

# Putnam active strategies pursue diverse income opportunities for client portfolios

## Benchmark aware

	Putnam Short Duration Bond Fund (PARYX)	Putnam Income Fund (PNCYX)	Putnam Mortgage Securities Fund (PUSYX)	Putnam Global Income Trust (PGGYX)
<b>Investment style</b>	Benchmark aware	Benchmark aware	Benchmark aware	Benchmark aware
<b>Duration exposure</b>	1.79 years	5.81 years	2.52 years	6.00 years
<b>Duration strategy</b>	Positive: 3 years or less; managed neutral to the ICE BofA 1-3 Year U.S. Corporate Index	Positive: Managed relative to the BBG Barclays U.S. Aggregate Bond Index	Positive: Managed relative to the BBG Barclays U.S. MBS Index	Positive: Managed relative to the BBG Barclays Global Aggregate Bond Index
<b>30-day SEC yield (Y shares)</b>	1.26%	2.28% without subsidy 2.38% with subsidy	4.65% without subsidy 4.80% with subsidy	1.59% without subsidy 1.87% with subsidy
<b>Opportunity set</b>	Diversified set of shorter dated fixed income securities: <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Minimum 65% investment-grade securities</li> </ul>	All sectors of the U.S. bond market (USD and mainly investment grade): <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> </ul>	Broad securitized fixed income universe: <ul style="list-style-type: none"> <li>• Agency MBS</li> <li>• Non-agency RMBS</li> <li>• CMBS</li> <li>• Agency IO</li> <li>• ABS</li> </ul>	All sectors of the global bond market (mainly investment grade): <ul style="list-style-type: none"> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• High yield</li> <li>• Bank loans</li> <li>• Convertibles</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• Developed-market debt</li> <li>• Emerging-market debt</li> </ul>
<b>Correlation to BBG Barclays U.S. Aggregate Bond Index</b>	0.41	0.80	0.24	0.63
<b>Fund AUM</b>	\$2,308.36M	\$3,662.85M	\$722.80M	\$251.08M
<b>Morningstar category</b>	Short-term bond	Intermediate core-plus bond	Intermediate core-plus bond	World bond
<b>Consider positioning in portfolios</b>	A shorter duration diversified bond strategy	A broadly diversified core bond strategy	A broadly diversified mortgage bond strategy	A broadly diversified global bond strategy
<b>For investors seeking</b>	<ul style="list-style-type: none"> <li>• Diversification in sectors with higher risk/return profiles</li> <li>• Lower duration risk than the Aggregate Index</li> <li>• Low and sometimes negative correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Less alignment with the sector allocations of the BBG Barclays U.S. Aggregate Bond Index</li> <li>• A complement to core bond strategies that closely track the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Exposure to mortgage credit and prepayment risk premiums</li> <li>• Diversification potential to exposures in equities, corporate credit, and emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>• Less alignment with the sector allocations of the BBG Barclays Global Aggregate Bond Index</li> <li>• A complement to core global bond strategies that more closely track the Global Aggregate Index</li> </ul>

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Source: Putnam, as of 6/30/21. Correlation reflects 3-year correlation to the BBG Barclays U.S. Aggregate Bond Index, net of fees for Y shares.

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## Absolute return

	Putnam Ultra Short Duration Income Fund (PSDYX)	Putnam Fixed Income Absolute Return Fund (PYTRX)	Putnam Mortgage Opportunities Fund (PMOYX)	Putnam Diversified Income Trust (PDVYX)
<b>Investment style</b>	Absolute return	Absolute return	Absolute return	Absolute return
<b>Duration exposure</b>	0.28 years	-0.18 years	0.45 years	0.35 years
<b>Duration strategy</b>	Positive: 1 year or less	Flexible: Can be negative or positive	Low (typically less than 2 years duration)	Flexible: Can be negative or positive
<b>30-day SEC yield (Y shares)</b>	0.14% without subsidy 0.19% with subsidy	3.47%	4.23% without subsidy 4.50% with subsidy	4.08%
<b>Opportunity set</b>	Investment-grade money market and other ultra-short fixed income securities: <ul style="list-style-type: none"> <li>• Commercial paper</li> <li>• Asset-backed securities</li> <li>• Repurchase agreements</li> <li>• Agencies</li> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• 100% investment grade, at time of purchase</li> </ul>	Less constrained: <ul style="list-style-type: none"> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Emerging-market debt</li> <li>• Currencies</li> <li>• Bank loans</li> </ul>	<ul style="list-style-type: none"> <li>• Non-agency RMBS</li> <li>• CMBS</li> <li>• Agency IO</li> <li>• ABS</li> </ul>	Less constrained: <ul style="list-style-type: none"> <li>• Agency MBS</li> <li>• IG corporates</li> <li>• CMBS</li> <li>• Non-agency RMBS</li> <li>• Agency IO</li> <li>• High yield</li> <li>• Emerging-market debt</li> <li>• Currencies</li> <li>• Bank loans</li> <li>• Convertibles</li> </ul>
<b>Correlation to BBG Barclays U.S. Aggregate Bond Index</b>	0.33	0.15	0.09	0.15
<b>Fund AUM</b>	\$15,842.84M	\$468.50M	\$178.12M	\$2,756.92M
<b>Morningstar category</b>	Ultrashort bond	Nontraditional bond	Nontraditional bond	Nontraditional bond
<b>Consider positioning in portfolios</b>	A lower volatility alternative to ultra-short bond funds	A nontraditional income strategy	A more aggressive mortgage bond strategy	A more aggressive non-traditional income strategy
<b>For investors seeking</b>	<ul style="list-style-type: none"> <li>• Potentially higher return on a conservative investment allocation</li> <li>• Option for diversifying significant short-term holdings</li> <li>• Liquidity for a short investment horizon</li> <li>• Low and sometimes negative correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible duration risk</li> <li>• Diversification in sectors with higher risk/return profiles and lower correlation with investment-grade bonds</li> <li>• Extremely low correlation with the Aggregate Index</li> </ul>	<ul style="list-style-type: none"> <li>• Exposure to mortgage credit and prepayment risk premiums</li> <li>• Low duration risk</li> <li>• Diversification potential to exposures in equities, corporate credit, and emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>• Flexible duration risk</li> <li>• Diversification in sectors with higher risk/return profiles and lower correlation with investment-grade bonds</li> <li>• Extremely low correlation with the Aggregate Index</li> </ul>

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Source: Putnam, as of 6/30/21. Correlation reflects 3-year correlation to the BBG Barclays U.S. Aggregate Bond Index, net of fees for Y shares.

# Competitive performance versus benchmarks

Annualized total return as of 6/30/21

## Benchmark aware

Putnam Short Duration Bond Fund (PARYX)			
Inception	Class Y shares	ICE BofA 1-3 Year U.S. Corporate Index	ICE BofA U.S. Treasury Bill — ICE BofA 1-3 Year U.S. Corporate Linked Benchmark
12/23/08			
1 year	2.74%	1.85%	1.85%
3 years	3.39	3.82	3.82
5 years	3.42	2.70	2.60
10 years	2.02	2.42	1.35
Life of fund	2.15	3.65	1.13

Total expense ratio: 0.38%

Putnam Income Fund (PNCYX)*		
Inception	Class Y shares	BBG Barclays U.S. Aggregate Bond Index
6/16/94		
1 year	1.41%	-0.33%
3 years	5.34	5.34
5 years	4.66	3.03
10 years	4.27	3.39
Life of fund	7.42	—

Total expense ratio: 0.60%  
What you pay: 0.48% (effective through 2/28/22)  
\*Putnam Income Fund class A shares inception date is 11/1/54.

Putnam Mortgage Securities Fund (PUSYX)†			
Inception	Class Y shares	BBG Barclays U.S. MBS Index	BBG Barclays GNMA-BBG Barclays U.S. MBS Linked Benchmark
4/11/94			
1 year	4.06%	-0.42%	-0.42%
3 years	3.18	3.78	3.78
5 years	2.39	2.27	2.22
10 years	2.17	2.64	2.55
Life of fund	6.04	6.81	6.80

Total expense ratio: 0.64%  
What you pay: 0.50% (effective through 1/30/22)  
†Putnam Mortgage Securities Fund class A shares inception date is 2/8/84.

Putnam Global Income Trust (PGGYX) ‡		
Inception	Class Y shares	BBG Barclays Global Aggregate Bond Index
10/4/05		
1 year	2.98%	2.63%
3 years	3.60	4.23
5 years	3.12	2.34
10 years	2.67	2.05
Life of fund	6.16	—

Total expense ratio: 0.95%  
What you pay: 0.64% (effective through 2/28/22)  
‡Putnam Global Income Trust class A share inception date is 6/1/87.

## Absolute return

Putnam Ultra Short Duration Income Fund (PSDYX)		
Inception	Class Y shares	ICE BofA U.S. Treasury Bill Index
10/17/11		
1 year	0.69%	0.10%
3 years	1.82	1.40
5 years	1.68	1.19
Life of fund	1.21	0.67

Total expense ratio: 0.37%  
What you pay: 0.30% (effective through 11/30/21)

Putnam Fixed Income Absolute Return Fund (PYTRX)		
Inception	Class Y shares	ICE BofA U.S. Treasury Bill Index
12/23/08		
1 year	4.13%	0.10%
3 years	2.75	1.40
5 years	4.10	1.19
10 years	2.36	0.65
Life of fund	2.89	0.57

Total expense ratio: 0.54%

Putnam Mortgage Opportunities Fund (PMOYX)§			
Inception	Class Y shares	ICE BofA U.S. Treasury Bill Index	BBG Barclays U.S. Aggregate Bond Index
7/1/19			
1 year	4.27%	0.10%	-0.42%
3 years	0.54	1.40	3.78
5 years	3.81	1.19	2.27
Life of fund	2.59	1.00	2.37

Total expense ratio: 0.76%  
What you pay: 0.54% (effective through 9/30/21)  
§Putnam Mortgage Opportunities Fund class I shares inception date is 4/7/15.

Putnam Diversified Income Trust (PDVYX)**		
Inception	Class Y shares	ICE BofA U.S. Treasury Bill Index
7/1/96		
1 year	7.39%	0.10%
3 years	2.43	1.40
5 years	5.02	1.19
10 years	3.50	0.65
Life of fund	5.97	—

Total expense ratio: 0.74%  
\*\*Putnam Diversified Income Trust class A shares inception date is 10/3/88.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. For the most recent month-end performance, please visit putnam.com. Class Y shares before their inception are derived from the historical performance of class A shares, which have not been adjusted for the lower expenses; had they, returns would have been higher. Performance for class Y shares of Putnam Mortgage Opportunities Fund before their inception is derived from the historical performance of class I shares, which have been adjusted for the higher operating expenses for such shares. For a portion of the periods, this fund may have had expense limitations, without which returns would have been lower. Class Y shares are generally only available for corporate and institutional clients and have no initial sales charge.

**Consider these risks before investing:** 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, (such as a region of the United States), industry, or sector, such as the housing or real estate markets. Emerging-market securities carry illiquidity and volatility risks. Allocation of assets among fixed-income strategies may hurt performance. Investments in small and/or midsize companies increase the risk of greater price fluctuations. International investing involves currency, economic, and political risks. 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. Default risk is generally higher for non-qualified mortgages. Unlike bonds, funds that invest in bonds have fees and expenses. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed investments, unlike traditional debt investments, are subject to prepayment risk, which means that they may increase in value less when interest rates decline and decline in value more when interest rates rise. Mortgage-and asset-backed securities are subject to prepayment risk. 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. The fund's efforts to produce lower-volatility returns may not be successful and may make it more difficult at times for the fund to achieve its targeted return. Under certain market conditions, the fund may accept greater-than-typical volatility to seek its targeted return. The fund is not intended to outperform stocks and bonds during strong market rallies. 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. Our use of short selling may result in losses if the securities appreciate in value.

Putnam Ultra Short Duration Income fund is not a money market fund. The fund may not achieve its goal, and it is not intended to be a complete investment program. The fund's prospectus lists additional risks. You can lose money by investing in the fund.

The 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. The ICE BofA U.S. Treasury Bill-ICE BofA 1-3 Year U.S. Corporate Linked Benchmark represents performance of the ICE BofA U.S. Treasury Bill Index from the inception date of the fund, December 23, 2008, through May 31, 2018, and performance of the ICE BofA 1-3 Year U.S. Corporate Index from June 1, 2018, and thereafter. You cannot invest directly in an index.

The ICE BofA 1-3 year U.S. Corporate Index is an unmanaged index of U.S. investment-grade corporate debt with a remaining term to maturity of less than 3 years.

The Bloomberg (BBG) Barclays U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

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The Bloomberg (BBG) Barclays Global Aggregate Bond Index is an unmanaged index of global investment-grade fixed-income securities. You cannot invest directly in an index.

The Bloomberg Barclays U.S. MBS Index covers the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

The Bloomberg Barclays GNMA-Bloomberg Barclays U.S. MBS Linked Benchmark represents performance of the Bloomberg Barclays GNMA Index from inception date of the fund, February 8, 1984, through April 18, 2018, and performance of the Bloomberg Barclays U.S. MBS Index from April 19, 2018, and thereafter.

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

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