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Market Week Pullout Ominous Start: Stocks Fall 3.7% in January Page M3

Roundtable
Part 3

BARRON'S

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BEST MUTUAL-FUND FAMILIES

In a remarkable turnaround, Putnam rockets to No. 1, followed by T. Rowe Price, Aberdeen, FAF and Nuveen.



Performance since new managers

Through 12/31/09	INVESTMENT EXPERIENCE OF FUND MANAGER	MANAGER START DATE ON FUND	RISK-ADJUSTED LIPPER RANKING SINCE MANAGER START DATE
The Putnam Fund for Growth and Income	19 years	11/3/08	1% (2/517)
Putnam Investors Fund	27 years	7/1/08	19% (163/869)
Putnam Research Fund	24 years	4/5/08	3% (21/849)
Putnam Voyager Fund	17 years	11/3/08	1% (2/819)

Risk-adjusted Lipper rankings are based on the fund's most recent month-end class A share risk-adjusted return relative to the fund's benchmark. Past performance is not indicative of future results. These funds had negative performance over one or more of the ranking periods.

See next slide for complete ranking information.

Through 12/31/09	LIPPER CATEGORY	LIPPER PERCENTILE RANKING		
		1 YEAR	5 YEARS	10 YEARS
The Putnam Fund for Growth and Income	Large-cap value funds	13% (67/523)	88% (346/394)	84% (156/186)
Putnam Investors Fund	Large-cap core funds	23% (200/906)	91% (591/653)	96% (358/374)
Putnam Research Fund	Large-cap core funds	12% (102/906)	74% (483/653)	79% (296/374)
Putnam Voyager Fund	Large-cap growth funds	2% (14/810)	6% (34/579)	51% (157/310)

Lipper rankings for class A shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper. Past performance is not indicative of future results. These funds had negative performance over one or more of the ranking periods.

100% of Putnam's
U.S. large-cap equity funds
outperformed their
Lipper category averages
in 2009.







This is what we mean
by helping investors
pursue their goals.

This is Putnam today.

Get our managers' perspectives on today's market opportunities.
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Putnam's U.S. large-cap equity managers have more than 21 years of experience on average and are backed by a team of 20 highly skilled equity analysts.

Putnam Voyager Fund PVOYX	Putnam Investors Fund PINVX	The Putnam Fund for Growth and Income PGRWX	Putnam Growth Opportunities Fund POGAX	Putnam Equity Income Fund PEYAX	Putnam Research Fund PNRAX
					
Nick Thakore Investing since 1993	Gerry Sullivan Investing since 1982	Bob Ewing Investing since 1990	Rob Brookby Investing since 1999	Bart Geer Investing since 1981	Andy Matteis Investing since 1985

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These funds had negative performance over one or more of the ranking periods.
Source: Lipper. Based on cumulative class A total returns before sales charge, six of the six Putnam U.S. large-cap equity funds outperformed their Lipper averages for the year ended 12/31/09. Results for other periods will vary. Past performance does not guarantee future results. Performance of other funds may not be as favorable.

Consider these risks before investing: Investments in small or midsize companies, or in stocks with above-average earnings, can increase investment risk. There is no guarantee that underpriced value stocks will rise.

Request a prospectus, or a summary prospectus if available, from your financial advisor or by calling 1-800-225-1581. The prospectus includes investment objectives, risks, expenses, fees, and other information that you should read and consider carefully before investing.

Putnam Retail Management



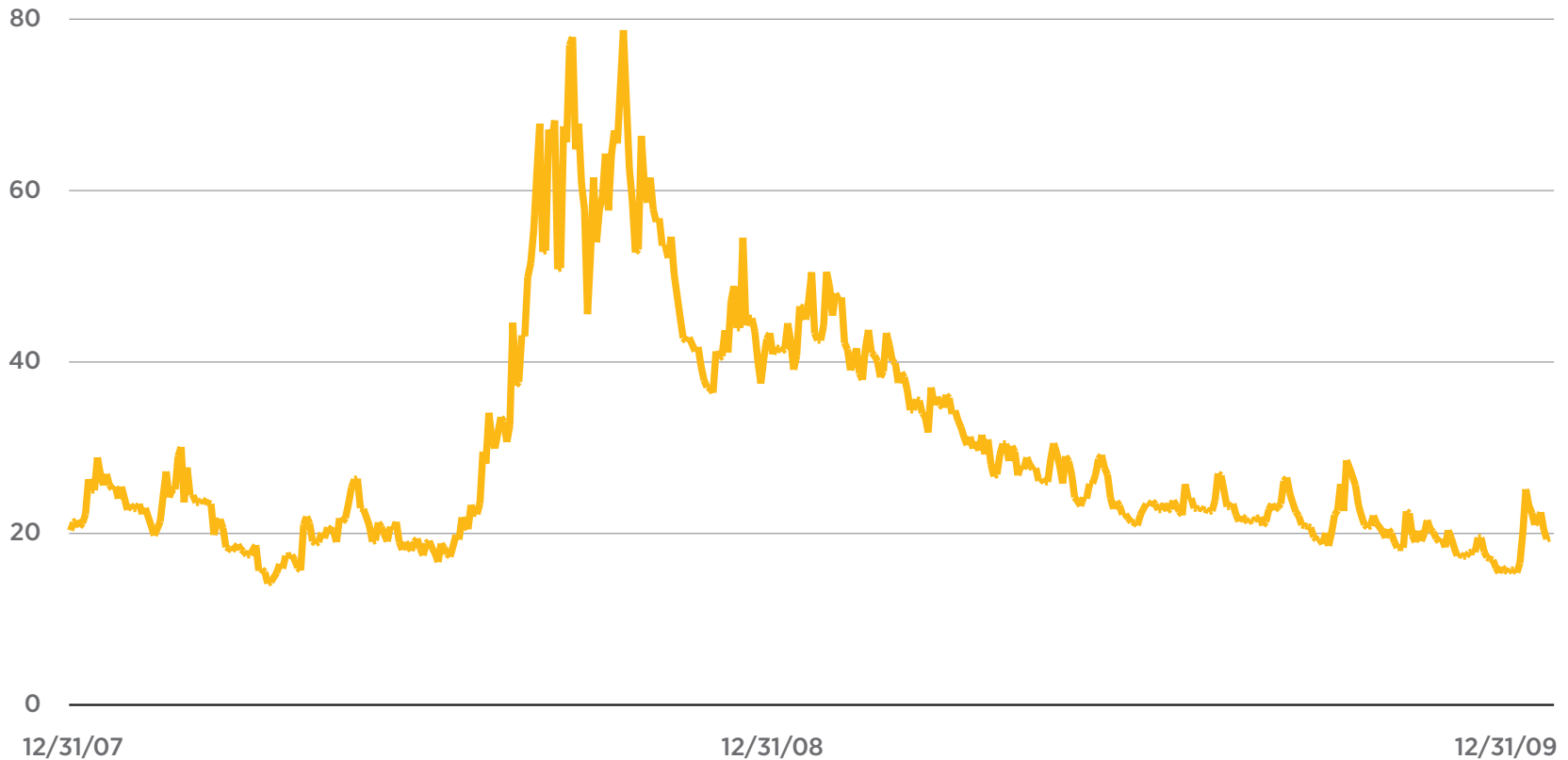
Volatility

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Volatility has come down from recent highs

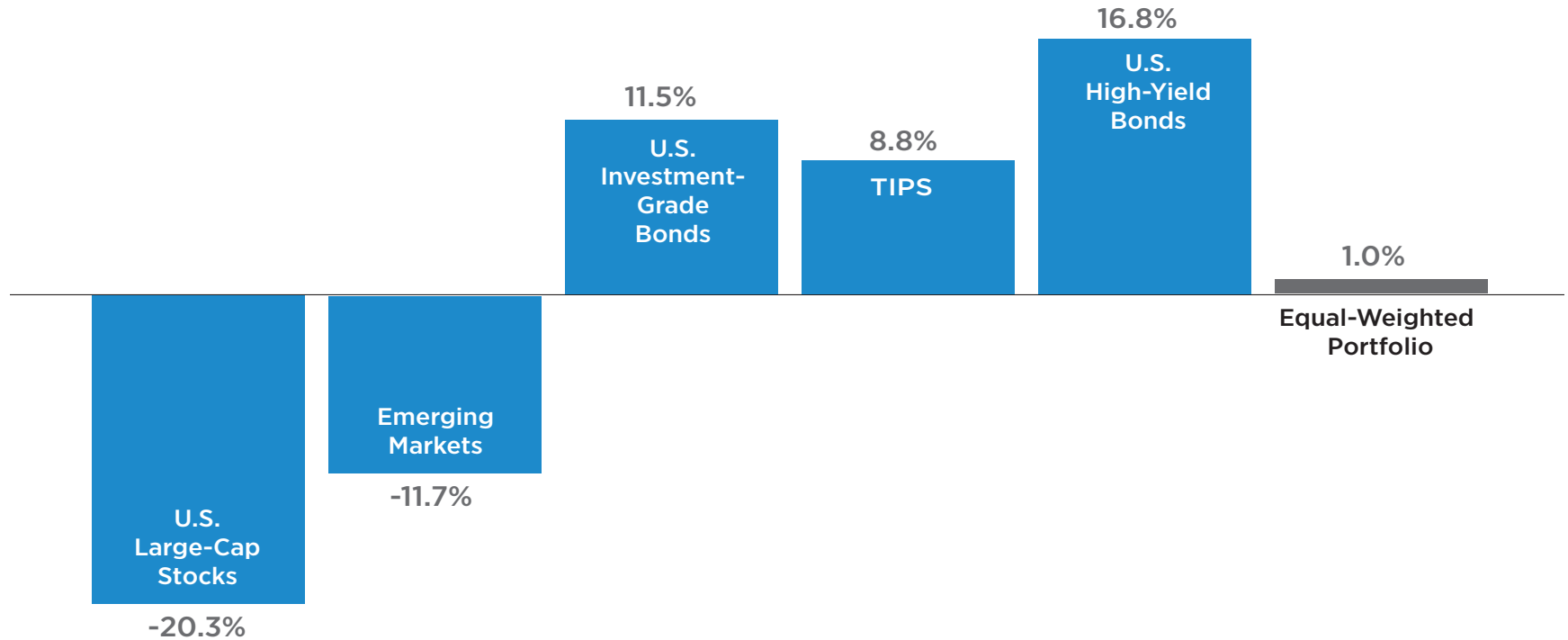
Chicago Board Options Exchange VIX



Source: CBOE VIX, 2010. The CBOE Volatility Index is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index. Past performance is not indicative of future results.

It was possible to profit with diversification

2008–2009 index returns

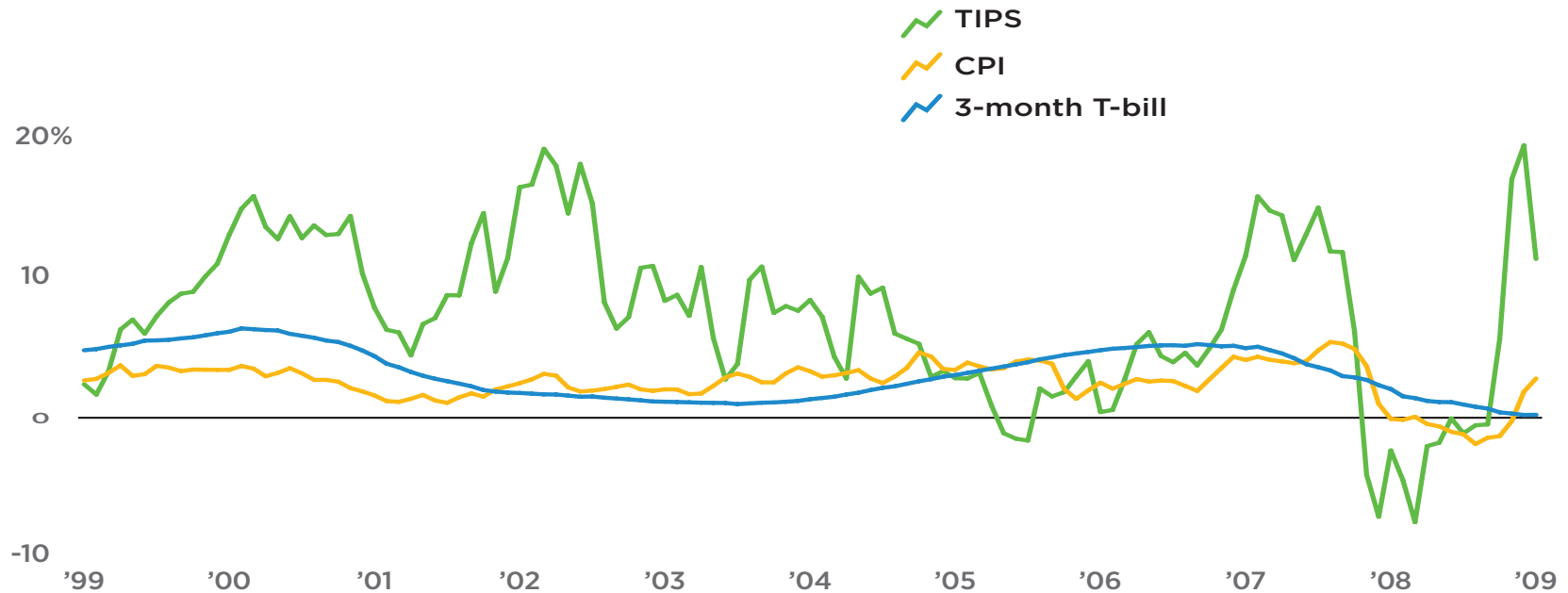


Source: Bloomberg. Russell 1000 Growth Index is an unmanaged index of those companies in the large-cap Russell 1000 Index chosen for their growth orientation. MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global markets. Barclays Capital Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities. Barclays Capital Global Real U.S. TIPS Index is an unmanaged market index made up of U.S. Treasury inflation-protected securities. Barclays Capital U.S. Corporate High Yield Index is an unmanaged index that is designed to mirror the investable universe of the U.S. high-yield corporate debt market. Equity-weighted portfolio is composed of 20% in each of the asset classes. Past performance is no guarantee of future results.

Securities indexes assume reinvestment of all distributions and interest payments, and do not take into account brokerage fees or taxes. Securities in the funds do not match those in the indexes, and performance of the funds will differ. It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

T-bills can provide better protection against inflation

Rolling year-over-year total returns: 12/31/99–12/31/09



Source: Barclays Capital, BofA Merrill Lynch, and the Consumer Price Indices, as of 12/31/09. Barclays Capital Global Real U.S. TIPS Index is an unmanaged market index made up of U.S. Treasury inflation-protected securities.

BofA Merrill Lynch U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S. dollar denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. Securities indexes assume reinvestment of all distributions and interest payments, and do not take into account brokerage fees or taxes. Securities in the funds do not match those in the indexes, and performance of the funds will differ. It is not possible to invest directly in an index. Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio. Past performance is not indicative of future results.

Putnam Absolute Return Funds strive to keep you ahead of inflation, so your income doesn't fall behind.

These funds target specific returns above inflation as measured by Treasury bills over a three-year period so that investors can pursue greater income in all market environments.

Learn more about absolute return investing.
absolutereturnblog.com

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The funds' strategies are designed to be largely independent of market direction, and the funds are not intended to outperform stocks and bonds during strong market rallies. Putnam Absolute Return Funds are designed for investors considering a range of strategies, from conservative to aggressive.

Consider these risks before investing: Asset allocation decisions may not always be correct and may adversely affect fund performance. The use of leverage through derivatives may magnify this risk. Leverage and derivatives carry other risks that may result in losses, including the effects of unexpected market shifts and/or the potential illiquidity of certain derivatives.

International investments carry risks of volatile currencies, economies, and governments, and emerging-market securities can be illiquid. Bonds are affected by changes in interest rates, credit conditions, and inflation. As interest rates rise, prices of bonds fall.

Long-term bonds are more sensitive to interest-rate risk than short-term bonds, while lower-rated bonds may offer higher yields in return for more risk. Unlike bonds, bond funds have ongoing fees and expenses. For the 500 Fund and 700 Fund, these risks also apply: Stocks of small and/or midsize companies increase the risk of greater price fluctuations. REITs involve the

risks of real estate investing, including declining property values. Commodities involve the risks of changes in market, political, regulatory, and natural conditions. Additional risks are listed in the funds' prospectus. There are no guarantees a fund will be able to meet its objective.

Request a prospectus, or a summary prospectus if available, from your financial advisor or by calling 1-800-225-1581. The prospectus includes investment objectives, risks, expenses, fees, and other information that you should read and consider carefully before investing.

Putnam Retail Management



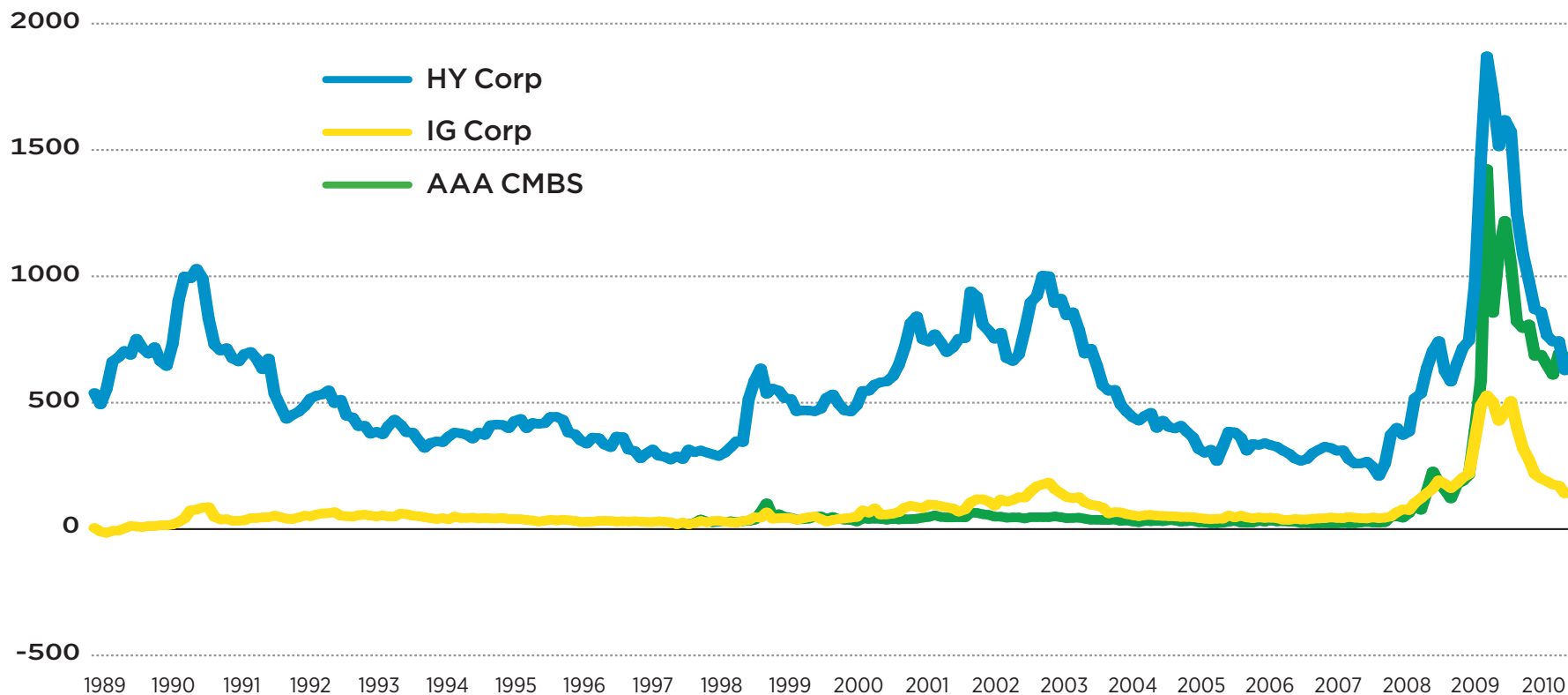
Income

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Historic spreads

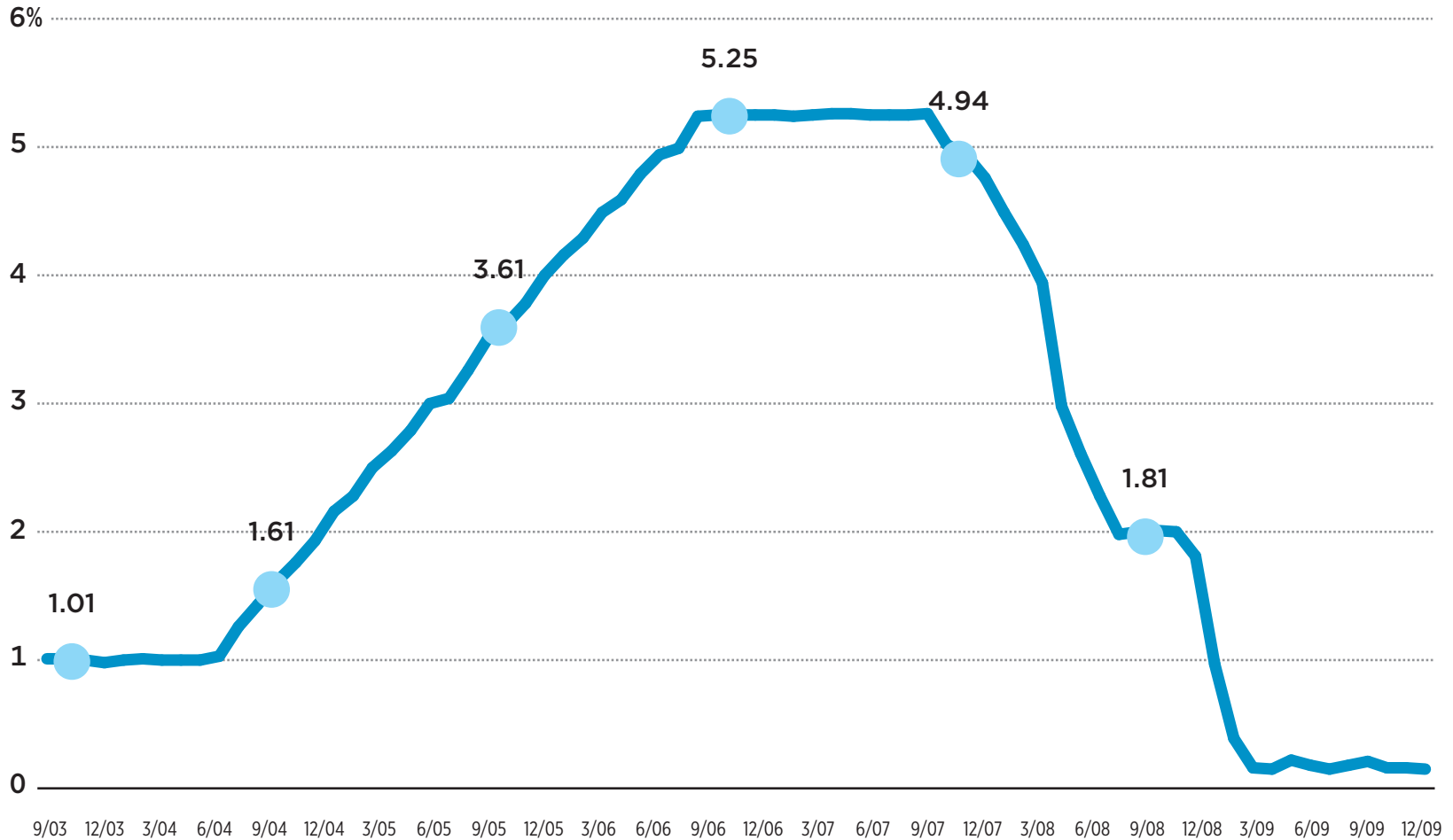
Spread to swaps (bps): 6/30/89-12/31/09



Source: Barclays Capital. As of 12/31/09. The Barclays Capital Corporate Index is the corporate component of the Barclays Capital U.S. Credit Index. The index is composed of publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. The Barclays Capital U.S. Corporate High-Yield Index covers the U.S. dollar denominated, non-investment-grade, fixed-rate, taxable corporate bond market, and includes securities with ratings by Moody's, Fitch, and S&P of Ba1/BB+/BB+ or below. Commercial mortgage-backed securities (CMBS) are backed by a pool of commercial mortgage loans on income-producing property. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Fed funds rate

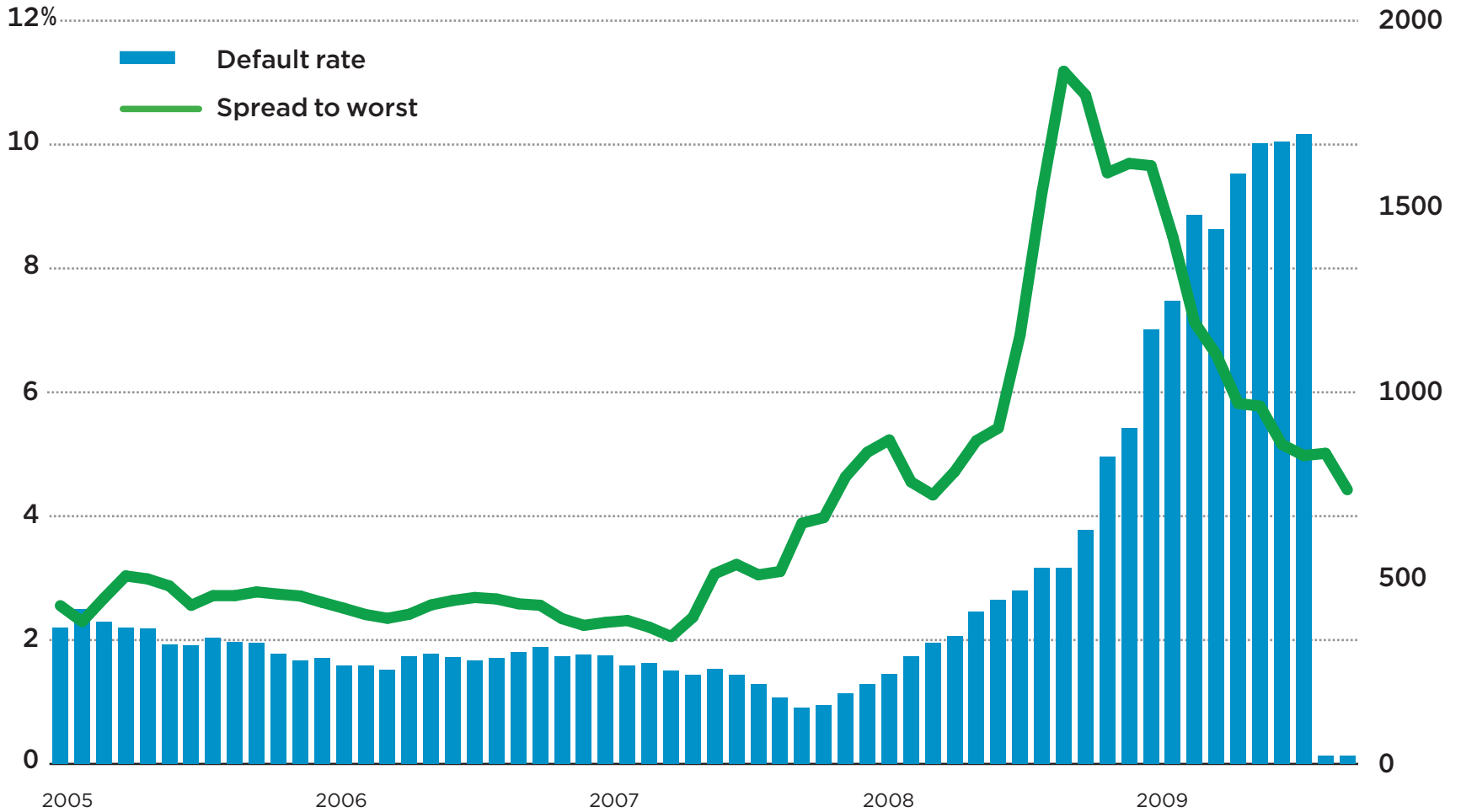
Fed funds rate (effective) over time (Five years ending 12/31/09)



Source: Federal Reserve, 2010.

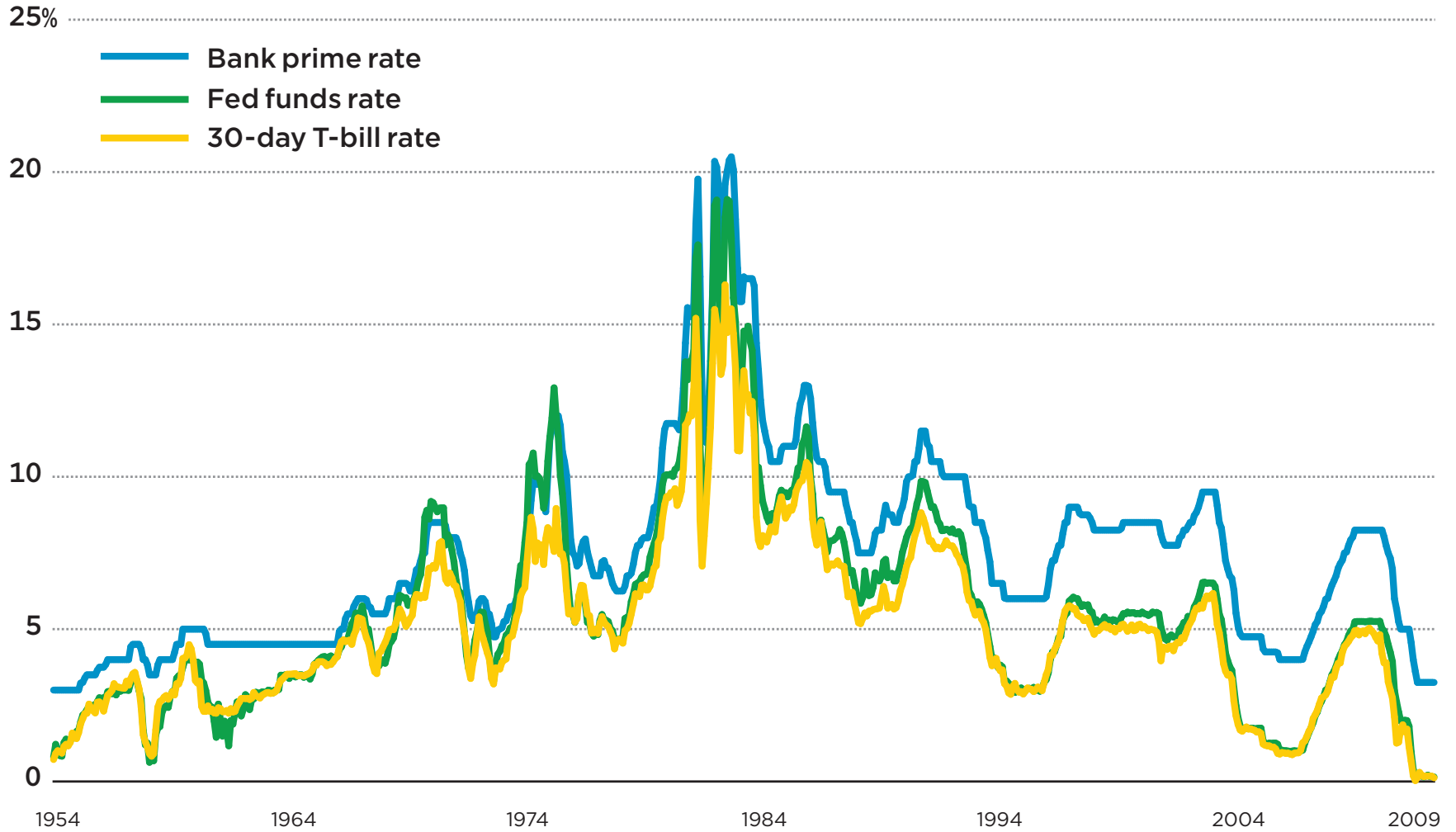
Spreads vs. defaults

High-yield spreads vs. default rates: 12/31/04-12/31/09



Sources: JPMorgan and Moody's Investor Services.

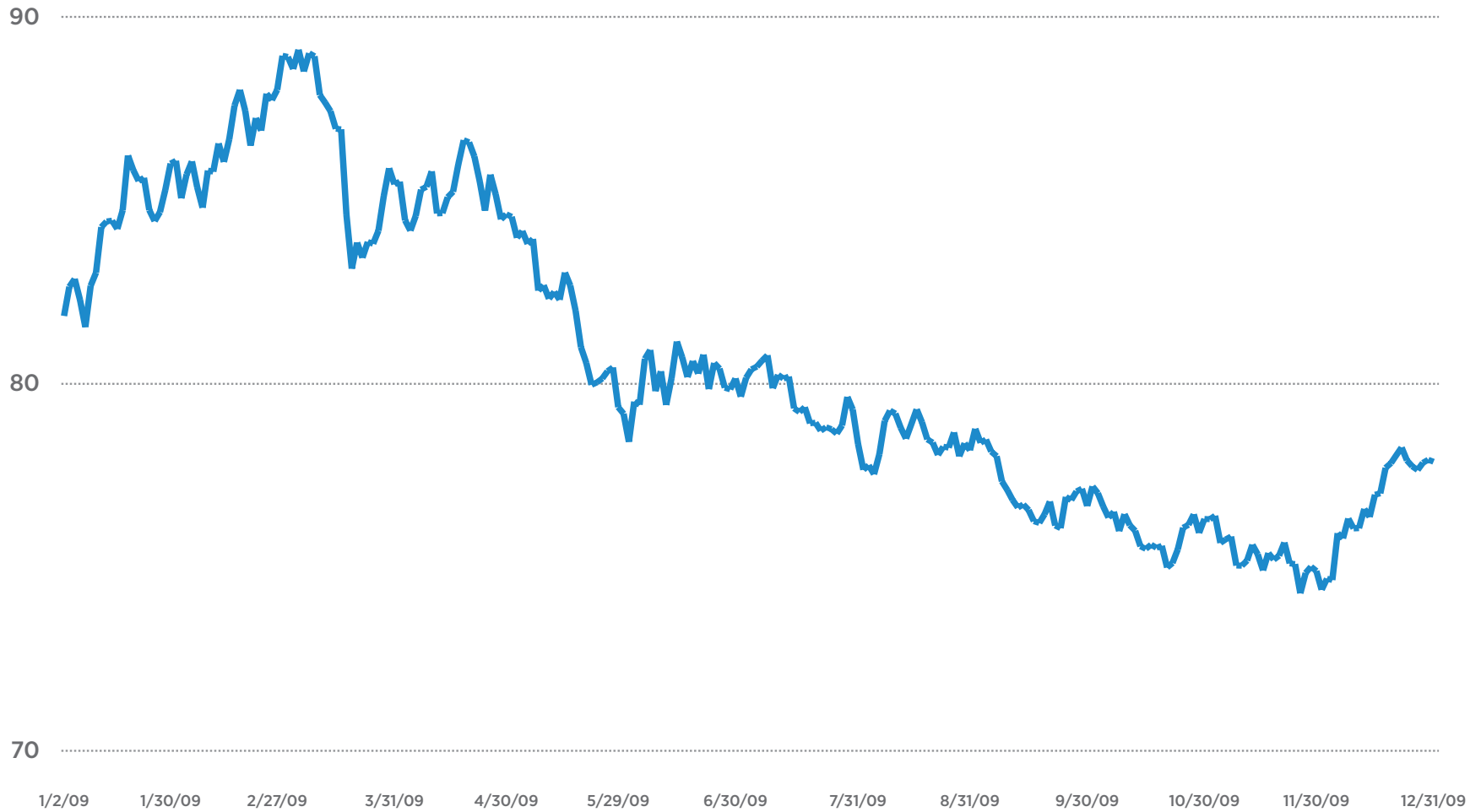
Cash doesn't pay



Sources: Putnam research, Federal Reserve, 2010.

U.S. dollar weakness

U.S. dollar index



Source: Bloomberg.



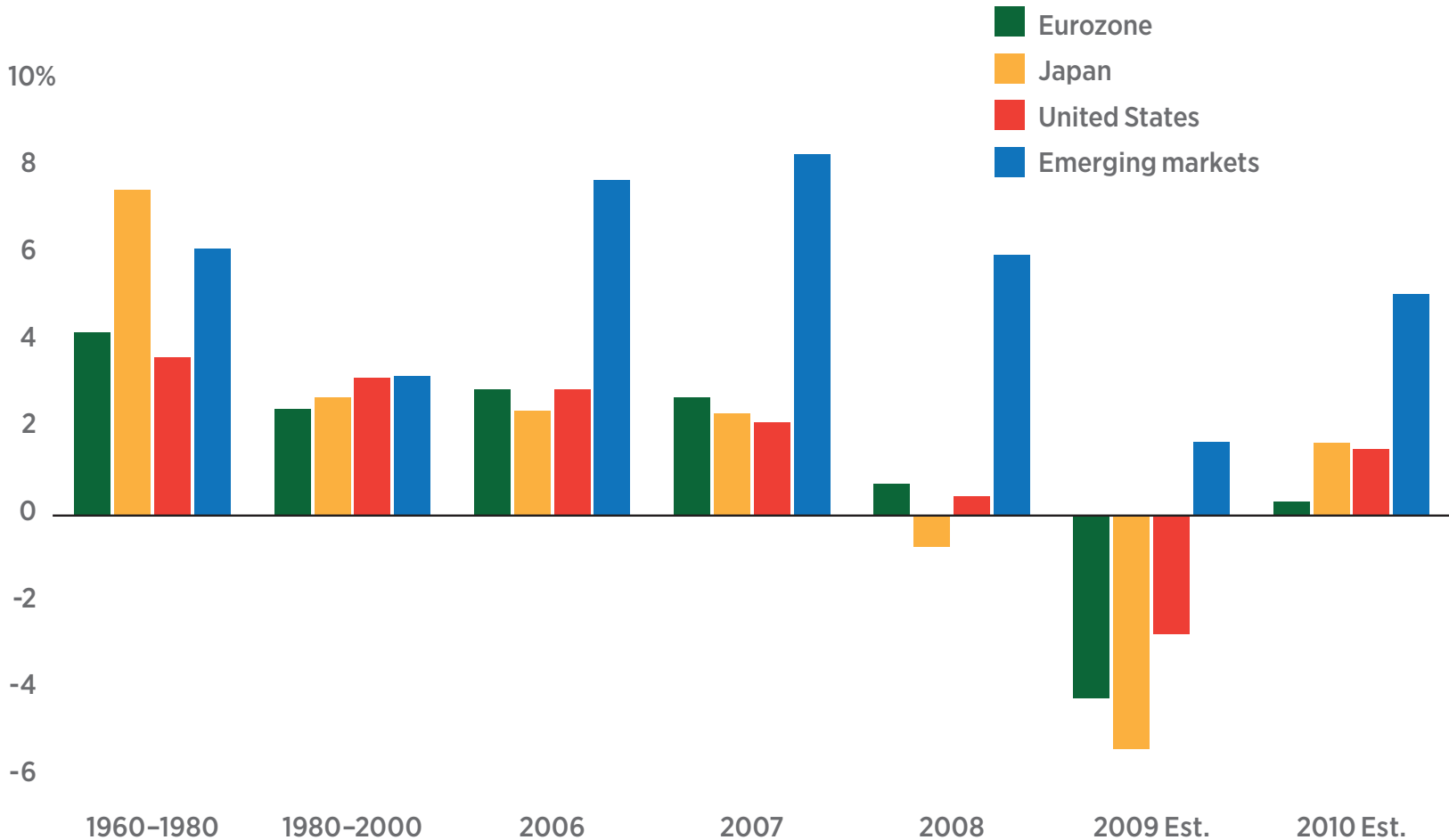
Growth

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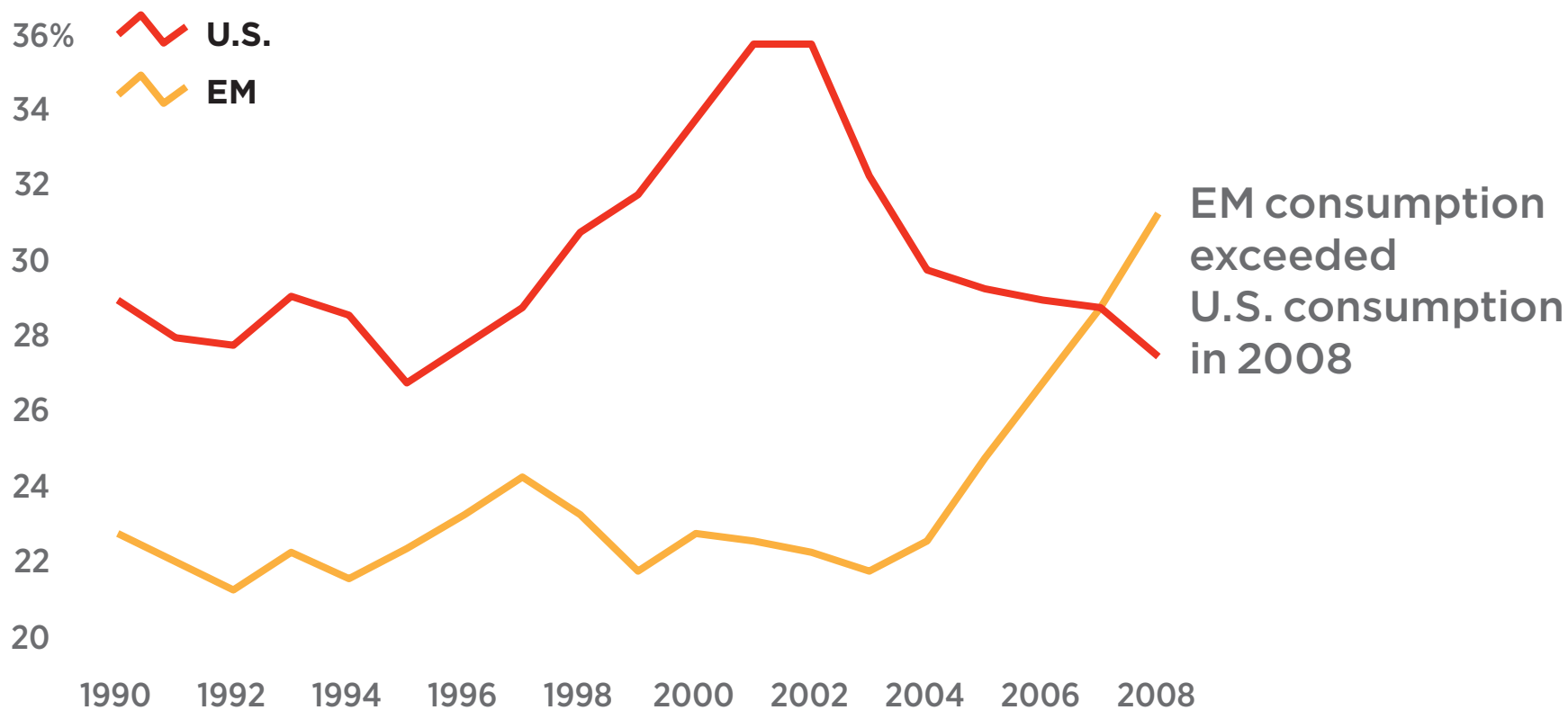
Worldwide economic growth

Historical and projected regional GDP growth



Source: International Monetary Fund; GDP at constant prices. Data as of October 2009. Most recent data available. Actual results can vary significantly from estimates.

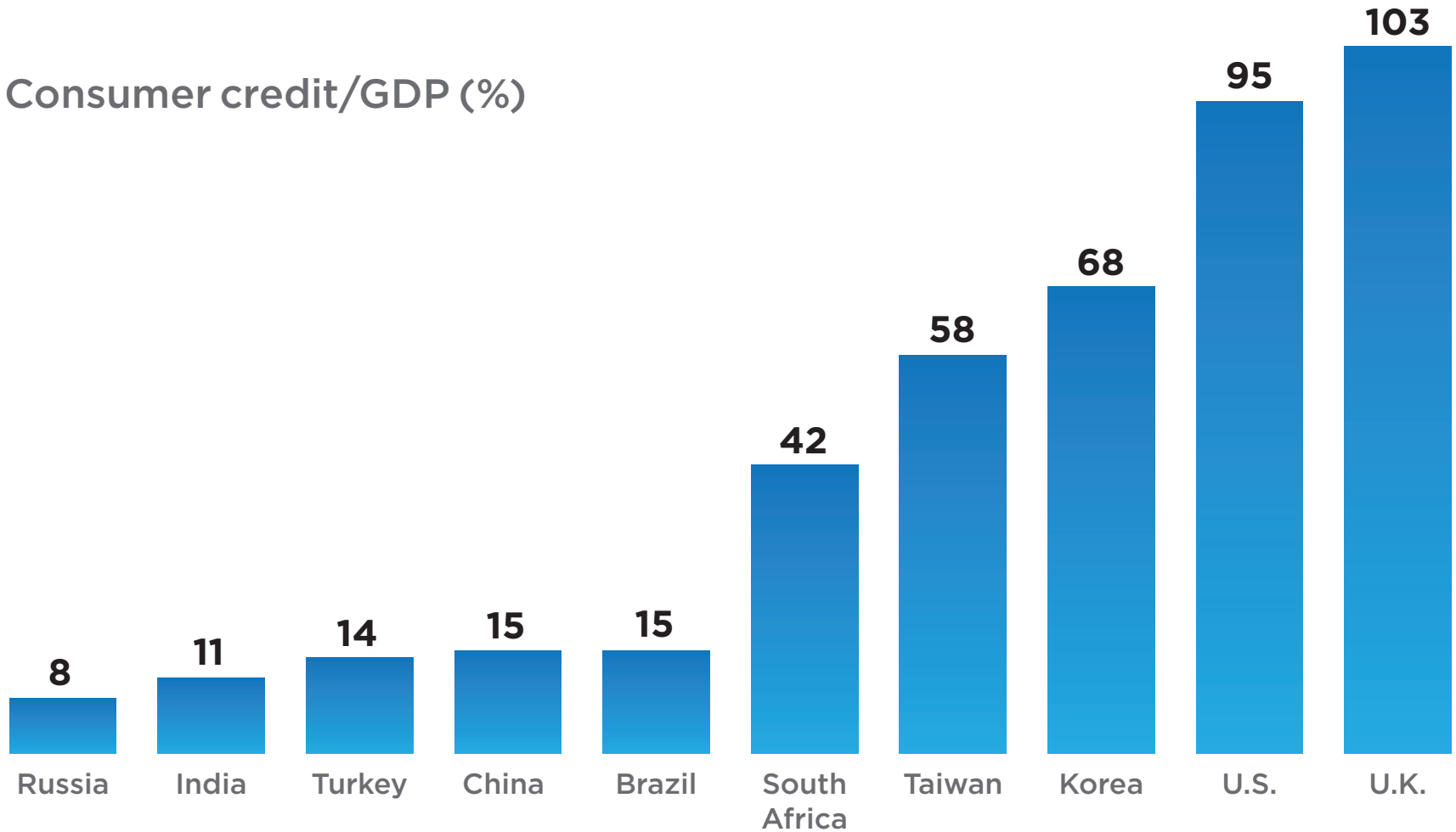
EM story not dependent on U.S. consumer



Source: JPMorgan, December 2009. Most recent data available. Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Few bubbles to unwind, better balance sheets outside U.S.

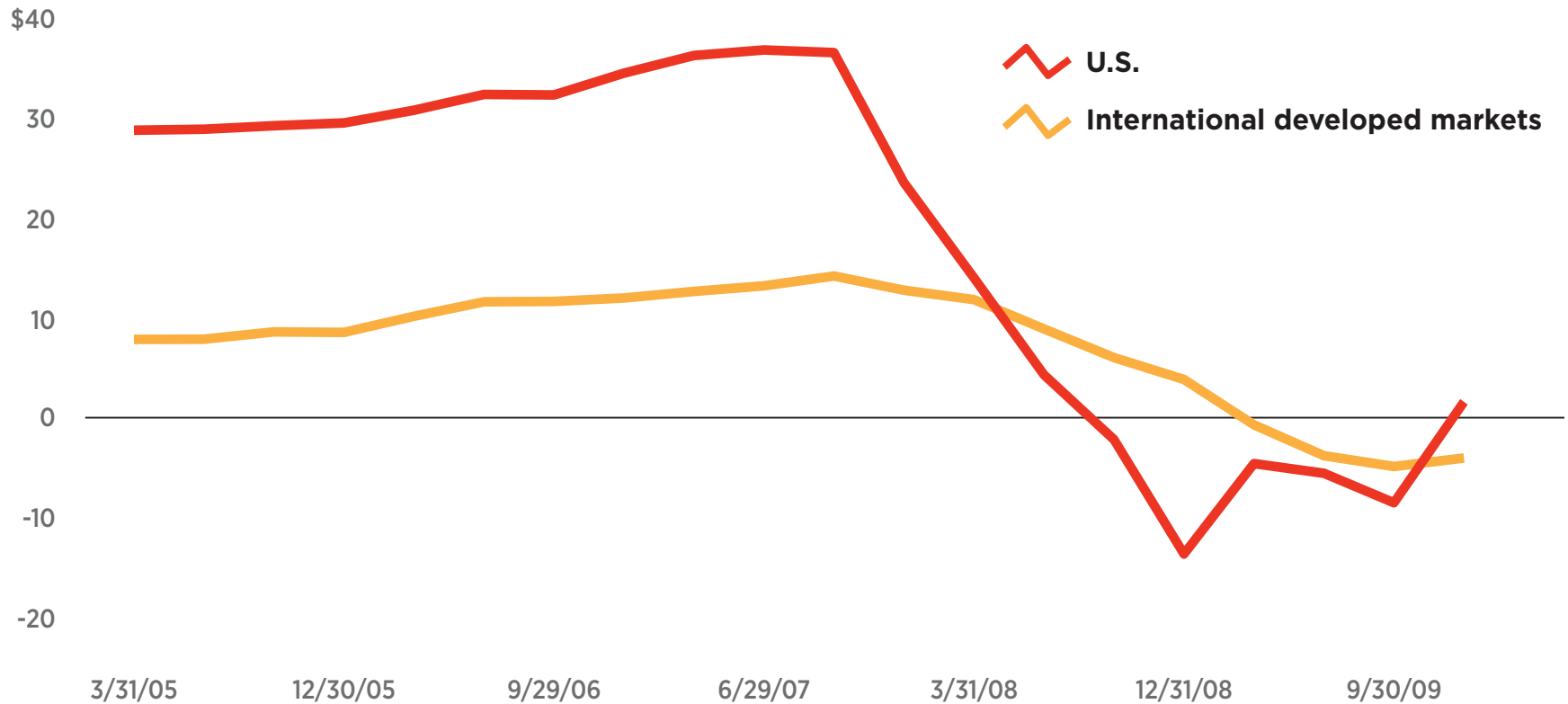
Consumer credit/GDP (%)



Source: BCA Research. Rolling 1-year as of September 2009.

Financial industry profits have likely bottomed

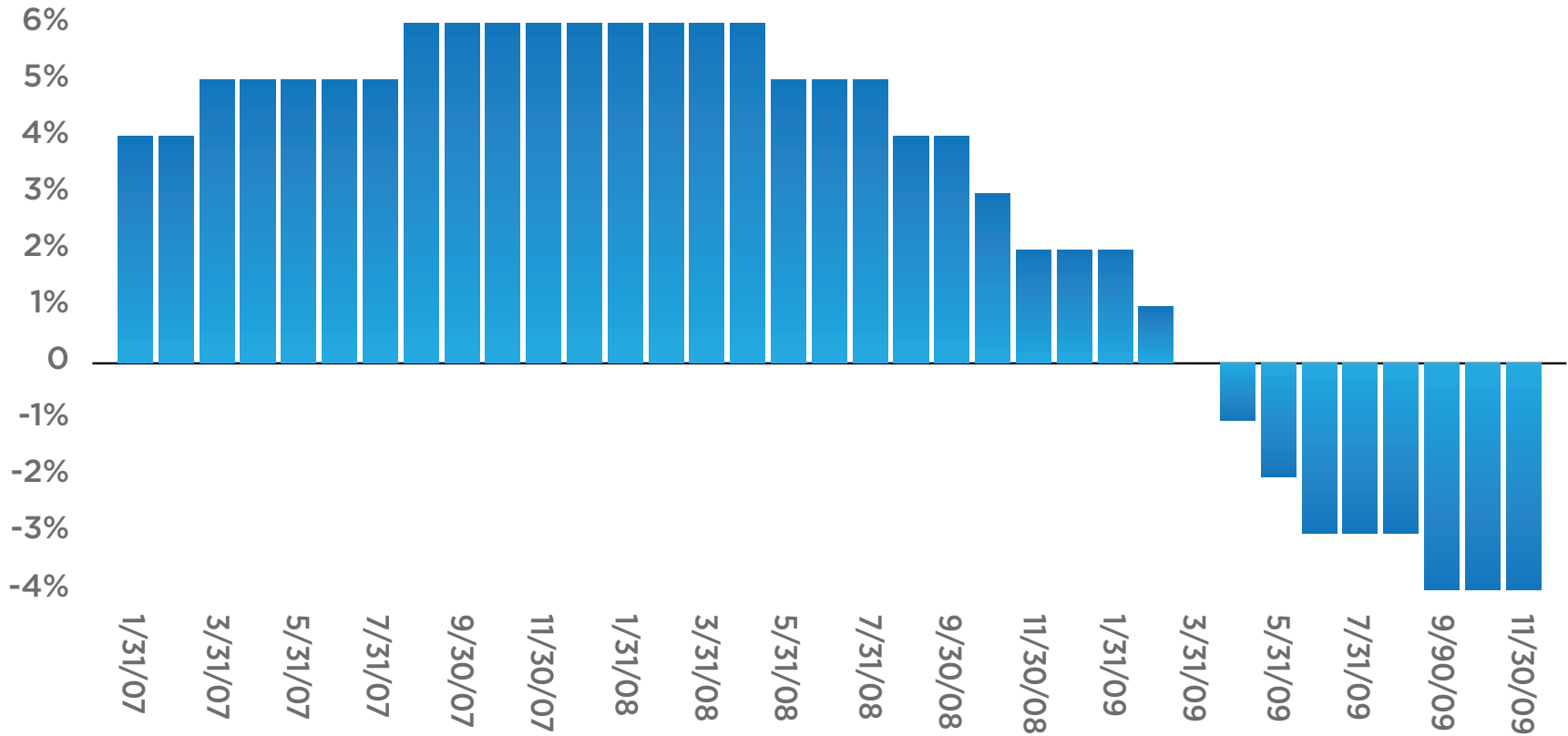
Quarterly earnings per share



Source: Bloomberg. Most recent data available. Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Consumer credit is declining

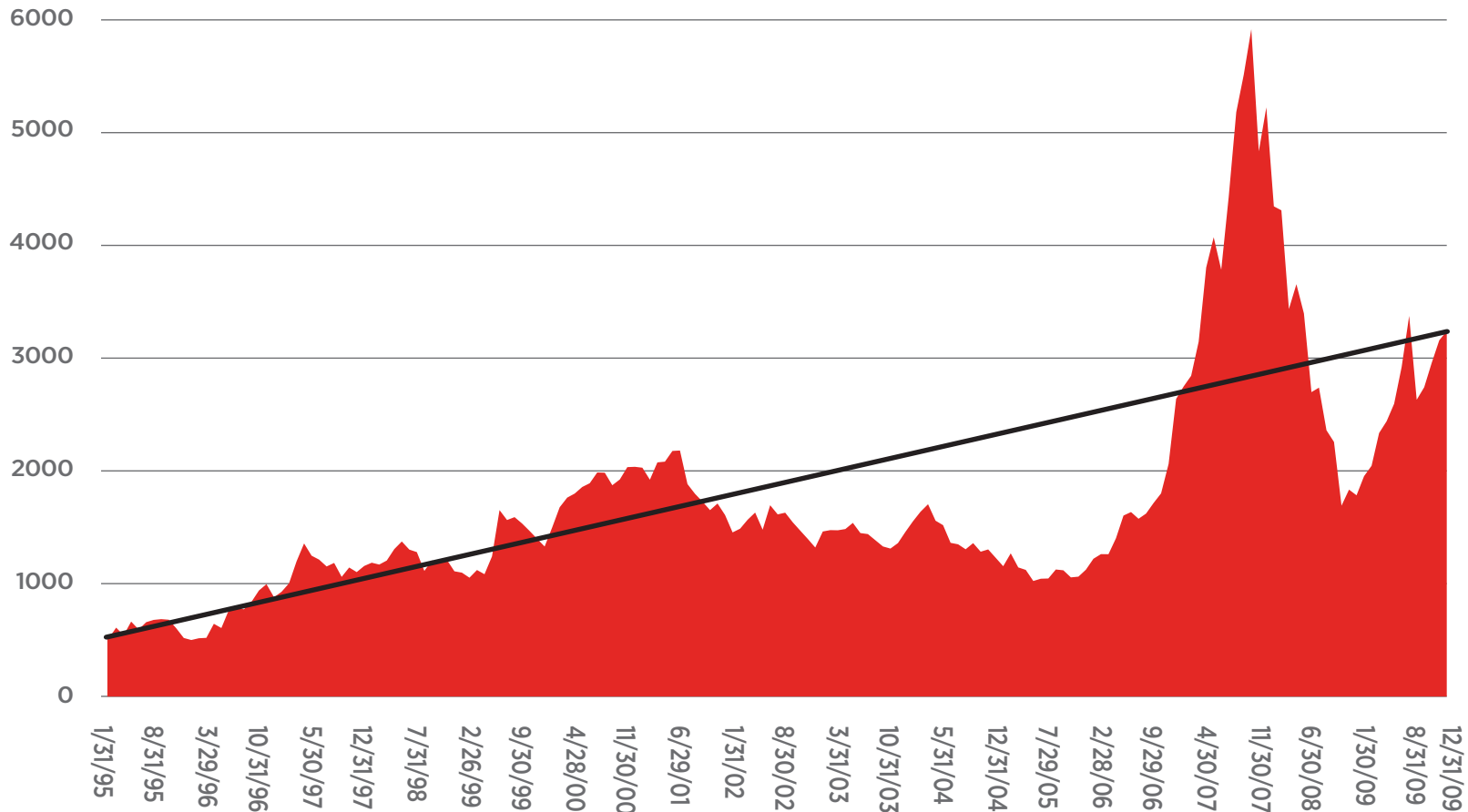
Year-over-year % change



Source: Bloomberg.

Chinese stock market has rebounded

Shanghai Composite Index



Source: Bloomberg. The Shanghai Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange. Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index. Past performance is not indicative of future results.

Consider these risks before investing: Value investing seeks underpriced stocks, but there is no guarantee that a stock's price will rise. The fund may invest a portion of its assets in small and/or midsize companies. Such investments increase the risk of greater price fluctuations. Stocks with above-average earnings may be more volatile, especially if earnings do not continue to grow.

All economic and performance information is historical and not indicative of future results. Performance for Putnam funds will differ. Visit putnam.com for complete performance information.

Request a prospectus, or a summary prospectus if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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