



**Darren A. Jaroch, CFA**  
Portfolio Manager  
(industry since 1996)

**Walter D. Scully, CPA**  
Assistant Portfolio Manager  
(industry since 1996)

**Objective**

The fund seeks capital growth and current income.

**Morningstar category**

Large Value

**Lipper category**

Equity Income

**Fund symbols**

Class A	PEYAX
Class B	PEQNX
Class C	PEQCX
Class M	PEIMX
Class R	PEQRX
Class Y	PEIYX

**Number of holdings**

118

**Net assets**

\$6,486.62M

**Dividend frequency**

Quarterly

**Current allocation**

Stocks	97.97%
Bonds	0.28%
Cash and net other assets	1.75%

# Putnam Equity Income Fund

Seeking to harness the power of stock dividends since 1977

**A large-value focus**

The fund focuses on large companies whose stocks are priced below their long-term potential, and where there may be a catalyst for positive change.

**Dividend growth**

The fund places a distinct emphasis on companies that can grow their dividends and are able and willing to return cash to shareholders.

**A disciplined process**

The portfolio manager invests using fundamental research and quantitative tools supported by strong risk controls in portfolio construction.

**Fundamental investment research determines top holdings and sector weightings**

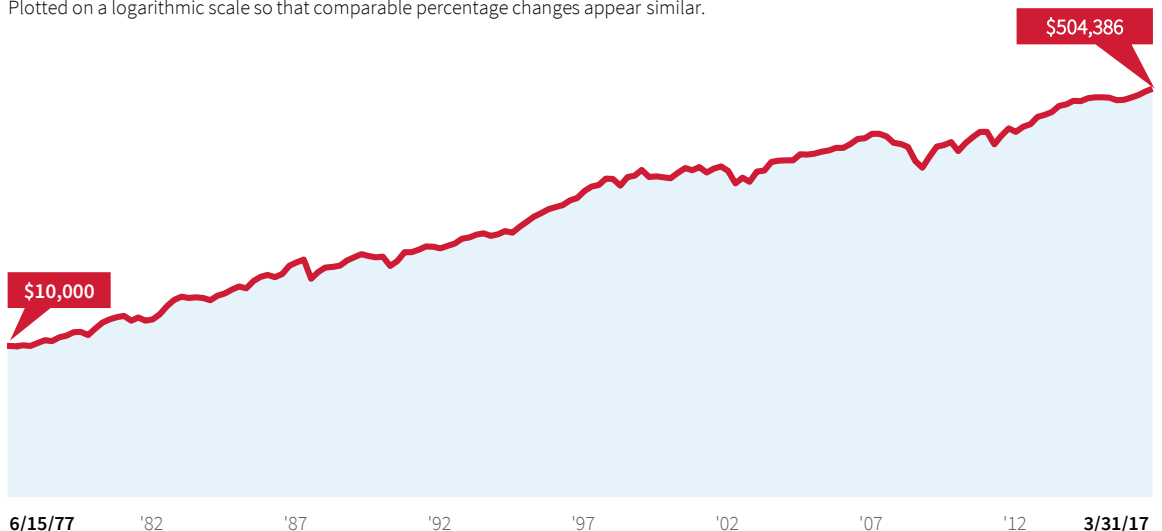
Top ten holdings		Sector		● Fund	● Russell 1000 Value Index
Microsoft	3.01%	Financials	23.8%	26.5%	
Northrop Grumman	2.91	Information technology	12.3	10.0	
JPMorgan Chase	2.82	Health care	11.5	10.8	
Eli Lilly	2.57	Energy	9.4	12.2	
Citigroup	2.56	Industrials	9.2	10.1	
Bank of America	2.47	Consumer staples	8.5	8.5	
Johnson & Johnson	2.27	Consumer discretionary	7.7	4.5	
Comcast	2.20	Utilities	5.0	6.2	
Wells Fargo	2.13	Telecommunication services	4.0	3.6	
AT&T	2.11	Materials	3.7	2.9	
		Real estate	3.2	4.6	

Holdings represent 25.05% of the portfolio and will vary over time.

Cash and net other assets represent 1.7% of the portfolio.

**Growth of a \$10,000 investment**

The fund has returned an average of 10.4% annually since inception. Plotted on a logarithmic scale so that comparable percentage changes appear similar.



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 6/15/77), 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**



The fund received a 4-star Overall Morningstar Rating™ as of 3/31/17 among 1,084 funds in the Large Value category (Y shares, based on risk-adjusted returns)

#### Lipper rankings

(Y shares, based on total return)

1 year	18% (93/525)
3 years	32% (144/458)
5 years	7% (22/337)
10 years	5% (10/220)

#### Total expense ratio

(Y shares)  
0.69%

#### Market-cap breakdown

Over \$78B	44.63%
\$17B–\$78B	38.21%
\$3.7B–\$17B	13.89%
\$1.2B–\$3.7B	1.24%
Less than \$1.2B	0.30%
Cash and other assets	1.75%

“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.

#### 30-day SEC yield

1.52%

#### Beta

0.98

#### Annual performance at net asset value (all distributions reinvested)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Y shares	3.7%	-31.1%	27.5%	12.7%	2.0%	19.3%	31.9%	12.7%	-2.9%	13.8%	4.7%
Russell 1000 Value Index	-0.2	-36.9	19.7	15.5	0.4	17.5	32.5	13.5	-3.8	17.3	3.3

#### Annualized total return performance

Inception 10/01/98	Class Y shares	Russell 1000 Value Index
1 year	18.79%	19.22%
3 years	8.28	8.67
5 years	12.87	13.13
10 years	7.85	5.93
Life of fund	10.35	—

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#### Highlights of five-year performance periods (6/15/77–3/31/17)\*

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
21.69%	6/30/99	-2.12%	3/31/09	10.51%	98%	137	3

\*Based on annualized returns for quarterly rolling periods.

The Russell 1000 Value Index is an unmanaged index of those companies in the large-cap Russell 1000 Index chosen for their value orientation. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. 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.

**Beta** 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.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees, if applicable), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each 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. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. Morningstar Ratings shown are for class Y shares only; other classes may have different performance characteristics.

Putnam Equity Income Fund received 3, 4, and 5 stars for the 3-, 5-, and 10-year periods among 1,084, 936, and 679 Large Value funds, respectively.

Not all share classes available on all platforms.

**Consider these risks before investing:** Value stocks may fail to rebound, and the market may not favor value-style investing. Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific company 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.**