



Simon Davis
Portfolio Manager
(industry since 1988)

Objective

The fund seeks capital appreciation.

Morningstar category

Europe Stock

Lipper category

European Region

Fund Symbols

Class A	PEUGX
Class B	PEUBX
Class C	PEECX
Class M	PEUMX
Class R	PEERX
Class Y	PEUYX

Number of holdings

60

Net assets

\$211.61M

Dividend frequency

Annually

Putnam Europe Equity Fund

Pursuing the growth potential of established companies in European markets

European companies

The fund invests in established large and midsize companies across Europe that benefit from the region's economy and from operations in global markets.

A flexible strategy

Pursuing Putnam's blend strategy, the fund can own growth- or value-style stocks to participate when either style leads European markets.

A disciplined process

The fund manager combines fundamental research and quantitative tools to pursue multiple sources of return, supported by strong risk controls in portfolio construction.

Fundamental investment research determines top holdings and country weightings

Top ten holdings

Royal Dutch Shell	4.51%
Roche	3.49
Sanofi	3.33
Siemens	3.26
ING Groep	2.63
Prudential	2.63
British American Tobacco	2.57
WPP	2.31
Bayer	2.27
Henkel	2.20

Holdings represent 29.20% of the portfolio and will vary over time.

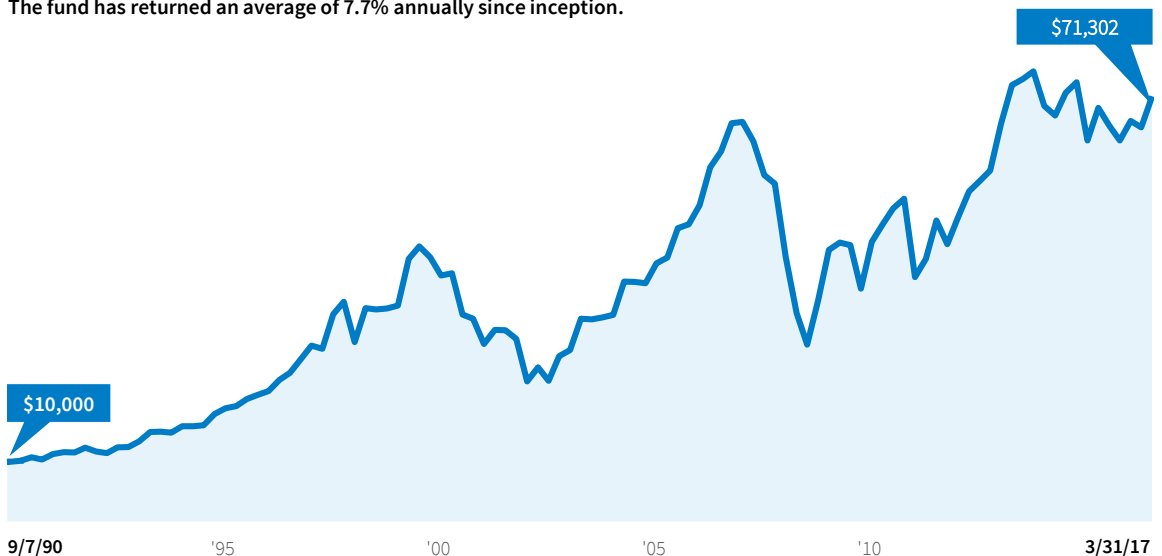
Country

Country	Fund	MSCI Europe Index (ND)
United Kingdom	33.7%	27.9%
Germany	15.8	15.0
France	15.6	16.0
Netherlands	6.6	4.8
Switzerland	4.7	13.8
Ireland	4.6	0.9
United States	4.2	0.4
Italy	3.2	3.2
Sweden	2.7	4.6
Denmark	1.9	2.6
Other countries	5.0	10.8

Cash and net other assets represent 1.9% of the portfolio.

Growth of a \$10,000 investment

The fund has returned an average of 7.7% annually since inception.



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 assumes reinvestment of distributions and does not account for taxes. 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. Performance for Class Y shares before their inception are derived from the historical performance of class A shares (inception 9/7/90), which have not been adjusted for the lower expenses; had they, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

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

Lipper rankings

(Y shares, based on total return)

1 year	61% (98/160)
3 years	52% (61/117)
5 years	29% (28/98)
10 years	42% (29/69)

Adjustable management fee

The fund has an innovative management fee structure — the fee adjusts based on fund performance (shown in the table below).

Base management fee 0.70%

Example of lower fee if fund underperforms its benchmark by 1% 0.67%

Example of higher fee if fund outperforms its benchmark by 1% 0.73%

Maximum performance adjustment +/-0.15%

Total expense ratio

(Y shares)
1.07%

Market-cap breakdown

Over \$36B	47.08%
\$8.3B–\$36B	33.76%
\$1.7B–\$8.3B	15.61%
\$360M–\$1.7B	0.94%
Less than \$360M	0.71%
Cash and other assets	1.90%

“Cash and other assets” includes cash, short-term securities, ETFs, bonds excluding convertible bonds, and other securities not able to be classified by market capitalization.

Beta

0.94

Price to earnings

14.69

Projected 5-year EPS growth

9.02

Annual performance at net asset value (all distributions reinvested)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Y shares	7.4%	-45.2%	33.9%	6.5%	-11.6%	25.7%	32.3%	-7.0%	2.0%	-4.8%	7.9%
MSCI Europe Index (ND)	13.9	-46.4	35.8	3.9	-11.1	19.1	25.2	-6.2	-2.8	-0.4	7.4

Annualized total return performance

Inception 10/4/05	Class Y shares	MSCI Europe Index (ND)
1 year	7.31%	9.76%
3 years	-1.31	-1.51
5 years	7.16	5.63
10 years	1.40	0.70
Life of fund	7.67	7.52

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 assumes reinvestment of distributions and does not account for taxes. 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. Performance for Class Y shares before their inception are derived from the historical performance of class A shares (inception 9/7/90), which have not been adjusted for the lower expenses; had they, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

The MSCI Europe Index (ND) is an unmanaged index of Western European equity securities. You cannot invest directly in an index.

Lipper 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 Lipper.

Because the dollar amount of the monthly performance fee adjustment is based on the fund's average assets during the rolling performance period, the amount of any dollar adjustment as a percentage of a fund's current assets could exceed the "maximum annualized performance adjustment rates." Performance fee adjustments will not commence until a fund has been operating under a shareholder-approved management contract with a performance fee adjustment for at least 12 months.

Beta measures volatility in relation to the fund's benchmark. A beta of less than 1.0 indicates lower volatility; a beta of more than 1.0, higher volatility than the benchmark. The **price-earnings ratio** of a firm's common stock is calculated as the current stock price divided by projected earnings per share for the coming year. The projections used are based on street consensus estimates provided by IBES. **Earnings per share** (EPS) growth is found by taking the net income and dividing it by the basic or diluted number of shares outstanding, as reported.

Not all share classes available on all platforms.

Consider these risks before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Investments in small and/or midsize companies increase the risk of greater price fluctuations. Investments in a single region may be affected by common economic forces and other factors. In addition, events in any one country within the region may impact the other countries or the region as a whole. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. Risks associated with derivatives include increased investment exposure, which may be considered leverage, or, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific issuer or industry. You can lose money by investing in the fund.

Request a prospectus or a summary prospectus, if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.