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Putnam INVESTMENTS

Putnam Large Cap Value Trust

Annual report

12 | 31 | 19

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Manager's Report 12/31/19

Performance

It was a volatile period as the S&P 500 Index and Dow Jones Industrial Average suffered their worst May performance since 2010 – which was further exacerbated in the summer when the Federal Reserve Board (Fed) cut short-term interest rates for the first time since 2008. However, in the final months of the period, stocks recovered after the Fed lowered short-term interest rates two more times. Following the October rate cut, the S&P 500 Index closed at a record high, and expectations of further monetary easing boosted stocks.

During this period, the Putnam Large Cap Value Trust (the "fund") returned 30.46% (net of fees) for Class I, significantly outperforming its benchmark the Russell 1000® Value Index which returned 26.54%. Class IA returned 30.60%, and Class IB returned 31.01%. The fund added value in 9 out of 11 sectors as stock selection contributed to over 90% of the outperformance. Selections within financials proved most favorable. Positions in information technology, communication services, consumer discretionary and energy were also notably strong.

Within financials, the strategy benefitted from overweights to Citigroup, JPMorgan Chase, Bank of America and out of benchmark positions in KKR and Radian Group. Our investments in Microsoft and Apple added most to relative outperformance within the information technology sector. Other top contributors during the period included Ball Corp (materials), Charter Communications (communication services), Anadarko Petroleum (energy) and Hilton Worldwide (consumer discretionary).

Results were modestly dampened by positions in consumer staples. The avoidance of Philip Morris and underweight to Procter & Gamble hurt most. Our beneficial overweight to Walmart offset some of the negative impact. Other top detractors included overweights to DXC Technology (information technology), Cisco (information technology) and Alcoa (materials).

Strategy & Outlook

The portfolio is a broadly diversified, large-cap equity strategy that seeks to provide capital growth and current income by investing primarily in undervalued stocks of dividend-paying companies. Our bottom-up approach to value 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 value in this way keeps us on top of the changing market and brings us to places beyond traditional value sectors.

Throughout most of 2019, the best-performing areas of the market were classic growth stocks in industries such as technology as well as stable growth stocks in industries such as real estate and utilities. Value stocks generally underperformed these areas of the market, and by the close of the period, value stocks were considerably less expensive than growth stocks, which creates buying opportunities for our portfolio.

At the same time, a number of uncertainties and potential risks remain for investors, including a continued slowdown in global economic growth. For this reason, we are comfortable with the balanced structure of the portfolio, and we plan to maintain a mix of cyclical and defensive holdings. As always, our focus remains on individual stock selection and making sure that the risk/return profile is balanced for every holding in the portfolio.

We continue to look for relative value. This means identifying companies that are attractively valued relative to businesses within the same sector. The most attractively priced technology stock, for example, could be considerably more expensive than most utility stocks. That doesn't preclude it from being an attractive value opportunity, in our view. This is how our portfolio can differ from the benchmark and, ideally, outperform it.

As always, we seek attractively priced stocks of companies with strong cash flows, earnings quality, and capital allocation strategies. In addition, we target companies that are willing and able to grow their dividends. With that in mind, as of December 31st, the largest overweight versus the benchmark is within information technology followed by health care and industrials. The largest absolute exposure is within the financial sector but we are modestly underweight the benchmark here. Communication services, real estate and consumer discretionary sectors are most underweight at this time.

The views expressed in this report are exclusively those of Putnam as of December 31, 2019, and are subject to change. This report is for informational purposes only, and should not be regarded as investment advice or as a recommendation to undertake or forego a course of action. Please note that all holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk. Past performance does not guarantee future results.

Report of Independent Auditors

To the Trustee of Putnam Large Cap Value Trust

We have audited the accompanying financial statements of Putnam Large Cap Value Trust (the "Fund"), which comprise the statement of assets and liabilities, including the fund's portfolio, as of December 31, 2019 and the related statements of operations, of changes in net assets and the financial highlights for the year then ended. These financial statements and financial highlights are hereafter collectively referred to as "financial statements."

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Putnam Large Cap Value Trust as of December 31, 2019, and the results of its operations, changes in its net assets and the financial highlights for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

April 28, 2020

PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Suite 500, Boston, MA 02210
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The fund's portfolio 12/31/19

COMMON STOCKS (97.2%)*	Shares	Value
Banking (15.3%)		
Bank of America Corp.	1,077,668	$37,955,467
Citigroup, Inc.	405,049	32,359,365
JPMorgan Chase & Co.	343,065	47,823,261
KeyCorp	308,903	6,252,197
PNC Financial Services Group, Inc. (The)	65,748	10,495,353
State Street Corp.	108,373	8,572,304
Truist Financial Corp.	121,145	6,822,886
Wells Fargo & Co.	201,656	10,849,093
		161,129,926
Basic materials (4.7%)		
Air Products & Chemicals, Inc.	42,612	10,013,394
Alcoa Corp.	238,849	5,137,642
Dow, Inc.	277,445	15,184,565
DuPont de Nemours, Inc.	53,204	3,415,697
Fortune Brands Home & Security, Inc.	139,990	9,146,947
Freeport-McMoRan, Inc. (Indonesia)	386,166	5,066,498
Sherwin-Williams Co. (The)	3,388	1,977,034
		49,941,777
Biotechnology (2.2%)		
Amgen, Inc.	63,353	15,272,508
Regeneron Pharmaceuticals, Inc.	22,622	8,494,109
		23,766,617
Capital goods (7.0%)		
Delphi Automotive PLC	92,150	8,751,486
Eaton Corp. PLC	93,410	8,847,795
General Dynamics Corp.	15,529	2,738,539
Honeywell International, Inc.	41,286	7,307,622
Johnson Controls International PLC	272,157	11,079,511
Northrop Grumman Corp.	59,805	20,571,126
Raytheon Co.	64,671	14,210,806
		73,506,885
Communication services (6.3%)		
American Tower Corp. [R]	72,873	16,747,673
AT&T, Inc.	395,310	15,448,715
Charter Communications, Inc. Class A	30,182	14,640,685
Comcast Corp. Class A	318,380	14,317,549
Verizon Communications, Inc.	96,273	5,911,162
		67,065,784
Communications equipment (1.1%)		
Cisco Systems, Inc.	248,919	11,938,155
		11,938,155
Computers (2.2%)		
Apple, Inc.	77,503	22,758,756
		22,758,756

COMMON STOCKS (97.2%)* *cont.*	Shares	Value
Conglomerates (0.8%)		
Danaher Corp.	41,383	$6,351,463
General Electric Co.	206,435	2,303,815
		8,655,278
Consumer cyclicals (7.9%)		
BJ's Wholesale Club Holdings, Inc.	334,438	7,605,120
General Motors Co.	227,930	8,342,238
Hilton Worldwide Holdings, Inc.	106,217	11,780,527
Home Depot, Inc. (The)	39,215	8,563,772
PulteGroup, Inc.	190,803	7,403,156
Stanley Black & Decker, Inc.	34,377	5,697,644
United Rentals, Inc.	43,306	7,222,142
Walmart, Inc.	222,234	26,410,289
		83,024,888
Consumer finance (0.7%)		
Capital One Financial Corp.	73,301	7,543,406
		7,543,406
Consumer staples (5.3%)		
Coty, Inc. Class A	176,017	1,980,191
Keurig Dr Pepper, Inc.	77,280	2,237,256
Kroger Co. (The)	407,542	11,814,643
Molson Coors Brewing Co. Class B	125,480	6,763,372
PepsiCo, Inc.	89,439	12,223,628
Procter & Gamble Co. (The)	126,702	15,825,080
Walgreens Boots Alliance, Inc.	88,599	5,223,797
		56,067,967
Electronics (3.1%)		
Intel Corp.	151,646	9,076,013
NXP Semiconductors NV	43,800	5,573,988
Qualcomm, Inc.	137,842	12,161,800
Texas Instruments, Inc.	50,233	6,444,392
		33,256,193
Energy (8.0%)		
BP PLC (United Kingdom)	1,543,500	9,641,955
ConocoPhillips	244,990	15,931,700
Encana Corp. (Canada)	523,190	2,449,652
EOG Resources, Inc.	51,351	4,301,160
Exxon Mobil Corp.	216,818	15,129,560
Halliburton Co.	145,615	3,563,199
Marathon Oil Corp.	321,181	4,361,638
Occidental Petroleum Corp.	37,136	1,530,375
ONEOK, Inc.	94,400	7,143,248
TOTAL SA (France)	156,892	8,658,499
Valero Energy Corp.	127,390	11,930,074
		84,641,060

COMMON STOCKS (97.2%)* *cont.*	Shares	Value
Financial (2.0%)		
Apollo Global Management, Inc.	100,640	$4,801,534
KKR & Co., Inc. Class A	130,770	3,814,561
Radian Group, Inc.	486,167	12,231,962
		20,848,057
Health-care services (1.7%)		
Cigna Corp.	86,188	17,624,584
		17,624,584
Insurance (3.4%)		
American International Group, Inc.	228,412	11,724,388
Assured Guaranty, Ltd.	316,904	15,534,634
Hartford Financial Services Group, Inc. (The)	145,845	8,863,001
		36,122,023
Investment banking/Brokerage (1.5%)		
Charles Schwab Corp. (The)	139,991	6,657,972
Goldman Sachs Group, Inc. (The)	41,223	9,478,404
		16,136,376
Pharmaceuticals (9.7%)		
AbbVie, Inc.	157,873	13,978,067
AstraZeneca PLC ADR (United Kingdom)	283,982	14,159,343
Becton Dickinson and Co.	53,655	14,592,550
Eli Lilly & Co.	101,700	13,366,431
Johnson & Johnson	143,373	20,913,820
Merck & Co., Inc.	185,578	16,878,319
Pfizer, Inc.	206,923	8,107,243
		101,995,773
Real estate (2.0%)		
Boston Properties, Inc. [R]	52,598	7,251,160
Gaming and Leisure Properties, Inc. [R]	263,598	11,347,894
MFA Financial, Inc. [R]	365,212	2,793,872
		21,392,926
Software (4.0%)		
Activision Blizzard, Inc.	137,892	8,193,543
Microsoft Corp.	214,540	33,832,958
		42,026,501
Technology services (1.0%)		
DXC Technology Co.	15,402	578,961
Fidelity National Information Services, Inc.	69,687	9,692,765
		10,271,726
Transportation (2.1%)		
Southwest Airlines Co.	139,718	7,541,978
Union Pacific Corp.	80,995	14,643,086
		22,185,064
Utilities and power (5.2%)		
American Electric Power Co., Inc.	168,100	15,887,131
Edison International	116,319	8,771,616

COMMON STOCKS (97.2%)* *cont.*	Shares	Value
Utilities and power *cont.*		
Exelon Corp.	186,243	$8,490,818
NextEra Energy, Inc.	50,666	12,269,279
NRG Energy, Inc.	230,380	9,157,605
		54,576,449
Total common stocks (cost $911,033,772)		**$1,026,476,171**

CONVERTIBLE PREFERRED STOCKS (0.6%)*	Shares	Value
Danaher Corp. 4.75% cv. pfd.	4,838	$5,688,956
Stanley Black & Decker, Inc. $5.25 cv. pfd.	10,281	1,120,218
Total convertible preferred stocks (cost $6,212,129)		**$6,809,174**

SHORT-TERM INVESTMENTS (5.0%)*	Principal amount/shares		Value
Putnam Money Market Portfolio 1.79% L	Shares	51,076,908	$51,076,908
U.S. Treasury Bills 1.550%, 6/4/20 Δ		$389,000	386,467
U.S. Treasury Bills 1.889%, 3/12/20		314,000	312,860
U.S. Treasury Bills 1.649%, 4/9/20		288,000	286,725
U.S. Treasury Bills 1.560%, 6/11/20 Δ		255,000	253,253
U.S. Treasury Bills 1.632%, 4/16/20		104,000	103,512
U.S. Treasury Bills 1.636%, 4/2/20		82,000	81,665
Total short-term investments (cost $52,501,390)			**$52,501,390**

TOTAL INVESTMENTS	
Total investments (cost $969,747,291)	**$1,085,786,735**

Key to holding's abbreviations

ADR American Depository Receipts: represents ownership of foreign securities on deposit with a custodian bank

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from January 1, 2019 through December 31, 2019 (the reporting period). Within the following notes to the portfolio, references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of $1,055,578,390.

Δ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period. Collateral at period end totaled $222,466 and is included in Investments in securities on the Statement of assets and liabilities (Notes 2 and 8).

L Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the Putnam Money Market Portfolio at the close of the reporting period.

R Real Estate Investment Trust.

Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

FORWARD CURRENCY CONTRACTS at 12/31/19 (aggregate face value $28,075,697)						
Counterparty	Currency	Contract type*	Delivery date	Value	Aggregate face value	Unrealized appreciation/ (depreciation)
Bank of America N.A.						
	British Pound	Sell	3/18/20	$8,421,124	$8,237,372	$(183,752)
	Canadian Dollar	Sell	1/15/20	381,918	374,080	(7,838)
	Euro	Sell	3/18/20	1,480,273	1,465,371	(14,902)

FORWARD CURRENCY CONTRACTS at 12/31/19 (aggregate face value $28,075,697) *cont.*						
Counterparty	**Currency**	**Contract type***	**Delivery date**	**Value**	**Aggregate face value**	**Unrealized appreciation/ (depreciation)**
Barclays Bank PLC						
	British Pound	Sell	3/18/20	$7,102,553	$6,947,546	$(155,007)
	Euro	Sell	3/18/20	2,383,763	2,359,666	(24,097)
Citibank, N.A.						
	Canadian Dollar	Sell	1/15/20	572,146	560,469	(11,677)
	Euro	Sell	3/18/20	1,646,951	1,630,462	(16,489)
HSBC Bank USA, National Association						
	Euro	Sell	3/18/20	1,514,758	1,499,545	(15,213)
JPMorgan Chase Bank N.A.						
	British Pound	Sell	3/18/20	5,112,351	5,001,186	(111,165)
Unrealized appreciation						**—**
Unrealized (depreciation)						**(540,140)**
Total						**$(540,140)**

* The exchange currency for all contracts listed is the United States Dollar.

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

		Valuation inputs	
Investments in securities:	**Level 1**	**Level 2**	**Level 3**
Common stocks*:			
Basic materials	$49,941,777	$—	$—
Capital goods	73,506,885	—	—
Communication services	67,065,784	—	—
Conglomerates	8,655,278	—	—
Consumer cyclicals	83,024,888	—	—
Consumer staples	56,067,967	—	—
Energy	84,641,060	—	—
Financials	263,172,714	—	—
Health care	143,386,974	—	—
Technology	120,251,331	—	—
Transportation	22,185,064	—	—
Utilities and power	54,576,449	—	—
Total common stocks	**1,026,476,171**	**—**	**—**
Convertible preferred stocks	—	6,809,174	—
Short-term investments	—	52,501,390	—
Totals by level	**$1,026,476,171**	**$59,310,564**	**$—**

		Valuation inputs	
Other financial instruments:	**Level 1**	**Level 2**	**Level 3**
Forward currency contracts	$—	$(540,140)	$—
Totals by level	**$—**	**$(540,140)**	**$—**

* Common stock classifications are presented at the sector level, which may differ from the fund's portfolio presentation.

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities 12/31/19

ASSETS	
Investment in securities, at value (Notes 2 and 8):	
Unaffiliated issuers (identified cost $918,670,383)	$1,034,709,827
Affiliated issuers (identified cost $51,076,908) (Note 5)	51,076,908
Foreign currency (cost $150,667) (Note 2)	153,276
Dividends, interest and other receivables	986,855
Receivable for units of the fund sold	40,310,277
Receivable for investments sold	34,237,447
Receivable from Trustee (Note 3)	13,642
Total assets	**1,161,488,232**
LIABILITIES	
Payable for investments purchased	59,883,925
Payable for units of the fund repurchased	45,060,191
Payable for custodian fees (Note 3)	19,587
Payable for administrative services (Note 3)	26,655
Payable for Trustee fees (Note 3)	353,152
Unrealized depreciation on forward currency contracts (Note 2)	540,140
Other accrued expenses	26,192
Total liabilities	**105,909,842**
Net assets	**$1,055,578,390**
COMPUTATION OF NET ASSET VALUE	
Net assets per class I	$43,209,751
Units outstanding	3,615,531
Net asset value per class I unit	$11.95
Net assets per class IA	$376,977,937
Units outstanding	32,466,156
Net asset value per class IA unit	$11.61
Net assets per class IB	$635,390,702
Units outstanding	54,508,488
Net asset value per class IB unit	$11.66

The accompanying notes are an integral part of these financial statements.

Statement of operations Year ended 12/31/19

INVESTMENT INCOME	
Dividends (net of foreign tax of $28,327)	$14,195,228
Interest income from investments in affiliated issuers (Note 5)	463,684
Total investment income	**14,658,912**
EXPENSES (Note 3)	
Custodian fees	14,575
Trustee fees	712,523
Administrative services	19,115
Other	24,407
Fees waived and reimbursed by Trustee	(38,243)
Total expenses	**732,377**
Expense reduction	(1,036)
Net expenses	**731,341**
Net investment income	**13,927,571**
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Securities from unaffiliated issuers (Note 2)	4,237,122
Foreign currency transactions (Note 2)	(2,268)
Forward currency contracts (Note 2)	179,832
Total net realized gain	**4,414,686**
Change in net unrealized appreciation (depreciation) on:	
Securities from unaffiliated issuers	144,673,053
Assets and liabilities in foreign currencies	1,772
Forward currency contracts	(606,581)
Total change in net unrealized appreciation	**144,068,244**
Net gain on investments	**148,482,930**
Net increase in net assets resulting from operations	**$162,410,501**

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

INCREASE IN NET ASSETS	Year ended 12/31/19
Operations:	
Net investment income	$13,927,571
Net realized gain on investments and foreign currency transactions	4,414,686
Net unrealized appreciation of investments and assets and liabilities in foreign currencies	144,068,244
Net increase in net assets resulting from operations	**162,410,501**
Increase in principal transactions (Note 4)	647,182,039
Total increase in net assets	**809,592,540**
NET ASSETS	
Beginning of year	245,985,850
End of year	**$1,055,578,390**

The accompanying notes are an integral part of these financial statements.

Financial highlights (For a unit outstanding throughout the year)

	Year ended 12/31/19		
PER-UNIT OPERATING PERFORMANCE	**Class I**	**Class IA**	**Class IB**
Net asset value, beginning of year	**$9.16**	**$8.89**	**$8.90**
Investment operations:			
Net investment income (a)	0.22	0.22	0.25
Net realized and unrealized gain (loss) on investments	2.57	2.50	2.51
Total from investment operations	**2.79**	**2.72**	**2.76**
Net asset value, end of year	**$11.95**	**$11.61**	**$11.66**
Total return at net asset value (%)	**30.46**	**30.60**	**31.01**

RATIOS AND SUPPLEMENTAL DATA			
Net assets, end of year (in thousands)	**$43,210**	**$376,978**	**$635,391**
Ratio of expenses to average net assets (%)(c)	0.39	0.34	0.00*(b)
Ratio of net investment income to average net assets (%)	2.05	2.10	2.42(b)

* Ratio represents less than 0.01%.

(a) Per unit net investment income has been determined on the basis of the average number of units outstanding during the year.

(b) Reflects an expense limitation in effect during the year. As a result of such limitation, the expenses of this class reflect a reduction of 0.01% of average net assets (Note 3).

(c) Includes amounts paid through expense offset and/or brokerage/service arrangements, if any (Note 3). Also excludes acquired fund fees and expenses, if any.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 12/31/19

1. Description of the fund

Within the following Notes to financial statements, references to "State Street", if any, represent State Street Bank and Trust Company and references to "OTC", if any, represent over-the-counter. Unless otherwise noted, the "reporting period" represents the period from January 1, 2019 through December 31, 2019.

Putnam Large Cap Value Trust (the "fund") is a fund established and maintained by Putnam Fiduciary Trust Company, LLC ("PFTC") as Trustee (the "Trustee" and "Manager") pursuant to the Declaration of Trust for the Putnam Fiduciary Trust Company Investment Funds for Pension and Profit Sharing Trusts (the "Trust"), as amended and restated March 31, 2008. PFTC has hired its affiliate, The Putnam Advisory Company, LLC ("PAC"), to provide certain non-discretionary investment advisory and administrative services to Putnam in connection with the fund. The fund seeks capital growth and current income by investing in common stocks of midsize and large U.S. companies with a focus on value stocks that offer the potential for capital growth, current income or both. The fund may use derivatives such as futures, options, warrants and swap contracts, although they do not represent a primary focus of the fund.

The fund offers three classes of units, Class I, Class IA and Class IB. Class IA units are available to qualifying plans who, at the time of their investment in the fund are clients of Founding Partner financial intermediaries approved by PFTC. Founding Partner intermediaries are intermediaries with plan clients that invest in the fund on the first day of its investment operations. PFTC may also, in its reasonable discretion, make Class IA units available to other plans, including based on factors such as the amount of assets invested on behalf of the plan and the characteristics of the plan or its financial intermediary. Class IB units are available only to certain approved feeder fund investors and to other investors approved by PFTC in its reasonable discretion.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund's management team expects the risk of material loss to be remote.

2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date (December 31, 2019), through the date the financial statements were issued (April 28, 2020), have been evaluated in the preparation of the financial statements. The fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946, *Financial Services – Investment Companies*.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes, if any). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustee. If the fund were liquidated, units of each class would receive their pro-rata unit of the net assets of the fund. In addition, the Trustee declares separate dividends on each class of units.

Security Valuation

Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets, and are classified as Level 1 securities under Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* (ASC 820). If no sales are reported, as in the case of some securities that are traded OTC, a security is valued at its last reported bid price and is generally categorized as a Level 2 security.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustee or dealers selected by the Trustee. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that the Trustee does not believe accurately reflects the security's fair value, the security will be valued at fair value by the Trustee in accordance with policies and procedures approved by the Trustee. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustee. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

Such valuations and procedures are reviewed periodically by the Trustee. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

Security Transactions and Related Investment Income

Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes and including amortization and accretion of premiums and discounts on debt securities, is recorded on the accrual basis. Dividend income, net of any applicable withholding taxes, is recognized on the ex-dividend date except that certain dividends from foreign securities, if any, are recognized as soon as the fund is informed of the ex-dividend date. Non-cash dividends, if any, are recorded at the fair value of the securities received. Dividends representing a return of capital or capital gains, if any, are reflected as a reduction of cost and/or as a realized gain.

Distributions received from other investment funds, if any, are recorded on the ex-dividend date and retain the character of income as earned by the other investment funds.

All income earned by the fund is retained by the fund and included in the calculation of net asset value.

Foreign Currency Translation

The accounting records of the fund are maintained in U.S. dollars. The fair value of foreign securities, currency holdings, and other assets and liabilities is recorded in the books and records of the fund after translation to U.S. dollars based on the exchange rates on that day. The cost of each security is determined using historical exchange rates. Income and withholding taxes are translated at prevailing exchange rates when earned or incurred. The fund does not isolate that portion of realized or unrealized gains or losses resulting from changes in the foreign exchange rate on investments from fluctuations arising from changes in the market prices of the securities. Such gains and losses are included with the net realized and unrealized gain or loss on investments. Net realized gains and losses on foreign currency transactions represent net realized exchange gains or losses on disposition of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amount of investment income and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized appreciation and depreciation of assets and liabilities in foreign currencies arise from changes in the value of assets and liabilities other than investments at the period end, resulting from changes in the exchange rate.

Forward Currency Contracts

The fund buys and sells forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to hedge foreign exchange risk.

The U.S. dollar value of forward currency contracts is determined using current forward currency exchange rates supplied by a quotation service. The fair value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in fair value is recorded as an unrealized gain or loss. The fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed when the contract matures or by delivery of the currency. The fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the fund is unable to enter into a closing position. Risks may exceed amounts recognized on the Statement of assets and liabilities.

Forward currency contracts outstanding at period end, if any, are listed after the fund's portfolio.

Master Agreements

The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements (Master Agreements) with certain counterparties that govern OTC derivative and foreign exchange contracts entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral posted to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, is presented in the fund's portfolio.

Collateral pledged by the fund is delivered to the counterparty and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

Termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term and short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund had a net liability position of $540,140 on open derivative contracts subject to the Master Agreements. Collateral posted by the fund at period end for these agreements totaled $222,466 and may include amounts related to unsettled agreements.

Federal Income Taxes

It is the fund's policy to comply with the requirements of Section 501(a) of the Internal Revenue Code relating to collective investment of employee benefit funds. Accordingly, the fund is exempt from federal income taxes and no federal income tax provision is required.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains, if any. The fund's prior fiscal year remains subject to examination by the Internal Revenue Service.

The fund may also be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or capital gains are earned. In some cases, the fund may be entitled to reclaim all or a portion of such taxes, and such reclaim amounts, if any, are reflected as an asset on the fund's books. In many cases, however, the fund may not receive such amounts for an extended period of time, depending on the country of investment.

Sales and Redemptions of Units of Participation

The net asset value of the fund is currently determined as of the close of trading on the New York Stock Exchange each day the exchange is open for trading. Pursuant to the Declaration of Trust, the Trustee may also determine the net asset value on any other business day ("Valuation Date"). The net asset value must be determined upon date of sale or redemption. Sales and redemptions of participant units are made on such days at such units' net asset values.

At the close of the reporting period, three unitholders of record owned 55.49%, 12.15% and 7.07%, respectively, of the outstanding units of the fund. In addition, an affiliate of the Trustee owned 5.75% of the outstanding units of the fund.

3. Expenses Incurred by the fund

The fund pays management fees to the Trustee for Class I and Class IA. The fund does not pay management fees to the Trustee with respect to Class IB units. Three classes of units have currently been established for the fund, Class I, Class IA and Class IB.

The management fee varies by unit class. Plans are eligible to purchase a class of units as determined by the Trustee in its reasonable discretion. Management fees are accrued daily and collected monthly.

The following management fees apply to each Class of units.

Class	Management fee	
I	0.38%	$127,560
IA	0.33%	$584,963
IB	—%*	$—

* Class IB investing plan or other investors, will pay a management fee directly to PFTC as agreed separately in writing. Management fees for class IB units may vary among investors.

The fund pays its operating expenses, such as accounting, custody, middle office charges, audit fees, and legal expenses. The Trustee has voluntarily agreed to waive the fund's operating expenses for Class I and Class IA (other than investment management fees, brokerage, interest, taxes, investment-related expenses, extraordinary expenses, and underlying fund fees and expenses, if any) to the extent they exceed 0.02% of the fund's NAV per annum, though the Trustee could modify or eliminate this waiver at any time. The Trustee voluntarily agreed to waive the fund's operating expenses for Class IB in full (other than investment management fees, brokerage, interest, taxes, investment-related expenses, extraordinary expenses, and underlying fund fees and expenses, if any) though the Trustee could modify or eliminate this waiver at any time. During the reporting period, $38,243 was reimbursed under this agreement.

The fund has entered into expense offset arrangements with the Trustee and State Street whereby the Trustee and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by $1,036 under the expense offset arrangements.

4. Principal Transactions

At the close of the reporting period principal transactions were as follows:

	Year ended 12/31/19	
Class I	**Units**	**Amount**
Proceeds from sale of units	2,667,760	$28,166,538
Value of units redeemed	(1,165,745)	(12,588,574)
Net increase	**1,502,015**	**$15,577,964**

	Year ended 12/31/19	
Class IA	**Units**	**Amount**
Proceeds from sale of units	28,097,740	$304,148,419
Value of units redeemed	(7,055,288)	(78,123,880)
Net increase	**21,042,452**	**$226,024,539**

	Year ended 12/31/19	
Class IB	**Units**	**Amount**
Proceeds from sale of units	44,492,550	$449,416,695
Value of units redeemed	(4,035,789)	(43,837,159)
Net increase	**40,456,761**	**$405,579,536**

5. Affiliated Transactions

The fund invested in the Putnam Money Market Portfolio, a portfolio established and maintained by PFTC. Investments in the Putnam Money Market Portfolio are valued at its closing net asset value each business day. Transactions during the reporting period with the Putnam Money Market Portfolio were as follows:

Name of affiliate	Fair value as of 12/31/18	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 12/31/19
Short-term investments					
Putnam Money Market Portfolio *	$8,299,188	$328,011,329	$285,233,609	$463,684	$51,076,908
Total Short-term investments	**$8,299,188**	**$328,011,329**	**$285,233,609**	**$463,684**	**$51,076,908**

* There were no realized or unrealized gains or losses during the period.

6. Market, Credit and Other Risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default. Investments in foreign securities involve certain risks, including those related to economic instability, unfavorable political developments, and currency fluctuations.

Beginning in January 2020, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of a novel coronavirus that can cause a disease known as COVID-19. The pandemic has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The pandemic has adversely affected, and may continue to adversely affect, the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the fund's performance.

7. Summary of Derivative Activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was as follows based on an average of the holdings at the end of each fiscal quarter:

Forward currency contracts (contract amount)	$18,300,000

The following is a summary of the fair value of derivative instruments as of the close of the reporting period:

Fair value of derivative instruments as of the close of the reporting period

	Asset derivatives		Liability derivatives	
Derivatives not accounted for as hedging instruments under ASC 815	**Statement of assets and liabilities location**	**Fair value**	**Statement of assets and liabilities location**	**Fair value**
Foreign exchange contracts	Receivables	$—	Payables	$540,140
Total		**$—**		**$540,140**

The following is a summary of realized and change in unrealized gains or losses of derivative instruments on the Statement of operations for the reporting period (see Note 2):

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815	Forward currency contracts	Total
Foreign exchange contracts	$179,832	$179,832
Total	**$179,832**	**$179,832**

Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815	Forward currency contracts	Total
Foreign exchange contracts	$(606,581)	$(606,581)
Total	**$(606,581)**	**$(606,581)**

8. Offsetting of Financial and Derivative Assets and Liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 2. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

	Bank of America N.A.	Barclays Bank PLC	Citibank, N.A.	HSBC Bank USA, National Association	JPMorgan Chase Bank N.A.	Total
Assets:						
Forward currency contracts#	$—	$—	$—	$—	$—	$—
Total Assets	**$—**	**$—**	**$—**	**$—**	**$—**	**$—**
Liabilities:						
Forward currency contracts#	206,492	179,104	28,166	15,213	111,165	540,140
Total Liabilities	**$206,492**	**$179,104**	**$28,166**	**$15,213**	**$111,165**	**$540,140**
Total Financial and Derivative Net Assets	**$(206,492)**	**$(179,104)**	**$(28,166)**	**$(15,213)**	**$(111,165)**	**$(540,140)**
Total collateral received (pledged)##†	**$(111,216)**	**$(111,250)**	**$—**	**$—**	**$—**	
Net amount	**$(95,276)**	**$(67,854)**	**$(28,166)**	**$(15,213)**	**$(111,165)**	
*Controlled collateral received (including TBA commitments)***	$—	$—	$—	$—	$—	$—
Uncontrolled collateral received	$—	$—	$—	$—	$—	$—
*Collateral (pledged) (including TBA commitments)***	$(111,216)	$(111,250)	$—	$—	$—	$(222,466)

** Included with Investments in securities on the Statement of assets and liabilities.
† Additional collateral may be required from certain brokers based on individual agreements.
# Covered by master netting agreement (Note 2).
Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

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