Putnam International Value Fund

Class Y: PNGYX Class A: PNGAX | **Commentary | as of March 31, 2026**

Key Takeaways

- **Markets:** After gains in January and February, international equity performance reversed in March, with declines and turbulence driven by the Iran conflict.
- **Contributors:** Stock selection in information technology and communication services
- **Detractors:** Stock selection in industrials, materials, health care, and real estate
- **Outlook:** For Europe, base assumptions are for a continued steady but slow economic trajectory. For Japan, we remain reasonably constructive in our overall outlook. An extended conflict in the Middle East could shift the regions into uncertainty.

Performance Review

- For the quarter, the fund (class Y) delivered a positive absolute return but underperformed its benchmark. While stock selection detracted from performance, both country and sector allocation decisions had a positive impact.
- Positions in the industrials, materials, health care, and real estate sectors detracted from performance. Strength in information technology and communication services provided a modest positive offset.
- From a sector allocation perspective, performance benefited from overweight exposure to industrials and underweight exposure to consumer discretionary.
- By country, stock selection in Canada and Germany contributed to relative performance, while holdings in France, the United States, and Australia were among the detractors. Beneficial underweight positioning in Switzerland and an overweight to the United Kingdom was partially offset by underweight exposure to Norway.
- Individual detractors included an overweight position in Barclays (financials) and an out-of-benchmark position in CRH (materials). Not holding Total and BP (energy) also weighed on results.
- Top individual contributors were largely energy companies, including an out-of-benchmark position in Cenovus Energy and an overweight position in Shell. Overweight exposure to Mitsubishi (industrials) and Glencore (materials) also contributed to relative performance.

Outlook

- Non-US markets began 2026 with the same vigor they experienced in 2025. However, the global geopolitical tensions that emerged in March have done some damage. The weak US dollar at the start of the year was positive for international markets, but its safe-haven credentials reemerged as the conflict in the Middle East escalated.
- For Europe, base assumptions are for a continued steady but slow economic trajectory, with moderating inflation paving the way for interest-rate cuts. However, an extended conflict in the Middle East could shift the region into significant uncertainty—and potentially into a recession. Elevated commodity prices could push inflation to levels that turn rate cuts into rate hikes. Positive developments could include fiscal spending from Germany and tariff adjustments from the United States, but these are unlikely to be strong enough to offset the economic impact of rising energy prices.
- For Japan, we remain reasonably constructive in our overall outlook. The domestic economy should experience steady, albeit moderate, growth relative to its history, with wage growth, inflation, and a supportive central bank. However, the country will not be immune to the impact of higher oil prices from Middle East conflict, and the health of the economy will be more reliant on domestic demand as US tariffs take hold. With Prime Minister Sanae Takaichi having solidified LDP power after a snap election in February, all eyes will be on her growth plans, which will focus on private and public sector investments. Concerns are emerging related to the impact these initiatives will have on the financial health of the country and the strength of the yen.

Top Equity Issuers (% of Total)

Holding	Fund
Shell	5.58
HSBC	3.74
Mitsubishi UFJ Financial Group	3.30
ING Groep	3.29
Mitsubishi	2.92
Barclays	2.78
BNP Paribas	2.72
Cenovus Energy	2.53
Sumitomo Mitsui Financial	2.27
AXA	2.21

Average annual total returns and fund expenses (%) - as of March 31, 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	746763614	PNGYX	2.73	2.73	24.41	17.58	11.47	9.52	6.69	2.73	2.73	24.41	17.58	11.47	9.52	6.69	0.93	0.77	—	—	8/1/1996
Class A	746763200	PNGAX	2.61	2.61	24.07	17.26	11.19	9.24	6.45	-3.29	-3.29	16.93	14.97	9.88	8.60	6.24	1.18	1.02	5.75	—	8/1/1996
Benchmark	—	—	2.00	2.00	30.05	19.86	12.19	9.34	—	2.00	2.00	30.05	19.86	12.19	9.34	—	—	—	—	—	—

Benchmark(s)

Benchmark =MSCI EAFE Value Index-NR

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.*
Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 10/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.
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. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets. 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. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. **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 **MSCI EAFE Value Index** is designed to measure performance of stocks exhibiting overall value style characteristics in developed markets, excluding the U.S. and Canada.

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

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

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.