Putnam Large Cap Value Fund (PEIYX): Defining value daily

The benefit of defining value daily

Once a year, the Russell 1000 Value Index is reconstituted, identifying a value universe of companies with lower price-to-book ratios and low growth rates. However, company fundamentals can change over the course of 12 months. That’s why the PEIYX managers analyze and define the value universe every day — helping to uncover attractive stocks that may not yet be part of the benchmark.

Outperformance in a variety of market conditions

A disciplined focus on risk management, portfolio construction, and relative value has helped the fund outperform in periods of extreme market declines and in their recoveries.

Over the past 20 years, the fund has outperformed in every year that the Russell 1000 Value Index had a negative return
How we define value on a daily basis

**Differentiated process**

Our investment team defines the value universe by combining:

- All stocks that are highly rated by the Putnam research team within and outside the Russell 1000 Value benchmark
- The top 20% of securities identified by our proprietary multifactor quantitative model

Portfolio Managers Darren Jaroch and Lauren DeMore combine fundamental research with quantitative screening and risk management tools. They blend multiple sources of alpha with the goal of producing strong risk-adjusted performance over time.

**Non-benchmark holdings**

As an indication of the fund’s differentiated process, over the past 3 years, the fund has had on average 20% of its holdings outside the benchmark (Russell 1000 Value Index).

**Long-term outperformance**

<table>
<thead>
<tr>
<th>Class Y shares</th>
<th>Putnam Large Cap Value Fund</th>
<th>Russell 1000 Value Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>-1.48%</td>
<td>-3.16%</td>
</tr>
<tr>
<td>1 year</td>
<td>18.39</td>
<td>14.44</td>
</tr>
<tr>
<td>3 years</td>
<td>14.68</td>
<td>11.05</td>
</tr>
<tr>
<td>5 years</td>
<td>9.18</td>
<td>6.23</td>
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<tr>
<td>10 years</td>
<td>10.39</td>
<td>8.45</td>
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</table>

Total expense ratio: 0.64%

Data as of 9/30/23.

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 assumes reinvestment of distributions and does not account for taxes. For the most recent month-end performance, please visit putnam.com. For a portion of the periods, this fund may have had expense limitations, without which returns would have been lower.

Class 1 shares are generally only available for corporate and institutional clients and have no initial sales charge.

The Russell 1000® Value Index is an unmanaged index of those companies in the large-cap Russell 1000 Index chosen for their value orientation. The Russell 1000 Growth Index is an unmanaged index of those companies in the large-cap Russell 1000 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.

**Consider these risks before investing:** Value stocks may fail to rebound, and the market may not favor value-style investing. Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests. 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.

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 companies, industries, or sectors.

International investing involves currency, economic, and political risks.

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.

Your clients should carefully consider the investment objective, risks, charges, and expenses of a fund before investing. For a prospectus, or a summary prospectus if available, containing this and other information for any Putnam fund or product, call the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

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