FRANKLIN TEMPLETON | Putnam INVESTMENTS

Putnam Small Cap Growth Fund

Class Y: PSYGX Class A: PNSAX | **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 industrials and information technology.
- **Detractors**: Stock selection in health care and consumer discretionary.
- **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 fund's Class Y shares outperformed the Russell 2000 Growth Index. Stock selection was the primary driver of relative performance, while sector allocation also contributed.
- Stock selection in industrials and information technology contributed notably to relative performance, partially offset by weaker selection in health care and consumer discretionary.
- Individual contributors included overweight positions in DigitalOcean and Enova International, as well as an off-benchmark position in Carpenter Technology.
- Individual detractors included overweight positions in Huron Consulting, Ensign Group, and Patrick Industries.
- As of quarter-end, the portfolio held 104 securities. Its largest sector overweights were industrials and information technology, while its largest underweights were health care and real estate.

Outlook

- Against a market backdrop that is likely to remain volatile, we seek to maintain a well-diversified, bottom-up portfolio focused on individual stock selection.
- We continue to favor companies with accelerating demand growth, highly visible order flows, and idiosyncratic 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 522, 499 and 401 Small 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. 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
DigitalOcean Holdings, Inc.	2.56
RBC Bearings Incorporated	2.45
Nova Ltd.	2.27
BrightSpring Health Services, Inc.	2.07
Enova International, Inc.	2.06
Advanced Energy Industries, Inc.	1.99
Bel Fuse Inc.	1.70
Aritzia Inc.	1.68
IES Holdings, Inc.	1.65
Applied Industrial Technologies, Inc.	1.61

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	746763499	PSYGX	28.88	28.59	37.74	22.55	10.52	17.12	12.36	28.88	28.59	37.74	22.55	10.52	17.12	12.36	0.92	0.92	—	—	12/30/1997
Class A	746763549	PNSAX	28.79	28.44	37.39	22.24	10.24	16.82	12.14	21.39	21.05	29.49	19.85	8.94	16.13	11.91	1.17	1.17	5.75	—	12/30/1997
Benchmark	—	—	25.71	22.18	38.74	18.44	5.57	11.97	—	25.71	22.18	38.74	18.44	5.57	11.97	—	—	—	—	—	—

Benchmark(s)

Benchmark =Russell 2000 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.*

The fund began offering Class Y shares on 11/3/2003. Performance quotations have been calculated as follows: (a) Class Y periods prior to 11/3/2003 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.

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. **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 2000 Growth Index** measures the performance of the small-cap growth 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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