Q2 | 2019

Active income funds cover more ground

Putnam active strategies pursue diverse income opportunities for client portfolios.

	Putnam Ultra Short Duration Income Fund (PSDYX)*	Putnam Income Fund (PNCYX)	Putnam Diversified Income Trust (PDVYX)
Duration exposure	0.22 years	5.46 years	3.40 years
Duration strategy	Positive: 1 year or less	Positive: Managed relative to BBG Barclays U.S. Aggregate Bond Index	Flexible: Can be negative or positive
Opportunity set	Investment-grade money market and other short-dated fixed-income securities: • Commercial paper • Asset-backed commercial paper • CDs • Repurchase agreements • Agencies • Agency MBS • Investment-grade corporates • CMBS • Non-agency RMBS • Asset-backed securities	All sectors of the U.S. bond market (USD and mainly investment grade): • Agencies • Agency MBS • Investment-grade corporates • CMBS • Non-agency RMBS • Agency IO	Less constrained: • Agencies • Agency MBS • Investment-grade corporates • CMBS • Non-agency RMBS • Agency IO • High yield • Emerging-market debt • Currencies • Bank loans • Convertibles
30-day SEC yield	2.45% without subsidy, 2.58% with subsidy	3.49%	4.19%
Fund AUM	$15,885.00M	$2,055.40M	$4,214.88M
Correlation† to index	0.16	0.88	–0.21
Morningstar category	Ultrashort bond	Intermediate core-plus bond	Nontraditional bond
Lipper category	Ultra-short obligations	Core bond	Alternative credit focus
How to position in portfolios	A lower volatility alternative to ultra-short bond funds	A more diversified core bond strategy	A more aggressive nontraditional income strategy
For investors seeking	• Potentially higher return on a conservative investment allocation • Options for diversifying significant short-term holdings • Liquidity for a short investment horizon • Low and sometimes negative correlation with the Aggregate Index	• Less alignment with the sector allocations of the BBG Barclays U.S. Aggregate Index • A complement to core bond strategies that closely track the Aggregate Index	• Negative correlation with the BBG Barclays U.S. Aggregate Index • Lower and more flexible duration risk • Diversification in sectors with higher risk/return profiles and lower correlation with investment-grade bonds

* Effective June 1, 2019, the fund's name changed from Putnam Short Duration Income Fund.

† 3-year correlation to BBG Barclays U.S. Aggregate Bond Index as of 6/30/19.

Long-term records versus benchmark indexes

The funds have outperformed their benchmarks in nearly all periods.

Annualized total return as of 6/30/19

Putnam Ultra Short Duration Income Fund (PSDYX)

Class Y shares Inception 10/17/11	**At NAV**	**ICE BofAML U.S. Treasury Bill Index**
1 year	2.60%	2.39%
3 years	1.85	1.38
5 years	1.31	0.89
Life of fund	1.16	0.61

Total expense ratio: 0.44%
What you pay: 0.30% (effective through 11/30/19)

Putnam Income Fund (PNCYX)*

Class Y shares Inception 6/16/94	**At NAV**	**BBG Barclays U.S. Aggregate Bond Index**
1 year	7.59%	7.87%
3 years	4.93	2.31
5 years	2.99	2.95
10 years	6.49	3.90
Life of fund	7.52	—

Total expense ratio: 0.63%

Putnam Diversified Income Trust (PDVYX)†

Class Y shares Inception 7/1/96	**At NAV**	**ICE BofAML U.S. Treasury Bill Index**
1 year	3.59%	2.39%
3 years	7.19	1.38
5 years	2.63	0.89
10 years	7.04	0.52
Life of fund	6.25	—

Total expense ratio: 0.73%

* Putnam Income Fund class A shares inception date is 11/1/54.

† Putnam Diversified Income Trust class A shares inception date is 10/3/88.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. For the most recent month-end performance, please visit putnam.com. Class Y shares before their inception are derived from the historical performance of class A shares, which have not been adjusted for the lower expenses; had they, returns would have been higher. Class Y shares are generally only available for corporate and institutional clients and have no initial sales charge.

Consider these risks before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value when interest rates decline and decline in value when interest rates rise. 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). The fund may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields. Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. 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. 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. You can lose money by investing in the fund.

For Putnam Ultra Short Duration Income Fund, 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. You can lose money by investing in the fund.

The ICE BofAML 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.

The Bloomberg (BBG) Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index.

Your clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.