# Putnam Core Equity Fund

**Class Y: PMYYX Class A: PMYAX** | **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 consumer discretionary and energy
- **Detractors:** Stock selection in real estate and industrials
- **Outlook:** Our approach remains patient, with a focus on long-term stock selection rather than short-term market swings.

### Performance Review

- For the quarter, the fund (class Y) underperformed its benchmark, the Russell 3000 Index. Relative results were hurt by both sector allocation and stock selection, with underweight exposure to energy and industrials representing the largest sector headwinds.
- Stock selection in consumer discretionary and energy contributed to performance, while stock selection in real estate and industrials detracted. Performance benefited from underweight exposure to technology and overweight exposure to utilities.
- Top individual contributors for the quarter included overweight positions in Lam Research, ConocoPhillips, and ExxonMobil. Top detractors included not owning Chevron, underweight exposure to Micron, and an overweight position in Apollo Global Management.

### Outlook

- Artificial intelligence continues to drive significant market moves. What stood out to us in the quarter was how much the market continued to sort companies based on where investors believe they sit in the AI value chain. AI was not simply a broad tailwind for technology—it had a very different impact across sectors and industries.
- Companies tied more directly to the physical buildout of AI infrastructure, including semiconductors and related hardware, continued to be rewarded, while parts of software and software-exposed businesses came under pressure as investors questioned which business models would benefit from AI and which might be disrupted by it. US software and services stocks had significant drawdowns as investors worried fast-advancing AI tools could upend the sector. AI disruption fears spread beyond software into private credit and alternative asset managers.
- In our view, the first quarter was a good example of why we stay disciplined and fundamentally driven. We are not trying to trade every headline or chase whichever part of the market is moving the fastest. We are trying to identify durable businesses with strong competitive positions, solid management teams, and long-term earnings power, while remaining focused on valuation.
- Geopolitical volatility and sharp sector rotations can create short-term noise, but they do not usually change the long-term value of a good business overnight. Our approach remains patient and non-reactionary, with a focus on long-term stock selection rather than short-term market swings.

### 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 1212, 1122 and 886 Large Blend 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 |
|---|---|
| NVIDIA | 7.07 |
| Apple | 6.22 |
| Alphabet | 5.33 |
| Microsoft | 4.92 |
| Amazon | 3.71 |
| Meta | 2.58 |
| Broadcom | 2.55 |
| Tesla | 1.86 |
| Goldman Sachs | 1.84 |
| Lam Research | 1.84 |

### 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 | 74676P839 | PMYYX | -5.13 | -5.13 | 16.89 | 19.14 | 12.13 | 15.05 | 14.99 | -5.13 | -5.13 | 16.89 | 19.14 | 12.13 | 15.05 | 14.99 | 0.70 | 0.70 | — | — | 9/24/2010 |
| Class A | 74676P888 | PMYAX | -5.17 | -5.17 | 16.59 | 18.84 | 11.85 | 14.77 | 14.70 | -10.63 | -10.63 | 9.89 | 16.52 | 10.54 | 14.09 | 14.26 | 0.95 | 0.95 | 5.75 | 1.00 | 9/24/2010 |
| Benchmark | — | — | -3.96 | -3.96 | 18.09 | 17.86 | 10.87 | 13.72 | — | -3.96 | -3.96 | 18.09 | 17.86 | 10.87 | 13.72 | — | — | — | — | — | — |

### Benchmark(s)

Benchmark =Russell 3000 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 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. 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. **Active management** does not ensure gains or protect against market declines. **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. Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. 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 3000 Index** measures the performance of the 3,000 largest U.S. companies based on total market capitalization.

Important data provider notices and terms available at 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 4, 4 and 5 and fund's Class Y shares received a Morningstar Rating of 4, 4 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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