



The fund received a 4-star Overall Morningstar Rating as of 12/31/22 among 91 funds in the Foreign Small/Mid Blend category (R6 shares, based on risk-adjusted returns)



Karan S. Sodhi, CFA
Portfolio Manager
(industry since 1998)



Spencer Morgan, CFA
Portfolio Manager
(industry since 2009)

Objective

The fund seeks long-term capital appreciation.

Morningstar category

Foreign Small/Mid Blend

Lipper category

International Small/Mid-Cap Growth

Benchmark

S&P Developed ex-U.S. SmallCap Index

Fund symbols

Class A	PNVAX
Class B	PVNBX
Class C	PUVCX
Class R	PICRX
Class R6	PICOX
Class Y	PIVYX

Net assets

\$296.96M

Number of holdings

56

Turnover

37%

Putnam International Capital Opportunities Fund

A focus on quality small-cap companies trading at a steep discount to intrinsic value

Intrinsic value approach

Invests in developed non-U.S. markets, seeking high-quality small companies we believe to be priced at a discount to their intrinsic value

Research-intensive process

Seeks to identify companies that are undervalued franchises, cyclically depressed, or have transformative business potential

Active in an inefficient universe

Builds concentrated portfolios, taking stock-specific risk differentiated from the benchmark to seek alpha over a long-term investment horizon

Top 10 holdings

Berkeley Group	3.08%
Brickworks	2.81
Cogeco Communications	2.81
Marwyn Materials	2.69
Logista	2.59
Rubis	2.58
International Petroleum	2.52
Swissquote	2.34
Takeuchi Manufacturing	2.34
Japan Material	2.27

Holdings represent 26.03% of the portfolio and will vary over time.

Country weightings

	Underweight	Overweight	Portfolio	Benchmark
Taiwan		5.6	5.6%	0.0%
France		4.4	11.7	7.3
United Kingdom		3.3	15.2	11.9
Greece		3.2	3.2	0.0
Jersey		2.6	2.7	0.1
Italy	-1.7		0.9	2.6
Australia	-2.1		4.1	6.2
Sweden	-3.5		0.0	3.5
Canada	-3.6		6.3	9.9
Switzerland	-4.2		2.3	6.5
Other countries			46.4	52.0

Cash and net other assets represent 1.7% of the portfolio. Due to rounding, percentages may not equal 100%.

Market-cap breakdown

Over \$10B	3.20%
\$5B-\$10B	16.17
\$3B-\$5B	18.69
\$1B-\$3B	44.89
Less than \$1B	15.30
Cash and other assets	1.74

“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.

Risk (R6 shares, as of 12/31/22)

Beta	1.00
Tracking error	4.77%
Up capture ratio	103.89%
Down capture ratio	96.42%

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

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 5-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.

Morningstar rankings

(R6 shares, based on total return)
 1 year 27% (21/96)
 3 years 14% (12/91)

Total expense ratio

(R6 shares)
 1.09%

Adjustable management fee examples

Based on performance versus benchmark

Base fee 0.92%

Higher fee after 1% outperformance 0.95%

Lower fee after 1% underperformance 0.89%

Maximum performance adjustment +/-0.21%

Annual performance (all distributions reinvested)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
R6 shares at net asset value	24.12%	-13.24%	2.57%	-2.64%	34.84%	-16.22%	26.39%	11.40%	13.87%	-17.67%
Benchmark	26.06	-3.42	5.92	3.78	32.37	-18.41	24.66	14.27	9.56	-21.41

Annualized total return performance

	1 year	3 years	5 years	10 years	Life of fund
R6 shares (Inception 5/22/18)	-17.67%	1.46%	2.03%	4.83%	8.44%
Benchmark	-21.41	-0.54	0.01	5.89	6.34

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 R6 shares assumes reinvestment of distributions and does not account for taxes. Class R6 shares, available to qualified employee-benefit plans only, are sold without an initial sales charge and have no CDSC. Performance for class R6 shares prior to their inception is derived from the historical performance of class Y shares (inception 2/1/00), and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

Highlights of five-year performance periods (12/28/95–12/31/22)*

	Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
R6 shares	29.08%	9/30/07	-5.09%	6/30/12	7.57%	85%	76	13

* Based on annualized returns for quarterly rolling periods.

The S&P Developed Ex-U.S. SmallCap Index is an unmanaged index of small-cap stocks from developed countries, excluding the United States. You cannot invest directly in an index.

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.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam International Capital Opportunities Fund received 4, 5, and 2 stars for the 3-, 5-, and 10-year periods among 91, 79, and 44 Foreign Small/Mid Blend funds, respectively.

Morningstar rankings for class R6 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: 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.

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. 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) and, 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.

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.

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.

Putnam Investments | 100 Federal Street | Boston, MA 02110 | 1-800-225-1581 | putnam.com