



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

**Objective**

The fund seeks capital appreciation.

**Morningstar category**

Small Value

**Lipper category**

Small-Cap Value

**Fund symbols**

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

**Number of holdings**

137

**Net assets**

\$256.69M

**Dividend frequency**

Annually

# 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 represent attractive opportunities.

**Active value strategy**

The portfolio manager seeks attractively valued companies with improving fundamentals or catalysts that may unlock value.

**Rigorous research**

The portfolio manager and a team of senior research analysts offer the collaboration of a boutique with the extensive resources of a large, global firm.

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

Top ten holdings		Sector		● Fund	● Russell 2000 Value Index
Vermilion Energy	1.94%	Financials	23.1%	28.2%	
Encana	1.52	Industrials	18.8	11.3	
Cedar Fair LP	1.51	Information technology	14.0	11.5	
Tronox Holdings	1.39	Consumer discretionary	13.7	9.2	
Premier	1.35	Energy	9.1	5.7	
Madison Square Garden	1.30	Communication services	5.4	3.2	
SP Plus	1.29	Materials	5.3	4.3	
American Equity Investment Life Holding	1.29	Health care	3.5	4.3	
Scorpio Tankers	1.23	Real estate	3.2	12.4	
Synnex	1.23	Utilities	2.7	7.3	
		Consumer staples	0.6	2.6	

Holdings represent 14.05% of the portfolio and will vary over time.

Cash and net other assets represent 0.7% of the portfolio.

Due to rounding, percentages may not equal 100%.

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

The fund has returned an average of 9.0% annually since inception.



Effective 1/31/19, David Diamond left Putnam and was replaced as Portfolio Manager by Michael Petro.

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

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 Y shares 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 4/13/99), 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.

**Lipper rankings**

(Y shares, based on total return)

1 year	70% (202/288)
3 years	48% (123/258)
5 years	53% (122/230)
10 years	35% (54/154)

**Total expense ratio**(Y shares)  
1.23%**Market-cap breakdown**

Over \$5B	7.91%
\$3B-\$5B	24.64%
\$1B-\$3B	41.49%
\$500M-\$1B	14.02%
Less than \$500M	11.33%
Cash and other assets	0.61%

“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**

12.06

**Projected 5-yr EPS growth**

10.00

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 YTD
Y shares	26.2%	-4.7%	17.2%	38.3%	3.7%	-3.6%	26.9%	8.1%	-19.5%	13.4%
Russell 2000 Value Index	24.5	-5.5	18.1	34.5	4.2	-7.5	31.7	7.8	-12.9	11.9

**Annualized total return performance**

Inception 1/3/01	Class Y shares	Russell 2000 Value Index
1 year	-4.97%	0.17%
3 years	8.22	10.86
5 years	4.00	5.59
10 years	14.65	14.12
Life of fund	8.99	9.31

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The Russell 2000 Value Index is an unmanaged index of those companies in the small-cap Russell 2000 Index chosen for their value orientation. 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.

**Earnings per share (EPS)** is found by taking the net income and dividing it by the basic or diluted number of shares outstanding, as reported. You can also take “expected” earnings for the current year or for future years to calculate other P/E ratios. 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. **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.

Not all share classes are available on all platforms.

**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. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions, changes in government intervention in the financial markets, and factors related to a specific issuer or industry. 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. 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.**

For informational purposes only. Not an investment recommendation.

Putnam Retail Management  
FS069\_Y 316806 4/19