

A world of investing.®



Putnam Short Duration Bond Fund

Semiannual report

4 | 30 | 23



Income funds invest in bonds and other securities with the goal of providing a steady stream of income over time.

FUND SYMBOL
CLASS A
PARTX

Putnam Short Duration Bond Fund

Semiannual report

4 | 30 | 23

| | |
|------------------------------------|---|
| Message from the Trustees | 1 |
| Your fund at a glance | 2 |
| Your fund's expenses | 3 |
| Other information for shareholders | 5 |
| Financial statements | 6 |

Message from the Trustees

June 14, 2023

Dear Fellow Shareholder:

Stocks and bonds have generally advanced since the start of the year despite market ups and downs. Inflation has fallen but remains a concern for the Federal Reserve. U.S. interest rates have risen to their highest level since 2007, which is putting pressure on corporate earnings and causing stress in the banking system.

Fortunately, a strong pulse of innovation in the broader economy is gaining investor attention. International markets are becoming increasingly dynamic, in part because China's economy is reopening after years of pandemic-related restrictions.

While remaining alert to market risks, your investment team is finding new and attractive opportunities across sectors, industries, and global markets. This report offers an update about their efforts in managing your fund.

Thank you for investing with Putnam.

Respectfully yours,



A handwritten signature in black ink that reads "Robert L. Reynolds".

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments



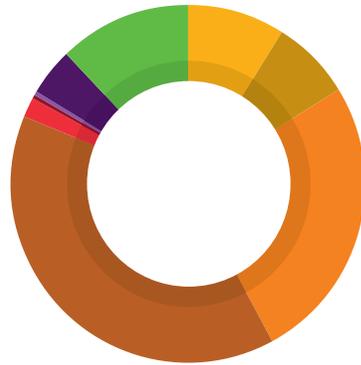
A handwritten signature in black ink that reads "Kenneth R. Leibler".

Kenneth R. Leibler
Chair, Board of Trustees

Your fund at a glance

Credit quality overview

| | |
|-----------------------------|------|
| ● AAA | 8.9% |
| ● AA | 7.3 |
| ● A | 26.0 |
| ● BBB | 39.1 |
| ● BB | 1.8 |
| ● B | 0.3 |
| ● CCC and below | 0.2 |
| ● Not rated | 4.3 |
| ● Cash and net other assets | 12.1 |



Credit qualities are shown as a percentage of the fund's net assets as of 4/30/23. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart 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. Due to rounding, percentages may not equal 100%.

Cash and net other assets, if any, represent 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.

Portfolio composition

| | |
|---|-------|
| Investment-grade corporate bonds | 64.3% |
| Commercial mortgage-backed securities | 10.4% |
| Non-agency residential mortgage-backed securities | 8.4% |
| Collateralized loan obligations | 2.2% |
| High-yield corporate bonds | 1.5% |
| Asset-backed securities | 1.1% |
| Cash and net other assets | 12.1% |

Allocations are shown as a percentage of the fund's net assets as of 4/30/23. Cash and net other assets, if any, represent the market value weights of cash, derivatives, short-term securities, and other unclassified assets in the portfolio. Summary information may differ from the portfolio schedule included in the financial statements due to the inclusion of derivative securities, any interest accruals, the use of different classifications of securities for presentation purposes, and rounding. Allocations may not total 100% because the chart includes the notional value of certain 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.

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. 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 |
|--|---------|---------|---------|---------|----------|---------|
| Total annual operating expenses for the fiscal year ended 10/31/22 | 0.62% | 0.82% | 1.37% | 0.87% | 0.37% | 0.37% |
| Annualized expense ratio for the six-month period ended 4/30/23 | 0.62% | 0.82% | 1.37% | 0.87% | 0.37% | 0.37% |

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 financial highlights of this report.

Expenses are shown as a percentage of average net assets.

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 11/1/22 to 4/30/23. 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 [†] | \$3.13 | \$4.14 | \$6.91 | \$4.39 | \$1.87 | \$1.87 |
| Ending value (after expenses) | \$1,038.00 | \$1,037.00 | \$1,034.10 | \$1,036.50 | \$1,039.10 | \$1,039.20 |

* 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 4/30/23. 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 4/30/23, use the following calculation method. To find the value of your investment on 11/1/22, call Putnam at 1-800-225-1581.

How to calculate the expenses you paid

Value of your investment on 11/1/22 ÷ **\$1,000** × **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** × **\$3.13** (see preceding table) = **\$31.30**

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**† | \$3.11 | \$4.11 | \$6.85 | \$4.36 | \$1.86 | \$1.86 |
| Ending value (after expenses) | \$1,021.72 | \$1,020.73 | \$1,018.00 | \$1,020.48 | \$1,022.96 | \$1,022.96 |

* 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 4/30/23. 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).

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 or, for exchange-traded funds only, 1-833-228-5577. We will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our 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, 2022, 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 or, for exchange-traded funds only, 1-833-228-5577.

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.

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 funds. As of April 30, 2023, Putnam employees had approximately \$467,000,000 and the Trustees had approximately \$66,000,000 invested in Putnam funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Financial statements

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

The fund's 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.

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.)

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.

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 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 period.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover (not required for money market funds) 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 portfolio 4/30/23 (Unaudited)

| CORPORATE BONDS AND NOTES (65.4%)* | Principal amount | Value |
|--|-------------------------|--------------------|
| Banking (18.4%) | | |
| Banco Santander SA sr. unsec. unsub. FRN 1.722%, 9/14/27 (Spain) | \$22,600,000 | \$19,881,924 |
| Bank of America Corp. unsec. sub. notes Ser. MTN, 4.45%, 3/3/26 | 32,011,000 | 31,536,558 |
| Bank of America Corp. unsec. sub. notes Ser. MTN, 4.20%, 8/26/24 | 21,565,000 | 21,272,552 |
| Bank of Nova Scotia (The) sr. unsec. notes 1.30%, 6/11/25 (Canada) | 7,434,000 | 6,865,260 |
| Banque Federative du Credit Mutuel SA 144A sr. unsec. notes 1.604%, 10/4/26 (France) | 5,000,000 | 4,464,915 |
| Banque Federative du Credit Mutuel SA 144A sr. unsec. notes 0.65%, 2/27/24 (France) | 7,500,000 | 7,208,331 |
| BPCE SA 144A sr. unsec. notes 1.00%, 1/20/26 (France) | 15,798,000 | 14,230,571 |
| BPCE SA 144A sr. unsec. unsub. FRN 5.975%, 1/18/27 (France) | 1,415,000 | 1,426,177 |
| Citigroup, Inc. sr. unsec. FRN 5.61%, 9/29/26 | 3,825,000 | 3,869,543 |
| Citigroup, Inc. sr. unsec. FRN 4.044%, 6/1/24 | 9,480,000 | 9,466,054 |
| Citigroup, Inc. unsec. sub. notes 4.60%, 3/9/26 | 10,945,000 | 10,817,348 |
| Citizens Bank NA sr. unsec. FRN 4.119%, 5/23/25 | 4,825,000 | 4,604,054 |
| Credit Suisse AG sr. unsec. notes 4.75%, 8/9/24 | 2,785,000 | 2,691,006 |
| Credit Suisse AG/New York, NY sr. unsec. unsub. notes 1.25%, 8/7/26 | 14,188,000 | 12,126,525 |
| Credit Suisse Group AG company guaranty sr. unsec. unsub. notes 4.55%, 4/17/26 (Switzerland) | 8,750,000 | 8,139,250 |
| Credit Suisse Group AG 144A sr. unsec. unsub. FRN 1.305%, 2/2/27 (Switzerland) | 5,500,000 | 4,675,000 |
| Danske Bank A/S 144A sr. unsec. notes 1.549%, 9/10/27 (Denmark) | 10,000,000 | 8,768,473 |
| Deutsche Bank AG unsec. sub. notes 4.50%, 4/1/25 (Germany) | 5,914,000 | 5,546,047 |
| Fifth Third Bancorp sr. unsec. sub. notes 2.375%, 1/28/25 | 4,248,000 | 3,997,198 |
| First-Citizens Bank & Trust Co. unsec. sub. notes 6.125%, 3/9/28 | 6,917,000 | 6,888,652 |
| ING Bank NV 144A unsec. sub. notes 5.80%, 9/25/23 (Netherlands) | 12,868,000 | 12,822,010 |
| Intesa Sanpaolo SpA 144A unsec. sub. notes 5.71%, 1/15/26 (Italy) | 3,750,000 | 3,611,127 |
| JPMorgan Chase & Co. sr. unsec. unsub. FRN 4.023%, 12/5/24 | 4,627,000 | 4,584,153 |
| JPMorgan Chase & Co. sr. unsec. unsub. FRN 2.083%, 4/22/26 | 2,313,000 | 2,179,292 |
| JPMorgan Chase & Co. sr. unsec. unsub. notes 3.797%, 7/23/24 | 6,042,000 | 6,017,088 |
| JPMorgan Chase & Co. unsec. sub. notes 3.875%, 9/10/24 | 18,030,000 | 17,720,760 |
| KeyCorp sr. unsec. unsub. FRN Ser. MTN, 3.878%, 5/23/25 | 2,113,000 | 2,041,787 |
| NatWest Group PLC sr. unsec. unsub. FRN 5.847%, 3/2/27 (United Kingdom) | 1,765,000 | 1,784,929 |
| Santander Holdings USA, Inc. sr. unsec. FRN 2.49%, 1/6/28 | 4,000,000 | 3,507,911 |
| Societe Generale SA 144A unsec. sub. notes 5.00%, 1/17/24 (France) | 5,165,000 | 5,087,133 |
| Truist Bank sr. unsec. notes Ser. BKNT, 2.15%, 12/6/24 | 2,500,000 | 2,366,013 |
| Truist Bank sr. unsec. notes Ser. BKNT, 1.50%, 3/10/25 | 5,000,000 | 4,643,000 |
| Truist Bank sr. unsec. unsub. notes Ser. BNKT, 3.20%, 4/1/24 | 5,643,000 | 5,520,106 |
| Truist Financial Corp. sr. unsec. unsub. notes 4.00%, 5/1/25 | 958,000 | 928,532 |
| Wells Fargo & Co. sr. unsec. unsub. FRN Ser. MTN, 3.908%, 4/25/26 | 5,345,000 | 5,212,005 |
| Wells Fargo & Co. sr. unsec. unsub. FRN Ser. MTN, 2.164%, 2/11/26 | 3,000,000 | 2,832,068 |
| | | 269,333,352 |

| CORPORATE BONDS AND NOTES (65.4%)* cont. | Principal amount | Value |
|---|-------------------------|-------------------|
| Basic materials (3.8%) | | |
| Celanese US Holdings, LLC company guaranty sr. unsec. notes 6.165%, 7/15/27 (Germany) | \$1,690,000 | \$1,710,702 |
| Celanese US Holdings, LLC company guaranty sr. unsec. notes 6.05%, 3/15/25 (Germany) | 857,000 | 860,234 |
| Celanese US Holdings, LLC company guaranty sr. unsec. notes 3.50%, 5/8/24 (Germany) | 893,000 | 871,179 |
| Celanese US Holdings, LLC company guaranty sr. unsec. notes 1.40%, 8/5/26 (Germany) | 10,693,000 | 9,375,348 |
| CF Industries, Inc. 144A company guaranty sr. notes 4.50%, 12/1/26 | 5,369,000 | 5,271,281 |
| Georgia-Pacific, LLC 144A sr. unsec. notes 1.75%, 9/30/25 | 4,244,000 | 3,948,359 |
| Georgia-Pacific, LLC 144A sr. unsec. notes 0.95%, 5/15/26 | 8,790,000 | 7,875,153 |
| Glencore Funding, LLC 144A company guaranty sr. unsec. notes 1.625%, 4/27/26 | 2,500,000 | 2,267,854 |
| Glencore Funding, LLC 144A company guaranty sr. unsec. notes 1.625%, 9/1/25 | 8,686,000 | 8,020,832 |
| Glencore Funding, LLC 144A company guaranty sr. unsec. unsub. notes 4.625%, 4/29/24 | 894,000 | 885,216 |
| Graphic Packaging International, LLC 144A company guaranty sr. notes 1.512%, 4/15/26 | 7,461,000 | 6,690,314 |
| International Flavors & Fragrances, Inc. sr. unsec. unsub. notes 3.20%, 5/1/23 | 3,450,000 | 3,450,000 |
| International Flavors & Fragrances, Inc. 144A sr. unsec. unsub. notes 1.23%, 10/1/25 | 4,600,000 | 4,133,413 |
| | | 55,359,885 |
| Capital goods (3.1%) | | |
| Berry Global Escrow Corp. 144A sr. notes 4.875%, 7/15/26 | 5,000 | 4,889 |
| Berry Global, Inc. 144A company guaranty sr. notes 1.65%, 1/15/27 | 11,250,000 | 9,876,047 |
| Berry Global, Inc. 144A company guaranty sr. notes 1.57%, 1/15/26 | 89,000 | 80,878 |
| Boeing Co. (The) sr. unsec. notes 4.508%, 5/1/23 | 6,000,000 | 6,000,000 |
| Boeing Co. (The) sr. unsec. notes 2.75%, 2/1/26 | 10,330,000 | 9,790,999 |
| Northrop Grumman Corp. sr. unsec. notes 2.93%, 1/15/25 | 5,224,000 | 5,066,758 |
| Republic Services, Inc. sr. unsec. notes 2.50%, 8/15/24 | 2,550,000 | 2,470,898 |
| Republic Services, Inc. sr. unsec. notes 0.875%, 11/15/25 | 5,098,000 | 4,630,881 |
| Waste Management, Inc. company guaranty sr. unsec. notes 0.75%, 11/15/25 | 7,700,000 | 6,994,283 |
| | | 44,915,633 |
| Communication services (5.5%) | | |
| American Tower Corp. sr. unsec. notes 1.60%, 4/15/26 | 8,806,000 | 8,010,900 |
| American Tower Corp. sr. unsec. sub. notes 2.75%, 1/15/27 ^R | 4,403,000 | 4,080,802 |
| AT&T, Inc. company guaranty sr. unsec. unsub. notes 2.30%, 6/1/27 | 9,547,000 | 8,756,292 |
| AT&T, Inc. sr. unsec. unsub. notes 4.25%, 3/1/27 | 7,247,000 | 7,207,862 |
| Charter Communications Operating, LLC/Charter Communications Operating Capital Corp. company guaranty sr. notes 4.50%, 2/1/24 | 5,500,000 | 5,435,879 |
| Charter Communications Operating, LLC/Charter Communications Operating Capital Corp. company guaranty sr. sub. notes 4.908%, 7/23/25 | 2,213,000 | 2,192,284 |
| Charter Communications Operating, LLC/Charter Communications Operating Capital Corp. company guaranty sr. FRN (ICE LIBOR USD 3 Month + 1.65%), 6.949%, 2/1/24 | 1,373,000 | 1,378,625 |

| CORPORATE BONDS AND NOTES (65.4%)* cont. | Principal amount | Value |
|---|-------------------------|-------------------|
| Communication services cont. | | |
| Comcast Corp. company guaranty sr. unsec. unsub. notes 3.70%, 4/15/24 | \$10,126,000 | \$10,001,520 |
| Cox Communications, Inc. 144A sr. unsec. notes 3.15%, 8/15/24 | 2,497,000 | 2,434,231 |
| Crown Castle, Inc. sr. unsec. notes 3.20%, 9/1/24 ^R | 6,840,000 | 6,663,762 |
| Equinix, Inc. sr. unsec. sub. notes 2.90%, 11/18/26 ^R | 718,000 | 670,583 |
| Equinix, Inc. sr. unsec. sub. notes 1.00%, 9/15/25 ^R | 6,000,000 | 5,447,454 |
| T-Mobile USA, Inc. company guaranty sr. notes 1.50%, 2/15/26 | 8,000,000 | 7,330,867 |
| T-Mobile USA, Inc. company guaranty sr. unsec. notes 2.25%, 2/15/26 | 1,257,000 | 1,169,801 |
| Verizon Communications, Inc. sr. unsec. unsub. notes 2.625%, 8/15/26 | 10,000,000 | 9,460,727 |
| | | 80,241,589 |
| Consumer cyclicals (5.0%) | | |
| Block, Inc. sr. unsec. notes 2.75%, 6/1/26 | 10,575,000 | 9,570,504 |
| D.R. Horton, Inc. company guaranty sr. unsec. unsub. notes 1.30%, 10/15/26 | 10,620,000 | 9,510,232 |
| Gartner, Inc. 144A company guaranty sr. unsec. notes 4.50%, 7/1/28 | 8,368,000 | 7,864,028 |
| Global Payments, Inc. sr. unsec. notes 1.20%, 3/1/26 | 5,280,000 | 4,734,016 |
| Hyatt Hotels Corp. sr. unsec. unsub. notes 1.80%, 10/1/24 | 750,000 | 712,918 |
| Interpublic Group of Cos., Inc. (The) sr. unsec. notes 4.20%, 4/15/24 | 2,354,000 | 2,321,263 |
| Lennar Corp. company guaranty sr. unsec. notes 4.50%, 4/30/24 | 9,870,000 | 9,777,174 |
| Omnicom Group, Inc. company guaranty sr. unsec. unsub. notes 3.60%, 4/15/26 | 5,960,000 | 5,797,709 |
| Stellantis Finance US, Inc. 144A company guaranty sr. unsec. notes 1.711%, 1/29/27 | 4,700,000 | 4,196,696 |
| VF Corp. sr. unsec. notes 2.40%, 4/23/25 | 1,138,000 | 1,075,884 |
| Volkswagen Group of America Finance, LLC 144A company guaranty sr. unsec. notes 4.35%, 6/8/27 | 9,440,000 | 9,300,666 |
| Warnermedia Holdings, Inc. 144A company guaranty sr. unsec. notes 3.755%, 3/15/27 | 8,828,000 | 8,319,567 |
| | | 73,180,657 |
| Consumer finance (4.2%) | | |
| AerCap Ireland Capital DAC/AerCap Global Aviation Trust company guaranty sr. unsec. notes 2.45%, 10/29/26 (Ireland) | 14,000,000 | 12,553,018 |
| AerCap Ireland Capital DAC/AerCap Global Aviation Trust company guaranty sr. unsec. notes 4.50%, 9/15/23 (Ireland) | 5,850,000 | 5,814,123 |
| Air Lease Corp. sr. unsec. notes 0.80%, 8/18/24 | 8,500,000 | 7,981,413 |
| Air Lease Corp. sr. unsec. unsub. notes 4.25%, 9/15/24 | 5,539,000 | 5,429,158 |
| American Express Co. sr. unsec. unsub. notes 3.375%, 5/3/24 | 6,485,000 | 6,364,161 |
| General Motors Financial Co., Inc. sr. unsec. sub. notes 2.75%, 6/20/25 | 4,070,000 | 3,860,600 |
| General Motors Financial Co., Inc. sr. unsec. sub. notes 1.50%, 6/10/26 | 15,000,000 | 13,422,468 |
| General Motors Financial Co., Inc. sr. unsec. sub. notes 1.05%, 3/8/24 | 6,327,000 | 6,085,130 |
| | | 61,510,071 |

| CORPORATE BONDS AND NOTES (65.4%)* cont. | Principal amount | Value |
|---|-------------------------|-------------------|
| Consumer staples (3.3%) | | |
| Ashtead Capital, Inc. 144A company guaranty sr. unsec. notes 1.50%, 8/12/26 | \$9,275,000 | \$8,198,734 |
| ERAC USA Finance, LLC 144A company guaranty sr. unsec. unsub. notes 3.30%, 12/1/26 | 3,000,000 | 2,842,631 |
| GSK Consumer Healthcare Capital US, LLC company guaranty sr. unsec. unsub. notes 3.375%, 3/24/27 | 4,040,000 | 3,856,770 |
| JDE Peet's NV 144A company guaranty sr. unsec. notes 1.375%, 1/15/27 (Netherlands) | 6,850,000 | 5,991,479 |
| Kenvue, Inc. 144A company guaranty sr. unsec. unsub. notes 5.35%, 3/22/26 | 1,365,000 | 1,401,354 |
| Kenvue, Inc. 144A company guaranty sr. unsec. unsub. notes 5.05%, 3/22/28 | 2,000,000 | 2,071,375 |
| Keurig Dr Pepper, Inc. company guaranty sr. unsec. unsub. notes 4.417%, 5/25/25 | 1,392,000 | 1,383,541 |
| Keurig Dr Pepper, Inc. company guaranty sr. unsec. unsub. notes 3.40%, 11/15/25 | 3,456,000 | 3,344,105 |
| Mondelez International Holdings Netherlands BV 144A company guaranty sr. unsec. unsub. notes 1.25%, 9/24/26 (Netherlands) | 10,000,000 | 8,947,468 |
| Netflix, Inc. 144A sr. unsec. bonds 5.375%, 11/15/29 | 7,500,000 | 7,667,288 |
| Netflix, Inc. 144A sr. unsec. bonds 4.875%, 6/15/30 | 2,500,000 | 2,482,964 |
| | | 48,187,709 |
| Energy (0.7%) | | |
| Continental Resources, Inc. 144A company guaranty sr. unsec. notes 2.268%, 11/15/26 | 1,674,000 | 1,500,532 |
| EQT Corp. sr. unsec. notes 5.678%, 10/1/25 | 2,735,000 | 2,727,650 |
| Sabine Pass Liquefaction, LLC sr. notes 5.75%, 5/15/24 | 2,000,000 | 2,000,102 |
| Total Energies Capital International SA company guaranty sr. unsec. unsub. notes 2.434%, 1/10/25 (France) | 4,248,000 | 4,109,349 |
| | | 10,337,633 |
| Financial (1.0%) | | |
| Ally Financial, Inc. sr. unsec. notes 4.75%, 6/9/27 | 2,715,000 | 2,569,446 |
| Ally Financial, Inc. sub. unsec. notes 5.75%, 11/20/25 | 10,200,000 | 9,911,201 |
| LPL Holdings, Inc. 144A company guaranty sr. unsec. notes 4.625%, 11/15/27 | 2,000,000 | 1,888,980 |
| | | 14,369,627 |
| Health care (4.1%) | | |
| AbbVie, Inc. sr. unsec. sub. notes 2.60%, 11/21/24 | 10,937,000 | 10,558,595 |
| AbbVie, Inc. sr. unsec. unsub. notes 3.20%, 5/14/26 | 9,905,000 | 9,541,441 |
| Amgen, Inc. sr. unsec. unsub. notes 5.25%, 3/2/25 | 2,000,000 | 2,018,932 |
| Amgen, Inc. sr. unsec. unsub. notes 5.15%, 3/2/28 | 4,720,000 | 4,837,934 |
| Bristol-Myers Squibb Co. sr. unsec. sub. notes 0.75%, 11/13/25 | 314,000 | 288,474 |
| Cigna Corp. sr. unsec. notes 1.25%, 3/15/26 | 5,543,000 | 5,057,318 |
| CVS Health Corp. sr. unsec. unsub. notes 2.875%, 6/1/26 | 8,500,000 | 8,109,296 |
| DH Europe Finance II SARL company guaranty sr. unsec. notes 2.20%, 11/15/24 (Luxembourg) | 4,414,000 | 4,244,140 |
| GE Healthcare Holding, LLC 144A company guaranty sr. unsec. notes 5.65%, 11/15/27 | 2,020,000 | 2,085,985 |
| Merck & Co., Inc. sr. unsec. unsub. notes 2.75%, 2/10/25 | 1,448,000 | 1,408,640 |

| CORPORATE BONDS AND NOTES (65.4%)* cont. | Principal amount | Value |
|---|-------------------------|-------------------|
| Health care cont. | | |
| Novartis Capital Corp. company guaranty sr. unsec. notes 1.75%, 2/14/25 | \$8,477,000 | \$8,096,400 |
| UnitedHealth Group, Inc. company guaranty sr. unsec. unsub. notes 1.25%, 1/15/26 | 4,211,000 | 3,895,985 |
| | | 60,143,140 |
| Insurance (2.0%) | | |
| Athene Global Funding 144A notes 1.73%, 10/2/26 | 12,044,000 | 10,456,050 |
| CNO Global Funding 144A notes 1.75%, 10/7/26 | 3,340,000 | 2,999,617 |
| Corebridge Financial, Inc. 144A sr. unsec. notes 3.65%, 4/5/27 | 6,415,000 | 6,055,847 |
| Fairfax US, Inc. 144A company guaranty sr. unsec. notes 4.875%, 8/13/24 | 2,157,000 | 2,116,589 |
| Pricoa Global Funding I 144A notes 2.40%, 9/23/24 | 5,000,000 | 4,827,987 |
| Willis North America, Inc. company guaranty sr. unsec. unsub. notes 4.65%, 6/15/27 | 2,635,000 | 2,593,812 |
| | | 29,049,902 |
| Investment banking/Brokerage (4.8%) | | |
| Ares Capital Corp. sr. unsec. notes 2.875%, 6/15/27 | 8,880,000 | 7,754,366 |
| Deutsche Bank AG/New York, NY sr. unsec. unsub. FRN 2.311%, 11/16/27 (Germany) | 5,145,000 | 4,453,211 |
| Deutsche Bank AG/New York, NY sr. unsec. unsub. FRN 2.129%, 11/24/26 (Germany) | 8,270,000 | 7,358,735 |
| Deutsche Bank AG/New York, NY sr. unsec. unsub. notes 1.686%, 3/19/26 (Germany) | 6,750,000 | 6,041,517 |
| Goldman Sachs Group, Inc. (The) sr. unsec. FRN 1.948%, 10/21/27 | 15,000,000 | 13,432,360 |
| Goldman Sachs Group, Inc. (The) sr. unsec. notes 3.50%, 4/1/25 | 3,125,000 | 3,035,946 |
| Goldman Sachs Group, Inc. (The) sr. unsec. unsub. FRN 1.431%, 3/9/27 | 4,000,000 | 3,591,094 |
| Goldman Sachs Group, Inc. (The) sr. unsec. unsub. notes 4.00%, 3/3/24 | 4,119,000 | 4,067,534 |
| Morgan Stanley sr. unsec. unsub. notes Ser. GMTN, 3.875%, 1/27/26 | 10,900,000 | 10,639,789 |
| Morgan Stanley unsec. unsub. notes 3.95%, 4/23/27 | 10,000,000 | 9,609,318 |
| | | 69,983,870 |
| Real estate (0.3%) | | |
| VICI Properties LP sr. unsec. unsub. notes 4.75%, 2/15/28 ^R | 2,339,000 | 2,255,708 |
| VICI Properties LP/VICI Note Co., Inc. 144A company guaranty sr. unsec. notes 4.50%, 9/1/26 ^R | 1,410,000 | 1,341,297 |
| VICI Properties LP/VICI Note Co., Inc. 144A company guaranty sr. unsec. notes 3.75%, 2/15/27 ^R | 876,000 | 818,753 |
| | | 4,415,758 |
| Technology (4.5%) | | |
| Apple, Inc. sr. unsec. notes 2.85%, 5/11/24 | 6,000,000 | 5,891,461 |
| Apple, Inc. sr. unsec. notes 1.125%, 5/11/25 | 7,691,000 | 7,232,445 |
| Broadcom Corp./Broadcom Cayman Finance, Ltd. company guaranty sr. unsec. unsub. notes 3.875%, 1/15/27 | 5,295,000 | 5,144,702 |
| Dell International, LLC/EMC Corp. company guaranty sr. notes 4.00%, 7/15/24 | 1,500,000 | 1,480,751 |
| Meta Platforms, Inc. sr. unsec. unsub. notes 3.50%, 8/15/27 | 4,600,000 | 4,463,851 |
| Microchip Technology, Inc. company guaranty sr. notes 4.333%, 6/1/23 | 5,137,000 | 5,130,799 |

| CORPORATE BONDS AND NOTES (65.4%)* cont. | Principal amount | Value |
|---|-------------------------|----------------------|
| Technology cont. | | |
| Microchip Technology, Inc. company guaranty sr. notes 2.67%, 9/1/23 | \$1,600,000 | \$1,584,742 |
| MSCI, Inc. 144A company guaranty sr. unsec. notes 4.00%, 11/15/29 | 3,200,000 | 2,883,296 |
| Oracle Corp. sr. unsec. notes 2.50%, 4/1/25 | 6,500,000 | 6,205,973 |
| Oracle Corp. sr. unsec. notes 1.65%, 3/25/26 | 3,400,000 | 3,122,012 |
| Oracle Corp. sr. unsec. unsub. notes 2.65%, 7/15/26 | 10,000,000 | 9,391,160 |
| VMware, Inc. sr. unsec. notes 1.40%, 8/15/26 | 13,989,000 | 12,491,418 |
| Workday, Inc. sr. unsec. notes 3.50%, 4/1/27 | 1,600,000 | 1,535,851 |
| | | 66,558,461 |
| Transportation (0.6%) | | |
| Penske Truck Leasing Co. LP/PTL Finance Corp. 144A sr. unsec. notes 3.95%, 3/10/25 | 1,541,000 | 1,500,200 |
| Penske Truck Leasing Co. LP/PTL Finance Corp. 144A sr. unsec. notes 3.45%, 7/1/24 | 2,300,000 | 2,246,578 |
| Penske Truck Leasing Co. LP/PTL Finance Corp. 144A sr. unsec. notes 2.70%, 11/1/24 | 5,000,000 | 4,800,076 |
| Penske Truck Leasing Co. LP/PTL Finance Corp. 144A sr. unsec. notes 1.20%, 11/15/25 | 1,385,000 | 1,245,766 |
| | | 9,792,620 |
| Utilities and power (4.1%) | | |
| AES Corp. (The) sr. unsec. notes 1.375%, 1/15/26 | 6,000,000 | 5,438,695 |
| American Electric Power Co., Inc. jr. unsec. sub. notes 2.031%, 3/15/24 | 1,140,000 | 1,104,128 |
| American Electric Power Co., Inc. sr. unsec. unsub. notes 1.00%, 11/1/25 | 4,000,000 | 3,645,158 |
| Boardwalk Pipelines LP company guaranty sr. unsec. unsub. notes 5.95%, 6/1/26 | 3,805,000 | 3,881,081 |
| Duke Energy Ohio, Inc. sr. notes 3.80%, 9/1/23 | 478,000 | 475,173 |
| Enbridge, Inc. company guaranty sr. unsec. notes 1.60%, 10/4/26 (Canada) | 1,900,000 | 1,720,641 |
| Energy Transfer LP company guaranty sr. unsec. notes 5.875%, 1/15/24 | 391,000 | 390,892 |
| Energy Transfer LP company guaranty sr. unsec. notes 4.50%, 4/15/24 | 3,970,000 | 3,925,046 |
| Energy Transfer LP company guaranty sr. unsec. notes 2.90%, 5/15/25 | 174,000 | 166,082 |
| Eversource Energy sr. unsec. unsub. notes Ser. H, 3.15%, 1/15/25 | 5,978,000 | 5,805,464 |
| Eversource Energy sr. unsec. unsub. notes Ser. Q, 0.80%, 8/15/25 | 1,000,000 | 912,752 |
| FirstEnergy Corp. sr. unsec. unsub. bonds Ser. B, 4.15%, 7/15/27 | 3,500,000 | 3,403,750 |
| Kinder Morgan Energy Partners LP company guaranty sr. unsec. unsub. notes 4.30%, 5/1/24 | 6,450,000 | 6,391,646 |
| NextEra Energy Capital Holdings, Inc. company guaranty sr. unsec. unsub. notes 6.051%, 3/1/25 | 2,220,000 | 2,256,910 |
| NRG Energy, Inc. 144A company guaranty sr. notes 3.75%, 6/15/24 | 2,855,000 | 2,788,196 |
| NRG Energy, Inc. 144A sr. notes 2.00%, 12/2/25 | 2,000,000 | 1,804,930 |
| Pacific Gas and Electric Co. sr. notes 3.25%, 2/16/24 | 5,000,000 | 4,894,380 |
| Southern Co. (The) sr. unsec. unsub. notes 3.25%, 7/1/26 | 4,950,000 | 4,742,995 |
| Vistra Operations Co., LLC 144A company guaranty sr. notes 3.55%, 7/15/24 | 7,250,000 | 7,029,799 |
| | | 60,777,718 |
| Total corporate bonds and notes (cost \$1,027,975,177) | | \$958,157,625 |

| MORTGAGE-BACKED SECURITIES (18.7%)* | Principal amount | Value |
|---|-------------------------|---------------|
| Agency collateralized mortgage obligations (—%) | | |
| Federal Home Loan Mortgage Corporation | | |
| REMICs Ser. 3724, Class CM, 5.50%, 6/15/37 | \$12,369 | \$12,866 |
| REMICs Ser. 3539, Class PM, 4.50%, 5/15/37 | 4,752 | 4,707 |
| Federal National Mortgage Association | | |
| REMICs Ser. 11-60, Class PA, 4.00%, 10/25/39 | 4,541 | 4,319 |
| REMICs Ser. 10-81, Class AP, 2.50%, 7/25/40 | 10,176 | 9,762 |
| Government National Mortgage Association Ser. 09-32, Class AB, 4.00%, 5/16/39 | 5,225 | 5,141 |
| | | 36,795 |
| Commercial mortgage-backed securities (10.3%) | | |
| ACRE Commercial Mortgage, Ltd. 144A FRB Ser. 21-FL4, Class A, 5.789%, 12/18/37 (Cayman Islands) | 1,630,736 | 1,583,444 |
| ACRES Commercial Realty, Ltd. 144A FRB Ser. 21-FL1, Class A, (ICE LIBOR USD 1 Month + 1.20%), 6.148%, 6/15/36 | 2,345,000 | 2,281,156 |
| AREIT Trust 144A | | |
| FRB Ser. 20-CRE4, Class C, 7.973%, 4/15/37 | 4,133,883 | 4,011,933 |
| FRB Ser. 19-CRE3, Class A, 6.016%, 9/14/36 | 230,866 | 225,675 |
| Banc of America Commercial Mortgage Trust FRB Ser. 07-1, Class XW, IO, 0.508%, 1/15/49 ^W | 13,839 | — |
| BANK | | |
| FRB Ser. 17-BNK9, Class XA, IO, 0.908%, 11/15/54 ^W | 53,300,161 | 1,384,370 |
| FRB Ser. 17-BNK8, Class XA, IO, 0.849%, 11/15/50 ^W | 25,807,630 | 684,160 |
| BDS Ltd. 144A FRB Ser. 21-FL8, Class B, 6.309%, 1/18/36 (Cayman Islands) | 3,538,000 | 3,328,200 |
| BDS, Ltd. 144A | | |
| FRB Ser. 21-FL10, Class A, (ICE LIBOR USD 1 Month + 1.35%), 6.309%, 12/16/36 (Cayman Islands) | 3,957,000 | 3,862,823 |
| FRB Ser. 21-FL9, Class A, (ICE LIBOR USD 1 Month + 1.07%), 6.029%, 11/16/38 (Cayman Islands) | 1,560,000 | 1,506,352 |
| CD Commercial Mortgage Trust | | |
| FRB Ser. 16-CD1, Class XA, IO, 1.499%, 8/10/49 ^W | 7,894,873 | 256,740 |
| FRB Ser. 17-CD6, Class XA, IO, 1.016%, 11/13/50 ^W | 17,729,041 | 465,524 |
| CFCRE Commercial Mortgage Trust FRB Ser. 16-C4, Class XA, IO, 1.767%, 5/10/58 ^W | 28,284,489 | 1,020,790 |
| CFCRE Commercial Mortgage Trust 144A FRB Ser. 11-C2, Class D, 5.249%, 12/15/47 ^W | 152,737 | 136,654 |
| Citigroup Commercial Mortgage Trust FRB Ser. 14-GC19, Class GC19, 5.257%, 3/11/47 ^W | 1,191,000 | 1,164,458 |
| Citigroup Commercial Mortgage Trust 144A FRB Ser. 14-GC19, Class D, 5.257%, 3/11/47 ^W | 2,888,000 | 2,709,629 |
| COMM Mortgage Trust | | |
| FRB Ser. 12-LC4, Class C, 5.477%, 12/10/44 ^W | 332,000 | 284,590 |
| FRB Ser. 13-CR11, Class B, 5.263%, 8/10/50 ^W | 5,161,000 | 5,094,535 |
| FRB Ser. 13-CR13, Class C, 5.037%, 11/10/46 ^W | 6,422,000 | 6,097,579 |
| FRB Ser. 14-CR17, Class C, 4.942%, 5/10/47 ^W | 1,040,000 | 907,366 |
| FRB Ser. 15-CR25, Class B, 4.668%, 8/10/48 ^W | 3,315,000 | 3,135,593 |
| Ser. 14-CR16, Class B, 4.582%, 4/10/47 | 2,457,000 | 2,354,128 |
| FRB Ser. 14-LC15, Class XA, IO, 1.209%, 4/10/47 ^W | 14,984,639 | 85,419 |
| FRB Ser. 13-LC13, Class XA, IO, 1.125%, 8/10/46 ^W | 2,921,853 | 1,560 |
| FRB Ser. 14-CR20, Class XA, IO, 1.077%, 11/10/47 ^W | 50,625,000 | 481,950 |

| MORTGAGE-BACKED SECURITIES (18.7%)* <i>cont.</i> | Principal amount | Value |
|---|-------------------------|--------------|
| Commercial mortgage-backed securities <i>cont.</i> | | |
| COMM Mortgage Trust | | |
| FRB Ser. 15-CR26, Class XA, IO, 1.046%, 10/10/48 ^W | \$39,420,449 | \$653,630 |
| FRB Ser. 15-LC21, Class XA, IO, 0.797%, 7/10/48 ^W | 62,756,939 | 693,960 |
| FRB Ser. 14-CR14, Class XA, IO, 0.651%, 2/10/47 ^W | 26,835,354 | 56,507 |
| COMM Mortgage Trust 144A | | |
| FRB Ser. 10-C1, Class D, 5.985%, 7/10/46 ^W | 348,806 | 319,897 |
| FRB Ser. 13-CR9, Class AM, 4.61%, 7/10/45 ^W | 1,028,155 | 1,024,904 |
| Credit Suisse Commercial Mortgage Trust 144A FRB Ser. 08-C1, Class AJ, 6.01%, 2/15/41 ^W | 497,986 | 139,436 |
| CSAIL Commercial Mortgage Trust | | |
| Ser. 15-C1, Class XA, IO, 0.95%, 4/15/50 ^W | 44,009,038 | 428,261 |
| FRB Ser. 18-CX12, Class XA, IO, 0.723%, 8/15/51 ^W | 184,078,418 | 5,552,799 |
| CSMC Trust FRB Ser. 16-NXSR, Class XA, IO, 0.831%, 12/15/49 ^W | 67,202,815 | 1,283,910 |
| DBUBS Mortgage Trust 144A FRB Ser. 11-LC3A, Class D, 5.539%, 8/10/44 ^W | 3,249,459 | 3,174,715 |
| Federal Home Loan Mortgage Corporation | | |
| Multifamily Structured Pass-Through Certificates FRB Ser. K739, Class XAM, IO, 1.666%, 9/25/27 ^W | 36,816,638 | 2,130,579 |
| Multifamily Structured Pass-Through Certificates Ser. K738, Class XAM, IO, 1.481%, 3/25/27 ^W | 17,882,000 | 819,685 |
| Multifamily Structured Pass-Through Certificates FRB Ser. KC06, Class X1, IO, 1.009%, 6/25/26 ^W | 31,393,455 | 423,906 |
| Multifamily Structured Pass-Through Certificates FRB Ser. K740, Class X1, IO, 0.834%, 9/25/27 ^W | 48,130,683 | 1,298,340 |
| Multifamily Structured Pass-Through Certificates FRB Ser. K737, Class X1, IO, 0.749%, 10/25/26 ^W | 66,405,482 | 1,128,561 |
| FREMF Mortgage Trust 144A Ser. 15-K48, Class X2A, IO, 0.10%, 8/25/48 | 380,996,561 | 589,783 |
| GS Mortgage Securities Corp., II 144A Ser. 13-GC10, Class C, 4.285%, 2/10/46 ^W | 3,070,762 | 2,947,555 |
| GS Mortgage Securities Trust | | |
| FRB Ser. 14-GC18, Class C, 5.223%, 1/10/47 ^W | 748,000 | 471,771 |
| FRB Ser. 14-GC22, Class C, 4.842%, 6/10/47 ^W | 451,000 | 402,122 |
| FRB Ser. 13-GC12, Class XA, IO, 1.192%, 6/10/46 ^W | 474,351 | 5 |
| FRB Ser. 14-GC24, Class XA, IO, 0.827%, 9/10/47 ^W | 86,432,246 | 605,120 |
| GS Mortgage Securities Trust 144A | | |
| FRB Ser. 10-C1, Class D, 6.568%, 8/10/43 ^W | 1,563,000 | 1,230,827 |
| FRB Ser. 11-GC5, Class B, 5.298%, 8/10/44 ^W | 3,315,000 | 2,676,177 |
| Ser. 10-C1, Class B, 5.148%, 8/10/43 | 308,845 | 306,292 |
| JPMBB Commercial Mortgage Securities Trust | | |
| FRB Ser. 13-C15, Class C, 5.341%, 11/15/45 ^W | 2,525,000 | 2,415,102 |
| FRB Ser. 14-C19, Class C, 4.801%, 4/15/47 ^W | 2,024,000 | 1,920,309 |
| FRB Ser. 13-C12, Class C, 4.204%, 7/15/45 ^W | 4,088,000 | 3,764,613 |
| FRB Ser. 15-C31, Class XA, IO, 0.967%, 8/15/48 ^W | 13,771,375 | 213,247 |
| JPMBB Commercial Mortgage Securities Trust 144A FRB Ser. 13-C15, Class D, 5.341%, 11/15/45 ^W | 5,100,000 | 4,739,015 |
| JPMorgan Chase Commercial Mortgage Securities Trust 144A | | |
| FRB Ser. 12-C6, Class E, 5.129%, 5/15/45 ^W | 532,000 | 416,928 |
| FRB Ser. 11-C3, Class B, 5.013%, 2/15/46 ^W | 1,671,853 | 1,611,234 |
| FRB Ser. 12-LC9, Class D, 3.902%, 12/15/47 ^W | 173,000 | 160,354 |

| MORTGAGE-BACKED SECURITIES (18.7%)* <i>cont.</i> | Principal amount | Value |
|---|-------------------------|--------------|
| Commercial mortgage-backed securities <i>cont.</i> | | |
| LB-UBS Commercial Mortgage Trust FRB Ser. 06-C6, Class AJ, 5.452%, 9/15/39 ^W | \$94,429 | \$39,664 |
| LSTAR Commercial Mortgage Trust 144A FRB Ser. 15-3, Class AS, 3.301%, 4/20/48 ^W | 722,282 | 690,155 |
| MF1 Multifamily Housing Mortgage Loan, LLC 144A FRB Ser. 22-FL10, Class A, (CME Term SOFR 1 Month + 2.64%), 7.552%, 9/17/37 | 2,020,000 | 2,025,085 |
| Morgan Stanley Bank of America Merrill Lynch Trust | | |
| FRB Ser. 13-C13, Class B, 4.901%, 11/15/46 ^W | 2,813,000 | 2,706,584 |
| Ser. 13-C13, Class AS, 4.266%, 11/15/46 | 4,699,000 | 4,636,691 |
| FRB Ser. 13-C9, Class C, 4.068%, 5/15/46 ^W | 3,168,000 | 2,606,020 |
| FRB Ser. 14-C17, Class XA, IO, 1.184%, 8/15/47 ^W | 4,512,671 | 26,580 |
| FRB Ser. 15-C26, Class XA, IO, 1.111%, 10/15/48 ^W | 47,150,959 | 673,033 |
| FRB Ser. 17-C34, Class XA, IO, 0.912%, 11/15/52 ^W | 234,424,413 | 5,971,704 |
| FRB Ser. 16-C32, Class XA, IO, 0.795%, 12/15/49 ^W | 93,996,040 | 1,787,711 |
| Morgan Stanley Bank of America Merrill Lynch Trust 144A | | |
| FRB Ser. 12-C5, Class E, 4.767%, 8/15/45 ^W | 6,424,000 | 5,790,717 |
| FRB Ser. 13-C9, Class D, 4.156%, 5/15/46 ^W | 1,837,000 | 1,518,731 |
| FRB Ser. 13-C7, Class XB, IO, 0.116%, 2/15/46 ^W | 8,920,542 | 83 |
| Morgan Stanley Capital I Trust | | |
| FRB Ser. 18-H4, Class XA, IO, 1.00%, 12/15/51 ^W | 61,401,898 | 2,155,158 |
| FRB Ser. 16-UB12, Class XA, IO, 0.789%, 12/15/49 ^W | 26,222,615 | 492,605 |
| FRB Ser. 18-L1, Class XA, IO, 0.662%, 10/15/51 ^W | 78,099,426 | 1,593,072 |
| PFP, Ltd. 144A FRB Ser. 22-9, Class A, 7.155%, 8/19/35 (Bermuda) | 2,323,000 | 2,276,540 |
| Ready Capital Mortgage Financing, LLC 144A | | |
| FRB Ser. 22-FL8, Class AS, 6.924%, 1/25/37 | 1,751,000 | 1,725,041 |
| FRB Ser. 21-FL6, Class B, 6.62%, 7/25/36 | 2,612,000 | 2,478,204 |
| FRB Ser. 22-FL8, Class A, 6.474%, 1/25/37 | 1,851,564 | 1,821,813 |
| UBS Commercial Mortgage Trust FRB Ser. 17-C7, Class XA, IO, 1.156%, 12/15/50 ^W | 11,057,888 | 386,087 |
| UBS-Barclays Commercial Mortgage Trust 144A | | |
| FRB Ser. 12-C2, Class D, 4.843%, 5/10/63 ^W | 279,000 | 12,555 |
| FRB Ser. 12-C2, Class XA, IO, 0.664%, 5/10/63 ^W | 2,095,364 | 89 |
| VMC Finance, LLC 144A FRB Ser. 21-FL4, Class AS, 6.409%, 6/16/36 | 4,199,000 | 4,010,045 |
| Wachovia Bank Commercial Mortgage Trust FRB Ser. 06-C29, IO, 0.452%, 11/15/48 ^W | 197,331 | 125 |
| Wells Fargo Commercial Mortgage Trust | | |
| FRB Ser. 13-LC12, Class C, 4.426%, 7/15/46 ^W | 898,000 | 673,500 |
| FRB Ser. 16-BNK1, Class XA, IO, 1.856%, 8/15/49 ^W | 21,961,783 | 927,316 |
| FRB Ser. 19-C50, Class XA, IO, 1.578%, 5/15/52 ^W | 31,751,310 | 1,869,949 |
| FRB Ser. 17-C41, Class XA, IO, 1.303%, 11/15/50 ^W | 20,458,256 | 824,548 |
| FRB Ser. 18-C48, Class XA, IO, 1.109%, 1/15/52 ^W | 20,016,773 | 798,197 |
| FRB Ser. 16-C37, Class XA, IO, 0.953%, 12/15/49 ^W | 5,695,602 | 118,847 |
| FRB Ser. 18-C44, Class XA, IO, 0.873%, 5/15/51 ^W | 66,252,199 | 1,906,858 |
| FRB Ser. 15-LC20, Class XB, IO, 0.621%, 4/15/50 ^W | 10,567,000 | 88,657 |
| Wells Fargo Commercial Mortgage Trust 144A FRB Ser. 13-LC12, Class D, 4.426%, 7/15/46 ^W | 763,000 | 270,903 |

| MORTGAGE-BACKED SECURITIES (18.7%)* <i>cont.</i> | Principal amount | Value |
|--|-------------------------|--------------------|
| Commercial mortgage-backed securities <i>cont.</i> | | |
| WF-RBS Commercial Mortgage Trust | | |
| FRB Ser. 14-C19, Class C19, 4.646%, 3/15/47 ^W | \$1,086,000 | \$1,011,900 |
| FRB Ser. 12-C10, Class C, 4.473%, 12/15/45 ^W | 267,000 | 192,257 |
| Ser. 13-C18, Class AS, 4.387%, 12/15/46 ^W | 601,000 | 588,884 |
| Ser. 12-C10, Class AS, 3.241%, 12/15/45 | 1,161,168 | 1,096,810 |
| FRB Ser. 14-C22, Class XA, IO, 0.929%, 9/15/57 ^W | 23,610,618 | 173,089 |
| FRB Ser. 14-C23, Class XA, IO, 0.695%, 10/15/57 ^W | 68,206,427 | 388,279 |
| WF-RBS Commercial Mortgage Trust 144A | | |
| FRB Ser. 13-UBS1, Class D, 5.191%, 3/15/46 ^W | 6,641,000 | 6,455,844 |
| Ser. 11-C4, Class D, 4.991%, 6/15/44 ^W | 2,130,000 | 1,797,744 |
| Ser. 11-C4, Class E, 4.991%, 6/15/44 ^W | 40,000 | 29,201 |
| | | 151,301,047 |
| Residential mortgage-backed securities (non-agency) (8.4%) | | |
| Angel Oak Mortgage Trust 144A | | |
| Ser. 20-5, Class A3, 2.041%, 5/25/65 ^W | 718,273 | 659,878 |
| Ser. 21-5, Class A2, 1.208%, 7/25/66 ^W | 4,153,883 | 3,717,725 |
| Arroyo Mortgage Trust 144A | | |
| Ser. 19-1, Class A3, 4.208%, 1/25/49 ^W | 621,243 | 587,459 |
| Ser. 19-3, Class A3, 3.416%, 10/25/48 ^W | 165,349 | 152,658 |
| BankUnited Trust FRB Ser. 05-1, Class 1A1, (ICE LIBOR USD 1 Month + 0.60%), 5.62%, 9/25/45 | 93,893 | 84,928 |
| Bellemeade Re, Ltd. 144A FRB Ser. 21-3A, Class M1B, (US 30 Day Average SOFR + 1.40%), 6.215%, 9/25/31 (Bermuda) | 1,139,000 | 1,117,133 |
| BRAVO Residential Funding Trust 144A | | |
| Ser. 20-NQM1, Class A3, 2.406%, 5/25/60 ^W | 265,924 | 250,195 |
| Ser. 21-B, Class A1, 2.115%, 4/1/69 | 3,474,230 | 3,255,545 |
| Ser. 21-C, Class A1, 1.62%, 3/1/61 | 4,428,899 | 4,034,839 |
| Bunker Hill Loan Depository Trust 144A Ser. 20-1, Class A2, 2.60%, 2/25/55 ^W | 3,766,000 | 3,327,649 |
| Cascade Funding Mortgage Trust 144A Ser. 21-HB6, Class M1, 1.805%, 6/25/36 ^W | 5,000,000 | 4,573,849 |
| Cascade Funding Mortgage Trust, LLC 144A | | |
| Ser. 21-HB7, Class M2, 2.679%, 10/27/31 ^W | 1,712,000 | 1,622,017 |
| Ser. 21-HB5, Class M2, 1.847%, 2/25/31 ^W | 2,500,000 | 2,418,878 |
| Citigroup Mortgage Loan Trust, Inc. FRB Ser. 05-2, Class 1A2A, 4.429%, 5/25/35 ^W | 70,274 | 67,744 |
| COLT Mortgage Loan Trust 144A Ser. 20-2, Class A1, 1.853%, 3/25/65 ^W | 63,061 | 61,169 |
| Countrywide Home Loans Mortgage Pass-Through Trust FRB Ser. 05-3, Class 1A1, (ICE LIBOR USD 1 Month + 0.62%), 5.64%, 4/25/35 | 81,510 | 68,345 |
| CSMC Trust 144A Ser. 20-RPL5, Class A1, 3.023%, 8/25/60 ^W | 614,622 | 601,235 |
| Eagle Re, Ltd. 144A | | |
| FRB Ser. 18-1, Class M2, (ICE LIBOR USD 1 Month + 3.00%), 8.02%, 11/25/28 | 600,000 | 611,175 |
| FRB Ser. 18-1, Class M1, (ICE LIBOR USD 1 Month + 1.70%), 6.72%, 11/25/28 (Bermuda) | 247,773 | 248,463 |

| MORTGAGE-BACKED SECURITIES (18.7%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Residential mortgage-backed securities (non-agency) cont. | | |
| Federal Home Loan Mortgage Corporation | | |
| Structured Agency Credit Risk Debt FRN Ser. 15-DNA3, Class M3, (ICE LIBOR USD 1 Month + 4.70%), 9.72%, 4/25/28 | \$5,738,904 | \$6,037,011 |
| Structured Agency Credit Risk FRN Ser. 15-HQA1, Class M3, (ICE LIBOR USD 1 Month + 4.70%), 9.72%, 3/25/28 | 283,819 | 294,660 |
| Structured Agency Credit Risk Debt FRN Ser. 13-DN2, Class M2, (ICE LIBOR USD 1 Month + 4.25%), 9.27%, 11/25/23 | 1,030,423 | 1,048,456 |
| Structured Agency Credit Risk Debt FRN Ser. 17-HQA3, Class M2, (ICE LIBOR USD 1 Month + 2.35%), 7.37%, 4/25/30 | 323,185 | 327,225 |
| Federal Home Loan Mortgage Corporation 144A | | |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 20-DNA5, Class M2, (US 30 Day Average SOFR + 2.80%), 7.615%, 10/25/50 | 144,808 | 147,203 |
| Structured Agency Credit Risk Debt FRN Ser. 22-HQA2, Class M1A, (US 30 Day Average SOFR + 2.65%), 7.465%, 7/25/42 | 2,440,922 | 2,465,331 |
| Structured Agency Credit Risk Trust FRB Ser. 18-HRP2, Class M3, (ICE LIBOR USD 1 Month + 2.40%), 7.42%, 2/25/47 | 12,672,699 | 12,662,465 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-HQA3, Class M1A, (US 30 Day Average SOFR + 2.30%), 7.115%, 8/25/42 | 94,780 | 95,352 |
| Structured Agency Credit Risk Trust FRB Ser. 19-DNA3, Class M2, (ICE LIBOR USD 1 Month + 2.05%), 7.07%, 7/25/49 | 91,057 | 91,218 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-DNA4, Class M1A, (US 30 Day Average SOFR + 2.20%), 7.015%, 5/25/42 | 1,352,229 | 1,362,371 |
| Structured Agency Credit Risk Trust FRB Ser. 19-DNA4, Class M2, (ICE LIBOR USD 1 Month + 1.95%), 6.97%, 10/25/49 | 5,146 | 5,157 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-DNA6, Class M1A, (US 30 Day Average SOFR + 2.15%), 6.965%, 9/25/42 | 103,066 | 103,583 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-HQA1, Class M1A, (US 30 Day Average SOFR + 2.10%), 6.915%, 3/25/42 | 14,286 | 14,303 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 21-DNA3, Class M2, (US 30 Day Average SOFR + 2.10%), 6.915%, 10/25/33 | 750,000 | 729,375 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-DNA3, Class M1A, (US 30 Day Average SOFR + 2.00%), 6.815%, 4/25/42 | 471,668 | 473,130 |
| Structured Agency Credit Risk Trust FRB Ser. 18-HRP2, Class M3AS, (ICE LIBOR USD 1 Month + 1.00%), 6.02%, 2/25/47 | 5,633,625 | 5,568,934 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 22-DNA1, Class M1A, (US 30 Day Average SOFR + 1.00%), 5.815%, 1/25/42 | 262,720 | 258,412 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 21-HQA3, Class M1, (US 30 Day Average SOFR + 0.85%), 5.665%, 9/25/41 | 116,972 | 113,572 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 21-DNA6, Class M1, (US 30 Day Average SOFR + 0.80%), 5.615%, 10/25/41 | 1,211,895 | 1,204,266 |
| Structured Agency Credit Risk Trust REMICs FRB Ser. 21-DNA3, Class M1, (US 30 Day Average SOFR + 0.75%), 5.565%, 10/25/33 | 1,862,876 | 1,851,321 |
| Federal National Mortgage Association | | |
| Connecticut Avenue Securities FRB Ser. 16-C01, Class 2M2, (ICE LIBOR USD 1 Month + 6.95%), 11.97%, 8/25/28 | 53,321 | 56,844 |
| Connecticut Avenue Securities FRB Ser. 16-C01, Class 1M2, (ICE LIBOR USD 1 Month + 6.75%), 11.77%, 8/25/28 | 2,750 | 2,963 |
| Connecticut Avenue Securities FRB Ser. 16-C03, Class 2M2, (ICE LIBOR USD 1 Month + 5.90%), 10.92%, 10/25/28 | 135,204 | 143,178 |
| Connecticut Avenue Securities FRB Ser. 15-C04, Class 1M2, (ICE LIBOR USD 1 Month + 5.70%), 10.72%, 4/25/28 | 4,301,994 | 4,591,893 |

| MORTGAGE-BACKED SECURITIES (18.7%)* <i>cont.</i> | Principal amount | Value |
|--|-------------------------|--------------|
| Residential mortgage-backed securities (non-agency) <i>cont.</i> | | |
| Federal National Mortgage Association | | |
| Connecticut Avenue Securities FRB Ser. 16-C03, Class 1M2, (ICE LIBOR USD 1 Month + 5.30%), 10.32%, 10/25/28 | \$563,934 | \$599,984 |
| Connecticut Avenue Securities FRB Ser. 13-C01, Class M2, (ICE LIBOR USD 1 Month + 5.25%), 10.27%, 10/25/23 | 1,106,753 | 1,128,118 |
| Connecticut Avenue Securities FRB Ser. 14-C04, Class 2M2, (ICE LIBOR USD 1 Month + 5.00%), 10.02%, 11/25/24 | 153,787 | 155,315 |
| Connecticut Avenue Securities FRB Ser. 14-C04, Class 1M2, (ICE LIBOR USD 1 Month + 4.90%), 9.92%, 11/25/24 | 711,118 | 746,712 |
| Connecticut Avenue Securities FRB Ser. 14-C01, Class M2, (ICE LIBOR USD 1 Month + 4.40%), 9.42%, 1/25/24 | 44,708 | 45,522 |
| Connecticut Avenue Securities FRB Ser. 15-C01, Class 1M2, (ICE LIBOR USD 1 Month + 4.30%), 9.32%, 2/25/25 | 75,894 | 78,574 |
| Connecticut Avenue Securities FRB Ser. 15-C02, Class 1M2, (ICE LIBOR USD 1 Month + 4.00%), 9.02%, 5/25/25 | 69,451 | 72,383 |
| Connecticut Avenue Securities FRB Ser. 14-C03, Class 2M2, (ICE LIBOR USD 1 Month + 2.90%), 7.92%, 7/25/24 | 487,889 | 496,527 |
| Connecticut Avenue Securities Trust FRB Ser. 17-C06, Class 2M2C, (ICE LIBOR USD 1 Month + 2.80%), 7.82%, 2/25/30 | 177,000 | 178,850 |
| Connecticut Avenue Securities FRB Ser. 14-C02, Class 2M2, (ICE LIBOR USD 1 Month + 2.60%), 7.62%, 5/25/24 | 843,670 | 855,550 |
| Connecticut Avenue Securities Trust FRB Ser. 18-C05, Class 1M2, (ICE LIBOR USD 1 Month + 2.35%), 7.37%, 1/25/31 | 786,698 | 792,599 |
| Federal National Mortgage Association 144A | | |
| Connecticut Avenue Securities Trust FRB Ser. 22-R07, Class 1M1, (US 30 Day Average SOFR + 2.95%), 7.774%, 6/25/42 | 662,355 | 674,425 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R06, Class 1M1, (US 30 Day Average SOFR + 2.75%), 7.565%, 5/25/42 | 152,395 | 155,299 |
| Connecticut Avenue Securities Trust FRB Ser. 19-R01, Class 2M2, (ICE LIBOR USD 1 Month + 2.45%), 7.47%, 7/25/31 | 76,850 | 77,042 |
| Connecticut Avenue Securities Trust FRB Ser. 18-R07, Class 1M2, (ICE LIBOR USD 1 Month + 2.40%), 7.42%, 4/25/31 | 18,423 | 18,469 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R08, Class 1M1, (US 30 Day Average SOFR + 2.55%), 7.365%, 7/25/42 | 310,746 | 315,126 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R09, Class 2M1, (US 30 Day Average SOFR + 2.50%), 7.324%, 9/25/42 | 3,245,903 | 3,271,838 |
| Connecticut Avenue Securities Trust FRB Ser. 19-R02, Class 1M2, (ICE LIBOR USD 1 Month + 2.30%), 7.32%, 8/25/31 | 10,662 | 10,662 |
| Connecticut Avenue Securities Trust FRB Ser. 19-HRP1, Class M2, (ICE LIBOR USD 1 Month + 2.15%), 7.17%, 11/25/39 | 520,259 | 519,302 |
| Connecticut Avenue Securities Trust FRB Ser. 19-R03, Class 1M2, (ICE LIBOR USD 1 Month + 2.15%), 7.17%, 9/25/31 | 6,729 | 6,729 |
| Connecticut Avenue Securities Trust FRB Ser. 19-R07, Class 1M2, (ICE LIBOR USD 1 Month + 2.10%), 7.12%, 10/25/39 | 92,878 | 92,994 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R03, Class 1M1, (US 30 Day Average SOFR + 2.10%), 6.915%, 3/25/42 | 915,893 | 921,698 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R04, Class 1M1, (US 30 Day Average SOFR + 2.00%), 6.815%, 3/25/42 | 2,055,787 | 2,063,394 |
| Connecticut Avenue Securities Trust FRB Ser. 22-R01, Class 1M1, (US 30 Day Average SOFR + 1.00%), 5.815%, 12/25/41 | 2,346,994 | 2,329,391 |
| Connecticut Avenue Securities Trust FRB Ser. 21-R03, Class 1M1, (US 30 Day Average SOFR + 0.85%), 5.665%, 12/25/41 | 26,235 | 25,970 |

| MORTGAGE-BACKED SECURITIES (18.7%)* cont. | Principal amount | Value |
|---|-------------------------|--------------|
| Residential mortgage-backed securities (non-agency) cont. | | |
| First Franklin Mortgage Loan Trust FRB Ser. 06-FF15, Class A5, (ICE LIBOR USD 1 Month + 0.16%), 5.18%, 11/25/36 | \$487,924 | \$477,103 |
| Galton Funding Mortgage Trust 144A FRB Ser. 20-H1, Class A3, 2.617%, 1/25/60 ^W | 2,035,146 | 1,819,395 |
| GCAT Trust 144A Ser. 20-NQM2, Class A3, 2.935%, 4/25/65 | 1,241,287 | 1,152,802 |
| GS Mortgage-Backed Securities Trust 144A Ser. 20-NQM1, Class A3, 2.352%, 9/27/60 ^W | 420,702 | 374,909 |
| GSAA Home Equity Trust FRB Ser. 06-8, Class 2A2, (ICE LIBOR USD 1 Month + 0.36%), 5.38%, 5/25/36 | 463,473 | 118,266 |
| Home Re, Ltd. 144A FRB Ser. 21-1, Class M1B, (ICE LIBOR USD 1 Month + 1.55%), 6.57%, 7/25/33 (Bermuda) | 2,087,579 | 2,082,180 |
| Imperial Fund Mortgage Trust 144A Ser. 21-NQM1, Class A3, 1.617%, 6/25/56 ^W | 1,956,011 | 1,624,031 |
| Legacy Mortgage Asset Trust 144A | | |
| FRB Ser. 19-GS7, Class A1, 6.25%, 11/25/59 | 3,410,824 | 3,479,882 |
| Ser. 21-GS1, Class A1, 1.892%, 10/25/66 | 3,873,979 | 3,582,589 |
| Ser. 21-GS3, Class A1, 1.75%, 7/25/61 | 1,912,974 | 1,779,046 |
| Ser. 21-GS4, Class A1, 1.65%, 11/25/60 | 3,127,569 | 2,858,881 |
| LHOME Mortgage Trust 144A Ser. 21-RTL2, Class A1, 2.09%, 6/25/26 | 6,536,000 | 6,246,436 |
| MFRA Trust 144A Ser. 20-NQM1, Class A3, 2.30%, 8/25/49 ^W | 805,429 | 737,910 |
| Morgan Stanley Resecuritization Trust 144A Ser. 15-R4, Class CB1, 3.919%, 8/26/47 ^W | 893,434 | 866,924 |
| New Residential Mortgage Loan Trust 144A | | |
| FRB Ser. 18-4A, Class A1M, (ICE LIBOR USD 1 Month + 0.90%), 5.92%, 1/25/48 | 202,138 | 196,330 |
| Ser. 19-NQM4, Class A3, 2.797%, 9/25/59 ^W | 1,886,586 | 1,734,338 |
| Ser. 19-NQM4, Class A2, 2.644%, 9/25/59 ^W | 740,799 | 679,980 |
| New York Mortgage Trust 144A Ser. 21-BPL1, Class A1, 2.239%, 5/25/26 | 1,500,000 | 1,466,627 |
| Oaktown Re II, Ltd. 144A FRB Ser. 18-1A, Class M1, (ICE LIBOR USD 1 Month + 1.55%), 6.57%, 7/25/28 (Bermuda) | 222,141 | 222,192 |
| Onslow Bay Financial, LLC Trust 144A Ser. 18-EXP1, Class 1A3, 4.00%, 4/25/48 ^W | 197,098 | 183,987 |
| Park Place Securities, Inc. Asset-Backed Pass-Through Certificates FRB Ser. 04-WCW2, Class M3, (ICE LIBOR USD 1 Month + 1.05%), 6.07%, 10/25/34 | 118,566 | 114,517 |
| Radnor Re, Ltd. 144A FRB Ser. 19-1, Class M2, (ICE LIBOR USD 1 Month + 3.20%), 8.22%, 2/25/29 (Bermuda) | 1,570,000 | 1,579,639 |
| Residential Mortgage Loan Trust 144A | | |
| Ser. 19-3, Class A2, 2.941%, 9/25/59 ^W | 161,010 | 157,646 |
| Ser. 21-1R, Class A1, 0.859%, 1/25/65 ^W | 214,590 | 196,533 |
| ROC Mortgage Trust 144A Ser. 21-RTL1, Class A1, 2.487%, 8/25/26 ^W | 2,039,000 | 1,916,660 |
| Starwood Mortgage Residential Trust 144A Ser. 19-INV1, Class A2, 2.865%, 9/27/49 ^W | 1,105,901 | 1,095,658 |
| Structured Asset Mortgage Investments II Trust FRB Ser. 07-AR7, Class 1A1, (ICE LIBOR USD 1 Month + 0.85%), 5.87%, 5/25/47 | 393,468 | 321,925 |
| Toorak Mortgage Corp., Ltd. 144A Ser. 21-1, Class A1, 2.24%, 6/25/24 | 1,850,000 | 1,776,701 |

| MORTGAGE-BACKED SECURITIES (18.7%)* cont. | Principal amount | Value |
|--|-------------------------|----------------------|
| Residential mortgage-backed securities (non-agency) cont. | | |
| VCAT Asset Securitization, LLC 144A Ser. 21-NPL1, Class A1, 2.289%, 12/26/50 | \$358,255 | \$341,822 |
| Verus Securitization Trust 144A Ser. 19-INV3, Class A3, 3.10%, 11/25/59 ^W | 959,913 | 913,554 |
| | | 122,840,043 |
| Total mortgage-backed securities (cost \$296,218,909) | | \$274,177,885 |

| COLLATERALIZED LOAN OBLIGATIONS (2.2%)* | Principal amount | Value |
|--|-------------------------|---------------------|
| AB BSL CLO 2, Ltd. 144A FRB Ser. 21-2A, Class A, (ICE LIBOR USD 3 Month + 1.10%), 6.36%, 4/15/34 (Cayman Islands) | \$2,517,000 | \$2,442,789 |
| AGL CLO 6, Ltd. 144A FRB Ser. 21-6A, Class AR, (ICE LIBOR USD 3 Month + 1.20%), 6.45%, 7/20/34 (Cayman Islands) | 1,948,000 | 1,916,405 |
| Black Diamond CLO, Ltd. 144A FRB Ser. 21-1A, Class A1A, (ICE LIBOR USD 3 Month + 1.25%), 6.523%, 11/22/34 (Cayman Islands) | 3,604,000 | 3,487,129 |
| BlueMountain CLO XXXII, Ltd. 144A FRB Ser. 21-32A, Class A, (ICE LIBOR USD 3 Month + 1.17%), 6.43%, 10/15/34 (Cayman Islands) | 2,091,000 | 2,043,873 |
| CarVal CLO II, Ltd. 144A FRB Ser. 21-1A, Class ANR, (ICE LIBOR USD 3 Month + 1.11%), 6.36%, 4/20/32 (Cayman Islands) | 3,000,000 | 2,954,610 |
| GoldenTree Loan Management US CLO 1, Ltd. 144A FRB Ser. 21-9A, Class A, (ICE LIBOR USD 3 Month + 1.07%), 6.32%, 1/20/33 (Cayman Islands) | 2,500,000 | 2,463,638 |
| LCM, Ltd. 144A FRB Ser. 30A, Class AR, (ICE LIBOR USD 3 Month + 1.08%), 6.33%, 4/20/31 (Cayman Islands) | 2,950,000 | 2,895,626 |
| Madison Park Funding XIV, Ltd. 144A FRB Ser. 18-14A, Class A2RR, (ICE LIBOR USD 3 Month + 1.40%), 6.673%, 10/22/30 (Cayman Islands) | 2,850,000 | 2,768,043 |
| Nassau, Ltd. 144A FRB Ser. 21-1A, Class A1R, (ICE LIBOR USD 3 Month + 1.29%), 6.55%, 1/15/35 (Cayman Islands) | 1,655,000 | 1,599,677 |
| OCP CLO, Ltd. 144A FRB Ser. 21-17A, Class A1R, (ICE LIBOR USD 3 Month + 1.04%), 6.29%, 7/20/32 (Cayman Islands) | 3,424,000 | 3,357,811 |
| Octagon Investment Partners 44, Ltd. 144A FRB Ser. 21-1A, Class AR, (ICE LIBOR USD 3 Month + 1.18%), 6.44%, 10/15/34 (Cayman Islands) | 1,265,000 | 1,235,241 |
| Saranac CLO VII, Ltd. 144A FRB Ser. 17-2A, Class BR, (ICE LIBOR USD 3 Month + 1.75%), 6.665%, 11/20/29 (Jersey) | 1,000,000 | 986,909 |
| Shackleton CLO, Ltd. 144A FRB Ser. 18-4RA, Class A1A, (ICE LIBOR USD 3 Month + 1.00%), 6.242%, 4/13/31 (Cayman Islands) | 1,495,208 | 1,473,761 |
| Sound Point CLO XXIII, Ltd. 144A FRB Ser. 21-2A, Class AR, (ICE LIBOR USD 3 Month + 1.17%), 6.43%, 7/15/34 (Cayman Islands) | 1,195,000 | 1,154,443 |
| Venture 37 CLO, Ltd. 144A FRB Ser. 21-37A, Class A1R, (ICE LIBOR USD 3 Month + 1.15%), 6.41%, 7/15/32 (Cayman Islands) | 2,150,000 | 2,110,922 |
| Total collateralized loan obligations (cost \$33,085,070) | | \$32,890,877 |

| ASSET-BACKED SECURITIES (1.1%)* | Principal amount | Value |
|--|-------------------------|--------------|
| 1Sharpe Mortgage Trust 144A FRB Ser. 20-1, Class NOTE, (ICE LIBOR USD 3 Month + 2.90%), 3.025%, 7/25/24 | \$1,144,885 | \$1,133,436 |
| Mello Warehouse Securitization Trust 144A FRB Ser. 21-3, Class A, (ICE LIBOR USD 1 Month + 0.85%), 5.87%, 11/25/55 | 2,828,000 | 2,761,483 |
| NewRez Warehouse Securitization Trust 144A FRB Ser. 21-1, Class A, (ICE LIBOR USD 1 Month + 0.75%), 5.77%, 5/7/24 | 4,617,600 | 4,518,308 |

| ASSET-BACKED SECURITIES (1.1%)* cont. | Principal amount | Value |
|---|-------------------------|---------------------|
| Prodigy Finance Designated Activity Co. 144A FRB Ser. 21-1A, Class A, (ICE LIBOR USD 1 Month + 1.25%), 6.27%, 7/25/51 (Ireland) | \$531,142 | \$518,476 |
| Station Place Securitization Trust 144A FRB Ser. 22-3, Class A1, (CME Term SOFR 1 Month + 1.25%), 6.214%, 5/29/23 | 7,541,000 | 7,541,000 |
| Towd Point Asset Trust 144A FRB Ser. 18-SL1, Class A, (ICE LIBOR USD 1 Month + 0.60%), 5.62%, 1/25/46 | 85,713 | 85,112 |
| Total asset-backed securities (cost \$16,676,960) | | \$16,557,815 |

| U.S. TREASURY OBLIGATIONS (—%)* | Principal amount | Value |
|--|-------------------------|-----------------|
| U.S. Treasury Notes 1.875%, 2/28/27 ⁱ | \$106,000 | \$99,753 |
| Total U.S. treasury obligations (cost \$99,753) | | \$99,753 |

| SHORT-TERM INVESTMENTS (11.8%)* | Principal amount/ shares | Value |
|--|-------------------------------------|--------------|
| American Electric Power Co., Inc. commercial paper 5.309%, 5/11/23 | \$3,750,000 | \$3,743,110 |
| American Honda Finance Corp. commercial paper 5.250%, 5/22/23 | 5,000,000 | 4,983,077 |
| Autonation, Inc. commercial paper 5.402%, 5/1/23 | 5,000,000 | 4,997,796 |
| Aviation Capital Group, LLC commercial paper 5.503%, 5/1/23 | 6,500,000 | 6,497,234 |
| Baker Hughes Holdings, LLC commercial paper 5.174%, 5/15/23 | 2,500,000 | 2,493,974 |
| Cabot Corp. commercial paper 5.065%, 5/10/23 | 4,375,000 | 4,367,673 |
| Conagra Brands, Inc. commercial paper 5.302%, 5/1/23 | 4,210,000 | 4,208,120 |
| Daimler Truck Finance North America, LLC commercial paper 5.274%, 5/4/23 | 5,000,000 | 4,995,600 |
| Dollar General Corp. commercial paper 5.064%, 5/9/23 | 3,500,000 | 3,494,580 |
| Energy Transfer LP commercial paper 5.503%, 5/1/23 | 9,000,000 | 8,996,033 |
| FMC Corp. commercial paper 5.503%, 5/1/23 | 10,000,000 | 9,995,563 |
| Haleon UK Capital PLC commercial paper 5.876%, 5/9/23 (United Kingdom) | 2,500,000 | 2,496,136 |
| Humana, Inc. commercial paper 5.679%, 5/1/23 | 2,500,000 | 2,498,899 |
| Humana, Inc. commercial paper 5.479%, 5/22/23 | 2,500,000 | 2,491,043 |
| Humana, Inc. commercial paper 5.324%, 5/25/23 | 2,500,000 | 2,489,899 |
| Marriott International, Inc./MD commercial paper 5.095%, 5/8/23 | 4,625,000 | 4,618,251 |
| Ovintiv, Inc. commercial paper 5.810%, 5/9/23 | 3,000,000 | 2,995,079 |
| PPG Industries, Inc. commercial paper 5.226%, 5/10/23 | 5,000,000 | 4,991,627 |
| Protective Life Corp. commercial paper 5.222%, 5/10/23 | 2,500,000 | 2,495,723 |
| Putnam Short Term Investment Fund Class P 4.98% ^L | Shares 49,342,167 | 49,342,167 |
| Societe Generale SA commercial paper 5.806%, 11/13/23 (France) | \$5,300,000 | 5,136,781 |
| State Street Institutional U.S. Government Money Market Fund, Premier Class 4.76% ^P | Shares 360,000 | 360,000 |
| Suncor Energy, Inc. commercial paper 5.424%, 5/3/23 (Canada) | \$2,500,000 | 2,498,255 |
| Suncor Energy, Inc. commercial paper 5.354%, 5/11/23 (Canada) | 2,500,000 | 2,495,407 |
| Targa Resources Corp. commercial paper 5.503%, 5/1/23 | 7,500,000 | 7,497,069 |
| Toronto-Dominion Bank (The) commercial paper 3.702%, 7/3/23 (Canada) | 5,000,000 | 4,954,304 |
| U.S. Treasury Bills 4.640%, 5/11/23 | 700,000 | 699,188 |
| U.S. Treasury Bills 4.735%, 5/2/23 ^A | 1,400,000 | 1,399,838 |
| U.S. Treasury Bills 4.607%, 5/23/23 ^A | 3,600,000 | 3,590,843 |

| SHORT-TERM INVESTMENTS (11.8%)* cont. | Principal amount/ shares | Value |
|---|-------------------------------------|----------------------|
| Westpac Banking Corp. commercial paper 4.690%, 9/13/23 (Australia) | \$6,125,000 | \$6,003,050 |
| WRKCo., Inc. commercial paper 5.164%, 5/2/23 | 5,000,000 | 4,997,208 |
| Total short-term investments (cost \$172,903,183) | | \$172,823,527 |

| TOTAL INVESTMENTS | |
|---|------------------------|
| Total investments (cost \$1,546,959,052) | \$1,454,707,482 |

Key to holding's abbreviations

| | |
|--------|--|
| BKNT | Bank Note |
| bp | Basis Points |
| DAC | Designated Activity Company |
| FRB | Floating Rate Bonds: The rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period. |
| FRN | Floating Rate Notes: The rate shown is the current interest rate or yield at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period. |
| GMTN | Global Medium Term Notes |
| ICE | Intercontinental Exchange |
| IO | Interest Only |
| LIBOR | London Interbank Offered Rate |
| MTN | Medium Term Notes |
| OTC | Over-the-counter |
| REMICs | Real Estate Mortgage Investment Conduits |
| SOFR | Secured Overnight Financing Rate |

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from November 1, 2022 through April 30, 2023 (the reporting period). Within the following notes to the portfolio, 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 "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

- * Percentages indicated are based on net assets of \$1,465,553,607.
- Δ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period. Collateral at period end totaled \$408,229 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 8).
- i This security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivative contracts (Note 1).
- L Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.
- P This security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivative contracts. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.
- R Real Estate Investment Trust.
- W The rate shown represents the weighted average coupon associated with the underlying mortgage pools. Rates may be subject to a cap or floor.
Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

Debt obligations are considered secured unless otherwise indicated.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

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

CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS OUTSTANDING at 4/30/23 (Unaudited)

| Notional amount | Value | Upfront premium received (paid) | Termination date | Payments made by fund | Payments received by fund | Unrealized appreciation/ (depreciation) |
|-----------------|--------------------------|---------------------------------|------------------|-----------------------|---------------------------|---|
| \$603,996,000 | \$3,666,256 ^E | \$(3,460,937) | 6/21/25 | US SOFR — Annually | 4.20% — Annually | \$205,319 |
| 261,404,000 | 6,759,907 ^E | 5,556,516 | 6/21/28 | 3.80% — Annually | US SOFR — Annually | (1,203,392) |
| Total | | \$2,095,579 | | | | \$(998,073) |

^E Extended effective date.

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 4/30/23 (Unaudited)

| Swap counterparty/ Referenced debt [†] | Rating ^{***} | Upfront premium received (paid) ^{**} | Notional amount | Value | Termination date | Payments received by fund | Unrealized appreciation/ (depreciation) |
|---|-----------------------|---|-----------------|---------|------------------|---------------------------|---|
| Bank of America N.A. | | | | | | | |
| CMBX NA BBB-.6 Index | BB/P | \$2,939 | \$24,607 | \$5,091 | 5/11/63 | 300 bp — Monthly | \$(2,140) |
| CMBX NA BBB-.6 Index | BB/P | 5,604 | 53,220 | 11,011 | 5/11/63 | 300 bp — Monthly | (5,380) |
| CMBX NA BBB-.6 Index | BB/P | 11,483 | 106,440 | 22,022 | 5/11/63 | 300 bp — Monthly | (10,487) |
| CMBX NA BBB-.6 Index | BB/P | 10,944 | 109,873 | 22,733 | 5/11/63 | 300 bp — Monthly | (11,734) |
| Citigroup Global Markets, Inc. | | | | | | | |
| CMBX NA BB.6 Index | B+/P | 16,784 | 78,925 | 32,849 | 5/11/63 | 500 bp — Monthly | (15,999) |
| CMBX NA BB.7 Index | B-/P | 1,123 | 22,000 | 9,112 | 1/17/47 | 500 bp — Monthly | (7,971) |
| Credit Suisse International | | | | | | | |
| CMBX NA BBB-.7 Index | BB-/P | 38,436 | 520,000 | 105,768 | 1/17/47 | 300 bp — Monthly | (67,072) |
| Goldman Sachs International | | | | | | | |
| CMBX NAA.7 Index | BBB+/P | 1,714 | 34,000 | 2,652 | 1/17/47 | 200 bp — Monthly | (926) |
| JPMorgan Securities LLC | | | | | | | |
| CMBX NA BB.6 Index | B+/P | 22,651 | 29,681 | 12,353 | 5/11/63 | 500 bp — Monthly | 10,323 |
| CMBX NA BB.7 Index | B-/P | 627,248 | 1,281,000 | 530,590 | 1/17/47 | 500 bp — Monthly | 97,726 |
| Merrill Lynch International | | | | | | | |
| CMBX NA BBB-.6 Index | BB/P | 269 | 572 | 118 | 5/11/63 | 300 bp — Monthly | 151 |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION SOLD at 4/30/23 (Unaudited) cont.

| Swap counterparty/ Referenced debt [†] | Rating ^{***} | Upfront premium received (paid) ^{**} | Notional amount | Value | Termination date | Payments received by fund | Unrealized appreciation/ (depreciation) |
|--|-----------------------|--|--------------------|--------|---------------------|---------------------------------|---|
| Morgan Stanley & Co. International PLC | | | | | | | |
| CMBX NAA.7 Index | BBB+/P | \$(6) | \$6,000 | \$468 | 1/17/47 | 200 bp— Monthly | \$(472) |
| CMBX NA BB.6 Index | B+/P | 9,332 | 25,634 | 10,669 | 5/11/63 | 500 bp— Monthly | (1,316) |
| CMBX NA BB.6 Index | B+/P | 18,481 | 50,593 | 21,057 | 5/11/63 | 500 bp— Monthly | (2,534) |
| Upfront premium received | | 767,008 | | | | | 108,200 |
| Upfront premium (paid) | | (6) | | | | | (126,031) |
| Total | | \$767,002 | | | | | \$(17,831) |

[†] Payments related to the referenced debt are made upon a credit default event.

^{**} Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

^{***} Ratings for an underlying index represent the average of the ratings of all the securities included in that index. The Moody's, Standard & Poor's or Fitch ratings are believed to be the most recent ratings available at April 30, 2023. Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications.

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 4/30/23 (Unaudited)

| Swap counterparty/ Referenced debt [†] | | Upfront premium received (paid) ^{**} | Notional amount | Value | Termination date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|--|--|--|--------------------|---------|---------------------|-------------------------------|---|
| Citigroup Global Markets, Inc. | | | | | | | |
| CMBX NAA.7 Index | | \$(297) | \$40,000 | \$3,120 | 1/17/47 | (200 bp)— Monthly | \$2,810 |
| CMBX NA BBB-.6 Index | | (9,679) | 86,983 | 17,997 | 5/11/63 | (300 bp)— Monthly | 8,274 |
| Credit Suisse International | | | | | | | |
| CMBX NA BB.7 Index | | (52,019) | 282,000 | 116,804 | 1/17/47 | (500 bp)— Monthly | 64,550 |
| CMBX NA BB.7 Index | | (42,273) | 257,000 | 106,449 | 1/17/47 | (500 bp)— Monthly | 63,962 |
| CMBX NA BB.7 Index | | (3,989) | 152,453 | 63,451 | 5/11/63 | (500 bp)— Monthly | 59,335 |
| CMBX NA BBB-.6 Index | | (42,991) | 207,729 | 42,979 | 5/11/63 | (300 bp)— Monthly | (116) |
| Goldman Sachs International | | | | | | | |
| CMBX NA BB.6 Index | | (4,910) | 32,379 | 13,476 | 5/11/63 | (500 bp)— Monthly | 8,539 |
| CMBX NA BB.7 Index | | (15,401) | 94,000 | 38,935 | 1/17/47 | (500 bp)— Monthly | 23,455 |
| CMBX NA BB.7 Index | | (5,685) | 28,000 | 11,598 | 1/17/47 | (500 bp)— Monthly | 5,889 |
| CMBX NA BB.7 Index | | (4,086) | 27,000 | 11,183 | 1/17/47 | (500 bp)— Monthly | 7,075 |
| CMBX NA BBB-.7 Index | | (8,458) | 104,000 | 21,154 | 1/17/47 | (300 bp)— Monthly | 12,644 |

OTC CREDIT DEFAULT CONTRACTS OUTSTANDING — PROTECTION PURCHASED at 4/30/23 (Unaudited) cont.

| Swap counterparty/ Referenced debt [*] | Upfront premium received (paid)** | Notional amount | Value | Termination date | Payments (paid) by fund | Unrealized appreciation/ (depreciation) |
|--|--|----------------------------------|---------|---------------------|-------------------------------|---|
| Goldman Sachs International cont. | | | | | | |
| CMBX NA BBB-.7 Index | \$(135) | \$2,000 | \$407 | 1/17/47 | (300 bp) — Monthly | \$271 |
| CMBX NA BBB-.7 Index | (69) | 1,000 | 203 | 1/17/47 | (300 bp) — Monthly | 134 |
| CMBX NA BBB-.7 Index | (68) | 1,000 | 203 | 1/17/47 | (300 bp) — Monthly | 135 |
| JPMorgan Securities LLC | | | | | | |
| CMBX NA BBB-.7 Index | (96,488) | 411,000 | 83,597 | 1/17/47 | (300 bp) — Monthly | (13,096) |
| Merrill Lynch International | | | | | | |
| CMBX NA BB.7 Index | (58,463) | 337,000 | 139,585 | 1/17/47 | (500 bp) — Monthly | 80,841 |
| CMBX NA BBB-.7 Index | (82) | 1,000 | 203 | 1/17/47 | (300 bp) — Monthly | 121 |
| Morgan Stanley & Co. International PLC | | | | | | |
| CMBX NA BB.7 Index | (24,622) | 122,000 | 50,532 | 1/17/47 | (500 bp) — Monthly | 25,809 |
| CMBX NA BB.7 Index | (15,619) | 81,000 | 33,550 | 1/17/47 | (500 bp) — Monthly | 17,864 |
| CMBX NA BB.7 Index | (15,083) | 75,000 | 31,065 | 1/17/47 | (500 bp) — Monthly | 15,920 |
| Upfront premium received | — | Unrealized appreciation | | | | 397,628 |
| Upfront premium (paid) | (400,417) | Unrealized (depreciation) | | | | (13,212) |
| Total | \$(400,417) | Total | | | | \$384,416 |

* Payments related to the referenced debt are made upon a credit default event.

** Upfront premium is based on the difference between the original spread on issue and the market spread on day of execution.

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 |
| Asset-backed securities | \$— | \$16,557,815 | \$— |
| Collateralized loan obligations | — | 32,890,877 | — |
| Corporate bonds and notes | — | 958,157,625 | — |
| Mortgage-backed securities | — | 274,177,885 | — |
| U.S. treasury obligations | — | 99,753 | — |
| Short-term investments | 360,000 | 172,463,527 | — |
| Totals by level | \$360,000 | \$1,454,347,482 | \$— |

| | Valuation inputs | | |
|-------------------------------------|------------------|----------------------|----------------|
| Other financial instruments: | Level 1 | Level 2 | Level 3 |
| Interest rate swap contracts | \$— | \$(3,093,652) | \$— |
| Credit default contracts | — | — | — |
| Totals by level | \$— | \$(3,093,652) | \$— |

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

Statement of assets and liabilities 4/30/23 (Unaudited)

ASSETS

| | |
|--|----------------------|
| Investment in securities, at value (Notes 1 and 8): | |
| Unaffiliated issuers (identified cost \$1,497,616,885) | \$1,405,365,315 |
| Affiliated issuers (identified cost \$49,342,167) (Note 5) | 49,342,167 |
| Interest and other receivables | 9,618,359 |
| Receivable for shares of the fund sold | 1,480,871 |
| Receivable for investments sold | 125 |
| Receivable for variation margin on centrally cleared swap contracts (Note 1) | 409,347 |
| Unrealized appreciation on OTC swap contracts (Note 1) | 505,828 |
| Premium paid on OTC swap contracts (Note 1) | 400,423 |
| Deposits with broker (Note 1) | 4,934,483 |
| Total assets | 1,472,056,918 |

LIABILITIES

| | |
|---|------------------------|
| Payable to custodian | 121,092 |
| Payable for investments purchased | 134 |
| Payable for shares of the fund repurchased | 3,027,484 |
| Payable for compensation of Manager (Note 2) | 1,003,402 |
| Payable for Trustee compensation and expenses (Note 2) | 36,961 |
| Payable for distribution fees (Note 2) | 130,818 |
| Payable for variation margin on centrally cleared swap contracts (Note 1) | 668,495 |
| Distributions payable to shareholders | 148,595 |
| Unrealized depreciation on OTC swap contracts (Note 1) | 139,243 |
| Premium received on OTC swap contracts (Note 1) | 767,008 |
| Collateral on certain derivative contracts, at value (Notes 1 and 8) | 459,753 |
| Other accrued expenses | 326 |
| Total liabilities | 6,503,311 |
| Net assets | \$1,465,553,607 |

REPRESENTED BY

| | |
|---|------------------------|
| Paid-in capital (Unlimited shares authorized) (Notes 1 and 4) | \$1,594,010,038 |
| Total distributable earnings (Note 1) | (128,456,431) |
| Total — Representing net assets applicable to capital shares outstanding | \$1,465,553,607 |

(Continued on next page)

Statement of assets and liabilities *cont.*

COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE

| | |
|--|--------|
| Net asset value and redemption price per class A share (\$559,053,644 divided by 57,977,752 shares) | \$9.64 |
| Offering price per class A share (100/97.75 of \$9.64)* | \$9.86 |
| Net asset value and offering price per class B share (\$309,380 divided by 32,129 shares)** | \$9.63 |
| Net asset value and offering price per class C share (\$18,508,631 divided by 1,924,528 shares)** | \$9.62 |
| Net asset value, offering price and redemption price per class R share (\$504,641 divided by 52,067 shares) | \$9.69 |
| Net asset value, offering price and redemption price per class R6 share (\$7,069,616 divided by 730,158 shares) | \$9.68 |
| Net asset value, offering price and redemption price per class Y share (\$880,107,695 divided by 91,135,118 shares) | \$9.66 |

*On single retail sales of less than \$100,000. On sales of \$100,000 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 financial statements.

Statement of operations Six months ended 4/30/23 (Unaudited)**INVESTMENT INCOME**

| | |
|---|-------------------|
| Interest (including interest income of \$1,344,868 from investments in affiliated issuers) (Note 5) | \$26,007,440 |
| Total investment income | 26,007,440 |

EXPENSES

| | |
|----------------------------------|-------------------|
| Compensation of Manager (Note 2) | 2,865,692 |
| Distribution fees (Note 2) | 872,400 |
| Other | 1,927 |
| Total expenses | 3,740,019 |
| Expense reduction (Note 2) | (5,755) |
| Net expenses | 3,734,264 |
| Net investment income | 22,273,176 |

REALIZED AND UNREALIZED GAIN (LOSS)**Net realized loss on:**

| | |
|--|---------------------|
| Securities from unaffiliated issuers (Notes 1 and 3) | (7,296,241) |
| Swap contracts (Note 1) | (4,023,497) |
| Total net realized loss | (11,319,738) |

Change in net unrealized appreciation on:

| | |
|---|---------------------|
| Securities from unaffiliated issuers | 48,971,692 |
| Swap contracts | 32,599 |
| Total change in net unrealized appreciation | 49,004,291 |
| Net gain on investments | 37,684,553 |
| Net increase in net assets resulting from operations | \$59,957,729 |

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

Statement of changes in net assets

| DECREASE IN NET ASSETS | Six months ended 4/30/23* | Year ended 10/31/22 |
|--|---------------------------|------------------------|
| Operations | | |
| Net investment income | \$22,273,176 | \$37,908,181 |
| Net realized loss on investments | (11,319,738) | (23,924,414) |
| Change in net unrealized appreciation (depreciation) of investments | 49,004,291 | (134,564,793) |
| Net increase (decrease) in net assets resulting from operations | 59,957,729 | (120,581,026) |
| Distributions to shareholders (Note 1): | | |
| From ordinary income | | |
| Net investment income | | |
| Class A | (8,880,271) | (17,117,946) |
| Class B | (4,527) | (7,527) |
| Class C | (201,393) | (227,584) |
| Class R | (10,327) | (13,572) |
| Class R6 | (95,309) | (112,354) |
| Class Y | (14,075,069) | (18,756,024) |
| Net realized short-term gain on investments | | |
| Class A | — | (518,878) |
| Class B | — | (259) |
| Class C | — | (11,751) |
| Class R | — | (462) |
| Class R6 | — | (2,478) |
| Class Y | — | (432,008) |
| From net realized long-term gain on investments | | |
| Class A | — | (1,037,757) |
| Class B | — | (518) |
| Class C | — | (23,502) |
| Class R | — | (923) |
| Class R6 | — | (4,956) |
| Class Y | — | (864,016) |
| Decrease from capital share transactions (Note 4) | (328,031,742) | (583,127,361) |
| Total decrease in net assets | (291,340,909) | (742,840,902) |
| NET ASSETS | | |
| Beginning of period | 1,756,894,516 | 2,499,735,418 |
| End of period | \$1,465,553,607 | \$1,756,894,516 |

*Unaudited.

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

This page left blank intentionally.

Financial highlights

(For a common share outstanding throughout the period)

| Period ended | INVESTMENT OPERATIONS | | | | LESS DISTRIBUTIONS | |
|------------------|--------------------------------------|------------------------------|--|----------------------------------|----------------------------|---------------------------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment income | From net realized gain on investments |
| Class A | | | | | | |
| April 30, 2023** | \$9.42 | .13 | .23 | .36 | (.14) | — |
| October 31, 2022 | 10.18 | .17 | (.76) | (.59) | (.16) | (.01) |
| October 31, 2021 | 10.21 | .16 | (.03) | .13 | (.16) | — |
| October 31, 2020 | 10.15 | .20 | .06 | .26 | (.20) | — |
| October 31, 2019 | 10.01 | .28 ^c | .19 | .47 | (.32) | — |
| October 31, 2018 | 10.15 | .27 ^c | (.09) | .18 | (.32) | — |
| Class B | | | | | | |
| April 30, 2023** | \$9.41 | .12 | .23 | .35 | (.13) | — |
| October 31, 2022 | 10.17 | .15 | (.76) | (.61) | (.14) | (.01) |
| October 31, 2021 | 10.20 | .14 | (.03) | .11 | (.14) | — |
| October 31, 2020 | 10.14 | .18 | .06 | .24 | (.18) | — |
| October 31, 2019 | 10.00 | .26 ^c | .19 | .45 | (.30) | — |
| October 31, 2018 | 10.10 | .25 ^c | (.08) | .17 | (.27) | — |
| Class C | | | | | | |
| April 30, 2023** | \$9.40 | .10 | .22 | .32 | (.10) | — |
| October 31, 2022 | 10.16 | .10 | (.76) | (.66) | (.09) | (.01) |
| October 31, 2021 | 10.18 | .08 | (.02) | .06 | (.08) | — |
| October 31, 2020 | 10.12 | .12 | .06 | .18 | (.12) | — |
| October 31, 2019 | 9.98 | .21 ^c | .18 | .39 | (.24) | — |
| October 31, 2018 | 10.06 | .19 ^c | (.08) | .11 | (.19) | — |
| Class R | | | | | | |
| April 30, 2023** | \$9.47 | .12 | .22 | .34 | (.12) | — |
| October 31, 2022 | 10.24 | .15 | (.77) | (.62) | (.14) | (.01) |
| October 31, 2021 | 10.26 | .13 | (.02) | .11 | (.13) | — |
| October 31, 2020 | 10.20 | .17 | .07 | .24 | (.18) | — |
| October 31, 2019 | 10.06 | .27 ^c | .17 | .44 | (.29) | — |
| October 31, 2018 | 10.19 | .24 ^c | (.08) | .16 | (.29) | — |
| Class R6 | | | | | | |
| April 30, 2023** | \$9.46 | .14 | .23 | .37 | (.15) | — |
| October 31, 2022 | 10.22 | .20 | (.76) | (.56) | (.19) | (.01) |
| October 31, 2021 | 10.25 | .18 | (.02) | .16 | (.19) | — |
| October 31, 2020 | 10.19 | .22 | .07 | .29 | (.23) | — |
| October 31, 2019 | 10.05 | .29 ^c | .20 | .49 | (.34) | — |
| October 31, 2018 | 10.21 | .30 ^c | (.09) | .21 | (.37) | — |

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

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

| | | | | RATIOS AND SUPPLEMENTAL DATA | | | |
|------------------------|---------------------|--------------------------------|--|--|--|---|------------------------|
| From return of capital | Total distributions | Net asset value, end of period | Total return at net asset value (%) ^a | Net assets, end of period (in thousands) | Ratio of expenses to average net assets (%) ^b | Ratio of net investment income (loss) to average net assets (%) | Portfolio turnover (%) |
| — | (.14) | \$9.64 | 3.80* | \$559,054 | .31* | 1.36* | 7* |
| — | (.17) | 9.42 | (5.79) | 729,336 | .62 | 1.70 | 26 |
| — | (.16) | 10.18 | 1.27 | 1,383,392 | .62 | 1.52 | 24 |
| — | (.20) | 10.21 | 2.61 | 1,208,656 | .62 | 1.89 | 19 |
| (.01) | (.33) | 10.15 | 4.78 | 612,829 | .62 | 2.75 | 18 |
| — | (.32) | 10.01 | 1.80 | 105,367 | .65 | 2.67 | 386 ^d |
| — | (.13) | \$9.63 | 3.70* | \$309 | .41* | 1.24* | 7* |
| — | (.15) | 9.41 | (5.98) | 389 | .82 | 1.50 | 26 |
| — | (.14) | 10.17 | 1.07 | 717 | .82 | 1.34 | 24 |
| — | (.18) | 10.20 | 2.41 | 1,327 | .82 | 1.70 | 19 |
| (.01) | (.31) | 10.14 | 4.55 | 909 | .82 | 2.62 | 18 |
| — | (.27) | 10.00 | 1.71 | 711 | .85 | 2.46 | 386 ^d |
| — | (.10) | \$9.62 | 3.41* | \$18,509 | .68* | .98* | 7* |
| — | (.10) | 9.40 | (6.51) | 20,267 | 1.37 | .97 | 26 |
| — | (.08) | 10.16 | .61 | 29,701 | 1.37 | .77 | 24 |
| — | (.12) | 10.18 | 1.85 | 30,751 | 1.37 | 1.17 | 19 |
| (.01) | (.25) | 10.12 | 4.00 | 20,930 | 1.37 | 2.08 | 18 |
| — | (.19) | 9.98 | 1.09 | 12,518 | 1.40 | 1.92 | 386 ^d |
| — | (.12) | \$9.69 | 3.65* | \$505 | .43* | 1.22* | 7* |
| — | (.15) | 9.47 | (6.08) | 864 | .87 | 1.47 | 26 |
| — | (.13) | 10.24 | 1.12 | 1,265 | .87 | 1.26 | 24 |
| — | (.18) | 10.26 | 2.35 | 1,167 | .87 | 1.63 | 19 |
| (.01) | (.30) | 10.20 | 4.49 | 426 | .87 | 2.64 | 18 |
| — | (.29) | 10.06 | 1.58 | 341 | .90 | 2.41 | 386 ^d |
| — | (.15) | \$9.68 | 3.91* | \$7,070 | .18* | 1.49* | 7* |
| — | (.20) | 9.46 | (5.52) | 5,403 | .37 | 2.00 | 26 |
| — | (.19) | 10.22 | 1.52 | 6,941 | .37 | 1.78 | 24 |
| — | (.23) | 10.25 | 2.86 | 8,496 | .37 | 2.14 | 19 |
| (.01) | (.35) | 10.19 | 5.01 | 4,326 | .37 | 2.87 | 18 |
| — | (.37) | 10.05 | 2.08 | 635 | .40 | 2.94 | 386 ^d |

Financial highlights *cont.*

| Period ended | INVESTMENT OPERATIONS | | | | LESS DISTRIBUTIONS | |
|------------------|--------------------------------------|------------------------------|--|----------------------------------|----------------------------|---------------------------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment income | From net realized gain on investments |
| Class Y | | | | | | |
| April 30, 2023** | \$9.44 | .14 | .23 | .37 | (.15) | — |
| October 31, 2022 | 10.20 | .20 | (.76) | (.56) | (.19) | (.01) |
| October 31, 2021 | 10.23 | .18 | (.02) | .16 | (.19) | — |
| October 31, 2020 | 10.16 | .22 | .08 | .30 | (.23) | — |
| October 31, 2019 | 10.02 | .30 ^c | .19 | .49 | (.34) | — |
| October 31, 2018 | 10.19 | .30 ^c | (.10) | .20 | (.37) | — |

Before June 1, 2018, the fund was managed with a materially different investment strategy and may have achieved materially different performance results under its current investment strategy from that shown for periods before that date.

* Not annualized.

** Unaudited.

^a Total return assumes dividend reinvestment and does not reflect the effect of sales charges.

^b Includes amounts paid through expense offset arrangements, if any (Note 2). Also excludes acquired fund fees, if any.

^c Per share net investment income (loss) has been determined on the basis of the weighted average number of shares outstanding during the period.

^d Portfolio turnover includes TBA purchase and sale commitments.

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

RATIOS AND SUPPLEMENTAL DATA

| From return of capital | Total distributions | Net asset value, end of period | Total return at net asset value (%) ^a | Net assets, end of period (in thousands) | Ratio of expenses to average net assets (%) ^b | Ratio of net investment income (loss) to average net assets (%) | Portfolio turnover (%) |
|------------------------|---------------------|--------------------------------|--|--|--|---|------------------------|
| — | (.15) | \$9.66 | 3.92 [*] | \$880,108 | .18 [*] | 1.48 [*] | 7 [*] |
| — | (.20) | 9.44 | (5.53) | 1,000,635 | .37 | 2.01 | 26 |
| — | (.19) | 10.20 | 1.52 | 1,077,719 | .37 | 1.76 | 24 |
| — | (.23) | 10.23 | 2.97 | 768,824 | .37 | 2.11 | 19 |
| (.01) | (.35) | 10.16 | 5.03 | 365,277 | .37 | 3.01 | 18 |
| — | (.37) | 10.02 | 1.99 | 84,601 | .40 | 2.95 | 386 ^d |

Notes to financial statements 4/30/23 (Unaudited)

Within the following Notes to financial statements, references to “State Street” represent State Street Bank and Trust Company, references to “the SEC” represent the Securities and Exchange Commission, and references to “Putnam Management” represent Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC. Additionally, references to “OTC”, if any, represent over-the-counter. Unless otherwise noted, the “reporting period” represents the period from November 1, 2022 through April 30, 2023.

Putnam Short Duration Bond Fund (the fund) is a diversified series of Putnam Funds Trust (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The goal of the fund is to seek as high a rate of current income as Putnam Management believes is consistent with preservation of capital. The fund invests in a diversified portfolio of fixed income securities. The fund’s investments may include corporate credit, including investment-grade debt, below-investment-grade debt (sometimes referred to as “junk bonds”), bank loans and structured credit; sovereign debt, including obligations of governments in developed and emerging markets; and securitized assets, including asset-backed securities, residential mortgage-backed securities (which may be backed by non-qualified or “sub-prime” mortgages), commercial mortgage-backed securities and collateralized mortgage obligations. Under normal circumstances, the fund will invest at least 80% of its net assets in bonds (bonds include any debt instrument, and may be represented by other investment instruments, including derivatives). This policy may be changed only after 60 days’ notice to shareholders. The fund normally maintains an effective duration of three years or less. 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. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments. The fund may also use derivatives, such as futures, options, certain foreign currency transactions and credit default, total return and interest rate swap contracts for both hedging and non-hedging purposes. The fund may invest in securities that are purchased in private placements, which may be illiquid because they are subject to restrictions on resale.

The fund offers the following share classes. The expenses for each class of shares may differ based on the distribution and investor servicing fees of each class, which are identified in Note 2.

| Share class | Sales charge | Contingent deferred sales charge | Conversion feature |
|-------------|--------------|--|--|
| Class A | Up to 2.25% | 0.75% on certain redemptions of shares bought with no initial sales charge | None |
| Class B* | None | 1.00% phased out over two years | Converts to class A shares after 8 years |
| Class C | None | 1.00% eliminated after one year | Converts to class A shares after 8 years |
| Class R† | None | None | None |
| Class R6† | None | None | None |
| Class Y† | None | None | None |

* 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.

† 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 financial statements. The preparation of 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 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 Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the 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.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees or dealers selected by Putnam Management. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

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.

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. Certain securities may be valued on the basis of a price provided by a single source. 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, is recorded on the accrual basis. Amortization and accretion of premiums and discounts on debt securities, if any, is recorded on the accrual basis.

Stripped securities The fund may invest in stripped securities which represent a participation in securities that may be structured in classes with rights to receive different portions of the interest and principal. Interest-only securities receive all of the interest and principal-only securities receive all of the principal. If the interest-only securities experience greater than anticipated prepayments of principal, the fund may fail to recoup fully its initial investment in these securities. Conversely, principal-only securities increase in value if prepayments are greater than anticipated and decline if prepayments are slower than anticipated. The fair value of these securities is highly sensitive to changes in interest rates.

Interest rate swap contracts The fund entered into OTC and/or centrally cleared interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, for hedging term structure risk, for yield curve positioning and for gaining exposure to rates in various countries.

An OTC and centrally cleared interest rate swap can be purchased or sold with an upfront premium. For OTC interest rate swap contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change is recorded as an unrealized gain or loss on OTC interest rate swaps. Daily fluctuations in the value of centrally cleared interest rate swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments, including upfront premiums, received or made are recorded as realized gains or losses at the reset date or the closing of the contract. Certain OTC and centrally cleared interest rate swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract.

The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform under the contract. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC interest rate swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and centrally cleared interest rate swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

At the close of the reporting period, the fund has deposited cash valued at \$4,934,483 in a segregated account to cover margin requirements on open centrally cleared swap contracts.

Credit default contracts The fund entered into OTC and/or centrally cleared credit default contracts for hedging credit risk, for gaining liquid exposure to individual names, for hedging market risk and for gaining exposure to specific sectors.

In OTC and centrally cleared credit default contracts, the protection buyer typically makes a periodic stream of payments to a counterparty, the protection seller, in exchange for the right to receive a contingent payment upon the occurrence of a credit event on the reference obligation or all other equally ranked obligations of the reference entity. Credit events are contract specific but may include bankruptcy, failure to pay, restructuring and obligation acceleration. For OTC credit default contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. Centrally cleared credit default contracts provide the same rights to the protection buyer and seller except the payments between parties, including upfront premiums, are settled through a central clearing agent through variation margin payments. Upfront and periodic payments received or paid by the fund for OTC and centrally cleared credit default contracts are recorded as realized gains or losses at the reset date or close of the contract. The OTC and centrally cleared credit default contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change in value of OTC credit default contracts is recorded as an unrealized gain or loss. Daily fluctuations in the value of centrally cleared credit default contracts are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Upon the

occurrence of a credit event, the difference between the par value and fair value of the reference obligation, net of any proportional amount of the upfront payment, is recorded as a realized gain or loss.

In addition to bearing the risk that the credit event will occur, the fund could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index or the possibility that the fund may be unable to close out its position at the same time or at the same price as if it had purchased the underlying reference obligations. In certain circumstances, the fund may enter into offsetting OTC and centrally cleared credit default contracts which would mitigate its risk of loss. Risks of loss may exceed amounts recognized on the Statement of assets and liabilities. The fund's maximum risk of loss from counterparty risk, either as the protection seller or as the protection buyer, is the fair value of the contract. This risk may be mitigated for OTC credit default contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared credit default contracts through the daily exchange of variation margin. Counterparty risk is further mitigated with respect to centrally cleared credit default swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Where the fund is a seller of protection, the maximum potential amount of future payments the fund may be required to make is equal to the notional amount.

OTC and centrally cleared credit default contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

Master agreements The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements that govern OTC derivative and foreign exchange contracts and Master Securities Forward Transaction Agreements that govern transactions involving mortgage-backed and other asset-backed securities that may result in delayed delivery (Master Agreements) with certain counterparties entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral pledged to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, are presented in the fund's portfolio.

Collateral pledged by the fund is segregated by the fund's custodian and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

With respect to ISDA Master Agreements, termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term or short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund had a net liability position of \$539,986 on open derivative contracts subject to the Master Agreements. Collateral pledged by the fund at period end for these agreements totaled \$408,229 and may include amounts related to unsettled agreements.

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 \$320 million syndicated unsecured committed line of credit, provided by State Street (\$160 million) and JPMorgan Chase Bank, N.A. (\$160 million), and a \$235.5 million unsecured uncommitted line of credit, provided by State Street. Prior to May 2, 2023, the fund participated, along with other Putnam funds, in a \$100 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 and a \$75,000 fee has been paid by the participating funds to State Street as agent of the syndicated committed line of credit. 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 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 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. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At October 31, 2022, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

| Loss carryover | | |
|----------------|--------------|--------------|
| Short-term | Long-term | Total |
| \$12,234,019 | \$12,392,134 | \$24,626,153 |

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 \$1,545,714,936, resulting in gross unrealized appreciation and depreciation of \$1,920,056 and \$96,021,162, respectively, or net unrealized depreciation of \$94,101,106.

Distributions to shareholders Income dividends are recorded daily by the fund and are paid monthly. 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 monthly base fee equal to 0.37% of the monthly average of the fund's net asset value. In return for this fee, Putnam Management provides investment management and investor servicing and bears the fund's organizational and operating expenses, excluding performance fee adjustments, payments under the fund's distribution plan, brokerage, interest, taxes, investment related expenses, extraordinary expenses and acquired fund fees and expenses.

For the reporting period, the management fee represented an effective rate (excluding the impact of any expense waiver in effect) of 0.183% of the fund's average net assets.

Putnam Management has contractually agreed, through February 28, 2023, 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 not reduced as a result of this limit.

Putnam Investments Limited (PIL), an affiliate of Putnam Management, is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by PIL.

The Putnam Advisory Company, LLC (PAC), an affiliate of Putnam Management, is authorized by the Trustees to manage a separate portion of the assets of the fund, as designated from time to time by Putnam Management or PIL. PAC did not manage any portion of the assets of the fund during the reporting period. If Putnam Management or PIL were to engage the services of PAC, Putnam Management or PIL, as applicable, would pay a quarterly sub-advisory fee to PAC for its services at the annual rate of 0.20% of the average net assets of the portion of the fund's assets for which PAC is engaged as sub-adviser.

The aggregate amount of all reimbursements for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund is determined annually by the Trustees. These fees are being paid by Putnam Management as part of the management contract.

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. These fees are being paid by Putnam Management as part of the management contract.

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%. These fees are being paid by Putnam Management as part of the management contract.

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 \$5,755 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$1,301, 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. These fees are being paid by Putnam Management as part of the management contract.

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. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003. These fees are being paid by Putnam Management as part of the management contract.

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% | \$774,511 |
| Class B | 1.00% | 0.45% | 765 |
| Class C | 1.00% | 1.00% | 95,155 |
| Class R | 1.00% | 0.50% | 1,969 |
| Total | | | \$872,400 |

For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received net commissions of \$4,149 from the sale of class A shares and received no monies and \$54 in contingent deferred sales charges from redemptions of class B and class C shares, respectively.

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 \$32 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) | \$94,268,390 | \$296,856,799 |
| U.S. government securities (Long-term) | — | — |
| Total | \$94,268,390 | \$296,856,799 |

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

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:

| Class A | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|------------------------|---------------------|------------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | 5,962,780 | \$56,879,777 | 19,438,953 | \$192,407,730 |
| Shares issued in connection with reinvestment of distributions | 912,251 | 8,724,474 | 1,881,411 | 18,461,125 |
| | 6,875,031 | 65,604,251 | 21,320,364 | 210,868,855 |
| Shares repurchased | (26,299,897) | (250,782,809) | (79,769,628) | (782,726,377) |
| Net decrease | (19,424,866) | \$(185,178,558) | (58,449,264) | \$(571,857,522) |

| Class B | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|-------------------|---------------------|--------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | — | \$— | 4,692 | \$46,305 |
| Shares issued in connection with reinvestment of distributions | 472 | 4,511 | 827 | 8,099 |
| | 472 | 4,511 | 5,519 | 54,404 |
| Shares repurchased | (9,682) | (92,227) | (34,705) | (341,919) |
| Net decrease | (9,210) | \$(87,716) | (29,186) | \$(287,515) |

| Class C | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|----------------------|---------------------|----------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | 219,070 | \$2,090,533 | 717,138 | \$7,111,907 |
| Shares issued in connection with reinvestment of distributions | 21,009 | 200,395 | 26,808 | 261,699 |
| | 240,079 | 2,290,928 | 743,946 | 7,373,606 |
| Shares repurchased | (472,163) | (4,491,257) | (1,511,821) | (14,802,535) |
| Net decrease | (232,084) | \$(2,200,329) | (767,875) | \$(7,428,929) |

| Class R | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|--------------------|---------------------|--------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | 5,739 | \$55,135 | 6,478 | \$62,738 |
| Shares issued in connection with reinvestment of distributions | 1,074 | 10,322 | 1,516 | 14,930 |
| | 6,813 | 65,457 | 7,994 | 77,668 |
| Shares repurchased | (46,023) | (442,595) | (40,332) | (402,661) |
| Net decrease | (39,210) | \$(377,138) | (32,338) | \$(324,993) |

| Class R6 | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|--------------------|---------------------|----------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | 224,425 | \$2,153,786 | 171,033 | \$1,684,472 |
| Shares issued in connection with reinvestment of distributions | 9,451 | 90,809 | 12,185 | 119,653 |
| | 233,876 | 2,244,595 | 183,218 | 1,804,125 |
| Shares repurchased | (74,770) | (717,496) | (291,053) | (2,897,736) |
| Net increase (decrease) | 159,106 | \$1,527,099 | (107,835) | \$(1,093,611) |

| Class Y | SIX MONTHS ENDED 4/30/23 | | YEAR ENDED 10/31/22 | |
|--|--------------------------|------------------------|---------------------|----------------------|
| | Shares | Amount | Shares | Amount |
| Shares sold | 20,163,766 | \$192,978,666 | 84,135,905 | \$826,104,630 |
| Shares issued in connection with reinvestment of distributions | 1,458,435 | 13,971,106 | 2,033,760 | 19,912,743 |
| | 21,622,201 | 206,949,772 | 86,169,665 | 846,017,373 |
| Shares repurchased | (36,515,517) | (348,664,872) | (85,807,350) | (848,152,164) |
| Net increase (decrease) | (14,893,316) | \$(141,715,100) | 362,315 | \$(2,134,791) |

Note 5: Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

| Name of affiliate | Fair value as of 10/31/22 | Purchase cost | Sale proceeds | Investment income | Shares outstanding and fair value as of 4/30/23 |
|-------------------------------------|---------------------------|----------------------|----------------------|--------------------|---|
| Short-term investments | | | | | |
| Putnam Short Term Investment Fund* | \$98,133,483 | \$427,324,259 | \$476,115,575 | \$1,344,868 | \$49,342,167 |
| Total Short-term investments | \$98,133,483 | \$427,324,259 | \$476,115,575 | \$1,344,868 | \$49,342,167 |

* Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management. There were no realized or unrealized gains or losses during the period.

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. The fund may invest in higher-yielding, lower-rated bonds that may have a higher rate of default. The fund may invest a significant portion of its assets in securitized debt instruments, including mortgage-backed and asset-backed investments. The yields and values of these investments are sensitive to changes in interest rates, the rate of principal payments on the underlying assets and the market's perception of the issuers. The market for these investments may be volatile and limited, which may make them difficult to buy or sell.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Various financial industry groups have been planning for the transition away from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. Neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of related transactions, such as hedges. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur at any time.

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:

| | |
|---|---------------|
| Centrally cleared interest rate swap contracts (notional) | \$951,100,000 |
| OTC credit default contracts (notional) | \$4,700,000 |

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

| Derivatives not accounted for as hedging instruments under ASC 815 | ASSET DERIVATIVES | | LIABILITY DERIVATIVES | |
|--|---|--------------------|--|--------------------|
| | Statement of assets and liabilities location | Fair value | Statement of assets and liabilities location | Fair value |
| Credit contracts | Receivables | \$784,833 | Payables | \$784,833 |
| Interest rate contracts | Receivables, Net assets — Unrealized appreciation | 3,666,256* | Payables, Net assets — Unrealized depreciation | 6,759,908* |
| Total | | \$4,451,089 | | \$7,544,741 |

* Includes cumulative appreciation/depreciation of centrally cleared swaps as reported in the fund's portfolio. Only current day's variation margin is reported within the Statement of assets and liabilities.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the 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 | Swaps | Total |
|--|----------------------|----------------------|
| Interest rate contracts | \$(4,023,497) | \$(4,023,497) |
| Total | \$(4,023,497) | \$(4,023,497) |

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 | Swaps | Total |
|--|-----------------|-----------------|
| Interest rate contracts | \$32,599 | \$32,599 |
| Total | \$32,599 | \$32,599 |

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 Statement of assets and liabilities.

| | Bank of America N.A. | Barclays Capital, Inc. (clearing broker) | Citigroup Global Markets, Inc. |
|---|----------------------|--|--------------------------------|
| Assets: | | | |
| Centrally cleared interest rate swap contracts [§] | \$— | \$409,347 | \$— |
| OTC Credit default contracts - protection sold*# | — | — | — |
| OTC Credit default contracts - protection purchased*# | — | — | 21,060 |
| Total Assets | \$— | \$409,347 | \$21,060 |
| Liabilities: | | | |
| Centrally cleared interest rate swap contracts [§] | — | 668,495 | — |
| OTC Credit default contracts - protection sold*# | 60,711 | — | 41,877 |
| OTC Credit default contracts - protection purchased*# | — | — | — |
| Total Liabilities | \$60,711 | \$668,495 | \$41,877 |
| Total Financial and Derivative Net Assets | \$(60,711) | \$(259,148) | \$(20,817) |
| Total collateral received (pledged) ^{†##} | \$(31,907) | \$— | \$— |
| Net amount | \$(28,804) | \$(259,148) | \$(20,817) |
| <i>Controlled collateral received (including TBA commitments)**</i> | \$— | \$— | \$— |
| <i>Uncontrolled collateral received</i> | \$— | \$— | \$— |
| <i>Collateral (pledged) (including TBA commitments)**</i> | \$(31,907) | \$— | \$— |

* Excludes premiums, if any. Included in unrealized appreciation and depreciation on OTC swap contracts on the Statement of assets and liabilities.

** Included with Investments in securities on the Statement of assets and liabilities.

† Additional collateral may be required from certain brokers based on individual agreements.

Covered by master netting agreement (Note 1).

Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

§ Includes current day's variation margin only as reported on the Statement of assets and liabilities, which is not collateralized. Cumulative appreciation/(depreciation) for centrally cleared swap contracts is represented in the tables listed after the fund's portfolio. Collateral pledged for initial margin on centrally cleared swap contracts, which is not included in the table above, amounted to \$4,934,483.

| Credit Suisse International | Goldman Sachs International | JP Morgan Securities LLC | Merrill Lynch International | Morgan Stanley & Co. International PLC | Total |
|-----------------------------|-----------------------------|--------------------------|-----------------------------|--|--------------------|
| \$— | \$— | \$— | \$— | \$— | \$409,347 |
| — | — | — | — | — | — |
| 329,003 | 96,954 | 83,392 | 139,507 | 114,917 | 784,833 |
| \$329,003 | \$96,954 | \$83,392 | \$139,507 | \$114,917 | \$1,194,180 |
| — | — | — | — | — | 668,495 |
| 105,508 | 2,640 | 541,850 | 118 | 32,129 | 784,833 |
| — | — | — | — | — | — |
| \$105,508 | \$2,640 | \$541,850 | \$118 | \$32,129 | \$1,453,328 |
| \$223,495 | \$94,314 | \$(458,458) | \$139,389 | \$82,788 | \$(259,148) |
| \$223,495 | \$94,314 | \$(376,322) | \$99,753 | \$— | |
| \$— | \$— | \$(82,136) | \$39,636 | \$82,788 | |
| \$250,000 | \$110,000 | \$— | \$99,753 | \$— | \$459,753 |
| \$— | \$— | \$— | \$— | \$— | \$— |
| \$— | \$— | \$(376,322) | \$— | \$— | \$(408,229) |

Note 9: Subsequent event

On May 31, 2023, Franklin Resources, Inc. (“Franklin Resources”) and Great-West Lifeco Inc., the parent company of Putnam U.S. Holdings I, LLC (“Putnam Holdings”), announced that they have entered into a definitive agreement for a subsidiary of Franklin Resources to acquire Putnam Holdings in a stock and cash transaction.

As part of this transaction, Putnam Management, a wholly owned subsidiary of Putnam Holdings and investment manager to the Putnam family of funds (the “Putnam Funds”), would become an indirect wholly owned subsidiary of Franklin Resources.

The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals. Subject to such approvals and the satisfaction of these conditions, the transaction is currently expected to be consummated in the fourth quarter of 2023.

Under the Investment Company Act of 1940, as amended, consummation of the transaction will result in the automatic termination of the investment management contract between each Putnam Fund and Putnam Management and any related sub-management and sub-advisory contracts, where applicable. Therefore, the Board of Trustees of the Putnam Funds will be asked to approve a new investment management contract between each Putnam Fund and Putnam Management (and new sub-management and sub-advisory contracts, if applicable). If approved by the Board of Trustees, the new investment management contract will be presented to the shareholders of each Putnam Fund for their approval.

Fund information

Founded over 85 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, and asset allocation categories.

Investment Manager

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

Investment Sub-Advisors

Putnam Investments Limited
16 St James's Street
London, England SW1A 1ER

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

Trustees

Kenneth R. Leibler, *Chair*
Barbara M. Baumann, *Vice Chair*
Liaquat Ahamed
Katinka Domotorffy
Catharine Bond Hill
Jennifer Williams Murphy
Marie Pillai
George Putnam III
Robert L. Reynolds
Manoj P. Singh
Mona K. Sutphen

Officers

Robert L. Reynolds
President

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

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

Mark C. Trenchard
Vice President

This report is for the information of shareholders of Putnam Short Duration Bond 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.

