Putnam Lowers Fees on Absolute Return Funds

By Editor Test *Wed, Dec 1, 2010*

The new total expense caps, which limit recurring costs such as management and service fees, were implemented retroactive to November 1, 2010, to align with the beginning of the new fiscal year of the Absolute Return Funds.

Putnam Investments said it would lower total expense ratios of its four Absolute Return Funds, which have $2.6 billion in assets, by up to 54%. The reduction will reduce the expenses for Putnam's 10 RetirementReady target date funds of funds, which include Absolute Return Funds, by up to 24%, the company said in a release.

The new total expense caps, which limit recurring costs such as management and service fees, were implemented retroactive to November 1, 2010, to align with the beginning of the new fiscal year of the Absolute Return Funds. The percentage reductions in the expenses of the Funds' Class Y shares are as follows:

Absolute Return Fund	New total expense cap*	Expense change (in bps)	Expense change (%)**
100 Fund	0.40%	-47 bps	-54%
300 Fund	0.60%	-35 bps	-37%
500 Fund	0.90%	-29 bps	-24%
700 Fund	1.10%	-24 bps	-18

* Total expense caps are before any performance fees and exclude certain expenses, such as distribution and service (12b-1) fees (if applicable for a share class). Please see the Absolute Return Funds' prospectuses for additional details.
** Expense reductions are shown as compared to the expense ratios shown in the Absolute Return Funds' prospectuses dated 2/28/2010.
The total expense caps represent a contractual obligation of Putnam to limit the Funds' total expenses through at least February 28, 2012.

The Putnam RetirementReady Funds also saw significant reductions in their expense ratios as a result of the new total expense caps for the Absolute Return Funds. The percentage reductions in the expenses of the RetirementReady Funds' Class Y shares are projected to be as follows:

Retirement Ready Fund	New projected expense ratio	Expense reduction (in bps)*	Expense reduction (%)*
Maturity 2010	0.74%	-24 bps	-24%
Maturity 2015	0.79%	-20 bps	-20%

Maturity 2020	0.83%	-16 bps	-16%
Maturity 2025	0.88%	-12 bps	-12%
Maturity 2030	0.92%	-9 bps	-8%
Maturity 2035	0.96%	-6 bps	-6%
Maturity 2040	0.99%	-6 bps	-6%
Maturity 2045	1.02%	-5 bps	-4%
Maturity 2050	1.04%	-4 bps	-4%
Maturity 2055**	1.04%	–**	–**

* Expense reductions are shown as compared to the expense ratios shown in the RetirementReady Funds' prospectuses dated 11/30/2009.
** Putnam RetirementReady® 2055 Fund will be launched on 11/30/2010.

This initiative follows the re-pricing of nearly all of Putnam's other retail mutual funds announced in July 2009. At that time, management fees were significantly reduced or eliminated on fixed income, asset allocation and RetirementReady funds.

In addition, Putnam obtained shareholder approval of "fund family breakpoints" (under which asset-level discounts for management fee determinations are based on the growth of all Putnam mutual fund assets, rather than the growth of an individual Putnam mutual fund's assets) for all funds and performance fees for U.S. growth funds, international funds and the Putnam Global Equity Fund.

Putnam Investments and Absolute Return Strategies

Putnam Investments launched the mutual fund industry's first suite of Absolute Return Funds in January 2009 with four funds:

- **Putnam Absolute Return 100 Fund** seeks to outperform inflation, as measured by T-bills, by 1%, net of all fund expenses, over periods of three years or more, and can be an alternative to short-term securities.

- **Putnam Absolute Return 300 Fund** seeks to outperform inflation, as measured by T-bills, by 3%, net of all fund expenses, over periods of three years or more, and can be an alternative to bond funds.

- **Putnam Absolute Return 500 Fund** seeks to outperform inflation, as measured by T-bills, by 5%, net of all fund expenses, over periods of three years or more, and can be an alternative to balanced funds.

- **Putnam Absolute Return 700 Fund** seeks to outperform inflation, as measured by T-bills, by 7%, net of all fund expenses, over periods of three years or more, and can be an alternative to stock funds.

Absolute return strategies seek to earn a positive total return over a full market cycle with less volatility than traditional funds and largely independent of market conditions. Absolute return strategies also seek to outperform broad market indexes during periods of flat or negative market performance.