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Putnam Large Cap Value Trust

Annual report

For the period 7 | 3 | 18 (commencement of operations) to 12 | 31 | 18

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Manager's Report 12/31/18

For the period between July 3, 2018 (commencement of operations) to December 31, 2018, the Putnam Large Cap Value Trust (the "fund") returned -8.40% for Class I, underperforming its benchmark, the Russell 1000® Value Index which returned -6.60%.

Conditions for stock market investors have changed considerably since the start of the year. In early 2018, a sharp downturn pushed the U.S. market into a brief correction. This was followed by a series of market ups and downs that began to challenge investor confidence. The fourth quarter was particularly difficult, as the market shifted from cyclical stocks to defensive stocks very extremely and aggressively. For several quarters, we had been gradually reducing positions in stocks that had advanced considerably. Our goal was to move away from those that we believed had become too expensive and that might be most vulnerable in a market decline. The portfolio was easing off its pro-cyclical bias as we sought opportunities in more classic value sectors. However, we did not make these adjustments fast enough, which was the principal cause of the fund's weakness in the final months of the year.

Strong stock selection within health care, consumer discretionary and real estate investment trust (REIT) sectors was offset by weakness within financials, information technology, and utilities. Top contributors during the period included our overweights to Microsoft (information technology), Eli Lilly (health care), and NRG Energy (REIT) and out-of-benchmark positions in O'Reilly Automotive (consumer discretionary) and Astrazeneca (health care). Our overweights to Alcoa (materials), Marathon Oil (energy), Anadarko Petroleum (energy), and DXC Technology (information technology) were among the top detractors. Our avoidance of Berkshire Hathaway (financials) also hurt.

The U.S. stock market has become more volatile and investors are becoming increasingly concerned about risks. Among those risks are rising interest rates, uncertainty about the outcome of the U.S.-China trade conflict, and lower levels of confidence from business leaders, which could stifle economic growth. At the same time, market declines have led to more attractive valuations for many stocks of what we believe to be fundamentally strong companies. We continue to closely monitor market conditions and risks, and we have added some dividend-paying stocks that have more defensive characteristics.

However, it is important to note that we do not plan to chase defensiveness simply because the market does so. In late 2018, much of the market activity was a fear-driven flight to the perceived safety of traditional defensive stocks, many of which are now too expensive, in our view. In the wake of the corrections, an overlooked risk in today's market may be investing in stocks whose price-earnings multiples do not reflect their long-term value or growth prospects. These are stocks whose prices have surged because they represented safe havens, but do not offer the fundamentals we seek for our portfolio.

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 31, 2018, we are most overweight the information technology sector, though by only 2.8%. In this sector, we most favor the systems software and technology hardware & storage industries. The energy sector is also favored, particularly oil & gas exploration and production companies, followed by consumer staples (supercenters). The financials sector (diversified banks, multiline insurance) represents the largest absolute position in the strategy, and we are generally in line with the benchmark here. The communication services, utilities, and real estate sectors are most underweight.

The views expressed in this report are exclusively those of Putnam as of December 31, 2018 and are subject to change. They are not meant as investment advice. 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.

A note on the fund's trustee

The fund's trustee, Putnam Fiduciary Trust Company, a nondepository trust company regulated by the New Hampshire Banking Department, converted to a New Hampshire limited liability company and changed its name to Putnam Fiduciary Trust Company, LLC (PFTC) effective after the close of business on December 31, 2018. The conversion will have no impact on the fund or on PFTC's business or regulatory status. No action is required for Plans invested in the fund. PFTC will continue to manage the fund, and each Plan's participation agreement will remain in place. If you have any questions about this change, or about your investment, please feel free to call Putnam at 1-800-648-7410.



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, 2018 and the related statements of operations, of changes in net assets and the financial highlights for the period July 3, 2018 (commencement of operations) through December 31, 2018. 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, 2018, and the results of its operations, changes in its net assets and the financial highlights for the period July 3, 2018 (commencement of operations) through December 31, 2018, in accordance with accounting principles generally accepted in the United States of America.

PricewaterhouseCoopers LLP

April 25, 2019

*PricewaterhouseCoopers LLP, 101 Seaport Boulevard, Suite 500, Boston, MA 02210
T : 617-530-5000, F : 617-530-5001, www.pwc.com/us*

The fund's portfolio 12/31/18

COMMON STOCKS (94.2%)*	Shares	Value
Banking (12.8%)		
Bank of America Corp.	309,783	\$7,633,053
Citigroup, Inc.	116,251	6,052,027
JPMorgan Chase & Co.	98,285	9,594,582
KeyCorp	90,894	1,343,413
Regions Financial Corp.	177,711	2,377,773
State Street Corp.	31,321	1,975,415
Wells Fargo & Co.	57,260	2,638,541
		31,614,804
Basic materials (3.2%)		
Air Products & Chemicals, Inc.	12,351	1,976,778
Alcoa Corp.	71,985	1,913,361
DowDuPont, Inc.	65,499	3,502,887
Sherwin-Williams Co. (The)	1,000	393,460
		7,786,486
Biotechnology (2.5%)		
Amgen, Inc.	17,936	3,491,601
Gilead Sciences, Inc.	42,816	2,678,141
		6,169,742
Capital goods (6.6%)		
Ball Corp.	51,378	2,362,360
Delphi Automotive PLC	26,457	1,628,957
Emerson Electric Co.	18,793	1,122,882
Honeywell International, Inc.	12,478	1,648,593
Johnson Controls International PLC	75,696	2,244,386
Northrop Grumman Corp.	18,110	4,435,139
Raytheon Co.	18,563	2,846,636
		16,288,953
Communication services (5.6%)		
American Tower Corp. ^R	21,019	3,324,996
AT&T, Inc.	111,825	3,191,486
Charter Communications, Inc. Class A	8,793	2,505,741
Comcast Corp. Class A	90,709	3,088,641
Verizon Communications, Inc.	28,676	1,612,165
		13,723,029
Communications equipment (1.2%)		
Cisco Systems, Inc.	70,823	3,068,761
		3,068,761
Computers (1.9%)		
Apple, Inc.	29,182	4,603,169
		4,603,169
Conglomerates (1.6%)		
Danaher Corp.	33,653	3,470,297
General Electric Co.	66,935	506,698
		3,976,995

COMMON STOCKS (94.2%)* <i>cont.</i>	Shares	Value
Consumer cyclicals (8.6%)		
BJ's Wholesale Club Holdings, Inc.	67,370	\$1,492,919
General Motors Co.	66,014	2,208,168
Hilton Worldwide Holdings, Inc.	30,203	2,168,575
Home Depot, Inc. (The)	11,209	1,925,930
Kimberly-Clark Corp.	23,118	2,634,065
O'Reilly Automotive, Inc.	6,210	2,138,289
PulteGroup, Inc.	51,487	1,338,147
Stanley Black & Decker, Inc.	10,500	1,257,270
Walmart, Inc.	63,886	5,950,981
		21,114,344
Consumer finance (0.6%)		
Capital One Financial Corp.	21,248	1,606,136
		1,606,136
Consumer staples (4.9%)		
Coty, Inc. Class A	63,077	413,785
Keurig Dr Pepper, Inc.	25,783	661,076
Kraft Heinz Co. (The)	27,084	1,165,695
Kroger Co. (The)	114,578	3,150,895
Molson Coors Brewing Co. Class B	37,375	2,098,980
PepsiCo, Inc.	25,208	2,784,980
Walgreens Boots Alliance, Inc.	26,134	1,785,736
		12,061,147
Electronics (3.1%)		
Intel Corp.	44,503	2,088,526
NXP Semiconductors NV	12,877	943,627
ON Semiconductor Corp.	41,460	684,505
Qualcomm, Inc.	44,716	2,544,788
Texas Instruments, Inc.	15,169	1,433,471
		7,694,917
Energy (9.7%)		
Anadarko Petroleum Corp.	38,793	1,700,685
BP PLC (United Kingdom)	448,510	2,835,201
ConocoPhillips	68,825	4,291,239
Encana Corp. (Canada)	154,400	891,204
EOG Resources, Inc.	15,814	1,379,139
Exxon Mobil Corp.	61,762	4,211,551
Halliburton Co.	42,346	1,125,557
Marathon Oil Corp.	162,570	2,331,252
TOTAL SA (France)	44,265	2,342,093
Valero Energy Corp.	35,882	2,690,074
		23,797,995
Financial (1.9%)		
KKR & Co., Inc. Class A	122,883	2,412,193
Radian Group, Inc.	138,319	2,262,899
		4,675,092

COMMON STOCKS (94.2%)* <i>cont.</i>	Shares	Value
Health-care services (1.6%)		
Cigna Corp.	20,648	\$3,921,468
		3,921,468
Insurance (3.2%)		
American International Group, Inc.	64,658	2,548,172
Assured Guaranty, Ltd.	92,180	3,528,650
Hartford Financial Services Group, Inc. (The)	42,179	1,874,857
		7,951,679
Investment banking/Brokerage (1.3%)		
Charles Schwab Corp. (The)	28,618	1,188,506
Goldman Sachs Group, Inc. (The)	12,065	2,015,458
		3,203,964
Medical technology (1.8%)		
Becton Dickinson and Co. (BD)	19,346	4,359,041
		4,359,041
Pharmaceuticals (7.5%)		
AstraZeneca PLC ADR (United Kingdom)	80,385	3,053,022
Eli Lilly & Co.	28,931	3,347,895
Johnson & Johnson	41,206	5,317,634
Merck & Co., Inc.	52,275	3,994,333
Pfizer, Inc.	61,179	2,670,463
		18,383,347
Real estate (2.0%)		
Boston Properties, Inc. ^R	15,596	1,755,330
Gaming and Leisure Properties, Inc. ^R	74,468	2,406,061
MFA Financial, Inc. ^R	111,517	744,934
		4,906,325
Software (3.7%)		
Microsoft Corp.	88,590	8,998,086
		8,998,086
Technology services (1.7%)		
DXC Technology Co.	34,574	1,838,300
Fidelity National Information Services, Inc.	23,514	2,411,361
		4,249,661
Transportation (2.1%)		
Southwest Airlines Co.	41,956	1,950,115
Union Pacific Corp.	22,860	3,159,938
		5,110,053
Utilities and power (5.1%)		
American Electric Power Co., Inc.	33,766	2,523,671
Edison International	33,621	1,908,664
Exelon Corp.	58,974	2,659,727
Kinder Morgan, Inc.	95,900	1,474,942
NextEra Energy, Inc.	7,650	1,329,723
NRG Energy, Inc. ^R	66,238	2,623,025
		12,519,752
Total common stocks (cost \$260,398,279)		\$231,784,946

CONVERTIBLE PREFERRED STOCKS (0.1%)*	Shares	Value
Mandatory Exchangeable Trust Securities 144A \$5.75 cv. pfd.	1,830	\$282,424
Total convertible preferred stocks (cost \$302,700)		\$282,424
U.S. TREASURY OBLIGATIONS (—%)*	Principal amount	Value
U.S. Treasury Notes 2.00%, 11/15/26 ⁱ	\$80,000	\$76,583
Total U.S. treasury obligations (cost \$76,583)		\$76,583
SHORT-TERM INVESTMENTS (3.4%)*	Shares	Value
Putnam Money Market Portfolio 2.85% ^L	8,299,188	\$8,299,188
Total short-term investments (cost \$8,299,188)		\$8,299,188
TOTAL INVESTMENTS		
Total investments (cost \$269,076,750)		\$240,443,141

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 July 3, 2018 (commencement of operations) through December 31, 2018 (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 \$245,985,850.

ⁱ This security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivative contracts (Note 2).

^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.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

FORWARD CURRENCY CONTRACTS at 12/31/18 (aggregate face value \$6,701,096)						
Counterparty	Currency	Contract type*	Delivery date	Value	Aggregate face value	Unrealized appreciation/(depreciation)
Bank of America N.A.						
	British Pound	Sell	3/20/19	\$4,212,250	\$4,224,587	\$12,337
	Canadian Dollar	Sell	1/16/19	363,378	388,530	25,152
	Euro	Sell	3/20/19	1,514,657	1,505,901	(8,756)
Citibank, N.A.						
	Canadian Dollar	Sell	1/16/19	544,370	582,078	37,708
Unrealized appreciation						75,197
Unrealized (depreciation)						(8,756)

Total	\$66,441
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* 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:

Investments in securities:	Valuation inputs		
	Level 1	Level 2	Level 3
Common stocks*:			
Basic materials	\$7,786,486	\$—	\$—
Capital goods	16,288,953	—	—
Communication services	13,723,029	—	—
Conglomerates	3,976,995	—	—
Consumer cyclicals	21,114,344	—	—
Consumer staples	12,061,147	—	—
Energy	23,797,995	—	—
Financials	53,958,000	—	—
Health care	32,833,598	—	—
Technology	28,614,594	—	—
Transportation	5,110,053	—	—
Utilities and power	12,519,752	—	—
Total common stocks	231,784,946	—	—
Convertible preferred stocks	—	282,424	—
U.S. treasury obligations	—	76,583	—
Short-term investments	—	8,299,188	—
Totals by level	\$231,784,946	\$8,658,195	\$—
Other financial instruments:	Valuation inputs		
	Level 1	Level 2	Level 3
Forward currency contracts	\$—	\$66,441	\$—
Totals by level	\$—	\$66,441	\$—

* 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 12/31/18

ASSETS

Investment in securities, at value (Notes 2 and 8):	
Unaffiliated issuers (identified cost \$260,777,562)	\$232,143,953
Affiliated issuers (identified cost \$8,299,188) (Note 5)	8,299,188
Foreign currency (cost \$29,514) (Note 2)	29,613
Dividends, interest and other receivables	338,873
Receivable for units of the fund sold	5,540,661
Receivable from Trustee (Note 3)	17,052
Unrealized appreciation on forward currency contracts (Note 2)	75,197
Total assets	246,444,537

LIABILITIES

Payable for units of the fund repurchased	255,807
Payable for custodian fees (Note 3)	9,802
Payable for administrative services (Note 3)	10,905
Payable for management fees (Note 3)	74,564
Unrealized depreciation on forward currency contracts (Note 2)	8,756
Collateral on certain derivative contracts, at value (Notes 2 and 8)	76,583
Other accrued expenses	22,270
Total liabilities	458,687
Net assets	\$245,985,850

COMPUTATION OF NET ASSET VALUE

Net assets per class I unit	\$19,356,932
Units outstanding	2,113,516
Net asset value per unit	\$9.16
Net assets per class IA unit	\$101,590,768
Units outstanding	11,423,704
Net asset value per unit	\$8.89
Net assets per class IB unit	\$125,038,150
Units outstanding	14,051,727
Net asset value per unit	\$8.90

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

Statement of operations

For the period 7/3/18 (commencement of operations) to 12/31/18

INVESTMENT INCOME	
Dividends (net of foreign tax of \$5,720)	\$1,329,803
Interest income from investments in affiliated issuers (Note 5)	52,807
Total investment income	1,382,610
EXPENSES (Note 3)	
Custodian fees	9,802
Management fees	92,878
Administrative services	10,905
Auditing fees	19,400
Other	2,872
Fees waived and reimbursed by Trustee	(37,738)
Total expenses	98,119
Net investment income	1,284,491
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Securities from unaffiliated issuers (Note 2)	(936,148)
Foreign currency transactions (Note 2)	(2,267)
Forward currency contracts (Note 2)	150,390
Total net realized loss	(788,025)
Change in net unrealized appreciation (depreciation) on:	
Securities from unaffiliated issuers	(28,633,609)
Assets and liabilities in foreign currencies	272
Forward currency contracts	66,441
Total change in net unrealized depreciation	(28,566,896)
Net loss on investments	(29,354,921)
Net decrease in net assets resulting from operations	\$(28,070,430)

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

Statement of changes in net assets

	For the period 7/3/18 (commencement of operations) to 12/31/18
INCREASE IN NET ASSETS	
Operations:	
Net investment income	\$1,284,491
Net realized loss on investments and foreign currency transactions	(788,025)
Net unrealized depreciation of investments and assets and liabilities in foreign currencies	(28,566,896)
Net decrease in net assets resulting from operations	(28,070,430)
Increase in principal transactions (Note 4)	274,056,280
Total increase in net assets	245,985,850
NET ASSETS	
Beginning of period	—
End of period	\$245,985,850

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

Financial highlights (For a unit outstanding throughout the period)

	For the period 7/3/18 (commencement of operations) to 12/31/18
CLASS I PER-UNIT OPERATING PERFORMANCE	
Net asset value, beginning of period	\$10.00
<i>Investment operations:</i>	
Net investment income (a)	0.13
Net realized and unrealized gain (loss) on investments	(0.97)
Total from investment operations	(0.84)
Net asset value, end of period	\$9.16
Total return at net asset value (%) *	(8.40)

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in thousands)	\$19,357
Ratio of expenses to average net assets (b) *	0.20
Ratio of net investment income to average net assets (b) *	1.24

* Not annualized.

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

(b) Reflects an expense limitation in effect during the period. As a result of such limitation, the expenses reflect a reduction of 0.09% of average net assets (Note 3).

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

Financial highlights (For a unit outstanding throughout the period)

For the period 7/24/18
(commencement
of operations)
to 12/31/18

CLASS IA PER-UNIT OPERATING PERFORMANCE

Net asset value, beginning of period	\$10.00
<i>Investment operations:</i>	
Net investment income (a)	0.10
Net realized and unrealized gain (loss) on investments	(1.21)
Total from investment operations	(1.11)
Net asset value, end of period	\$8.89
Total return at net asset value (%) *	(11.10)

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in thousands)	\$101,591
Ratio of expenses to average net assets (b) *	0.16
Ratio of net investment income to average net assets (b) *	1.02

* Not annualized.

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

(b) Reflects an expense limitation in effect during the period. As a result of such limitation, the expenses reflect a reduction of 0.03% of average net assets (Note 3).

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

Financial highlights (For a unit outstanding throughout the period)

	For the period 9/25/18 (commencement of operations) to 12/31/18
CLASS IB PER-UNIT OPERATING PERFORMANCE	
Net asset value, beginning of period	\$10.42
<i>Investment operations:</i>	
Net investment income (a)	0.06
Net realized and unrealized gain (loss) on investments	(1.58)
Total from investment operations	(1.52)
Net asset value, end of period	\$8.90
Total return at net asset value (%) *	(14.59)

RATIOS AND SUPPLEMENTAL DATA

Net assets, end of period (in thousands)	\$125,038
Ratio of expenses to average net assets (b)(c) *	0.00
Ratio of net investment income to average net assets (b) *	0.66

* Not annualized.

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

(b) Reflects an expense limitation in effect during the period. As a result of such limitation, the expenses reflect a reduction of 0.02% of average net assets (Note 3).

(c) Ratio represents less than 0.01%.

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

Notes to financial statements 12/31/18

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 July 3, 2018 (commencement of operations), through December 31, 2018.

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 (inception July 3, 2018), Class IA (inception July 24, 2018) and Class IB (inception September 25, 2018). 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, 2018), through the date the financial statements were issued (April 25, 2019), 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). 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, 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 did not have a net liability position on open derivative contracts subject to the Master 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 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 Portfolio 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. Three unitholders held 90.42% of the fund's total Class I units outstanding at the end of the reporting period. Two unitholders held 97.24% of the fund's total Class IA units outstanding at the end of the reporting period. Six unitholders held 83.70% of the fund's total Class IB units outstanding at the end of the reporting period.

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%
IA	0.33%
IB	—%*

* Class IB investing plan or other investor, 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, \$37,738 was reimbursed under this agreement.

4. Principal Transactions

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

	FOR THE PERIOD 7/3/18 (COMMENCEMENT OF OPERATIONS) TO 12/31/18	
Class I	Units	Amount
Proceeds from sale of units	2,256,871	\$22,568,017
Value of units redeemed	(143,355)	(1,455,685)
Net increase	2,113,516	\$21,112,332

	FOR THE PERIOD 7/24/18 (COMMENCEMENT OF OPERATIONS) TO 12/31/18	
Class IA	Units	Amount
Proceeds from sale of units	12,580,042	\$123,694,965
Value of units redeemed	(1,156,338)	(11,604,649)
Net increase	11,423,704	\$112,090,316

	FOR THE PERIOD 9/25/18 (COMMENCEMENT OF OPERATIONS) TO 12/31/18	
Class IB	Units	Amount
Proceeds from sale of units	14,121,899	\$141,482,768
Value of units redeemed	(70,172)	(629,136)
Net increase	14,051,727	\$140,853,632

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 7/3/18	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 12/31/18
Short-term investments					
Putnam Money Market Portfolio*	\$—	\$91,858,085	\$83,558,897	\$52,807	\$8,299,188
Total Short-term investments	\$—	\$91,858,085	\$83,558,897	\$52,807	\$8,299,188

* 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.

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)	\$5,400,000
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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

Derivatives not accounted for as hedging instruments under ASC 815	Asset derivatives		Liability derivatives	
	Statement of assets and liabilities location	Fair value	Statement of assets and liabilities location	Fair value
Foreign exchange contracts	Receivables	\$75,197	Payables	\$8,756
Total		\$75,197		\$8,756

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	\$150,390	\$150,390
Total	\$150,390	\$150,390

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	\$66,441	\$66,441
Total	\$66,441	\$66,441

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.	Citibank, N.A.	Total
Assets:			
Forward currency contracts [#]	\$37,489	\$37,708	\$75,197
Total Assets	\$37,489	\$37,708	\$75,197
Liabilities:			
Forward currency contracts [#]	8,756	—	8,756
Total Liabilities	\$8,756	\$—	\$8,756
Total Financial and Derivative Net Assets	\$28,733	\$37,708	\$66,441
Total collateral received (pledged)^{#†}	\$28,733	\$—	
Net amount	\$—	\$37,708	
<i>Controlled collateral received (including TBA commitments)^{**}</i>	\$76,583	\$—	\$76,583
<i>Uncontrolled collateral received</i>	\$—	\$—	\$—
<i>Collateral (pledged) (including TBA commitments)^{**}</i>	\$—	\$—	\$—

^{**}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.



100 Federal Street
Boston, MA 02110

1-800-225-1581

putnam.com