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Putnam INVESTMENTS

Putnam PanAgora Risk Parity Fund

Semiannual report
2 | 28 | 22

Putnam PanAgora funds pursue systematic, rule-based strategies that combine cutting-edge quantitative techniques with fundamental investment insights.

FUND SYMBOL
CLASS A
PPRPX

Putnam PanAgora Risk Parity Fund

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Message from the Trustees

April 6, 2022

Dear Fellow Shareholder:

Financial markets have been bumpy in recent months. Investors are weighing the risks of rising inflation, changes in Federal Reserve policy, the latest Covid-19 variants, and the global impact of the Russia-Ukraine conflict.

In times like these, it's worth remembering the benefits of staying focused on your long-term financial goals. At Putnam, professional, active investors are working for you. They are monitoring risks while looking for strong potential investments for your fund. Learn more in the interview with your fund manager(s) in the following pages.

Thank you for investing with Putnam.

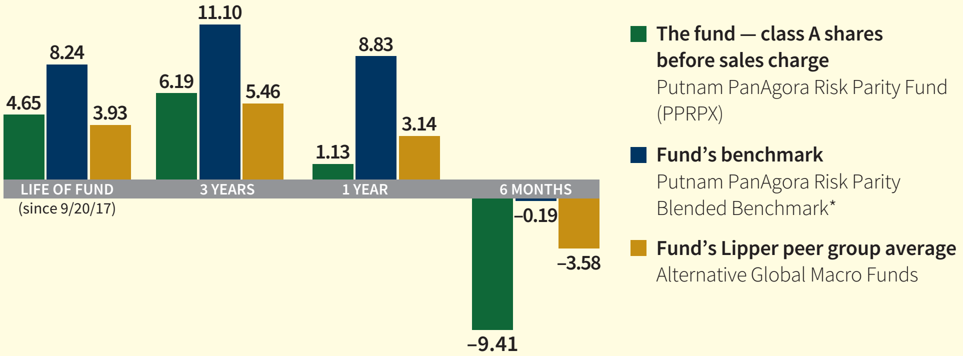
Respectfully yours,

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments

Kenneth R. Leibler
Chair, Board of Trustees

Performance history as of 2/28/22

Annualized total return (%) comparison



Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will fluctuate, and you may have a gain or a loss when you sell your shares. Performance of class A shares assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart do not reflect a sales charge of 5.75%; had they, returns would have been lower. See below and pages 7–9 for additional performance information. For a portion of the periods, the fund had expense limitations, without which returns would have been lower. To obtain the most recent month-end performance, visit putnam.com.

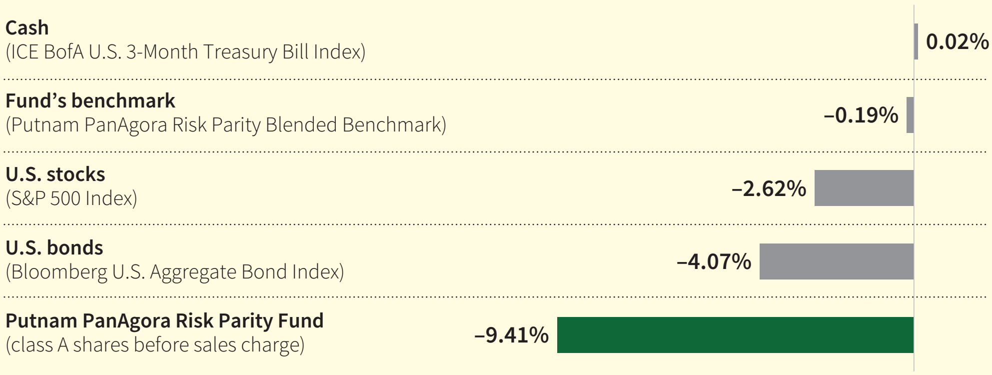
Returns for periods of less than one year are not annualized.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group average provided by Lipper, a Refinitiv company.

* *The Putnam PanAgora Risk Parity Blended Benchmark is an unmanaged index administered by Putnam Management, 35% of which is the MSCI ACWI (ND), 50% of which is the Bloomberg U.S. Long Treasury Index, and 15% of which is the S&P GSCI.*

Recent broad market index and fund performance



This comparison shows your fund's performance in the context of broad market indexes for the six months ended 2/28/22. See above and pages 7–9 for additional fund performance information. Index descriptions can be found on pages 13–14.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Interview with your fund's portfolio managers

Edward Qian and Bryan Belton discuss the investing environment and fund performance for the six months ended February 28, 2022, as well as their outlook for the fund.

Edward Qian, Ph.D.
Portfolio Manager

Edward is Chief Investment Officer and Head of Multi-Asset Research at PanAgora Asset Management. He has a Ph.D. from Florida State University, an M.S. from The Chinese Science Academy, and a B.S. from Peking University. Edward joined PanAgora in 2005 and has been in the investment industry since 1996.

Bryan D. Belton, CFA
Portfolio Manager

Bryan is a Managing Director in the Multi-Asset group at PanAgora Asset Management. He has an M.S.F. from Northeastern University and an A.B. from Boston College. Bryan joined PanAgora in 2005 and has been in the investment industry since 1997.

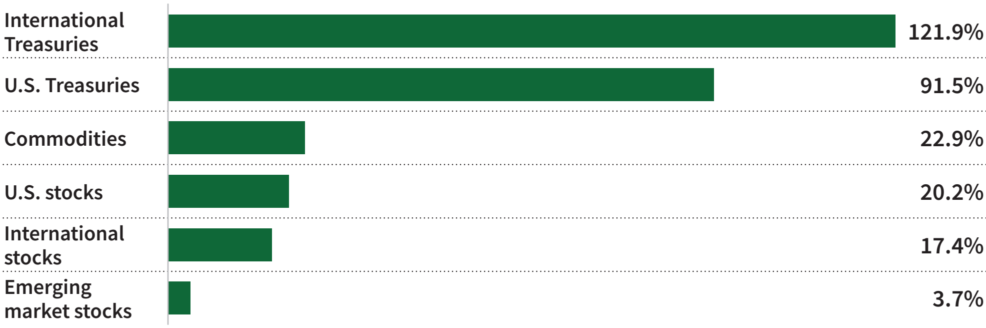
How did stocks perform for the six-month reporting period ended February 28, 2022?

At the start of the period, stocks were supported by economic growth and government stimulus. Strong corporate earnings pushed stock markets to record highs in October 2021. As cases of Covid-19 declined and global economies reopened, consumer and business demand quickly outpaced supply. A global shortage of materials, parts, and labor and higher commodity prices stoked inflationary concerns. In November, many leading central banks began to normalize their monetary policy. In December, the spread of the Omicron Covid variant caused a return to mobility restrictions. Global supply chain disruptions worsened.

Stocks declined in January and February 2022. At the start of the year, investors faced a 1970s-style commodity shock and a sell-off in technology stocks similar to the dot-com bubble [and burst]. By mid-February, investors were cautioned by rising tensions in Europe, culminating in Russia's invasion of Ukraine on February 24. Growing political and economic uncertainty curbed investors' appetite for risk assets.

For the six-month reporting period, U.S. large-cap equities outperformed U.S. small caps. The S&P 500 Index returned –2.62%

Portfolio composition



The chart shows the fund's total exposures as a percentage of the fund's net assets as of 2/28/22. Allocations will not total 100% because the table reflects the notional value of derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities. Holdings and allocations may vary over time.

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compared with –9.46% for the Russell 2000 Index. Non-U.S. developed markets also declined with the MSCI World ex-U.S. Index [ND] returning –5.73%. Emerging market equities were the worst-performing asset class. The MSCI Emerging Markets Index [ND] returned –9.81% for the period.

How did bonds and commodities perform for the reporting period?

Beginning in late September 2021, global central banks took a more hawkish stance in the face of strengthening economic conditions and persistent inflation. The U.S. Federal Reserve, Bank of England, Bank of Canada, Reserve Bank of New Zealand, and a host of developing country central banks began communicating their intentions to tighten monetary conditions. In some cases, banks were signaling an accelerated timetable to normalize policy.

The U.S. 10-year Treasury yield began the period at 1.31%, peaked at 2.05% in mid-February 2022, and closed the period at 1.83%. The U.S. dollar rallied on the news of Russia's invasion of Ukraine, which helped the Fed to tighten financial conditions organically. Russia's assault on Ukraine forced investors to rethink their forward-looking central bank policy assumptions.

Investor expectations had been growing increasingly hawkish prior to the events of late February. Soaring consumer and producer prices, combined with resilient economic output, caused investors to anticipate higher interest rates. By mid-February, investors were bracing for the Fed to raise interest rates by 0.50% in March. However, economic uncertainty surrounding the Russia-Ukraine War changed the Fed's projected path. By the end of the period, the Fed confirmed it would raise interest rates by 0.25% in March 2022.

For the six-month reporting period, the Bloomberg U.S. Treasury Index returned –3.43%. The FTSE World Government Bond Index ex-U.S. [Hedged] trailed close behind, with a return of –3.88%. U.S. investment-grade credit fared worse, with the Bloomberg U.S. Credit Index returning –5.84%.

Aside from the Russia-Ukraine War, the period's most important market development was the surge in commodity prices. Brent crude oil prices topped $100 per barrel for the first time since 2014. Outside of oil, the energy, metals, and soft complexes all finished February 2022 significantly higher. With Russian and much-smaller Ukrainian production offline, the global supply-and-demand imbalance worsened in commodities. The energy-heavy

> **“Aside from the Russia-Ukraine War, the period’s most important market development was the surge in commodity prices.”**

S&P GSCI finished the period with a substantial return of 30.70%.

How did the fund perform for the reporting period?

On an absolute performance basis, Putnam PanAgora Risk Parity Fund returned –9.41%, net of fees. Both equities and nominal fixed income detracted from performance, while inflation-protected assets [commodities] contributed positively for the period.

On a relative performance basis, the fund underperformed the Putnam PanAgora Risk Parity Blended Benchmark, which returned –0.19%. This custom benchmark comprises 35% the MSCI ACWI [ND], 50% the Bloomberg U.S. Long Treasury Index, and 15% the S&P GSCI.

What strategies impacted fund performance during the reporting period?

Within equities, each of the sub-asset classes detracted from results. Within nominal fixed income, international government debt was the largest detractor, followed by U.S. government debt.

The fund’s risk-balanced allocation to fixed income lagged the fixed income component of the custom benchmark. The underperformance was worsened by the negative return contribution from international government debt, which is not represented in the custom benchmark. The fund’s risk-balanced exposure to equities also modestly underperformed relative to the capitalization-weighted equity exposure of the custom benchmark. Lastly, the fund’s risk-balanced exposure to commodities underperformed relative to the more heavily energy-weighted S&P GSCI component of the custom benchmark.

ABOUT DERIVATIVES

Derivatives are an increasingly common type of investment instrument, the performance of which is *derived* from an underlying security, index, currency, or other area of the capital markets. Derivatives employed by the fund’s managers generally serve one of two main purposes: to gain exposure to different asset classes, or to gain exposure to different areas of risk.

For example, the fund’s managers might use futures contracts to gain exposure to equity securities, fixed income securities, or commodities. These asset classes offer different return potential and exposure to different investment risks.

Like any other investment, derivatives may not appreciate in value and may lose money. Derivatives may amplify traditional investment risks through the creation of leverage and may be less liquid than traditional securities. And because derivatives typically represent contractual agreements between two financial institutions, derivatives entail “counterparty risk,” which is the risk that the other party is unable or unwilling to pay. PanAgora monitors the counterparty risks. For example, PanAgora often enters into collateral agreements that require the counterparties to post collateral on a regular basis to cover their obligations to the fund. Counterparty risk for exchange-traded futures and centrally cleared swaps is mitigated by the daily exchange of margin and other safeguards against default through their respective clearinghouses.

How did the fund use derivatives during the reporting period?

We used futures to help increase our exposure to equity securities, fixed income securities, and commodities.

How is the fund positioned as of March 1, 2022?

Putnam PanAgora Risk Parity Fund seeks to generate stable wealth creation over time using a systematic multi-asset investing approach. This approach uses a combination of better strategic asset allocation and tactical portfolio management. As a reminder, the fund is systematically rebalanced by the investment team at the beginning of each month. As of the beginning of March 2022, the fund continued to be overweight in inflation-protected assets and underweight in equities and nominal fixed income relative to the strategic [long-term] risk targets. As the markets evolve, the investment team will continue to monitor and manage the fund through systematic portfolio rebalancing, targeting constant volatility, dynamic risk allocation, and risk diversification.

Thank you, Edward and Bryan, for your time and insights today.

Past performance is not a guarantee of future results.

The opinions expressed in this article represent the current, good faith views of the author(s) at the time of publication, are provided for limited purposes, are not definitive investment advice, and should not be relied on as such. The information presented in this article has been developed internally and/or obtained from sources believed to be reliable; however, PanAgora Asset Management, Inc. (PanAgora) does not guarantee the accuracy, adequacy, or completeness of such information. Predictions, opinions, and other information contained in this article are subject to change continually and without notice of any kind and may no longer be true after the date indicated. As with any investment, there is a potential for profit as well as the possibility of loss.

Any forward-looking statements speak only as of the date they are made, and PanAgora assumes no duty to and does not undertake to update forward-looking statements. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements. This material is directed exclusively at investment professionals. Any investments to which this material relates are available only to or will be engaged in only with investment professionals.

Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended February 28, 2022, the end of the first half of its current fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance information as of the most recent calendar quarter-end and expense information taken from the fund's current prospectus. Performance should always be considered in light of a fund's investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance information does not reflect any deduction for taxes a shareholder may owe on fund distributions or on the redemption of fund shares. For the most recent month-end performance, please visit the Individual Investors section at putnam.com or call Putnam at 1-800-225-1581. Class R, R6, and Y shares are not available to all investors. See the Terms and definitions section in this report for definitions of the share classes offered by your fund.

Fund performance Total return for periods ended 2/28/22

	Life of fund	Annual average	3 years	Annual average	1 year	6 months
Class A (9/20/17)						
Before sales charge	22.37%	4.65%	19.75%	6.19%	1.13%	–9.41%
After sales charge	15.33	3.26	12.87	4.12	–4.68	–14.62
Class B (9/20/17)						
Before CDSC	18.45	3.89	17.15	5.42	0.39	–9.67
After CDSC	16.71	3.54	14.54	4.63	–4.11	–13.72
Class C (9/20/17)						
Before CDSC	18.53	3.90	17.11	5.41	0.45	–9.63
After CDSC	18.53	3.90	17.11	5.41	–0.45	–10.44
Class R (9/20/17)						
Net asset value	21.13	4.41	18.84	5.92	0.90	–9.48
Class R6 (9/20/17)						
Net asset value	23.65	4.90	20.46	6.40	1.32	–9.28
Class Y (9/20/17)						
Net asset value	23.74	4.91	20.54	6.43	1.39	–9.30

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. After-sales-charge returns for class A shares reflect the deduction of the maximum 5.75% sales charge levied at the time of purchase. Class B share returns after contingent deferred sales charge (CDSC) reflect the applicable CDSC, which is 5% in the first year, declining over time to 1% in the sixth year, and is eliminated thereafter. Class C share returns after CDSC reflect a 1% CDSC for the first year that is eliminated thereafter. Class R, R6, and Y shares have no initial sales charge or CDSC.

For a portion of the periods, the fund had expense limitations, without which returns would have been lower.

Comparative index returns For periods ended 2/28/22

	Life of fund	Annual average	3 years	Annual average	1 year	6 months
Putnam PanAgora Risk Parity Blended Benchmark*	42.15%	8.24%	37.13%	11.10%	8.83%	–0.19%
Lipper Alternative Global Macro Funds category average†	19.53	3.93	17.80	5.46	3.14	–3.58

Index and Lipper results should be compared with fund performance before sales charge, before CDSC, or at net asset value.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group average provided by Lipper, a Refinitiv company.

* The Putnam PanAgora Risk Parity Blended Benchmark is an unmanaged index administered by Putnam Management, 35% of which is the MSCI ACWI (ND), 50% of which is the Bloomberg U.S. Long Treasury Index, and 15% of which is the S&P GSCI.

† Over the 6-month, 1-year, 3-year, and life-of-fund periods ended 2/28/22, there were 195, 195, 186, and 182 funds, respectively, in this Lipper category.

Fund price and distribution information For the six-month period ended 2/28/22

Distributions	Class A		Class B	Class C	Class R	Class R6	Class Y
Number	1		1	1	1	1	1
Income	$0.313		$0.236	$0.262	$0.287	$0.279	$0.339
Capital gains							
Long-term gains	0.339		0.339	0.339	0.339	0.339	0.339
Short-term gains	0.506		0.506	0.506	0.506	0.506	0.506
Total	**$1.158**		**$1.081**	**$1.107**	**$1.132**	**$1.124**	**$1.184**
Share value	Before sales charge	After sales charge	Net asset value	Net asset value	Net asset value	Net asset value	Net asset value
8/31/21	$10.94	$11.61	$10.77	$10.76	$10.89	$10.99	$11.00
2/28/22	8.83	9.37	8.72	8.69	8.80	8.92	8.87

The classification of distributions, if any, is an estimate. Before-sales-charge share value and current dividend rate for class A, if applicable, do not take into account any sales charge levied at the time of purchase. After-sales-charge share value, current dividend rate, and current 30-day SEC yield, if applicable, are calculated assuming that the maximum sales charge (5.75% for class A shares) was levied at the time of purchase. Final distribution information will appear on your year-end tax forms.

Fund performance as of most recent calendar quarter Total return for periods ended 3/31/22

	Life of fund	Annual average	3 years	Annual average	1 year	6 months
Class A (9/20/17)						
Before sales charge	21.26%	4.35%	14.57%	4.64%	–0.29%	–5.75%
After sales charge	14.29	2.99	7.98	2.59	–6.03	–11.17
Class B (9/20/17)						
Before CDSC	17.23	3.57	12.03	3.86	–1.05	–6.07
After CDSC	15.51	3.23	9.54	3.08	–5.49	–10.28
Class C (9/20/17)						
Before CDSC	17.17	3.56	11.97	3.84	–1.12	–6.14
After CDSC	17.17	3.56	11.97	3.84	–2.00	–6.98
Class R (9/20/17)						
Net asset value	19.89	4.08	13.67	4.36	–0.54	–5.91
Class R6 (9/20/17)						
Net asset value	22.54	4.59	15.37	4.88	0.00	–5.63
Class Y (9/20/17)						
Net asset value	22.62	4.60	15.45	4.91	–0.03	–5.57

See the discussion following the fund performance table on page 7 for information about the calculation of fund performance.

Your fund's expenses

As a mutual fund investor, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. 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 one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial representative.

Expense ratios

	Class A	Class B	Class C	Class R	Class R6	Class Y
Net expenses for the fiscal year ended 8/31/21*†	1.38%	2.13%	2.13%	1.63%	1.14%	1.13%
Total annual operating expenses for the fiscal year ended 8/31/21†	1.62%	2.37%	2.37%	1.87%	1.38%	1.37%
Annualized expense ratio for the six-month period ended 2/28/22Ω	1.27%	2.02%	2.02%	1.52%	1.03%	1.02%

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 consolidated financial highlights of this report.

Prospectus expense information also includes the impact of acquired fund fees and expenses of 0.08%, which is not included in the consolidated financial highlights or annualized expense ratios. Expenses are shown as a percentage of average net assets.

* Reflects Putnam Management's contractual obligation to limit certain fund expenses through 12/30/22.

† Includes management fee payable to Putnam Investment Management, LLC ("Putnam Management") by the fund's wholly-owned subsidiary. The management fee paid by the fund to Putnam Management is reduced by an amount equal to the management fee Putnam Management receives from the subsidiary under the management contract between Putnam Management and the subsidiary.

Ω Includes interest expense of 0.03%.

Expenses per $1,000

The following table shows the expenses you would have paid on a $1,000 investment in each class of the fund from 9/1/21 to 2/28/22. It also shows how much a $1,000 investment would be worth at the close of the period, assuming *actual returns* and expenses.

	Class A	Class B	Class C	Class R	Class R6	Class Y
Expenses paid per $1,000*†	$6.00	$9.53	$9.53	$7.18	$4.87	$4.82
Ending value (after expenses)	$905.90	$903.30	$903.70	$905.20	$907.20	$907.00

* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 2/28/22. The expense ratio may differ for each share class.

† 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 (181); and then dividing that result by the number of days in the year (365).

Estimate the expenses you paid

To estimate the ongoing expenses you paid for the six months ended 2/28/22, use the following calculation method. To find the value of your investment on 9/1/21, call Putnam at 1-800-225-1581.

How to calculate the expenses you paid							
Value of your investment on 9/1/21	÷	**$1,000**	**x**	**Expenses paid per $1,000**	=	**Total expenses paid**
Example *Based on a $10,000 investment in class A shares of your fund.*						
$10,000	÷	**$1,000**	**x**	**$6.00** *(see preceding table)*	=	**$60.00**

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 mutual fund 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.

	Class A	Class B	Class C	Class R	Class R6	Class Y
Expenses paid per $1,000*†	$6.36	$10.09	$10.09	$7.60	$5.16	$5.11
Ending value (after expenses)	$1,018.50	$1,014.78	$1,014.78	$1,017.26	$1,019.69	$1,019.74

* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 2/28/22. The expense ratio may differ for each share class.

† 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 (181); and then dividing that result by the number of days in the year (365).

Consider these risks before investing

There can be no assurance that a "risk parity" approach will achieve any particular level of return or will, in fact, reduce volatility or potential loss. The fund's allocation of assets may hurt performance, and efforts to diversify risk through the use of leverage may be unsuccessful. Quantitative models or data may be incorrect or incomplete, and reliance on those models or data may not produce the desired results.

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, asset class, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Bond investments in which the fund invests (or has exposure to) are subject to interest-rate risk and credit risk. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. The value of inflation-protected securities generally declines during periods of rising real interest rates, and, when real interest rates rise faster than nominal interest rates, inflation-indexed bonds to which the fund is exposed may experience greater losses than other fixed income securities with similar durations. Exposure to the commodities markets may subject the fund to greater volatility than investments in traditional securities. Risks associated with derivatives (including "short" derivatives) include losses caused by unexpected market movements (which are potentially unlimited), imperfect correlation between the price of the derivative and the price of the underlying asset, increased investment exposure (which may be considered leverage), the potential inability to terminate or sell derivatives positions, the potential need to sell securities at disadvantageous times to meet margin or segregation requirements, the potential inability to recover margin or other amounts deposited from a counterparty, and the potential failure of the other party to the instrument to meet its obligations. Leveraging can result in volatility in the fund's performance and losses in excess of the amounts invested. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments.

The fund invests in (or provides exposure to) fewer issuers or makes large investments in (or provides large amounts of exposure to) a small number of issuers and involves more risk than a fund that invests more broadly. By investing in open-end or closed-end investment companies and ETFs, the fund is indirectly exposed to the risks associated with direct ownership of the securities held by those investment companies or ETFs. By investing in a subsidiary, the fund is indirectly exposed to the risks associated with the subsidiary's investments.

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.

Terms and definitions

Important terms

Total return shows how the value of the fund's shares changed over time, assuming you held the shares through the entire period and reinvested all distributions in the fund.

Before sales charge, or net asset value, is the price, or value, of one share of a mutual fund, without a sales charge. Before-sales-charge figures fluctuate with market conditions. They are calculated by dividing the net assets of each class of shares by the number of outstanding shares in the class.

After sales charge is the price of a mutual fund share plus the maximum sales charge levied at the time of purchase. After-sales-charge performance figures shown here assume the 5.75% maximum sales charge for class A shares.

Contingent deferred sales charge (CDSC) is generally a charge applied at the time of the redemption of class B or C shares and assumes redemption at the end of the period. Your fund's class B CDSC declines over time from a 5% maximum during the first year to 1% during the sixth year. After the sixth year, the CDSC no longer applies. The CDSC for class C shares is 1% for one year after purchase.

Share classes

Class A shares are generally subject to an initial sales charge and no CDSC (except on certain redemptions of shares bought without an initial sales charge).

Class B shares are closed to new investments and are only available by exchange from class B shares of another Putnam fund or through dividend and/ or capital gains reinvestment. They are not subject to an initial sales charge and may be subject to a CDSC.

Class C shares are not subject to an initial sales charge and are subject to a CDSC only if the shares are redeemed during the first year.

Class R shares are not subject to an initial sales charge or CDSC and are only available to employer-sponsored retirement plans.

Class R6 shares are not subject to an initial sales charge or CDSC and carry no 12b-1 fee. They are generally only available to employer-sponsored retirement plans, corporate and institutional clients, and clients in other approved programs.

Class Y shares are not subject to an initial sales charge or CDSC and carry no 12b-1 fee. They are generally only available to corporate and institutional clients and clients in other approved programs.

Comparative indexes

Bloomberg U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

Bloomberg U.S. Credit Index is an unmanaged index of U.S. dollar-denominated, investment-grade, fixed-rate, taxable corporate and government-related bonds.

Bloomberg U.S. Long Treasury Index is an unmanaged index of all publicly issued, U.S. Treasury securities that have a remaining maturity of 10 or more years, are investment-grade rated, and have $250 million or more of outstanding face value.

Bloomberg U.S. Treasury Index is an unmanaged index of U.S. dollar-denominated, fixed-rate, nominal debt issued by the U.S. Treasury.

FTSE® World Government Bond Index (WGBI) ex-U.S. (Hedged) is an unmanaged index that represents the world bond market, excluding the United States.

ICE BofA (Intercontinental Exchange Bank of America) U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

MSCI ACWI (All Country World Index) (ND) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. Calculated with net dividends (ND), this total return index reflects the reinvestment of dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets Index (ND) is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. Calculated with net dividends (ND), this total return index reflects the reinvestment of dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI World ex-U.S. Index (ND) is an unmanaged index of equity securities from developed countries, excluding the United States. Calculated with net dividends (ND), this total return index reflects the reinvestment of dividends after the deduction of withholding taxes, using a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Putnam PanAgora Risk Parity Blended Benchmark is an unmanaged index administered by Putnam Management, 35% of which is the MSCI ACWI (ND), 50% of which is the Bloomberg U.S. Long Treasury Index, and 15% of which is the S&P GSCI®.

Russell 2000® Index is an unmanaged index of 2,000 small companies in the Russell 3000® Index.

S&P 500® Index is an unmanaged index of common stock performance.

S&P GSCI® is a composite index of commodity sector returns that represents a broadly diversified, unleveraged, long-only position in commodity futures.

Indexes assume reinvestment of all distributions and do not account for fees. Securities and performance of a fund and an index will differ. You cannot invest directly in an index.

Lipper, a Refinitiv company, is a third-party industry-ranking entity that ranks mutual funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund's category assignment at its discretion. Lipper category averages reflect performance trends for funds within a category.

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, and Putnam will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our mutual 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 12-month period ended June 30, 2021, 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.

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.

Prior to its use of Form N-PORT, the fund filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online 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 mutual funds. As of February 28, 2022, Putnam employees had approximately $526,000,000 and the Trustees had approximately $77,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Consolidated financial statements

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

The fund's consolidated 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.

Consolidated 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.)

Consolidated 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.

Consolidated 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 Consolidated 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 year.

Consolidated financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover 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 consolidated portfolio 2/28/22 (Unaudited)

SHORT-TERM INVESTMENTS (98.0%)*		**Principal amount/ shares**	**Value**
State Street Institutional Treasury Plus Money Market Fund, Investor Class 0.01%	Shares	4,620,004	$4,620,004
State Street Institutional U.S. Government Money Market Fund, Investor Class 0.01% ΩΩ	Shares	4,279,733	4,279,733
U.S. Treasury Bills, 0.046%, 3/17/22 # ΩΩ		$26,325,000	26,324,693
Total short-term investments (cost $35,224,205)			**$35,224,430**

TOTAL INVESTMENTS	
Total investments (cost $35,224,205)	**$35,224,430**

Notes to the fund's consolidated portfolio

Unless noted otherwise, the notes to the fund's consolidated portfolio are for the close of the fund's reporting period, which ran from September 1, 2021 through February 28, 2022 (the reporting period). Within the following notes to the fund's consolidated portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC, references to "the SEC" represent the Securities and Exchange Commission and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of $35,931,256.

This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period. Collateral at period end totaled $4,324,957 and is included in Investments in securities on the Consolidated statement of assets and liabilities (Notes 1 and 8).

ΩΩ A portion of this holding is held by Putnam PanAgora Risk Parity Ltd., a wholly-owned and controlled subsidiary, valued at $6,604,706.

Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

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

FUTURES CONTRACTS OUTSTANDING at 2/28/22 (Unaudited)

	Number of contracts	**Notional amount**	**Value**	**Expiration date**	**Unrealized appreciation/ (depreciation)**
Amsterdam Exchange index (Long)	3	$490,919	$490,650	Mar-22	$(17,179)
Australian Government Treasury Bond 10 yr (Long)	61	5,960,267	5,960,264	Mar-22	(204,602)
Bloomberg Commodity Index (Long) ##	705	8,075,930	8,075,775	Mar-22	1,199,517
Canadian Government Bond 10 yr (Long)	51	5,499,148	5,499,148	Jun-22	17,182
DAX Index (Long)	1	406,065	406,229	Mar-22	(27,865)
Euro-Bobl 5 yr (Long)	33	4,878,985	4,878,984	Mar-22	(87,736)
Euro-BTP Italian Government Bond (Long)	12	1,899,173	1,899,173	Mar-22	(114,479)
Euro-Bund 10 yr (Long)	13	2,434,817	2,434,816	Mar-22	(109,822)
Euro-Buxl 30 yr (Long)	5	1,108,804	1,108,804	Mar-22	(94,054)
FTSE 100 Index (Long)	9	900,472	897,605	Mar-22	23,119
Hang Seng Index (Long)	5	726,621	724,829	Mar-22	(30,219)
IBEX 35 Index (Long)	5	476,192	475,707	Mar-22	(12,297)

FUTURES CONTRACTS OUTSTANDING at 2/28/22 (Unaudited) *cont.*

	Number of contracts	Notional amount	Value	Expiration date	Unrealized appreciation/ (depreciation)
Japanese Government Bond 10 yr (Long)	12	$15,709,129	$15,709,129	Mar-22	$(151,454)
MSCI Emerging Markets Index (Long)	22	1,288,441	1,293,050	Mar-22	(69,562)
OMXS 30 Index (Long)	19	429,609	427,904	Mar-22	(25,832)
Russell 2000 Index E-Mini (Long)	14	1,433,662	1,431,150	Mar-22	(119,607)
S&P 500 Index E-Mini (Long)	26	5,686,122	5,678,400	Mar-22	(380,055)
S&P/TSX 60 Index (Long)	5	1,007,940	1,006,233	Mar-22	675
SPI 200 Index (Long)	7	895,962	892,641	Mar-22	(29,016)
Tokyo Price Index (Long)	5	820,654	822,424	Mar-22	(33,042)
U.K. Gilt 10 yr (Long)	33	5,448,690	5,448,692	Jun-22	35,761
U.S. Treasury Bond 30 yr (Long)	25	3,917,188	3,917,188	Jun-22	48,342
U.S. Treasury Note 2 yr (Long)	62	13,344,047	13,344,047	Jun-22	36,204
U.S. Treasury Note 5 yr (Long)	65	7,688,281	7,688,281	Jun-22	42,827
U.S. Treasury Note 10 yr (Long)	57	7,263,938	7,263,938	Jun-22	54,950
Unrealized appreciation					**1,458,577**
Unrealized (depreciation)					**(1,506,821)**
Total					**$(48,244)**

Held by Putnam PanAgora Risk Parity Ltd., a wholly-owned and controlled subsidiary.

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**
Short-term investments	$8,899,737	$26,324,693	$—
Totals by level	**$8,899,737**	**$26,324,693**	**$—**

		Valuation inputs	
Other financial instruments:	**Level 1**	**Level 2**	**Level 3**
Futures contracts	$(48,244)	$—	$—
Totals by level	**$(48,244)**	**$—**	**$—**

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

Consolidated statement of assets and liabilities 2/28/22 (Unaudited)

ASSETS	
Investments in securities, at value, (Notes 1 and 8): Unaffiliated issuers (identified cost $35,224,205)	$35,224,430
Cash	144,731
Interest and other receivable	486
Receivable for shares of the fund sold	3,619
Receivable for variation margin on futures contracts (Note 1)	1,460,557
Deposits with Broker	609,174
Receivable from Manager (Note 2)	9,330
Prepaid assets	38,164
Total assets	**37,490,491**

LIABILITIES	
Payable for custodian fees (Note 2)	2,749
Payable for investor servicing fees (Note 2)	2,178
Payable for Trustee compensation and expenses (Note 2)	780
Payable for administrative services (Note 2)	131
Payable for distribution fees (Note 2)	6,747
Payable for variation margin on futures contracts (Note 1)	1,506,285
Other accrued expenses	40,365
Total liabilities	**1,559,235**
Net assets	**$35,931,256**

REPRESENTED BY	
Paid-in-capital (Unlimited shares authorized (Notes 1 and 4)	$39,690,323
Total distributable earnings (Note 1)	(3,759,067)
Total — Representing net assets applicable to capital shares outstanding	**$35,931,256**

COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE	
Net asset value and redemption price per class A share ($16,419,312 divided by 1,858,451 shares)	$8.83
Offering price per class A share (100/94.25 of $8.83)*	$9.37
Net asset value and offering price per class B share ($18,199 divided by 2,087 shares)**	$8.72
Net asset value and offering price per class C share ($36,462 divided by 4,198 shares)**	$8.69
Net asset value, offering price and redemption price per class R share ($12,113 divided by 1,376 shares)	$8.80
Net asset value, offering price and redemption price per class R6 share ($798,041 divided by 89,440 shares)	$8.92
Net asset value, offering price and redemption price per class Y share ($18,647,129 divided by 2,101,579 shares)	$8.87

*On single retail sales of less than $50,000. On sales of $50,000 or more the offering price is reduced.

**Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

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

Consolidated statement of operations Six months ended 2/28/22 (Unaudited)

INVESTMENT INCOME	
Interest	$6,419
Total investment income	**6,419**
EXPENSES	
Compensation of Manager (Note 2)	158,211
Investor servicing fees (Note 2)	7,923
Custodian fees (Note 2)	4,153
Trustee compensation and expenses (Note 2)	828
Distribution fees (Note 2)	21,662
Administrative services (Note 2)	682
Interest Expense	6,117
Blue sky expense	41,204
Reports to shareholders	6,591
Auditing and tax fees	33,871
Other	10,040
Fees waived and reimbursed by Manager (Note 2)	(54,855)
Total expenses	**236,427**
Expense reduction (Note 2)	(52)
Net expenses	**236,375**
Net investment loss	**(229,956)**
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Foreign currency transactions (Note 1)	(147)
Futures contracts (Note 1)	(2,666,585)
Total net realized loss	**(2,666,732)**
Change in net unrealized appreciation (depreciation) on:	
Securities from unaffiliated issuers	50
Assets and liabilities in foreign currencies	12,926
Futures contracts	(1,237,126)
Total change in net unrealized depreciation	**(1,224,150)**
Net loss on investments	**(3,890,882)**
Net decrease in net assets resulting from operations	**$(4,120,838)**

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

Consolidated statement of changes in net assets

INCREASE (DECREASE) IN NET ASSETS	Six months ended 2/28/22*	Year ended 8/31/21
Operations		
Net investment loss	$(229,956)	$(492,959)
Net realized gain (loss) on investments and foreign currency transactions	(2,666,732)	6,750,789
Change in net unrealized depreciation of investments and asset and liabilities in foreign currencies	(1,224,150)	(1,827,929)
Net increase (decrease) in net assets resulting operations	**(4,120,838)**	**4,429,901**
Distributions to shareholders (Note 1):		
From ordinary income		
Net investment income		
Class A	(516,724)	—
Class B	(459)	—
Class C	(982)	—
Class R	(353)	—
Class R6	(22,086)	—
Class Y	(625,638)	—
Net realized short-term gain on investments		
Class A	(835,343)	(253,385)
Class B	(985)	(302)
Class C	(1,896)	(686)
Class R	(622)	(191)
Class R6	(40,056)	(151,834)
Class Y	(933,844)	(262,227)
From net realized long-term gain on investments		
Class A	(559,647)	(673,637)
Class B	(660)	(802)
Class C	(1,270)	(1,825)
Class R	(417)	(507)
Class R6	(26,836)	(403,656)
Class Y	(625,637)	(697,141)
Increase (decrease) from capital share transactions (Note 4)	(5,301,340)	6,589,064
Total increase (decrease) in net assets	**(13,615,633)**	**8,572,772**

NET ASSETS		
Beginning of period	49,546,889	40,974,117
End of period	**$35,931,256**	**$49,546,889**

*Unaudited.

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

Consolidated financial highlights (For a common share outstanding throughout the period)

	INVESTMENT OPERATIONS				LESS DISTRIBUTIONS
Period ended	**Net asset value, beginning of period**	Net investment income (loss) [a]	Net realized and unrealized gain (loss) on investments	**Total from investment operations**	From net investment income
Class A					
February 28, 2022**	**$10.94**	(.06)	(.89)	**(.95)**	(.31)
August 31, 2021	**10.49**	(.13)	1.18	**1.05**	—
August 31, 2020	**11.26**	(.03)	.73	**.70**	(.48)
August 31, 2019	**10.00**	.10	1.23	**1.33**	(.07)
August 31, 2018†	**10.00**	.01	.06	**.07**	—
Class B					
February 28, 2022**	**$10.77**	(.10)	(.86)	**(.96)**	(.24)
August 31, 2021	**10.41**	(.21)	1.17	**.96**	—
August 31, 2020	**11.18**	(.10)	.72	**.62**	(.40)
August 31, 2019	**9.93**	.02	1.23	**1.25**	—
August 31, 2018†	**10.00**	(.06)	.06	**—** [e]	—
Class C					
February 28, 2022**	**$10.76**	(.10)	(.86)	**(.96)**	(.26)
August 31, 2021	**10.40**	(.21)	1.17	**.96**	—
August 31, 2020	**11.17**	(.10)	.72	**.62**	(.40)
August 31, 2019	**9.93**	.03	1.22	**1.25**	(.01)
August 31, 2018†	**10.00**	(.06)	.06	**—** [e]	—
Class R					
February 28, 2022**	**$10.89**	(.07)	(.88)	**(.95)**	(.29)
August 31, 2021	**10.47**	(.16)	1.18	**1.02**	—
August 31, 2020	**11.23**	(.05)	.74	**.69**	(.46)
August 31, 2019	**9.98**	.08	1.22	**1.30**	(.05)
August 31, 2018†	**10.00**	(.01)	.06	**.05**	—
Class R6					
February 28, 2022**	**$10.99**	(.05)	(.89)	**(.94)**	(.28)
August 31, 2021	**10.51**	(.11)	1.19	**1.08**	—
August 31, 2020	**11.28**	— [e]	.73	**.73**	(.51)
August 31, 2019	**10.03**	.12	1.22	**1.34**	(.09)
August 31, 2018†	**10.00**	.04	.06	**.10**	—
Class Y					
February 28, 2022**	**$11.00**	(.05)	(.89)	**(.94)**	(.34)
August 31, 2021	**10.51**	(.11)	1.20	**1.09**	—
August 31, 2020	**11.28**	.01	.72	**.73**	(.51)
August 31, 2019	**10.03**	.13	1.21	**1.34**	(.09)
August 31, 2018†	**10.00**	.03	.07	**.10**	—

See notes to consolidated financial highlights at the end of this section.

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

				RATIOS AND SUPPLEMENTAL DATA			
From net realized gain on investments	**Total distributions**	**Net asset value, end of period**	**Total return at net asset value (%) [b]**	**Net assets, end of period (in thousands)**	Ratio of expenses to average net assets (%) [c,d]	Ratio of net investment income (loss) to average net assets (%) [d]	Portfolio turnover (%)
(.85)	**(1.16)**	**$8.83**	**(9.41)***	**$16,419**	.63 [f]*	(.61)*	—
(.60)	**(.60)**	**10.94**	**10.28**	**18,025**	1.30 [f]	(1.25)	—
(.99)	**(1.47)**	**10.49**	**7.19**	**16,226**	1.24	(.31)	—
—	**(.07)**	**11.26**	**13.45**	**8,010**	1.24	.99	—
(.07)	**(.07)**	**10.00**	**.71***	**7,053**	1.18*	.08*	—
(.85)	**(1.09)**	**$8.72**	**(9.67)***	**$18**	1.00 [f]*	(.98)*	—
(.60)	**(.60)**	**10.77**	**9.47**	**21**	2.05 [f]	(2.01)	—
(.99)	**(1.39)**	**10.41**	**6.39**	**12**	1.99	(.98)	—
—	**—**	**11.18**	**12.59**	**11**	1.99	.24	—
(.07)	**(.07)**	**9.93**	**.01***	**10**	1.89*	(.63)*	—
(.85)	**(1.11)**	**$8.69**	**(9.63)***	**$36**	1.00 [f]*	(.98)*	—
(.60)	**(.60)**	**10.76**	**9.48**	**17**	2.05 [f]	(2.00)	—
(.99)	**(1.39)**	**10.40**	**6.40**	**18**	1.99	(1.00)	—
—	**(.01)**	**11.17**	**12.60**	**15**	1.99	.24	—
(.07)	**(.07)**	**9.93**	**.01***	**13**	1.89*	(.60)*	—
(.85)	**(1.14)**	**$8.80**	**(9.48)***	**$12**	.75 [f]*	(.74)*	—
(.60)	**(.60)**	**10.89**	**10.01**	**13**	1.55 [f]	(1.50)	—
(.99)	**(1.45)**	**10.47**	**7.02**	**12**	1.49	(.49)	—
—	**(.05)**	**11.23**	**13.09**	**11**	1.49	.74	—
(.07)	**(.07)**	**9.98**	**.51***	**10**	1.42*	(.15)*	—
(.85)	**(1.13)**	**$8.92**	**(9.28)***	**$798**	.51 [f]*	(.50)*	—
(.60)	**(.60)**	**10.99**	**10.56**	**11,314**	1.06 [f]	(1.02)	—
(.99)	**(1.50)**	**10.51**	**7.43**	**9,108**	1.00	(.05)	—
—	**(.09)**	**11.28**	**13.61**	**6,197**	1.00	1.22	—
(.07)	**(.07)**	**10.03**	**1.01***	**4,817**	.95*	.43*	—
(.85)	**(1.19)**	**$8.87**	**(9.30)***	**$18,647**	.50 [f]*	(.49)*	—
(.60)	**(.60)**	**11.00**	**10.65**	**20,157**	1.05 [f]	(1.00)	—
(.99)	**(1.50)**	**10.51**	**7.44**	**15,598**	.99	.08	—
—	**(.09)**	**11.28**	**13.61**	**21,989**	.99	1.24	—
(.07)	**(.07)**	**10.03**	**1.01***	**19,020**	.94*	.32*	—

Consolidated financial highlights *cont.*

* Not annualized.

** Unaudited.

† For the period September 20, 2017 (commencement of operations) to August 31, 2018.

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 and does not reflect the effect of sales charges.

c Includes amounts paid through expense offset and/or brokerage/service arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

d Reflects an involuntary contractual expense limitation in effect during the period. As a result of such limitation, the expenses of each class reflect a reduction of the following amounts (Note 2):

	Percentage of average net assets
February 28, 2022	0.13%
August 31, 2021	0.24
August 31, 2020	0.32
August 31, 2019	0.47
August 31, 2018	1.27

e Amount represents less than $0.01 per share.

f Includes interest expense, which amounted to the following amounts as a percentage of average net assets for each class:

	Percentage of average net assets
February 28, 2022	0.01%
August 31, 2021	0.06

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

Notes to consolidated financial statements 2/28/22 (Unaudited)

Within the following Notes to consolidated financial statements, references to “State Street” represent State Street Bank and Trust Company, references to “the SEC” represent the Securities and Exchange Commission, 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 “OTC”, if any, represent over-the-counter. Unless otherwise noted, the “reporting period” represents the period from September 1, 2021 through February 28, 2022.

Putnam PanAgora Risk Parity Fund (the fund) is a diversified series of Putnam Investment Funds (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The fund has adopted non-fundamental investment restrictions requiring the fund to be managed as a “diversified” investment company. The goal of the fund is to seek total return, which is composed of capital appreciation and income. The fund pursues an investment strategy designed to generate returns from investing in a combination of asset classes with diversified risk characteristics. The fund strategically allocates its investments among equities, fixed-income instruments and commodities in an effort to participate in periods of economic growth, preserve capital during periods of economic contraction, and preserve real rates of return during periods of heightened inflation.

In allocating the fund’s assets among the different asset classes, PanAgora Asset Management, Inc. (“PanAgora”), the subadviser to the fund, employs a proprietary “risk parity” approach, which relies on quantitative models and information and data inputs to those models to seek to diversify the fund’s portfolio risks across and within asset classes. When allocating investments across asset classes, the fund generally allocates a greater portion of its assets to asset classes PanAgora views as having lower risk, such as developed market bonds, than to asset classes PanAgora views as having higher risk, such as global equities. In its “neutral” position, the fund’s assets are generally strategically allocated among the different asset classes so that the anticipated contribution of each asset class to the overall risk of the fund will be approximately as follows: 40% from equity risk; 40% from fixed income risk; and 20% from inflation risk. However, PanAgora may seek different risk contributions from time to time, including in response to market conditions. When allocating investments within each asset class, PanAgora’s risk parity approach seeks to diversify the fund’s risk exposures across a variety of factors, including industry sectors, geographies, companies and commodity types.

The fund will gain exposure to different areas of risk either through direct investment or through derivative instruments, primarily including forwards, futures, and swaps, but which may also include, but are not limited to, options. The fund may invest without limit in equity securities, including, but not limited to, global developed markets large-cap equities, emerging markets equities, and U.S. small and mid-cap equities. The fund may additionally invest in fixed-income securities of any credit quality, duration or maturity (including, but not limited to, U.S. and non-U.S. sovereign bonds, global inflation-linked government bonds (including Treasury Inflation Protected Securities), and investment-grade corporate bonds), commodities (including through, but not limited to, commodity-linked notes and commodity-related derivative instruments (primarily commodity futures and swaps on commodity futures)), exchange-traded funds (“ETFs”), exchange-traded notes, and emerging markets and other currencies (including through cash bonds and currency forwards). These asset classes offer different return potential and exposure to different investment risks.

While the fund normally does not engage in borrowing, the fund typically uses derivatives to a significant extent and may take “short” derivatives positions.

A significant portion of the assets of the fund will be invested in short-term instruments, including cash and cash equivalents generally with one year or less term to maturity. These investments serve as collateral for the derivative positions the fund takes and also may earn income for the fund.

The fund may invest directly or indirectly through its wholly-owned and controlled subsidiary Putnam PanAgora Risk Parity, Ltd. (the “subsidiary”), which like the fund, is sub-advised by PanAgora. The fund may invest no more than 25% of its assets in the subsidiary. Generally, the subsidiary will invest primarily in commodity futures and swaps on commodity futures but it may also invest in other commodity-related instruments (such as financial futures, option and swap contracts) or other asset classes (including through derivatives). Unlike the fund, the subsidiary may invest without limitation in commodity-related instruments. Unless indicated otherwise, references to the fund’s investments, investment exposures or risks include its indirect investments, investment exposures and risks through the subsidiary.

The fund offers class A, class B, class C, class R, class R6 and class Y shares. Purchases of class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment. Class A shares are sold with a maximum front-end sales charge of 5.75%. Class A shares generally are not subject to a contingent deferred sales charge, and class R, class R6 and class Y shares are not subject to a contingent deferred sales charge. Class B shares, which convert to class A shares after approximately eight years, are not subject to a front-end sales charge and are subject to a contingent deferred sales charge if those shares are redeemed within six years of purchase. Class C shares are subject to a one-year 1.00% contingent deferred sales charge and generally convert to class A shares after approximately eight years. Class R shares, which are not available to all investors, are sold at net asset value. The expenses for class A, class B, class C and class R shares may differ based on the distribution fee of each class, which is identified in Note 2. Class R6 and class Y shares, which are sold at net asset value, are generally subject to the same expenses as class A, class B, class C and class R shares, but do not bear a distribution fee, and in the case of class R6 shares, bear a lower investor servicing fee, which is identified in Note 2. Class R6 and class Y shares are not available to all investors.

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, shareholder servicing 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 fund's Amended and Restated Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Note 1: Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its consolidated financial statements. The preparation of consolidated 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 consolidated 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 Consolidated statement of assets and liabilities date through the date that the consolidated financial statements were issued have been evaluated in the preparation of the consolidated financial statements.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. If the fund were liquidated, shares of each class would receive their pro-rata share of the net assets of the fund. In addition, the Trustees declare separate dividends on each class of shares.

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.

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 Depository 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. Short-term securities with remaining maturities of 60 days or less are valued using an independent pricing service approved by the Trustees, and are classified as Level 2 securities.

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 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.

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, and including amortization and accretion of premiums and discounts on debt securities, is recorded on the accrual basis.

Foreign currency translation The accounting records of the fund are maintained in U.S. dollars. The fair value of foreign securities, currency holdings, and other assets and liabilities is recorded in the books and records of the fund after translation to U.S. dollars based on the exchange rates on that day. The cost of each security is determined using historical exchange rates. Income and withholding taxes are translated at prevailing exchange rates when earned or incurred. The fund does not isolate that portion of realized or unrealized gains or losses resulting from changes in the foreign exchange rate on investments from fluctuations arising from changes in the market prices of the securities. Such gains and losses are included with the net realized and unrealized gain or loss on investments. Net realized gains and losses on foreign currency transactions represent net realized exchange gains or losses on disposition of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amount of investment income and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized appreciation and depreciation of assets and liabilities in foreign currencies arise from changes in the value of assets and liabilities other than investments at the period end, resulting from changes in the exchange rate.

Futures contracts The fund uses futures contracts to provide exposure to equity securities, fixed-income securities and commodities.

The potential risk to the fund is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. With futures, there is minimal counterparty credit risk to the fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognized on the Consolidated statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract and any initial margin requirements. Such receipts or payments are known as "variation margin."

Futures contracts outstanding at period end, if any, are listed after the fund's consolidated portfolio.

At close of the reporting period, the fund has deposited cash valued at $609,174 in a segregated account to cover margin requirements on open futures contracts.

Interfund lending The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to borrow from or lend to other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.

Lines of credit The fund participates, along with other Putnam funds, in a $317.5 million unsecured committed line of credit and a $235.5 million unsecured uncommitted line of credit, both 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. 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 consolidated 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 consolidated 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 three fiscal years remains subject to examination by the Internal Revenue Service.

The fund's investment in the subsidiary is expected to provide the fund with exposure to the commodities markets within the limitations of the federal tax requirements of Subchapter M of the Code. The rules regarding the extent to which annual net income, if any, realized by the subsidiary and included in the fund's annual income for U.S. federal income purposes will constitute "qualifying income" for purposes of the fund's qualification as a regulated investment company under the Code are unclear and currently under consideration.

The fund may also be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or capital gains are earned. In some cases, the fund may be entitled to reclaim all or a portion of such taxes, and such reclaim amounts, if any, are reflected as an asset on the fund's books. In many cases, however, the fund may not receive such amounts for an extended period of time, depending on the country of investment.

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 $36,002,916, resulting in gross unrealized appreciation and depreciation of $225 and $826,955, respectively, or net unrealized depreciation of $826,730.

Distributions to shareholders Distributions to shareholders from net investment income 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 Putnam Management a management fee (based on the fund's average net assets and computed and paid monthly) at annual rates that may vary based on the monthly average of the aggregate net assets of all open-end funds sponsored by Putnam Management for which PanAgora is acting as sub-adviser launched on or after the date of the fund's management contract, as determined at the close of each business day during the month. Such annual rates may vary as follows:

0.750%	of the first $1 billion,
0.740%	of the next $2 billion,
0.730%	of the next $2 billion and
0.720%	of any excess thereafter

The subsidiary pays a monthly management fee to Putnam Management at the same rate as the Fund. For so long as the fund invests in the subsidiary, the management fee paid by the fund to Putnam Management is reduced by an amount equal to the management fee Putnam Management receives from the subsidiary under the management contract between Putnam Management and the subsidiary.

For the reporting period, the fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.371% of the fund's average net assets.

Putnam Management has contractually agreed, through December 30, 2022, to waive fees and/or reimburse the fund's expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund's investor servicing contract, investment management contract and distribution plans, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund's average net assets over such fiscal year-to-date period. During the reporting period, the fund's expenses were reduced by $54,855 as a result of this limit.

PanAgora, an affiliate of Putnam Management, is authorized by the Trustees to make investment decisions for the assets of the fund as determined by Putnam Management from time to time. Putnam Management pays a quarterly sub-management fee to PanAgora for its services at the following annual rates of the average net assets of the portion of the fund managed by PanAgora:

0.350%	of the first $250 million,
0.340%	of the next $500 million,
0.330%	of the next $250 million and
0.300%	of any excess thereafter

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by State Street. Custody fees are based on the fund's asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. received fees for investor servicing for class A, class B, class C, class R and class Y shares that included (1) a per account fee for each direct and underlying non-defined contribution account (retail account) of the fund; (2) a specified rate of the fund's assets attributable to defined contribution plan accounts; and (3) a specified rate based on the average net assets in retail accounts. Putnam Investor Services, Inc. has agreed that the aggregate investor servicing fees for each fund's retail and defined contribution accounts for these share classes will not exceed an annual rate of 0.25% of the fund's average assets attributable to such accounts.

Class R6 shares paid a monthly fee based on the average net assets of class R6 shares at an annual rate of 0.05%.

During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

Class A	$3,033
Class B	3
Class C	6
Class R	2
Class R6	1,476
Class Y	3,403
Total	**$7,923**

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by $52 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which $26, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee's average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Consolidated statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Consolidated statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted distribution plans (the Plans) with respect to the following share classes pursuant to Rule 12b–1 under the Investment Company Act of 1940. The purpose of the Plans is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for services provided and expenses incurred in distributing shares of the fund. The Plans provide payments by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to the following amounts (Maximum %) of the average net assets attributable to each class. The Trustees have approved payment by the fund at the following annual rate (Approved %) of the average net assets attributable to each class. During the reporting period, the class-specific expenses related to distribution fees were as follows:

	Maximum %	Approved %	Amount
Class A	0.35%	0.25%	$21,352
Class B	1.00%	1.00%	98
Class C	1.00%	1.00%	180
Class R	1.00%	0.50%	32
Total			**$21,662**

For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received net commissions of $81 from the sale of class A shares and received no monies in contingent deferred sales charges from redemptions of class B and class C shares.

A deferred sales charge of up to 1.00% is assessed on certain redemptions of class A shares. For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received no monies on class A redemptions.

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)	$—	$—
U.S. government securities (Long-term)	—	—
Total	**$—**	**$—**

Note 4: Capital shares
At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Transactions, including, if applicable, direct exchanges pursuant to share conversions, in capital shares were as follows:

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class A	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	9,643	$90,580	18,227	$194,700
Shares issued in connection with reinvestment of distributions	202,061	1,911,499	88,795	927,021
	211,704	2,002,079	107,022	1,121,721
Shares repurchased	(1,002)	(9,274)	(6,262)	(66,437)
Net increase	**210,702**	**$1,992,805**	**100,760**	**$1,055,284**

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class B	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	—	$—	688	$7,520
Shares issued in connection with reinvestment of distributions	225	2,103	107	1,103
	225	2,103	795	8,623
Shares repurchased	(84)	(785)	—	—
Net increase	**141**	**$1,318**	**795**	**$8,623**

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class C	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	3,013	$31,441	2,447	$25,500
Shares issued in connection with reinvestment of distributions	446	4,148	243	2,511
	3,459	35,589	2,690	28,011
Shares repurchased	(812)	(8,649)	(2,877)	(28,751)
Net increase (decrease)	**2,647**	**$26,940**	**(187)**	**$(740)**

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class R	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	—	$—	—	$—
Shares issued in connection with reinvestment of distributions	147	1,391	67	697
	147	1,391	67	697
Shares repurchased	—	—	—	—
Net increase	**147**	**$1,391**	**67**	**$697**

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class R6	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	40,546	$438,043	230,567	$2,428,252
Shares issued in connection with reinvestment of distributions	9,317	88,978	53,055	555,490
	49,863	527,021	283,622	2,983,742
Shares repurchased	(990,054)	(10,389,445)	(120,232)	(1,223,436)
Net increase (decrease)	**(940,191)**	**$(9,862,424)**	**163,390**	**$1,760,306**

	SIX MONTHS ENDED 2/28/22		YEAR ENDED 8/31/21	
Class Y	**Shares**	**Amount**	**Shares**	**Amount**
Shares sold	49,489	$465,000	282,576	$3,051,066
Shares issued in connection with reinvestment of distributions	222,363	2,110,221	91,543	959,368
	271,852	2,575,221	374,119	4,010,434
Shares repurchased	(3,506)	(36,591)	(24,348)	(245,540)
Net increase	**268,346**	**$2,538,630**	**349,771**	**$3,764,894**

At the close of the reporting period, a shareholder of record owned 40.8% of the outstanding shares of the fund at the close of the reporting period.

Putnam Investments, LLC owned the following shares of the fund:

	Shares owned	Percentage of ownership	Value
Class A	1,809,568	97.4%	$15,978,485
Class B	1,358	65.1	11,842
Class C	1,364	32.5	11,853
Class R	1,376	100.0	12,113

Note 5: Basis of consolidation
The accompanying consolidated financial statements of the fund include the account of the subsidiary which primarily invests in commodity-related instruments and other derivatives. The fund may invest up to 25% of its total assets in the subsidiary. The fund's Consolidated portfolio and Consolidated financial statements include the positions and accounts, respectively, of the subsidiary. Intercompany accounts and transactions, if any, have been eliminated. The subsidiary is subject to the same investment policies and restrictions that apply to the fund, except that the subsidiary may invest without limitation in commodity-related instruments. As of the reporting period, the fund's investment in its subsidiary totaled $6,757,500 which represented 18.8% of the fund's net assets.

Note 6: 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. Investments in foreign securities involve certain risks, including those related to economic instability, unfavorable political developments, and currency fluctuations. Exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities.

Beginning in January 2020, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of a virus known as Covid–19. The outbreak of Covid–19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of Covid–19 have adversely affected, and may continue to adversely affect, the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the fund's performance.

Note 7: 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:

Futures contracts (number of contracts)	2,000

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

	ASSET DERIVATIVES		LIABILITY DERIVATIVES	
Derivatives not accounted for as hedging instruments under ASC 815	**Consolidated statement of assets and liabilities location**	**Fair value**	**Consolidated statement of assets and liabilities location**	**Fair value**
Equity contracts	Receivables, Net assets — Unrealized appreciation	$23,794*	Payables, Net assets — Unrealized depreciation	$744,674*
Interest rate contracts	Receivables, Net assets — Unrealized appreciation	235,266*	Payables, Net assets — Unrealized depreciation	762,147*
Commodity contracts	Receivables, Net assets – Unrealized appreciation	1,199,517*	Payables	—
Total		**$1,458,577**		**$1,506,821**

* Includes cumulative appreciation/depreciation of futures contracts as reported in the fund's consolidated portfolio. Only initial and current day's variation margin is reported within the Consolidated statement of assets and liabilities.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the Consolidated 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	**Futures**	**Total**
Equity contracts	$387,912	$387,912
Interest rate contracts	(3,192,750)	$(3,192,750)
Commodity contracts	138,253	$138,253
Total	**$(2,666,585)**	**$(2,666,585)**

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	**Futures**	**Total**
Equity contracts	$(1,288,872)	$(1,288,872)
Interest rate contracts	(1,073,733)	$(1,073,733)
Commodity contracts	1,125,479	$1,125,479
Total	**$(1,237,126)**	**$(1,237,126)**

Note 8: 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 Consolidated statement of assets and liabilities.

	BofA Securities, Inc.	Total
Assets:		
Futures contracts	$1,460,557	$1,460,557
Total Assets	**$1,460,557**	**$1,460,557**
Liabilities:		
Futures contracts	1,506,285	1,506,285
Total Liabilities	**$1,506,285**	**$1,506,285**
Total Financial and Derivative Net Assets	**$(45,728)**	**$(45,728)**
Total collateral received (pledged)†##	$(45,728)	
Net amount	$—	
*Controlled collateral received (including TBA commitments)***	$—	$—
Uncontrolled collateral received	$—	$—
*Collateral (pledged) (including TBA commitments)***	$(4,934,131)	$(4,934,131)

**Included with Investments in securities and/or Deposits due to broker on the Consolidated statement of assets and liabilities. With respect to future contracts, this amount represents collateral on initial and variation margin for outstanding contracts.

† 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.

Putnam family of funds

The following is a list of Putnam's open-end mutual funds offered to the public. *Investors should carefully consider the investment objective, 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, contact your financial advisor or call Putnam Investor Services at 1-800-225-1581. Please read the prospectus carefully before investing.*

Blend
Emerging Markets Equity Fund
Focused Equity Fund
Focused International Equity Fund
International Capital Opportunities Fund
International Equity Fund
Multi-Cap Core Fund
Research Fund

Global Sector
Global Health Care Fund
Global Technology Fund

Growth
Growth Opportunities Fund
Small Cap Growth Fund
Sustainable Future Fund
Sustainable Leaders Fund

Value
International Value Fund
Large Cap Value Fund
Small Cap Value Fund

Income
Convertible Securities Fund
Diversified Income Trust
Floating Rate Income Fund
Global Income Trust
Government Money Market Fund*
High Yield Fund
Income Fund
Money Market Fund†
Mortgage Opportunities Fund
Mortgage Securities Fund
Short Duration Bond Fund
Ultra Short Duration Income Fund

Tax-free Income
Intermediate-Term Municipal Income Fund
Short-Term Municipal Income Fund
Strategic Intermediate Municipal Fund
Tax Exempt Income Fund
Tax-Free High Yield Fund

State tax-free income funds:‡
California, Massachusetts, Minnesota,
New Jersey, New York, Ohio, and Pennsylvania

Absolute Return
Fixed Income Absolute Return Fund
Multi-Asset Absolute Return Fund

Putnam PanAgora§
Putnam PanAgora Risk Parity Fund

Asset Allocation
Dynamic Risk Allocation Fund
George Putnam Balanced Fund

Dynamic Asset Allocation Balanced Fund
Dynamic Asset Allocation Conservative Fund
Dynamic Asset Allocation Growth Fund

Asset Allocation *(cont.)*
Putnam Retirement Advantage Maturity Fund
Putnam Retirement Advantage 2065 Fund
Putnam Retirement Advantage 2060 Fund
Putnam Retirement Advantage 2055 Fund
Putnam Retirement Advantage 2050 Fund
Putnam Retirement Advantage 2045 Fund
Putnam Retirement Advantage 2040 Fund
Putnam Retirement Advantage 2035 Fund
Putnam Retirement Advantage 2030 Fund
Putnam Retirement Advantage 2025 Fund

RetirementReady® Maturity Fund
RetirementReady® 2065 Fund
RetirementReady® 2060 Fund
RetirementReady® 2055 Fund
RetirementReady® 2050 Fund
RetirementReady® 2045 Fund
RetirementReady® 2040 Fund
RetirementReady® 2035 Fund
RetirementReady® 2030 Fund
RetirementReady® 2025 Fund

* **You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

† **You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.**

‡ **Not available in all states.**

§ **Sub-advised by PanAgora Asset Management.**

Check your account balances and the most recent month-end performance in the Individual Investors section at putnam.com.

Fund information

Founded over 80 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, asset allocation, absolute return, and global sector categories.

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

Investment Sub-Advisor
PanAgora Asset Management, Inc.
One International Place, 24th Floor
Boston, MA 02110

Marketing Services
Putnam Retail Management Limited Partnership
100 Federal Street
Boston, MA 02110

Custodian
State Street Bank and Trust Company

Legal Counsel
Ropes & Gray LLP

Officers
Robert L. Reynolds
President

James F. Clark
Vice President, Chief Compliance Officer, and Chief Risk Officer

Nancy E. Florek
Vice President, Director of Proxy Voting and Corporate Governance, Assistant Clerk, and Assistant Treasurer

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

This report is for the information of shareholders of Putnam PanAgora Risk Parity Fund. It may also be used as sales literature when preceded or accompanied by the current prospectus, the most recent copy of Putnam's Quarterly Performance Summary, and Putnam's Quarterly Ranking Summary. For more recent performance, please visit putnam.com. Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund, which are described in its prospectus. For this and other information or to request a prospectus or summary prospectus, call 1-800-225-1581 toll free. Please read the prospectus carefully before investing. The fund's Statement of Additional Information contains additional information about the fund's Trustees and is available without charge upon request by calling 1-800-225-1581.

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