



David L. Diamond, CFA
Portfolio Manager
(industry since 1986)

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 Y	PYSVX

Number of holdings

233

Net assets

\$382.94M

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.

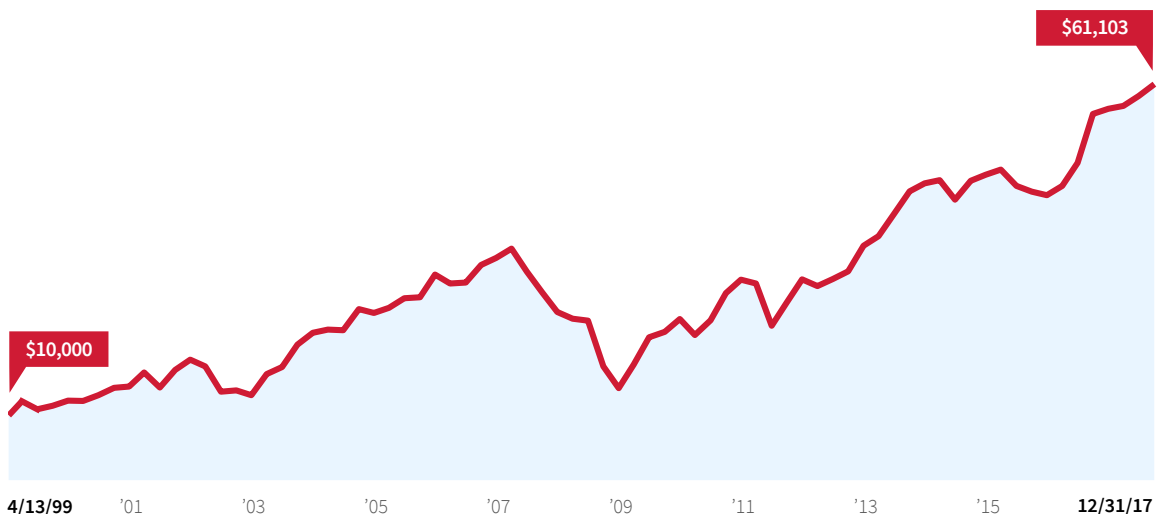
Fundamental investment research determines top holdings and sector weightings

Top ten holdings		Sector		● Fund	● Russell 2000 Value Index
Bemis	1.71%	Industrials	22.7%	12.1%	
Hain Celestial Group	1.69	Financials	15.9	30.3	
Apogee Enterprises	1.52	Consumer discretionary	14.6	10.9	
Minerals Technologies	1.51	Energy	11.9	6.8	
Bloomin' Brands	1.45	Information technology	11.4	8.9	
Penn Virginia	1.44	Materials	10.5	4.5	
Hub Group	1.28	Consumer staples	4.3	2.8	
Brink's	1.09	Real estate	2.9	10.4	
MasTec	1.06	Health care	2.2	6.2	
Caesars Entertainment	1.05	Telecommunication services	0.0	0.5	
		Utilities	0.0	6.6	

Cash and net other assets represent 3.5% of the portfolio.

Growth of a \$10,000 investment

The fund has returned an average of 10.2% 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 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.

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

Lipper rankings

(Y shares, based on total return)

1 year	53% (141/269)
3 years	30% (70/239)
5 years	32% (66/210)
10 years	62% (88/141)

Total expense ratio

(Y shares)

1.17%

Market-cap breakdown

Over \$5B	6.99%
\$3B-\$5B	22.83%
\$1B-\$3B	36.75%
Less than \$1B	30.15%
Cash and other assets	3.29%

"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

0.89

Price to earnings

17.53

Projected 5-yr EPS growth

10.00

Annual performance at net asset value (all distributions reinvested)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Y shares	-39.4%	30.3%	26.2%	-4.7%	17.2%	38.3%	3.7%	-3.6%	26.9%	8.1%
Russell 2000 Value Index	-28.9	20.6	24.5	-5.5	18.1	34.5	4.2	-7.5	31.7	7.8

Annualized total return performance

Inception 1/3/01	Class Y shares	Russell 2000 Value Index
1 year	8.11%	7.84%
3 years	9.76	9.55
5 years	13.65	13.01
10 years	7.76	8.17
Life of fund	10.15	10.11

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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 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)** 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.

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 market, and factors related to a specific issuer, industry, or sector. 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
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