

Putnam Large Cap Value Fund

Class Y: PEIYX Class A: PEYAX

Commentary | as of March 31, 2025

Key Takeaways

- **Markets:** While broader US equity markets were challenged in the first quarter, value stocks posted a small gain.
- **Contributors:** Stock selection in consumer staples, industrials, health care, and communication services.
- **Detractors:** Stock selection in information technology, consumer discretionary, and financials.
- **Outlook:** Stocks that are less exposed to tariff risks have been pulled down in the sell-off. This could present a unique buying opportunity once we have more concrete information.

Performance Review

- The fund posted a positive return and outperformed its benchmark, the Russell 1000 Value Index. Both stock selection and sector allocation decisions had a positive impact on performance.
- Stock selection was strongest in the consumer staples, industrials, health care, and communication services sectors. Stock selection decisions in information technology, consumer discretionary, and financials detracted modestly.
- From a sector allocation perspective, the portfolio's overweight position in the consumer staples sector, along with underweight exposure to industrials and information technology were additive. Underweight positions in energy and communication services, the two top-performing sectors, weighed marginally on relative results.

Outlook

- As the first quarter came to a close, we were left with more questions than answers regarding the trajectory of the US equity markets.
- President Trump's announcements around global tariff policies have thrown a tremendous amount of uncertainty into markets.
- Risk assets have sold off sharply and the threat of an economic recession has increased significantly. Given the fluidity of news flow, we continue to incorporate new and pertinent information into our stock selection.
- While certain individual stocks and areas of the market are directly challenged by the tariff policies, stocks that are less exposed have also been pulled down in the sell-off. This could present a unique buying opportunity once we have more concrete information.
- As with any economic backdrop, we focus on insulating the portfolio from external risks and spend our time understanding the implications at the stock level, as both risks and opportunities emerge from these market clearing events.

Morningstar Rating™

Overall Rating as of March 31, 2025

★★★★★ (5-Star) Class Y

★★★★★ (5-Star) Class A

As of 03/31/2025 the fund's Class A and Class Y shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 1092, 1030 and 808 Large Value funds over the 3-, 5- and 10- year periods, respectively. A fund's overall rating is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

Top Equity Issuers (% of Total)

Holding	Fund
Citigroup	2.99
Philip Morris International	2.98
Exxon Mobil	2.93
AbbVie	2.90
Walmart	2.80
Coca-Cola	2.73
UnitedHealth	2.57
Bank of America	2.50
McKesson	2.30
Microsoft	2.29

Sector Allocation (% of Total)

Sector	Fund
Financials	19.31
Health Care	16.69
Consumer Staples	12.13
Industrials	11.99
Information Technology	8.22
Materials	6.58
Energy	6.39
Consumer Discretionary	5.20
Other	9.60
Cash & Other Net Assets	3.87

Average annual total returns and fund expenses (%)

Class	CUSIP	Ticker	Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception Date
			3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	3-Mo	YTD	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross	Net	Initial Charge	CDCS	
Class Y	746745405	PEIYX	2.35	2.35	8.46	10.97	19.86	11.14	10.67	2.35	2.35	8.46	10.97	19.86	11.14	10.67	0.63	0.63	—	—	6/15/1977
Class A	746745108	PEYAX	2.28	2.28	8.18	10.68	19.55	10.86	10.51	-3.60	-3.60	1.96	8.51	18.15	10.21	10.38	0.88	0.88	5.75	—	6/15/1977
Benchmark	—	—	2.14	2.14	7.18	6.64	16.15	8.79	—	2.14	2.14	7.18	6.64	16.15	8.79	—	—	—	—	—	

Benchmark(s)

Benchmark = Russell 1000 Value Index

Performance data quoted represents past performance, which does not guarantee future results. Current performance may be lower or higher than the figures shown. Principal value and investment returns will fluctuate, and investors' shares, when redeemed, may be worth more or less than the original cost. Performance would have been lower if fees had not been waived in various periods. Total returns assume the reinvestment of all distributions and the deduction of all fund expenses. Returns with sales charge reflect a deduction of the stated maximum sales charge. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Returns for periods of less than one year are not annualized. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, please visit franklintempleton.com.

The fund began offering Class Y shares on 10/1/1998. Performance quotations have been calculated as follows: (a) Class Y periods prior to 10/1/1998 are based on the fund's Class A performance, which has not been adjusted for the lower operating expenses; had it been adjusted, performance would be higher; (b) For periods after the share class offering, performance for the specific share class is used, reflecting the expenses and maximum sales charges applicable to that class.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 02/28/2026 without Board consent. Actual expenses may be higher and may impact portfolio returns.

What are the Risks?

All investments involve risks, including possible loss of principal. The investment style may become out of favor, which may have a negative impact on performance. Dividends may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. Active management does not ensure gains or protect against market declines. The manager may consider environmental, social and governance (ESG) criteria in the research or investment process; however, ESG considerations may not be a determinative factor in security selection. In addition, the manager may not assess every investment for ESG criteria, and not every ESG factor may be identified or evaluated. These and other risks are discussed in the fund's prospectus.

Important Information

The information provided is not a complete analysis of every material fact regarding any country, market, industry, security or fund. Because market and economic conditions are subject to change, comments, opinions and analyses are rendered as of the date of this material and may change without notice. A portfolio manager's assessment of a particular security, investment or strategy is not intended as individual investment advice or a recommendation or solicitation to buy, sell or hold any security or to adopt any investment strategy; it is intended only to provide insight into the fund's portfolio selection process. Holdings are subject to change.

The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

Important data provider notices and terms available at www.franklintempletondatasources.com. All data is subject to change.

Morningstar Rating™: Source: Morningstar®, 03/31/2025. For each mutual fund and ETF with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on how a fund ranks on a Morningstar Risk-Adjusted Return measure against other funds in the same category. This measure takes into account variations in a fund's monthly performance, and does not take into account the effects of sales charges and loads, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. The fund's Class A shares received a Morningstar Rating of 5, 5 and 5 and fund's Class Y shares received a Morningstar Rating of 5, 5 and 5 star(s) for the 3-, 5- and 10-year periods, respectively. Franklin Templeton provides this fund's Morningstar Rating™ for Class A and Class Y shares only. Other share classes may have different Morningstar ratings.

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Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, or summary prospectus, if available, at www.franklintempleton.com. Please read it carefully.