Remember to save for retirement even in a market downturn

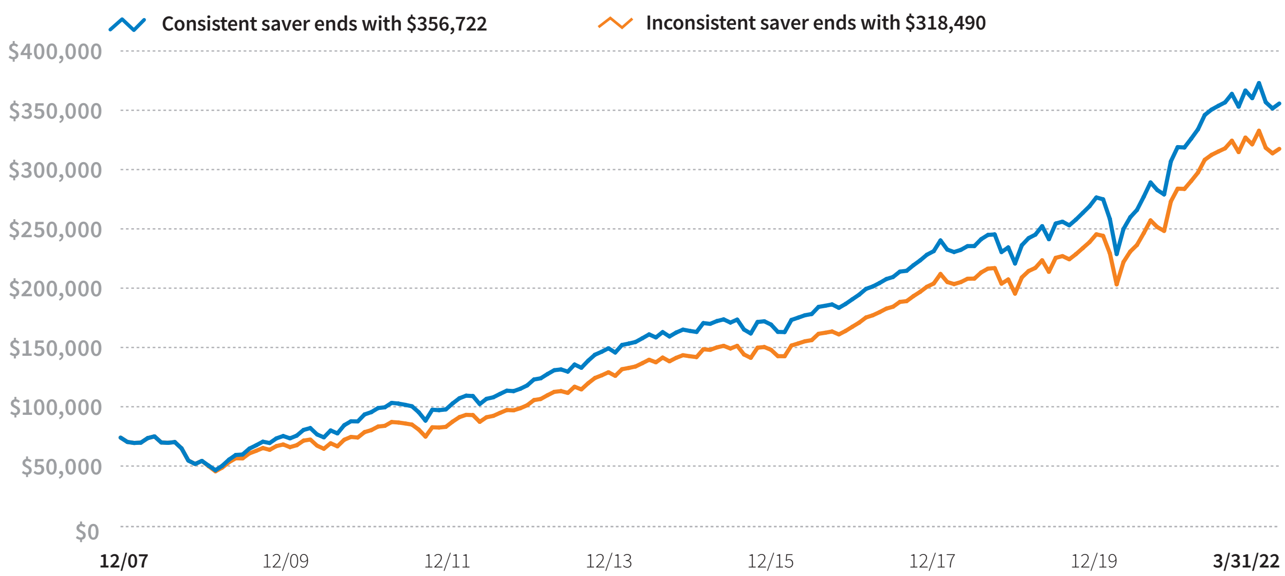
The market downturn in 2022 is once again causing financial uncertainty for many people. But if you continue to participate in a workplace retirement plan, steady saving can work in your favor. Also, if you are near to retiring, it can be helpful to understand how funds with a philosophy of preserving wealth help support income in retirement. If you have a financial representative, consider a discussion about whether a fund with this philosophy is right for your individual circumstances.

Examples from the most recent economic cycle — from the 2008–09 recession through the first two years of the Covid-19 pandemic and into the inflation of 2022 — can help show these principles. The first example shows that deciding to stop adding to a retirement investment during a recession can reduce future wealth. The second example shows that seeking to preserve wealth with a lower allocation to stocks at the point of retirement can lead to better results than a strategy with a higher stock allocation.

Example 1: Saving for a long retirement horizon

In a weak economy, uncertainty might tempt savers to stop contributing to a plan, and that's why this example looks at a hypothetical situation from the recession of 2008–09.

Example 1:
The consistent saver outperformed



Source: Putnam. This chart offers education. It does not show performance of an actual investment but instead compares hypothetical investments in the same index, the S&P 500 Target Date 2035 TR Index. In the comparison, Participant 1 and 2 each invest $75,000 in the index on December 31, 2007. Participant 1 invests an additional $500 at the end of each month beginning in January 2008 until March 31, 2022. Participant 2 makes no additional investments from January 2008 through December 2010, and then invests $500 at the end of each month beginning January 2011 until March 31, 2022.

The S&P Target Date Index Series is designed to represent a broadly derived consensus of asset class exposure for each target-date year, as well as an overall glide path. Each index corresponds to a particular target retirement date, providing varying levels of exposure to equities, bonds, and other asset classes.

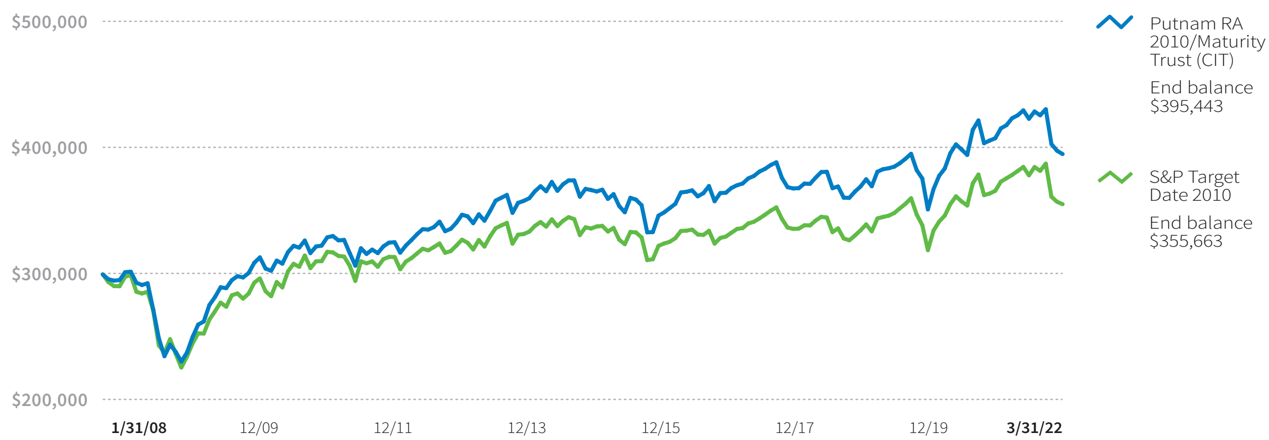
(Continued on page two.)

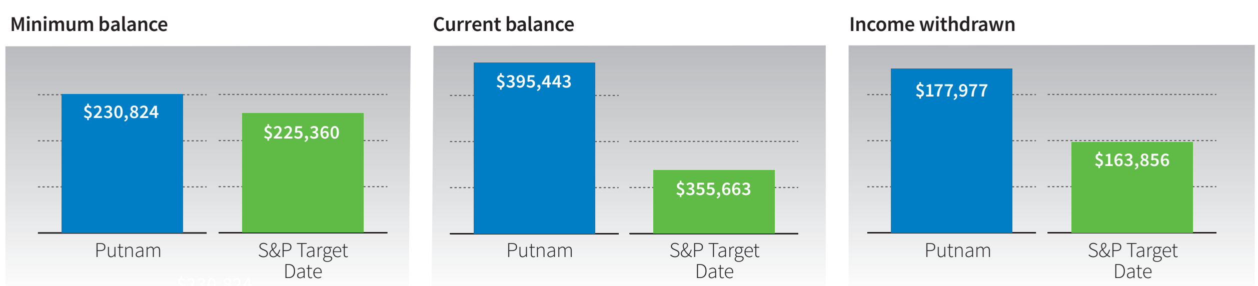
It compares two people saving with an asset allocation similar to that of a 2035 target-date strategy. In 2007, these individuals would have had a 28-year horizon to retirement.

Each saver begins with a $75,000 investment on December 31, 2007. The consistent saver adds $500 every month, while the inconsistent saver stops contributing during the Great Recession, making no monthly contributions in 2008, 2009, and 2010, but begins again in 2011. The consistent saver builds more savings in the plan over the next decade including both contributions and growth, and benefits from investing when stock prices were lower during the recession.

Example 2:
Combining accumulation and distribution phases

Simulated portfolio balance





Putnam Retirement Advantage investors would have stayed at a higher minimum balance and withdrawn more income, and still would be ahead in 2022.

Source: Putnam. Performance reflects Putnam Retirement Advantage 2010 Trust, a collective investment trust (CIT), until December 31, 2010, and Putnam Retirement Advantage Maturity Trust thereafter; S&P Target Date performance reflects the 2010 fund throughout.

(S&P Target Date Index Series, continued from page one.)

The asset allocation for each index is based on market observations through an annual survey of target-date fund managers. As the overall universe becomes more conservative with the approach of each target-date year, so will the index. The annual target-date fund survey sample is composed of funds identified as target-date funds in Morningstar databases. To be included in the annual survey, fund suites must meet a minimum asset threshold of USD 100 million. Collective investment trusts (CITs) and mutual funds are included in the survey.

Example 2: Wealth and income in early retirement

This example highlights the importance of allocation and compares two plan participants near retirement. They have already accumulated most of their savings and have a key decision in choosing a fund with the right allocation. Favoring bonds and cash over stocks may be better than a higher allocation to stocks. Bonds and cash generate income and have historically more consistent returns than stocks.

Participant 1 invests in Putnam Retirement Advantage 2010 Trust with a lower stock allocation, while Participant 2 invests in a portfolio aligned with the S&P Target Date 2010 Index, which has a higher stock allocation.* Both participants have $300,000 in savings in 2008, and they both retire two years later and begin to withdraw 4% of their portfolio balance starting December 31, 2010.

Putnam's lower stock allocation has been better at protecting savings and generating income. Participant 1 enjoys a higher minimum balance during the downturn and withdraws more income than Participant 2. Also, in spite of an 11-year bull market for stocks, followed by the 2020 Covid pandemic bear market and subsequent recovery, Participant 1 enjoys a higher current balance than Participant 2 in 2022.

Total return performance as of March 31, 2022

Name	CUSIP	Total expense ratio	1 year	5 years	10 years
Putnam Retirement Advantage Maturity 2010 (class I)†	746751668	0.50%	—†	—†	—†
Putnam Retirement Maturity Trust (class X)	74674P773	0.35%	0.96%	5.86%	6.22%
S&P Target Date 2010 TR USD	N/A	N/A	1.14%	5.81%	5.51%

* Putnam Retirement Advantage 2010 Trust, a target-date collective investment trust (CIT), had target asset allocations that changed gradually to increasingly emphasize capital preservation and income until December 31, 2010 (the fund's target date), when the fund merged into Putnam Retirement Advantage Maturity Trust. S&P Target Date 2010 reflects a passively managed index.

† Putnam Retirement Advantage 2010 merged into Putnam Retirement Advantage Maturity Trust in 2010 and does not have separate performance information since the merge.

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Each Retirement Advantage Trust has a different target date indicating when the trust's investors expect to retire and begin withdrawing assets from their account. The dates range from 2025 to 2065 in five-year intervals. The trusts are generally weighted more heavily toward more aggressive, higher-risk investments when the target date of the trust is far off, and more conservative, lower-risk investments when the target date of the trust is near. This means that both the risk of your investment and your potential return are reduced as the target date of the particular trust approaches, although there can be no assurance that any one trust will have less risk or more reward than any other trust. The principal value of the trusts is not guaranteed at any time, including the target date.

Consider these risks before investing: If the quantitative models or data that are used in managing an underlying fund prove to be incorrect or incomplete, investment decisions made in reliance on the models or data may not produce the desired results and the fund may realize losses.

Our allocation of assets among permitted asset categories may hurt performance. The value of investments in the underlying funds' portfolios 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, asset class, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the underlying funds' portfolio holdings.

Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. Investments in small and/or midsize companies increase the risk of greater price fluctuations. 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). Default risk is generally higher for non-qualified mortgages. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. The underlying funds may have to invest the proceeds from prepaid investments, including mortgage- and asset-backed investments, in other investments with less attractive terms and yields. International investing involves currency, economic, and political risks. Emerging market securities carry illiquidity and volatility risks. REITs are subject to the risk of economic downturns that have an adverse impact on real estate markets. Convertible securities' prices may be adversely affected by underlying common stock price changes. While convertible securities tend to provide higher yields than common stocks, the higher yield may not protect against the risk of loss or mitigate any loss associated with a convertible security's price decline. Convertible securities are subject to credit risk. 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. There is no guarantee that the funds will provide adequate income at and through an investor's retirement.

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

For informational purposes only. Not an investment recommendation.

To request the offering document for the fund visit putnam.com. The offering document includes investment objective, risks, charges, expenses, and other information that you should read and consider carefully before investing.