



William J. Monroe, CFA
Portfolio Manager
(industry since 1996)

Objective

The fund seeks capital appreciation.

Morningstar category

Small Growth

Lipper category

Small-Cap Growth

Fund symbols

Class A	PNSAX
Class B	PNSBX
Class C	PNSCX
Class M	PSGMX
Class R	PSGRX
Class R6	PLKGX
Class Y	PSYGX

Number of holdings

85

Net assets

\$190.62M

Dividend frequency

Annually

Putnam Small Cap Growth Fund

Seeking to capitalize on growing small companies

Small companies

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

A focus on growth

Small companies tend to be flexible and innovative, and can often expand their earnings at faster rates than larger companies.

A disciplined process

The portfolio manager uses a disciplined bottom-up fundamental investment process that focuses on quality and growth.

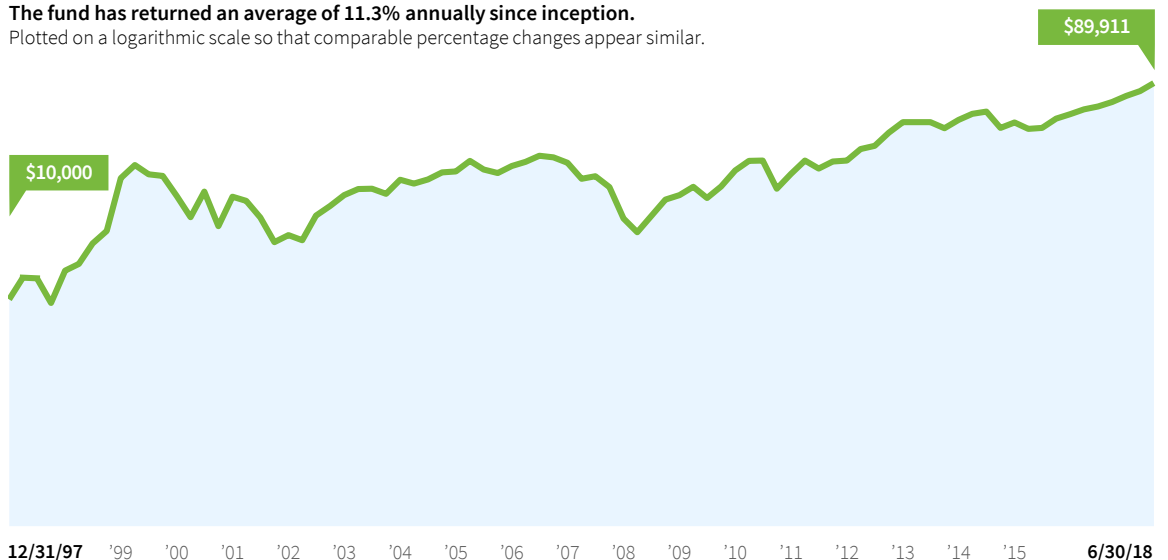
Fundamental investment research determines top holdings and sector weightings

Top ten holdings		Sector		● Fund	● Russell 2000 Growth Index
Five Below	2.85%	Health care	25.4%	26.5%	
RealPage	2.34	Information technology	24.5	19.1	
Wingstop	2.32	Industrials	16.9	18.2	
SiteOne Landscape Supply	2.23	Consumer discretionary	16.1	15.3	
Hamilton Lane	2.21	Financials	8.0	7.7	
Trex	2.17	Materials	4.3	4.3	
Ligand Pharmaceuticals	2.09	Consumer staples	1.8	2.9	
Bright Horizons Family Solutions	2.08	Telecommunication services	0.0	0.8	
Grand Canyon Education	2.07	Utilities	0.0	0.4	
Merit Medical Systems	2.07	Real estate	0.0	2.5	
		Energy	0.0	2.4	

Cash and net other assets represent 3.1% of the portfolio.

Growth of a \$10,000 investment

The fund has returned an average of 11.3% 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 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 12/31/97), 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	32% (178/566)
3 years	59% (288/494)
5 years	39% (170/445)
10 years	69% (230/336)

Total expense ratio(Y shares)
0.96%**Adjustable management fee examples**

Based on performance versus benchmark

Base fee	0.62%
Higher fee after 1% outperformance	0.65%
Lower fee after 1% underperformance	0.59%
Maximum performance adjustment	+/-0.18%

Market-cap breakdown

Over \$5B	20.90%
\$3B-\$5B	21.85%
\$1B-\$3B	51.26%
Less than \$1B	2.90%
Cash and other assets	3.10%

"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

0.99

Price to earnings

39.65

Projected 5-yr EPS growth

17.57

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
FS076_Y 312346 7/18

Annual performance at net asset value (all distributions reinvested)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Y shares	26.6%	28.5%	-3.6%	14.6%	48.0%	2.2%	-2.6%	8.8%	20.5%	13.8%
Russell 2000 Growth Index	34.5	29.1	-2.9	14.6	43.3	5.6	-1.4	11.3	22.2	9.7

Annualized total return performance

Inception 11/3/03	Class Y shares	Russell 2000 Growth Index
1 year	26.64%	21.86%
3 years	10.16	10.60
5 years	13.59	13.65
10 years	9.91	11.24
Life of fund	11.31	7.11

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

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.

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. Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-style investing. Stock prices may fall or fail to rise over time for a variety of 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. 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. 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.