as “junk bonds”), and have intermediate- to long-term maturities (three years or longer). Under normal circumstances, the fund invests at least 80% of the fund’s net assets in securities rated below-investment-grade. This policy may be changed only after 60 days’ notice to shareholders. The fund may also invest in other debt instruments, including loans. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. The fund may also use derivatives, such as futures, options, warrants and swap contracts, for both hedging and non-hedging purposes.</td>
<td>The fund invests mainly in bonds that are obligations of U.S. companies, are below investment-grade in quality (sometimes referred to as “junk bonds”), and have intermediate- to long-term maturities (three years or longer). The fund may also invest in other debt instruments, including loans. Under normal circumstances, the fund invests at least 80% of the fund’s net assets in securities rated below-investment-grade. This policy may be changed only after 60 days’ notice to shareholders. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. The fund may also use derivatives, such as futures, options, certain foreign currency transactions and swap contracts, for both hedging and non-hedging purposes.</td>
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</tbody>
</table>

* This investment restriction for Putnam High Yield Advantage Fund states, “[t]he fund will not invest in equity securities or warrants except that the fund may invest in or hold preferred securities if and to the extent that such securities are characterized as debt for purposes of determining the fund’s status as a “bond investment trust” under the Income Tax Law of Japan.”
**Investment Restrictions**

The funds’ investment restrictions are not materially different. Both funds have investment restrictions regarding senior securities. This restriction provides that the fund will not, “issue any class of securities which is senior to the fund’s shares of beneficial interest, except for permitted borrowings.” In the case of Putnam High Yield Advantage Fund, this restriction is fundamental and may only be changed with a shareholder vote. For Putnam High Yield Trust, the restriction is a non-fundamental restriction and therefore not subject to a shareholder vote if it were to be changed. The Trustees of Putnam High Yield Trust have approved a fundamental policy on senior securities that will become effective immediately prior to the closing of the merger that is identical to the fundamental investment restriction on senior securities applicable to Putnam High Yield Advantage Fund.

As discussed above, the Trustees of Putnam High Yield Advantage Fund have also approved the elimination of the fund’s non-fundamental investment restriction which prohibits the fund from investing in equity securities and certain warrants. This non-fundamental restriction was originally adopted in connection with the fund’s offering in Japan. However, in response to changes in relevant Japanese tax law, Putnam Management has advised the Trustees, and the Trustees have approved, the elimination of this non-fundamental investment restriction.

5. **How do the management fees and other expenses of the funds compare, and what are they estimated to be following the merger?**

Putnam High Yield Trust’s shareholders are expected to experience the same estimated total expense ratio as a result of the merger while investing in a larger fund.

Each fund pays management fees which incorporate asset-level discounts based on the monthly average of the aggregate net assets of all open-end funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid “double counting” of those assets). At every asset level, Putnam High Yield Advantage Fund pays the same management fee as a percentage of net assets as Putnam High Yield Trust. As of September 30, 2016, each fund had a management fee rate of 0.57%. Following the merger, Putnam Management expects that the management fee rate of the combined fund to be 0.57%.

As of September 30, 2016, the total expenses of Putnam High Yield Trust and Putnam High Yield Advantage Fund, not including any payments under Rule 12b-1 distribution plans, were 0.77% and 0.81%, respectively. The combined fund is expected to pay 0.77% in total expenses, which does not reflect non-recurring expenses related to the merger. The combined fund’s estimated total expense ratio excludes 0.01% of expected direct merger costs for Putnam High Yield Trust and 0.03% of expected direct merger costs for Putnam High Yield Advantage Fund. If these expenses had been reflected, the estimated total (non-12b-1) annual fund operating expenses would be 0.79%.
For more detailed information about fees and expenses, please see “Information about the Merger—Fees and Expenses.”

6. How does the investment performance of the funds compare?
The performance information below gives some indication of the risks associated with investment in the fund by showing each fund’s performance year to year over time. The bar chart does not reflect the impact of sales charges. If it did, performance would be lower. Please remember that past performance is not necessarily an indication of future results. Monthly performance figures for the fund are available at www.putnam.com.

The chart shows year-to-year changes in the net asset value performance of one of the funds’ classes of shares, class A shares.

**CALENDAR YEAR TOTAL RETURNS**

**Putnam High Yield Advantage Fund**

![Bar chart showing annual returns for Putnam High Yield Advantage Fund from 2007 to 2016.](chart1)

**Putnam High Yield Trust**

![Bar chart showing annual returns for Putnam High Yield Trust from 2007 to 2016.](chart2)

During the periods shown in the bar chart, Putnam High Yield Advantage Fund’s highest return for a quarter was 18.36% (quarter ending 6/30/09) and the lowest return for a quarter was –17.69% (quarter ending 12/31/08). During the periods shown in the bar chart, Putnam High Yield Trust’s highest return for a quarter was 19.73% (quarter ended 6/30/09) and the lowest return for a quarter was –18.93% (quarter ended 12/31/08).
<table>
<thead>
<tr>
<th>Average Annual Total Returns</th>
<th>1 year</th>
<th>5 years</th>
<th>10 years</th>
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</thead>
<tbody>
<tr>
<td><strong>Putnam High Yield Advantage Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A (before taxes)</td>
<td>10.79%</td>
<td>5.60%</td>
<td>5.97%</td>
</tr>
<tr>
<td>Class A (after taxes on distributions)</td>
<td>8.06%</td>
<td>3.09%</td>
<td>3.28%</td>
</tr>
<tr>
<td>Class A (after taxes on distributions and sale of fund shares)</td>
<td>6.00%</td>
<td>3.18%</td>
<td>3.43%</td>
</tr>
<tr>
<td>Class B (before taxes)</td>
<td>9.55%</td>
<td>5.31%</td>
<td>5.78%</td>
</tr>
<tr>
<td>Class C (before taxes)</td>
<td>13.43%</td>
<td>5.65%</td>
<td>5.60%</td>
</tr>
<tr>
<td>Class M (before taxes)</td>
<td>11.26%</td>
<td>5.49%</td>
<td>5.77%</td>
</tr>
<tr>
<td>Class R (before taxes)</td>
<td>15.00%</td>
<td>6.19%</td>
<td>6.15%</td>
</tr>
<tr>
<td>Class Y (before taxes)</td>
<td>15.51%</td>
<td>6.70%</td>
<td>6.65%</td>
</tr>
<tr>
<td><strong>JPMorgan Developed High Yield Index</strong> (no deduction for fees, expenses or taxes)</td>
<td>18.22%</td>
<td>7.65%</td>
<td>7.77%</td>
</tr>
</tbody>
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<td><strong>Putnam High Yield Trust</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Class A (before taxes)</td>
<td>10.47%</td>
<td>5.87%</td>
<td>5.87%</td>
</tr>
<tr>
<td>Class A (after taxes on distributions)</td>
<td>7.96%</td>
<td>3.42%</td>
<td>3.25%</td>
</tr>
<tr>
<td>Class A (after taxes on distributions and sale of fund shares)</td>
<td>5.83%</td>
<td>3.42%</td>
<td>3.39%</td>
</tr>
<tr>
<td>Class B (before taxes)</td>
<td>9.24%</td>
<td>5.62%</td>
<td>5.70%</td>
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<tr>
<td>Class C (before taxes)</td>
<td>13.37%</td>
<td>5.96%</td>
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</tr>
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After-tax returns reflect the historical highest individual federal marginal income tax rates and do not reflect state and local taxes. Actual after-tax returns depend on an investor’s tax situation and may differ from those shown. After-tax returns are shown for class A shares only and will vary for other classes. These after-tax returns do not apply if you hold your fund shares through a 401(k) plan, an IRA, or another tax-advantaged arrangement.

Class B share performance reflects conversion to class A shares after eight years.

7. **Will my dividends be affected by the merger?**

The merger will not result in a change in dividend policy. The combined fund will continue to pay out a dividend based on the fund’s dividend policy which is determined using the current earnings level of the fund. As of December 30, 2016, the current dividend yields for High Yield Trust and High Yield Advantage Fund were 4.86% and 5.54% respectively. The estimated dividend yield for the shares of High Yield Advantage Fund on a pro forma basis, after giving effect to the merger would be 5.13%. Over the longer term, the level of dividends will depend on market conditions.
8. What are the federal income tax consequences of the merger?

The merger is expected to be a tax-free reorganization for federal income tax purposes. Accordingly, no gain or loss is expected to be recognized by Putnam High Yield Trust or its shareholders as a direct result of the merger. The tax basis and holding period of a shareholder’s Putnam High Yield Trust shares are expected to carry over to Putnam High Yield Advantage Fund Merger Shares the shareholder receives in the merger. At any time before the consummation of the merger, a shareholder may redeem Putnam High Yield Trust shares, likely resulting in recognition of gain or loss to such shareholder for federal income tax purposes.

The merger will end the tax year of Putnam High Yield Trust. Prior to the merger, Putnam High Yield Trust will distribute to its shareholders income and capital gains realized during the short tax year ending on the date of the merger. Had the merger not occurred, Putnam High Yield Trust would have paid such distributions by the end of its regular tax year. The merger thus will, accelerate distributions to shareholders from Putnam High Yield Trust for its short tax year ending on the date of the merger. Such tax year-end distributions will be taxable (unless the shares are held through a qualified retirement plan or other tax-advantaged arrangement) and will include any capital gains resulting from portfolio turnover before the consummation of the merger (and not offset by capital losses) that were not previously distributed. Shareholders of Putnam High Yield Trust may also receive distributions of income and capital gains in connection with the tax year end of the combined fund. Such tax year-end distributions will likewise be taxable (unless the shares are held through a qualified retirement plan or other tax-advantaged arrangement) and will include any capital gains resulting from portfolio turnover after the consummation of the merger (and not offset by capital losses) that were not previously distributed.

Putnam Management currently does not anticipate any portfolio realignment or related transaction costs in connection with the merger.

Certain other tax consequences are discussed below under “Information about the Merger—Federal Income Tax Consequences.”

9. Is there any difference in the procedures for purchasing, redeeming and exchanging shares of the two funds?

No. The procedures for purchasing and redeeming shares of each fund, and for exchanging shares of each fund for shares of other Putnam funds, are identical.

Both Putnam High Yield Trust and Putnam High Yield Advantage Fund make a continuous public offering of their shares. Putnam High Trust currently offers six classes of shares. Putnam High Yield Advantage Fund currently offers seven classes of shares, although class T shares of Putnam High Yield Trust are not currently available for purchase. Shares of both funds may be purchased either through investment dealers that have sales agreements with Putnam Retail Management Limited Partnership (“Putnam Retail Management”) or directly through Putnam Retail Management at prices based on net asset value, plus varying sales charges, depending on the class and dollar value of shares.
purchased. Reinvestment of distributions by the funds is made at net asset value for all classes of shares.

Shares of each fund may be redeemed (in essence, sold to the fund) on any day the New York Stock Exchange is open at their net asset value next determined after receipt by the fund, either directly or through an investment dealer, of a properly completed redemption request, less any applicable deferred sales charge.

Each fund’s shareholders can generally exchange their shares for shares of the same class of another Putnam fund at net asset value. Not all Putnam funds offer all classes of shares or are open to new investors. Each fund reserves the right to revise or terminate the exchange privilege, limit the amount or number of exchanges, or reject any exchange.

10. Will the number of shares I own change after the merger?
Yes, the number of shares you own will change, but the total value of the shares of Putnam High Yield Advantage Fund you receive will equal the total value of the shares of Putnam High Yield Trust that you hold at the time of the merger. Even though the net asset value per share of each fund is different, the total net asset value of your holdings at the time of the merger will not change as a result of the merger.

11. What are the costs associated with the merger?
The costs associated with the merger are estimated to be $300,340, of which an estimated $150,170 will be paid by Putnam High Yield Trust and an estimated $150,170 will be paid by Putnam High Yield Advantage Fund. These fees and expenses, representing legal and accounting expenses, portfolio transfer taxes (if any), the costs of printing and mailing this prospectus or other similar expenses incurred in connection with the consummation of the merger, will be allocated evenly between the two funds. Because both funds are expected to benefit from the merger based on several factors, Putnam Management determined that the allocation described above is a fair and objective manner of allocating the merger expenses. As previously mentioned, Putnam Management currently does not anticipate any portfolio realignment or related transaction costs in connection with the merger.

II. Risk Factors

What are the principal risks of Putnam High Yield Advantage Fund, and how do they compare with those of Putnam High Yield Trust?
As previously mentioned, unlike Putnam High Yield Trust, Putnam High Yield Advantage Fund has not historically invested in equities and warrants. However, the Trustees have approved the elimination of the relevant non-fundamental investment restriction which has prohibited the fund's investments in equity securities. As a result, Putnam High Yield Advantage Fund is expected to invest in equity securities and warrants to the same extent as Putnam High Yield Trust has historically done (anticipated to be less than 5%
of total net assets of the Fund). Because the funds have identical investment goals and pursue substantially similar investment strategies, the principal risks of an investment in Putnam High Yield Advantage Fund are substantially similar to the risks of an investment in Putnam High Yield Trust.

The main risks that could adversely affect the value of Putnam High Yield Advantage Fund’s shares and the total return on an investment in Putnam High Yield Advantage Fund include:

- the risk that the value of bonds in the fund’s portfolios may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions, changing market perceptions of the risk of default, changes in government intervention in the financial markets, and factors related to a specific issuer of industry. These factors may also lead to periods of high volatility and reduced liquidity in the bond markets.

- the risks associated with bond investments include interest rate risk, which means the value of the fund’s investments is likely to fall if interest rates rise.

- the credit risk of bond investments, which is the risk that the issuer of a bond may default on payment of interest or principal. Interest rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds (a significant part of the fund’s investments).

- the risk that 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.

You can lose money by investing in Putnam High Yield Advantage Fund. The fund may not achieve its goal, and the fund is not intended to be a complete investment program. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

**What are the funds’ principal investment strategies and related risks?**

Putnam Management pursues each fund’s goal by investing mainly in below-investment-grade in quality bonds that are obligations of U.S. companies and pursuing substantially similar investment strategies. Therefore, the funds are subject to many of the same risks. Currently, Putnam High Yield Advantage Fund is subject to the following risks:

- **Interest rate risk.** The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the value of existing debt instruments, and rising interest rates generally decrease the value of existing debt instruments. Changes in a debt instrument’s value usually will not affect the amount of interest income paid to the fund, but will affect the value of the fund’s shares. Interest rate risk is generally greater for investments with longer maturities.
Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, Putnam Management might have to reinvest the proceeds in an investment offering a lower yield, and, therefore, the fund might not benefit from any increase in value as a result of declining interest rates.

**Credit Risk.** Investors normally expect to be compensated in proportion to the risk they are assuming. Thus, debt of issuers with poor credit prospects usually offers higher yields than debt of issuers with more secure credit. Higher-rated investments generally have lower credit risk.

Putnam Management invests mostly in higher-yield, higher-risk debt investments that are rated below BBB or its equivalent at the time of purchase by any nationally recognized securities rating agency rating such investments, or are unrated investments that Putnam Management believes are of comparable quality. Putnam Management may invest up to 15% of each of the fund’s total assets in debt investments rated below CCC or its equivalent, at the time of purchase, by each rating agency rating such investments, or in unrated investments that Putnam Management believes are of comparable quality. This includes investments in the lowest rating category of the rating agency. Putnam Management will not necessarily sell an investment if its rating is reduced after Putnam Management buys it. Investments rated below BBB or its equivalent are below investment-grade in quality (sometimes referred to as “junk bonds”). This rating reflects a greater possibility that the issuers may be unable to make timely payments of interest and principal and thus default. If default occurs, or is perceived as likely to occur, the values of those investments will usually be more volatile and are likely to fall. A default or expected default could also make it difficult for us to sell the investments at prices approximating the values Putnam Management had previously placed on them. Lower-rated debt usually has a more limited market than higher-rated debt, which may at times make it difficult to buy or sell certain debt instruments or to establish their fair value. Credit risk is generally greater for zero coupon bonds and other investments that are issued at less than their face value and that are required to make interest payments only at maturity rather than at intervals during the life of the investment.

Credit ratings are based largely on the issuer’s historical financial condition and the rating agencies’ investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer’s current financial condition, and does not reflect an assessment of the investment’s volatility or liquidity. Although Putnam Management considers credit ratings in making investment decisions, Putnam Management performs its own investment analysis and do not rely only on ratings assigned by the rating agencies. Putnam Management’s success in achieving the fund’s goal may depend more on Putnam Management’s own credit analysis when Putnam Management buys lower rated debt than when Putnam Management buys investment-grade debt. Putnam Management may have to participate in legal proceedings involving the issuer. This could increase the fund’s operating expenses and decrease its net asset value.
Although investment-grade investments generally have lower credit risk, they may share some of the risks of lower-rated investments.

- **Derivatives.** Putnam Management may engage in a variety of transactions involving derivatives, such as futures, options, certain foreign currency transactions and swap contracts. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments, indexes or currencies. Putnam Management may make use of “short” derivatives positions, the values of which typically move in the opposite direction from the price of the underlying investment, pool of investments, index or currency. Putnam Management may use derivatives both for hedging and non-hedging purposes. For example, Putnam Management may use derivatives to increase or decrease the fund’s exposure to long- or short-term interest rates (in the United States or abroad) or as a substitute for a direct investment in the securities of one or more issuers. However, Putnam Management may also choose not to use derivatives based on Putnam Management’s evaluation of market conditions or the availability of suitable derivatives. Investments in derivatives may be applied toward meeting a requirement to invest in a particular kind of investment if the derivatives have economic characteristics similar to that investment.

Derivatives involve special risks and may result in losses. The successful use of derivatives depends on Putnam Management’s ability to manage these sophisticated instruments. Some derivatives are “leveraged,” which means they provide the fund with investment exposure greater than the value of the fund’s investment in the derivatives. As a result, these derivatives may magnify or otherwise increase investment losses to the fund. The risk of loss from certain short derivatives positions is theoretically unlimited. The value of derivatives may move in unexpected ways due to the use of leverage or other factors, especially in unusual market conditions, and may result in increased volatility.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the fund’s derivatives positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid. Over-the-counter instruments also involve the risk that the other party to the derivatives transaction will not meet its obligations. For further information about additional types and risks of derivatives and the fund’s asset segregation policies, see Miscellaneous Investments, Investment Practices and Risks in Putnam High Yield Trust’s and Putnam High Yield Advantage Fund’s Statement of additional Information date dated December 30, 2016 and March 30, 2016, respectively, as supplemented (“SAI”).

- **Floating rate loans.** Floating rate loans are debt obligations with interest rates that adjust or “float” periodically (normally on a monthly or quarterly basis) based on a generally recognized base rate, such as the London Inter-Bank Offered Rate or the prime rate offered by one or more major U.S. banks. While most floating rate loans are below-investment-grade in quality, many also are senior in rank in the event of bankruptcy to most other securities of the borrower, such as common stock or public bonds. Floating rate loans are also normally secured by specific collateral or assets of the borrower so that
the holders of the loans will have a priority claim on those assets in the event of default or bankruptcy of the issuer.

Floating rate loans generally are less sensitive to interest rate changes than obligations with fixed interest rates but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate instruments will not generally increase in value if interest rates decline. Changes in interest rates will also affect the amount of interest income the fund earn on its floating rate investments. Most floating rate loans allow for prepayment of principal without penalty. If a borrower prepays a loan, Putnam Management might have to reinvest the proceeds in an investment that may have lower yields than the yield on the prepaid loan or might not be able to take advantage of potential gains from increases in the credit quality of the issuer.

The value of collateral, if any, securing a floating rate loan can decline, and may be insufficient to meet the borrower’s obligations or difficult to liquidate. In addition, the fund’s access to collateral may be limited by bankruptcy or other insolvency proceedings. Floating rate loans may not be fully collateralized and may decline in value. Loans may not be considered “securities”, and it is possible that the fund may not be entitled to rely on anti-fraud and other protections under the federal securities laws when it purchases loans.

Although the market for the types of floating rate loans in which the fund invest has become increasingly liquid over time, this market is still developing, and there can be no assurance that adverse developments with respect to this market or particular borrowers will not prevent the fund from selling these loans at their market values when Putnam Management considers such a sale desirable. In addition, the settlement period (the period between the execution of the trade and the delivery of cash to the purchaser) for floating rate loan transactions may be significantly longer than the settlement period for other investments, and in some cases longer than seven days. Requirements to obtain consent of borrower and/or agent can delay or impede the fund’s ability to sell the floating rate loans and can adversely affect the price that can be obtained. It is possible that sale proceeds from floating rate loan transactions will not be available to meet redemption obligations.

• **Foreign investments.** Putnam Management may invest in foreign investments, although foreign investments do not represent a primary focus of the fund. Foreign investments involve certain special risks. For example, their values may decline in response to changes in currency exchange rates, unfavorable political and legal developments, unreliable or untimely information, and economic and financial instability. In addition, the liquidity of these investments may be more limited than for most U.S. investments, which means Putnam Management may at times be unable to sell them at desirable prices. Foreign settlement procedures may also involve additional risks. These risks are generally greater in the case of developing (also known as emerging) markets, which typically have less developed legal and financial systems.
Certain of these risks may also apply to some extent to U.S.-traded investments that are denominated in foreign currencies, investments in U.S. companies that are traded in foreign markets, or investments in U.S. companies that have significant foreign operations.

- **Illiquid investments.** Putnam Management may invest up to 15% of each of the fund’s assets in illiquid investments, which may be considered speculative and which may be difficult to sell. The sale of many of these investments is limited by law. Putnam Management may not be able to sell the fund’s illiquid investments when we consider it desirable to do so, or Putnam Management may be able to sell them only at less than their market value.

- **Market risk.** The value of bonds in the fund’s portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general financial market conditions, changing market perceptions of the risk of default, 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 high volatility and reduced liquidity in the bond markets. During those periods, the fund may experience high levels of shareholder redemptions, and may have to sell securities at times when it would otherwise not do so, and at unfavorable prices.

- **Other investments.** In addition to the main investment strategies described above, the fund may make other types of investments, such as investments in asset-backed, hybrid and structured bonds and notes, preferred securities that would be characterized as debt securities under applicable accounting standards and tax laws, and assignments of and participations in fixed and floating rate loans. The fund may also loan portfolio securities to earn income. These practices may be subject to other risks, as described under Miscellaneous Investments, Investment Practices and Risks in the SAI. See “Investment Restrictions” on page 8 for a discussion of the funds’ investment restrictions.

- **Temporary defensive strategies.** In response to adverse market, economic, political or other conditions, Putnam Management may take temporary defensive positions, such as investing some or all of the fund’s assets in cash and cash equivalents, that differ from the fund’s usual investment strategies. However, Putnam Management may choose not to use these temporary defensive strategies for a variety of reasons, even in very volatile market conditions. These strategies may cause the fund to miss out on investment opportunities, and may prevent the fund from achieving its goal. Additionally, while temporary defensive strategies are mainly designed to limit losses, these strategies may not work as intended.

- **Changes in policies.** The Trustees may change the fund’s goal, investment strategies and other policies set forth in this prospectus without shareholder approval, except as otherwise provided.

**Portfolio turnover.** The fund pays transaction-related costs when it buys and sells securities (or “turns over” its portfolio). A higher turnover rate may indicate higher transaction costs and may result in higher taxes when a fund’s shares are held in a taxable account.
These costs, which are not reflected in annual fund operating expenses or the above example, affect fund performance. The turnover rate for Putnam High Yield Trust was 42% for its most recent fiscal year, while Putnam High Yield Advantage Fund’s turnover rate for its most recent fiscal year was 29%.

**Financial intermediary compensation.** If you purchase shares of either fund through a broker/dealer or other financial intermediary (such as a bank or financial advisor), the fund and its related companies may pay that intermediary for the sale of fund shares and related services. Please bear in mind that these payments may create a conflict of interest by influencing the broker/dealer or other intermediary to recommend the fund over another investment. Ask your advisor or visit your advisor’s website for more information.

### III. Information about the Merger

**General.** Putnam High Yield Trust will merge with and into Putnam High Yield Advantage Fund pursuant to an Agreement and Plan of Reorganization dated (the “Agreement”). A form of the Agreement is attached to this prospectus as Appendix A.

Although the term “merger” is used for ease of reference, the transaction is structured as a transfer of all of the assets of Putnam High Yield Trust to Putnam High Yield Advantage Fund in exchange for the assumption by Putnam High Yield Advantage Fund of all of the liabilities of Putnam High Yield Trust and for the issuance and delivery to Putnam High Yield Trust of shares of Putnam High Yield Advantage Fund (the Merger Shares) equal in aggregate net asset value to the net value of the assets transferred to Putnam High Yield Advantage Fund.

After receipt of the Merger Shares, Putnam High Yield Trust will distribute the Merger Shares to its shareholders, in proportion to their existing shareholdings, in complete liquidation of Putnam High Yield Trust, and the legal existence of Putnam High Yield Trust will be terminated. Each shareholder of Putnam High Yield Trust will receive a number of full and fractional Merger Shares equal in value at the date of the exchange to the aggregate value of the shareholder’s Putnam High Yield Trust shares.

Before the date of the transfer, Putnam High Yield Trust will declare a distribution to shareholders that will have the effect of distributing to shareholders all of its remaining investment company taxable income (computed without regard to the deduction for dividends paid) and net realized capital gains, if any, through the date of the transfer. Such distributions will take into account any realized capital gains from realignments of that fund occasioned by the recent change in the portfolio managers.

The Trustees have voted unanimously to approve the merger.

Please see “Federal Income Tax Consequences” for information about the expected tax consequences of the merger.
WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY

Fees and Expenses. The following tables describe the fees and expenses you may pay if you buy and hold shares of the funds, the annual operating expenses for each fund, and the pro forma expenses of Putnam High Yield Advantage Fund, assuming consummation of the merger and based on pro forma combined assets as of September 30, 2016. Please see “Information about the Merger – Trustees’ Considerations Relating to the Merger” for information about the expenses of the merger. The shareholder fees (fees paid directly from your investment) are the same for each fund and will not change as a result of the merger. Annual fund operating expenses (expenses that are deducted from fund assets) are described in the table below, and, as shown, the annual fund operating expenses of the combined fund are expected to be the same as the current annual fund operating expenses for Putnam High Yield Trust and lower than the current annual fund operating expenses for Putnam High Yield Advantage Fund.

You may qualify for sales charge discounts if you and your family invest, or agree to invest in the future, at least $50,000 in Putnam funds. More information about these and other discounts is available from your financial advisor and in How do I buy fund shares? beginning on page 13 or 14 of each fund’s prospectus, in Appendix B to this prospectus, and in How to buy shares beginning on page II-1 of each fund’s SAI.

Shareholder Fees (fees paid directly from your investment) (a)

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
<th>Class M</th>
<th>Class R</th>
<th>Class Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Putnam High Yield Trust</td>
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<td>NONE</td>
<td>NONE</td>
<td>3.25%</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund</td>
<td>4.00% (b)</td>
<td>NONE</td>
<td>NONE</td>
<td>3.25% (b)</td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Class A</th>
<th>Class B</th>
<th>Class C</th>
<th>Class M</th>
<th>Class R</th>
<th>Class Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Deferred Sales Charge (Load) (as a percentage of the original purchase price or redemption proceeds, whichever is lower)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Putnam High Yield Trust</td>
<td>1.00% (c)</td>
<td>5.00% (d)</td>
<td>1.00% (e)</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund</td>
<td>1.00% (c)</td>
<td>5.00% (d)</td>
<td>1.00% (e)</td>
<td>NONE</td>
<td>NONE</td>
<td>NONE</td>
</tr>
</tbody>
</table>
### Annual Fund Operating Expenses

(expenses that are deducted from fund assets)

<table>
<thead>
<tr>
<th>Fund/Class</th>
<th>Management Fees</th>
<th>Distribution and service (12b-1) Fees</th>
<th>Other Expenses</th>
<th>Total Annual Fund Operating Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Putnam High Yield Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>0.57%</td>
<td>0.25%</td>
<td>0.20%</td>
<td>1.02%</td>
</tr>
<tr>
<td>Class B</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.20%</td>
<td>1.77%</td>
</tr>
<tr>
<td>Class C</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.20%</td>
<td>1.77%</td>
</tr>
<tr>
<td>Class M</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.20%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Class R</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.20%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Class Y</td>
<td>0.57%</td>
<td>N/A</td>
<td>0.20%</td>
<td>0.77%</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>0.57%</td>
<td>0.25%</td>
<td>0.24%</td>
<td>1.06%</td>
</tr>
<tr>
<td>Class B</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.24%</td>
<td>1.81%</td>
</tr>
<tr>
<td>Class C</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.24%</td>
<td>1.81%</td>
</tr>
<tr>
<td>Class M</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.24%</td>
<td>1.31%</td>
</tr>
<tr>
<td>Class R</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.24%</td>
<td>1.31%</td>
</tr>
<tr>
<td>Class Y</td>
<td>0.57%</td>
<td>N/A</td>
<td>0.24%</td>
<td>0.81%</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund (pro forma combined) †</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>0.57%</td>
<td>0.25%</td>
<td>0.20%</td>
<td>1.02%</td>
</tr>
<tr>
<td>Class B</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.20%</td>
<td>1.77%</td>
</tr>
<tr>
<td>Class C</td>
<td>0.57%</td>
<td>1.00%</td>
<td>0.20%</td>
<td>1.77%</td>
</tr>
<tr>
<td>Class M</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.20%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Class R</td>
<td>0.57%</td>
<td>0.50%</td>
<td>0.20%</td>
<td>1.27%</td>
</tr>
<tr>
<td>Class Y</td>
<td>0.57%</td>
<td>0.00%</td>
<td>0.20%</td>
<td>0.77%</td>
</tr>
</tbody>
</table>

(a) Certain investments in class A and class M shares may qualify for discounts on applicable sales charges. See “How do I buy fund shares?” in the prospectus of Putnam High Yield Advantage Fund, dated March 30, 2016, as supplemented, for details.

(b) This sales charge does not apply to the Merger Shares, but will apply to any additional class A or M shares of Putnam High Yield Advantage Fund that a shareholder purchases after the merger.

(c) A deferred sales charge of 1.00% on class A shares may be imposed on certain redemptions of shares bought without an initial sales charge.

(d) The deferred sales charge on class B shares is 5.00% in the first year, declines to 1.00% in the sixth year, and is eliminated thereafter.

(e) The deferred sales charge on class C shares is eliminated after one year.

† Does not reflect non-recurring expenses related to the merger. If these expenses had been reflected, pro forma other expenses and total annual fund operating expenses would have been higher by 2 basis points.

The tables are provided to help you understand the expenses of investing in the funds and your share of the operating expenses that each fund incurs and that Putnam Management expects the combined fund to incur in the first year following the merger.
Examples
The following hypothetical examples are intended to help you compare the cost of investing in either fund with the cost of investing in other funds. It assumes that you invest $10,000 in a fund for the time periods indicated and then, except as indicated, redeem all your shares at the end of those periods. It assumes a 5% return on your investment each year and that each fund’s operating expenses remain the same. Your actual costs may be higher or lower.

<table>
<thead>
<tr>
<th>Fund</th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Putnam High Yield Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>$500</td>
<td>$712</td>
<td>$941</td>
<td>$1,599</td>
</tr>
<tr>
<td>Class B</td>
<td>$680</td>
<td>$857</td>
<td>$1,160</td>
<td>$1,887</td>
</tr>
<tr>
<td>Class B (no redemption)</td>
<td>$180</td>
<td>$557</td>
<td>$960</td>
<td>$1,887</td>
</tr>
<tr>
<td>Class C</td>
<td>$280</td>
<td>$557</td>
<td>$960</td>
<td>$2,085</td>
</tr>
<tr>
<td>Class C (no redemption)</td>
<td>$180</td>
<td>$557</td>
<td>$960</td>
<td>$2,085</td>
</tr>
<tr>
<td>Class M</td>
<td>$450</td>
<td>$715</td>
<td>$1,000</td>
<td>$1,810</td>
</tr>
<tr>
<td>Class R</td>
<td>$129</td>
<td>$403</td>
<td>$697</td>
<td>$1,535</td>
</tr>
<tr>
<td>Class Y</td>
<td>$79</td>
<td>$246</td>
<td>$428</td>
<td>$955</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>$504</td>
<td>$724</td>
<td>$962</td>
<td>$1,643</td>
</tr>
<tr>
<td>Class B</td>
<td>$684</td>
<td>$870</td>
<td>$1,181</td>
<td>$1,931</td>
</tr>
<tr>
<td>Class B (no redemption)</td>
<td>$184</td>
<td>$570</td>
<td>$981</td>
<td>$1,931</td>
</tr>
<tr>
<td>Class C</td>
<td>$284</td>
<td>$570</td>
<td>$981</td>
<td>$2,128</td>
</tr>
<tr>
<td>Class C (no redemption)</td>
<td>$184</td>
<td>$570</td>
<td>$981</td>
<td>$2,128</td>
</tr>
<tr>
<td>Class M</td>
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<td>$727</td>
<td>$1,020</td>
<td>$1,854</td>
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<tr>
<td>Class R</td>
<td>$134</td>
<td>$416</td>
<td>$719</td>
<td>$1,580</td>
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<td>Class Y</td>
<td>$83</td>
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<td>$1,003</td>
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<tr>
<td>Putnam High Yield Advantage Fund (pro forma combined)</td>
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</tr>
<tr>
<td>Class A</td>
<td>$500</td>
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</tr>
<tr>
<td>Class Y</td>
<td>$79</td>
<td>$246</td>
<td>$428</td>
<td>$955</td>
</tr>
</tbody>
</table>

Trustees’ Considerations Relating to the Merger. The Trustees of The Putnam Funds, who serve as Trustees of each of the funds involved in the merger, have carefully considered the anticipated benefits and costs of the merger from the perspective of each fund. Following their review, the Trustees, including all of the Independent Trustees, determined that the merger of Putnam High Yield Trust into Putnam High Yield Advantage Fund would be in the best interests of each fund and its shareholders and that the interests
of existing shareholders of each fund would not be diluted by the merger. The Trustees unanimously approved the merger and the Agreement.

Investment matters. In evaluating the merger, the Trustees analyzed the underlying investment rationale articulated by Putnam Management. The Trustees noted that the funds have identical investment goals, pursue the substantially similar investment strategies, and have substantially similar restrictions and investments, both focusing mainly in bonds that are obligations of U.S. companies, are below-investment-grade in quality, and have intermediate- to long-term maturities (three years or longer). The Trustees considered that the funds have been managed by the same portfolio managers and historically managed very similarly, noting that the only difference in the investment strategies was that Putnam High Yield Advantage Fund historically had a non-fundamental investment restriction which prohibited it from investing in equity securities and certain warrants. The Trustees have approved the elimination of this non-fundamental investment policy, so the fund will no longer be prohibited from investing in equity securities and warrants and there will be no material difference between the strategies and investments of Putnam High Yield Trust and Putnam High Yield Advantage Fund. As a result, Putnam Management has advised the Trustees that the most efficient way to manage Putnam High Yield Trust is to combine the fund with and merge it into Putnam High Yield Advantage Fund. The Trustees considered that the funds’ portfolio managers, Mr. Scanlon, Mr. Boucher, and Mr. Salvin, have served as portfolio managers of each of Putnam High Yield Trust and Putnam High Yield Advantage Fund since 2002, 2005, and 2005, respectively. The Trustees also considered the increased asset growth potential of a larger combined fund in light of Putnam Management’s view that the combined fund would possibly attract more attention from certain broker-dealer research platforms.

Performance. The Trustees reviewed the historical investment performance of each fund and observed that, as of the periods ended September 30, 2016, Putnam High Yield Advantage Fund and Putnam High Yield Trust had very similar returns over the one-, three-, five- and ten-year periods. Putnam High Yield Trust slightly outperformed Putnam High Yield Advantage Fund over the one-year and five-year periods, while Putnam High Advantage Fund slightly outperformed Putnam High Yield Trust over the three- and ten-year periods, but had underperformed Putnam High Yield Trust in terms of annualized return since inception of Putnam High Yield Advantage Fund.

Ongoing fund expenses. Putnam Management informed the Trustees that Putnam High Yield Trust Fund shareholders are expected to have the same total expense ratio as a result of the merger after the costs of the merger had been paid. The Trustees reviewed the savings in annual fund operating expenses that Putnam High Yield Advantage Fund shareholders and Putnam High Yield Trust shareholders were expected to experience as a result of the merger, based on Putnam Management’s unaudited estimates of the funds’ expense ratios as of September 30, 2016 and the expected pro forma expense ratios based on combined assets of the funds as of the same date. They noted that both funds pay management fees which incorporate asset-level breakpoints based on the size
of all Putnam open-end mutual fund net assets (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid “double counting” of those assets). At every asset level, the Trustees noted, Putnam High Yield Advantage Fund pays the same management fee as a percentage of net assets as Putnam High Yield Trust.

Additional information that the Trustees considered is presented in “Questions and Answers Regarding the Merger—5. How do the management fees and other expenses of the funds compare, and what are they estimated to be following the merger?” and in “Information about the Merger—Fees and Expenses.”

**Tax matters.** The Trustees also considered the tax effects of the merger. The Trustees took into account the fact that, although this result is not free from doubt, the merger is expected to be a tax-free transaction for federal income tax purposes. They also took into account other anticipated tax effects of the merger, including the consequences that the blending of existing tax attributes of the two funds would have on taxable shareholders. These and other federal income tax consequences are discussed below under the heading “Federal Income Tax Consequences.”

**Costs of the merger.** The Trustees took into account the expected costs of the merger, including the costs of printing and mailing this prospectus, accounting fees and legal fees. The Trustees weighed these costs against the expected benefits of the merger. The Trustees considered Putnam Management’s recommendation that, since both funds are expected to benefit from the merger, legal and accounting expenses should be allocated based on the relative sizes of the acquired and acquiring funds and printing and mailing costs should be allocated to the fund whose shareholders are receiving this prospectus (Putnam High Yield Trust). The Trustees considered that the funds are expected to bear costs in the following approximate amounts:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Putnam High Yield Trust</th>
<th>Putnam High Yield Advantage Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing/Mailing</td>
<td>$38,420</td>
<td>$38,420</td>
</tr>
<tr>
<td>Legal</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Audit</td>
<td>$11,750</td>
<td>$11,750</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$150,170</td>
<td>$150,170</td>
</tr>
<tr>
<td>Net Assets (at September 30, 2016)</td>
<td>$1,129,491,034</td>
<td>$566,179,132</td>
</tr>
<tr>
<td>Total Expenses (as a % of Net Assets at September 30, 2016)</td>
<td>0.01%</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

**Other factors.** The Trustees also took into account a number of other factors, including: (1) the classification and relative performance information for each fund by independent research firms such as Morningstar, Inc. and Thomson Reuters Lipper; (2) the performance history of each fund as compared to its benchmark index; (3) the volatility of each fund’s portfolio relative to the market; (4) the net assets of each fund; (5) the possibility that the combined fund may attract more attention from broker dealer platforms; (6) the
possibility of additional economies of scale or reduced diseconomies of scale; and (7) the
terms of the Agreement.

**Agreement and Plan of Reorganization.** The merger will be governed by the Agreement,
a copy of which is attached as Appendix A. The following discussion of the Agreement is
qualified in its entirety by the full text of the Agreement.

The Agreement provides that Putnam High Yield Advantage Fund will acquire all of the
assets of Putnam High Yield Trust in exchange for the assumption by Putnam High Yield
Advantage Fund of all of the liabilities of Putnam High Yield Trust and for the issuance of
full and fractional Merger Shares of each class equal in value to the value of the transferred
assets attributable to shares of the corresponding class of Putnam High Yield Trust net of
assumed liabilities attributable to the class. Valuations for the merger will be determined
at 4:00 p.m., Eastern Time, on May 5, 2017, or such earlier or later time or date as may
be agreed upon by the parties (the “Valuation Time”). The shares will be issued on the
business day (the “Exchange Date”) following the Valuation Time.

Immediately following its receipt of the Merger Shares on the Exchange Date, Putnam
High Yield Trust will distribute the full and fractional Merger Shares, pro rata, to its share-
holders of record as of the close of business on the Exchange Date. Merger Shares of each
class will be distributed to holders of shares of the corresponding class of Putnam High
Yield Trust. As a result of the merger, each shareholder of Putnam High Yield Trust will
receive a number of Merger Shares of each class equal in aggregate value at the Exchange
Date to the value of Putnam High Yield Trust shares of the corresponding class held by the
shareholder. Putnam High Yield Advantage Fund will issue the Merger Shares, registered
in the name of Putnam High Yield Trust, to Putnam High Yield Trust. Putnam High Yield
Advantage Fund will then, in accordance with written instructions furnished by Putnam
High Yield Trust, re-register the Merger Shares in the names of the shareholders of Putnam
High Yield Trust in an amount representing the respective number of full and fractional
Merger Shares of each class due the shareholder.

The consummation of the merger is subject to the conditions set forth in the Agreement.
The Agreement may be terminated and the merger abandoned at any time before the
Exchange Date by mutual consent of Putnam High Yield Advantage Fund and Putnam
High Yield Trust or, if any condition set forth in the Agreement has not been fulfilled and
has not been waived by the party entitled to its benefits, by that party.

The fees and expenses for the merger and related transactions are estimated to be
$300,340, of which an estimated $150,170 will be paid by Putnam High Yield Trust and an
estimated $150,170 will be paid by Putnam High Yield Advantage Fund. These fees and
expenses, representing legal and accounting expenses, the costs of printing and mailing
this prospectus, portfolio transfer taxes (if any) or other similar expenses incurred in
connection with the consummation of the merger and related transactions contemplated
by the Agreement, will be allocated evenly between the two funds as of the Valuation
Time. However, to the extent that any payment by either fund of such fees or expenses
would result in the disqualification of Putnam High Yield Advantage Fund or Putnam High Yield Trust as a “regulated investment company” within the meaning of Section 851 of the Internal Revenue Code of 1986, as amended (the “Code”), such fees and expenses will be paid directly by the party incurring them.

**Description of the Merger Shares.** The Merger Shares are class A, class B, class C, class M, class R, and class Y shares of Putnam High Yield Advantage Fund. Each class of Merger Shares has identical characteristics to shares of the corresponding class of Putnam High Yield Trust. The Merger Shares do not include class T shares because these shares are not yet available for purchase. Putnam High Yield Trust shareholders receiving Merger Shares will not pay an initial sales charge on the shares. Your Merger Shares will be subject to a contingent deferred sales charge to the same extent that your Putnam High Yield Trust shares were subject to such a charge. In other words, your Merger Shares will be treated as having been purchased on the date you purchased your Putnam High Yield Trust shares and for the price you originally paid, potentially subject to certain adjustments. For purposes of determining the conversion date of the class B Merger Shares into class A shares of Putnam High Yield Advantage Fund, the Merger Shares will be treated as having been purchased on the date you originally purchased your Putnam High Yield Trust shares (so that the conversion date of the shares will be unchanged by the merger). For more detail on the characteristics of each class of Merger Shares, please see the “How do I buy fund shares?” section of the prospectus of Putnam High Yield Advantage Fund, dated March 30, 2016, as supplemented.

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of Putnam High Yield Advantage Fund. However, the Amended and Restated Agreement and Declaration of Trust of Putnam High Yield Advantage Fund disclaims shareholder liability for acts or obligations of Putnam High Yield Advantage Fund and requires that notice of such disclaimer be given in each agreement, obligation or instrument entered into or executed by Putnam High Yield Advantage Fund or its Trustees. The Amended and Restated Agreement and Declaration of Trust provides for indemnification out of fund property for all loss and expense of any shareholder held personally liable for the obligations of Putnam High Yield Advantage Fund. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which Putnam High Yield Advantage Fund would be unable to meet its obligations. The likelihood of such circumstances is remote. The shareholders of Putnam High Yield Trust are currently subject to this same risk of shareholder liability.

**Federal Income Tax Consequences.** As a condition to each fund’s obligation to consummate the transactions contemplated by the Agreement, the funds will receive a tax opinion from Ropes & Gray LLP, counsel to the funds (which opinion will be based on certain factual representations and customary assumptions and subject to certain qualifications), substantially to the effect that, although the matter is not free from doubt, on the basis of the existing provisions of the Code, Treasury regulations promulgated
thereunder, current administrative rules and court decisions, generally for federal income tax purposes:

(i) the acquisition by Putnam High Yield Advantage Fund of substantially all of the assets of Putnam High Yield Trust solely in exchange for Merger Shares and the assumption by Putnam High Yield Advantage Fund of liabilities of Putnam High Yield Trust followed by the distribution by Putnam High Yield Trust to its shareholders of Merger Shares in complete liquidation of Putnam High Yield Trust, all pursuant to the Agreement, will constitute a reorganization within the meaning of Section 368(a) of the Code, and Putnam High Yield Trust and Putnam High Yield Advantage Fund will each be a “party to a reorganization” within the meaning of Section 368(b) of the Code;

(ii) under Sections 361 and 357 of the Code, no gain or loss will be recognized by Putnam High Yield Trust upon the transfer of its assets to Putnam High Yield Advantage Fund pursuant to the Agreement in exchange for Merger Shares and the assumption of Putnam High Yield Trust’s liabilities by Putnam High Yield Advantage Fund or upon the distribution of Merger Shares by Putnam High Yield Trust to its shareholders in liquidation of Putnam High Yield Trust, except for (A) any gain or loss recognized on (1) “Section 1256 contracts” as defined in Section 1256(b) of the Code or (2) stock in a “passive foreign investment company” as defined in Section 1297(a) of the Code, and (B) any other gain or loss required to be recognized (1) as a result of the closing of the tax year of Putnam High Yield Trust, (2) upon the termination of a position, or (3) upon the transfer of an asset regardless of whether such a transfer would otherwise be a nontaxable transaction under the Code;

(iii) under Section 354 of the Code, no gain or loss will be recognized by shareholders of Putnam High Yield Trust upon the exchange of their shares of Putnam High Yield Trust for Merger Shares;

(iv) under Section 358 of the Code, the aggregate tax basis of the Merger Shares a Putnam High Yield Trust shareholder receives pursuant to the Agreement will be the same as the aggregate tax basis of the Putnam High Yield Trust shares exchanged therefor;

(v) under Section 1223(1) of the Code, a Putnam High Yield Trust shareholder’s holding period for the Merger Shares received pursuant to the Agreement will be determined by including the period during which such shareholder held or is treated for federal income tax purposes as having held the Putnam High Yield Trust shares exchanged therefor, provided that the shareholder held those Putnam High Yield Trust shares as capital assets;

(vi) under Section 1032 of the Code, no gain or loss will be recognized by Putnam High Yield Advantage Fund upon the receipt of the assets of Putnam High Yield Trust in exchange for Merger Shares and the assumption by Putnam High Yield Advantage Fund of the liabilities of Putnam High Yield Trust;

(vii) under Section 362(b) of the Code, Putnam High Yield Advantage Fund’s tax basis in the assets of Putnam High Yield Trust transferred to Putnam High Yield Advantage
Fund pursuant to the Agreement will be the same as Putnam High Yield Trust’s tax basis of such assets immediately prior to the transfer, increased by any gain or decreased by any loss required to be recognized as described in (ii) above; 

(viii) under Section 1223(2) of the Code, the holding period in the hands of Putnam High Yield Advantage Fund of each Putnam High Yield Trust asset transferred to Putnam High Yield Advantage Fund pursuant to the Agreement, other than certain assets with respect to which gain or loss is required to be recognized as described in (ii) above, will include the period during which such asset was held or treated for federal income tax purposes as held by Putnam High Yield Trust; and 

(ix) Putnam High Yield Advantage Fund will succeed to and take into account the items of Putnam High Yield Trust described in Section 381(c) of the Code, subject to the conditions and limitations specified in Sections 381, 382, 383 and 384 of the Code and the regulations thereunder.

Putnam High Yield Advantage Fund will file the tax opinion with the SEC shortly after completion of the merger. The opinion will be based on certain factual certifications made by officers of Putnam High Yield Trust and Putnam High Yield Advantage Fund and will also be based on customary assumptions and subject to certain qualifications. The opinion will note and distinguish certain published precedent. The opinion is not a guarantee that the tax consequences of the merger will be as described above. There is no assurance that the Internal Revenue Service will agree with the opinion. If the merger were consummated but did not qualify as a tax-free reorganization, Putnam High Yield Trust shareholders would recognize a taxable gain or loss equal to the difference between their tax basis in their Putnam High Yield Trust shares and the fair market value of the shares of Putnam High Yield Advantage Fund received.

Although the merger is expected to be a tax-free reorganization for federal income tax purposes, there will nonetheless be tax implications. Portfolio assets of Putnam High Yield Trust may be sold in connection with the merger. The actual tax impact of any such sales will depend on the difference between the price at which the portfolio assets are sold and Putnam High Yield Trust’s tax basis in the assets. If such sales take place prior to the date of the merger, any net capital gains recognized in these sales will be distributed to Putnam High Yield Trust’s shareholders as capital gain dividends (to the extent of net realized long-term capital gains over net-realized short-term capital losses) and/or ordinary dividends (to the extent of net realized short-term capital gains over net realized long-term capital losses) during or with respect to the year of sale. Such distributions will be taxable to shareholders. If such sales take place after the date of the merger, any net capital gains recognized in these sales will be distributed to shareholders of the combined fund and will be taxable to shareholders in the manner described in the immediately preceding sentence. Also, because the merger will end the tax year of Putnam High Yield Trust, it could accelerate distributions to shareholders from Putnam High Yield Trust for its short tax year ending on the date of the merger. Those tax year-end distributions will be taxable and will include any capital gains resulting from portfolio turnover prior to the merger.
Before consummating the merger, Putnam High Yield Trust will, and Putnam High Yield Advantage Fund may, declare a distribution to shareholders that, together with all previous distributions, will have the effect of distributing to shareholders all of its investment company taxable income (computed without regard to the deduction for dividends paid) and net capital gains, including those realized on the disposition of portfolio securities, whether independent of or in connection with the merger, effected prior to the merger. These distributions will be taxable to shareholders.

Furthermore, differences between the funds’ unrealized gains and losses and tax loss carryforwards, and tax rules limiting the use of certain of those losses to offset gains following the merger, may affect the timing and amount of future capital gain distributions paid to shareholders. Putnam High Yield Advantage Fund’s ability to carry forward its or Putnam High Yield Trust’s pre-merger capital losses and to use them to offset future gains may be limited as a result of the merger. First, “pre-acquisition losses” of either Putnam High Yield Advantage Fund or Putnam High Yield Trust (including capital loss carryforwards, net current-year capital losses, and unrealized losses that exceed certain thresholds) may become unavailable to offset gains of the combined fund. Second, one fund’s pre-acquisition losses cannot be used to offset unrealized gains in the other fund that are “built in” at the time of the merger and that exceed certain thresholds (“non-de minimis built-in gains”) for five tax years. Third, Putnam High Yield Trust’s loss carryforwards, as limited under the previous two rules, are permitted to offset only that portion of the income of Putnam High Yield Advantage Fund for the taxable year of the merger that is equal to the portion of Putnam High Yield Advantage Fund’s taxable year that follows the date of the merger (prorated according to number of days). Therefore, in certain circumstances, shareholders of either fund may pay taxes sooner, or pay more taxes, than they would have had the merger not occurred.

In addition, the combined fund resulting from the merger will have tax attributes that reflect a blending of the tax attributes of Putnam High Yield Advantage Fund and Putnam High Yield Trust at the time of the merger (including as affected by the rules described above). Therefore, the shareholders of each fund will receive a proportionate share of any “built-in” (unrealized) gains in the other fund’s assets, as well as, in the case of Putnam High Yield Trust shareholders, any taxable gains realized by Putnam High Yield Advantage Fund but not distributed to its shareholders before the merger, when Putnam High Yield Advantage Fund eventually distributes those gains. As a result, shareholders of either fund may receive a greater amount of taxable distributions than they would have had the merger not occurred. Any pre-acquisition losses of Putnam High Yield Trust (whether realized or unrealized) remaining after the operation of the limitation rules described above will become potentially available to offset capital gains realized after the merger and thus may reduce subsequent capital gain distributions to a broader group of shareholders than would have been the case absent the merger, such that the benefit of those losses to Putnam High Yield Trust shareholders may be further reduced relative to what the benefit would have been had the merger not occurred.
The amount of realized and unrealized gains and losses of each fund, as well as the size of each fund, at the time of the merger will determine the extent to which the funds’ respective losses, both realized and unrealized, will be available to reduce gains realized by the combined fund following the merger, and consequently the extent to which the combined fund may be required to distribute gains to its shareholders earlier than would have been the case absent the merger. Thus, the impact of the rules described above will depend on factors that are currently unknown, and this impact cannot be calculated precisely before the merger.

The following paragraphs and tables provide a brief summary of the tax impacts, due to the above-described rules and the combination of the tax attributes of the two funds, of the merger had it occurred on September 30, 2016. The summary is based on the gain/loss characteristics of the funds as of September 30, 2016 and assumes that a hypothetical merger of the funds took place on that date. The gain/loss characteristics and net assets of each fund, and of the combined fund, on the actual date of the merger will differ, perhaps significantly, from those on September 30, 2016. For example, as a result of the potential portfolio turnover of Putnam High Yield Trust, that fund’s tax situation, and thus the actual tax impacts of the merger, could differ substantially from those described below. *Because the tax impact of the merger depends on each fund’s relative tax situation at the time of the merger, which situation will be different, and perhaps significantly different, than the tax situation on September 30, 2016, the tax impacts of the merger will differ, perhaps significantly, from those described below.*

As of September 30, 2016 Putnam High Yield Trust had realized losses (in the form of carryforwards and year-to-date (“YTD”) net realized losses) equal to approximately $293.10 million, or roughly 25.95% of its own NAV, and essentially no built-in gains (roughly 0.09% of its NAV), and Putnam High Yield Advantage had realized losses (also in the form of carryforwards and YTD net realized losses) equal to approximately $91.04 million, or roughly 16.08% of its own NAV, and likewise essentially no built-in gain (roughly 0.02% of its own NAV). Had the merger occurred on September 30, 2016, the combined fund would have had losses (net of unrealized built-in gains) equal to approximately $229.03 million, or roughly 13.51% of the NAV of the combined fund. As of September 30, 2016, Putnam High Yield Trust had proportionately larger net realized losses than Putnam High Yield Advantage. The expiration of Putnam High Yield Trust’s losses would have been accelerated as a result of the closing of Putnam High Yield Trust’s taxable year on the closing date of the merger. Such expiration, combined with the sharing of Putnam High Yield Trust’s losses over the larger shareholder base of the combined fund, would have given rise to a small potential tax cost to Putnam High Yield Trust shareholders as a result of the merger. Putnam High Yield Advantage’s shareholders would have potentially experienced a very small tax benefit as a result of sharing in the proportionally larger losses of Putnam High Yield Trust following the merger. High Yield Advantage’s approximately $91 million of losses would have been subject to an annual limitation of about $8.72 million per year following the merger. Almost $60 million of these losses would have expired at the end of
the second taxable year of the combined fund following the merger. Given the very short expiration period of these losses and their size relative to the annual limitation, it would not have been possible for the combined fund to use these losses in full to offset gains of the combined fund before the losses expired. However, given the short remaining expiration period of these losses and their overall size, High Yield Advantage may not have been able to use such losses in full to offset its own gains notwithstanding the limitations imposed as a result of the merger. As a result, depending on the timing and size of gains recognized by the combined fund in the years following the merger, and particularly in light of the sharing of Putnam High Trust’s losses described above, the limitation may not have had a significant effect. The rules limiting the ability of the combined fund to use pre-merger losses of one fund to offset built-in gains of the other fund for five years following the merger would technically have applied to both funds, but would likely not have had a significant practical effect.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Net Assets</th>
<th>Capital Loss Carryforwards</th>
<th>YTD Net Realized Gain/(Loss)</th>
<th>Capital Loss Carryforwards, Net of (including) YTD Gain/(Loss) or YTD Gain Net of Capital Loss Carryforwards</th>
<th>Current Net Unrealized Gain/(Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Putnam High Yield Trust</td>
<td>$1,129.49</td>
<td>($239.04)</td>
<td>($54.06)</td>
<td>($293.10)</td>
<td>$1.06</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund</td>
<td>$566.18</td>
<td>($67.47)</td>
<td>($23.57)</td>
<td>($91.04)</td>
<td>$0.14</td>
</tr>
<tr>
<td>Putnam High Yield Advantage Fund (combined pro forma after merger and after Loss Limitation*)</td>
<td>$1,695.67</td>
<td>—</td>
<td>—</td>
<td>($229.03)</td>
<td>$1.20</td>
</tr>
</tbody>
</table>

* Showing merger of Putnam High Yield Trust into Putnam High Yield Advantage Fund. The pro forma figures in this chart represent the position of each fund following a hypothetical merger on 9/30/2016. The amount shown as “Capital Loss Carryforwards, Net of (including) YTD Gain/(Loss) or YTD Gain Net of Capital Loss Carryforwards” represents the sum of the capital loss carryforwards, if any, and YTD realized gains/losses (the amounts that would be shown in the previous two columns) of the combined fund post-merger, after taking any Section 382 loss limitation and any expiration of losses as a result of the closing of Putnam High Yield Trust’s taxable year into account; this amount may not be fully available to the combined fund in any given year because the tax laws limit the use of Putnam High Yield Advantage Fund’s and Putnam High Yield Trust’s pre-merger losses to offset gains realized by the combined fund. This number does not take into account potential limitations under Section 381 of the Code, which could limit the use of pre-merger losses of Putnam High Yield Advantage Fund against post-merger current year gains of the combined fund in the year of the merger, and Section 384 of the Code, which prohibits the use of pre-merger losses of either fund to offset gains that were “built in” to the other fund at the time of the merger, if and when those gains are realized. Please note that the pro forma figures for post-merger losses may not be the sum of the pre-merger losses due to the limitations on the use of pre-merger losses and due to the potentially accelerated expiration of Putnam High Yield Trust’s losses as a result of the merger.

The tax principles described above are not expected to change. However, their application will change prior to the merger because of market developments and fluctuation, any pre-merger realignments or other sales of portfolio securities that might occur or that
have already occurred, and shareholder activity in the funds, among other changes. This
description of the federal income tax consequences of the merger is made without regard
to the particular facts and circumstances of any shareholder, though it is applicable only
to a situation when a fund’s shares are held in a taxable account. Shareholders are urged
to consult their own tax advisors as to the specific consequences to them of the merger,
including the applicability and effect of state, local and other tax laws.

Capitalization. The following table shows on an unaudited basis the capitalization of the
funds as of November 30, 2016, and on a pro forma combined basis, giving effect to the
merger as of that date:

<table>
<thead>
<tr>
<th>(Unaudited)</th>
<th>Putnam High Yield Trust</th>
<th>Putnam High Yield Advantage Fund</th>
<th>Pro Forma Adjustment</th>
<th>Putnam High Yield Advantage Fund Pro Forma Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets (in thousands)*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>$786,040,933</td>
<td>$309,295,257</td>
<td>(193,828)</td>
<td>$1,095,142,362</td>
</tr>
<tr>
<td>Class B</td>
<td>$12,127,916</td>
<td>$14,950,309</td>
<td>(5,796)</td>
<td>$27,072,429</td>
</tr>
<tr>
<td>Class C</td>
<td>$48,354,475</td>
<td>$21,879,378</td>
<td>(12,710)</td>
<td>$70,221,143</td>
</tr>
<tr>
<td>Class M</td>
<td>$13,118,878</td>
<td>$77,470,785</td>
<td>(23,167)</td>
<td>$90,566,496</td>
</tr>
<tr>
<td>Class R</td>
<td>$8,489,052</td>
<td>$24,377,553</td>
<td>(7,892)</td>
<td>$32,858,713</td>
</tr>
<tr>
<td>Class Y</td>
<td>$219,088,828</td>
<td>$96,810,782</td>
<td>(56,947)</td>
<td>$315,842,663</td>
</tr>
<tr>
<td>Total</td>
<td>$1,087,220,082</td>
<td>$544,784,064</td>
<td>(300,340)</td>
<td>$1,631,703,806</td>
</tr>
<tr>
<td>Shares outstanding (in thousands) †</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>104,038,735</td>
<td>53,509,870</td>
<td>31,932,113</td>
<td>189,480,719</td>
</tr>
<tr>
<td>Class B</td>
<td>1,607,573</td>
<td>2,653,234</td>
<td>544,474</td>
<td>4,805,280</td>
</tr>
<tr>
<td>Class C</td>
<td>6,463,699</td>
<td>3,898,606</td>
<td>2,151,217</td>
<td>12,513,522</td>
</tr>
<tr>
<td>Class M</td>
<td>1,727,285</td>
<td>13,443,862</td>
<td>548,980</td>
<td>15,720,127</td>
</tr>
<tr>
<td>Class R</td>
<td>1,150,835</td>
<td>4,231,178</td>
<td>322,394</td>
<td>5,704,407</td>
</tr>
<tr>
<td>Class Y</td>
<td>29,696,657</td>
<td>15,992,535</td>
<td>6,490,447</td>
<td>52,179,639</td>
</tr>
<tr>
<td>Total</td>
<td>$144,684,784</td>
<td>$93,729,285</td>
<td>41,989,625</td>
<td>$90,922,975</td>
</tr>
<tr>
<td>Net asset value per share</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>$7.56</td>
<td>$5.78</td>
<td>—</td>
<td>$5.78</td>
</tr>
<tr>
<td>Class B</td>
<td>$7.54</td>
<td>$5.63</td>
<td>—</td>
<td>$5.63</td>
</tr>
<tr>
<td>Class C</td>
<td>$7.48</td>
<td>$5.61</td>
<td>—</td>
<td>$5.61</td>
</tr>
<tr>
<td>Class M</td>
<td>$7.60</td>
<td>$5.76</td>
<td>—</td>
<td>$5.76</td>
</tr>
<tr>
<td>Class R</td>
<td>$7.38</td>
<td>$5.76</td>
<td>—</td>
<td>$5.76</td>
</tr>
<tr>
<td>Class Y</td>
<td>$7.38</td>
<td>$6.05</td>
<td>—</td>
<td>$6.05</td>
</tr>
</tbody>
</table>
* Pro forma combined net assets reflect estimated legal and accounting merger-related costs and will be allocated evenly between the two funds, totaling $150,170 for Putnam High Yield Trust and $150,170 for Putnam High Yield Advantage Fund.

† Reflects the issuance of the following shares of Putnam High Yield Advantage Fund in a tax-free exchange for the net assets of Putnam High Yield Trust as of November 30, 2016, less anticipated merger-related expenses:

Class A: 135,970,849
Class B: 2,152,046
Class C: 8,614,916
Class M: 2,276,265
Class R: 1,473,229
Class Y: 36,187,104

Unaudited narrative pro forma financial information of the funds for the twelve-month period ended November 30, 2016 included in the Merger SAI. Because the Agreement provides that Putnam High Yield Advantage Fund will be the surviving fund following the merger and because Putnam High Yield Advantage Fund’s investment goals and policies will remain unchanged, the narrative pro forma financial information reflects the transfer of the assets and liabilities of Putnam High Yield Trust to Putnam High Yield Advantage Fund as contemplated by the Agreement.

**IV. Additional Information about Putnam High Yield Advantage Fund**

References to the “fund” in this section refer to Putnam High Yield Advantage Fund.

**Purchase and sale of fund shares**

You can open an account, purchase and/or sell fund shares, or exchange them for shares of another Putnam fund by contacting your financial advisor or by calling Putnam Investor Services at 1-800-225-1581.

When opening an account, you must complete and mail a Putnam account application, along with a check made payable to the fund, to: Putnam Investor Services, P.O. Box 8383, Boston, MA 02266-8383. The minimum initial investment of $500 is currently waived, although Putnam reserves the right to reject initial investments under $500 at its discretion. There is no minimum for subsequent investments.

You can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the New York Stock Exchange (NYSE) is open. Shares may be sold or exchanged by mail, by phone, or online at putnam.com. Some restrictions may apply.

**Tax Information**

The fund’s distributions will be taxed as ordinary income or capital gains unless you hold the shares through a tax-advantaged arrangement, in which case you will generally be taxed only upon withdrawal of monies from the arrangement.
Who oversees and manages the fund?

The fund’s Trustees. As a shareholder of a mutual fund, you have certain rights and protections, including representation by a Board of Trustees. The Putnam Funds’ Board of Trustees oversees the general conduct of the fund’s business and represents the interests of the Putnam fund shareholders. At least 75% of the members of the Putnam Funds’ Board of Trustees are independent, which means they are not officers of the fund or affiliated with Putnam Investment Management, LLC (Putnam Management).

The Trustees periodically review the fund’s investment performance and the quality of other services such as administration, custody, and investor services. At least annually, the Trustees review the fees paid to Putnam Management and its affiliates for providing or overseeing these services, as well as the overall level of the fund’s operating expenses. In carrying out their responsibilities, the Trustees are assisted by an administrative staff, auditors and legal counsel that are selected by the Trustees and are independent of Putnam Management and its affiliates.

Contacting the fund’s Trustees

Address correspondence to:
The Putnam Funds Trustees
One Post Office Square
Boston, MA 02109

The fund’s investment manager. The Trustees have retained Putnam Management, which has managed mutual funds since 1937, to be the fund’s investment manager, responsible for making investment decisions for the fund and managing the fund’s other affairs and business. The basis for the Trustees’ approval of the fund’s management contract and the sub-management and sub-advisory contracts described below is discussed in the fund’s annual report to shareholders dated November 30, 2016.

The fund pays a monthly management fee to Putnam Management. The fee is calculated by applying a rate to the fund’s average net assets for the month. The rate is based on the monthly average of the aggregate net assets of all open-end funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid “double counting” of those assets), and generally declines as the aggregate net assets increase.

The fund paid Putnam Management a management fee (after any applicable waivers) of 0.56% of average net assets for the fund’s last fiscal year.

Putnam Management’s address is One Post Office Square, Boston, MA 02109.

Putnam Management has retained its affiliate Putnam Investments Limited (PIL) to make investment decisions for such fund assets as may be designated from time to time for its management by Putnam Management. PIL is not currently managing any fund assets. If PIL were to manage any fund assets, Putnam Management (and not the fund) would pay a quarterly sub-management fee to PIL for its services at the annual rate of 0.35% of the average net asset value (NAV) of any fund assets managed by PIL. PIL, which provides a full
range of international investment advisory services to institutional clients, is located at Cassini House, 57–59 St James’s Street, London, England, SW1A 1LD.

Putnam Management and PIL have retained their affiliate The Putnam Advisory Company, LLC (PAC) to make investment decisions for such fund assets as may be designated from time to time for its management by Putnam Management or PIL, as applicable. PAC is not currently managing any fund assets. If PAC were to manage any fund assets, Putnam Management or PIL, as applicable (and not the fund), would pay a quarterly sub-advisory fee to PAC for its services at the annual rate of 0.35% of the average NAV of any fund assets managed by PAC. PAC, which provides financial services to institutions and individuals through separately-managed accounts and pooled investment vehicles, has its headquarters at One Post Office Square, Boston, MA 02109, with additional investment management personnel located in Singapore.

Pursuant to these arrangements, Putnam investment professionals who are based in foreign jurisdictions may serve as portfolio managers of the fund or provide other investment services, consistent with local regulations.

**Portfolio managers.** The officers of Putnam Management identified below are primarily responsible for the day-to-day management of the fund’s portfolio.

<table>
<thead>
<tr>
<th>Portfolio manager</th>
<th>Joined fund</th>
<th>Employer</th>
<th>Positions over past five years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Scanlon</td>
<td>2002</td>
<td>Putnam Management 1999–Present</td>
<td>Portfolio Manager</td>
</tr>
<tr>
<td>Norman Boucher</td>
<td>2005</td>
<td>Putnam Management 1998–Present</td>
<td>Portfolio Manager</td>
</tr>
<tr>
<td>Robert Salvin</td>
<td>2005</td>
<td>Putnam Management 2000–Present</td>
<td>Portfolio Manager</td>
</tr>
</tbody>
</table>

The fund’s SAI provides information about these individuals’ compensation, other accounts managed by these individuals and these individuals’ ownership of securities in the fund.

**Portfolio holdings.** The SAI includes a description of the fund’s policies with respect to the disclosure of its portfolio holdings. For more specific information on the fund’s portfolio, you may visit the Putnam Investments website, putnam.com/individual, where the fund’s top 10 holdings and related portfolio information may be viewed monthly beginning approximately 15 days after the end of each month, and full portfolio holdings may be viewed beginning on the last business day of the month after the end of each calendar quarter. This information will remain available on the website until the fund files a Form N-CSR or N-Q with the SEC for the period that includes the date of the information, after which such information can be found on the SEC’s website at http://www.sec.gov.

**How does the fund price its shares?**

The price of the fund’s shares is based on its NAV. The NAV per share of each class equals the total value of its assets, less its liabilities, divided by the number of its outstanding
shares. Shares are only valued as of the scheduled close of regular trading on the NYSE each day the exchange is open.

The fund values its investments for which market quotations are readily available at market value. It values all other investments and assets at their fair value, which may differ from recent market prices. Market quotations are not considered to be readily available for many debt securities. These securities are generally valued at fair value on the basis of valuations provided by an independent pricing service approved by the fund’s Trustees or dealers selected by Putnam Management. Pricing services and dealers determine valuations for normal institutional-size trading units of such securities using information with respect to transactions in the bond being valued, market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities. To the extent a pricing service or dealer is unable to value a security or provides a valuation which Putnam Management does not believe accurately reflects the security’s fair value, the security will be valued at fair value by Putnam Management.

The fund translates prices for its investments quoted in foreign currencies into U.S. dollars at current exchange rates, which are generally determined as of 4:00 p.m. Eastern Time each day the NYSE is open. As a result, changes in the value of those currencies in relation to the U.S. dollar may affect the fund’s NAV. Because foreign markets may be open at different times than the NYSE, the value of the fund’s shares may change on days when shareholders are not able to buy or sell them. If events materially affecting the values of the fund’s foreign fixed-income investments occur between the close of foreign markets and the close of regular trading on the NYSE, these investments will also be valued at their fair value. As noted above, the value determined for an investment using the fund’s fair value pricing procedures may differ from recent market prices for the investment.

The fund’s most recent NAV is available on Putnam Investments’ website at putnam.com/individual or by contacting Putnam Investor Services at 1-800-225-1581.

How do I buy fund shares?

Opening an account
You can open a fund account and purchase class A, B, C, M and T shares by contacting your financial representative or Putnam Investor Services at 1-800-225-1581 and obtaining a Putnam account application. Class T shares of the fund are not currently available for purchase. Effective April 1, 2017, purchases for class B shares will be closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment. The completed application, along with a check made payable to the fund, must then be returned to Putnam Investor Services at the following address:

Putnam Investor Services
P.O. Box 8383
Boston, MA 02266-8383
You can open a fund account with as little as $500. The minimum investment is waived if you make regular investments weekly, semi-monthly or monthly through automatic deductions from your bank checking or savings account. Although Putnam is currently waiving the minimum, it reserves the right to reject initial investments under the minimum at its discretion.

The fund sells its shares at the offering price, which is the NAV plus any applicable sales charge (class A, class M, and, class T shares only). Your financial representative or Putnam Investor Services generally must receive your completed buy order before the close of regular trading on the NYSE for your shares to be bought at that day's offering price.

If you participate in an employer-sponsored retirement plan that offers the fund, please consult your employer for information on how to purchase shares of the fund through the plan, including any restrictions or limitations that may apply.

Mutual funds must obtain and verify information that identifies investors opening new accounts. If the fund is unable to collect the required information, Putnam Investor Services may not be able to open your account. Investors must provide their full name, residential or business address, Social Security or tax identification number, and date of birth. Entities, such as trusts, estates, corporations and partnerships, must also provide additional identifying documentation. Putnam Investor Services may share identifying information with third parties for the purpose of verification. If Putnam Investor Services cannot verify identifying information after opening your account, the fund reserves the right to close your account, at the then-current NAV, which may be more or less than your original investment net of any applicable sales charges.

Also, the fund may periodically close to new purchases of shares or refuse any order to buy shares if the fund determines that doing so would be in the best interests of the fund and its shareholders.

**Purchasing additional shares**

Once you have an existing account, you can make additional investments at any time in any amount in the following ways:

- **Through a financial representative.** Your representative will be responsible for furnishing all necessary documents to Putnam Investor Services and may charge you for his or her services.

- **Through Putnam's Systematic Investing Program.** You can make regular investments weekly, semi-monthly or monthly through automatic deductions from your bank checking or savings account.

- **Via the Internet or phone.** If you have an existing Putnam fund account and you have completed and returned an Electronic Investment Authorization Form, you can
buy additional shares online at putnam.com or by calling Putnam Investor Services at 1-800-225-1581.

• **By mail.** You may also request a book of investment stubs for your account. Complete an investment stub and write a check for the amount you wish to invest, payable to the fund. Return the check and investment stub to Putnam Investor Services.

• **By wire transfer.** You may buy fund shares by bank wire transfer of same-day funds. Please call Putnam Investor Services at 1-800-225-1581 for wiring instructions. Any commercial bank can transfer same-day funds by wire. The fund will normally accept wired funds for investment on the day they are received if they are received by the fund’s designated bank before the close of regular trading on the NYSE. Your bank may charge you for wiring same-day funds. Although the fund’s designated bank does not currently charge you for receiving same-day funds, it reserves the right to charge for this service. You cannot buy shares for employer-sponsored retirement plans by wire transfer.

**Which class of shares is best for me?** The fund’s prospectus offers you five classes of fund shares: A, B, C M, and T. Employer-sponsored retirement plans may also choose class R shares, and certain investors described below may also choose class Y shares. Class T shares are not currently available for purchase. Effective April 1, 2017, purchases for class B shares will be closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

Each share class represents investments in the same portfolio of securities, but each class has its own sales charge and expense structure, as illustrated in the Fund summary — Fees and expenses section, allowing you and your financial representative to choose the class that best suits your investment needs. When you purchase shares of a fund, you must choose a share class. Deciding which share class best suits your situation depends on a number of factors that you should discuss with your financial representative, including:

• **How long you expect to hold your investment.** Class B shares charge a contingent deferred sales charge (CDSC) on redemptions that is phased out over the first six years; class C shares charge a CDSC on redemptions in the first year.

• **How much you intend to invest.** While investments of less than $100,000 can be made in any share class, classes A and M offer sales charge discounts starting at $100,000 and $50,000, respectively. Class T offers sales charge discounts starting at investments of $250,000.

• **Total expenses associated with each share class.** Each share class offers a different combination of up-front and ongoing expenses. Generally, the lower the up-front sales charge, the greater the ongoing expenses.

**Here is a summary of the differences among the classes of shares**

**Class A shares**
• Initial sales charge of up to 4.00%
• Lower sales charges available for investments of $100,000 or more
• No deferred sales charge (except that a deferred sales charge of 1.00% may be imposed on certain redemptions of shares bought without an initial sales charge)
• Lower annual expenses, and higher dividends, than class B, C or M shares because of lower 12b-1 fees
• Potential for higher initial sales charge than class T shares; however, right of accumulation and statement of intention discounts (described in this prospectus) are not applicable to class T shares.

Class B shares
• No initial sales charge; your entire investment goes to work immediately
• Deferred sales charge of up to 5.00% if shares are sold within six years of purchase
• Higher annual expenses, and lower dividends, than class A, M or T shares because of higher 12b-1 fees
• Convert automatically to class A shares after eight years, thereby reducing future 12b-1 fees
• Orders for class B shares of one or more Putnam funds will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $100,000 or more. Investors considering cumulative purchases of $100,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class C shares
• No initial sales charge; your entire investment goes to work immediately
• Deferred sales charge of 1.00% if shares are sold within one year of purchase
• Higher annual expenses, and lower dividends, than class A, M or T shares because of higher 12b-1 fees
• No conversion to class A shares, so no reduction in future 12b-1 fees
• Orders for class C shares of one or more Putnam funds, other than class C shares sold to employer-sponsored retirement plans, will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $500,000 or more. Investors considering cumulative purchases of $500,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class M shares
• Initial sales charge of up to 3.25%
• Lower sales charges available for investments of $50,000 or more
• No deferred sales charge
• Lower annual expenses, and higher dividends, than class B or C shares because of lower 12b-1 fees
• Higher annual expenses, and lower dividends, than class A or T shares because of higher 12b-1 fees
• No conversion to class A shares, so no reduction in future 12b-1 fees
• Orders for class M shares of one or more Putnam funds, other than class M shares sold to employer-sponsored retirement plans, will be refused when the total value of the purchase, plus existing account balances that are eligible to be linked under a right of accumulation for purchases of class A shares (as described below), is $500,000 or more. Investors considering cumulative purchases of $500,000 or more should consider whether class A shares would be more advantageous and consult their financial representative.

Class R shares (available only to employer-sponsored retirement plans)
• No initial sales charge; your entire investment goes to work immediately
• No deferred sales charge
• Lower annual expenses, and higher dividends, than class B or C shares because of lower 12b-1 fees
• Higher annual expenses, and lower dividends, than class A or T shares because of higher 12b-1 fees
• No conversion to class A shares, so no reduction in future 12b-1 fees.

Class T shares
• Initial sales charge of up to 2.50%
• Lower sales charges available for investments of $250,000 or more
• No deferred sales charge
• Lower annual expenses, and higher dividends, than class B, C or M shares because of lower 12b-1 fees
• Potential for lower initial sales charge than class A shares, however, right of accumulation and statement of intention discounts (described in this prospectus) are not applicable to class T shares.

Class Y shares (available only to investors listed below)
• The following investors may purchase class Y shares if approved by Putnam:
  – employer-sponsored retirement plans that are clients of third-party administrators (including affiliates of Putnam) that have entered into agreements with Putnam and offer institutional share class pricing (no sales charge or 12b-1 fee);
  – bank trust departments and trust companies that have entered into agreements with Putnam and offer institutional share class pricing to their clients;
– corporate IRAs administered by Putnam, if another retirement plan of the sponsor is eligible to purchase class Y shares;
– college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code;
– other Putnam funds and Putnam investment products;
– investors purchasing shares through an asset-based fee program that regularly offers institutional share classes and that is sponsored by a registered broker-dealer or other financial institution;
– clients of a financial representative who are charged a fee for consulting or similar services;
– corporations, endowments and foundations that have entered into an arrangement with Putnam;
– fee-paying clients of a registered investment advisor (RIA) who initially invests for clients an aggregate of at least $100,000 in Putnam funds;
– investment companies (whether registered or private), both affiliated and unaffiliated with Putnam;
– current and retired Putnam employees and their immediate family members (including an employee’s spouse, domestic partner, fiancé(e), or other family members who are living in the same household) as well as, in each case, Putnam-offered health savings accounts, individual retirement accounts (IRAs), and other similar tax-advantaged plans solely owned by the foregoing individuals; current and retired directors of Putnam Investments, LLC; current and retired Great-West Life & Annuity Insurance Company employees; and current and retired Trustees of the fund. Upon the departure of any member of this group of individuals from Putnam, Great-West Life & Annuity Insurance Company, or the fund’s Board of Trustees, the member’s class Y shares convert automatically to class A shares, unless the member’s departure is a retirement, as determined by Putnam in its discretion for employees and directors of Putnam and employees of Great-West Life & Annuity Insurance Company and by the Board of Trustees in its discretion for Trustees; provided that conversion will not take place with respect to class Y shares held by former Putnam employees and their immediate family members in health savings accounts where it is not operationally practicable due to platform or other limitations; and
– personal and family member IRAs of registered representatives and other employees of broker-dealers and other financial institutions having a sales agreement with Putnam Retail Management, if (1) the registered representative or other employee is the broker of record or financial representative for the account, (2) the broker-dealer or other financial institution’s policies prohibit the use of class A shares or other classes of fund shares that pay 12b-1 fees in such accounts to avoid potential prohibited transactions under Internal Revenue Service rules due to the account owners’ status
as “disqualified persons” under those rules, and (3) the broker-dealer or other financial institution has an agreement with Putnam Retail Management related to the use of class Y shares in these accounts.

Trust companies or bank trust departments that purchased class Y shares for trust accounts may transfer them to the beneficiaries of the trust accounts, who may continue to hold them or exchange them for class Y shares of other Putnam funds. Defined contribution plans (including corporate IRAs) that purchased class Y shares under prior eligibility criteria may continue to purchase class Y shares.

- No initial sales charge; your entire investment goes to work immediately
- No deferred sales charge
- Lower annual expenses, and higher dividends, than class A, B, C, M, R or T shares because of no 12b-1 fees.

### Initial sales charges for class A and M shares

<table>
<thead>
<tr>
<th>Amount of purchase at offering price ($)</th>
<th>Class A sales charge as a percentage of*</th>
<th>Net amount invested</th>
<th>Offering price**</th>
<th>Class M sales charge as a percentage of*</th>
<th>Net amount invested</th>
<th>Offering price**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 50,000</td>
<td>4.17%</td>
<td>4.00%</td>
<td>3.36%</td>
<td>4.00%</td>
<td>3.25%</td>
<td></td>
</tr>
<tr>
<td>50,000 but under 100,000</td>
<td>4.17</td>
<td>4.00</td>
<td>2.30</td>
<td>2.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100,000 but under 250,000</td>
<td>3.36</td>
<td>3.25</td>
<td>1.27</td>
<td>1.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>250,000 but under 500,000</td>
<td>2.56</td>
<td>2.50</td>
<td>1.01</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500,000 and above</td>
<td>NONE</td>
<td>NONE</td>
<td>N/A***</td>
<td>N/A***</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Because of rounding in the calculation of offering price and the number of shares purchased, actual sales charges you pay may be more or less than these percentages.

** Offering price includes sales charge.

*** The fund will not accept purchase orders for class M shares (other than by employer-sponsored retirement plans) where the total of the current purchase, plus existing account balances that are eligible to be linked under a right of accumulation (as described below) is $500,000 or more.

### Initial sales charges for class T shares

<table>
<thead>
<tr>
<th>Amount of purchase at offering price (Transaction level) ($)</th>
<th>Class T sales charge as a percentage of*</th>
<th>Net amount invested</th>
<th>Offering price**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 249,000</td>
<td>2.56%</td>
<td>2.50%</td>
<td></td>
</tr>
<tr>
<td>250,000 but under 499,999</td>
<td>2.04</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>500,000 but under 999,999</td>
<td>1.52</td>
<td>1.50</td>
<td></td>
</tr>
<tr>
<td>1,000,000 and above</td>
<td>1.01</td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

* Because of rounding in the calculation of offering price and the number of shares purchased, actual sales charges you pay may be more or less than these percentages.

** Offering price includes sales charge.
Reducing your class A or class M sales charge

The fund offers two principal ways for you to qualify for discounts on initial sales charges on class A and class M shares, often referred to as “breakpoint discounts”:

**Right of accumulation.** You can add the amount of your current purchases of class A or class M shares of the fund and other Putnam funds to the value of your existing accounts in the fund and other Putnam funds. Individuals can also include purchases by, and accounts owned by, their spouse and minor children, including accounts established through different financial representatives. For your current purchases, you will pay the initial sales charge applicable to the total value of the linked accounts and purchases, which may be lower than the sales charge otherwise applicable to each of your current purchases. Shares of Putnam money market funds, other than money market fund shares acquired by exchange from other Putnam funds, are not included for purposes of the right of accumulation.

To calculate the total value of your existing accounts and any linked accounts, the fund will use the higher of (a) the current maximum public offering price of those shares or (b) if you purchased the shares after December 31, 2007, the initial value of the total purchases, or, if you held the shares on December 31, 2007, the market value at maximum public offering price on that date, in either case, less the market value on the applicable redemption date of any of those shares that you have redeemed.

**Statement of intention.** A statement of intention is a document in which you agree to make purchases of class A or class M shares in a specified amount within a period of 13 months. For each purchase you make under the statement of intention, you will pay the initial sales charge applicable to the total amount you have agreed to purchase. While a statement of intention is not a binding obligation on you, if you do not purchase the full amount of shares within 13 months, the fund will redeem shares from your account in an amount equal to the difference between the higher initial sales charge you would have paid in the absence of the statement of intention and the initial sales charge you actually paid.

Account types that may be linked with each other to obtain breakpoint discounts using the methods described above include:

- Individual accounts
- Joint accounts
- Accounts established as part of a retirement plan and IRA accounts (some restrictions may apply)
- Shares of Putnam funds owned through accounts in the name of your dealer or other financial intermediary (with documentation identifying beneficial ownership of shares)
- Accounts held as part of a Section 529 college savings plan managed by Putnam Management (some restrictions may apply).
In order to obtain a breakpoint discount, you should inform your financial representative at the time you purchase shares of the existence of other accounts or purchases that are eligible to be linked for the purpose of calculating the initial sales charge. The fund or your financial representative may ask you for records or other information about other shares held in your accounts and linked accounts, including accounts opened with a different financial representative. Restrictions may apply to certain accounts and transactions. Further details about breakpoint discounts can be found on Putnam Investments’ website at putnam.com/individual by selecting Mutual Funds, then Pricing and performance, and then About fund costs, and in the SAI.

Additional reductions and waivers of sales charges. In addition to the breakpoint discount methods described above for class A and class M shares, the fund may sell the classes of shares specified below without a sales charge or CDSC under the circumstances described below. The sales charge and CDSC waiver categories described below do not apply to customers purchasing shares of the fund through any of the financial intermediaries specified in Appendix B to this prospectus (each, a “Specified Intermediary”).

Different financial intermediaries may impose different sales charges. Please refer to Appendix B for the sales charge or CDSC waivers that are applicable to each Specified Intermediary.

Class A and class M shares
The following categories of investors are eligible to purchase class A and class M shares without payment of a sales charge:

(i) current and former Trustees of the fund, their family members, business and personal associates; current and former employees of Putnam Management and certain current and former corporate affiliates, their family members, business and personal associates; employer-sponsored retirement plans for the foregoing; and partnerships, trusts or other entities in which any of the foregoing has a substantial interest;

(ii) clients of administrators or other service providers of employer-sponsored retirement plans (for purposes of this waiver, employer-sponsored retirement plans do not include SEP IRAs, SIMPLE IRAs or SARSEPs) (not applicable to tax-exempt funds);

(iii) registered representatives and other employees of broker-dealers having sales agreements with Putnam Retail Management; employees of financial institutions having sales agreements with Putnam Retail Management or otherwise having an arrangement with any such broker-dealer or financial institution with respect to sales of fund shares; and their immediate family members (spouses and children under age 21, including stepchildren and adopted children);

(iv) a trust department of any financial institution purchasing shares of the fund in its capacity as trustee of any trust (other than a tax-qualified retirement plan trust), through an arrangement approved by Putnam Retail Management, if the value of
the shares of the fund and other Putnam funds purchased or held by all such trusts exceeds $1 million in the aggregate;

(v) clients of (i) broker-dealers, financial institutions, financial intermediaries or registered investment advisors that charge a fee for advisory or investment services or (ii) broker-dealers, financial institutions, or financial intermediaries that have entered into an agreement with Putnam Retail Management to offer shares through a fund “supermarket” or retail self directed brokerage account with or without the imposition of a transaction fee;

(vi) college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code of 1986, as amended (the “Code”); and

(vii) shareholders reinvesting the proceeds from a Putnam Corporate IRA Plan distribution into a nonretirement plan account.

Administrators and other service providers of employer-sponsored retirement plans are required to enter into contractual arrangements with Putnam Investor Services in order to offer and hold fund shares. Administrators and other service providers of employer-sponsored retirement plans seeking to place trades on behalf of their plan clients should consult Putnam Investor Services as to the applicable requirements.

Class B and class C shares
A CDSC is waived in the event of a redemption under the following circumstances:

(i) a withdrawal from a Systematic Withdrawal Plan (“SWP”) of up to 12% of the net asset value of the account (calculated as set forth in the SAI);

(ii) a redemption of shares that are no longer subject to the CDSC holding period therefor;

(iii) a redemption of shares that were issued upon the reinvestment of distributions by the fund;

(iv) a redemption of shares that were exchanged for shares of another Putnam fund, provided that the shares acquired in such exchange or subsequent exchanges (including shares of a Putnam money market fund or Putnam Short Duration Income Fund) will continue to remain subject to the CDSC, if applicable, until the applicable holding period expires; and

(v) in the case of individual, joint or Uniform Transfers to Minors Act accounts, in the event of death or post-purchase disability of a shareholder, for the purpose of paying benefits pursuant to tax-qualified retirement plans (“Benefit Payments”), or, in the case of living trust accounts, in the event of the death or post-purchase disability of the settlor of the trust.

Class T shares
The fund may sell class T shares without a sales charge under the following circumstances:

(i) upon reinvestment of distributions by the fund; and
(ii) upon exchange of shares of other classes of the fund.

The methods of reducing the sales charge through the right of accumulation and the statement of intention described above with respect to class A and M shares do not apply to class T shares.

Additional information about reductions and waivers of sales charges, including deferred sales charges, is included in the SAI. You may consult your financial representative or Putnam Retail Management for assistance.

**How do I sell or exchange fund shares?** You can sell your shares back to the fund or exchange them for shares of another Putnam fund any day the NYSE is open, either through your financial representative or directly to the fund.

If you redeem your shares shortly after purchasing them, your redemption payment for the shares may be delayed until the fund collects the purchase price of the shares, which may be up to 10 calendar days after the purchase date.

Regarding exchanges, not all Putnam funds offer all classes of shares or may be open to new investors. If you exchange shares otherwise subject to a deferred sales charge, the transaction will not be subject to the deferred sales charge. When you redeem the shares acquired through the exchange, however, the redemption may be subject to the deferred sales charge, depending upon when and from which fund you originally purchased the shares. The deferred sales charge will be computed using the schedule of any fund into or from which you have exchanged your shares that would result in your paying the highest deferred sales charge applicable to your class of shares. For purposes of computing the deferred sales charge, the length of time you have owned your shares will be measured from the date of original purchase, unless you originally purchased the shares from another Putnam fund that does not directly charge a deferred sales charge, in which case the length of time you have owned your shares will be measured from the date you exchange those shares for shares of another Putnam fund that does charge a deferred sales charge, and will not be affected by any subsequent exchanges among funds.

**Selling or exchanging shares through your financial representative.** Your representative must receive your request in proper form before the close of regular trading on the NYSE for you to receive that day's NAV, less any applicable deferred sales charge. Your representative will be responsible for furnishing all necessary documents to Putnam Investor Services on a timely basis and may charge you for his or her services.

**Selling or exchanging shares directly with the fund.** Putnam Investor Services must receive your request in proper form before the close of regular trading on the NYSE in order to receive that day's NAV, less any applicable deferred sales charge.

**By mail.** Send a letter of instruction signed by all registered owners or their legal representatives to Putnam Investor Services. If you have certificates for the shares you want to sell or exchange, you must return them unendorsed with your letter of instruction.
By telephone. You may use Putnam's telephone redemption privilege to redeem shares valued at less than $100,000 unless you have notified Putnam Investor Services of an address change within the preceding 15 days, in which case other requirements may apply. Unless you indicate otherwise on the account application, Putnam Investor Services will be authorized to accept redemption instructions received by telephone. A telephone exchange privilege is currently available for amounts up to $500,000. Sale or exchange of shares by telephone is not permitted if there are certificates for your shares. The telephone redemption and exchange privileges may be modified or terminated without notice.

Via the Internet. You may also exchange shares via the Internet at putnam.com/individual.

Shares held through your employer’s retirement plan. For information on how to sell or exchange shares of the fund that were purchased through your employer’s retirement plan, including any restrictions and charges that the plan may impose, please consult your employer.

Additional requirements. In certain situations, for example, if you sell shares with a value of $100,000 or more, the signatures of all registered owners or their legal representatives must be guaranteed by a bank, broker-dealer or certain other financial institutions. In addition, Putnam Investor Services usually requires additional documents for the sale of shares by a corporation, partnership, agent or fiduciary, or surviving joint owner. For more information concerning Putnam’s signature guarantee and documentation requirements, contact Putnam Investor Services.

The fund also reserves the right to revise or terminate the exchange privilege, limit the amount or number of exchanges or reject any exchange. The fund into which you would like to exchange may also reject your exchange. These actions may apply to all shareholders or only to those shareholders whose exchanges Putnam Management determines are likely to have a negative effect on the fund or other Putnam funds. Consult Putnam Investor Services before requesting an exchange. Ask your financial representative or Putnam Investor Services for prospectuses of other Putnam funds. Some Putnam funds are not available in all states.

Deferred sales charges for class B, class C and certain class A shares
If you sell (redeem) class B shares within six years of purchase, you will generally pay a deferred sales charge according to the following schedule:

<table>
<thead>
<tr>
<th>Year after purchase</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>

A deferred sales charge of 1.00% will apply to class C shares if redeemed within one year of purchase. Class A shares that are part of a purchase of $500,000 or more (other than by an employer-sponsored retirement plan) will be subject to a 1.00% deferred sales charge if redeemed within nine months of purchase.
Deferred sales charges will be based on the lower of the shares’ cost and current NAV. Shares not subject to any charge will be redeemed first, followed by shares held longest. You may sell shares acquired by reinvestment of distributions without a charge at any time.

**Payment information.** The fund generally sends you payment for your shares the business day after your request is received in good order, although if you hold your shares through certain financial intermediaries or financial intermediary programs, the fund generally sends payment for your shares within three business days after your request is received in good order. Under unusual circumstances, the fund may suspend redemptions, or postpone payment for more than seven days, as permitted by federal securities law. You will not receive interest on uncashed redemption checks. Redemption proceeds may be paid in securities or other property rather than in cash.

**Redemption by the fund.** If you own fewer shares than the minimum set by the Trustees (presently 20 shares), the fund may redeem your shares without your permission and send you the proceeds after providing you with at least 60 days’ notice to attain the minimum. To the extent permitted by applicable law, the fund may also redeem shares if you own more than a maximum amount set by the Trustees. There is presently no maximum, but the Trustees could set a maximum that would apply to both present and future shareholders.

**Policy on excessive short-term trading**

**Risks of excessive short-term trading.** Excessive short-term trading activity may reduce the fund’s performance and harm all fund shareholders by interfering with portfolio management, increasing the fund’s expenses and diluting the fund’s NAV. Depending on the size and frequency of short-term trades in the fund’s shares, the fund may experience increased cash volatility, which could require the fund to maintain undesirably large cash positions or to buy or sell portfolio securities it would not have bought or sold otherwise. The need to execute additional portfolio transactions due to these cash flows may also increase the fund’s brokerage and administrative costs and, for investors in taxable accounts, may increase taxable distributions received from the fund.

When the fund invests in foreign securities, its performance may be adversely impacted and the interests of longer-term shareholders may be diluted as a result of time-zone arbitrage, a short-term trading practice that seeks to exploit changes in the value of the fund’s investments that result from events occurring after the close of the foreign markets on which the investments trade, but prior to the later scheduled close of trading on the NYSE, the time as of which the fund determines its NAV. If an arbitrageur is successful, he or she may dilute the interests of other shareholders by trading shares at prices that do not fully reflect their fair value.

Because the fund invests in securities that may trade infrequently or may be more difficult to value, such as lower-rated bonds, it may be susceptible to trading by short-term traders...
who seek to exploit perceived price inefficiencies in the fund’s investments. In addition, the market for lower-rated bonds may at times show “market momentum,” in which positive or negative performance may continue from one day to the next for reasons unrelated to the fundamentals of the issuer. Short-term traders may seek to capture this momentum by trading frequently in the fund’s shares, which will reduce the fund’s performance and may dilute the interests of other shareholders. Because lower-rated debt may be less liquid than higher-rated debt, the fund may also be unable to buy or sell these securities at desirable prices when the need arises (for example, in response to volatile cash flows caused by short-term trading). Similar risks may apply if the fund holds other types of less liquid securities.

- **Fund policies.** In order to protect the interests of long-term shareholders of the fund, Putnam Management and the fund’s Trustees have adopted policies and procedures intended to discourage excessive short-term trading. The fund seeks to discourage excessive short-term trading by using fair value pricing procedures to value investments under some circumstances. In addition, Putnam Management monitors activity in those shareholder accounts about which it possesses the necessary information in order to detect excessive short-term trading patterns and takes steps to deter excessive short-term traders.

- **Account monitoring.** Putnam Management’s Compliance Department currently uses multiple reporting tools to detect short-term trading activity occurring in accounts for investors held directly with the Putnam funds as well as within accounts held through certain financial intermediaries. Putnam Management measures excessive short-term trading in the fund by the number of “round trip” transactions above a specified dollar amount within a specified period of time. A “round trip” transaction is defined as a purchase or exchange into a fund followed, or preceded by, a redemption or exchange out of the same fund. Generally, if an investor has been identified as having completed two “round trip” transactions with values above a specified amount within a rolling 90-day period, Putnam Management will issue the investor and/or his or her financial intermediary, if any, a written warning. Putnam Management’s practices for measuring excessive short-term trading activity and issuing warnings may change from time to time. Certain types of transactions are exempt from monitoring, such as those in connection with systematic investment or withdrawal plans and reinvestment of dividend and capital gain distributions.

- **Account restrictions.** In addition to these monitoring practices, Putnam Management and the fund reserve the right to reject or restrict purchases or exchanges for any reason. Continued excessive short-term trading activity by an investor or intermediary following a warning may lead to the termination of the exchange privilege for that investor or intermediary. Putnam Management or the fund may determine that an investor’s trading activity is excessive or otherwise potentially harmful based on various factors, including an investor’s or financial intermediary’s trading history in the fund, other Putnam funds or other investment products, and may aggregate activity in multiple accounts in the fund or other
Putnam funds under common ownership or control for purposes of determining whether the activity is excessive. If the fund identifies an investor or intermediary as a potential excessive trader, it may, among other things, require future trades to be submitted by mail rather than by phone or over the Internet, impose limitations on the amount, number, or frequency of future purchases or exchanges, or temporarily or permanently bar the investor or intermediary from investing in the fund or other Putnam funds. The fund may take these steps in its discretion even if the investor’s activity does not fall within the fund’s current monitoring parameters.

• Limitations on the fund’s policies. There is no guarantee that the fund will be able to detect excessive short-term trading in all accounts. For example, Putnam Management currently does not have access to sufficient information to identify each investor’s trading history, and in certain circumstances there are operational or technological constraints on its ability to enforce the fund’s policies. In addition, even when Putnam Management has sufficient information, its detection methods may not capture all excessive short-term trading.

In particular, many purchase, redemption and exchange orders are received from financial intermediaries that hold omnibus accounts with the fund. Omnibus accounts, in which shares are held in the name of an intermediary on behalf of multiple beneficial owners, are a common form of holding shares among retirement plans and financial intermediaries such as brokers, advisers and third-party administrators. The fund is generally not able to identify trading by a particular beneficial owner within an omnibus account, which makes it difficult or impossible to determine if a particular shareholder is engaging in excessive short-term trading. Putnam Management monitors aggregate cash flows in omnibus accounts on an ongoing basis. If high cash flows or other information indicate that excessive short-term trading may be taking place, Putnam Management will contact the financial intermediary, plan sponsor or recordkeeper that maintains accounts for the beneficial owner and attempt to identify and remedy any excessive trading. However, the fund’s ability to monitor and deter excessive short-term traders in omnibus accounts ultimately depends on the capabilities and cooperation of these third-party financial firms. A financial intermediary or plan sponsor may impose different or additional limits on short-term trading.

Distribution plans and payments to dealers. Putnam funds are distributed primarily through dealers (including any broker, dealer, bank, bank trust department, registered investment advisor, financial planner, retirement plan administrator, and any other institution having a selling, services, or any similar agreement with Putnam Retail Management or one of its affiliates). In order to pay for the marketing of fund shares and services provided to shareholders, the fund has adopted distribution and service (12b-1) plans, which increase the annual operating expenses you pay each year in certain share classes, as shown in the table of annual fund operating expenses in the section Fund summary — Fees and expenses of the fund’s prospectus. Putnam Retail Management
and its affiliates also make additional payments to dealers that do not increase your fund expenses, as described below.

- **Distribution and service (12b-1) plans.** The fund’s 12b-1 plans provide for payments at annual rates (based on average net assets) of up to 0.35% on class A shares, 1.00% on class B, class C, class M and class R shares and 0.25% on class T shares. The Trustees currently limit payments on class A, class M and class R shares to 0.25%, 0.50% and 0.50% of average net assets, respectively. Because these fees are paid out of the fund’s assets on an ongoing basis, they will increase the cost of your investment. The higher fees for class B, class C, class M and class R shares may cost you more over time than paying the initial sales charge for class A and class T shares. Because class C, class M and class R shares, unlike class B shares, do not convert to class A shares, class C, class M and class R shares may cost you more over time than class B shares. Class Y shares, for shareholders who are eligible to purchase them, will be less expensive than other classes of shares because they do not bear sales charges or 12b-1 fees.

- **Payments to dealers.** If you purchase your shares through a dealer, your dealer generally receives payments from Putnam Retail Management representing some or all of the sales charges and distribution and service (12b-1) fees, if any, shown in the tables under Fund summary — Fees and expenses in the fund’s prospectus.

Putnam Retail Management and its affiliates also pay additional compensation to selected dealers in recognition of their marketing support and/or program servicing (each of which is described in more detail below). These payments may create an incentive for a dealer firm or its representatives to recommend or offer shares of the fund or other Putnam funds to its customers. These additional payments are made by Putnam Retail Management and its affiliates and do not increase the amount paid by you or the fund as shown under Fund summary — Fees and expenses in the fund’s prospectus.

The additional payments to dealers by Putnam Retail Management and its affiliates are generally based on one or more of the following factors: average net assets of a fund attributable to that dealer, sales or net sales of a fund attributable to that dealer, reimbursement of ticket charges (fees that a dealer firm charges its representatives for effecting transactions in fund shares), or on the basis of a negotiated lump sum payment for services provided.

*Marketing support payments* are generally available to most dealers engaging in significant sales of Putnam fund shares. These payments are individually negotiated with each dealer firm, taking into account the marketing support services provided by the dealer, including business planning assistance, educating dealer personnel about the Putnam funds and shareholder financial planning needs, placement on the dealer’s preferred or recommended fund company list, and access to sales meetings, sales representatives and management representatives of the dealer, as well as the size of the dealer’s relationship with Putnam Retail Management. Although the total amount of marketing support payments made to dealers in any year may vary, on average, the aggregate payments are
not expected, on an annual basis, to exceed 0.085% of the average net assets of Putnam’s retail mutual funds attributable to the dealers.

*Program servicing payments*, which are paid in some instances to dealers in connection with investments in the fund through dealer platforms and other investment programs, are not expected, with certain limited exceptions, to exceed 0.20% of the total assets in the program on an annual basis. These payments are made for program or platform services provided by the dealer, including shareholder recordkeeping, reporting, or transaction processing, as well as services rendered in connection with dealer platform development and maintenance, fund/investment selection and monitoring, or other similar services.

You can find a list of all dealers to which Putnam made marketing support and/or program servicing payments in 2015 in the SAI, which is on file with the SEC and is also available on Putnam’s website at putnam.com. You can also find other details in the SAI about the payments made by Putnam Retail Management and its affiliates and the services provided by your dealer. Your dealer may charge you fees or commissions in addition to those disclosed in this prospectus. You can also ask your dealer about any payments it receives from Putnam Retail Management and its affiliates and any services your dealer provides, as well as about fees and/or commissions it charges.

**Other payments.** Putnam Retail Management and its affiliates may make other payments (including payments in connection with educational seminars or conferences) or allow other promotional incentives to dealers to the extent permitted by SEC and NASD (as adopted by FINRA) rules and by other applicable laws and regulations. The fund’s transfer agent may also make payments to certain financial intermediaries in recognition of subaccounting or other services they provide to shareholders or plan participants who invest in the fund or other Putnam funds through their retirement plan. See the discussion in the SAI under *Management — Investor Servicing Agent* for more details.

**Fund distributions and taxes.** The fund normally distributes any net investment income monthly and any net realized capital gains annually. You may choose to reinvest distributions from net investment income, capital gains or both in additional shares of your fund or other Putnam funds, or you may receive them in cash in the form of a check or an electronic deposit to your bank account. If you do not select an option when you open your account, all distributions will be reinvested. If you choose to receive distributions in cash, but correspondence from the fund or Putnam Investor Services is returned as “undeliverable,” the distribution option on your account may be converted to reinvest future distributions in the fund. You will not receive interest on uncashed distribution checks.

For shares purchased through your employer’s retirement plan, the terms of the plan will govern how the plan may receive distributions from the fund.

For federal income tax purposes, distributions of net investment income are generally taxable to you as ordinary income. Taxes on distributions of capital gains are determined
by how long the fund owned (or is deemed to have owned) the investments that generated them, rather than by how long you have owned (or are deemed to have owned) your shares. Distributions that the fund properly reports to you as gains from investments that the fund owned for more than one year are generally taxable to you as long-term capital gains includible in net capital gain and taxed to individuals at reduced rates. Distributions of gains from investments that the fund owned for one year or less and gains on the sale of or payment on bonds characterized as market discount are generally taxable to you as ordinary income. Distributions are taxable in the manner described in this paragraph whether you receive them in cash or reinvest them in additional shares of this fund or other Putnam funds.

Distributions by the fund to retirement plans that qualify for tax-advantaged treatment under federal income tax laws will not be taxable. Special tax rules apply to investments through such plans. You should consult your tax advisor to determine the suitability of the fund as an investment through such a plan and the tax treatment of distributions (including distributions of amounts attributable to an investment in the fund) from such a plan.

Unless you are investing through a tax-advantaged retirement account (such as an IRA), you should consider avoiding a purchase of fund shares shortly before the fund makes a distribution because doing so may cost you money in taxes. Distributions are taxable to you even if they are paid from income or gains earned by the fund before your investment (and thus were included in the price you paid). Contact your financial representative or Putnam to find out the distribution schedule for your fund.

The fund’s investments in certain debt obligations may cause the fund to recognize taxable income in excess of the cash generated by such obligations. Thus, the fund could be required at times to liquidate other investments, including when it is not advantageous to do so, in order to satisfy its distribution requirements.

The fund’s investments in foreign securities, if any, may be subject to foreign withholding or other taxes. In that case, the fund’s return on those investments would be decreased. Shareholders generally will not be entitled to claim a credit or deduction with respect to these foreign taxes. In addition, the fund’s investments in foreign securities or foreign currencies may increase or accelerate the fund’s recognition of ordinary income and may affect the timing or amount of the fund’s distributions.

The fund’s use of derivatives, if any, may affect the amount, timing and character of distributions to shareholders and, therefore, may increase the amount of taxes payable by shareholders.

Any gain resulting from the sale or exchange of your shares generally also will be subject to tax.

The above is a general summary of the tax implications of investing in the fund. Please refer to the fund’s SAI for further details. You should consult your tax advisor for more information on your own tax situation, including possible foreign, state and local taxes.
V. Other Information

Share Ownership.

Putnam High Yield Trust

At November 30, 2016, the officers and Trustees of the fund as a group owned less than 1% of the outstanding shares of each class of the fund, and, except as noted below, no person owned of record or to the knowledge of a fund beneficially 5% or more of any class of shares of such fund.

<table>
<thead>
<tr>
<th>Class</th>
<th>Shareholder name and address</th>
<th>Percentage owned</th>
<th>Assuming Completion of the Proposed Merger*</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>EDWARD D JONES &amp; CO FOR THE BENEFIT OF CUSTOMERS 12555 MANCHESTER RD SAINT LOUIS MO 63131-3729</td>
<td>13.30%</td>
<td>9.54%</td>
</tr>
<tr>
<td>A</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>7.61%</td>
<td>5.46%</td>
</tr>
<tr>
<td>A</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>6.76%</td>
<td>4.86%</td>
</tr>
<tr>
<td>A</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>5.91%</td>
<td>4.25%</td>
</tr>
<tr>
<td>B</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>23.09%</td>
<td>10.33%</td>
</tr>
<tr>
<td>B</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>16.16%</td>
<td>7.23%</td>
</tr>
<tr>
<td>B</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>9.16%</td>
<td>4.10%</td>
</tr>
<tr>
<td>B</td>
<td>CHARLES SCHWAB &amp; CO INC CLEARING ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THEIR CUSTOMERS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151</td>
<td>6.00%</td>
<td>2.69%</td>
</tr>
<tr>
<td>C</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>11.55%</td>
<td>7.93%</td>
</tr>
<tr>
<td>C</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>10.69%</td>
<td>7.34%</td>
</tr>
<tr>
<td>Class</td>
<td>Shareholder name and address</td>
<td>Percentage owned</td>
<td>Assuming Completion of the Proposed Merger*</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>-------------------------------------------</td>
</tr>
<tr>
<td>C</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>9.93%</td>
<td>6.82%</td>
</tr>
<tr>
<td>C</td>
<td>MLPF&amp;S FOR THE SOLE BENEFIT OF ITS CUSTOMERS ATTN FUND ADMINISTRATION 4800 DEER LAKE DR E FL 3 JACKSONVILLE FL 32246-6484</td>
<td>5.15%</td>
<td>3.53%</td>
</tr>
<tr>
<td>M</td>
<td>DCGT TRUSTEE &amp; OR CUSTODIAN FBO PLIC VARIOUS RETIREMENT PLANS OMNIBUS ATTN NPIO TRADE DESK 711 HIGH ST DES MOINES IA 50392-0001</td>
<td>12.17%</td>
<td>1.76%</td>
</tr>
<tr>
<td>M</td>
<td>DOUGLAS J EIGHMEY JR FROZEN 403(B) PLAN 4120 LILAC VISTA DR LOUISVILLE KY 40241-4198</td>
<td>5.53%</td>
<td>0.80%</td>
</tr>
<tr>
<td>R</td>
<td>STATE STREET BK &amp; TR TTEE &amp;/OR CUST ADP ACCESS PRODUCT 1 LINCOLN ST BOSTON MA 02111-2901</td>
<td>34.78%</td>
<td>8.99%</td>
</tr>
<tr>
<td>R</td>
<td>GREAT WEST LIFE &amp; ANNUITY FBO - FUTURE FUNDS II CLIENTS 401K 8515 E ORCHARD RD. 2T2 GREENWOOD VILLAGE, CO 80111-5002</td>
<td>10.30%</td>
<td>2.66%</td>
</tr>
<tr>
<td>R</td>
<td>DCGT TRUSTEE &amp; OR CUSTODIAN FBO PLIC VARIOUS RETIREMENT PLANS OMNIBUS ATTN NPIO TRADE DESK 711 HIGH ST DES MOINES IA 50392-0001</td>
<td>6.13%</td>
<td>1.58%</td>
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<td>R</td>
<td>GREAT-WEST TRUST COMPANY, LLC - EMPLOYEE BENEFITS CLIENTS 401K 8515 E ORCHARD RD. 2T2 GREENWOOD VILLAGE CO, 80111-5002</td>
<td>5.90%</td>
<td>1.52%</td>
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<td>Y</td>
<td>CHARLES SCHWAB &amp; CO INC CLEARING ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THEIR CUSTOMERS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151</td>
<td>15.93%</td>
<td>10.93%</td>
</tr>
<tr>
<td>Y</td>
<td>TUFTS ASSOC HMO 705 MOUNT AUBURN ST WATERTOWN MA 02472-1508</td>
<td>15.21%</td>
<td>10.43%</td>
</tr>
<tr>
<td>Y</td>
<td>TUFTS HEALTH PUBLIC PLANS INC 705 MOUNT AUBURN ST WATERTOWN MA 02472-1537</td>
<td>12.23%</td>
<td>8.39%</td>
</tr>
<tr>
<td>Y</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>11.16%</td>
<td>7.66%</td>
</tr>
</tbody>
</table>

* Percentage owned assuming completion of the merger on November 30, 2016.
Putnam High Yield Advantage Fund
At November 30, 2016, the officers and Trustees of the fund as a group owned less than 1% of the outstanding shares of each class of the fund, and, except as noted below, no person owned of record or to the knowledge of a fund beneficially 5% or more of any class of shares of such fund.

<table>
<thead>
<tr>
<th>Class</th>
<th>Shareholder name and address</th>
<th>Percentage owned</th>
<th>Assuming Completion of the Proposed Merger*</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>HARTFORD LIFE INSURANCE CO DC III SEPARATE ACCT CL A ATTN UIT OPERATIONS 1 GRIFFIN RD N WINDSOR CT 06095-1512</td>
<td>13.07%</td>
<td>3.69%</td>
</tr>
<tr>
<td>A</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>8.25%</td>
<td>2.33%</td>
</tr>
<tr>
<td>A</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>7.48%</td>
<td>2.11%</td>
</tr>
<tr>
<td>A</td>
<td>EDWARD D JONES &amp; CO FOR THE BENEFIT OF CUSTOMERS 12555 MANCHESTER RD SAINT LOUIS MO 63131-3729</td>
<td>6.22%</td>
<td>1.75%</td>
</tr>
<tr>
<td>A</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>5.81%</td>
<td>1.64%</td>
</tr>
<tr>
<td>B</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>14.50%</td>
<td>7.99%</td>
</tr>
<tr>
<td>B</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>14.26%</td>
<td>7.86%</td>
</tr>
<tr>
<td>B</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>11.23%</td>
<td>6.19%</td>
</tr>
<tr>
<td>B</td>
<td>MLPF&amp;S FOR THE SOLE BENEFIT OF ITS CUSTOMERS ATTN FUND ADMINISTRATION 4800 DEER LAKE DR E FL 3 JACKSONVILLE FL 32246-6484</td>
<td>7.10%</td>
<td>3.91%</td>
</tr>
<tr>
<td>B</td>
<td>CHARLES SCHWAB &amp; CO INC CLEARING ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THEIR CUSTOMERS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151</td>
<td>5.61%</td>
<td>3.09%</td>
</tr>
<tr>
<td>Class</td>
<td>Shareholder name and address</td>
<td>Percentage owned</td>
<td>Assuming Completion of the Proposed Merger*</td>
</tr>
<tr>
<td>-------</td>
<td>---------------------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>C</td>
<td>PERSHING, LLC 1 PERSHING PLZ JERSEY CITY NJ 07399-0001</td>
<td>12.85%</td>
<td>4.00%</td>
</tr>
<tr>
<td>C</td>
<td>MORGAN STANLEY SMITH BARNEY HARBORSIDE FINANCIAL CENTER PLAZA 2, 3RD FLOOR JERSEY CITY NJ 07311</td>
<td>10.72%</td>
<td>3.34%</td>
</tr>
<tr>
<td>C</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>8.76%</td>
<td>2.72%</td>
</tr>
<tr>
<td>C</td>
<td>RAYMOND JAMES OMNIBUS FOR MUTUAL FUNDS HOUSE ACCT FIRM 92500015 ATTN: COURTNEY WALLER 880 CARILLON PKWY ST PETERSBURG FL 33716-1100</td>
<td>8.41%</td>
<td>2.62%</td>
</tr>
<tr>
<td>C</td>
<td>WFCS, LLC SPECIAL CUSTODY ACCT FOR THE EXCLUSIVE BENEFIT OF CUSTOMER 2801 MARKET ST SAINT LOUIS MO 63103-2523</td>
<td>7.53%</td>
<td>2.34%</td>
</tr>
<tr>
<td>C</td>
<td>UBS WM USA 000 11011 6100 OMNI ACCOUNT M/F SPEC CDY A/C EXCL BEN CUST UBSFSI 1000 HARBOR BLVD WEEHAWKEN NJ 07086-6761</td>
<td>5.52%</td>
<td>1.72%</td>
</tr>
<tr>
<td>C</td>
<td>MLPF&amp;S FOR THE SOLE BENEFIT OF ITS CUSTOMERS ATTN FUND ADMINISTRATION 4800 DEER LAKE DR E FL 3 JACKSONVILLE FL 32246-6484</td>
<td>5.21%</td>
<td>1.62%</td>
</tr>
<tr>
<td>C</td>
<td>CHARLES SCHWAB &amp; CO INC CLEARING ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THEIR CUSTOMERS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151</td>
<td>5.06%</td>
<td>1.58%</td>
</tr>
<tr>
<td>M</td>
<td>MITSUBISHI UFJ MORGAN STANLEY SECURITIES CO LTD STRUCTURED PRODUCTS DIVISION OTEMACHI FINANCIAL CITY GRAND CUBE 1-9-2, OTEMACHI, CHIYODA-KU TOKYO 100-8127, JAPAN</td>
<td>93.73%</td>
<td>80.17%</td>
</tr>
<tr>
<td>R</td>
<td>HARTFORD LIFE INSURANCE CO DC III SEPARATE ACCT CLA ATTN UIT OPERATIONS 1 GRIFFIN RD N WINDSOR CT 06095-1512</td>
<td>41.69%</td>
<td>30.92%</td>
</tr>
<tr>
<td>Class</td>
<td>Shareholder name and address</td>
<td>Percentage owned</td>
<td>Assuming Completion of the Proposed Merger*</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------</td>
<td>-----------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>R</td>
<td>GREAT-WEST TRUST COMPANY, LLC - FUTURE FUNDS II COMPENSATION PLANS 8515 E ORCHARD RD 2T2 GREENWOOD VILLAGE, CO 80111-5002</td>
<td>33.78%</td>
<td>25.05%</td>
</tr>
<tr>
<td>R</td>
<td>GREAT-WEST TRUST COMPANY, LLC - FUTURE FUNDS I COMPENSATION PLANS 8515 E ORCHARD RD 2T2 GREENWOOD VILLAGE, CO 80111-5002</td>
<td>15.65%</td>
<td>11.61%</td>
</tr>
<tr>
<td>Y</td>
<td>UBS WM USA 000 11011 6100 OMNI ACCOUNT M/F SPEC CDY A/C EXCL BEN CUST UBSFSI 1000 HARBOR BLVD WEEHAWKEN NJ 07086-6761</td>
<td>24.60%</td>
<td>7.72%</td>
</tr>
<tr>
<td>Y</td>
<td>CHARLES SCHWAB &amp; CO INC CLEARING ACCOUNT FOR THE EXCLUSIVE BENEFIT OF THEIR CUSTOMERS 101 MONTGOMERY ST SAN FRANCISCO CA 94104-4151</td>
<td>11.23%</td>
<td>3.52%</td>
</tr>
<tr>
<td>Y</td>
<td>NATIONAL FINANCIAL SERVICES LLC FOR THE EXCLUSIVE BENEFIT OF OUR CUSTOMERS 499 WASHINGTON BLVD ATTN: MUTUAL FUNDS DEPT 4TH FL JERSEY CITY NJ 07310-2010</td>
<td>11.13%</td>
<td>3.49%</td>
</tr>
<tr>
<td>Y</td>
<td>HARTFORD LIFE INSURANCE CO COMPANY DC III SEPARATE ACCT ATTN UIT OPERATIONS 1 GRIFFIN RD N</td>
<td>9.28%</td>
<td>2.91%</td>
</tr>
<tr>
<td>Y</td>
<td>GREAT-WEST TRUST COMPANY, LLC - RECORDKEEPING FOR VARIOUS BENEFIT PLANS 8515 E ORCHARD RD GREENWOOD VILLAGE, CO 80111-5002</td>
<td>8.57%</td>
<td>2.69%</td>
</tr>
<tr>
<td>Y</td>
<td>TAYNIK AND CO FBO STATE STREET BANK &amp; TRUST 2 AVENUE DE LAFAYETTE FLOOR 5 BOSTON MA 02111-1889</td>
<td>6.00%</td>
<td>1.88%</td>
</tr>
<tr>
<td>Y</td>
<td>GREAT-WEST TRUST COMPANY, LLC - THE PUTNAM RETIREMENT PLAN 8515 E ORCHARD RD 2T2 GREENWOOD VILLAGE, CO 80111-5002</td>
<td>5.88%</td>
<td>1.84%</td>
</tr>
</tbody>
</table>

* Percentage owned assuming completion of the merger on November 30, 2016.

**Duplicate mailings.** As permitted by SEC rules, Putnam Management’s policy is to send a single copy of the prospectus to shareholders who share the same last name and address, unless a shareholder previously has requested otherwise. If you would prefer to receive your own copy of the prospectus, please contact Putnam Investor Services by phone at 1-800-225-1581 or by mail at P.O. Box 8383, Boston, MA 02266-8383.
Financial information. Your fund’s Clerk will furnish to you, upon request and without charge, a copy of the fund’s annual report for its most recent fiscal year, and a copy of its semiannual report for any subsequent semiannual period. You may direct these requests to Putnam Investor Services, P.O. Box 8383, Boston, MA 02266-8383 or by phone at 1-800-225-1581. You may also access copies of these reports by visiting Putnam’s website at www.putnam.com/individual.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY
This Agreement and Plan of Reorganization (the “Agreement”) is made as of [   ], 2017 in Boston, Massachusetts, by and between PUTNAM HIGH YIELD ADVANTAGE FUND, a Massachusetts business trust (the “Acquiring Fund”), and PUTNAM HIGH YIELD TRUST, a Massachusetts business trust (the “Acquired Fund”).

PLAN OF REORGANIZATION

(a) Acquired Fund agrees to sell, assign, convey, transfer and deliver to Acquiring Fund on the Exchange Date (as defined in Section 6) all of its properties and assets existing at the Valuation Time (as defined in Section 4(f)). In consideration therefor, Acquiring Fund agrees, on the Exchange Date, to assume all of the liabilities of Acquired Fund existing at the Valuation Time and to deliver to Acquired Fund (i) a number of full and fractional Class A shares of beneficial interest of Acquiring Fund (the “Class A Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class A shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class A shares of Acquired Fund assumed by Acquiring Fund on such date, (ii) a number of full and fractional Class B shares of beneficial interest of Acquiring Fund (the “Class B Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class B shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class B shares of Acquired Fund assumed by Acquiring Fund on such date, (iii) a number of full and fractional Class C shares of beneficial interest of Acquiring Fund (the “Class C Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class C shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class C shares of Acquired Fund assumed by Acquiring Fund on such date, (iv) a number of full and fractional Class M shares of beneficial interest of Acquiring Fund (the “Class M Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class M shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class M shares of Acquired Fund assumed by Acquiring Fund on such date, (v) a number of full and fractional Class R shares of beneficial interest of Acquiring Fund (the “Class R Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class R shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class R shares of Acquired Fund assumed by Acquiring Fund on such date, and (vi) a number of full and fractional Class Y shares of beneficial interest of Acquiring Fund (the “Class Y
Merger Shares”) having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class Y shares of Acquired Fund transferred to Acquiring Fund on such date less the value of the liabilities of Acquired Fund attributable to Class Y shares of Acquired Fund assumed by Acquiring Fund on such date. The Class A Merger Shares, Class B Merger Shares, Class C Merger Shares, Class M Merger Shares, Class R Merger Shares, and Class Y Merger Shares are referred to collectively as the “Merger Shares.” The reorganization described in this Plan is intended to be a reorganization within the meaning of Section 368 of the Internal Revenue Code of 1986, as amended (the “Code”). Before the Exchange Date, Acquired Fund will declare and pay to its shareholders a dividend and/or other distribution in an amount such that it will have distributed all of its net investment income and capital gains as described in Section 8(l) hereof.

(b) Upon consummation of the transactions described in paragraph (a) of this Agreement, Acquired Fund will distribute in complete liquidation to its Class A, Class B, Class C, Class M, Class R, and Class Y shareholders of record as of the Exchange Date the Merger Shares, each shareholder being entitled to receive that proportion of Class A Merger Shares, Class B Merger Shares, Class C Merger Shares, Class M Merger Shares, Class R Merger Shares, and Class Y Merger Shares that the number of Class A, Class B, Class C, Class M, Class R, and Class Y shares of beneficial interest of Acquired Fund held by such shareholder bears to the number of Class A, Class B, Class C, Class M, Class R, and Class Y shares of Acquired Fund outstanding on such date.

AGREEMENT

Acquiring Fund and Acquired Fund agree as follows:

1. Representations and warranties of Acquiring Fund.

Acquiring Fund represents and warrants to and agrees with Acquired Fund that:

(a) Acquiring Fund is a voluntary association with transferable shares duly established and validly existing under the laws of The Commonwealth of Massachusetts, and has power to own all of its properties and assets and to carry out its obligations under this Agreement. The Acquiring Fund is not required to qualify as a foreign association in any jurisdiction. The Acquiring Fund has all necessary federal, state and local authorizations to carry on its business as now being conducted and to carry out this Agreement.

(b) The Acquiring Fund is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as an open-end management investment company, and its registration has not been revoked or rescinded and is in full force and effect.

(c) A statement of assets and liabilities, statement of operations, statement of changes in net assets and schedule of investments (indicating their market values) of Acquiring Fund for the fiscal year ended November 30, 2016, audited by KPMG LLP, the Acquiring Fund’s independent registered public accounting firm, and an unaudited statement of assets and liabilities, statement of operations, statement of changes in
net assets and schedule of investments (indicating their market values) of Acquiring Fund for the six months ended as of May 31, 2016 have been furnished to Acquired Fund. The statements of assets and liabilities and schedules of investments fairly present the financial position of Acquiring Fund as of the dates thereof and the statements of operations and changes in net assets fairly reflect the results of its operations and changes in net assets for the periods covered thereby in conformity with U.S. generally accepted accounting principles.

(d) The prospectus and statement of additional information dated November 30, 2015, previously furnished to Acquired Fund, as modified by any amendment or supplement thereto or any superseding prospectus or statement of additional information in respect thereof before the Exchange Date, which will be furnished to Acquired Fund (collectively, the “Acquiring Fund Prospectus”), do not, as of the date hereof, and will not, as of the Exchange Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that Acquiring Fund makes no representation or warranty as to any information in the Acquiring Fund Prospectus that does not specifically relate to Acquiring Fund.

(e) There are no material legal, administrative or other proceedings pending or, to the knowledge of Acquiring Fund, threatened against Acquiring Fund which assert liability or which may, if successfully prosecuted to their conclusion, result in liability on the part of Acquiring Fund, other than as have been disclosed in the Registration Statement (defined below), the Acquiring Fund Prospectus or otherwise disclosed in writing to Acquired Fund.

(f) Acquiring Fund has no known liabilities of a material nature, contingent or otherwise, other than those shown as belonging to it on its statement of assets and liabilities as of November 30, 2016 and those incurred in the ordinary course of Acquiring Fund’s business as an investment company since such date.

(g) No consent, approval, authorization or order of any court or governmental authority is required for the consummation by Acquiring Fund of the transactions contemplated by this Agreement, except such as may be required under the Securities Act of 1933, as amended (the “1933 Act”), the Securities Exchange Act of 1934, as amended (the “1934 Act”), the 1940 Act, state securities or blue sky laws (which term as used herein will include the laws of the District of Columbia and of Puerto Rico) or the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the “H-S-R Act”).

(h) The registration statement and any amendment thereto (including any post-effective amendment) (the “Registration Statement”) filed with the Securities and Exchange Commission (the “Commission”) by Acquiring Fund on Form N-14 relating to the Merger Shares issuable hereunder, on the effective date of the Registration Statement (i) will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) will not contain any untrue statement of a material fact or omit to state a material
fact required to be stated therein or necessary to make the statements therein not misleading; and at the Exchange Date, the prospectus contained in the Registration Statement (the “Prospectus”), as amended or supplemented by any amendments or supplements filed or requested to be filed with the Commission by Acquiring Fund, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that none of the representations and warranties in this subsection shall apply to statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in conformity with information furnished by Acquired Fund for use in the Registration Statement or the Prospectus.

(i) There are no material contracts outstanding to which Acquiring Fund is a party, other than as disclosed in the Registration Statement or the Prospectus.

(j) All of the issued and outstanding shares of beneficial interest of Acquiring Fund have been offered for sale and sold in conformity with all applicable federal securities laws.

(k) For each taxable year of its operation, Acquiring Fund has qualified and will at all times through the Exchange Date qualify for taxation as a “regulated investment company” under Sections 851 and 852 of the Code.

(l) Acquiring Fund has timely filed or will timely file (taking into account extensions) all federal, state and other tax returns or reports which are required to be filed by Acquiring Fund and all such tax returns and reports are or will be true, correct and complete in all material respects. Acquiring Fund has timely paid or will timely pay all federal, state and other taxes shown to be due or required to be shown as due on said returns or on any assessments received by Acquiring Fund. All tax liabilities of Acquiring Fund have been adequately provided for on its books, and to the knowledge of Acquiring Fund, no tax deficiency or liability of Acquiring Fund has been asserted, and no question with respect thereto has been raised, by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid. As of the Exchange Date, Acquiring Fund is not under audit by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid.

(m) The issuance of the Merger Shares pursuant to this Agreement will be in compliance with all applicable federal securities laws.

(n) The Merger Shares have been duly authorized and, when issued and delivered pursuant to this Agreement, will be legally and validly issued and will be fully paid and nonassessable by Acquiring Fund, and no shareholder of Acquiring Fund will have any preemptive right of subscription or purchase in respect thereof.

2. Representations and warranties of Acquired Fund.

Acquired Fund represents and warrants to and agrees with Acquiring Fund that:
(a) Acquired Fund is a voluntary association with transferable shares duly established and validly existing under the laws of The Commonwealth of Massachusetts, and has power to own all of its properties and assets and to carry out its obligations under this Agreement. Acquired Fund is not required to qualify as a foreign association in any jurisdiction. Acquired Fund has all necessary federal, state and local authorizations to carry on its business as now being conducted and to carry out this Agreement.

(b) Acquired Fund is registered under the 1940 Act as an open-end management investment company, and its registration has not been revoked or rescinded and is in full force and effect.

(c) A statement of assets and liabilities, statement of operations, statement of changes in net assets and schedule of investments (indicating their market values) of Acquired Fund for the fiscal year ended August 31, 2016, audited by KPMG LLP, the Acquired Fund’s independent registered public accounting firm, and an unaudited statement of assets and liabilities, statement of operations, statement of changes in net assets and schedule of investments (indicating their market values) of Acquired Fund for the six months ended February 28, 2017 have been furnished to Acquiring Fund. The statements of assets and liabilities and schedules of investments fairly present the financial position of Acquired Fund as of the dates thereof, and the statements of operations and changes in net assets fairly reflect the results of its operations and changes in net assets for the periods covered thereby in conformity with U.S. generally accepted accounting principles.

(d) The prospectus and statement of additional information dated November 30, 2015, previously furnished to Acquiring Fund, together with any amendment or supplement thereto or any superseding prospectus or statement of additional information in respect thereof in effect before the Exchange Date, which will be furnished to Acquiring Fund (collectively the “Acquired Fund Prospectus”), do not, as of the date hereof, and will not, as of the Exchange Date, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that Acquired Fund makes no representation or warranty as to any information in the Acquired Fund Prospectus that does not specifically relate to Acquired Fund.

(e) There are no material legal, administrative or other proceedings pending or, to the knowledge of Acquired Fund, threatened against Acquired Fund which assert liability or which may, if successfully prosecuted to their conclusion, result in liability on the part of Acquired Fund, other than as have been disclosed in the Registration Statement, the Acquired Fund Prospectus or otherwise disclosed in writing to the Acquiring Fund.

(f) Acquired Fund has no known liabilities of a material nature, contingent or otherwise, other than those shown as belonging to it on its statement of assets and liabilities as of February 28, 2017 and those incurred in the ordinary course of Acquired Fund’s business as an investment company since such date. Before the Exchange Date,
Acquired Fund will advise Acquiring Fund of all material liabilities, contingent or otherwise, incurred by it subsequent to February 28, 2017 whether or not incurred in the ordinary course of business.

(g) No consent, approval, authorization or order of any court or governmental authority is required for the consummation by Acquired Fund of the transactions contemplated by this Agreement, except such as may be required under the 1933 Act, the 1934 Act, the 1940 Act, state securities or blue sky laws, or the H-S-R Act.

(h) The Registration Statement and the Prospectus, on the effective date of the Registration Statement and insofar as they do not relate to Acquiring Fund (i) will comply in all material respects with the provisions of the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder and (ii) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at the Exchange Date, the Prospectus, as amended or supplemented by any amendments or supplements filed or requested to be filed with the Commission by Acquiring Fund, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided however, that the representations and warranties in this subsection shall apply only to statements of fact relating to Acquired Fund contained in the Registration Statement or the Prospectus, or omissions to state in any thereof a material fact relating to Acquired Fund, as such Registration Statement and Prospectus shall be furnished to Acquired Fund in definitive form as soon as practicable following effectiveness of the Registration Statement and before any public distribution of the Prospectus.

(i) There are no material contracts outstanding to which Acquired Fund is a party, other than as disclosed in the Acquired Fund’s registration statement (including any post-effective amendment) filed with the Commission on Form N-1A or the Acquired Fund’s Prospectus.

(j) All of the issued and outstanding shares of beneficial interest of Acquired Fund have been offered for sale and sold in conformity with all applicable federal securities laws.

(k) For each taxable year of its operation (including the taxable year ending on the Exchange Date), Acquired Fund has qualified and will at all times through the Exchange Date qualify for taxation as a “regulated investment company” under Sections 851 and 852 of the Code.

(l) Acquired Fund has timely filed or will timely file (taking into account extensions) all federal, state and other tax returns or reports which are required to be filed by Acquired Fund on or before the Exchange Date, and all such tax returns and reports are or will be true, correct and complete in all material respects. Acquiring Fund has timely paid or will timely pay all federal, state and other taxes shown to be due or required to be shown as due on said returns or on any assessments received by
Acquired Fund. All tax liabilities of Acquired Fund have been adequately provided for on its books, and to the knowledge of Acquired Fund, no tax deficiency or liability of Acquired Fund has been asserted, and no question with respect thereto has been raised, by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid. As of the Exchange Date, Acquired Fund is not under audit by the Internal Revenue Service or by any state or local tax authority for taxes in excess of those already paid.

(m) At both the Valuation Time and the Exchange Date, Acquired Fund will have full right, power and authority to sell, assign, transfer and deliver the Investments (defined below) and any other assets and liabilities of Acquired Fund to be transferred to Acquiring Fund pursuant to this Agreement. At the Exchange Date, subject only to the delivery of the Investments and any such other assets and liabilities as contemplated by this Agreement, Acquiring Fund will acquire the Investments and any such other assets and liabilities subject to no encumbrances, liens or security interests whatsoever and without any restrictions upon the transfer thereof (except for restrictions previously disclosed to Acquiring Fund by Acquired Fund). As used in this Agreement, the term “Investments” means Acquired Fund’s investments shown on the schedule of its investments as of February 28, 2017 referred to in Section 2(c) hereof, as supplemented with such changes as Acquired Fund makes and changes resulting from stock dividends, stock splits, mergers and similar corporate actions.

(n) No registration under the 1933 Act of any of the Investments would be required if they were, as of the time of such transfer, the subject of a public distribution by either of Acquiring Fund or Acquired Fund, except as previously disclosed to Acquiring Fund by Acquired Fund.

(o) At the Exchange Date, Acquired Fund will have sold such of its assets, if any, as may be necessary to ensure that, after giving effect to the acquisition of the assets of Acquired Fund pursuant to this Agreement, Acquiring Fund will remain in compliance with its investment restrictions as set forth in the Registration Statement.

3. Reorganization.

(a) Subject to the other terms and conditions contained herein (including Acquired Fund’s obligation to distribute to its shareholders all of its net investment income and capital gains as described in Section 8(l) hereof), Acquired Fund agrees to sell, assign, convey, transfer and deliver to Acquiring Fund, and Acquiring Fund agrees to acquire from Acquired Fund, on the Exchange Date all of the Investments and all of the cash and other properties and assets of Acquired Fund, whether accrued or contingent (including cash received by Acquired Fund upon the liquidation by Acquired Fund of any investments purchased by Acquired Fund after February 28, 2017 and designated by Acquiring Fund as being unsuitable for it to acquire), in exchange for that number of Merger Shares provided for in Section 4 and the assumption by Acquiring Fund of all of the liabilities of Acquired Fund, whether accrued or contingent, existing at the Valuation Time. Pursuant to this Agreement, Acquired Fund will, as soon
as practicable after the Exchange Date, distribute all of the Class A Merger Shares, Class B Merger Shares, Class C Merger Shares, Class M Merger Shares, Class R Merger Shares, and Class Y Merger Shares received by it to the Class A, Class B, Class C, Class M, Class R, and Class Y shareholders, respectively, of Acquired Fund, in complete liquidation of Acquired Fund.

(b) As soon as practicable, Acquired Fund will, at its expense, liquidate such of its portfolio securities as Acquiring Fund indicates it does not wish to acquire. This liquidation will be substantially completed before the Exchange Date, unless otherwise agreed by Acquired Fund and Acquiring Fund.

(c) Acquired Fund agrees to pay or cause to be paid to Acquiring Fund any interest, cash or such dividends, rights and other payments received by it on or after the Exchange Date with respect to the Investments and other properties and assets of Acquired Fund, whether accrued or contingent. Any such distribution will be deemed included in the assets transferred to Acquiring Fund at the Exchange Date and will not be separately valued unless the securities in respect of which such distribution is made have gone “ex” before the Valuation Time, in which case any such distribution which remains unpaid at the Exchange Date will be included in the determination of the value of the assets of Acquired Fund acquired by Acquiring Fund.

4. Exchange date; valuation time.

On the Exchange Date, Acquiring Fund will deliver to Acquired Fund, determined in each case as provided hereafter in Section 4, (i) a number of full and fractional Class A Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class A shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class A shares of Acquired Fund assumed by Acquiring Fund on that date; (ii) a number of full and fractional Class B Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class B shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class B shares of Acquired Fund assumed by Acquiring Fund on that date; (iii) a number of full and fractional Class C Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class C shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class C shares of Acquired Fund assumed by Acquiring Fund on that date; (iv) a number of full and fractional Class M Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class M shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class M shares of Acquired Fund assumed by Acquiring Fund on that date; (v) a number of full and fractional Class R Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class R shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class R shares of Acquired Fund assumed by Acquiring Fund.
Fund on that date; and (vi) a number of full and fractional Class Y Merger Shares having an aggregate net asset value equal to the value of the assets of Acquired Fund attributable to Class Y shares of Acquired Fund transferred to Acquiring Fund on that date less the value of the liabilities of Acquired Fund attributable to Class Y shares of Acquired Fund assumed by Acquiring Fund on that date.

(a) The net asset value of the Merger Shares to be delivered to Acquired Fund, the value of the assets attributable to the Class A, Class B, Class C, Class M, Class R, and Class Y shares of Acquired Fund and the value of the liabilities attributable to the Class A, Class B, Class C, Class M, Class R, and Class Y shares of Acquired Fund to be assumed by Acquiring Fund will in each case be determined as of the Valuation Time by Acquiring Fund, in cooperation with Acquired Fund, pursuant to procedures customarily used by Acquiring Fund in determining the fair market value of Acquiring Fund’s assets and liabilities.

(b) No adjustment will be made in the net asset value of either Acquired Fund or Acquiring Fund to take into account differences in realized and unrealized gains and losses.

(c) The investment restrictions of Acquired Fund will be temporarily amended to the extent necessary to effect the transactions contemplated by this Agreement.

(d) Acquiring Fund will issue the Merger Shares, registered in the name of Acquired Fund, to Acquired Fund. Acquiring Fund will then, in accordance with written instructions furnished by Acquired Fund, re-register the Class A Merger Shares in the names of the Class A shareholders of Acquired Fund, re-register the Class B Merger Shares in the names of the Class B shareholders of Acquired Fund, re-register the Class C Merger Shares in the names of the Class C shareholders of Acquired Fund, re-register the Class M Merger Shares in the names of the Class M shareholders of Acquired Fund, re-register the Class R Merger Shares in the names of the Class R shareholders of Acquired Fund, and re-register the Class Y Merger Shares in the names of the Class Y shareholders of Acquired Fund.

(e) Acquiring Fund will assume all liabilities of Acquired Fund, whether accrued or contingent, in connection with the acquisition of assets and subsequent dissolution of Acquired Fund or otherwise.

(f) The Valuation Time is 4:00 p.m. Eastern Time on May 5, 2017 or such earlier or later time and day as may be mutually agreed upon in writing by the parties (the “Valuation Time”).

5. Expenses, fees, etc.

(a) All direct fees and expenses, including legal and accounting expenses, portfolio transfer taxes (if any), the costs of printing and mailing the Prospectus or other similar expenses incurred in connection with the consummation by Acquired Fund and Acquiring Fund of the transactions contemplated by this Agreement (together with the costs specified below, “Expenses”) will be allocated evenly between Acquiring
Fund and Acquired Fund as of the Valuation Time, except that (i) the costs of SEC registration fees will be paid by the Acquiring Fund, and (ii) the costs of liquidating such of Acquired Fund’s portfolio securities as Acquiring Fund shall indicate it does not wish to acquire before the Exchange Date shall be paid by Acquired Fund; and provided that such Expenses will in any event be paid by the party directly incurring such Expenses if and to the extent that the payment by the other party of such Expenses would result in the disqualification of Acquiring Fund or Acquired Fund, as the case may be, as a “regulated investment company” within the meaning of Section 851 of the Code.

(b) In the event the transactions contemplated by this Agreement are not consummated by reason of (i) Acquiring Fund’s being either unwilling or unable to go forward (other than by reason of the nonfulfillment or failure of any condition to Acquiring Fund’s obligations referred to in Section 8) or (ii) the nonfulfillment or failure of any condition to Acquired Fund’s obligations referred to in Section 9, Acquiring Fund will pay directly all reasonable fees and expenses incurred by Acquired Fund in connection with such transactions, including, without limitation, legal, accounting and filing fees.

(c) In the event the transactions contemplated by this Agreement are not consummated by reason of (i) Acquired Fund’s being either unwilling or unable to go forward (other than by reason of the nonfulfillment or failure of any condition to Acquired Fund’s obligations referred to in Section 9) or (ii) the nonfulfillment or failure of any condition to Acquiring Fund’s obligations referred to in Section 8, Acquired Fund will pay directly all reasonable fees and expenses incurred by Acquiring Fund in connection with such transactions, including without limitation legal, accounting and filing fees.

(d) In the event the transactions contemplated by this Agreement are not consummated for any reason other than (i) Acquiring Fund’s or Acquired Fund’s being either unwilling or unable to go forward or (ii) the nonfulfillment or failure of any condition to Acquiring Fund’s or Acquired Fund’s obligations referred to in Section 8 or Section 9 of this Agreement, then each of Acquiring Fund and Acquired Fund will bear all of its own expenses incurred in connection with such transactions.

(e) Notwithstanding any other provisions of this Agreement, if for any reason the transactions contemplated by this Agreement are not consummated, no party shall be liable to the other party for any damages resulting therefrom, including without limitation consequential damages, except as specifically set forth above.

6. Exchange date.
Delivery of the assets of Acquired Fund to be transferred, assumption of the liabilities of Acquired Fund to be assumed and the delivery of the Merger Shares to be issued shall be made at the offices of The Putnam Funds, One Post Office Square, Boston, Massachusetts, at 7:30 a.m. on the next full business day following the Valuation Time, or at such other
time and date agreed to by Acquiring Fund and Acquired Fund, the date and time upon which such delivery is to take place being referred to herein as the “Exchange Date.”

7. Dissolution.
    (a) Reserved.
    (b) Acquired Fund agrees that the liquidation and dissolution of Acquired Fund will be effected in the manner provided in the Agreement and Declaration of Trust of Acquired Fund in accordance with applicable law and that on and after the Exchange Date, Acquired Fund will not conduct any business except in connection with its liquidation and dissolution.
    (c) Acquiring Fund will file the Registration Statement with the Commission. Each of Acquired Fund and Acquiring Fund will cooperate with the other, and each will furnish to the other the information relating to itself required by the 1933 Act, the 1934 Act and the 1940 Act and the rules and regulations thereunder to be set forth in the Registration Statement, including the Prospectus.

8. Conditions to Acquiring Fund’s obligations.

The obligations of Acquiring Fund hereunder are subject to the following conditions:

(a) That this Agreement is adopted and the transactions contemplated hereby are approved by the affirmative vote of (i) at least a majority of the Trustees of Acquired Fund (including a majority of those Trustees who are not “interested persons” of Acquired Fund, as defined in Section 2(a)(19) of the 1940 Act) and (ii) at least a majority of the Trustees of Acquiring Fund (including a majority of those Trustees who are not “interested persons” of Acquiring Fund, as defined in Section 2(a)(19) of the 1940 Act).

(b) That Acquired Fund will have furnished to Acquiring Fund (i) a statement of Acquired Fund’s net assets, with values determined as provided in Section 4 of this Agreement, together with a list of Investments, all as of the Valuation Time, certified on Acquired Fund’s behalf by Acquired Fund’s President (or any Vice President) and Treasurer (or any Assistant or Associate Treasurer), and a certificate of both officers, dated the Exchange Date, to the effect that as of the Valuation Time and as of the Exchange Date there has been no material adverse change in the financial position of Acquired Fund since August 31, 2016 other than changes in the Investments and other assets and properties since that date or changes in the market value of the Investments and other assets of Acquired Fund, changes due to net redemptions or changes due to dividends paid or losses from operations; (ii) a statement of the tax basis of each Investment transferred by Acquired Fund to Acquiring Fund; and (iii) copies of all relevant tax books and records.

(c) That Acquired Fund will have furnished to Acquiring Fund a statement, dated the Exchange Date, signed on behalf of Acquired Fund by Acquired Fund’s President (or any Vice President) and Treasurer (or any Assistant or Associate Treasurer) certifying
that as of the Valuation Time and as of the Exchange Date all representations and
warranties of Acquired Fund made in this Agreement are true and correct in all
material respects as if made at and as of such dates, and that Acquired Fund has
complied with all of the agreements and satisfied all of the conditions on its part to
be performed or satisfied at or prior to each of such dates.

(d) That there is no material litigation pending with respect to the matters contemplated
by this Agreement.

(e) That Acquiring Fund will have received an opinion of Ropes & Gray LLP, in form satis-
factory to Acquiring Fund and dated the Exchange Date, to the effect that (i) Acquired
Fund is a voluntary association with transferable shares duly established and validly
existing under the laws of The Commonwealth of Massachusetts, and, to the knowl-
dge of such counsel, is not required to qualify to do business as a foreign association
in any jurisdiction except as may be required by state securities or blue sky laws, (ii)
this Agreement has been duly authorized, executed, and delivered by Acquired Fund
and, assuming that the Registration Statement and the Prospectus comply with the
1933 Act, the 1934 Act and the 1940 Act and assuming due authorization, execution
and delivery of this Agreement by Acquiring Fund, is a valid and binding obligation
of Acquired Fund, (iii) Acquired Fund has power to sell, assign, convey, transfer and
deliver the assets contemplated hereby and, upon consummation of the transac-
tions contemplated hereby in accordance with the terms of this Agreement, Acquired
Fund will have duly sold, assigned, conveyed, transferred and delivered such assets
to Acquiring Fund, (iv) the execution and delivery of this Agreement did not, and the
consummation of the transactions contemplated hereby will not, violate Acquired
Fund’s Agreement and Declaration of Trust, as amended, or Bylaws or any provi-
sion of any agreement known to such counsel to which Acquired Fund is a party or
by which it is bound, it being understood that with respect to investment restric-
tions as contained in Acquired Fund’s Agreement and Declaration of Trust, Bylaws,
then-current prospectus or statement of additional information or the Registration
Statement, such counsel may rely upon a certificate of an officer of Acquired Fund
whose responsibility it is to advise Acquired Fund with respect to such matters, (v) no
consent, approval, authorization or order of any court or governmental authority is
required for the consummation by Acquired Fund of the transactions contemplated
hereby, except such as have been obtained under the 1933 Act, the 1934 Act, the 1940
Act and such as may be required under state securities or blue sky laws and the H-S-R
Act, and (vi) such other matters as Acquiring Fund may reasonably deem necessary
or desirable.

(f) That Acquiring Fund will have received an opinion of Ropes & Gray LLP dated the
Exchange Date (which opinion would be based upon certain factual representations
and customary assumptions and subject to certain qualifications and would note
and distinguish certain published precedent), in a form reasonably satisfactory to
each of Acquired Fund and Acquiring Fund, substantially to the effect that, although
the matter is not free from doubt, on the basis of the existing provisions of the Code, Treasury regulations promulgated thereunder, current administrative rules and court decisions, generally for federal income tax purposes: (i) the acquisition by Acquiring Fund of substantially all of the assets of Acquired Fund solely in exchange for Merger Shares and the assumption by Acquiring Fund of liabilities of Acquired Fund followed by the distribution by Acquired Fund to its shareholders of Merger Shares in complete liquidation of Acquired Fund, all pursuant to this Agreement, will constitute a reorganization within the meaning of Section 368(a) of the Code and Acquired Fund and Acquiring Fund will each be a “party to a reorganization” within the meaning of Section 368(b) of the Code, (ii) under Sections 361 and 357 of the Code, no gain or loss will be recognized by Acquired Fund upon the transfer of its assets to Acquiring Fund pursuant to this Agreement in exchange for Merger Shares and the assumption of Acquired Fund’s liabilities by Acquiring Fund or upon the distribution of Merger Shares by Acquired Fund to its shareholders in liquidation of Acquired Fund, except for (A) any gain or loss recognized on (1) “Section 1256 contracts” as defined in Section 1256(b) of the Code or (2) stock in a “passive foreign investment company” as defined in Section 1297(a) of the Code, and (B) any other gain or loss required to be recognized (1) as a result of the closing of the tax year of Acquired Fund, (2) upon the termination of a position, or (3) upon the transfer of an asset regardless of whether such a transfer would otherwise be a nontaxable transaction under the Code, (iii) under Section 354 of the Code, no gain or loss will be recognized by shareholders of Acquired Fund upon the exchange of their shares of Acquired Fund for Merger Shares, (iv) under Section 358 of the Code, the aggregate tax basis of the Merger Shares an Acquired Fund shareholder receives pursuant to this Agreement will be the same as the aggregate tax basis of the Acquired Fund shares exchanged therefor, (v) under Section 1223(1) of the Code, an Acquired Fund shareholder’s holding period for the Merger Shares received pursuant to this Agreement will be determined by including the period during which such shareholder held or is treated for federal income tax purposes as having held the Acquired Fund shares exchanged therefor, provided that, the shareholder held those Acquired Fund shares as capital assets, (vi) under Section 1032 of the Code, no gain or loss will be recognized by Acquiring Fund upon the receipt of the assets of Acquired Fund in exchange for Merger Shares and the assumption by Acquiring Fund of the liabilities of Acquired Fund, (vii) under Section 362(b) of the Code, Acquiring Fund’s tax basis in the assets of Acquired Fund transferred to Acquiring Fund pursuant to this Agreement will be the same as Acquired Fund’s tax basis immediately prior to the transfer, increased by any gain or decreased by any loss required to be recognized as described in (ii) above, (viii) under Section 1223(2) of the Code, the holding period in the hands of Acquiring Fund of each Acquired Fund asset transferred to Acquiring Fund pursuant to this Agreement, other than certain assets with respect to which gain or loss is required to be recognized as described in (ii) above, will include the period during which such asset was held or treated for federal income tax purposes as held by
Acquired Fund, and (ix) Acquiring Fund will succeed to and take into account the items of Acquired Fund described in Section 381(c) of the Code, subject to the conditions and limitations specified in Sections 381, 382, 383 and 384 of the Code and the regulations thereunder.

(g) That the assets of Acquired Fund to be acquired by Acquiring Fund will include no assets which Acquiring Fund, by reason of charter limitations or of investment restrictions disclosed in the Registration Statement in effect on the Exchange Date, may not properly acquire.

(h) That the Registration Statement will have become effective under the 1933 Act, and no stop order suspending such effectiveness will have been instituted or, to the knowledge of Acquiring Fund, threatened by the Commission.

(i) That Acquiring Fund will have received from the Commission, any relevant state securities administrator and the Department of Justice (the “Department”) such order or orders as Ropes & Gray LLP deems reasonably necessary or desirable under the 1933 Act, the 1934 Act, the 1940 Act and any applicable state securities or blue sky laws in connection with the transactions contemplated hereby, and that all such orders will be in full force and effect.

(j) That all proceedings taken by Acquired Fund in connection with the transactions contemplated by this Agreement and all documents incidental thereto are satisfactory in form and substance to Acquiring Fund and Ropes & Gray LLP.

(k) That, before the Exchange Date, Acquired Fund declares a dividend or dividends which, together with all previous distributions qualifying for the dividends-paid deduction, has the effect of distributing to the shareholders of Acquired Fund, in distributions qualifying for the dividends-paid deduction, (i) all of the excess of (X) Acquired Fund’s investment income excludable from gross income under Section 103 of the Code over (Y) Acquired Fund’s deductions disallowed under Sections 265 and 171 of the Code, (ii) all of Acquired Fund’s investment company taxable income (as defined in Section 852 of the Code), and (iii) all of its net capital gain realized after reduction by any capital loss carryover; the amounts in (i), (ii) and (iii) shall in each case be computed without regard to the dividends-paid deduction and shall include amounts in respect of both (x) Acquired Fund’s taxable year that will end on the Exchange Date and (y) any prior taxable year of Acquired Fund, to the extent such dividend or dividends are eligible to be treated as paid during such prior year under Section 855(a) of the Code.

(l) That Acquired Fund’s custodian has delivered to Acquiring Fund a certificate identifying all of the assets of Acquired Fund held by such custodian as of the Valuation Time.

(m) That Acquired Fund’s transfer agent has provided to Acquiring Fund (i) the originals or true copies of all of the records of Acquired Fund in the possession of such transfer agent as of the Exchange Date, (ii) a certificate setting forth the number of shares of
Acquired Fund outstanding as of the Valuation Time, and (iii) the name and address of each holder of record of any such shares and the number of shares held of record by each such shareholder.

(n) That all of the issued and outstanding shares of beneficial interest of Acquired Fund will have been offered for sale and sold in conformity with all applicable state securities or blue sky laws and, to the extent that any audit of the records of Acquired Fund or its transfer agent by Acquiring Fund or its agents will have revealed otherwise, either (i) Acquired Fund will have taken all actions that in the opinion of Acquiring Fund or its counsel are necessary to remedy any prior failure on the part of Acquired Fund to have offered for sale and sold such shares in conformity with such laws or (ii) Acquired Fund shall have furnished (or caused to be furnished) surety, or deposited (or caused to be deposited) assets in escrow, for the benefit of Acquiring Fund in amounts sufficient and upon terms satisfactory, in the opinion of Acquiring Fund or its counsel, to indemnify Acquiring Fund against any expense, loss, claim, damage or liability whatsoever that may be asserted or threatened by reason of such failure on the part of Acquired Fund to have offered and sold such shares in conformity with such laws.

(p) That Acquired Fund will have executed and delivered to Acquiring Fund an instrument of transfer dated as of the Exchange Date pursuant to which Acquired Fund will assign, transfer and convey all of the assets and other property to Acquiring Fund at the Valuation Time in connection with the transactions contemplated by this Agreement.

9. Conditions to Acquired Fund’s obligations.

The obligations of Acquired Fund hereunder shall be subject to the following conditions:

(a) That this Agreement is adopted and the transactions contemplated hereby are approved by the affirmative vote of (i) at least a majority of the Trustees of Acquired Fund (including a majority of those Trustees who are not “interested persons” of Acquired Fund, as defined in Section 2(a)(19) of the 1940 Act) and (ii) at least a majority of the Trustees of Acquiring Fund (including a majority of those Trustees who are not “interested persons” of Acquiring Fund, as defined in Section 2(a)(19) of the 1940 Act).

(b) That Acquiring Fund will have furnished to Acquired Fund a statement of Acquiring Fund’s net assets, together with a list of portfolio holdings with values determined as provided in Section 4 of this Agreement, all as of the Valuation Time, certified on behalf of Acquiring Fund by Acquiring Fund’s President (or any Vice President) and Treasurer (or any Assistant or Associate Treasurer), and a certificate of both such officers, dated the Exchange Date, to the effect that as of the Valuation Time and as of the Exchange Date there has been no material adverse change in the financial position of Acquiring Fund since November 30, 2016, other than changes in its portfolio securities since that date, changes in the market value of its portfolio securities,
changes due to net redemptions or changes due to dividends paid or losses from operations.

(c) That Acquiring Fund will have executed and delivered to Acquired Fund an Assumption of Liabilities dated as of the Exchange Date pursuant to which Acquiring Fund will assume all of the liabilities of Acquired Fund existing at the Valuation Time in connection with the transactions contemplated by this Agreement.

(d) That Acquiring Fund will have furnished to Acquired Fund a statement, dated the Exchange Date, signed on behalf of Acquiring Fund by Acquiring Fund’s President (or any Vice President) and Treasurer (or any Assistant or Associate Treasurer) certifying that as of the Valuation Time and as of the Exchange Date all representations and warranties of Acquiring Fund made in this Agreement are true and correct in all material respects as if made at and as of such dates, and that Acquiring Fund has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied at or prior to each of such dates.

(e) That there is no material litigation pending or threatened with respect to the matters contemplated by this Agreement.

(f) That Acquired Fund will have received an opinion of Ropes & Gray LLP, in forms satisfactory to Acquired Fund and dated the Exchange Date, to the effect that (i) Acquiring Fund is a voluntary association with transferable shares duly established and validly existing in conformity with the laws of The Commonwealth of Massachusetts, and, to the knowledge of such counsel, is not required to qualify to do business as a foreign association in any jurisdiction except as may be required by state securities or blue sky laws, (ii) this Agreement has been duly authorized, executed and delivered by the Acquiring Fund, and, assuming that the Prospectus and the Registration Statement comply with the 1933 Act, the 1934 Act and the 1940 Act and assuming due authorization, execution and delivery of this Agreement by Acquired Fund, is a valid and binding obligation of Acquiring Fund, (iii) the Merger Shares to be delivered to Acquired Fund as provided for by this Agreement are duly authorized and upon such delivery will be validly issued and will be fully paid and nonassessable by Acquiring Fund and no shareholder of Acquiring Fund has any preemptive right to subscription or purchase in respect thereof, (iv) the execution and delivery of this Agreement did not, and the consummation of the transactions contemplated hereby will not, violate the Acquiring Fund’s Agreement and Declaration of Trust, as amended, or Bylaws, or any provision of any agreement known to such counsel to which Acquiring Fund is a party or by which it is bound, it being understood that with respect to investment restrictions as contained in the Acquiring Fund’s Agreement and Declaration of Trust, Bylaws, then current prospectus or statement of additional information or the Registration Statement, such counsel may rely upon a certificate of an officer of Acquiring Fund whose responsibility it is to advise Acquiring Fund with respect to such matters, (v) no consent, approval, authorization or order of any court or governmental authority is required for the consummation by Acquiring Fund of
the transactions contemplated herein, except such as have been obtained under the 1933 Act, the 1934 Act and the 1940 Act and such as may be required under state securities or blue sky laws and the H-S-R Act, and (vi) the Registration Statement has become effective under the 1933 Act, and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the 1933 Act.

(g) That Acquired Fund will have received an opinion of Ropes & Gray LLP dated the Exchange Date (which opinion would be based upon certain factual representations and customary assumptions and subject to certain qualifications and would note and distinguish certain published precedent), in a form reasonably satisfactory to each of Acquired Fund and Acquiring Fund, substantially to the effect that, although the matter is not free from doubt, on the basis of the existing provisions of the Code, Treasury regulations promulgated thereunder, current administrative rules and court decisions, generally for federal income tax purposes: (i) the acquisition by Acquiring Fund of substantially all of the assets of Acquired Fund solely in exchange for Merger Shares and the assumption by Acquiring Fund of liabilities of Acquired Fund followed by the distribution by Acquiring Fund to its shareholders of Merger Shares in complete liquidation of Acquired Fund, all pursuant to this Agreement, will constitute a reorganization within the meaning of Section 368(a) of the Code and Acquired Fund and Acquiring Fund will each be a “party to a reorganization” within the meaning of Section 368(b) of the Code, (ii) under Sections 361 and 357 of the Code, no gain or loss will be recognized by Acquired Fund upon the transfer of its assets to Acquiring Fund pursuant to this Agreement in exchange for Merger Shares and the assumption by Acquiring Fund of liabilities of Acquired Fund or upon the distribution of Merger Shares by Acquired Fund to its shareholders in liquidation of Acquired Fund, except for (A) any gain or loss recognized on (1) “Section 1256 contracts” as defined in Section 1256(b) of the Code or (2) stock in a “passive foreign investment company” as defined in Section 1297(a) of the Code, and (B) any other gain or loss required to be recognized (1) as a result of the closing of the tax year of Acquired Fund, (2) upon the termination of a position, or (3) upon the transfer of an asset regardless of whether such a transfer would otherwise be a nontaxable transaction under the Code, (iii) under Section 354 of the Code, no gain or loss will be recognized by shareholders of Acquired Fund upon the exchange of their shares of Acquired Fund for Merger Shares, (iv) under Section 358 of the Code, the aggregate tax basis of the Merger Shares an Acquired Fund shareholder receives pursuant to this Agreement will be the same as the aggregate tax basis of the Acquired Fund shares exchanged therefor, (v) under Section 1223(1) of the Code, an Acquired Fund shareholder’s holding period for the Merger Shares received pursuant to this Agreement will be determined by including the period during which such shareholder held or is treated for federal income tax purposes as having held the Acquired Fund shares exchanged therefor, provided that, the shareholder held those Acquired Fund
shares as capital assets, (vi) under Section 1032 of the Code, no gain or loss will be recognized by Acquiring Fund upon the receipt of the assets of Acquired Fund in exchange for Merger Shares and the assumption by Acquiring Fund of the liabilities of Acquired Fund, (vii) under Section 362(b) of the Code, the Acquiring Fund’s tax basis in the assets of Acquired Fund transferred to Acquiring Fund pursuant to this Agreement will be the same as Acquired Fund’s tax basis immediately prior to the transfer, increased by any gain or decreased by any loss required to be recognized as described in (ii) above, (viii) under Section 1223(2) of the Code, the holding period in the hands of Acquiring Fund of each Acquired Fund asset transferred to Acquiring Fund pursuant to this Agreement, other than certain assets with respect to which gain or loss is required to be recognized as described in (ii) above, will include the period during which such asset was held or treated for federal income tax purposes as held by Acquired Fund, and (ix) Acquiring Fund will succeed to and take into account the items of Acquired Fund described in Section 381(c) of the Code, subject to the conditions and limitations specified in Sections 381, 382, 383 and 384 of the Code and the regulations thereunder.

(h) That all proceedings taken by or on behalf of Acquiring Fund in connection with the transactions contemplated by this Agreement and all documents incidental thereto will be satisfactory in form and substance to Acquired Fund and Ropes & Gray LLP.

(i) That the Registration Statement is effective under the 1933 Act, and no stop order suspending such effectiveness will have been instituted or, to the knowledge of Acquiring Fund, threatened by the Commission.

(j) That Acquired Fund shall have received from the Commission, any relevant state securities administrator and the Department such order or orders as Ropes & Gray LLP deems reasonably necessary or desirable under the 1933 Act, the 1934 Act, the 1940 Act and any applicable state securities or blue sky laws in connection with the transactions contemplated hereby, and that all such orders shall be in full force and effect.

10. Indemnification.

(a) Acquired Fund agrees to indemnify and hold harmless, out of the assets of Acquired Fund but no other assets, Acquiring Fund, its Trustees and its officers (for purposes of this subparagraph, the “Indemnified Parties”) against any and all expenses, losses, claims, damages and liabilities at any time imposed upon or reasonably incurred by any one or more of the Indemnified Parties in connection with, arising out of, or resulting from any claim, action, suit or proceeding in which any one or more of the Indemnified Parties may be involved or with which any one or more of the Indemnified Parties may be threatened by reason of any untrue statement or alleged untrue statement of a material fact relating to Acquired Fund contained in the Registration Statement, the Prospectus, or any amendment or supplement to any of the foregoing, or arising out of or based upon the omission or alleged omission to state in any of the foregoing a material fact relating to Acquired Fund required to be stated
therein or necessary to make the statements relating to Acquired Fund therein not misleading, including, without limitation, any amounts paid by any one or more of the Indemnified Parties in a reasonable compromise or settlement of any such claim, action, suit or proceeding, or threatened claim, action, suit or proceeding made with the consent of Acquired Fund. The Indemnified Parties will notify Acquired Fund in writing within ten days after the receipt by any one or more of the Indemnified Parties of any notice of legal process or any suit brought against or claim made against such Indemnified Party as to any matters covered by this Section 10(a). Acquired Fund shall be entitled to participate at its own expense in the defense of any claim, action, suit or proceeding covered by this Section 10(a), or, if it so elects, to assume at its expense by counsel satisfactory to the Indemnified Parties the defense of any such claim, action, suit or proceeding, and if Acquired Fund elects to assume such defense, the Indemnified Parties shall be entitled to participate in the defense of any such claim, action, suit or proceeding at their expense. Acquired Fund's obligation under this Section 10(a) to indemnify and hold harmless the Indemnified Parties constitutes a guarantee of payment so that Acquired Fund will pay in the first instance any expenses, losses, claims, damages and liabilities required to be paid by it under this Section 10(a) without the necessity of the Indemnified Parties' first paying the same.

(b) Acquiring Fund agrees to indemnify and hold harmless, out of the assets of Acquiring Fund but no other assets, Acquired Fund, its Trustees and its officers (for purposes of this subparagraph, the “Indemnified Parties”) against any and all expenses, losses, claims, damages and liabilities at any time imposed upon or reasonably incurred by any one or more of the Indemnified Parties in connection with, arising out of, or resulting from any claim, action, suit or proceeding in which any one or more of the Indemnified Parties may be involved or with which any one or more of the Indemnified Parties may be threatened by reason of any untrue statement or alleged untrue statement of a material fact relating to Acquiring Fund contained in the Registration Statement, the Prospectus, or any amendment or supplement to any of the foregoing, or arising out of, or based upon, the omission or alleged omission to state in any of the foregoing a material fact relating to Acquiring Fund required to be stated therein or necessary to make the statements relating to Acquiring Fund therein not misleading, including without limitation any amounts paid by any one or more of the Indemnified Parties in a reasonable compromise or settlement of any such claim, action, suit or proceeding, or threatened claim, action, suit or proceeding made with the consent of Acquiring Fund. The Indemnified Parties will notify Acquiring Fund in writing within ten days after the receipt by any one or more of the Indemnified Parties of any notice of legal process or any suit brought against or claim made against such Indemnified Party as to any matters covered by this Section 10(b). Acquiring Fund shall be entitled to participate at its own expense in the defense of any claim, action, suit or proceeding covered by this Section 10(b), or, if it so elects, to assume at its expense by counsel satisfactory to the Indemnified Parties the defense of any such claim, action, suit or proceeding, and, if Acquiring Fund elects to assume such
defense, the Indemnified Parties shall be entitled to participate in the defense of any such claim, action, suit or proceeding at their own expense. Acquiring Fund’s obligation under this Section 10(b) to indemnify and hold harmless the Indemnified Parties constitutes a guarantee of payment so that Acquiring Fund will pay in the first instance any expenses, losses, claims, damages and liabilities required to be paid by it under this Section 10(b) without the necessity of the Indemnified Parties’ first paying the same.

11. No broker, etc.
Each of Acquired Fund and Acquiring Fund represents that there is no person who has dealt with it who by reason of such dealings is entitled to any broker’s or finder’s or other similar fee or commission arising out of the transactions contemplated by this Agreement.

12. Termination.
Acquired Fund and the Acquiring Fund, on behalf of the Acquiring Fund, may, by mutual consent of their Trustees, terminate this Agreement, and Acquired Fund or Acquiring Fund, after consultation with counsel and by consent of their Trustees or an officer authorized by such Trustees, may waive any condition to their respective obligations hereunder. If the transactions contemplated by this Agreement have not been substantially completed by December 31, 2017 this Agreement shall automatically terminate on that date unless a later date is agreed to by Acquired Fund and the Acquiring Fund, on behalf of the Acquiring Fund.

13. Covenants, etc. deemed material.
All covenants, agreements, representations and warranties made under this Agreement and any certificates delivered pursuant to this Agreement shall be deemed to have been material and relied upon by each of the parties, notwithstanding any investigation made by them or on their behalf.

14. Sole agreement; amendments.
This Agreement supersedes all previous correspondence and oral communications between the parties regarding the subject matter hereof, constitutes the only understanding with respect to such subject matter, may not be changed except by a letter of agreement signed by each party hereto, and shall be construed in accordance with and governed by the laws of The Commonwealth of Massachusetts.

15. Agreement and declaration of trust.
Copies of the Agreements and Declarations of Trust, as amended, of Acquired Fund and the Acquiring Fund are on file with the Secretary of State of The Commonwealth of Massachusetts, and notice is hereby given that this instrument is executed by the Trustees or officers of each trust, respectively, as Trustees or officers and not individually and that the obligations of this instrument are not binding upon any of the Trustees, officers or shareholders of Acquired Fund or Acquiring Fund individually but are binding only upon the assets and property of Acquired Fund and Acquiring Fund, respectively.
This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original.

**PUTNAM HIGH YIELD ADVANTAGE FUND**

By: _________________________

Jonathan S. Horwitz
Executive Vice President, Principal Executive Officer and Compliance Liaison

**PUTNAM HIGH YIELD TRUST**

By: _________________________

Jonathan S. Horwitz
Executive Vice President, Principal Executive Officer and Compliance Liaison
Appendix B

**Financial intermediary specific sales charge waiver information**

As described in the prospectus, class A, M and T shares may be subject to an initial sales charge and class B and C shares may be subject to a CDSC. Certain financial intermediaries may impose different initial sales charges or waive the initial sales charge or CDSC in certain circumstances. This Appendix details the variations in sales charge waivers by financial intermediary. You should consult your financial representative for assistance in determining whether you may qualify for a particular sales charge waiver.

**MERRILL LYNCH**

Effective April 10, 2017, if you purchase fund shares through a Merrill Lynch platform or account held at Merrill Lynch, you will be eligible only for the following sales charge waivers (front-end sales charge waivers and CDSC waivers) and discounts, which may differ from those disclosed elsewhere in the fund’s prospectus or SAI. It is your responsibility to notify your financial representative at the time of purchase of any relationship or other facts qualifying you for sales charge waivers or discounts.

**Front-end Sales Charge Waivers on Class A Shares available through Merrill Lynch**

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan

- Shares purchased by college savings plans that qualify for tax-exempt treatment under Section 529 of the Internal Revenue Code of 1986, as amended

- Shares purchased through a Merrill Lynch-affiliated investment advisory program

- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch’s platform

- Shares of funds purchased through the Merrill Edge Self-Directed platform

- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the fund (but not any other Putnam fund)

- Shares exchanged from Class C shares of the same fund in the month of or following the 10-year anniversary of the purchase date

- Employees and registered representatives of Merrill Lynch or its affiliates and their family members

- Trustees of the fund, and employees of Putnam Management or any of its affiliates, as described in the fund’s prospectus

- Shares purchased from the proceeds of redemptions from a Putnam fund, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and
purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales charge (known as Rights of Reinstatement)

**CDSC Waivers on A, B and C Shares available through Merrill Lynch**
- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the fund’s prospectus
- Return of excess contributions from an IRA Account
- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 70½
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts that are exchanged for a share class with lower operating expenses due to transfer to certain fee based accounts or platforms (applicable to A and C shares only)

**Front-end Sales Charge Discounts available through Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent**
- Breakpoints as described in the fund’s prospectus and SAI
- Rights of Accumulation (ROA), which entitle you to breakpoint discounts, will be automatically calculated based on the aggregated holding of fund family assets held by accounts within your household at Merrill Lynch. Eligible Putnam fund assets not held at Merrill Lynch may be included in the ROA calculation only if you notify your financial representative about such assets
- Letters of Intent (LOI), which allow for breakpoint discounts based on anticipated purchases of Putnam funds, through Merrill Lynch, over a 13-month period

**MORGAN STANLEY WEALTH MANAGEMENT**

**Class T shares**
Class T shares are available for purchase by Morgan Stanley Wealth Management (Morgan Stanley) clients with the front-end sales charge waived as follows:
- Employer-sponsored retirement plans (e.g., 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans and defined benefit plans). For purposes of this provision, employer-sponsored retirement plans do not include SEP IRAs, Simple IRAs, SAR-SEPs or Keogh plans; however these plans are eligible to purchase Class T shares through a transactional brokerage account.
- Morgan Stanley employee and employee-related accounts according to Morgan Stanley’s account linking rules.
• Shares purchased through reinvestment of dividends and capital gains distributions when purchasing shares of the same fund.

• Mutual fund shares exchanged from an existing position in the same fund as part of a share class exchange instituted by Morgan Stanley.