



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**  
\$279.43M

**Number of holdings**  
107

**Turnover**  
72%

Not FDIC insured  
May lose value  
No bank guarantee

# Putnam Small Cap Value Fund

## Identifying undiscovered earnings potential

**Uncovering the potential to expand earnings**  
Takes a multipronged approach by applying fundamental, quantitative, and technical analysis to generate ideas and identify unique opportunities

**Companies poised for revaluation**  
Applies bottom-up research process that considers valuation, catalyst, and quality indicators, with the goal of finding companies poised for revaluation

**Driving returns through stock selection**  
Seeks to maximize stock-specific risk and minimize unintended factor risk through an active portfolio construction discipline

Top 10 holdings	
First Foundation	2.36%
Oriental Financial Group	1.82
Brookdale Senior Living	1.63
HNI	1.56
Bancorp	1.54
Ribbon Communications	1.44
Newpark Resources	1.41
Janus International Group	1.35
Gray Television	1.33
Metropolitan Bank Holding	1.30

Holdings represent 15.74% of the portfolio and will vary over time.

Sector weightings	Underweight	Overweight	Portfolio	Benchmark
Capital goods		2.6	8.4%	5.8%
Consumer staples		2.2	7.2	5.0
Communication services		1.5	2.5	1.0
Health care		1.1	10.2	9.1
Basic materials		0.7	8.4	7.7
Consumer cyclical		0.6	13.6	13.0
Utilities		0.1	3.9	3.8
Conglomerates	-0.1		0.0	0.1
Energy	-0.6		8.5	9.1
Technology	-1.5		4.2	5.7
Transportation	-2.2		0.8	3.0
Financials	-5.3		31.5	36.8

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.

Risk (Y shares, as of 12/31/23)	
Beta	1.04
Tracking error	5.52%
Up capture ratio	109.18%
Down capture ratio	90.45%

**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.

**Morningstar rankings**

(Y shares, based on total return)

1 year	10% (30/489)
3 years	20% (57/456)
5 years	17% (50/427)
10 years	26% (79/333)

**Total expense ratio**

(Y shares)

0.92%

(A shares)

1.17%

**Annual performance (all distributions reinvested)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Y shares at net asset value	3.68%	-3.63%	26.91%	8.11%	-19.53%	24.18%	3.79%	39.91%	-13.11%	23.78%
A shares before sales charge	3.46	-3.88	26.59	7.91	-19.81	23.92	3.57	39.50	-13.35	23.55
Benchmark	4.22	-7.47	31.74	7.84	-12.86	22.39	4.63	28.27	-14.48	14.65

**Annualized total return performance**

	Q4	1 year	3 years	5 years	10 years
Y shares (Inception 1/3/01)	16.50%	23.78%	14.59%	14.16%	7.90%
A shares (Inception 4/13/99) before sales charge	16.41	23.55	14.31	13.90	7.64
A shares after sales charge	9.72	16.45	12.07	12.56	7.00
Benchmark	15.26	14.65	7.94	10.00	6.76

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 A and Y shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns for class A reflect a maximum 5.75% load. Returns for class Y shares prior to their inception are derived from the historical performance of class A shares, which have not been adjusted for their lower expenses; had they, returns would have been higher. 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](http://putnam.com).

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Morningstar 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 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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