

A research conversation: Technology and Health Care

Michael J. Maguire, CFA
Portfolio Manager, Analyst

Di Yao
Portfolio Manager, Analyst

Moderated by:

Kathryn B. Lakin
Director of Equity Research

A tenured, focused team leveraging sector experts and dedicated analyst teams

- Introduced dedicated resources resulting in a best-of-both, hybrid approach
 - Added product-focused analysts and assistant PMs to key products
 - Analyst team is roughly 2/3 sector-focused and 1/3 product-focused
- Diversity has been and continues to be a key area of focus
 - 1/3 of PMs, 1/2 of analysts, and nearly 90% of equity associates are diverse*
 - 70% of hires made since Q1 '17 are diverse

Shep Perkins Chief Investment Officer, Equities

Equity Portfolio Management — Average years of industry experience: 21; average Putnam tenure: 12

<p>Global Shep Perkins, CFA</p> <p>Non U.S. Developed Vivek Gandhi, CFA Darren A. Jaroch, CFA</p>	<p>Non U.S. Emerging Brian S. Freiwald, CFA</p> <p>Non U.S. Small Cap Karan S. Sodhi, CFA Spencer Morgan, CFA</p>	<p>U.S. Large Cap Richard E. Bodzy Darren A. Jaroch, CFA Kathryn B. Lakin Gregory D. McCullough, CFA Daniel Schiff</p>	<p>U.S. Multi-Cap Gerard P. Sullivan</p> <p>U.S. Small Cap Michael C. Petro, CFA William J. Monroe, CFA</p>	<p>Sustainable Investing Katherine Collins, CFA, MTS Stephanie Dobson</p>
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Kate Lakin Director of Equity Research

Equity Analyst Team — Average years of industry experience: 16; average Putnam tenure: 9

Sector Research					
Consumer	Financials	Health Care	Industrials	Nat Resources/Utilities	Tech/media/telecom
Megan Craigen	Jacquelyne Cavanaugh	William Rives	Joshua Fillman	William Rives	Robert Gray
Walter Scully, CPA	Elizabeth Taylor	Michael Maguire, CFA	Adam Krajewski, CFA	Ryan Kauppila	Lucas Lints, CFA
Joshua Fillman		Kimberly Smith	Stanley Furman	Elizabeth McGuire	Andrew O'Brien, CFA
Sarah Marshall					Di Yao
Alvin Ng					

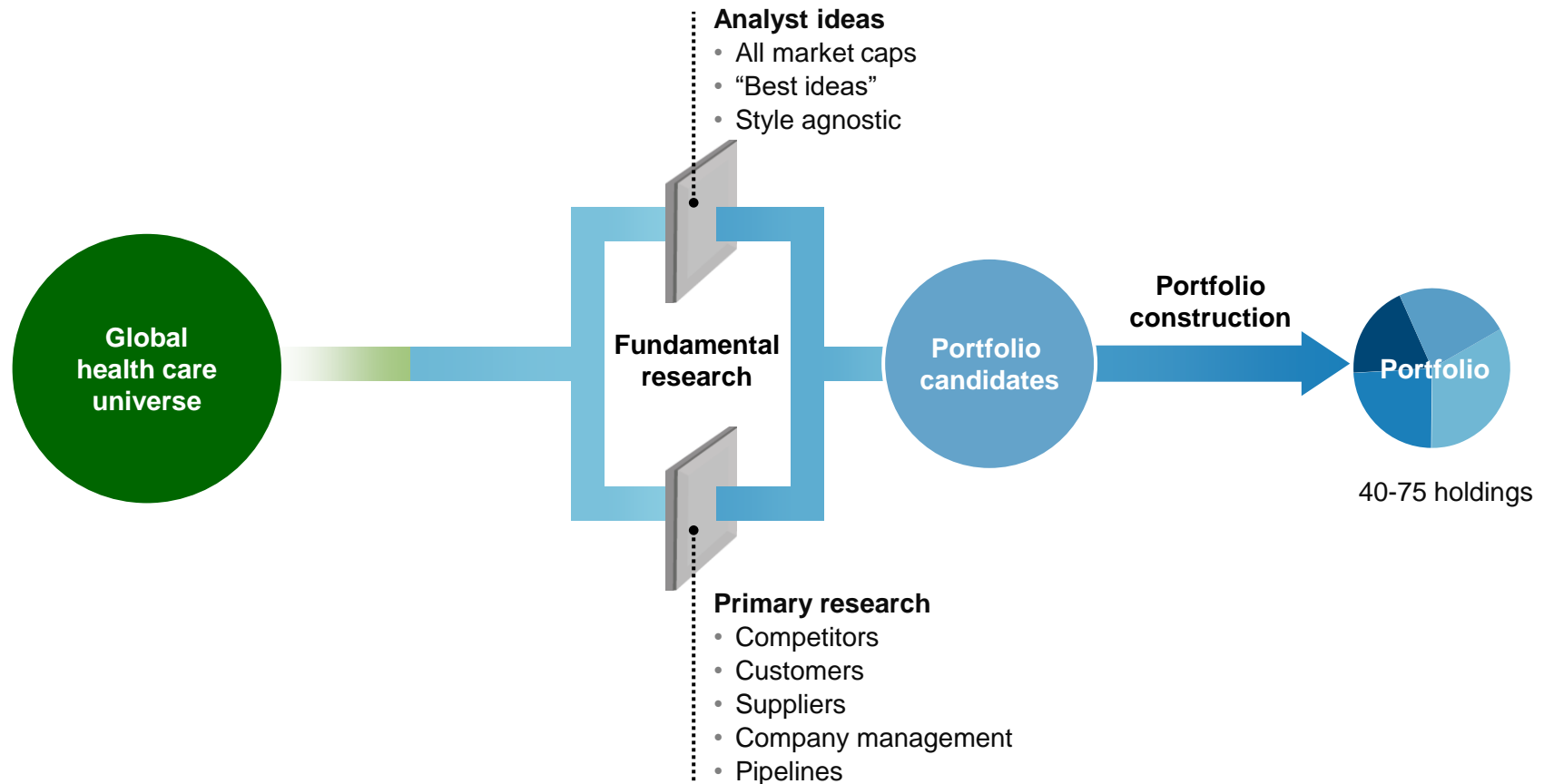
Dedicated Teams			
Emerging Markets	Non U.S. Core	Small Cap Growth	U.S. Multi-Cap Core
Joseph Chua	David Morgan William Downing	Tania Harsono, CFA Ryan Leonard	Arthur Yeager U.S. Large Cap Value Lauren DeMore, CFA

■ U.S.
 ■ Global
 ■ Non U.S.

As of March 31, 2021.
 *Minority and/or female.

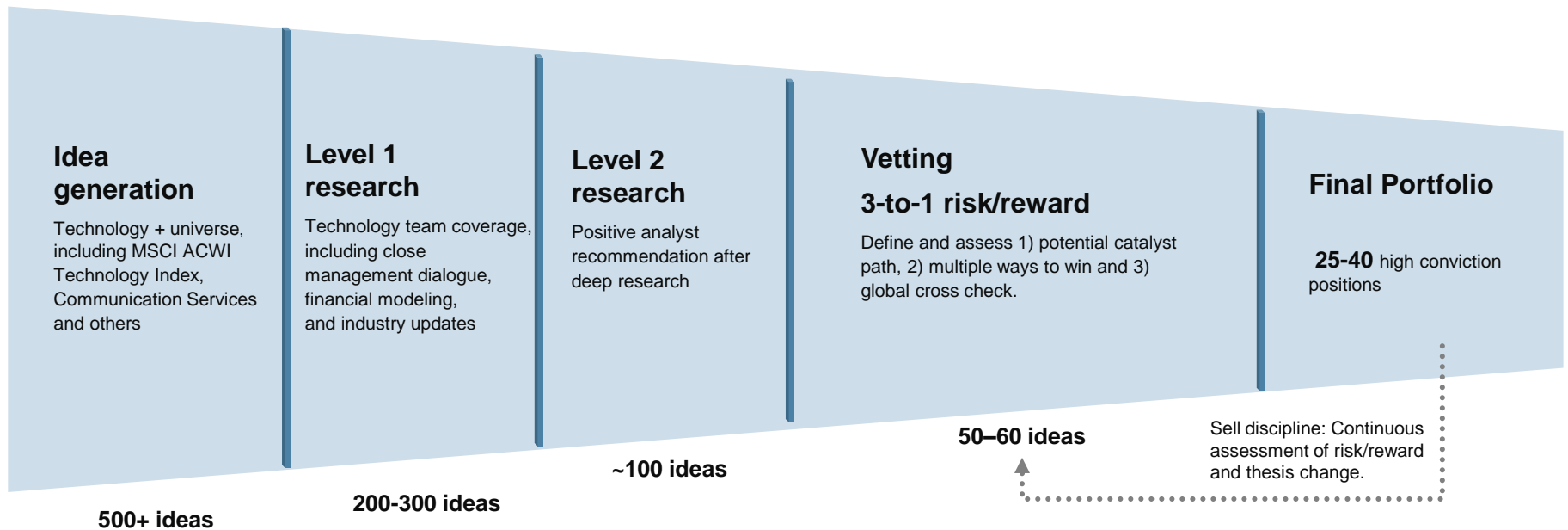
Putnam Global Health Care Fund

Investment process driven by a best ideas model and rigorous fundamental research



Putnam Global Technology Fund

The most important aspect of the investment process is understanding the business drivers, catalysts, or key points that influence intrinsic value



For illustrative purposes.

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Health care outlook

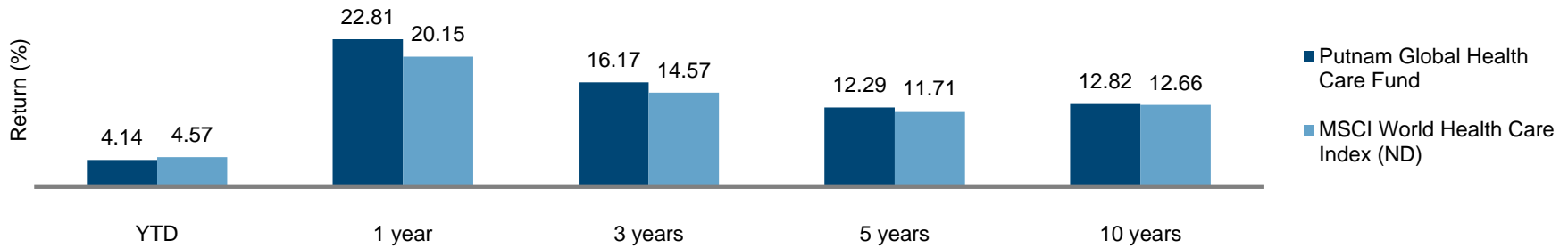
- Innovation remains critical, first-in-class or best-in-class drugs/devices with high unmet medical need are essential for pricing power and adequate returns.
- Pipeline M&A has been below recent history and expectations given pharma/biotech need for commercial and pipeline assets with durability. Innovation rarely on discount and protected by a M&A put. Robust financing environment, including SPACs, reducing leverage of large buyers.
- Financing window for early-stage biotech, medtech, and disruptive delivery models has been historically accommodative. SEC increasing regulatory oversight of SPACs, lack of liquidity post deal raising concerns about capital allocation.
- Pricing pressure will continue. Probability remains low for draconian regulatory measures, however, the industry could export pricing controls through acquisitions of assets in China (Keytruda/PD-1 example).
- Despite vaccine development demonstrating the industry's innovation power, healthcare valuations stand at near historic lows
- Potential golden age of healthcare innovation led by several key discoveries:
 - Cancer immunotherapy
 - Targeted therapies
 - Diabetes innovation
 - Liquid biopsy / pan-cancer screening
 - Delivery models

Information Technology Outlook

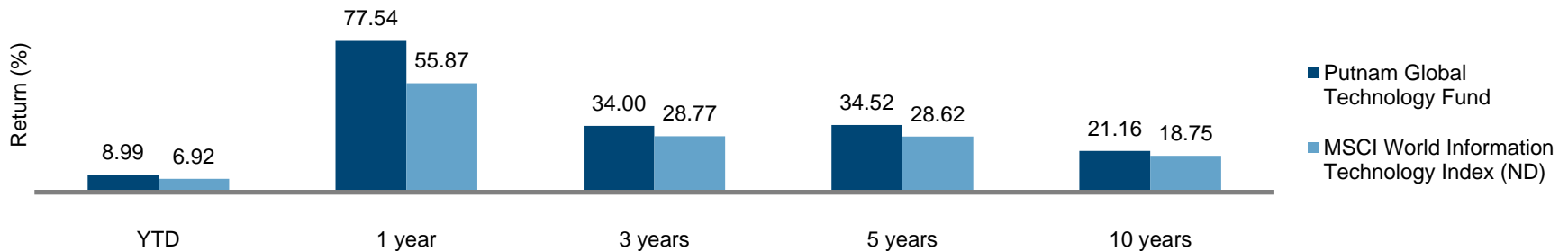
- Unchanged long-term view – expect technology to outgrow broader market
- High sector valuations, both relative to history and to the broader market, warrants near term caution
- Plenty of tech stocks still undervalued
 - High quality long-term growers with overplayed short-term issue
 - Cheap cyclicals with price leverage
- Under-appreciated structural changes
 - Deglobalization
 - Electric vehicle inflection

Performance (Y shares)

Annualized performance at net asset value as of April 30, 2021



Annualized performance at net asset value as of April 30, 2021



Periods less than one year are not annualized.

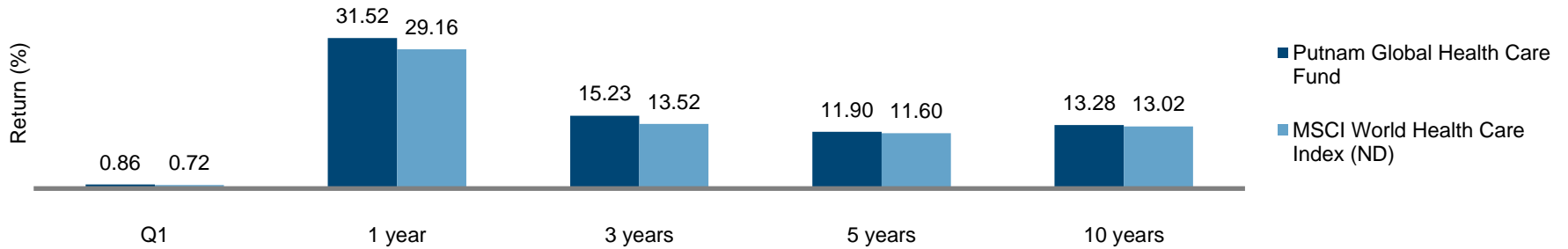
Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Class Y shares are generally only available for corporate and institutional clients and have no initial sales charge. For a portion of the periods, this fund may have had expense limitations, without which returns would have been lower. For the most recent month-end performance, please visit putnam.com.

Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index.

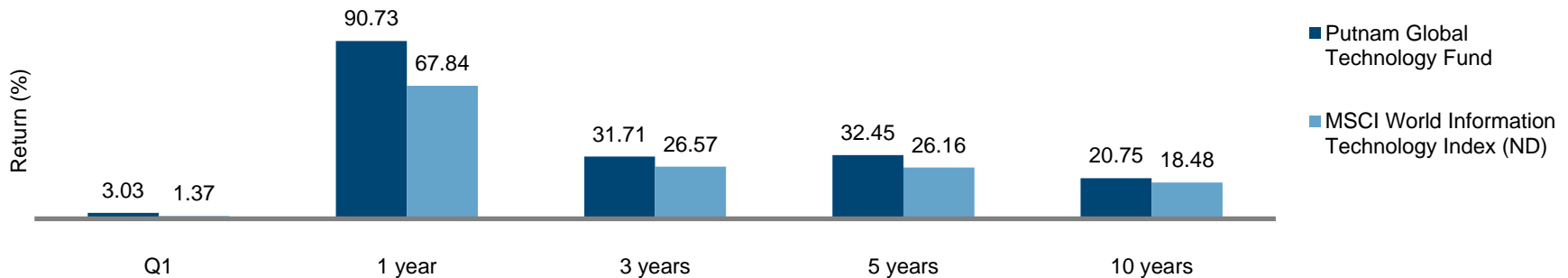
Past performance is not indicative of future results.

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Source: Putnam Investments.

Putnam Global Technology Fund

Broad contribution across industries and styles

5-year contribution by industry as of March 31, 2021

	Total Relative Contribution
Total Information Technology	79.77%
Software	25.22
Semiconductors & Semiconductor Equipment	24.93
IT services	18.24
Internet Software & Services	17.06
Electronic Equipment	11.91
Communication Equipment	11.04
Technology Hardware, Storage, & Peripherals	-20.08

Top contributors to relative returns – 5-years ended March 31, 2021

Company	Portfolio Weight (%)	Benchmark Weight (%)	Relative Weight	Relative Contribution (bps)
SEA LTD	1.14	0.00	OB	1146.40
MICROSOFT CORP	12.75	11.90	OW	736.28
WALSIN TECHNOLOGY CORP	0.21	0.00	OB	690.83
OKTA INC	0.87	0.08	OW	676.88
GSX TECHEDU INC	0.13	0.00	OB	499.32
21VIANET GROUP INC	0.70	0.00	OB	463.75
LIGHTSPEED POS INC	0.45	0.00	OB	456.89
TWILIO INC	0.32	0.10	OW	455.61
WIX.COM LTD	0.37	0.05	OW	416.03
AMAZON.COM INC	2.55	0.00	OB	412.30
AIXTRON SE	0.27	0.00	OB	407.42
APPLIED MATERIALS INC	1.11	0.69	OW	407.12
MACRONIX INTERNATIONAL	0.13	0.00	OB	383.46
IBM	0.01	1.97	UW	372.42
DYNATRACE INC	1.07	0.01	OW	302.84
NINTENDO CO LTD	0.57	0.29	OW	292.54
COMPUTER SCIENCES CORP	0.52	0.01	OW	278.83
BAIDU INC	0.33	0.00	OB	273.12
EVERBRIDGE INC	0.61	0.00	OB	249.76
PAGSEGURO DIGITAL LTD	0.45	0.00	OB	241.36
MULESOFT INC	0.16	0.00	OB	239.34
DIALOG SEMICONDUCTOR PLC	0.10	0.00	OB	234.80
SK HYNIX INC	0.85	0.00	OB	231.61
JD.COM INC	0.52	0.00	OB	227.94
MICRON TECHNOLOGY INC	0.39	0.63	UW	225.87

For information purposes only. Not an investment recommendation.

The views and opinions expressed are those of the Putnam Equity team, are subject to change with market conditions, and are not meant as investment advice.

For Global Health Care Fund, consider these risk before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Investments in small and/or midsize companies increase the risk of greater price fluctuations. The health care industries may be affected by technological obsolescence, changes in regulatory approval policies for drugs, medical devices, or procedures, and changes in governmental and private payment systems. The fund concentrates on a limited group of industries and is non-diversified. Because the fund may invest in fewer issuers than a diversified fund, it is vulnerable to common economic forces and may result in greater losses and volatility. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. The use of short selling may result in losses if the securities appreciate in value. 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. 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. 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.

For Global Technology Fund, consider these risks before investing: International investing involves currency, economic, and political risks. Emerging-market securities carry illiquidity and volatility risks. Investments in small and/or midsize companies increase the risk of greater price fluctuations. The technology industries may be affected by technological obsolescence, short product cycles, falling prices and profits, competitive pressures, and general market conditions. The fund concentrates on a limited group of industries and is non-diversified. Because the fund may invest in fewer issuers than a diversified fund, it is vulnerable to common economic forces and may result in greater losses and volatility. Growth stocks may be more susceptible to earnings disappointments, and value stocks may fail to rebound. The use of short selling may result in losses if the securities appreciate in value. 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. 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. 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 objectives, 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.

Putnam Retail Management
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