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Putnam ESG High Yield ETF

Semiannual report

10 | 31 | 23



Income funds invest in bonds and other securities with the goal of providing a steady stream of income over time.

FUND SYMBOL
PHYD

Putnam ESG High Yield ETF

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Message from the Trustees

December 8, 2023

Dear Shareholder:

The U.S. economy has defied expectations of a recession year to date, with the pace of growth picking up speed in the third quarter. At the same time, volatility in financial markets has increased. Stock prices fell in late summer and early fall. Bond prices also declined during this time, while yields, which move in the opposite direction, rose. In October 2023, the 10-year U.S. Treasury yield, a key benchmark for setting mortgage rates, briefly rose above 5% for the first time since 2007.

Markets have been pressured by inflation, which has moderated but remains above the U.S. Federal Reserve's target rate of 2%. In its continuing effort to bring down inflation, the Fed has indicated short-term interest rates will remain high heading into next year. This restrictive policy may keep the risk of recession alive in 2024 unless the U.S. economy slows without contracting.

Your investment team is analyzing shifting market conditions, actively navigating risks, and identifying attractive opportunities for your fund. An update on your fund is in the report that follows.

Thank you for investing with Putnam.

Respectfully yours,



A handwritten signature in black ink that reads "Robert L. Reynolds".

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments



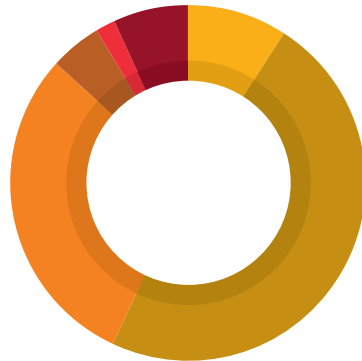
A handwritten signature in black ink that reads "Kenneth R. Leibler".

Kenneth R. Leibler
Chair, Board of Trustees

Your fund at a glance

Credit quality overview

● BBB	9.1%
● BB	47.9
● B	29.8
● CCC and below	4.7
● Not rated	1.8
● Cash and net other assets	6.8



Credit qualities are shown as a percentage of the fund's net assets as of 10/31/23. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings and portfolio credit quality will vary over time. Due to rounding, percentages may not equal 100%.

Cash and net other assets, if any, represent the market value weights of cash, derivatives, and short-term securities in the portfolio. The fund itself has not been rated by an independent rating agency.

Of special interest

Effective October 2023, the monthly dividend rate increased from \$0.268 to \$0.290 per share. This change was due to increased levels of income earned in the fund's portfolio.

Your fund's expenses

As an investor, you pay ongoing expenses, such as management fees, and other expenses (with certain exceptions). In the most recent six-month period, your fund's expenses were limited; had expenses not been limited, they would have been higher. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay brokerage commissions in connection with your purchase or sale of shares of the fund, which are not shown in this section and would have resulted in higher total expenses. The expenses shown in the example also do not reflect transaction costs, which would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial representative.

Expense ratios

Estimated total annual operating expenses for the fiscal year ended 4/30/24*	0.55%
Annualized expense ratio for the six-month period ended 10/31/23	0.54%

Estimated fiscal year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

* Expenses are based on estimated amounts for the current fiscal year.

Expenses per \$1,000

The following table shows the expenses you would have paid on a \$1,000 investment in the fund from 5/1/23 to 10/31/23. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming *actual returns* and expenses.

Expenses paid per \$1,000**	\$2.70
Ending value (after expenses)	\$992.50

* Expenses are calculated using the fund's annualized expense ratio, which represents the ongoing expenses as a percentage of average net assets for the six months ended 10/31/23.

† Expenses are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period (184); and then dividing that result by the number of days in the year (366).

Estimate the expenses you paid

To estimate the ongoing expenses you paid for the six months ended 10/31/23, use the following calculation method. To find the value of your investment on 5/1/23, call 1-833-228-5577.

How to calculate the expenses you paid

Value of your investment on 5/1/23 ÷ **\$1,000** X **Expenses paid per \$1,000** = **Total expenses paid**

Example *Based on a \$10,000 investment in your fund.*

\$10,000 ÷ **\$1,000** X **\$2.70** (see preceding table) = **\$27.00**

Compare expenses using the SEC's method

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the following table shows your fund's expenses based on a \$1,000 investment, assuming a *hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expenses paid per \$1,000**	\$2.75
Ending value (after expenses)	\$1,022.42

* Expenses are calculated using the fund's annualized expense ratio, which represents the ongoing expenses as a percentage of average net assets for the six months ended 10/31/23.

† Expenses are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period (184); and then dividing that result by the number of days in the year (366).

Other information for shareholders

Important notice regarding delivery of shareholder documents

In accordance with Securities and Exchange Commission (SEC) regulations, Putnam sends a single notice of internet availability, or a single printed copy, of annual and semiannual shareholder reports, prospectuses, and proxy statements to Putnam shareholders who share the same address, unless a shareholder requests otherwise. If you prefer to receive your own copy of these documents, please call Putnam at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577. We will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the period from January 19, 2023 (commencement of operations) to June 30, 2023, are available in the Individual Investors section of putnam.com and on the SEC's website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at

1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the fund's Form N-PORT on the SEC's website at www.sec.gov.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam funds. As of October 31, 2023, Putnam employees had approximately \$466,000,000 and the Trustees had approximately \$64,000,000 invested in Putnam funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Important notice regarding Putnam's privacy policy

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' names, addresses, Social Security numbers, and dates of birth. Using this information, we are able to maintain accurate records of accounts and transactions.

It is our policy to protect the confidentiality of our shareholder information, whether or not a shareholder currently owns shares of our funds. In particular, it is our policy not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access

to our computer systems and procedures to protect personal information from unauthorized use.

Under certain circumstances, we must share account information with outside vendors who provide services to us, such as mailings and proxy solicitations. In these cases, the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. Finally, it is our policy to share account information with your financial representative, if you've listed one on your Putnam account.

Trustee approval of management contracts

Consideration of your fund's new and interim management and sub-management contracts

At their meeting on June 23, 2023, the Board of Trustees of your fund, including all of the Trustees who are not "interested persons" (as this term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the Putnam mutual funds, closed-end funds and exchange-traded funds (collectively, the "funds") (the "Independent Trustees") approved, subject to approval by your fund's shareholders, a new management contract with Putnam Investment Management ("Putnam Management") and a new sub-management contract between Putnam Management and its affiliate, Putnam Investments Limited ("PIL") (collectively, the "New Management Contracts"). The Trustees considered the proposed New Management Contracts in connection with the planned acquisition of Putnam U.S. Holdings I, LLC ("Putnam Holdings") by a subsidiary of Franklin Resources, Inc. ("Franklin Templeton"). The Trustees considered that, on May 31, 2023, Franklin Templeton and Great-West Lifeco Inc., the parent company of Putnam Holdings, announced that they had entered into a definitive agreement for a subsidiary of Franklin Templeton to acquire Putnam Holdings in a stock and cash transaction (the "Transaction"). The Trustees noted that Putnam Holdings was the parent company of Putnam Management and PIL. The Trustees were advised that the Transaction would result in a "change of control" of Putnam Management and PIL and would cause your fund's current Management Contract with Putnam Management and Sub-Management Contract with PIL (collectively, the "Current Management Contracts") to terminate in accordance with the 1940 Act. The Trustees considered that the New Management Contracts would take effect upon the closing of the Transaction, which was expected to occur in the fourth quarter of 2023.

In addition to the New Management Contracts, the Trustees also approved interim management and sub-management contracts with Putnam Management and PIL, respectively (the "Interim Management Contracts"), which would take effect in the event that for any reason shareholder approval of a New Management Contract was not received by the time of the Transaction closing. The Trustees considered that each Interim Management Contract that became

effective would remain in effect until shareholders approved the proposed New Management Contract, or until 150 days elapse after the closing of the Transaction, whichever occurred first. The considerations and conclusions discussed in connection with the Trustees' consideration of the New Management Contracts and the continuance of your fund's Current Management Contracts also apply to the Trustees' consideration of the Interim Management Contracts, supplemented by consideration of the terms, nature and reason for any Interim Management Contract.

The Independent Trustees met with their independent legal counsel, as defined in Rule 0-1(a)(6) under the 1940 Act (their "independent legal counsel"), and representatives of Putnam Management and its parent company, Power Corporation of Canada, to discuss the potential Transaction, including the timing and structure of the Transaction and its implications for Putnam Management and the funds, during their regular meeting on November 18, 2022, and the full Board of Trustees further discussed these matters with representatives of Putnam Management at its regular meeting on December 15, 2022. At a special meeting on December 20, 2022, the full Board of Trustees met with representatives of Putnam Management, Power Corporation of Canada and Franklin Templeton to further discuss the potential Transaction, including Franklin Templeton's strategic plans for Putnam Management's asset management business and the funds, potential sources of synergy between Franklin Templeton and Putnam Management, potential areas of partnership between Power Corporation of Canada and Franklin Templeton, Franklin Templeton's distribution capabilities, Franklin Templeton's existing service provider relationships and Franklin Templeton's recent acquisitions of other asset management firms.

In order to assist the Independent Trustees in their consideration of the New Management Contracts and other anticipated impacts of the Transaction on the funds and their shareholders, independent legal counsel for the Independent Trustees furnished an initial information request to Franklin Templeton (the "Initial Franklin Request"). At a special meeting of the full Board of Trustees held on January 25, 2023, representatives of Franklin Templeton addressed the firm's responses to the Initial Franklin Request. At the

meeting, representatives of Franklin Templeton discussed, among other things, the business and financial condition of Franklin Templeton and its affiliates, Franklin Templeton's U.S. registered fund operations, its recent acquisition history, Franklin Templeton's intentions regarding the operation of Putnam Management and the funds following the completion of the potential Transaction and expected benefits to the funds and Putnam Management that might result from the Transaction.

The Board of Trustees actively monitored developments with respect to the potential Transaction throughout the period leading up to the public announcement of a final sale agreement on May 31, 2023. The Independent Trustees met to discuss these matters at their regular meetings on January 27, April 20 and May 19, 2023. The full Board of Trustees also discussed developments at their regular meeting on February 23, 2023. Following the public announcement of the Transaction on May 31, 2023, independent legal counsel for the Independent Trustees furnished a supplemental information request (the "Supplemental Franklin Request") to Franklin Templeton. At the Board of Trustees' regular in-person meeting held on June 22–23, 2023, representatives of Putnam Management and Power Corporation of Canada provided further information regarding, among other matters, the final terms of the Transaction and efforts undertaken to retain Putnam employees. The Contract Committee of the Board of Trustees also met on June 22, 2023 to discuss Franklin Templeton's responses to the Supplemental Franklin Request. Mr. Reynolds, the only Trustee affiliated with Putnam Management, participated in portions of these meetings to provide the perspective of the Putnam organization, but did not otherwise participate in the deliberations of the Independent Trustees or the Contract Committee regarding the potential Transaction.

After the presentations and after reviewing the written materials provided, the Independent Trustees met at their in-person meeting on June 23, 2023 to consider the New Management Contracts for each fund, proposed to become effective upon the closing of the Transaction, and the filing of a preliminary proxy statement. At this meeting and throughout the process, the Independent Trustees also received advice from

their independent legal counsel regarding their responsibilities in evaluating the potential Transaction and the New Management Contracts. The Independent Trustees reviewed the terms of the proposed New Management Contracts and the differences between the New Management Contracts and the Current Management Contracts. They noted that the terms of the proposed New Management Contracts were substantially identical to the Current Management Contracts, except for certain changes designed largely to address differences among various of the existing contracts, which had been developed and implemented at different times in the past.

In considering the approval of the proposed New Management Contracts, the Board of Trustees took into account a number of factors, including:¹

- (i) Franklin Templeton's and Putnam Management's belief that the Transaction would not adversely affect the funds or their shareholders and their belief that the Transaction was likely to result in certain benefits (described below) for the funds and their shareholders;
- (ii) That Franklin Templeton did not intend to make any material change in Putnam Management's senior investment professionals (other than certain changes related to reporting structure and organization of personnel discussed below), including the portfolio managers of the funds, or to the firm's operating locations as a result of the Transaction;
- (iii) That Franklin Templeton intended for Putnam Management's equity investment professionals to continue to operate largely independently from Franklin Templeton, reporting to Franklin Templeton's Head of Public Markets following the Transaction;
- (iv) That, while Putnam Management's organizational structure was not expected to change immediately following the Transaction, Franklin Templeton intended to revise Putnam Management's reporting structure in order to include Putnam Management's fixed income investment professionals in Franklin Templeton's fixed income group and to include Putnam Management's Global Asset Allocation ("GAA") investment professionals in Franklin Templeton's investment solutions group, with both Franklin Templeton groups reporting to Franklin Templeton's Head of Public Markets;

¹All subsequent references to Putnam Management describing the Board of Trustees' considerations should be deemed to include references to PIL as necessary or appropriate in the context.

(v) Franklin Templeton's expectation that there would not be any changes in the investment objectives, strategies or portfolio holdings of the funds as a result of the Transaction;

(vi) That neither Franklin Templeton nor Putnam Management had any current plans to propose changes to the funds' existing management fees or expense limitations, or current plans to make changes to the funds' existing distribution arrangements;

(vii) Franklin Templeton's and Putnam Management's representations that, following the Transaction, there was not expected to be any diminution in the nature, quality and extent of services provided to the funds and their shareholders by Putnam Management and PIL, including compliance and other non-advisory services;

(viii) That Franklin Templeton did not currently plan to change the branding of the funds or to change the lineup of funds in connection with the Transaction but would continue to evaluate how best to position the funds in the market;

(ix) The possible benefits accruing to the funds and their shareholders as a result of the Transaction, including:

- a. That the scale of Franklin Templeton's investment operations platform would increase the investment and operational resources available to the funds;
- b. That the Putnam open-end funds would benefit from Franklin Templeton's large retail and institutional global distribution capabilities and significant network of intermediary relationships, which may provide additional opportunities for the funds to increase assets and reduce expenses by spreading expenses over a larger asset base; and
- c. Potential benefits to shareholders of the Putnam open-end funds that could result from the alignment of certain fund features and shareholder benefits with those of other funds sponsored by Franklin Templeton and its affiliates and access to a broader array of investment opportunities;

(x) The financial strength, reputation, experience and resources of Franklin Templeton and its investment advisory subsidiaries;

(xi) Franklin Templeton's expectation that the Transaction would not impact the capabilities or responsibilities of Putnam Management's

Investment Division (other than any impact related to reporting structure changes for Putnam Management's equity, fixed income and GAA investment groups and to including Putnam Management's fixed income and GAA investment professionals in existing Franklin Templeton investment groups, as discussed above) and that any changes to the Investment Division over the longer term would be made in order to achieve perceived operational efficiencies or improvements to the portfolio management process;

(xii) Franklin Templeton's commitment to maintaining competitive compensation arrangements to allow Putnam Management to continue to attract and retain highly qualified personnel and Putnam Management's and Franklin Templeton's efforts to retain personnel, including efforts implemented since the Transaction was announced;

(xiii) That the current senior management teams at Putnam Management and Power Corporation of Canada had indicated their strong support of the Transaction and that Putnam Management had recommended that the Board of Trustees approve the New Management Contracts; and

(xiv) Putnam Management's and Great-West Lifeco Inc.'s commitment to bear all expenses incurred by the funds in connection with the Transaction, including all costs associated with the proxy solicitation in connection with seeking shareholder approval of the New Management Contracts.

Finally, in considering the proposed New Management Contracts, the Board of Trustees also took into account their concurrent deliberations and conclusions, as described below, in connection with their annual review of the funds' Current Management Contracts and the approval of their continuance, effective July 1, 2023, and the extensive materials that they had reviewed in connection with that review process.

Based upon the foregoing considerations, on June 23, 2023, the Board of Trustees, including all of the Independent Trustees, unanimously approved the proposed New Management Contracts and determined to recommend their approval to the shareholders of the funds.

General conclusions — Current Management Contracts

The Board of Trustees oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of

your fund's management contract with Putnam Management and the sub-management contract with respect to your fund between Putnam Management and PIL. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees did not attempt to evaluate PIL as a separate entity.) The Board of Trustees, with the assistance of its Contract Committee, requests and evaluates all information it deems reasonably necessary under the circumstances in connection with its annual contract review. The Contract Committee consists solely of Independent Trustees.

At the outset of the review process, members of the Board of Trustees' independent staff and independent legal counsel considered any possible changes to the annual contract review materials furnished to the Contract Committee during the course of the previous year's review and, as applicable, identified those changes to Putnam Management. Following these discussions and in consultation with the Contract Committee, the Independent Trustees' independent legal counsel requested that Putnam Management and its affiliates furnish specified information, together with any additional information that Putnam Management considered relevant, to the Contract Committee. Over the course of several months ending in June 2023, the Contract Committee met on a number of occasions with representatives of Putnam Management, and separately in executive session, to consider the information that Putnam Management provided. Throughout this process, the Contract Committee was assisted by the members of the Board of Trustees' independent staff and by independent legal counsel for the funds and the Independent Trustees.

At the Board of Trustees' June 2023 meeting, the Contract Committee met in executive session to discuss and consider its recommendations with respect to the continuance of the contracts. At that meeting, the Contract Committee also met in executive session with the other Independent Trustees to review a summary of the key financial, performance and other data that the Contract Committee considered in the course of its review. The Contract Committee recommended, and the Independent Trustees approved, the continuance of your fund's Current Management Contracts, effective July 1, 2023, and the approval of your fund's New Management Contracts and Interim Management Contracts, as discussed above.

The Independent Trustees' approvals were based on the following conclusions:

- That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds, the costs incurred by Putnam Management in providing services to the fund and the application of certain reductions and waivers noted below; and
- That the fee schedule in effect for your fund represented an appropriate sharing between fund shareholders and Putnam Management of any economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. The Trustees also took into account their concurrent deliberations and conclusions, and the materials that they had reviewed, in connection with their approval on June 23, 2023 of the Interim Management Contracts and the New Management Contracts, which had been proposed in light of the Transaction (which would cause the fund's Current Management Contracts to terminate in accordance with applicable law or the terms of each contract).

Management fee schedules and total expenses

The Trustees reviewed the management fee schedules in effect for all funds, including fee levels and any breakpoints. The Trustees also reviewed the total expenses of each Putnam fund, recognizing that in most cases management fees represented the major, but not the sole, determinant of total costs to fund shareholders. (Two mutual funds and each of the exchange-traded funds, including your fund, have implemented so-called "all-in" or unitary management fees covering substantially all routine fund operating costs.)

In reviewing fees and expenses, the Trustees generally focus their attention on material changes in circumstances — for example, changes in assets under management, changes in a fund's

investment strategy, changes in Putnam Management's operating costs or profitability, or changes in competitive practices in the fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not indicate that changes to the management fee schedule for your fund would be appropriate at this time.

Under its management contract, your fund pays a management fee at a fixed rate of 55 basis points to Putnam Management. Putnam Management is obligated to pay, out of the management fee, all of the fund's organizational and other operating expenses with limited exceptions, which include fees, if any, payable under the fund's distribution plan, interest, taxes, brokerage commissions and other transaction costs, fund proxy expenses, litigation expenses, extraordinary expenses and acquired fund fees and expenses.

As in the past, the Trustees also focused on the competitiveness of each fund's total expense ratio. The Trustees noted that the exchange-traded funds are subject to unitary management fees, as noted above, and that none of the exchange-traded funds have a contractual expense limitation at present. The Trustees also considered pro forma comparative fee and expense information for a custom group of competitive funds selected by Broadridge Financial Solutions, Inc., noting that the Fund had only recently commenced operations in January 2023.

In connection with their review of fund management fees and total expenses, the Trustees also reviewed the costs of the services provided and the profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included trends in revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management, investor servicing and distribution services provided to the funds, as applicable. In this regard, the Trustees also reviewed an analysis of the revenues, expenses and profitability of Putnam Management and its affiliates, allocated on a fund-by-fund basis, with respect to (as applicable) the funds' management, distribution and investor servicing contracts. For each fund, the analysis presented information about revenues, expenses and profitability in 2022 for each of the applicable agreements separately and for the agreements taken together on a combined basis. The Trustees concluded that, at current asset levels, the fee schedules in place for

each of the funds, including the fee schedule for your fund, represented reasonable compensation for the services being provided and represented an appropriate sharing between fund shareholders and Putnam Management of any economies of scale as may exist in the management of the funds at that time.

The information examined by the Trustees in connection with their annual contract review for the funds included information regarding services provided and fees charged by Putnam Management and its affiliates to other clients, including collective investment trusts offered in the defined contribution and defined benefit retirement plan markets, sub-advised mutual funds, private funds sponsored by affiliates of Putnam Management, model-only separately managed accounts and Putnam Management's manager-traded separately managed account programs. This information included, in cases where a product's investment strategy corresponds with a fund's strategy, comparisons of those fees with fees charged to the funds, as well as an assessment of the differences in the services provided to these clients as compared to the services provided to the funds. The Trustees observed that the differences in fee rates between these clients and the funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients may reflect, among other things, historical competitive forces operating in separate marketplaces. The Trustees considered the fact that in many cases fee rates across different asset classes are higher on average for 1940 Act-registered funds than for other clients, and the Trustees also considered the differences between the services that Putnam Management provides to the funds and those that it provides to its other clients. The Trustees did not rely on these comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

Investment performance

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees' evaluation of the quality of services provided by Putnam Management under your fund's management contract. The Trustees were assisted in their review of Putnam Management's investment process and performance by the work of the investment oversight committees of the Trustees and the full Board of Trustees,

which meet on a regular basis with individual portfolio managers and with senior management of Putnam Management's Investment Division throughout the year. The Trustees concluded that Putnam Management generally provides a high-quality investment process — based on the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to them and in general Putnam Management's ability to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period.

The Trustees considered that, in the aggregate, peer-relative and benchmark-relative Putnam fund performance was generally encouraging in 2022 against a backdrop of volatile equity and fixed income markets, driven by factors such as Russia's invasion of Ukraine, increased tensions with China, disruptions in energy markets and broader supply chains, rising inflation and the significant tightening of monetary policy by the Board of Governors of the Federal Reserve in an effort to combat inflation. The Trustees further noted that, in the face of these numerous economic headwinds, corporate earnings and employment data had been generally robust throughout 2022. For the one-year period ended December 31, 2022, the Trustees noted that the Putnam funds, on an asset-weighted basis, ranked in the 41st percentile of their peers as determined by Lipper Inc. ("Lipper") and, on an asset-weighted-basis, outperformed their benchmarks by 1.3% gross of fees over the one-year period. The Committee also noted that the funds' aggregate performance over longer-term periods continued to be strong, with the funds, on an asset-weighted basis, ranking in the 34th, 27th and 22nd percentiles of their Lipper peers over the three-year, five-year and ten-year periods ended December 31, 2022, respectively. The Trustees further noted that the funds, in the aggregate, outperformed their benchmarks on a gross basis for each of the three-year, five-year and ten-year periods. The Trustees also considered the Morningstar Inc. ratings assigned to the funds and that 40 funds were rated four or five stars at the end of 2022, which represented an increase of 15 funds year-over-year. The Trustees also considered that seven funds were five-star rated at the end of 2022, which was a year-over-year decrease of two funds, and that 83% of the funds' aggregate assets were in four- or five-star rated funds at year end.

In addition to the performance of the individual Putnam funds, the Trustees considered, as they had in prior years, the performance of The Putnam Fund complex versus competitor fund complexes, as reported in the Barron's/Lipper Fund Families survey (the "Survey"). The Trustees noted that the Survey ranks mutual fund companies based on their performance across a variety of asset types, and that The Putnam Fund complex had performed exceptionally well in 2022. In this regard, the Trustees considered that the funds had ranked 9th out of 49 fund companies, 3rd out of 49 fund companies and 2nd out of 47 fund companies for the one-year, five-year and ten-year periods, respectively. The Trustees also noted that The Putnam Fund complex had been the only fund family to rank in the top ten in all three time periods. They also noted, however, the disappointing investment performance of some Putnam funds for periods ended December 31, 2022 and considered information provided by Putnam Management regarding the factors contributing to the underperformance and, where relevant, actions being taken to improve the performance of these particular funds. The Trustees indicated their intention to continue to monitor the performance of those funds.

For purposes of the Trustees' evaluation of the Putnam funds' investment performance, the Trustees generally focus on a competitive industry ranking of each fund's total net return over a one-year, three-year and five-year period. For a number of Putnam funds with relatively unique investment mandates for which Putnam Management informed the Trustees that meaningful competitive performance rankings are not considered to be available, the Trustees evaluated performance based on their total gross and net returns and comparisons of those returns to the returns of selected investment benchmarks. In the case of your fund, the Trustees considered information about your fund's total return and its performance relative to its benchmark over the period from the fund's commencement of operations on January 19, 2023, through May 31, 2023. Your fund's return, net of fees and expenses, was negative and trailed the return of its benchmark. (When considering performance information, shareholders should be mindful that past performance is not a guarantee of future results.)

The Trustees also considered Putnam Management's continued efforts to support fund performance through certain initiatives, including structuring compensation for portfolio

managers to enhance accountability for fund performance, emphasizing accountability in the portfolio management process and affirming its commitment to a fundamental-driven approach to investing.

Brokerage and soft-dollar allocations

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage allocation and the use of soft dollars, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that are expected to be useful to Putnam Management in managing the assets of the fund and of other

clients. Subject to policies established by the Trustees, soft dollars generated by these means are used predominantly to acquire brokerage and research services (including third-party research and market data) that enhance Putnam Management's investment capabilities and supplement Putnam Management's internal research efforts. The Trustees indicated their continued intent to monitor regulatory and industry developments in this area with the assistance of their Brokerage Committee. In addition, with the assistance of their Brokerage Committee, the Trustees indicated their continued intent to monitor the allocation of the funds' brokerage in order to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

Financial statements

These sections of the report, as well as the accompanying Notes, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share, which is calculated separately for each class of shares. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

Statement of changes in net assets shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal period.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover (not required for money market funds) in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.

The fund's portfolio 10/31/23 (Unaudited)

CORPORATE BONDS AND NOTES (85.0%)*	Principal amount	Value
Advertising and marketing services (0.5%)		
Clear Channel Outdoor Holdings, Inc. 144A company guaranty sr. unsec. sub. notes 7.75%, 4/15/28	\$320,000	\$244,634
Outfront Media Capital, LLC/Outfront Media Capital Corp. 144A company guaranty sr. unsec. notes 5.00%, 8/15/27	280,000	248,718
Outfront Media Capital, LLC/Outfront Media Capital Corp. 144A sr. unsec. notes 4.25%, 1/15/29	20,000	16,292
		509,644
Aerospace and defense (1.1%)		
Howmet Aerospace, Inc. sr. unsec. unsub. bonds 5.95%, 2/1/37	155,000	141,594
Howmet Aerospace, Inc. sr. unsec. unsub. notes 3.00%, 1/15/29	765,000	645,711
Spirit AeroSystems, Inc. company guaranty sr. unsec. unsub. notes 4.60%, 6/15/28	250,000	197,789
Spirit AeroSystems, Inc. 144A company guaranty notes 7.50%, 4/15/25	110,000	109,729
		1,094,823
Basic materials (9.7%)		
Avient Corp. 144A sr. unsec. unsub. notes 7.125%, 8/1/30	365,000	351,163
Axalta Coating Systems, LLC 144A company guaranty sr. unsec. notes 3.375%, 2/15/29	805,000	661,683
Boise Cascade Co. 144A company guaranty sr. unsec. notes 4.875%, 7/1/30	720,000	619,366
Builders FirstSource, Inc. 144A company guaranty sr. unsec. bonds 6.375%, 6/15/32	495,000	453,059
Celanese US Holdings, LLC company guaranty sr. unsec. notes 6.33%, 7/15/29 (Germany)	480,000	462,690
Commercial Metals Co. sr. unsec. notes 4.375%, 3/15/32	350,000	281,473
Constellium SE 144A sr. unsec. notes 5.625%, 6/15/28 (France)	970,000	886,655
FMG Resources August 2006 Pty, Ltd. 144A sr. unsec. notes 6.125%, 4/15/32 (Australia)	175,000	154,460
Graphic Packaging International, LLC 144A company guaranty sr. unsec. notes 3.75%, 2/1/30	915,000	748,379
Herens Holdco SARL 144A company guaranty sr. notes 4.75%, 5/15/28 (Luxembourg)	800,000	619,658
Ingevity Corp. 144A company guaranty sr. unsec. notes 3.875%, 11/1/28	330,000	268,950
Louisiana-Pacific Corp. 144A sr. unsec. notes 3.625%, 3/15/29	510,000	420,074
Mercer International, Inc. sr. unsec. notes 5.125%, 2/1/29 (Canada)	485,000	380,302
Novelis Corp. 144A company guaranty sr. unsec. notes 4.75%, 1/30/30	490,000	415,752
Olympus Water US Holding Corp. 144A sr. notes 9.75%, 11/15/28	315,000	307,661
Olympus Water US Holding Corp. 144A sr. notes 4.25%, 10/1/28	820,000	654,311
PMHC II, Inc. 144A sr. unsec. notes 9.00%, 2/15/30	250,000	198,973
SCIH Salt Holdings, Inc. 144A sr. notes 4.875%, 5/1/28	440,000	379,886
SCIH Salt Holdings, Inc. 144A sr. unsec. notes 6.625%, 5/1/29	315,000	264,041
SCIL IV, LLC/SCIL USA Holdings, LLC 144A sr. notes 5.375%, 11/1/26	200,000	176,000
TMS International Holding Corp. 144A sr. unsec. notes 6.25%, 4/15/29	370,000	291,912

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Basic materials cont.		
Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc. 144A company guaranty sr. unsec. notes 5.125%, 4/1/29 (Luxembourg)	\$295,000	\$124,216
Tronox, Inc. 144A company guaranty sr. unsec. notes 4.625%, 3/15/29	490,000	385,989
WR Grace Holdings, LLC 144A company guaranty sr. notes 4.875%, 6/15/27	140,000	125,770
WR Grace Holdings, LLC 144A sr. notes 7.375%, 3/1/31	270,000	249,750
WR Grace Holdings, LLC 144A sr. unsec. notes 5.625%, 8/15/29	320,000	248,000
		10,130,173
Broadcasting (3.4%)		
Beasley Mezzanine Holdings, LLC 144A company guaranty sr. notes 8.625%, 2/1/26	105,000	69,300
Gray Escrow II, Inc. 144A sr. unsec. bonds 5.375%, 11/15/31	660,000	415,966
iHeartCommunications, Inc. company guaranty sr. unsec. notes 8.375%, 5/1/27	640,000	392,332
iHeartCommunications, Inc. 144A company guaranty sr. notes 4.75%, 1/15/28	70,000	49,489
Nexstar Escrow, Inc. 144A sr. unsec. notes 5.625%, 7/15/27	665,000	598,474
Scripps Escrow II, Inc. 144A sr. notes 3.875%, 1/15/29	320,000	242,918
Sirius XM Radio, Inc. 144A company guaranty sr. unsec. bonds 3.875%, 9/1/31	300,000	225,956
Sirius XM Radio, Inc. 144A company guaranty sr. unsec. notes 4.00%, 7/15/28	235,000	199,852
Sirius XM Radio, Inc. 144A sr. unsec. bonds 5.50%, 7/1/29	200,000	177,215
Townsquare Media, Inc. 144A sr. notes 6.875%, 2/1/26	175,000	161,780
Univision Communications, Inc. 144A company guaranty sr. notes 6.625%, 6/1/27	320,000	292,287
Univision Communications, Inc. 144A sr. notes 7.375%, 6/30/30	575,000	506,292
Urban One, Inc. 144A company guaranty sr. notes 7.375%, 2/1/28	205,000	168,555
		3,500,416
Building materials (0.6%)		
Masonite International Corp. 144A company guaranty sr. unsec. notes 5.375%, 2/1/28	325,000	299,296
Masonite International Corp. 144A company guaranty sr. unsec. notes 3.50%, 2/15/30	345,000	273,179
		572,475
Commercial and consumer services (2.0%)		
Block, Inc. sr. unsec. notes 3.50%, 6/1/31	720,000	555,663
Gartner, Inc. 144A company guaranty sr. unsec. bonds 3.75%, 10/1/30	355,000	293,830
GTCRW-2 Merger Sub, LLC 144A sr. notes 7.50%, 1/15/31	265,000	261,648
Neptune Bidco US, Inc. 144A sr. notes 9.29%, 4/15/29	410,000	361,845
Sabre GLBL, Inc. 144A company guaranty sr. sub. notes 11.25%, 12/15/27	200,000	178,097
Sabre GLBL, Inc. 144A company guaranty sr. sub. notes 8.625%, 6/1/27	60,000	49,761
Shift4 Payments, LLC/Shift4 Payments Finance Sub, Inc. 144A company guaranty sr. unsec. notes 4.625%, 11/1/26	400,000	369,500
		2,070,344

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Communication services (4.9%)		
Altice Financing SA 144A company guaranty sr. notes 5.00%, 1/15/28 (Luxembourg)	\$820,000	\$666,879
CCO Holdings, LLC/CCO Holdings Capital Corp. sr. unsec. bonds 4.50%, 5/1/32	245,000	187,547
CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. bonds 5.375%, 6/1/29	415,000	363,241
CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. bonds 4.75%, 3/1/30	690,000	569,197
CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. notes 4.25%, 2/1/31	245,000	190,658
CCO Holdings, LLC/CCO Holdings Capital Corp. 144A sr. unsec. unsub. notes 4.75%, 2/1/32	405,000	316,127
CSC Holdings, LLC 144A company guaranty sr. unsec. notes 5.375%, 2/1/28	200,000	159,267
CSC Holdings, LLC 144A sr. unsec. bonds 5.75%, 1/15/30	300,000	156,951
DIRECTV Holdings, LLC/DIRECTV Financing Co., Inc. 144A sr. notes 5.875%, 8/15/27	455,000	398,687
DISH DBS Corp. 144A company guaranty sr. notes 5.75%, 12/1/28	400,000	290,500
Frontier Communications Corp. 144A company guaranty sr. notes 5.875%, 10/15/27	460,000	419,367
Frontier Communications Holdings, LLC 144A company guaranty sr. notes 8.75%, 5/15/30	250,000	238,188
SBA Communications Corp. sr. unsec. sub. notes 3.875%, 2/15/27 ^R	490,000	445,288
T-Mobile USA, Inc. company guaranty sr. unsec. bonds 2.875%, 2/15/31	560,000	445,927
Viasat, Inc. 144A sr. unsec. notes 7.50%, 5/30/31	240,000	156,600
		5,004,424
Consumer (0.5%)		
Spectrum Brands, Inc. 144A company guaranty sr. unsec. bonds 5.00%, 10/1/29	560,000	502,370
		502,370
Consumer staples (6.2%)		
1011778 BC ULC/New Red Finance, Inc. 144A bonds 4.00%, 10/15/30 (Canada)	600,000	491,413
Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons, LLC 144A company guaranty sr. unsec. notes 4.875%, 2/15/30	360,000	321,414
Albertsons Cos., Inc./Safeway, Inc./New Albertsons LP/Albertsons, LLC 144A company guaranty sr. unsec. notes 4.625%, 1/15/27	400,000	374,885
Aramark Services, Inc. 144A company guaranty sr. unsec. notes 5.00%, 2/1/28	670,000	614,489
CDW, LLC/CDW Finance Corp. company guaranty sr. unsec. notes 3.25%, 2/15/29	325,000	274,385
Fertitta Entertainment, LLC/Fertitta Entertainment Finance Co., Inc. 144A company guaranty sr. notes 4.625%, 1/15/29	355,000	298,317
Fertitta Entertainment, LLC/Fertitta Entertainment Finance Co., Inc. 144A company guaranty sr. unsec. notes 6.75%, 1/15/30	245,000	194,714
Go Daddy Operating Co, LLC/GD Finance Co., Inc. 144A company guaranty sr. unsec. notes 3.50%, 3/1/29	560,000	470,092
Herc Holdings, Inc. 144A company guaranty sr. unsec. notes 5.50%, 7/15/27	465,000	437,091

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Consumer staples cont.		
Hertz Corp. (The) 144A company guaranty sr. unsec. notes 5.00%, 12/1/29	\$380,000	\$272,804
IRB Holding Corp. 144A company guaranty sr. notes 7.00%, 6/15/25	615,000	610,406
Lamb Weston Holdings, Inc. 144A company guaranty sr. unsec. notes 4.125%, 1/31/30	275,000	233,289
Match Group Holdings II, LLC 144A sr. unsec. bonds 5.00%, 12/15/27	90,000	83,010
Match Group Holdings II, LLC 144A sr. unsec. bonds 3.625%, 10/1/31	170,000	130,475
Match Group Holdings II, LLC 144A sr. unsec. notes 4.125%, 8/1/30	245,000	199,070
Match Group Holdings II, LLC 144A sr. unsec. unsub. notes 4.625%, 6/1/28	245,000	219,983
Newell Brands, Inc. sr. unsec. unsub. notes 5.20%, 4/1/26	330,000	311,571
TripAdvisor, Inc. 144A company guaranty sr. unsec. notes 7.00%, 7/15/25	490,000	485,100
US Foods, Inc. 144A company guaranty sr. unsec. notes 7.25%, 1/15/32	65,000	63,806
Yum! Brands, Inc. sr. unsec. sub. bonds 3.625%, 3/15/31	410,000	332,929
		6,419,243
Containers (1.8%)		
Ardagh Metal Packaging Finance USA, LLC/Ardagh Metal Packaging Finance PLC 144A sr. unsec. notes 4.00%, 9/1/29	810,000	607,556
Ardagh Packaging Finance PLC/Ardagh Holdings USA, Inc. 144A sr. unsec. notes 5.25%, 8/15/27 (Ireland)	260,000	188,989
Ball Corp. company guaranty sr. unsec. notes 2.875%, 8/15/30	640,000	499,233
Berry Global, Inc. 144A company guaranty notes 5.625%, 7/15/27	250,000	238,632
Owens-Brockway Glass Container, Inc. 144A company guaranty sr. unsec. notes 7.25%, 5/15/31	320,000	292,800
		1,827,210
Electrical equipment (0.3%)		
Emerald Debt Merger Sub, LLC 144A sr. notes 6.625%, 12/15/30	355,000	335,031
		335,031
Energy (oil field) (0.7%)		
Nabors Industries, Inc. 144A company guaranty sr. unsec. notes 7.375%, 5/15/27	300,000	278,913
USA Compression Partners LP/USA Compression Finance Corp. company guaranty sr. unsec. notes 6.875%, 4/1/26	250,000	242,776
USA Compression Partners LP/USA Compression Finance Corp. company guaranty sr. unsec. unsub. notes 6.875%, 9/1/27	220,000	210,784
		732,473
Entertainment (1.6%)		
CDI Escrow Issuer, Inc. 144A sr. unsec. notes 5.75%, 4/1/30	320,000	285,600
Cinemark USA, Inc. 144A company guaranty sr. unsec. notes 5.25%, 7/15/28	305,000	263,422
NCL Corp., Ltd. 144A company guaranty sr. notes 8.125%, 1/15/29	175,000	170,406
NCL Corp., Ltd. 144A sr. unsec. unsub. notes 7.75%, 2/15/29	160,000	139,200
Royal Caribbean Cruises, Ltd. 144A company guaranty sr. unsec. notes 7.25%, 1/15/30	155,000	152,904

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Entertainment cont.		
Royal Caribbean Cruises, Ltd. 144A company guaranty sr. unsec. unsub. notes 9.25%, 1/15/29	\$370,000	\$386,220
Royal Caribbean Cruises, Ltd. 144A sr. unsec. notes 5.50%, 8/31/26	275,000	259,512
		1,657,264
Financials (4.7%)		
Alliant Holdings Intermediate, LLC/Alliant Holdings Co-Issuer 144A sr. unsec. notes 6.75%, 10/15/27	560,000	511,426
Ally Financial, Inc. company guaranty sr. unsec. notes 8.00%, 11/1/31	285,000	278,172
Aretec Escrow Issuer 2, Inc. 144A company guaranty sr. unsec. notes 10.00%, 8/15/30	140,000	141,575
Ford Motor Credit Co., LLC sr. unsec. unsub. notes 2.90%, 2/16/28	585,000	497,639
Freedom Mortgage Corp. 144A sr. unsec. notes 12.25%, 10/1/30	70,000	69,913
Freedom Mortgage Corp. 144A sr. unsec. notes 12.00%, 10/1/28	50,000	49,875
Freedom Mortgage Corp. 144A sr. unsec. notes 7.625%, 5/1/26	315,000	289,890
Freedom Mortgage Corp. 144A sr. unsec. sub. notes 6.625%, 1/15/27	165,000	142,806
HUB International, Ltd. 144A sr. notes 7.25%, 6/15/30	155,000	151,196
HUB International, Ltd. 144A sr. unsec. notes 7.00%, 5/1/26	405,000	394,232
Ladder Capital Finance Holdings, LLLP/Ladder Capital Finance Corp. 144A company guaranty sr. unsec. notes 4.75%, 6/15/29 ^R	125,000	100,500
Ladder Capital Finance Holdings, LLLP/Ladder Capital Finance Corp. 144A company guaranty sr. unsec. unsub. notes 5.25%, 10/1/25 ^R	80,000	76,046
Ladder Capital Finance Holdings, LLLP/Ladder Capital Finance Corp. 144A sr. unsec. notes 4.25%, 2/1/27 ^R	325,000	283,915
LPL Holdings, Inc. 144A company guaranty sr. unsec. notes 4.00%, 3/15/29	115,000	98,885
Nationstar Mortgage Holdings, Inc. 144A company guaranty sr. unsec. notes 5.75%, 11/15/31	250,000	208,213
Nationstar Mortgage Holdings, Inc. 144A company guaranty sr. unsec. notes 5.50%, 8/15/28	235,000	207,670
OneMain Finance Corp. company guaranty sr. unsec. sub. notes 7.125%, 3/15/26	160,000	155,392
OneMain Finance Corp. company guaranty sr. unsec. sub. notes 6.625%, 1/15/28	245,000	222,890
OneMain Finance Corp. company guaranty sr. unsec. unsub. notes 5.375%, 11/15/29	245,000	201,448
PennyMac Financial Services, Inc. 144A company guaranty sr. unsec. notes 5.75%, 9/15/31	235,000	191,604
PennyMac Financial Services, Inc. 144A company guaranty sr. unsec. notes 5.375%, 10/15/25	245,000	233,316
USI, Inc./NY 144A sr. unsec. notes 6.875%, 5/1/25	330,000	326,984
		4,833,587
Gaming and lottery (5.4%)		
Boyd Gaming Corp. 144A sr. unsec. bonds 4.75%, 6/15/31	805,000	668,068
Caesars Entertainment, Inc. 144A sr. notes 7.00%, 2/15/30	480,000	463,245
Caesars Entertainment, Inc. 144A sr. unsec. notes 4.625%, 10/15/29	910,000	747,862

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Gaming and lottery cont.		
Everi Holdings, Inc. 144A company guaranty sr. unsec. notes 5.00%, 7/15/29	\$610,000	\$512,571
Las Vegas Sands Corp. sr. unsec. unsub. notes 3.90%, 8/8/29	685,000	591,426
Light & Wonder International, Inc. 144A company guaranty sr. unsec. notes 7.50%, 9/1/31	55,000	53,704
Light & Wonder International, Inc. 144A company guaranty sr. unsec. notes 7.25%, 11/15/29	520,000	504,280
Penn Entertainment, Inc. 144A sr. unsec. notes 5.625%, 1/15/27	575,000	524,553
Scientific Games Holdings LP/Scientific Games US FinCo., Inc. 144A sr. unsec. notes 6.625%, 3/1/30	390,000	335,400
Station Casinos, LLC 144A sr. unsec. bonds 4.625%, 12/1/31	85,000	67,113
Station Casinos, LLC 144A sr. unsec. notes 4.50%, 2/15/28	495,000	427,495
Wynn Las Vegas, LLC/Wynn Las Vegas Capital Corp. 144A company guaranty sr. unsec. sub. notes 5.25%, 5/15/27	460,000	424,934
Wynn Resorts Finance, LLC/Wynn Resorts Capital Corp. 144A company guaranty sr. unsec. unsub. notes 7.125%, 2/15/31	220,000	204,325
Wynn Resorts Finance, LLC/Wynn Resorts Capital Corp. 144A sr. unsec. bonds 5.125%, 10/1/29	95,000	81,017
		5,605,993
Health care (7.4%)		
Centene Corp. sr. unsec. bonds 3.00%, 10/15/30	165,000	130,577
Centene Corp. sr. unsec. notes 4.625%, 12/15/29	330,000	294,776
Charles River Laboratories International, Inc. 144A company guaranty sr. unsec. notes 4.00%, 3/15/31	320,000	261,600
Charles River Laboratories International, Inc. 144A company guaranty sr. unsec. notes 3.75%, 3/15/29	225,000	189,281
CHS/Community Health Systems, Inc. 144A company guaranty sr. notes 8.00%, 3/15/26	90,000	82,265
CHS/Community Health Systems, Inc. 144A company guaranty sr. notes 5.625%, 3/15/27	165,000	134,052
CHS/Community Health Systems, Inc. 144A jr. notes 6.875%, 4/15/29	160,000	66,066
CHS/Community Health Systems, Inc. 144A sr. notes 5.25%, 5/15/30	90,000	63,914
Elanco Animal Health, Inc. sr. unsec. notes Ser. WI, 6.65%, 8/28/28	570,000	544,350
HCA, Inc. company guaranty sr. unsec. notes 3.50%, 9/1/30	250,000	206,911
Jazz Securities DAC 144A company guaranty sr. unsub. notes 4.375%, 1/15/29 (Ireland)	605,000	526,149
Minerva Merger Sub, Inc. 144A sr. unsec. notes 6.50%, 2/15/30	625,000	510,779
Mozart Debt Merger Sub, Inc. 144A sr. notes 3.875%, 4/1/29	770,000	650,162
Mozart Debt Merger Sub, Inc. 144A sr. unsec. notes 5.25%, 10/1/29	245,000	208,549
Option Care Health, Inc. 144A company guaranty sr. unsec. notes 4.375%, 10/31/29	315,000	263,262
Organon Finance 1, LLC 144A sr. notes 4.125%, 4/30/28	290,000	250,490
Owens & Minor, Inc. 144A company guaranty sr. unsec. notes 6.625%, 4/1/30	165,000	144,184
Owens & Minor, Inc. 144A sr. unsec. notes 4.50%, 3/31/29	325,000	260,761
Service Corp. International sr. unsec. bonds 5.125%, 6/1/29	400,000	366,000
Service Corp. International sr. unsec. notes 3.375%, 8/15/30	245,000	196,266
Service Corp. International sr. unsec. sub. notes 4.00%, 5/15/31	160,000	129,506

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Health care cont.		
Tenet Healthcare Corp. company guaranty sr. notes 5.125%, 11/1/27	\$650,000	\$600,026
Tenet Healthcare Corp. company guaranty sr. notes 4.875%, 1/1/26	325,000	311,481
Tenet Healthcare Corp. company guaranty sr. notes 4.25%, 6/1/29	235,000	201,106
Tenet Healthcare Corp. company guaranty sr. unsub. notes 6.125%, 6/15/30	330,000	305,422
Teva Pharmaceutical Finance Netherlands III BV company guaranty sr. unsec. unsub. notes 8.125%, 9/15/31 (Israel)	505,000	497,425
Teva Pharmaceutical Finance Netherlands III BV company guaranty sr. unsec. unsub. notes 7.875%, 9/15/29 (Israel)	200,000	196,500
		7,591,860
Homebuilding (0.6%)		
Anywhere Real Estate Group, LLC/Anywhere Co-Issuer Corp. 144A company guaranty notes 7.00%, 4/15/30	152,000	125,115
Realogy Group, LLC/Realogy Co-Issuer Corp. 144A company guaranty sr. unsec. notes 5.75%, 1/15/29	10,000	6,302
Taylor Morrison Communities, Inc. 144A company guaranty sr. unsec. notes 5.875%, 6/15/27	105,000	98,438
Taylor Morrison Communities, Inc. 144A sr. unsec. bonds 5.125%, 8/1/30	300,000	252,121
Taylor Morrison Communities, Inc. 144A sr. unsec. notes 5.75%, 1/15/28	165,000	149,762
		631,738
Industrial (0.9%)		
Great Lakes Dredge & Dock Corp. 144A company guaranty sr. unsec. notes 5.25%, 6/1/29	745,000	609,038
MajorDrive Holdings IV, LLC 144A sr. unsec. notes 6.375%, 6/1/29	400,000	310,000
		919,038
Lodging/Tourism (2.2%)		
Carnival Corp. 144A company guaranty sr. notes 7.00%, 8/15/29	80,000	78,443
Carnival Corp. 144A company guaranty sr. unsec. unsub. notes 10.50%, 6/1/30	95,000	96,389
Carnival Corp. 144A sr. unsec. notes 5.75%, 3/1/27	235,000	209,823
Carnival Holdings Bermuda, Ltd. 144A company guaranty sr. unsec. unsub. notes 10.375%, 5/1/28 (Bermuda)	180,000	191,919
Full House Resorts, Inc. 144A company guaranty sr. notes 8.25%, 2/15/28	430,000	362,073
Hilton Domestic Operating Co., Inc. company guaranty sr. unsec. bonds 4.875%, 1/15/30	415,000	372,556
Hilton Domestic Operating Co., Inc. 144A company guaranty sr. unsec. notes 4.00%, 5/1/31	220,000	182,197
Hilton Worldwide Finance, LLC/Hilton Worldwide Finance Corp. company guaranty sr. unsec. notes 4.875%, 4/1/27	410,000	386,684
SugarHouse HSP Gaming Prop. Mezz LP/SugarHouse HSP Gaming Finance Corp. 144A company guaranty sr. unsub. notes 5.875%, 5/15/25	355,000	339,927
		2,220,011

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Machinery (1.9%)		
Chart Industries, Inc. 144A company guaranty sr. notes 7.50%, 1/1/30	\$460,000	\$451,713
Chart Industries, Inc. 144A company guaranty sr. unsec. notes 9.50%, 1/1/31	245,000	252,341
Ritchie Bros Holdings, Inc. 144A company guaranty sr. notes 6.75%, 3/15/28	85,000	83,513
Ritchie Bros Holdings, Inc. 144A company guaranty sr. unsec. unsub. notes 7.75%, 3/15/31	265,000	265,331
Terex Corp. 144A company guaranty sr. unsec. notes 5.00%, 5/15/29	595,000	520,831
Vertiv Group Corp. 144A company guaranty sr. notes 4.125%, 11/15/28	425,000	371,452
		1,945,181
Manufacturing (2.7%)		
Allison Transmission, Inc. 144A company guaranty sr. unsec. notes 4.75%, 10/1/27	165,000	150,474
Madison IAQ, LLC 144A sr. notes 4.125%, 6/30/28	270,000	225,580
Madison IAQ, LLC 144A sr. unsec. notes 5.875%, 6/30/29	395,000	305,981
Roller Bearing Co. of America, Inc. 144A sr. notes 4.375%, 10/15/29	770,000	652,968
Sensata Technologies BV 144A company guaranty sr. unsec. notes 4.00%, 4/15/29	970,000	824,604
WESCO Distribution, Inc. 144A company guaranty sr. unsec. unsub. notes 7.25%, 6/15/28	575,000	571,349
		2,730,956
Media (0.2%)		
Warnermedia Holdings, Inc. company guaranty sr. unsec. notes 4.279%, 3/15/32	295,000	244,589
		244,589
Office equipment and supplies (0.2%)		
Staples, Inc. 144A sr. notes 7.50%, 4/15/26	310,000	252,865
		252,865
Oil and gas (10.8%)		
Antero Resources Corp. 144A company guaranty sr. unsec. notes 7.625%, 2/1/29	260,000	263,246
Antero Resources Corp. 144A sr. unsec. notes 5.375%, 3/1/30	155,000	141,441
Apache Corp. sr. unsec. unsub. notes 5.10%, 9/1/40	485,000	376,869
Callon Petroleum Co. 144A company guaranty sr. unsec. notes 8.00%, 8/1/28	295,000	291,509
Callon Petroleum Co. 144A company guaranty sr. unsec. notes 7.50%, 6/15/30	235,000	227,612
Centennial Resource Production, LLC 144A company guaranty sr. unsec. notes 6.875%, 4/1/27	475,000	466,042
Chord Energy Corp. 144A company guaranty sr. unsec. notes 6.375%, 6/1/26	305,000	299,431
Civitas Resources, Inc. 144A company guaranty sr. unsec. notes 8.625%, 11/1/30	35,000	35,624
Civitas Resources, Inc. 144A company guaranty sr. unsec. notes 8.375%, 7/1/28	140,000	140,863
Civitas Resources, Inc. 144A company guaranty sr. unsec. unsub. notes 8.75%, 7/1/31	475,000	479,402

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Oil and gas cont.		
Comstock Resources, Inc. 144A company guaranty sr. unsec. notes 5.875%, 1/15/30	\$240,000	\$205,202
Comstock Resources, Inc. 144A sr. unsec. notes 6.75%, 3/1/29	325,000	295,757
CQP Holdco LP/BIP-V Chinook Holdco, LLC 144A sr. sub. notes 5.50%, 6/15/31	565,000	491,409
Encino Acquisition Partners Holdings, LLC 144A company guaranty sr. unsec. notes 8.50%, 5/1/28	330,000	321,750
EnLink Midstream, LLC 144A company guaranty sr. unsec. notes 5.625%, 1/15/28	505,000	476,177
Kinetik Holdings LP 144A company guaranty sr. unsec. notes 5.875%, 6/15/30	445,000	408,310
Ovintiv, Inc. company guaranty sr. unsec. bonds 6.25%, 7/15/33	120,000	114,069
Patterson-UTI Energy, Inc. sr. unsec. sub. notes 5.15%, 11/15/29	320,000	286,158
Permian Resources Operating, LLC 144A company guaranty sr. unsec. notes 5.375%, 1/15/26	240,000	230,420
Precision Drilling Corp. 144A company guaranty sr. unsec. notes 7.125%, 1/15/26 (Canada)	390,000	384,255
Rockcliff Energy II, LLC 144A sr. unsec. notes 5.50%, 10/15/29	650,000	586,679
Seadrill Finance, Ltd. 144A company guaranty notes 8.375%, 8/1/30 (Bermuda)	265,000	265,085
Sitio Royalties Operating Partnership LP/Sitio Finance Corp. 144A sr. unsec. notes 7.875%, 11/1/28	350,000	345,240
SM Energy Co. sr. unsec. unsub. notes 6.75%, 9/15/26	335,000	329,040
SM Energy Co. sr. unsec. unsub. notes 6.50%, 7/15/28	75,000	72,204
Southwestern Energy Co. company guaranty sr. unsec. notes 5.375%, 3/15/30	250,000	229,312
Southwestern Energy Co. company guaranty sr. unsec. notes 5.375%, 2/1/29	485,000	448,033
Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. 144A company guaranty sr. unsec. notes 6.00%, 12/31/30	170,000	143,438
Tallgrass Energy Partners LP/Tallgrass Energy Finance Corp. 144A company guaranty sr. unsec. notes 5.50%, 1/15/28	185,000	162,800
Transocean Aquila, Ltd. 144A company guaranty sr. notes 8.00%, 9/30/28	70,000	68,975
Transocean Poseidon, Ltd. 144A company guaranty sr. notes 6.875%, 2/1/27	120,000	117,600
Transocean Titan Financing, Ltd. 144A company guaranty sr. notes 8.375%, 2/1/28 (Cayman Islands)	260,000	261,053
Transocean, Inc. 144A company guaranty sr. notes 8.75%, 2/15/30	152,000	151,552
Transocean, Inc. 144A company guaranty sr. unsec. notes 11.50%, 1/30/27	210,000	218,532
Venture Global Calcasieu Pass, LLC 144A company guaranty sr. notes 6.25%, 1/15/30	195,000	183,955
Venture Global LNG, Inc. 144A sr. notes 9.875%, 2/1/32	175,000	177,448
Venture Global LNG, Inc. 144A sr. notes 9.50%, 2/1/29	195,000	198,108
Venture Global LNG, Inc. 144A sr. notes 8.375%, 6/1/31	435,000	415,101
Venture Global LNG, Inc. 144A sr. notes 8.125%, 6/1/28	225,000	218,435
Viper Energy Partners LP 144A company guaranty sr. unsec. notes 7.375%, 11/1/31	175,000	174,563
Viper Energy Partners LP 144A company guaranty sr. unsec. notes 5.375%, 11/1/27	435,000	412,271
		11,114,970

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Publishing (1.2%)		
McGraw-Hill Education, Inc. 144A sr. notes 5.75%, 8/1/28	\$425,000	\$358,190
McGraw-Hill Education, Inc. 144A sr. unsec. notes 8.00%, 8/1/29	330,000	271,907
News Corp. 144A sr. unsec. notes 3.875%, 5/15/29	655,000	560,667
		1,190,764
Retail (1.9%)		
Asbury Automotive Group, Inc. 144A company guaranty sr. unsec. bonds 5.00%, 2/15/32	125,000	101,383
Asbury Automotive Group, Inc. 144A company guaranty sr. unsec. notes 4.625%, 11/15/29	245,000	207,243
Bath & Body Works, Inc. company guaranty sr. unsec. bonds 6.75%, perpetual maturity	165,000	142,325
Bath & Body Works, Inc. company guaranty sr. unsec. notes 7.50%, perpetual maturity	320,000	312,502
Bath & Body Works, Inc. 144A company guaranty sr. unsec. unsub. bonds 6.625%, 10/1/30	240,000	222,191
Crocs, Inc. 144A company guaranty sr. unsec. notes 4.25%, 3/15/29	95,000	77,900
PetSmart, Inc./PetSmart Finance Corp. 144A company guaranty sr. unsec. notes 7.75%, 2/15/29	485,000	446,512
Victoria's Secret & Co. 144A sr. unsec. notes 4.625%, 7/15/29	655,000	481,425
		1,991,481
Technology (6.6%)		
Ahead DB Holdings, LLC 144A company guaranty sr. unsec. notes 6.625%, 5/1/28	160,000	131,200
Alteryx, Inc. 144A sr. unsec. unsub. notes 8.75%, 3/15/28	175,000	172,812
Arches Buyer, Inc. 144A sr. notes 4.25%, 6/1/28	645,000	534,253
Arches Buyer, Inc. 144A sr. unsec. notes 6.125%, 12/1/28	255,000	205,969
Boxer Parent Co., Inc. 144A company guaranty sr. notes 7.125%, 10/2/25	395,000	389,650
Central Parent, Inc./CDK Global, Inc. 144A company guaranty sr. notes 7.25%, 6/15/29	330,000	317,027
Clarivate Science Holdings Corp. 144A sr. unsec. notes 4.875%, 7/1/29	400,000	337,354
Cloud Software Group, Inc. 144A sr. notes 6.50%, 3/31/29	775,000	680,409
CommScope Finance, LLC 144A sr. notes 6.00%, 3/1/26	235,000	197,395
CommScope Technologies, LLC 144A company guaranty sr. unsec. notes 6.00%, 6/15/25	50,000	30,000
CrowdStrike Holdings, Inc. company guaranty sr. unsec. notes 3.00%, 2/15/29	605,000	505,700
Gen Digital, Inc. 144A company guaranty sr. unsec. unsub. notes 7.125%, 9/30/30	135,000	131,335
Gen Digital, Inc. 144A company guaranty sr. unsec. unsub. notes 6.75%, 9/30/27	315,000	305,550
Imola Merger Corp. 144A sr. notes 4.75%, 5/15/29	815,000	710,511
RingCentral, Inc. 144A sr. unsec. notes 8.50%, 8/15/30	285,000	270,750
Rocket Software, Inc. 144A sr. unsec. notes 6.50%, 2/15/29	485,000	394,669
TTM Technologies, Inc. 144A company guaranty sr. unsec. notes 4.00%, 3/1/29	480,000	393,000
Twilio, Inc. company guaranty sr. unsec. notes 3.875%, 3/15/31	295,000	235,479

CORPORATE BONDS AND NOTES (85.0%)* cont.	Principal amount	Value
Technology cont.		
Twilio, Inc. company guaranty sr. unsec. notes 3.625%, 3/15/29	\$400,000	\$332,541
ZoomInfo Technologies, LLC/ZoomInfo Finance Corp. 144A company guaranty sr. unsec. notes 3.875%, 2/1/29	675,000	557,257
		6,832,861
Textiles (1.2%)		
Hanesbrands, Inc. 144A company guaranty sr. unsec. unsub. notes 9.00%, perpetual maturity	290,000	269,700
Kontoor Brands, Inc. 144A company guaranty sr. unsec. notes 4.125%, 11/15/29	540,000	444,150
Levi Strauss & Co. 144A sr. unsec. sub. bonds 3.50%, 3/1/31	640,000	498,281
		1,212,131
Transportation (0.5%)		
Watco Cos., LLC/Watco Finance Corp. 144A sr. unsec. notes 6.50%, 6/15/27	540,000	503,131
		503,131
Trucks and parts (1.2%)		
Benteler International AG 144A company guaranty sr. notes 10.50%, 5/15/28 (Austria)	355,000	357,219
Clarios Global LP 144A company guaranty sr. notes 6.75%, 5/15/25	315,000	312,500
Clarios Global LP 144A sr. notes 6.75%, 5/15/28	50,000	48,743
Panther BF Aggregator 2 LP/Panther Finance Co., Inc. 144A company guaranty sr. unsec. notes 8.50%, 5/15/27	495,000	487,365
		1,205,827
Utilities and power (1.1%)		
Calpine Corp. 144A sr. notes 3.75%, 3/1/31	130,000	103,585
Calpine Corp. 144A sr. unsec. notes 5.00%, 2/1/31	340,000	274,237
Calpine Corp. 144A sr. unsec. notes 4.625%, 2/1/29	60,000	50,678
Electricite De France SA 144A jr. unsec. sub. FRB 9.125%, perpetual maturity (France)	200,000	204,250
PG&E Corp. sr. sub. notes 5.25%, 7/1/30	565,000	494,884
		1,127,634
Waste Management (1.0%)		
Clean Harbors, Inc. 144A company guaranty sr. unsec. unsub. notes 6.375%, 2/1/31	770,000	731,856
Covanta Holding Corp. 144A company guaranty sr. unsec. notes 4.875%, 12/1/29	435,000	339,300
		1,071,156
Total corporate bonds and notes (cost \$91,710,033)		\$87,581,663

SENIOR LOANS (4.9%)*c	Principal amount	Value
Basic materials (0.9%)		
Klockner-Pentaplast of America, Inc. bank term loan FRN (CME Term SOFR 6 Month + 4.73%), 10.476%, 2/4/26	\$258,534	\$243,345
Nouryon USA, LLC bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 4.00%), 9.434%, 4/3/28	586,885	573,128
Nouryon USA, LLC bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 4.00%), 9.419%, 4/3/28	104,738	102,152
		918,625

SENIOR LOANS (4.9%)*c cont.	Principal amount	Value
Capital goods (0.6%)		
Filtration Group Corp. bank term loan FRN (CME Term SOFR 1 Month + 4.25%), 9.689%, 10/19/28	\$154,225	\$154,153
Madison IAQ, LLC bank term loan FRN (CME Term SOFR 1 Month + 3.25%), 8.334%, 6/15/28	79,160	76,236
MajorDrive Holdings IV, LLC bank term loan FRN (CME Term SOFR 3 Month + 4.00%), 9.298%, 6/1/28	406,878	394,334
		624,723
Communication services (0.1%)		
Asurion, LLC bank term loan FRN Ser. B9, (CME Term SOFR 1 Month + 3.25%), 8.579%, 7/31/27	24,809	23,682
DIRECTV Financing, LLC bank term loan FRN (CME Term SOFR 3 Month + 5.00%), 10.325%, 7/22/27	78,555	76,325
		100,007
Consumer cyclicals (1.3%)		
Clear Channel Outdoor Holdings, Inc. bank term loan FRN Ser. B, (CME Term SOFR 3 Month + 3.50%), 8.81%, 8/21/26	288,501	276,479
CMG Media Corp. bank term loan FRN (CME Term SOFR 3 Month + 3.50%), 8.99%, 12/17/26	262,972	236,017
Crocs, Inc. bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 3.00%), 8.533%, 2/19/29	175,786	175,977
Michaels Cos., Inc. (The) bank term loan FRN (CME Term SOFR 3 Month + 4.25%), 9.902%, 4/15/28	174,198	145,069
Neptune Bidco US, Inc. bank term loan FRN Class C, (CME Term SOFR 1 Month + 5.00%), 10.507%, 4/11/29	363,175	316,645
PetSmart, LLC bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 3.75%), 9.174%, 1/29/28	188,352	185,802
		1,335,989
Consumer staples (0.4%)		
Ascend Learning, LLC bank term loan FRN (CME Term SOFR 1 Month + 5.75%), 10.98%, 11/18/29	55,000	46,246
IRB Holding Corp. bank term loan FRN (CME Term SOFR 3 Month Plus CSA + 3.00%), 8.424%, 12/15/27	159,192	157,334
PECF USS Intermediate Holding III Corp. bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 4.25%), 9.427%, 12/17/28	263,405	198,312
		401,892
Energy (0.1%)		
CQP Holdco LP bank term loan FRN (CME Term SOFR 1 Month + 3.50%), 9.048%, 5/27/28	99,491	99,346
		99,346
Technology (1.5%)		
Cloud Software Group, Inc. bank term loan FRN Ser. B, (CME Term SOFR 1 Month + 4.50%), 9.99%, 3/30/29	507,450	481,499
Genesys Cloud Services Holdings, LLC bank term loan FRN (CME Term SOFR 3 Month + 4.00%), 9.403%, 12/1/27	153,954	153,697
Polaris Newco, LLC bank term loan FRN Ser. B, (CME Term SOFR 3 Month + 4.00%), 9.298%, 6/3/28	212,458	200,242
Proofpoint, Inc. bank term loan FRN Ser. B, (CME Term SOFR 3 Month + 6.25%), 11.56%, 8/31/29	85,000	85,064
Rocket Software, Inc. bank term loan FRN (CME Term SOFR 1 Month + 4.75%), 10.074%, 10/5/28	287,740	281,914

SENIOR LOANS (4.9%)*^c cont.	Principal amount	Value
Technology cont.		
UKG, Inc. bank term loan FRN (CME Term SOFR 3 Month + 5.25%), 10.56%, 5/3/27	\$60,000	\$59,865
UKG, Inc. bank term loan FRN (CME Term SOFR 3 Month + 3.25%), 8.764%, 5/3/26	317,576	315,626
		1,577,907
Total senior loans (cost \$5,150,701)		\$5,058,489

CONVERTIBLE BONDS AND NOTES (1.2%)*	Principal amount	Value
Exact Sciences Corp. cv. sr. unsec. sub. notes 0.375%, 3/1/28	\$180,000	\$148,726
Fiverr International, Ltd. cv. sr. unsec. notes zero %, 11/1/25 (Israel)	186,000	159,385
Liberty TripAdvisor Holdings, Inc. 144A cv. sr. unsec. bonds 0.50%, 6/30/51	193,000	151,505
Middleby Corp. (The) cv. sr. unsec. notes 1.00%, 9/1/25	125,000	129,500
ON Semiconductor Corp. cv. sr. unsec. notes zero %, 5/1/27	99,000	129,294
Shake Shack, Inc. cv. sr. unsec. notes zero %, 3/1/28	208,000	151,320
Spotify USA, Inc. company guaranty cv. sr. unsec. notes zero %, 3/15/26	190,000	162,545
Teladoc Health, Inc. cv. sr. unsec. sub. notes 1.25%, 6/1/27	199,000	154,524
Total convertible bonds and notes (cost \$1,286,185)		\$1,186,799

COMMON STOCKS (0.5%)*	Shares	Value
American Tower Corp. ^R	970	\$172,844
EQT Corp.	5,120	216,986
OneMain Holdings, Inc.	2,602	93,490
Total common stocks (cost \$420,079)		\$483,320

CONVERTIBLE PREFERRED STOCKS (0.1%)*	Shares	Value
Chart Industries, Inc. \$3.375 cv. pfd.	2,927	\$145,696
Total convertible preferred stocks (cost \$165,813)		\$145,696

SHORT-TERM INVESTMENTS (6.1%)*	Shares	Value
Putnam Government Money Market Fund Class P 5.05% ^L	6,242,501	\$6,242,501
Total short-term investments (cost \$6,242,501)		\$6,242,501

TOTAL INVESTMENTS		Value
Total investments (cost \$104,975,312)		\$100,698,468

Key to holding's abbreviations

bp	Basis Points
CME	Chicago Mercantile Exchange
DAC	Designated Activity Company
FRB	Floating Rate Bonds: The rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.
FRN	Floating Rate Notes: The rate shown is the current interest rate or yield at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.
SOFR	Secured Overnight Financing Rate

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from May 1, 2023 through October 31, 2023 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

- * Percentages indicated are based on net assets of \$103,039,302.
- Senior loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for senior loans are the current interest rates at the close of the reporting period. Senior loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown (Notes 1 and 8).
- Ⓛ Affiliated company (Note 6). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.
- ℞ Real Estate Investment Trust.

Debt obligations are considered secured unless otherwise indicated.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

The dates shown on debt obligations are the original maturity dates.

CENTRALLY CLEARED CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 10/31/23 (Unaudited)

Referenced debt*	Rating**	Upfront premium received (paid)**	Notional amount	Value	Termination date	Payments received by fund	Unrealized depreciation
CDX NA HY Series 41 Index	B+/P	\$(5,350)	\$2,300,000	\$13,800	12/20/28	500 bp — Quarterly	\$(10,206)
Total		\$(5,350)					\$(10,206)

* Payments related to the referenced debt are made upon a credit default event.

** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

*** Ratings for an underlying index represent the average of the ratings of all the securities included in that index. The Moody's, Standard & Poor's or Fitch ratings are believed to be the most recent ratings available at October 31, 2023. Securities rated by Fitch are indicated by "/F." Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications.

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

	Valuation inputs		
Investments in securities:	Level 1	Level 2	Level 3
Common stocks*:			
Communication services	\$172,844	\$—	\$—
Energy	216,986	—	—
Financials	93,490	—	—
Total common stocks	483,320	—	—
Convertible bonds and notes	—	1,186,799	—
Convertible preferred stocks	—	145,696	—
Corporate bonds and notes	—	87,581,663	—
Senior loans	—	5,058,489	—
Short-term investments	6,242,501	—	—
Totals by level	\$6,725,821	\$93,972,647	\$—
		Valuation inputs	
Other financial instruments:	Level 1	Level 2	Level 3
Credit default contracts	\$—	\$(4,856)	\$—
Totals by level	\$—	\$(4,856)	\$—

* Common stock classifications are presented at the sector level, which may differ from the fund's portfolio presentation.

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities 10/31/23 (Unaudited)

ASSETS

Investment in securities, at value (Note 1):	
Unaffiliated issuers (identified cost \$98,732,811)	\$94,455,967
Affiliated issuers (identified cost \$6,242,501) (Note 6)	6,242,501
Cash	31,729
Dividends, interest and other receivables	1,589,079
Receivable for investments sold	837,597
Receivable for variation margin on centrally cleared swap contracts (Note 1)	5,926
Deposits with broker (Note 1)	210,948
Total assets	103,373,747

LIABILITIES

Payable for investments purchased	287,769
Payable for compensation of Manager (Note 2)	46,676
Total liabilities	334,445
Net assets	\$103,039,302

REPRESENTED BY

Paid-in capital (Unlimited shares authorized) (Notes 1 and 4)	\$106,976,627
Total distributable earnings (Note 1)	(3,937,325)
Total — Representing net assets applicable to capital shares outstanding	\$103,039,302

COMPUTATION OF NET ASSET VALUE

Net asset value per share	
(\$103,039,302 divided by 2,150,000 shares)	\$47.93

The accompanying notes are an integral part of these financial statements.

Statement of operations Six months ended 10/31/23 (Unaudited)

INVESTMENT INCOME	
Dividends	\$17,864
Interest (including interest income of \$91,354 from investments in affiliated issuers) (Note 6)	3,968,049
Total investment income	3,985,913
EXPENSES	
Compensation of Manager (Note 2)	288,935
Fees waived and reimbursed by Manager (Note 2)	(5,256)
Total expenses	283,679
Net investment income	3,702,234
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Securities from unaffiliated issuers (Notes 1 and 3)	(235,569)
Swap contracts (Note 1)	91,841
Total net realized loss	(143,728)
Change in net unrealized depreciation on:	
Securities from unaffiliated issuers	(4,310,909)
Swap contracts	(61,743)
Total change in net unrealized depreciation	(4,372,652)
Net loss on investments	(4,516,380)
Net decrease in net assets resulting from operations	\$(814,146)

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

	Six months ended 10/31/23*	For the period 1/19/23 (commencement of operations) to 4/30/23
INCREASE (DECREASE) IN NET ASSETS		
Operations		
Net investment income	\$3,702,234	\$1,614,010
Net realized loss on investments	(143,728)	(486,345)
Change in net unrealized appreciation (depreciation) of investments	(4,372,652)	85,602
Net increase (decrease) in net assets resulting from operations	(814,146)	1,213,267
Distributions to shareholders (Note 1):		
From ordinary income		
Net investment income	(3,457,600)	(1,112,200)
Proceeds from shares sold (Note 4)	2,458,770	104,197,419
Decrease from shares redeemed (Note 4)	—	(24,562,209)
Other capital (Note 4)	9,835	106,166
Total increase (decrease) in net assets	(1,803,141)	79,842,443
NET ASSETS		
Beginning of period (Note 5)	104,842,443	25,000,000
End of period	\$103,039,302	\$104,842,443
NUMBER OF FUND SHARES		
Shares outstanding at beginning of period (Note 5)	2,100,000	500,000
Shares sold (Note 4)	50,000	2,100,000
Shares redeemed (Note 4)	—	(500,000)
Shares outstanding at end of period	2,150,000	2,100,000

*Unaudited.

The accompanying notes are an integral part of these financial statements.

Financial highlights

(For a common share outstanding throughout the period)

PER-SHARE OPERATING PERFORMANCE		
	Six months ended** 10/31/23	For the period 1/19/23 (commencement of operations) to 4/30/23
Net asset value, beginning of period	\$49.92	\$50.00
Investment operations:		
Net investment income (loss) ^a	1.75	.93
Net realized and unrealized gain (loss) on investments	(2.11)	(.53)
Total from investment operations	(.36)	.40
Less distributions:		
From net investment income	(1.63)	(.54)
From net realized gain on investments	—	—
Total distributions	(1.63)	(.54)
Other capital	—^f	.06
Net asset value, end of period	\$47.93	\$49.92
Total return at net asset value (%)^b	(0.75)[*]	0.93[*]

RATIOS AND SUPPLEMENTAL DATA		
Net assets, end of period (in thousands)	\$103,039	\$104,842
Ratio of expenses to average net assets (%) ^{c,d}	.27 [*]	.15 [*]
Ratio of net investment income (loss) to average net assets (%) ^d	3.54 [*]	1.88 [*]
Portfolio turnover (%) ^e	16 [*]	10 [*]

^{*} Not annualized.

^{**} Unaudited.

^a Per share net investment income (loss) has been determined on the basis of the weighted average number of shares outstanding during the period.

^b Total return assumes dividend reinvestment.

^c Excludes acquired fund fees and expenses, if any.

^d Reflects waivers of certain fund expenses in connection with investments in Putnam Government Money Market Fund during the period (Note 2). As a result of such waivers, the expenses of the fund reflect a reduction of the following amounts:

	Percentage of average net assets
10/31/23	0.01%
4/30/23	less than 0.01%

^e Portfolio turnover excludes securities received or delivered in-kind.

^f Amount represents less than \$0.01 per share.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 10/31/23 (Unaudited)

Unless otherwise noted, the “reporting period” represents the period from May 1, 2023 through October 31, 2023. The following table defines commonly used references within the Notes to financial statements:

References to	Represent
Putnam Management	Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC
State Street	State Street Bank and Trust Company
JPMorgan	JPMorgan Chase Bank, N.A.
the SEC	the Securities and Exchange Commission
ESG	environmental, social and governance
ETF	exchange-traded fund
OTC	over-the-counter
PIL	Putnam Investments Limited, an affiliate of Putnam Management

Putnam ESG High Yield ETF (the fund) is a diversified, open-end series of Putnam ETF Trust (the Trust), a Delaware statutory trust organized under the Investment Company Act of 1940, as amended. The fund is an actively managed ETF. The fund’s investment objective is to seek high current income. Capital growth is a secondary goal when consistent with achieving high current income.

The fund invests mainly in bonds that are below investment grade in quality (sometimes referred to as “junk bonds”) with a focus on companies or issuers that Putnam Investment Management, LLC (“Putnam Management”), the fund’s investment manager, believes meet relevant environmental, social or governance (“ESG”) criteria on a sector-specific basis (“ESG criteria”). The fund invests mainly in bonds that also have one or more of the following characteristics:

(1) are obligations of U.S. companies or issuers and (2) have intermediate- to long-term maturities (three years or longer). The fund invests with a focus on companies or issuers that Putnam Management believes meet relevant environmental, social or governance (“ESG”) criteria on a sector-specific basis (“ESG criteria”). The fund may consider, among other factors, a company’s or issuer’s ESG criteria (as described below), credit, interest rate, liquidity and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments.

Under normal circumstances, the fund invests at least 80% of the value of its net assets in fixed-income securities rated below investment grade that meet Putnam Management’s ESG criteria. This policy is non-fundamental and may be changed only after 60 days’ notice to shareholders. Putnam Management may not apply ESG criteria to investments that are not subject to the fund’s 80% policy and such investments may not meet Putnam Management’s ESG criteria.

In evaluating investments for the fund, Putnam Management identifies relevant ESG criteria on a sector-specific basis using an internally developed materiality map, which is informed by the ESG issues identified by the Sustainability Accounting Standards Board as material to companies or issuers within a particular industry. A materiality map provides a guide to understanding which ESG criteria are more or less important for a given sector or subsector; it includes those ESG criteria that may be reasonably likely to influence investment decision-making. Putnam Management constructs the materiality map by evaluating the significance of specified ESG criteria (i.e., board structure and composition, diversity, equity and inclusion, or climate change risk, among others) in specific industries (i.e., consumer, healthcare, financials, etc.), subsectors, or countries. Putnam Management then categorizes the relevance of each ESG criteria for each industry, subsector, or country. As part of this analysis, Putnam Management may utilize metrics and information such as emissions data, carbon intensity, sources of energy used for operations, water use and re-use, water generation, waste diversion from landfill, employee safety and diversity data, supplier audits, product safety, board composition, and incentive compensation structures. After evaluating these criteria, Putnam Management will assign each company or issuer, as applicable, a proprietary ESG rating ranging from 1 to 4 (1 indicating the highest (best) ESG rating and 4 indicating the lowest (worst) ESG rating). In order to meet Putnam Management’s ESG criteria for purposes of the above-referenced non-fundamental investment policy, a company or issuer must be rated 2 or 1 by Putnam Management. While Putnam Management may consider independent third-party data as a part of its analytical process, the portfolio management team performs its own independent third analysis of issuers and does not rely solely on third-party screens.

The fund's approach to ESG investing incorporates fundamental research together with consideration of ESG criteria which may include, but are not limited to, those included in the following descriptions. Environmental criteria include, for example, a company's or issuer's carbon intensity and use of resources like water or minerals. ESG measures in this area might include plans to reduce waste, increase recycling, raise the proportion of energy supply from renewable sources, or improve product design to be less resource intensive. Social criteria include, for example, labor practices and supply chain management. ESG measures in this area might include programs to improve employee well-being, commitment to workplace equality and diversity, or improved stewardship of supplier relationships and working conditions. Corporate governance criteria include, for example, board composition and executive compensation, as well as bondholders' rights. ESG measures in this area might include improvements in board independence or diversity, or alignment of management incentives with the company's or issuer's strategic ESG objectives.

Putnam Management uses a sector-specific approach in evaluating investments. In the corporate credit sector, Putnam Management combines fundamental analysis with relevant ESG insights with a forward-looking perspective. Putnam Management believes that this approach contributes to a more nuanced assessment of an issuer's credit profile, which offers potential opportunity to limit tail risk in credit portfolios (i.e., the risk that the price of a portfolio may decrease by more than three standard deviations from its current price) and ratings volatility.

Putnam Management evaluates ESG considerations using independent third-party data (where available), and also uses company or issuer disclosures and public data sources. Putnam Management believes that ESG considerations are best analyzed in combination with a company's or issuer's fundamentals, including a company's or issuer's industry, location, strategic position, and key relationships.

In addition to bonds, the fund may also invest in other fixed-income instruments, including bank loans. In addition to the main investment strategies described above, the fund may make other types of investments, such as investments in equity securities, 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 bank loans. The fund may also use derivatives, such as futures, options, certain foreign currency transactions and swap contracts, for both hedging and non-hedging purposes.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund's management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, transfer agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the Trust's Amended and Restated Agreement and Declaration of Trust, any claims asserted by a shareholder against or on behalf of the Trust (or its series), including claims against Trustees and Officers, must be brought in courts of the State of Delaware.

Note 1: Significant accounting policies

The fund is an investment company and applies the accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 *Financial Services - Investment Companies*. The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Security valuation Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund's assets in accordance with these procedures to Putnam Management. Putnam Management has established an internal Valuation Committee that

is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets, and are classified as Level 1 securities under Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (ASC 820). If no sales are reported, as in the case of some securities that are traded OTC, a security is valued at its last reported bid price and is generally categorized as a Level 2 security.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees or dealers selected by Putnam Management. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2.

Many securities markets and exchanges outside the U.S. close prior to the scheduled close of the New York Stock Exchange and therefore the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the scheduled close of the New York Stock Exchange. Accordingly, on certain days, the fund will fair value certain foreign equity securities taking into account multiple factors including movements in the U.S. securities markets, currency valuations and comparisons to the valuation of American Depositary Receipts, exchange-traded funds and futures contracts. The foreign equity securities, which would generally be classified as Level 1 securities, will be transferred to Level 2 of the fair value hierarchy when they are valued at fair value. The number of days on which fair value prices will be used will depend on market activity and it is possible that fair value prices will be used by the fund to a significant extent. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that Putnam Management does not believe accurately reflects the security's fair value, the security will be valued at fair value by Putnam Management, which has been designated as valuation designee pursuant to Rule 2a-5 under the Investment Company Act of 1940, in accordance with policies and procedures approved by the Trustees. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

Joint trading account Pursuant to an exemptive order from the SEC, the fund may transfer uninvested cash balances into a joint trading account along with the cash of other registered investment companies and certain other accounts managed by Putnam Management. These balances may be invested in issues of short-term investments having maturities of up to 90 days.

Repurchase agreements The fund, or any joint trading account, through its custodian, receives delivery of the underlying securities, the fair value of which at the time of purchase is required to be in an amount at least equal to the resale price, including accrued interest. Collateral for certain tri-party repurchase agreements is held at the counterparty's custodian in a segregated account for the benefit of the fund and the counterparty. Putnam Management is responsible for determining that the value of these underlying securities is at all times at least

equal to the resale price, including accrued interest. In the event of default or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings.

Security transactions and related investment income Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes, if any, is recorded on the accrual basis. Amortization and accretion of premiums and discounts on debt securities, if any, is recorded on the accrual basis.

Dividend income, net of any applicable withholding taxes, is recognized on the ex-dividend date except that certain dividends from foreign securities, if any, are recognized as soon as the fund is informed of the ex-dividend date. Non-cash dividends, if any, are recorded at the fair value of the securities received. Dividends representing a return of capital or capital gains, if any, are reflected as a reduction of cost and/or as a realized gain.

The fund may have earned certain fees in connection with its senior loan purchasing activities. These fees, if any, are treated as market discount and are amortized into income in the Statement of operations.

Credit default contracts The fund entered into OTC and/or centrally cleared credit default contracts to hedge credit risk, for gaining liquid exposure to individual names and to hedge market risk.

In OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. For OTC credit default contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. Centrally cleared credit default contracts provide the same rights to the protection buyer and seller except the payments between parties, including upfront premiums, are settled through a central clearing agent through variation margin payments. Upfront and periodic payments received or paid by the fund for OTC and centrally cleared credit default contracts are recorded as realized gains or losses at the reset date or close of the contract. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change in value of OTC credit default contracts is recorded as an unrealized gain or loss. Daily fluctuations in the value of centrally cleared credit default contracts are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Upon the occurrence of a credit event, the difference between the par value and fair value of the reference obligation, net of any proportional amount of the upfront payment, is recorded as a realized gain or loss.

In addition to bearing the risk that the credit event will occur, the fund could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that the fund may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the fund may enter into offsetting OTC and centrally cleared credit default contracts which would mitigate its risk of loss. Risks of loss may exceed amounts recognized on the Statement of assets and liabilities. The fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared credit default contracts through the daily exchange of variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the fund is a seller of protection, the maximum potential amount of future payments the fund may be required to make is equal to the notional amount.

OTC and centrally cleared credit default contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

At the close of the reporting period, the fund has deposited cash valued at \$210,948 in a segregated account to cover margin requirements on open centrally cleared credit default contracts.

Master agreements The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements that govern OTC derivative and foreign exchange contracts and Master Securities Forward Transaction Agreements that govern transactions involving mortgage-backed and other asset-backed securities that may result in delayed delivery (Master Agreements) with certain counterparties entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations,

representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral pledged to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, are presented in the fund's portfolio.

Collateral pledged by the fund is segregated by the fund's custodian and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

With respect to ISDA Master Agreements, termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term or short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund did not have a net liability position on open derivative contracts subject to the Master Agreements.

Lines of credit The fund participates, along with other Putnam funds, in a \$320 million syndicated unsecured committed line of credit, provided by State Street (\$160 million) and JPMorgan (\$160 million), and a \$235.5 million unsecured uncommitted line of credit, provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the committed line of credit and 1.30% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit and 0.04% of the uncommitted line of credit has been paid by the participating funds and a \$75,000 fee has been paid by the participating funds to State Street as agent of the syndicated committed line of credit. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

Federal taxes It is the policy of the fund to distribute all of its taxable income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies. It is also the intention of the fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Code.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. The fund's federal tax return for the prior period remains subject to examination by the Internal Revenue Service.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At April 30, 2023, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

Loss carryover		
Short-term	Long-term	Total
\$264,265	\$—	\$264,265

Tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but closely approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. The aggregate identified cost on a tax basis is \$105,036,546, resulting in gross unrealized appreciation and depreciation of \$149,678 and \$4,492,612, respectively, or net unrealized depreciation of \$4,342,934.

Distributions to shareholders Distributions to shareholders from net investment income, if any, are recorded by the fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal year. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations.

Expenses of the Trust Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the Trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Note 2: Management fee, administrative services and other transactions

The fund pays the Manager an annual all-inclusive management fee of 0.55% based on the fund's average daily net assets computed and paid monthly. The management fee covers investment management services and all of the fund's organizational and other operating expenses with certain exceptions, including but not limited to: payments under distribution plans, interest expenses, taxes, brokerage commissions and other transaction costs, fund proxy expenses, litigation expenses, extraordinary expenses and acquired fund fees and expenses.

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.277% of the fund's average net assets.

The fund invests in Putnam Government Money Market Fund, an open-end management investment company managed by Putnam Management. Management fees paid by the fund are reduced by an amount equal to the management fees paid by Putnam Government Money Market Fund with respect to assets invested by the fund in Putnam Government Money Market Fund. During the reporting period, management fees paid were reduced by \$5,256 relating to the fund's investment in Putnam Government Money Market Fund.

PIL is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by PIL.

The fund has adopted a distribution and service plan pursuant to Rule 12b-1 under the 1940 Act that authorizes the fund to pay distribution fees in connection with the sale and distribution of its shares and service fees in connection with the provision of ongoing shareholder support services. No Rule 12b-1 fees are currently paid by the fund.

Note 3: Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales, excluding short-term investments, were as follows:

	Cost of purchases	Proceeds from sales
Investments in securities (Long-term)	\$16,700,478	\$15,792,002
U.S. government securities (Long-term)	—	—
Total	\$16,700,478	\$15,792,002

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

Note 4: Capital shares

Shares of the fund are listed and traded on NYSE Arca, Inc., and individual fund shares may only be bought and sold in the secondary market through a broker or dealer at market price. These transactions, which do not involve the fund, are made at market prices that may vary throughout the day, rather than at net asset value (NAV). Shares of the fund may trade at a price greater than the fund's NAV (premium) or less than the fund's NAV (discount). An investor may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase shares (bid) and the lowest price a seller is willing to accept for shares (ask) when buying or selling fund shares in the secondary market (the "bid-ask spread"). The fund will issue and redeem shares in large blocks of 25,000 shares called "Creation Units" on a continuous basis, at NAV, with authorized participants who have entered into agreements with the fund's distributor. The fund will generally issue and redeem Creation Units in return for a designated portfolio of securities (and an amount of cash) that the fund specifies each day. The fund generally imposes a transaction fee on investors purchasing or redeeming Creation Units. Investors transacting in Creation Units for cash may also pay an additional variable charge to compensate the fund for certain transaction costs and market impact expenses relating to investing in portfolio securities. Such variable charges, if any, are included in Other capital in the Statement of changes in net assets.

Note 5: Initial capitalization and offering of shares

The fund was established as a series of the Trust on May 10, 2022. The fund had no operations other than those related to organizational matters, including the initial capital contribution of \$25,000,000 by Putnam Investment Holdings, LLC and the issuance of 500,000 shares on January 19, 2023.

Note 6: Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

Name of affiliate	Fair value as of 4/30/23	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 10/31/23
Short-term investments					
Putnam Government Money Market Fund*	\$2,103,840	\$10,039,249	\$5,900,588	\$91,354	\$6,242,501
Total Short-term investments	\$2,103,840	\$10,039,249	\$5,900,588	\$91,354	\$6,242,501

* Management fees paid by the fund are reduced by an amount equal to the management fees paid by Putnam Government Money Market Fund with respect to assets invested by the fund in Putnam Government Money Market Fund (Note 2). There were no realized or unrealized gains or losses during the period.

Note 7: Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default.

The fund may invest in higher-yielding, lower-rated bonds that may have a higher rate of default.

Investing in companies or issuers that exhibit a commitment to ESG factors may result in the fund investing in certain types of companies or issuers that underperform the market as a whole. In evaluating an investment opportunity, Putnam Management may make investment decisions based on information and data that is incomplete or inaccurate. Due to changes in the products or services of the companies and issuers in which the fund invests, the fund may temporarily hold securities that are inconsistent with its ESG investment criteria.

Note 8: Senior loan commitments

Senior loans are purchased or sold on a when-issued or delayed delivery basis and may be settled a month or more after the trade date, which from time to time can delay the actual investment of available cash balances; interest income is accrued based on the terms of the securities. Senior loans can be acquired through an agent, by assignment from another holder of the loan, or as a participation interest in another holder's portion of the loan. When the fund invests in a loan or participation, the fund is subject to the risk that an intermediate participant between the fund and the borrower will fail to meet its obligations to the fund, in addition to the risk that the borrower under the loan may default on its obligations.

Note 9: Summary of derivative activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was based on an average of the holdings at the end of each fiscal quarter:

Centrally cleared credit default contracts (notional)	\$2,300,000
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The following is a summary of the fair value of derivative instruments as of the close of the reporting period:

Fair value of derivative instruments as of the close of the reporting period

Derivatives not accounted for as hedging instruments under ASC 815	ASSET DERIVATIVES		LIABILITY DERIVATIVES	
	Statement of assets and liabilities location	Fair value	Statement of assets and liabilities location	Fair value
Credit contracts	Receivables, Net assets — Unrealized appreciation	\$—	Payables, Net assets — Unrealized depreciation	\$4,856*
Total		\$—		\$4,856

* Includes cumulative appreciation/depreciation of centrally cleared swaps as reported in the fund's portfolio. Only current day's variation margin is reported within the Statement of assets and liabilities.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the Statement of operations for the reporting period (Note 1):

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815	Swaps	Total
Credit contracts	\$91,841	\$91,841
Total	\$91,841	\$91,841

Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815	Swaps	Total
Credit contracts	\$(61,743)	\$(61,743)
Total	\$(61,743)	\$(61,743)

Note 10: Offsetting of financial and derivative assets and liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 1. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

	Barclays Capital, Inc. (clearing broker)	Total
Assets:		
Centrally cleared credit default contracts [§]	\$5,926	\$5,926
Total Assets	\$5,926	\$5,926
Liabilities:		
Centrally cleared credit default contracts [§]	—	—
Total Liabilities	\$—	\$—
Total Financial and Derivative Net Assets	\$5,926	\$5,926
Total collateral received (pledged) ^{†##}	\$—	
Net amount	\$5,926	
<i>Controlled collateral received (including TBA commitments)**</i>	\$—	\$—
<i>Uncontrolled collateral received</i>	\$—	\$—
<i>Collateral (pledged) (including TBA commitments)**</i>	\$—	\$—

** Included with Investments in securities on the Statement of assets and liabilities.

† Additional collateral may be required from certain brokers based on individual agreements.

Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

§ Includes current day's variation margin only as reported on the Statement of assets and liabilities, which is not collateralized. Cumulative appreciation/(depreciation) for centrally cleared swap contracts is represented in the tables listed after the fund's portfolio. Collateral pledged for initial margin on centrally cleared swap contracts, which is not included in the table above, amounted to \$210,948.

Note 11: Of special note

On May 31, 2023, Franklin Resources, Inc. (“Franklin Resources”) and Great-West Lifeco Inc., the parent company of Putnam U.S. Holdings I, LLC (“Putnam Holdings”), announced that they have entered into a definitive agreement for a subsidiary of Franklin Resources to acquire Putnam Holdings in a stock and cash transaction.

As part of this transaction, Putnam Management, a wholly-owned subsidiary of Putnam Holdings and investment manager to the Putnam family of funds (the “Putnam Funds”), would become an indirect wholly-owned subsidiary of Franklin Resources.

The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals. Subject to such approvals and the satisfaction of these conditions, the transaction is currently expected to be consummated in the fourth quarter of 2023 or early 2024.

Under the Investment Company Act of 1940, as amended, consummation of the transaction will result in the automatic termination of the investment management contract between each Putnam Fund and Putnam Management and any related sub-management and sub-advisory contracts, where applicable. In anticipation of this automatic termination, on June 23, 2023, the Board of Trustees of the Putnam Funds approved a new investment management contract between each Putnam Fund and Putnam Management (and new sub-management and sub-advisory contracts, if applicable).

On October 20, 2023, the fund’s shareholders approved the new investment management contract with Putnam Management and the new sub-management contract for the fund between Putnam Management and PIL, each to take effect upon the consummation of the transaction. The terms of the new investment management and sub-management contracts are substantially similar to those of the previous investment management and sub-management contracts, and the fee rates payable under the new investment management and sub-management contracts are the same as the fee rates under the previous investment management and sub-management contracts.

Shareholder meeting results (Unaudited)

October 20, 2023 special meeting

At the meeting, a new Management Contract for your fund with Putnam Investment Management, LLC was approved, as follows:

Votes for	Votes against	Abstentions/Votes withheld
2,104,094	—	—

At the meeting, a new Sub-Management Contract for your fund between Putnam Investment Management, LLC and Putnam Investments Limited was approved, as follows:

Votes for	Votes against	Abstentions/Votes withheld
2,104,094	—	—

All tabulations are rounded to the nearest whole number.

Fund information

Founded over 85 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We manage funds across income, value, blend, growth, sustainable, and asset allocation categories.

Investment Manager

Putnam Investment
Management, LLC
100 Federal Street
Boston, MA 02110

Investment Sub-Advisor

Putnam Investments Limited
16 St James's Street
London, England SW1A 1ER

Distribution Services

Forside Fund Services, LLC
Three Canal Plaza, Suite 100
Portland, ME 04101

Custodian

State Street Bank
and Trust Company

Legal Counsel

Ropes & Gray LLP

Trustees

Kenneth R. Leibler, *Chair*
Barbara M. Baumann, *Vice Chair*
Liaquat Ahamed
Katinka Domotorffy
Catharine Bond Hill
Jennifer Williams Murphy
Marie Pillai
George Putnam III
Robert L. Reynolds
Manoj P. Singh
Mona K. Sutphen

Officers

Robert L. Reynolds
President

James F. Clark
*Vice President and
Chief Compliance Officer*

Michael J. Higgins
*Vice President, Treasurer,
and Clerk*

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

Richard T. Kircher
*Vice President and
BSA Compliance Officer*

Martin Lemaire
*Vice President and
Derivatives Risk Manager*

Susan G. Malloy
*Vice President and
Assistant Treasurer*

Alan G. McCormack
*Vice President and
Derivatives Risk Manager*

Denere P. Poulack
*Assistant Vice President,
Assistant Clerk, and
Assistant Treasurer*

Janet C. Smith
*Vice President,
Principal Financial Officer,
Principal Accounting Officer,
and Assistant Treasurer*

Stephen J. Tate
*Vice President and
Chief Legal Officer*

Mark C. Trenchard
Vice President

Call 1-833-228-5577 (toll free) Monday through Friday between 9:00 a.m. and 5:00 p.m. Eastern Time or visit putnam.com anytime for up-to-date information about the fund's NAV.

