

# Putnam Large Cap Value Fund

Class Y: PEIYX Class A: PEYAX

Commentary | as of March 31, 2026

## Key Takeaways

- **Markets:** US equities declined in a quarter marked by turbulence and uncertainty related to the Iran conflict.
- **Contributors:** Stock selection in energy, financials, and consumer staples
- **Detractors:** Stock selection in information technology, health care, and real estate
- **Outlook:** Despite uncertainty from the geopolitical environment, US markets still offer reasons to be constructive.

## Performance Review

- For the quarter, the portfolio generated a positive return but underperformed its benchmark, the Russell 1000 Value Index. Stock selection was the main driver of relative underperformance, while sector allocation had a positive impact.
- Stock selection contributed most in the energy, financials, and consumer staples sectors. This was offset by relative weakness among stocks in the information technology, health care, and real estate sectors. From a sector allocation perspective, overweight positioning in materials was additive, while relative performance was hurt by underweight exposure to energy.
- Top individual contributors to performance included overweight positions in energy companies Valero Energy and Exxon Mobil, and out-of-benchmark positions in Seagate Technology (information technology) and Shell (energy).
- Detractors included an out-of-benchmark position in Microsoft (information technology) and overweight positions in Capital One (financials) and Accenture (information technology). Not owning Chevron (energy) also weighed on relative results.
- As of quarter-end, the largest sector overweights relative to the benchmark are consumer staples and materials. Financials is one of the largest absolute weights, but it is currently underweight. The communication services, real estate, and information technology sectors are also below benchmark weight.

## Outlook

- The backdrop for US equity markets has changed significantly since the start of the year. Most notably, the Iran conflict has the potential to disrupt a previously optimistic outlook for US economic growth in 2026.
- Prolonged tensions in the Strait of Hormuz, surging oil prices, and supply chain disruptions increase the risk of a global recession. A prolonged conflict would also impact earnings growth for US companies, which was expected to be healthy in 2026, mainly on the back of the Trump administration's One Big Beautiful Bill. While we still expect positive earnings growth, forward estimates are likely to be reduced.
- While stock prices have declined since the start of the conflict, we believe the overall reaction from the market has been rational.
- Forward valuations are down slightly from their peak, but remain elevated, particularly if earnings growth decelerates. Ongoing uncertainty from the geopolitical environment could impact risk appetite in the markets, resulting in valuation compression. The upcoming midterm elections also could generate volatility and uncertainty, with the balance of power in question for the House and Senate.
- We are conscious of the narrative currently playing out in US markets, which has classified companies into two categories: "AI winner" or "AI loser." The reality—which will play out over the longer term—is this is not a binary argument, and outcomes for most companies will lie somewhere in between. We are spending time researching individual businesses to identify where unique value ideas are presented.
- Despite uncertainty from the geopolitical environment, US markets still offer reasons to be constructive. Consumer spending has remained resilient despite a questionable backdrop. Capital spending also remains robust, particularly around the further development and implementation of artificial intelligence.

## Morningstar Rating™

Overall Rating as of March 31, 2026

★★★★★ (5-Star) Class Y

★★★★★ (5-Star) Class A

As of 03/31/2026 the fund's Class Y and Class A shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 1048, 983 and 823 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
Citigroup	3.95
Alphabet	3.56
Exxon Mobil	3.46
Cisco Systems	3.09
NextEra Energy	2.48
Coca-Cola	2.40
Philip Morris International	2.36
General Motors	2.31
McKesson	2.24
Amazon	2.13

## Average annual total returns and fund expenses (%) - as of March 31, 2026

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	746745405	PEIYX	0.79	0.79	18.51	18.03	13.21	13.49	10.82	0.79	0.79	18.51	18.03	13.21	13.49	10.82	0.60	0.60	—	—	6/15/1977
Class A	746745108	PEYAX	0.74	0.74	18.24	17.74	12.93	13.21	10.67	-5.05	-5.05	11.44	15.43	11.60	12.54	10.53	0.85	0.85	5.75	—	6/15/1977
Benchmark	—	—	2.10	2.10	15.87	14.31	9.43	10.58	—	2.10	2.10	15.87	14.31	9.43	10.58	—	—	—	—	—	

## 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](http://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.

Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change.

Source: FTSE.

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®, 03/31/2026. 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 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. 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.

Putnam funds are not exchangeable for other funds distributed by Franklin Distributors, LLC.

© 2026 Franklin Templeton. Franklin Distributors, LLC. Member FINRA/SIPC. Putnam Investments is a Franklin Templeton Company.

**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.**