

Expand your choices to invest for short-term goals

Q1 | 24



**Putnam
Ultra Short Duration
Income Fund**
PSDYX

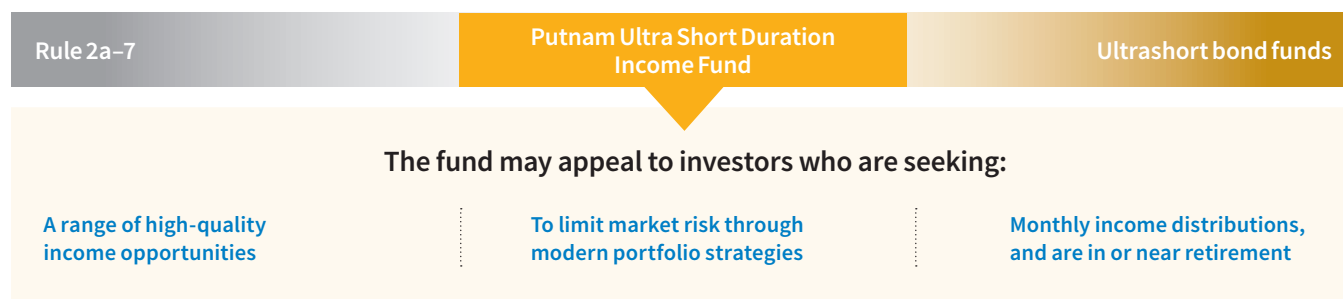
Broad sector diversification
High-quality securities
Active risk management

Flexibility and liquidity with a lower risk profile than a typical ultrashort bond fund

Over the past several years, the regulations that govern money market funds — known as “Rule 2a–7” — have become increasingly more stringent. While the goal was to make these investment vehicles “safer,” the more restricted investment universe also has led to lower returns.

At the same time, typical ultrashort-term bond funds may be far too volatile for investors seeking liquidity and capital preservation. At Putnam, we believe there is room in between these two segments of the market for an alternative type of investment.

Putnam Ultra Short Duration Income Fund focuses on lower-volatility income sources



The fund’s flexibility to invest in a wider range of sectors can lead to higher income potential*

Because the fund is not a money market fund or subject to Rule 2a–7, it can pursue a range of income opportunities not available to traditional money market vehicles. Of course, that wider range of sectors entails a larger number of risks, but the fund is always managed in a fashion consistent with its objectives of capital preservation and maintenance of liquidity.

* The fund can invest in more bond sectors than money market funds and, as a result, will be exposed to a larger number of risks. Investors should be aware of the differences between Putnam Ultra Short Duration Income Fund and a money market fund before investing: Both funds seek to preserve capital and maintain liquidity. Money market funds generally focus on stability of principal, while Putnam Ultra Short Duration Income Fund seeks a balance of stability and income, which may result in increased volatility. Money market funds seek to maintain a net asset value (NAV) of \$1.00 per share; the NAV of this fund will fluctuate to reflect the market value of the portfolio. The fund’s fees and expenses differ from money market funds; see the prospectus for details. Neither money market funds nor this fund is insured or guaranteed by the FDIC or any other government agency, and investors can lose money in each.

† Greater than 13 months’ maturity.

Sectors available for investment	Prime money market funds	Putnam Ultra Short Duration Income Fund	Ultrashort funds
Yankee Eurodollar	✓	✓	✓
Certificates of deposit, commercial paper, time deposits	✓	✓	✓
Asset-backed commercial paper	✓	✓	✓
Repurchase agreements	✓	✓	✓
Bankers’ acceptances	✓	✓	✓
U.S. government securities	✓	✓	✓
Asset-backed securities†		✓	✓
Investment-grade corporates†		✓	✓
Mortgage-backed securities		✓	✓
Commercial mortgage-backed securities		✓	✓
Sovereign debt		✓	✓
Derivatives		✓	✓
Private placements and Rule 144A		✓	✓
High yield			✓
Bank loans			✓
Foreign currency			✓

A consistent history of low volatility and solid performance

DAILY NAV Y SHARE

NAV as of 3/31/2024	\$10.10
NAV at inception	\$10.00
Number of trading days since inception	3,133
Daily movement	# of days % of total days
Days with stable NAV	2,919 93%
Days with NAV increases	118 4%
Days with NAV decreases	96 3%
NAV movement	
Highest NAV	\$10.11
Lowest NAV	\$9.81
Largest daily NAV increase	\$0.02
Largest daily NAV decrease	-\$0.05

ANNUALIZED TOTAL RETURN PERFORMANCE as of 3/31/24

Class Y shares Inception 10/17/11	Net asset value	ICE BofA U.S. Treasury Bill Index
Q1	1.32%	1.27%
1 year	6.17	5.24
3 years	2.82	2.55
5 years	2.38	2.03
10 years	1.79	1.39

Total expense ratio: 0.39%
What you pay: 0.32%

"What you pay" reflects Putnam Management's decision to contractually limit expenses through 11/30/24.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit putnam.com.

A portfolio built on short-term, high-quality securities

The portfolio features high-quality investment-grade securities. The portfolio's effective duration will generally not exceed one year, and its average maturity will generally be limited to three and one-half years.

PORTFOLIO QUALITY as of 3/31/24

A-1+	0.9%
A-1	2.2
A-2	11.4
A-3	4.1
AAA	8.3
AA	21.2
A	41.1
BBB	11.1
Not rated	0.1
Net cash	-0.3

KEY STATISTICS as of 3/31/24

30-day SEC yield* without subsidy Y share	5.12%
30-day SEC yield* with subsidy Y share	5.18%
Average effective maturity	0.87 years
Average effective duration†	0.53 years

Holdings represent 100% of the portfolio and will vary over time. Due to rounding, percentages may not equal 100%.

Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3/SP-3 or higher, for short-term debt) is considered investment grade. This table reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings may vary over time.

Net cash, if any, represents the market value rate of cash and derivatives and may show a negative market value as a result of the timing of trade versus settlement date transactions. The fund itself has not been rated by an independent rating industry.

* The SEC yield is a standardized annual yield based on the most recent 30-day period. It is calculated in accordance with current Securities and Exchange Commission regulations and is subject to change.

† Average effective duration provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

The ICE BofA U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S. dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. You cannot invest directly in an index.

ICE Data Indices, LLC (“ICE BofA”), used with permission. ICE BofA permits use of the ICE BofA indices and related data on an “as is” basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments or Franklin Templeton, or any of their products or services.

For informational purposes only. Not an investment recommendation.

Diversification does not guarantee a profit or ensure against loss. It is possible to lose money in a diversified portfolio.

Consider these risks before investing: Putnam Ultra Short Duration Income Fund is not a money market fund. The effects of inflation may erode the value of your investment over time. Funds that invest in government securities are not guaranteed. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. The fund may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields.

The value of investments in the fund’s portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market

conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund’s portfolio holdings.

Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Fixed income investments may be more susceptible to downgrades or defaults during economic downturns or other periods of economic stress. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Credit risk is generally greater for debt not backed by the full faith and credit of the U.S. government.

Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund’s other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.



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

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