



**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

\$355.18M

### Number of holdings

110

### Turnover

113%

# Putnam Small Cap Value Fund

Pursuing capital appreciation through undervalued small companies

### Small companies

Often overlooked by Wall Street analysts, the stocks of small companies can be attractive opportunities.

### Active value strategy

The strategy seeks undervalued companies with improving fundamentals or catalysts that may unlock potential.

### Rigorous research

The portfolio manager collaborates with strategy and sector analysts, combining the benefits of a focused boutique with the extensive resources of a global firm.

### Top 10 holdings

SM Energy	1.86%
Magnolia Oil & Gas	1.62
Hackett Group	1.49
Limelight Networks	1.49
Major Drilling	1.44
CNX Resources	1.40
Brookdale Senior Living	1.40
MRC Global	1.34
Universal Technical Institute	1.24
Option Care Health	1.24

Holdings represent 14.52% of the portfolio and will vary over time.

### Sector weightings

	Underweight	Overweight	Portfolio	Benchmark
Technology		4.1	9.2%	5.1%
Capital goods		2.6	9.6	7.0
Consumer cyclicals		2.0	14.1	12.1
Basic materials		1.9	7.8	5.9
Communication services		0.7	1.9	1.2
Transportation		0.2	2.5	2.3
Consumer staples	-0.6		5.6	6.2
Health care	-1.1		7.6	8.7
Energy	-2.2		7.3	9.5
Utilities	-3.8		1.5	5.3
Financials	-4.5		32.2	36.7

Cash and net other assets represent 0.8% 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.

### Market-cap breakdown

Over \$5B	14.04%
\$3B-\$5B	16.14
\$1B-\$3B	30.51
\$500M-\$1B	24.21
Less than \$500M	14.32
Cash and other assets	0.79

"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 3/31/22)

Beta	1.13
Tracking error	6.17%
Up capture ratio	115.74%
Down capture ratio	107.51%

**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**

(R6 shares, based on total return)

1 year	7% (22/445)
3 years	11% (41/415)
5 years	29% (115/395)

**Total expense ratio**

(R6 shares)

1.20%

**Annual performance (all distributions reinvested)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
R6 shares at net asset value	38.31%	3.87%	-3.49%	27.17%	8.30%	-19.48%	24.44%	4.06%	40.06%	0.53%
Benchmark	34.52	4.22	-7.47	31.74	7.84	-12.86	22.39	4.63	28.27	-2.40

**Annualized total return performance**

	1 year	3 years	5 years	10 years	Life of fund
R6 shares (Inception 11/1/13)	13.77%	17.13%	9.41%	11.29%	10.06%
Benchmark	3.32	12.73	8.57	10.54	9.75

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 1/3/01), 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](http://putnam.com).

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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.** 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.

**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.**

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