FRANKLIN TEMPLETON | Putnam INVESTMENTS

Putnam Large Cap Value Fund

Class Y: PEIYX Class A: PEYAX **Commentary | as of June 30, 2026**

Key Takeaways

- **Markets:** US equities advanced in the second quarter, supported by strong corporate earnings, resilient economic data and enthusiasm around artificial intelligence (AI) infrastructure and software.
- **Contributors:** Stock selection in financials, consumer discretionary and materials.
- **Detractors**: Stock selection in information technology, health care and industrials.
- **Outlook**: US equity markets continue to offer attractive opportunities for bottom-up stock selection, particularly as market leadership broadens beyond technology-driven themes.

Performance Review

- For the quarter, the portfolio generated a positive return but underperformed its benchmark, the Russell 1000 Value Index. Both security selection and sector allocation decisions weighed on relative performance.
- Relative performance was most negatively impacted by the information technology sector where an underweight to the sector and weak stock selection weighed on results. Top detractors included a lack of exposure to top-performing benchmark semiconductor holdings including Intel, Sandisk and Applied Materials. Underweight positioning in Micron and an overweight to Accenture also detracted. The portfolio generated positive contributions from owned positions in Marvell Technology, Seagate Technology and Cisco Systems.
- Stock selection was also weak in the health care and industrials sectors. Strength in financials, consumer discretionary and materials provided a partial positive offset.
- From a sector allocation perspective, in addition to the information technology impact, relative performance was hurt by overweight positioning in consumer staples, materials and health care. An underweight to communication services was beneficial.
- Individual detractors included overweight positions in McKesson (health care) and Honeywell (industrials). An overweight position in Citigroup (financials) lack of exposure to Chevron (energy) contributed positively.
- As of quarter-end, the largest sector overweight exposures relative to the benchmark are health care, information technology and materials. Underweight exposures include communication services, consumer discretionary and real estate.

Outlook

- Markets largely looked past ongoing geopolitical tensions during the second quarter, delivering the strongest quarterly return since 2020. Much of the advance reflected enthusiasm for the artificial intelligence (AI) infrastructure buildout, resulting in narrow leadership led by semiconductor companies.
- We expect AI-related capital spending and investment to remain a key theme, but also see room for broader participation, particularly within the value universe following the meaningful reconstitution of the Russell 1000 Value Index. As AI adoption expands, the list of beneficiaries could widen, while investors may question whether corporate information technology spending can continue at its current pace.
- At quarter end, the Russell 1000 Value Index underwent its annual reconstitution, resulting in meaningful changes to sector, industry, and individual stock exposures. The benchmark added exposure to information technology and consumer discretionary, reduced exposure to communication services, and lowered semiconductor industry exposure after the group's strong second-quarter returns. Given the significant changes in the benchmark, the portfolio experienced larger-than-normal turnover to align our fundamental conviction in individual holdings with desired risk exposures. New positions included Apple, Advanced Micro Devices, Vertex Pharmaceuticals, and American Electric Power, as we adjusted holdings and position sizes to align our fundamental conviction with desired risk exposures.
- From a value perspective, we see attractive opportunities outside technology-driven stories. Financials, particularly banks, could benefit from encouraging stress test results, healthy consumer credit conditions and a lighter regulatory environment. We also see opportunities in select consumer staples and health care companies as demand for services and supplies improves after a period of policy-related pressure.
- Looking ahead to the third quarter, midterm elections, the conflict in the Middle East, Federal Reserve policy and additional policy developments could become sources of market volatility. With valuations still elevated, markets may be increasingly sensitive to developments that threaten the durability of earnings growth.

Morningstar Rating™

Overall Rating as of June 30, 2026

★★★★★ **(5-Star)** Class Y

★★★★★ **(5-Star)** Class A

As of 06/30/2026 the fund's Class A and Class Y shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 1054, 991 and 830 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. The number of funds in the category for the Overall Rating are listed under the 3-year period.

Top Equity Issuers (% of Total)

Holding	Fund
Apple Inc.	6.28
Microsoft Corporation	5.64
Citigroup Inc.	3.87
Amazon.com, Inc.	3.81
Cisco Systems, Inc.	2.80
AbbVie Inc.	2.59
Exxonmobil Holdings Corporation	2.51
Philip Morris International Inc.	2.32
Coca-Cola Company	2.31
Advanced Micro Devices, Inc.	2.15

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of June 30, 2026

			Without Sales Charge							With Maximum Sales Charge							Expenses		Sales Charges		Inception
Class	CUSIP	Ticker	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	Date
Class Y	746745405	PEIYX	9.62	10.48	24.18	19.62	13.85	14.17	10.97	9.62	10.48	24.18	19.62	13.85	14.17	10.97	0.60	0.60	—	—	6/15/1977
Class A	746745108	PEYAX	9.53	10.34	23.87	19.31	13.57	13.89	10.82	3.23	3.99	16.74	16.98	12.23	13.22	10.68	0.85	0.85	5.75	—	6/15/1977
Benchmark	—	—	13.87	16.26	27.12	17.79	11.17	11.52	—	13.87	16.26	27.12	17.79	11.17	11.52	—	—	—	—	—	—

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.
The total annual operating expenses are as of the fund's prospectus available at the time of publication. 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.

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

Morningstar Rating™: Source: Morningstar®, 06/30/2026. 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, 5 and 5 and fund's Class Y shares received a Morningstar Rating of 4, 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. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

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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.

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