

# Putnam Large Cap Growth Fund

Class Y: PGOYX Class A: POGAX

Commentary | as of March 31, 2025

## Key Takeaways

- **Markets:** US equity markets had a turbulent first quarter, and large-cap growth stocks, as measured by the Russell 1000 Growth Index, returned -9.97%.
- **Contributors:** Holdings in communication services and financials, as well as a small cash position.
- **Detractors:** Holdings in information technology, health care, and industrials.
- **Outlook:** We may see additional multiple contraction from some higher-multiple growth stocks as tariff policies are rolled out. We continue to focus on companies that can succeed in a variety of economic backdrops.

## Performance Review

- In a challenging quarter for equity markets, the fund posted a negative absolute return and underperformed its benchmark, the Russell 1000 Growth Index.
- Stock selection detracted from performance, while sector allocations were roughly in line with the benchmark. A small cash position and currency positioning had a slightly positive impact.
- Holdings in communication services and financials contributed to performance, while holdings in information technology, health care, and industrials weighed on results.
- Top individual contributors to relative performance included an overweight position in Mastercard (financials), an out-of-benchmark position in Boston Scientific (health care), and underweight exposure to Alphabet (communication services).
- Top individual detractors included overweight positions in Marvell Technology (information technology) and Broadcom (information technology), and underweight exposure to Costco (consumer staples).

## Outlook

- Given the current geopolitical and economic climate, we believe it's reasonable to expect additional multiple contraction from some higher-multiple stocks in the growth universe as new tariff policies are rolled out.
- The magnitude of disruption will differ by sector, but areas that could experience the greatest negative impact are overall household consumption (consumer discretionary) and enterprise spending (information technology).
- With the help of our analyst team, we consistently focus on identifying companies that can succeed in a variety of economic backdrops and that do not require an economic acceleration to succeed.
- We believe companies in our portfolio are typically not the first ones displaced during periods of heightened economic uncertainty.
- We continue to monitor all macroeconomic information and assess impacts on a stock-by-stock basis. It is important to remember that volatility can bring heightened risk but can also provide attractive opportunities for long-term fundamental investors.
- The portfolio's largest absolute position is information technology, however the portfolio has underweight exposure to the sector overall. The portfolio is also underweight in consumer staples and has no exposure to the energy or utilities sectors. For geographic exposure, approximately 95% of the portfolio remains in US-listed securities.
- Top new positions added in the quarter include Progressive (financials) and Hilton (consumer discretionary). Eliminated positions included Booking Holdings (consumer discretionary) and Equifax (industrials).

## Morningstar Rating™

Overall Rating as of March 31, 2025



**(4-Star)** Class Y



**(4-Star)** Class A

As of 03/31/2025 the fund's Class Y and Class A shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 1027, 949 and 745 Large Growth 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
Apple	10.86
Microsoft	9.71
NVIDIA	9.38
Amazon	8.67
Alphabet	4.48
Meta	4.14
Broadcom	3.97
Mastercard	3.81
Eli Lilly	3.15
Visa	2.93

## Sector Allocation (% of Total)

Sector	Fund
Information Technology	42.87
Consumer Discretionary	15.87
Communication Services	12.85
Financials	9.55
Health Care	6.89
Industrials	5.60
Real Estate	2.37
Materials	0.90
Consumer Staples	0.88
Cash & Other Net Assets	2.21

## 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	CDSC	
Class Y	746802586	PGOYX	-10.73	-10.73	6.07	9.80	18.17	14.79	9.98	-10.73	-10.73	6.07	9.80	18.17	14.79	9.98	0.67	0.67	—	—	10/2/1995
Class A	746802800	POGAX	-10.77	-10.77	5.81	9.53	17.87	14.50	9.73	-15.90	-15.90	-0.28	7.39	16.48	13.83	9.51	0.92	0.92	5.75	—	10/2/1995
Benchmark	—	—	-9.97	-9.97	7.76	10.10	20.09	15.12	—	-9.97	-9.97	7.76	10.10	20.09	15.12	—	—	—	—	—	

## Benchmark(s)

Benchmark = Russell 1000 Growth 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](http://franklintempleton.com).

The fund began offering Class Y shares on 7/1/1999. Performance quotations have been calculated as follows: (a) Class Y periods prior to 7/1/1999 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 11/30/2025 without Board consent. Actual expenses may be higher and may impact portfolio returns.

The fund's monthly base fee is increased or reduced by a performance adjustment as described in the prospectus.

## What are the Risks?

**All investments involve risks, including possible loss of principal.** Small- and mid-cap stocks involve greater risks and volatility than large-cap stocks. The investment style may become out of favor, which may have a negative impact on performance. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. The portfolio is non-diversified and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. 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 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

Important data provider notices and terms available at [www.franklintempletondatasources.com](http://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 4, 3 and 4 and fund's Class Y shares received a Morningstar Rating of 4, 3 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](http://www.franklintempleton.com). Please read it carefully.**