## January | 2023

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Putnam INVESTMENTS

# Putnam ESG Ultra Short ETF (PULT)

### Short duration securities selected for attractive income potential

**Portfolio Managers**

**Joanne M. Driscoll, CFA**
(industry since 1992)

**Andrew Benson**
(industry since 2008)

**Michael J. Lima, CFA**
(industry since 1997)

**Objective**
Seeks a high rate of current income consistent with preservation of capital and liquidity

**Type**
Active, fully transparent, traditional ETF with daily disclosure of portfolio holdings to public investors and traders

| Ticker | CUSIP |
|---|---|
| PULT | 746729854 |

**Primary exchange**
NYSE

**Fund distributor**
Foreside Fund Services, LLC

**Inception**
January 19, 2023

**Benchmark**
ICE BofA U.S. Treasury Bill Index

**Total expense ratio**
0.25%

**Dividend frequency**
Monthly

### A broader opportunity set

Invests in a diversified portfolio composed of short duration, investment-grade money market and other fixed income securities with the potential to offer higher income than other short-term investments

### Active risk management

Seeks to manage risk with an active process in today's complex bond market, with the goal of attractive risk-adjusted performance over time

### Integrated ESG approach

Incorporates consideration of material environmental, social, and governance (ESG) issues that managers view as additive to the fundamental understanding of each issuer

### Lower interest-rate sensitivity

The effective duration of the portfolio, a measure of interest-rate sensitivity, will generally not be greater than one year, making the fund less sensitive to shifts in interest rates.

### Active strategy

To navigate the complexity of today's fixed income markets, the fund pursues active management with a commitment to fundamental research.

### Relevant ESG criteria

The portfolio team invests with a focus on companies or bond issuers that meet relevant sector-specific ESG criteria.

### Why ETFs?

- **Cost competitive**
  ETFs may reduce costs to investors with a simplified fee structure compared to alternatives.
- **Tax efficient**
  The structure of ETFs can reduce the impact of capital gains distributions relative to other investment vehicles.
- **Intraday liquidity**
  ETFs trade at any time of day, offering convenience and price clarity when buying and selling.

### Why active?

- **Potential for outperformance**
  Active strategies aim to outperform passive indexes through investment research and portfolio positioning.
- **Active risk management**
  Proactive analysis helps to identify better risk/reward potential than an index offers and seeks to reduce unintended risk.
- **Professional oversight**
  Experienced portfolio managers balance risk and return while delivering the ETF's structural benefits.

## Experienced portfolio managers

- Joanne Driscoll is Head of Short-Term Liquid Markets and is responsible for investment strategies and management of short duration products. She oversees SEC Rule 2a-7 mandated portfolios and other cash assets.
- Portfolio Manager Andrew Benson specializes in investment-grade and corporate credit strategies. He also collaborates on ESG integration, assessing the fundamental relevance of ESG issues at a security level and the potential for alpha generation and risk mitigation.
- Portfolio Manager Michael Lima is on the investment teams of multiple money market and short duration products. He conducts fundamental research and develops insights on material sustainability issues, valuations, and buy/sell recommendations for companies in the global financials sector.

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The ICE BofA (Intercontinental Exchange Bank of America) 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. ICE Data Indices, LLC (ICE BofA), used with permission. ICE BofA permits use of the ICE BofA indices and related data on an “as is” basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofA indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services.

**Alpha** is a measure of performance on a risk-adjusted basis. Alpha takes the volatility of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

Shares of any ETF are bought and sold at market price (not NAV), may trade at a discount or premium to NAV, and are not individually redeemed from the fund. Brokerage commissions will reduce returns. Key risks for each fund are below.

**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.

**Consider these risks before investing:** Putnam ESG Ultra Short ETF is not a money market fund. Investing with a focus on companies or issuers that exhibit a commitment to ESG factors may result in the fund investing in certain types of companies or issuers that underperform the market as a whole. In evaluating an investment opportunity, we may make investment decisions based on information and data that is incomplete or inaccurate. Due to changes in the products or services of the companies and issuers in which the fund invests, the fund may temporarily hold securities that are inconsistent with its ESG investment.

Fixed income 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. Lower-rated bonds may offer higher yields in return for more risk. 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. You can lose money by investing in the fund.

**You should consider the fund’s investment objectives, risks, charges, and expenses carefully before you invest. This and other important information is contained in the fund’s prospectus available on putnam.com or by calling 1-833-228-5577. Please read carefully before you invest.**

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Putnam Retail Management
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