

Objective

The fund seeks high current income consistent with what Putnam management believes to be prudent risk.

Portfolio Managers

Michael V. Salm
(industry since 1989)

Andrew Benson
(industry since 2008)

Brett S. Kozlowski, CFA
(industry since 1997)

Morningstar category

Intermediate Core-Plus Bond

Lipper category

Core Bond

Benchmark

Bloomberg U.S. Aggregate Bond Index

Average effective duration

5.99

3-year average duration

5.67

Credit qualities are shown as a percentage of the fund's net assets. A bond rated BBB or higher is considered investment grade. This table reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings and portfolio credit quality will vary over time. Net cash represents the market value weights of cash, derivatives, and short-term securities in the portfolio. **The fund itself has not been rated by an independent rating agency. Data in the table reflect a new calculation methodology put into effect 6/30/22.**

**Not FDIC insured
May lose value
No bank guarantee**

Putnam Income Fund

Pursuing income with an all-weather bond portfolio since 1954

Diverse opportunities

The fund invests across all sectors of the U.S. bond market, including mortgage-backed securities, corporate bonds, and other government obligations.

Flexible risk allocations

The fund takes a unique approach to asset allocation, dynamically establishing diversified risk exposures rather than sector exposures.

Bottom-up approach

Security selection is the primary driver of returns, with subsector allocations and macro strategies also serving as potential alpha generators.

Pursuing opportunities inside and outside the benchmark

| Portfolio quality | | Sector | | | |
|-------------------|-------|---------------------------------|-----------|-------------|------------|
| | | Portfolio | Benchmark | Underweight | Overweight |
| AAA | 28.6% | Agency pass-through | 76.3 | 27.6 | 48.7 |
| AA | 3.1 | Investment-grade corp bonds | 26.8 | 23.8 | 3.0 |
| A | 10.7 | Commercial MBS | 16.1 | 1.9 | 14.2 |
| BBB | 22.9 | Agency CMO | 12.9 | 0.0 | 12.9 |
| BB | 4.9 | Residential MBS (non-agency) | 9.7 | 0.0 | 9.7 |
| B | 3.0 | Collateralized loan obligations | 5.7 | 0.0 | 5.7 |
| CCC and below | 2.3 | High-yield corp bonds | 2.4 | 0.0 | 2.4 |
| Not rated | 6.1 | Asset-backed securities (ABS) | 2.0 | 0.4 | 1.6 |
| Net cash | 18.5 | Emerging market bonds | 0.4 | 1.3 | -0.9 |
| | | Municipal bonds | 0.1 | 0.6 | -0.5 |
| | | Bank loans | 0.1 | 0.0 | 0.1 |
| | | U.S. Treasury/agency | 0.0 | 42.1 | -42.1 |
| | | International Treasury/agency | 0.0 | 2.3 | -2.3 |

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

Source: Bloomberg Index Services Limited.

Net cash represents 18.5% of the portfolio.

11.7% of the portfolio is invested internationally.

Allocations will vary over time.

Fund allocations may not total 100% of net assets because the table includes the notional value of the derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities.

The fund's strategy has resulted in relatively low positive correlation to broad bond indexes**Correlation of Putnam Income Fund (Y shares) versus:**

| | 1 year | 3 years | 5 years |
|-------------------------------------|--------|---------|---------|
| Bloomberg U.S. Aggregate Bond Index | 0.96 | 0.89 | 0.90 |
| Bloomberg U.S. Treasury Index | 0.92 | 0.60 | 0.67 |
| Bloomberg Global Aggregate Index | 0.95 | 0.89 | 0.87 |

Source: Bloomberg Index Services Limited.

Correlation is a measure of how similar the historical performances of two different asset classes or securities have been. The maximum correlation is 1.0 and the minimum is 0 with values between 0 and -1 indicating negative correlation. A positive correlation close to 1.0 indicates that the historical returns of the two asset classes being compared have been very similar. A negative correlation close to -1.0 indicates that the historical returns of the two asset classes being compared have been opposite each other; for example, when one gained 5%, the other declined 5%. Correlations near zero indicate that there has been little discernible relationship between the two asset classes being compared.

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Fund symbols

| | |
|----------|-------|
| Class A | PINCX |
| Class B | PNCBX |
| Class C | PUICX |
| Class M | PNCMX |
| Class R | PIFRX |
| Class R6 | PINHX |
| Class Y | PNCYX |

Morningstar rankings

(Y shares, based on total return)

| | |
|----------|---------------|
| 1 year | 72% (409/610) |
| 3 years | 91% (513/568) |
| 5 years | 44% (200/508) |
| 10 years | 27% (85/363) |

Expense ratio

(Y shares)

| | |
|---------------------|-------|
| Total expense ratio | 0.58% |
| What you pay | 0.48% |

(A shares)

| | |
|---------------------|-------|
| Total expense ratio | 0.83% |
| What you pay | 0.73% |

“What you pay” reflects Putnam Management’s decision to contractually limit expenses through 2/28/23.

Net assets

\$2,031.62M

Number of holdings

1,715

Dividend frequency

Monthly

Standard deviation

(Y shares)

6.11

Average effective maturity

15.22

30-day SEC yield

(Y shares)

| | |
|-----------------|-------|
| Without subsidy | 4.82% |
| With subsidy | 4.92% |

Not all share classes are available on all platforms.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
FS035_YA 331436 10/22

Annual performance (all distributions reinvested)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 YTD |
|------------------------------|-------|-------|--------|-------|-------|-------|--------|-------|--------|----------|
| Y shares at net asset value | 2.26% | 5.46% | -1.51% | 2.24% | 6.10% | 0.64% | 11.68% | 7.19% | -3.63% | -15.29% |
| A shares before sales charge | 2.06 | 5.13 | -1.75 | 2.04 | 5.83 | 0.46 | 11.18 | 7.06 | -3.93 | -15.44 |
| Benchmark | -2.02 | 5.97 | 0.55 | 2.65 | 3.54 | 0.01 | 8.72 | 7.51 | -1.54 | -14.61 |

Source: Bloomberg Index Services Limited.

Annualized total return performance

| | 1 year | 3 years | 5 years | 10 years | Life of fund |
|--|---------|---------|---------|----------|--------------|
| Y shares (Inception 6/16/94) | -16.08% | -4.11% | -0.10% | 1.43% | 6.99% |
| A shares (Inception 11/1/54) before sales charge | -16.29 | -4.36 | -0.37 | 1.18 | 6.88 |
| A shares after sales charge | -19.64 | -5.65 | -1.18 | 0.77 | 6.82 |
| Benchmark | -14.60 | -3.26 | -0.27 | 0.89 | — |

Source: Bloomberg Index Services Limited.

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. After-sales-charge returns for class A reflect a maximum 4.00% load. Returns for class Y shares prior to their inception are derived from the historical performance of class A shares, which have not been adjusted for their lower expenses; had they, returns would have been higher. 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.

Highlights of five-year performance periods (11/1/54–9/30/22)*

| | Best 5-year return | Best period end date | Worst 5-year return | Worst period end date | Average 5-year return | % of 5-year periods with positive returns | Number of positive 5-year periods | Number of negative 5-year periods |
|----------|--------------------|----------------------|---------------------|-----------------------|-----------------------|---|-----------------------------------|-----------------------------------|
| Y shares | 20.63% | 9/30/86 | -1.18% | 12/31/08 | 7.16% | 98% | 248 | 4 |
| A shares | 20.63 | 9/30/86 | -1.40 | 12/31/08 | 7.05 | 98 | 248 | 4 |

* Based on annualized returns for quarterly rolling periods.

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

Morningstar rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar’s risk-adjusted star ratings. Past performance is not indicative of future results.

Consider these risks before investing: 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 in other investments with less attractive terms and yields.

The fund’s investments in mortgage-backed securities and asset-backed securities, and in certain other securities and derivatives, may be or become illiquid. The fund’s exposure to mortgage-backed securities may make the fund’s net asset value more susceptible to economic, market, political, and other developments affecting the housing or real estate markets and the servicing of mortgage loans secured by real estate properties. The fund currently has significant investment exposure to commercial mortgage-backed securities. 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. Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses. The value of investments in the fund’s portfolio may fall or fail to rise over 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.

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

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

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