

PUTNAM LARGE CAP VALUE FUND

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Class A	3-mo	1-yr	5-yr	10-yr	Expenses	
					Gross	Net
Excluding sales charges	9.43	15.40	14.30	10.12	0.89	0.89
Including effects of maximum sales charges	3.13	8.76	12.95	9.47	0.89	0.89
Russell 1000 Value Index	9.50	11.46	10.91	8.40	-	-

Maximum initial sales charge -- Class A: 5.75%

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please call Franklin Templeton at (800) DIAL BEN/(800) 342-5236 or visit www.franklintempleton.com.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns.

The **Russell 1000 Value Index** measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE. Important data provider notices and terms available at www.franklintempletondatasources.com.

Putnam Large Cap Value Update

U.S. equities gained for the fourth quarter, despite ongoing uncertainty about Federal Reserve policy and the direction of interest rates. Stocks rallied in the latter part of the quarter and approached record highs, amid optimism that the Federal Reserve would begin cutting interest rates in 2024. U.S. equities began the quarter with a loss after struggling with concerns about inflation, recession, and geopolitical pressure from the growing conflict in the Middle East. A last-minute deal in Congress to avert a government

shutdown lifted stocks briefly. Attacks on Israel and an escalating conflict with the Palestinian militant group Hamas in the Gaza Strip sent stocks plunging briefly and added to market volatility throughout the month. Stocks rebounded in November, lifted by easing inflation and stabilization in the job market. In general, third-quarter earnings were strong. Dovish comments by policymakers fueled a rally in equities. In addition, the Fed's outlook suggested policymakers anticipated three rate cuts in 2024. In the final week of trading, a report showed holiday retail sales grew 3.1% in December compared with a year ago, lifting stocks.

In this environment, the Putnam Large Cap Value Fund Class A posted a strong positive return (9.43%), mostly in line with the benchmark, the Russell 1000 Value Index (9.50%).

- Security selection contributed positively to relative results, while sector allocation decisions had a slight negative impact. Performance benefited most from selections in the financials and consumer discretionary sectors. Weakness among holdings in the communication services and health care sectors provided a partial negative offset. The negative impact from sector allocation decisions was driven by relative underweight positions in financials and real estate, the strongest sectors in the benchmark during the period.
- Top individual contributors to performance included overweight positions PulteGroup (consumer discretionary), Qualcomm (information technology), NRG Energy (utilities), and United Rentals (industrials). A lack-of-exposure to Chevron (energy) also impacted relative performance positively.
- Positions that detracted most from performance included overweights to Exxon Mobil (energy) and Humana (health care). The portfolio was further

negatively impacted by an out-of-benchmark position in Charter Communications (communication services) and a lack-of-exposure to Intel (information technology).

Outlook

The portfolio is a broadly diversified, large-cap equity strategy that seeks companies with underappreciated fundamentals and the income potential from growing dividends to pursue returns for investors. Our bottom-up, relative value approach to investing has not changed. Leveraging both fundamental and quantitative tools allows us to differentiate between cheap and undervalued. To do this, we assess the equity universe daily — across both growth and value styles. We combine a six-factor quantitative model with classic fundamental research. Defining relative value in this way keeps us on top of the changing market and brings us to places beyond traditional value.

Given the narrow participation in the 2023 market rally, we are finding attractive valuations and investment opportunities in our investment universe. Specific to value, there are broad areas of the market that underperformed in 2023 where we have conviction in strong and improving fundamentals, such as the health care, utilities, and energy sectors. We are mindful of optimistic consensus expectations that the Federal Reserve executes a soft landing for the economy but have positioned the portfolio to succeed in any path.

We are reasonably optimistic on the prospect for corporate earnings, with the assumption that gross margins have reached their trough now that inflation pressures have declined significantly. However, we are cautious of some potential challenges including a fragile low-end consumer, potential inflation flare-ups, and ongoing geopolitical events in Europe and the Middle East that could have broader impacts, particularly to the global supply chain. Further, we are mindful of the focus on the actions of the Federal Reserve, which has offered the potential for three rates cuts in 2024.

We continue to analyze the overall market environment in the context of how it affects our individual stock holdings. Our focus is on stock selection, while aiming to keep the portfolio as immune as possible to macroeconomic challenges. This includes stress testing the portfolio against a number of different scenarios, such as rising interest rates, recessionary pressures, and style rotations.

By sector, we remain within +/-5% of benchmark weight. Currently, the largest overweights relative to the benchmark are to the materials, consumer discretionary, and consumer staples sectors. The financials sector is the largest absolute weight; however, it is currently our most underweighted

sector. The industrials and real estate sectors also remain below benchmark weight.

Notable positions purchased for the portfolio since last quarter include Boston Scientific and Humana. The managers eliminated positions in Danaher, Elevance Health, and Abbott Laboratories.

Top 10 holdings (%)	
Microsoft	3.4
Exxon Mobil	3.1
Pulte Homes	2.9
Bank of America	2.5
Walmart	2.5
Regeneron	2.3
Oracle	2.2
Qualcomm	2.2
McKesson	2.1
Goldman Sachs	2.1

Sector allocation (%)	
Financials	17.4
Health Care	14.8
Industrials	10.8
Information Technology	9.3
Consumer Staples	9.2
Materials	7.7
Energy	7.5
Consumer Discretionary	6.7
Utilities	5.0
Communication Services	4.5
Real Estate	2.4
Cash/Other	4.8

Percentages are based on total portfolio as of quarter end and are subject to change at any time. For informational purposes only and not to be considered a recommendation to purchase or sell any security.

Definitions and additional terms

Please note that an investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

The Federal Reserve Board ("Fed") is responsible for the formulation of policies designed to promote economic growth, full employment, stable prices, and a sustainable pattern of international trade and payments.

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- We offer an unmatched range of specialist investment managers, consisting of more than 1,300 investment professionals.
- We have over 75 years of experience in identifying opportunities and delivering investment solutions to clients.

What should I know 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.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

Portfolio holdings and sector allocations may not be representative of the portfolio manager's current or future investment and are subject to change at any time.

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