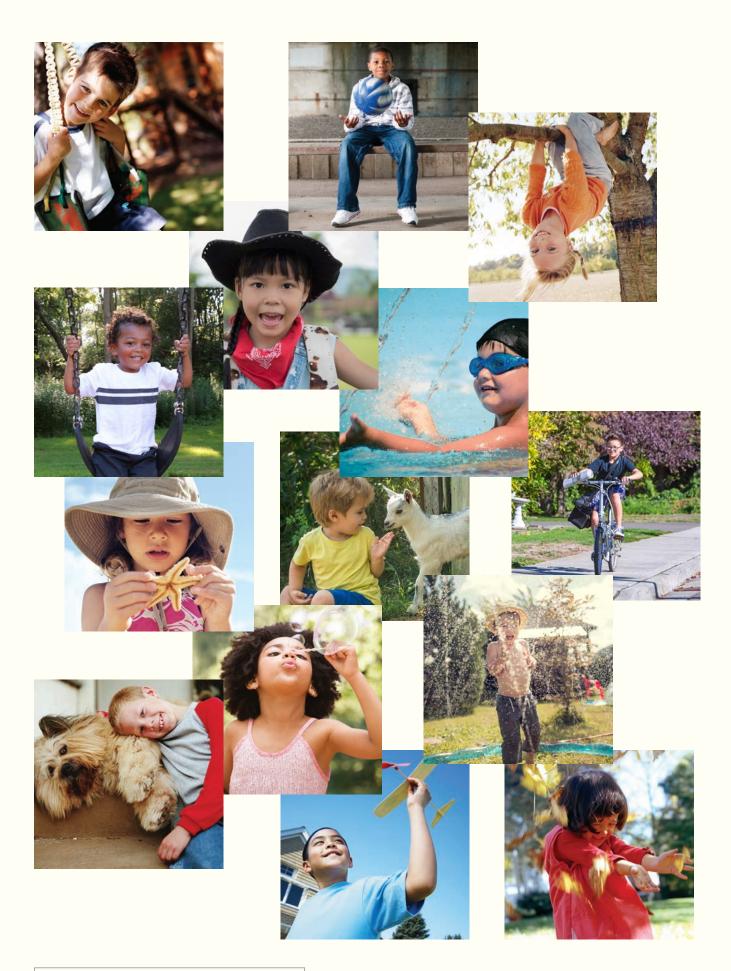


# Putnam 529 for America<sup>ss</sup>



They are the faces of the future.

They will invent things we can't even envision.

Discover cures with global reach. Tackle challenges far greater than ours.

We can't imagine all they will accomplish. But we can get them off to a strong start.

A good education will pay a lifetime of benefits, but the challenge of saving for higher education has never been greater. As costs continue to rise, college savings is one of the biggest financial demands most families will face.

Since offering one of the first advisor-sold 529 savings plans in the country over a decade ago, Putnam Investments has been helping families across America build their futures. Putnam's expertise in 529 plan administration is combined with our industry-recognized customer service and over 80 years of investing experience.





### Anyone can invest on behalf of your child.

Parents, grandparents, aunts, uncles, and friends can all contribute to the account. Contributions can be as low or as high as you like until the account value reaches \$500,000.\*

Change in plans? If your child decides not to attend college, you can switch the account to another family member. You may change the beneficiary as many times as you like to another member of your family, as defined by the IRS.

# Three options if your child decides not to attend college:

- Leave the assets invested in the plan for later use
- Change the beneficiary to another family member
- Withdraw the assets and pay a 10% additional tax<sup>†</sup>





According to The College Board, college graduates earn 67% more on average than high school graduates, a difference in earning potential that could exceed \$1 million over the course of your child's lifetime.<sup>‡</sup>

Contributions are generally treated as gifts to the beneficiary for federal gift tax purposes and are subject to the annual federal gift tax exclusion amount (\$15,000 for 2019). Contributor may elect to treat contributions in excess of that amount (up to \$75,000 for 2019) as prorated over 5 years. Election is made by filing a federal gift tax return. While the value of the account is generally excludable from contributor's gross estate, if electing contributor dies during the 5-year period, amounts allocable to years after death are includible in contributor's gross estate. Consult your tax advisor.

<sup>\*</sup> Effective July 1.

<sup>†</sup> The earnings portion of any withdrawal not used for qualified higher education expenses is taxed at the recipient's tax rate and is subject to a 10% additional tax.

<sup>‡ &</sup>quot;Education Pays," The College Board, 2016. Most recent data available.

You control the account, even when the child reaches legal age. As account owner, you retain control over withdrawals for the life of the account. This benefit is not offered by non-529 education savings accounts such as UGMAs and UTMAs, which transfer assets when the child reaches legal age.





This example assumes contributions of \$500 per month, a hypothetical 6% nominal rate of return compounded monthly with an effective return of 6.17%, and a 28% tax bracket for the taxable account. The returns shown are for illustrative purposes only. They are not representative of any particular investment and are not intended to predict the return of any investment, which will fluctuate. Regular investing does not ensure a profit or protect against loss in a declining market. Capital gains, exemptions, deductions, and local taxes are not reflected. Certain returns in a taxable account are subject to capital gains tax, which is generally a lower rate than ordinary income tax rate and would make the investment return for the taxable investment more favorable than reflected on the chart. Investors should consider their personal investment horizon and income tax brackets, both current and anticipated, when making an investment decision. These may further impact the results of the comparison.

You pay no federal income taxes on account earnings while the account is invested. And you will pay no federal income taxes when the money is withdrawn to pay for qualified higher education expenses.

Decrease your taxable estate while paying for college expenses. In certain cases, contributions to the account can be removed from your estate for tax purposes, yet you retain control over the assets.

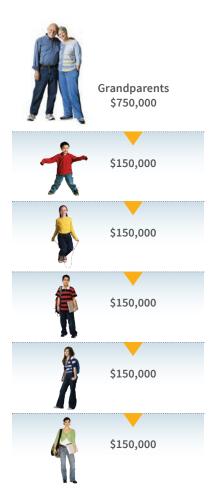
This benefit is unique to 529 plans.

### A gift contribution can bring added tax benefits.

A special gift tax exclusion enables you to make five years' worth of gifts to a single beneficiary in a single year without triggering the federal gift tax.

- Maximum for individuals is \$75,000 for 2019
- Maximum for married couples is \$150,000 for 2019

In one year, these grandparents removed \$750,000 from their estate, helped five grandchildren, and retained control over the assets for the life of the accounts.



Withdrawals for qualified higher education expenses subject to tax if American Opportunity Credit or Lifetime Learning Credit claimed for same expenses.

If withdrawing funds for qualified higher education expenses from both a 529 account and a Coverdell Education Savings Account, a portion of the earnings distribution may be subject to a tax penalty on amounts that exceed qualified higher education expenses. Withdrawals of earnings not used to pay for qualified higher education expenses are subject to taxes and penalty. You may wish to consult your tax advisor or financial advisor to ensure that you obtain the tax consequences you desire. See the Offering Statement for details.

Assumes grandparents removed \$750,000 in assets and contributed in equal increments of \$150,000. This is the maximum single-year beneficiary amount allowed for married couples electing split gifts and choosing to prorate the gift over 5 years without exceeding the annual federal gift tax exclusion applicable to 529 account contributions. Contributions to a 529 account that are allocated for federal gift tax purposes to years after the donors' death may be included in their estate.

### A broad range of investment choices

☐ **Age-based portfolios:** Actively managed and adjust over time, becoming more conservative as your child approaches college age.

As the child gets older, the mix of investments shifts from one composed primarily of stock funds, which offer the greatest growth potential over time but also carry the greatest near-term risk, to one with more fixed-income funds and money market funds, which offer lower potential returns in exchange for reduced risk.

Each portfolio is based on the year the child was born. The portfolio is reallocated quarterly, and the investments become more conservative over time









more conservative over time.		$\Lambda$				
	Newborn	4	8	12	18	
	150				1406	
<ul><li>Stocks</li><li>Bonds</li><li>Cash</li></ul>	15%				26%	
<ul><li>Cash</li></ul>	85%				60%	

Asset allocations shown are target allocations. Actual allocations may vary.

The age-based and goal-based options invest across four broad asset categories: short-term investments, fixed-income investments, U.S. equity investments, and non-U.S. equity investments. Within these categories, investments are spread over a range of asset allocation portfolios that concentrate on different asset classes or reflect different styles.

Each age-based portfolio has a different target date, which is based on the year in which the beneficiary of an account was born. The principal value of the funds is not guaranteed at any time, including age-based portfolios closest to the college age.



Choose from a range of age-based, goal-based, and individual fund options from Putnam and other fund families.

☐ **Goal-based portfolios:** Actively managed and keep the same allocation mix, regardless of the child's age.







	Balanced Option	Growth Option	Aggressive Growth Option
Stocks	Invests in the Putnam 529	Invests in the Putnam 529	Invests in the Putnam 529
Bonds	GAA Growth Portfolio,	GAA Growth Portfolio and	GAA All Equity Portfolio
Cash	Putnam 529 Balanced	Putnam 529 All Equity	
	Portfolio, and Putnam 529	Portfolio	
	Money Market Portfolio		

### ☐ Individual investment options: Build your own portfolio

Stocks	Bonds
Putnam Equity Income Fund Option	Putnam High Yield Investment Option
Putnam Growth Opportunities Fund Option	Putnam Income Fund Option
Putnam Small Cap Value Fund Option	Federated U.S. Government Securities Fund Option
MFS Institutional International Equity Fund Option	Cash
Principal MidCap Blend Fund Option	Putnam Government Money Market Fund Option*
State Street S&P 500® Index Fund Option	

<sup>\*</sup>You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The values of money market investments usually rise and fall in response to changes in interest rates. Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States.

### Putnam Absolute Return Funds

These funds are designed to help you meet your college savings goals with potentially lower volatility than more traditional mutual fund investments. Your financial advisor can help you choose the fund that suits your goal.

### **Putnam Fixed Income Absolute Return Fund**

Invests in a combination of fixed-income and cash securities for investors seeking a lower level of risk than traditional bond funds.

### Putnam Multi-Asset Absolute Return Fund

Invests in a combination of stocks and fixed-income securities for investors seeking a lower level of risk than traditional equity funds.



Putnam Absolute Return Funds can be an ally in helping to navigate today's market volatility.

The funds' strategies are designed to be largely independent of market direction, and the funds are not intended to outperform stocks and bonds during strong market rallies.

Consider these risks before investing: Our allocation of assets among permitted asset categories may hurt performance. The prices of stocks and bonds in the funds' portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific issuer or industry. Our active trading strategy may lose money or not earn a return sufficient to cover associated trading and other costs. Our use of leverage obtained through derivatives increases these risks by increasing investment exposure. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds.

Unlike bonds, funds that invest in bonds have ongoing fees and expenses. Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging market securities, including illiquidity and volatility. Our use of derivatives may increase these risks by increasing investment exposure (which may be considered leverage) or, in the case of many over-the-counter instruments, because of the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. The funds may not achieve their goal, and they are not intended to be a complete investment program. The funds' effort to produce lower-volatility returns may not be successful and may make it more difficult at times for the funds to achieve their targeted return. In addition, under certain market conditions, the funds may accept greater volatility than would typically be the case, in order to seek their targeted return. For the Putnam Multi-Asset Absolute Return Fund, these risks also apply: 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. You can lose money by investing in the funds.

# Saving for college: Compare the alternatives

	Putnam 529 for America	UGMA/UTMA	Coverdell	Roth IRA
No limitations on income	<b>✓</b>	<b>~</b>		
You can change the beneficiary	<b>V</b>		<b>V</b>	<b>~</b>
Control of withdrawals will not shift to child	<b>~</b>			<b>V</b>
Can be used for any eligible institution of higher education	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>
You can decrease your taxable estate and retain control over the assets	<b>V</b>			-

## Other features at a glance

	Putnam 529 for America	UGMA/UTMA	Coverdell	Roth IRA
Annual contribution limits	Limited only when account exceeds \$500,000*	None	\$2,000, including contributions from others	\$6,000 per account owner (\$7,000 for an account owner age 50 and above)
Federal gift tax	On amounts over \$15,000	On amounts over \$15,000		
Special gift tax benefit	Can make 5 years' worth of gifts in a single year without triggering gift tax			
Who controls withdrawals?	Account owner	Transfers to child when child reaches legal age	Account owner	Account owner
Investment options	1 age-based option 3 goal-based options Individual options from Putnam and other firms Putnam Absolute Return Funds	A range of securities	A range of securities	A range of securities

<sup>\*</sup>Effective July 1.

# Make the right choice. Ask your financial advisor for more information about Putnam 529 for America or call 1-877-PUTNAM529.



Putnam 529 for America is sponsored by the State of Nevada, acting through the Board of Trustees of the College Savings Plans of Nevada, and administered by the State Treasurer's Office. Anyone may

invest in the plan and use the proceeds to attend school in any state. Before investing, consider whether your state's plan or that of your beneficiary offers state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that may not be available through Putnam 529 for America. If you withdraw money for something other than qualified higher education expenses, you will owe federal income tax and may face a 10% federal tax penalty on earnings. Consult a tax advisor.

You should carefully consider the investment objectives, risks, charges, and expenses of the plan before investing. For an offering statement containing this and other information about Putnam 529 for America, call Putnam's dedicated 529 hotline at 1-877-788-6265. You should read the offering statement carefully before investing. Putnam Retail Management, principal underwriter and distributor. Putnam Investment Management, investment manager.

### A BALANCED APPROACH

Since 1937, when George Putnam created a diverse mix of stocks and bonds in a single, professionally managed portfolio, Putnam has championed the balanced approach.

### A WORLD OF INVESTING

Today, we offer investors a world of equity, fixedincome, multi-asset, and absolute-return portfolios to suit a range of financial goals.

### A COMMITMENT TO EXCELLENCE

Our portfolio managers seek superior results over time, backed by original, fundamental research on a global scale. We believe in the value of experienced financial advice, in providing exemplary service, and in putting clients first in all we do.

A world of investing.

