



Michael C. Petro, CFA
 Portfolio Manager
 (industry since 1999)

Objective

The fund seeks capital appreciation.

Morningstar category

Small Value

Lipper category

Small-Cap Value

Benchmark

Russell 2000 Value Index

Fund symbols

Class A PSLAX
 Class B PSLBX
 Class C PSLCX
 Class R PSCRX
 Class R6 PSCMX
 Class Y PYSVX

Net assets

\$273.53M

Number of holdings

107

Turnover

72%

Putnam Small Cap Value Fund

Identifying undiscovered earnings potential

Uncovering the potential to expand earnings

Takes a multipronged approach by applying fundamental, quantitative, and technical analysis to generate ideas and identify unique opportunities

Companies poised for revaluation

Applies bottom-up research process that considers valuation, catalyst, and quality indicators, with the goal of finding companies poised for revaluation

Driving returns through stock selection

Seeks to maximize stock-specific risk and minimize unintended factor risk through an active portfolio construction discipline

Top 10 holdings

| | |
|--------------------------|-------|
| Oriental Financial Group | 1.75% |
| First Foundation | 1.70 |
| Newpark Resources | 1.54 |
| Brookdale Senior Living | 1.50 |
| Smart Global Holdings | 1.46 |
| HNI | 1.41 |
| Ribbon Communications | 1.35 |
| Bancorp | 1.32 |
| NRG Energy | 1.32 |
| Bofl | 1.28 |

Holdings represent 14.63% of the portfolio and will vary over time.

Sector weightings

| | Underweight | Overweight | Portfolio | Benchmark |
|------------------------|-------------|------------|-----------|-----------|
| Technology | | 2.0 | 7.6% | 5.6% |
| Health care | | 1.7 | 11.4 | 9.7 |
| Communication services | | 1.6 | 2.6 | 1.0 |
| Capital goods | | 1.3 | 7.2 | 5.9 |
| Consumer staples | | 0.6 | 5.7 | 5.1 |
| Utilities | | 0.3 | 4.0 | 3.7 |
| Conglomerates | -0.1 | | 0.0 | 0.1 |
| Basic materials | -0.6 | | 7.5 | 8.1 |
| Energy | -1.0 | | 8.8 | 9.8 |
| Transportation | -1.0 | | 2.1 | 3.1 |
| Consumer cyclicals | -1.2 | | 11.9 | 13.1 |
| Financials | -5.0 | | 29.8 | 34.8 |

Cash and net other assets represent 1.5% of the portfolio.

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

The unclassified sector, where applicable, includes exchange-traded funds and other securities not able to be classified by sector.

Risk (Y shares, as of 3/31/24)

| | |
|--------------------|---------|
| Beta | 1.02 |
| Tracking error | 5.17% |
| Up capture ratio | 105.97% |
| Down capture ratio | 89.80% |

Capture ratios are used to evaluate how well an investment manager performed relative to an index during specific periods (periods of positive return in the case of up capture, negative return in the case of down capture). The ratio is calculated by dividing the manager's returns by the returns of the index during the period and multiplying that factor by 100. **Turnover** is the rate at which the fund buys and sells securities each year. For example, if a fund's assets total \$100 million and the fund bought and sold \$100 million of securities that year, its portfolio turnover rate would be 100%. **Beta** is defined as a fund's sensitivity to market movements and is used to evaluate market related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Risk statistics are measured using a 3-year regression analysis. For funds with shorter track records, since inception analysis is used. **Tracking error** assesses how closely a fund's performance tracks that of the fund's benchmark by calculating the standard deviation of the difference between the fund's returns and its benchmark returns over a given time period, typically 5 years.

Not all share classes are available on all platforms.

Not FDIC insured
May lose value
No bank guarantee

Morningstar rankings

(Y shares, based on total return)

| | |
|----------|---------------|
| 1 year | 10% (36/489) |
| 3 years | 29% (100/457) |
| 5 years | 23% (79/426) |
| 10 years | 32% (104/335) |

Total expense ratio

(Y shares)

0.92%

(A shares)

1.17%

Annual performance (all distributions reinvested)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 YTD |
|------------------------------|--------|--------|-------|---------|--------|-------|--------|---------|--------|----------|
| Y shares at net asset value | -3.63% | 26.91% | 8.11% | -19.53% | 24.18% | 3.79% | 39.91% | -13.11% | 23.78% | 1.99% |
| A shares before sales charge | -3.88 | 26.59 | 7.91 | -19.81 | 23.92 | 3.57 | 39.50 | -13.35 | 23.55 | 1.93 |
| Benchmark | -7.47 | 31.74 | 7.84 | -12.86 | 22.39 | 4.63 | 28.27 | -14.48 | 14.65 | 2.90 |

Annualized total return performance

| | Q1 | 1 year | 3 years | 5 years | 10 years |
|--|-------|--------|---------|---------|----------|
| Y shares (Inception 1/3/01) | 1.99% | 27.74% | 7.44% | 11.77% | 7.82% |
| A shares (Inception 4/13/99) before sales charge | 1.93 | 27.44 | 7.17 | 11.51 | 7.55 |
| A shares after sales charge | -3.93 | 20.12 | 5.07 | 10.20 | 6.92 |
| Benchmark | 2.90 | 18.75 | 2.22 | 8.17 | 6.87 |

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance of class A and Y shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns for class A reflect a maximum 5.75% load. Returns for class Y shares prior to their inception are derived from the historical performance of class A shares, which have not been adjusted for their lower expenses; had they, returns would have been higher. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit putnam.com.

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Morningstar rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

Consider these risks before investing: Investments in small and/or midsize companies increase the risk of greater price fluctuations. Value stocks may fail to rebound, and the market may not favor value-style investing.

The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. These risks are generally greater for small and midsize companies. From time to time, the fund may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the fund more vulnerable to adverse developments affecting those industries or sectors.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

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