

Objective

The fund seeks as high a rate of current income as we believe is consistent with preservation of capital and maintenance of liquidity.

Portfolio Managers

Joanne M. Driscoll, CFA
(industry since 1992)

Andrew Benson
(industry since 2008)

Michael J. Lima, CFA
(industry since 1997)

Michael V. Salm
(industry since 1989)

Morningstar category

Ultrashort Bond

Benchmark

ICE BofA U.S. Treasury Bill Index

Fund symbols

Class A	PSDTX
Class C	PSDLX
Class N	PSDNX
Class R	PSDRX
Class R6	PSDQX
Class Y	PSDYX

Maturity breakdown

Less than 60 days	22.9%
2 months–6 months	12.0%
6 months–1 year	15.0%
1–2 years	32.2%
2–3 years	16.8%
Over 3 years	1.1%

A cost-conscious and convenient option

- No up-front sales charge
- No redemption fees
- No minimum holding period

If an exchange is made from an existing Putnam fund that is currently under a 12-month CDSC period into Putnam Ultra Short Duration Income Fund, and liquidation takes place, then a possible 1% redemption fee may apply.

Not FDIC insured
May lose value
No bank guarantee

Putnam Ultra Short Duration Income Fund

Seeking capital preservation and a higher rate of current income

A broader opportunity set

The fund invests in a diversified portfolio composed of short-duration, investment-grade money market and other fixed income securities.

Active risk management

In today's complex bond market, the fund's experienced managers actively manage risk with the goal of superior risk-adjusted performance over time.

Higher income potential

Access to a wider range of income opportunities means the fund may offer higher income potential than other short-term investments.

Portfolio quality

A-1+	1.5%
A-1	1.6
A-2	15.2
A-3	3.3
AAA	7.6
AA	21.4
A	35.7
BBB	13.4
Not rated	0.9
Net cash	-0.6

Holdings represent 100% of the portfolio and will vary over time.

Credit qualities are shown as a percentage of the fund's net assets. A bond rated BBB or higher (A-3/SP-3 or higher, for short-term debt) is considered investment grade. This table reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings may vary over time. Net cash, if any, represents the market value weights of cash and derivatives and may show a negative market value as a result of the timing of trade versus settlement date transactions. **The fund itself has not been rated by an independent rating agency.**

Daily net asset value (Y shares)

NAV as of 7/31/2022	\$9.99	
NAV at inception	\$10.00	
Number of trading days since inception	2,715	
Daily movement	# of days	% of total days
Days with stable NAV	2,576	95%
Days with NAV increases	74	3%
Days with NAV decreases	65	2%
NAV movement		
Highest NAV	\$10.11	
Lowest NAV	\$9.81	
Largest daily NAV increase	\$0.02	
Largest daily NAV decrease	-\$0.05	

Portfolio composition

Investment-grade corporate bonds	68.9%
Commercial paper	20.1
Asset-backed securities	4.7
Residential MBS (non-agency)	2.9
Short-term asset-backed securities	2.4
Repurchase agreement	0.8
Certificate of deposit	0.8
Net cash	-0.6

Top 10 issuers

Goldman Sachs	1.45%
Bank of America	1.42
Royal Bank of Canada	1.42
Credit Suisse	1.41
Morgan Stanley	1.39
JPMorgan Chase	1.39
Citigroup	1.36
UBS	1.34
Canadian Imperial Bank of Commerce	1.32
Banco Santander	1.26

Holdings in the top 10 issuers represent 13.76% of the portfolio and will vary over time. All holdings are subject to review in accordance with the fund's investment strategy.

Coupon type

Floating rate	64.9%
Fixed rate	35.7
Net cash	-0.6

The fund may be attractive to

- Investors seeking a broader range of income opportunities for their conservative allocations
- Investors who are in, or near, retirement and are seeking capital preservation and monthly income distributions
- Investors seeking a fund that employs modern portfolio strategies in an effort to limit market risk

Expense ratio

(Y shares)	
Total expense ratio	0.36%
What you pay	0.30%
(A shares)	
Total expense ratio	0.46%
What you pay	0.40%

“What you pay” reflects Putnam Management’s decision to contractually limit expenses through 11/30/22.

Net assets

\$12,673.74M

Number of issues

555

Number of issuers

342

Dividend frequency

Monthly

Average effective duration

0.23

3-year average duration

0.28

Average effective maturity

1.09

30-day SEC yield

(Y shares)	
Without subsidy	2.14%
With subsidy	2.22%
(A shares)	
Without subsidy	2.04%
With subsidy	2.12%

Standard deviation measures how widely a set of values varies from the mean. It is a historical measure of the variability of return earned by an investment portfolio. **Average effective maturity** depends on the maturity of the underlying bonds within each fund. The longer the maturity, the greater the interest-rate risk. **Average effective duration** provides a measure of a fund’s interest-rate sensitivity. The longer a fund’s duration, the more sensitive the fund is to shifts in interest rates. **3-year average duration** is an arithmetic average of month-end values over the previous 3-year period.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
FS736_YA 330923 8/22

Annual performance (all distributions reinvested)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Y shares at net asset value	0.79%	0.51%	0.37%	1.08%	1.39%	1.93%	2.85%	1.48%	0.08%	-0.32%
A shares before sales charge	0.59	0.51	0.27	0.98	1.30	1.83	2.75	1.38	-0.02	-0.38
Benchmark	0.09	0.06	0.09	0.37	0.81	1.88	2.35	0.74	0.05	0.12

Annualized total return performance

As of 7/31/22	1 year	3 years	5 years	10 years	Life of fund
Y shares (Inception 10/17/11)	-0.39%	0.72%	1.30%	1.06%	1.05%
A shares (Inception 10/17/11)	-0.49	0.62	1.20	0.96	0.94
Benchmark	0.13	0.59	1.11	0.66	0.62

	Y shares	A shares
3-year standard deviation	1.39	1.39

As of 6/30/22	1 year	3 years	5 years	10 years	Life of fund
Y shares (Inception 10/17/11)	-0.60%	0.75%	1.31%	1.06%	1.04%
A shares (Inception 10/17/11)	-0.60	0.65	1.21	0.96	0.93
Benchmark	0.07	0.63	1.11	0.65	0.61

	Y shares	A shares
3-year standard deviation	1.39	1.39

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

Sector breakdown

Financials	57.7%
Utilities	6.4
Consumer cyclicals	5.4
Asset-backed securities	4.7
Basic materials	4.5
Energy	3.4
Health care	3.0
Residential MBS (non-agency)	2.9
Technology	2.9
Communication services	2.6
Short-term asset-backed securities	2.4
Capital goods	2.1
Consumer staples	1.5
Real estate investment trust	0.7
Conglomerates	0.3
Net cash	-0.6

Allocations will vary over time. Due to rounding, percentages may not equal 100%. The “Net cash” category may show a negative market value percentage as a result of the timing of trade verses settlement date transactions.

The ICE BofA (Intercontinental Exchange Bank of America) U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S. dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. ICE Data Indices, LLC (ICE BofA), used with permission. ICE BofA permits use of the ICE BofA indices and related data on an “as is” basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services. You cannot invest directly in an index.

Not all share classes are available on all platforms.

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

The value of investments in the fund’s portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund’s portfolio holdings.

Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Credit risk is generally greater for debt not backed by the full faith and credit of the U.S. government.

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

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

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