

Q2 | 2021

Putnam Ultra Short Duration Income Fund

Flexibility and liquidity with a lower risk profile than typical ultra-short bond funds

A broader opportunity set

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

Active risk management

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

Higher income potential

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



| Taxable Money Market Funds* | | | | Ultra-short Bond Funds | | | |
|--|-------|-------|--------|---------------------------------------|-------|-------|-------|
| Morningstar category: Money Market-Taxable | | | | Morningstar category: Ultrashort Bond | | | |
| 0.01% | | | | 0.37% | | | |
| 1 yr | 3 yrs | 5 yrs | 10 yrs | Average SEC yield† | | | |
| 0.01% | 0.25% | 0.22% | 0.19% | Standard deviation | | | |
| 0.02 | 1.00 | 0.83 | 0.43 | 0.37% | 1.72% | 1.39% | 1.16% |
| 0.33 | 1.48 | 1.39 | 0.80 | Average annualized returns | | | |
| -0.19 | 0.00 | 0.00 | 0.01 | 1.09 | 1.85 | 1.67 | 1.18 |
| | | | | Maximum annualized return | | | |
| | | | | 4.96 | 3.25 | 4.33 | 2.17 |
| | | | | Minimum annualized return | | | |
| | | | | -0.80 | -0.27 | 0.36 | -0.02 |

* Includes funds from the following Morningstar Categories: Money Market — Taxable, Prime Money Market.

† 30-day yield for Taxable Money Funds is based on the Crane Money Fund average. 30-day SEC yield average for Ultra-short Bond Funds provided by Morningstar.

Sources: Morningstar; Crane Data, as of 6 /30/21.

Past performance is not indicative of future results. Performance does not reflect any sales charge. All performance and volatility data are based on Morningstar categories. The taxable money market fund averages are based on the arithmetic average of all funds within the following Morningstar categories: Money Market – Taxable Funds and Prime Money Market Funds. Maximum and minimum annual returns are for the best- and worst-performing funds in the Morningstar category or grouping for the respective time periods. Performance of the Putnam fund will differ. The average 30-day yield for all taxable money market funds is provided by Crane Data. The average 30-day SEC yield for Ultra-short Bond Funds is provided by Morningstar. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in a money market 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. It is possible to lose money by investing in this fund.

Not FDIC insured | May lose value | No bank guarantee

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Putnam Ultra Short Duration Income Fund

Annualized total return performance as of June 30, 2021

The fund is managed by industry veterans with an average of more than two decades of investment experience and more than 15 years of tenure at the firm.



Joanne M. Driscoll, CFA
Industry since 1992



Michael J. Lima, CFA
Industry since 1997



Michael V. Salm
Industry since 1989



Emily E. Shanks
Industry since 1999

The fund may be attractive to

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

| | Class Y shares Inception 10/17/11 | Class A shares Inception 10/17/11 | ICE BofA U.S. Treasury Bill Index |
|----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 1 year | 0.69% | 0.49% | 0.10% |
| 3 years | 1.82 | 1.69 | 1.40 |
| 5 years | 1.68 | 1.56 | 1.19 |
| Life of fund | 1.21 | 1.09 | 0.67 |
| 3-year standard deviation | 1.37 | 1.37 | — |
| Total expense ratio | 0.37 | 0.47 | |
| What you pay: | 0.30 | 0.40 | |

"What you pay" reflects Putnam Management's decision to contractually limit expenses through 11/30/21. The fund's expense ratio is taken from its most recent prospectus.

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

ICE BofA U.S. Treasury Bill Index is an unmanaged index that tracks the performance of U.S. dollar-denominated U.S. Treasury bills publicly issued in the U.S. domestic market. Qualifying securities must have a remaining term of at least one month to final maturity and a minimum amount outstanding of \$1 billion. You cannot invest directly in an index.

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Consider these risks before investing: Putnam Ultra Short Duration Income Fund is not a money market fund. The effects of inflation may erode the value of your investment over time. Funds that invest in government securities are not guaranteed. Mortgage-backed investments, unlike traditional debt investments, are also subject to prepayment risk, which means that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. The fund may have to invest the proceeds from prepaid investments, including mortgage-backed investments, in other investments with less attractive terms and yields. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Credit risk is generally greater for debt not backed by the full faith and credit of the U.S. government. Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses. Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

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

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Putnam Retail Management

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