FRANKLIN TEMPLETON | Putnam INVESTMENTS

Putnam Core Equity Fund

Class Y: PMYYX Class A: PMYAX **Commentary | as of September 30, 2026**

Key Takeaways

- **Markets:** US equities posted a modest gain in a choppy quarter. Record highs in August on strong earnings and renewed artificial intelligence (AI) enthusiasm were bookended by a July rotation away from mega-cap technology and a September pullback driven by higher Treasury yields and the US Federal Reserve's first rate hike since 2023.
- **Contributors:** Stock selection in information technology, communication services and materials.
- **Detractors:** Stock selection in utilities, financials and real estate.
- **Outlook:** Higher rates and elevated valuations argue for selectivity in US equities. We see attractive opportunities where AI-driven demand is spreading into power, infrastructure and industrial companies. We also see overlooked investment opportunities in companies less impacted by AI.

Performance Review

- For the quarter, Putnam Core Equity Fund (Class Y) outperformed its benchmark, the Russell 3000 Index. Stock selection contributed to relative performance, while sector allocation had a neutral effect on relative returns.
- Stock selection in information technology, communication services and materials contributed to relative performance, while stock selection in utilities, financials and real estate detracted from relative returns.
- Sector allocation benefited from underweight positioning in industrials, consumer staples and materials, whereas overweight positioning in consumer discretionary, along with underweight positioning in energy and information technology, detracted.
- Top contributors to relative performance included three information technology names: not holding Applied Materials and KLA, along with an underweight position in Sandisk.
- Individual detractors included overweight positions in Lam Research (information technology), NRG Energy (utilities) and Southwest Airlines (industrials).
- As of quarter-end, the fund's largest sector overweights were financials, consumer discretionary and communication services, while its largest sector underweights were industrials, information technology and energy. Information technology, financials and consumer discretionary were the sectors with the largest absolute weights.

Outlook

- Strong corporate fundamentals continue to underpin our constructive outlook for US equities. Earnings growth, not multiple expansion, has driven market gains, and net profit margins are at record levels. The consumer has remained resilient and business activity has accelerated in recent months, but elevated inflation, rising unemployment and the Fed's return to rate hikes leave us slightly more cautious about how much of that strength carries into 2027.
- We believe the continued evolution of AI from an aspirational investment theme toward tangible monetization and productivity benefits is one of the most important developments in the large-cap growth universe. We are starting to see a broader set of companies benefit from AI buildouts and monetization, expanding the opportunity set.
- Beyond higher rates, elevated inflation and rising unemployment, potential headwinds include the conflict in Iran and November's midterm elections. A slowdown in, or extended pause of, hyperscaler capital spending may weigh on both the growth rates and valuations of many AI-related businesses. If risk appetite fades, equity multiples could come under pressure, leaving returns less linear.
- US equity markets continue to show meaningful bifurcation between perceived AI beneficiaries and companies where AI may be more disruptive or less immediately monetizable. That divide was tested during the quarter as investors questioned the return on AI capital spending in July, and higher rates in September raised the cost of that spending.
- We remain patient, using volatility as an opportunity to ensure the fund reflects our highest-conviction long-term positions while maintaining balanced sector positioning relative to the benchmark.

Morningstar Rating™

Overall Rating as of September 30, 2026

★★★★ **(4-Star)** Class Y

★★★★ **(4-Star)** Class A

As of 09/30/2026 the fund's Class A and Class Y shares received a 4 star overall Morningstar rating™, measuring risk-adjusted returns against 1209, 1122 and 898 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 Corporation	7.95
Apple Inc.	7.38
Microsoft Corporation	6.02
Alphabet Inc.	5.78
Amazon.com, Inc.	4.15
Meta Platforms, Inc.	2.86
Broadcom Inc.	2.55
Lam Research Corporation	2.39
Micron Technology, Inc.	1.84
Mastercard Incorporated	1.74

Not FDIC Insured | No Bank Guarantee | May Lose Value

Average annual total returns and fund expenses (%) - as of September 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	74676P839	PMYYX	1.50	8.74	12.67	21.69	13.65	15.84	15.47	1.50	8.74	12.67	21.69	13.65	15.84	15.47	0.67	0.67	—	—	9/24/2010
Class A	74676P888	PMYAX	1.43	8.55	12.38	21.39	13.36	15.56	15.18	-4.40	2.31	5.92	19.02	12.03	14.87	14.75	0.92	0.92	5.75	1.00	9/24/2010
Benchmark	—	—	1.41	12.42	15.13	22.26	12.64	14.73	—	1.41	12.42	15.13	22.26	12.64	14.73	—	—	—	—	—	—

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.

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®, 09/30/2026. 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 3, 4 and 4 and fund's Class Y shares received a Morningstar Rating of 3, 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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