



**Robert J. Schoen**  
Portfolio Manager  
(industry since 1990)



**Adrian H. Chan, CFA**  
Portfolio Manager  
(industry since 2003)

**Objective**

The fund seeks a total return comparable to that of the U.S. equity market, but with lower volatility, over a market cycle (generally at least three years or more).

**Morningstar category**

Large Blend

**Lipper category**

Large-Cap Core

**Fund symbols**

Class A	PLVEX
Class B	PLVFX
Class C	PLVGX
Class M	PLVHX
Class Y	PLVKX

**Number of holdings**

148

**Net assets**

\$27.45M

**Dividend frequency**

Annually

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

# Putnam Low Volatility Equity Fund

Pursuing returns comparable to the U.S. stock market, but with lower volatility over a market cycle

**Low-beta stocks**

The fund invests in low-beta stocks, which have historically provided better risk-adjusted returns than the overall stock market.

**Sector diversity**

The fund seeks to capitalize on a diverse range of low-beta stocks across all sectors rather than simply overweighting low-beta sectors.

**Option strategies**

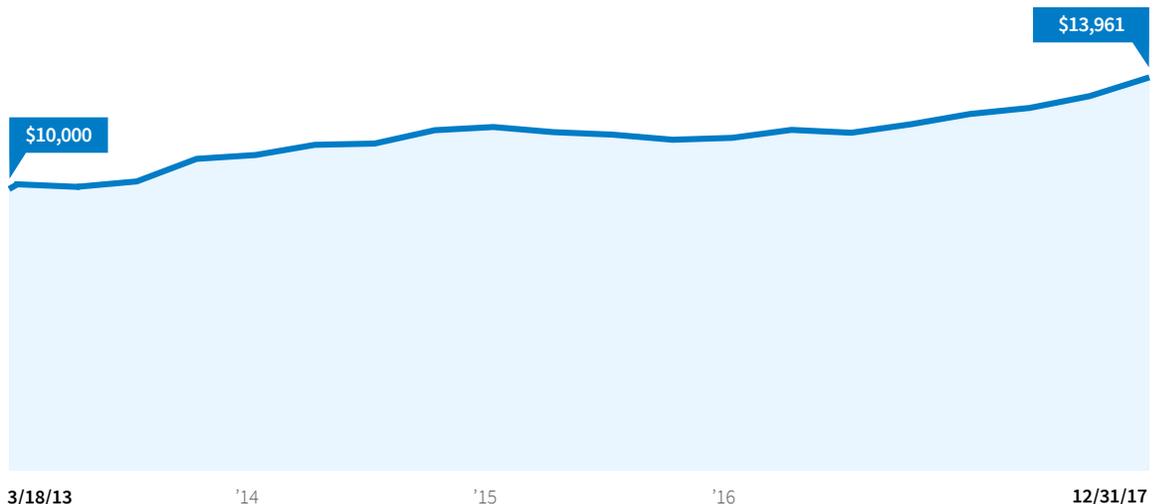
The veteran management team employs options strategies that can improve performance and reduce risk.

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

Top ten holdings		Sector		● Fund	● S&P 500 Index
Johnson & Johnson	2.95%	Information technology	22.3%	23.8%	
JPMorgan Chase	2.69	Financials	14.0	14.8	
Pfizer	2.26	Health care	13.8	13.8	
Texas Instruments	2.12	Consumer discretionary	12.3	12.2	
McDonald's	2.12	Industrials	11.1	10.3	
Apple	2.05	Consumer staples	8.0	8.2	
UnitedHealth Group	1.95	Energy	4.5	6.1	
Altria	1.86	Real estate	3.6	2.9	
Applied Materials	1.82	Materials	2.8	3.0	
PNC Financial Services	1.81	Utilities	2.8	2.9	
Holdings represent 21.63% of the portfolio and will vary over time.		Telecommunication services	1.6	2.1	
		Unclassified	1.2	0.0	
		Cash and net other assets represent 3.2% of the portfolio.		0	10

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

The fund has returned an average of 7.2% 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. For the most recent month-end performance, please visit putnam.com.

**Expense ratio**

(Y shares)  
Total expense ratio  
1.27%

What you pay  
0.95%

"What you pay" reflects Putnam Management's decision to contractually limit expenses through 11/30/18.

**Beta**

0.52

**Standard deviation**

5.82

**Sharpe ratio**

0.79

**Price to earnings**

18.16

**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	—	—	—	—	—	—	9.2%	-2.8%	4.7%	13.6%
S&P 500 Index	-37.0%	26.5%	15.1%	2.1%	16.0%	32.4%	13.7	1.4	12.0	21.8

**Annualized total return performance**

Inception 3/18/13	Class Y shares	S&P 500 Index
1 year	13.56%	21.83%
3 years	4.92	11.41
Life of fund	7.22	14.40

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The S&P 500 Index is an unmanaged index of common stock performance. You cannot invest directly in an index.

**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. **Sharpe ratio** is a measure of historical adjusted performance calculated by dividing the fund's return minus the risk-free rate (ML 3-month T-bill) by the standard deviation of the fund's return. The higher the ratio, the better the fund's return per unit of risk. 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. **Standard deviation** measures how widely a set of values varies from the mean. It is a historical measure of the variability of return earned by an investment portfolio. For fixed income and equity funds, risk statistics are measured using a 3- and 5-year regression analysis, respectively. 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:** Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. 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, issuer, or sector. There may be times when stocks in the fund's portfolio exhibit higher volatility than we expect, are not correlated with market movements as we expect, or underperform the markets. By selling covered call options, the fund limits its opportunity to profit from an increase in the price of the underlying portfolio securities, but continues to bear the risk of a decline in the value of these securities. The fund also risks losing all or part of the cash paid for purchasing put options. 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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