

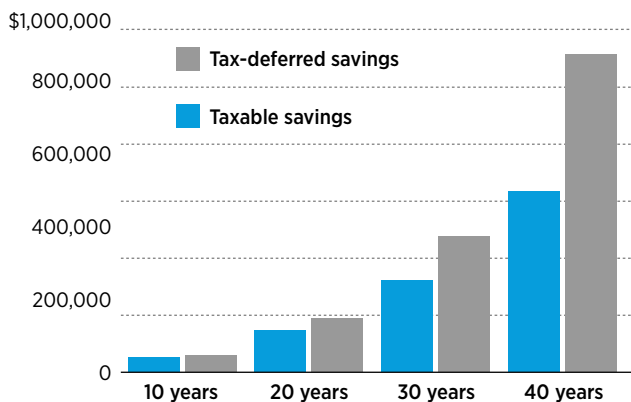
# Putnam 403(b)

A 403(b) plan is an employer-sponsored retirement plan for employees of non-profit organizations and public educational institutions.

## A great way to save

In general, 403(b) arrangements are employer-sponsored retirement accounts for employees of nonprofit organizations and public educational institutions. Putnam's 403(b)(7) Custodial Accounts can accept before-tax employee contributions under an employer's 403(b) arrangement for investment in a wide range of Putnam mutual funds. All contributions and earnings are tax-deferred.

### The power of tax-deferred compounding\*



\* Tax-deferred (before-tax) and taxable (after-tax) saving assumes a hypothetical investment of \$250 a month, with annual returns of 8% compounded monthly and earnings reinvested. The tax-deferred illustration does not reflect the effects of taxes, which are due upon withdrawal. The taxable illustration reflects the effects of an annual 25% federal tax. The value of the tax-deferred account upon withdrawal will depend on the investor's tax rate. Depending on an investor's tax rate, the value of the taxable account upon withdrawal may be higher or lower than what is shown. Lower minimum tax rates on capital gains and dividends would make the investment return for the taxable investment more favorable, thereby reducing the difference in performance between the accounts shown. Investors should consider their personal investment horizons and income tax brackets, both current and anticipated, when making an investment decision; these may further affect the results of the comparison. The return is shown for illustrative purposes only and is not intended to predict the return of any investment in your plan, which will fluctuate. Regular investing does not ensure a profit or protect against loss in declining markets. Withdrawals are subject to income tax, and those made before age 59½ may be subject to an additional 10% tax.

## Convenience and flexibility

A Putnam 403(b)(7) Custodial Account offers convenience and flexibility. It has a wide selection of mutual funds from every investment style, free exchanges between funds,<sup>†</sup> quarterly account statements, and daily account statements online.

<sup>†</sup> Short-term trading fees may apply.

### Eligible organizations

Schools	Community groups
Hospitals	Alumni associations
Churches	Public safety or awareness organizations
Charitable organizations	

## High contribution limits

A 403(b) offers high contribution limits to make saving for retirement easier. A 403(b) can also feature an additional "catch-up" contribution provision for investors age 50 and over. Employees with at least 15 years of service can make additional contributions up to \$3,000 per year, up to certain limits.

### Employee contribution limits

	2010
Under age 50	\$16,500
Age 50 and over	\$22,000

## Easy enrollment

Signing up for a Putnam 403(b)(7) Custodial Account is easy.

1. Check with your employer to make sure Putnam is an eligible vendor.
2. Complete the Employee Adoption Agreement.
3. Complete a Salary Reduction Agreement, which Putnam can provide if your employer does not have such an agreement.
4. Return the completed agreements to your employer.

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

## A broad range of investment options

You can choose from more than 50 Putnam mutual funds covering a wide array of investment styles.

If you want to invest by:	You should consider:
Target retirement year	Putnam RetirementReady® Funds
Risk level	Putnam Asset Allocation Funds
Targeted return	Putnam Absolute Return Funds

You can also build your own portfolio by choosing a combination of individual funds managed in different styles:

**Growth funds** invest in stocks of companies with strong potential for above-average growth.

**Blend funds** have the flexibility to invest in both growth stocks and value stocks. They target companies believed to be worth more than their current stock prices indicate.

**Value funds** invest in stocks whose prices are low relative to the company's earnings, dividends, and growth potential.

**Income funds** invest in interest-paying bonds and, to a limited extent, dividend-paying stocks.

**Global sector funds** are designed to help investors take advantage of opportunities in specific industry sectors around the world.

## Award-winning service and support

You'll receive top-quality service and support from a team of dedicated Putnam representatives.

### Eighteen-time DALBAR winner

Putnam is an 18-time winner of the DALBAR Mutual Fund Service Award, which is presented annually to firms that deliver industry-leading service to their customers, based on testing by DALBAR, an independent market research firm. In 2009, for the 11th time, Putnam won awards in each of the three categories — to investors, to financial advisors, and to annuity contract holders.



**Consider these risks before investing:** Asset allocation decisions may not always be correct and may adversely affect fund performance. The use of leverage through derivatives may magnify this risk. Leverage and derivatives carry other risks that may result in losses, including the effects of unexpected market shifts and/or the potential illiquidity of certain derivatives. International investments carry risks of volatile currencies, economies, and governments, and emerging-market securities can be illiquid. Bonds are affected by changes in interest rates, credit conditions, and inflation. As interest rates rise, prices of bonds fall. Long-term bonds are more sensitive to interest-rate risk than short-term bonds, while lower-rated bonds may offer higher yields in return for more risk. Unlike bonds, bond funds have ongoing fees and expenses. Stocks of small and/or midsize companies increase the risk of greater price fluctuations. REITs involve the risks of real estate investing, including declining property values. Commodities involve the risks of changes in market, political, regulatory, and natural conditions. Additional risks are listed in the funds' prospectus.

*Money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other governmental agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.*

Each RetirementReady Fund has a different target date indicating when the fund's investors expect to retire or begin withdrawing assets for another savings goal. The dates range from 2010 to 2050 in five-year intervals, with the exception of the Maturity Fund, which is designed for investors at or near retirement. The funds are generally weighted more heavily toward more aggressive, higher-risk investments when the target date of the fund is far off, and more conservative, lower-risk investments when the target date of the fund is near. This means that both the risk of your investment and your potential return are reduced as the target date of the particular fund approaches, although there can be no assurance that any one fund will have less risk or more reward than any other fund. The principal value of the funds is not guaranteed at any time, including the target date.

This information is not meant as tax or legal advice. You should consult with the appropriate tax or legal professional before making any investment decisions.

**For more information about Putnam's 403(b)(7) Custodial Account product features, please call a representative at 1-800-662-0019.**

*Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call your financial representative or call Putnam at 1-800-225-1581. Please read the prospectus carefully before investing.*