

Putnam Core Equity Fund

Class Y: PMYX Class A: PMYAX

Commentary | as of December 31, 2025

Key Takeaways

- **Markets:** US equity markets delivered gains in the fourth quarter, driven by strong earnings, Fed interest-rate cuts, and optimism around artificial intelligence.
- **Contributors:** Stock selection in financials, materials and consumer staples
- **Detractors:** Stock selection in real estate
- **Outlook:** We are disciplined and pragmatic about valuation and risk, and we will consistently work to remain balanced in our positioning relative to the benchmark.

Performance Review

- The fund (class Y) posted a solid absolute return and outperformed the Russell 3000 Index benchmark for the quarter. Stock selection was additive across the financials, materials and consumer staples sectors. Stock selection in real estate was the only slight detractor. Sector allocation impact was neutral for the quarter.
- Top contributors for the quarter included a diverse mix from different industries, including overweight positions in Lam Research, Southwest Airlines, and Citi group. Top detractors were not owning Micron Technology and overweight positions in PulteGroup and Raymond James.
- At quarter-end, the largest sector overweights relative to the benchmark were financials and consumer discretionary. The largest absolute position was information technology. The most underweight sectors relative to the benchmark were industrials and information technology.

Outlook

- We witnessed numerous market environments in the past year, including sharp selloffs and impressive rallies, and a strong finish for 2025 overall. This was the latest phase of a multiyear rally in US equities—with stocks posting three consecutive double-digit annual gains and stretching valuations above historical averages.
- The past year progressed from pure AI euphoria to what we believe is now an exercise in distinguishing AI winners from losers and determining which businesses might see their capex translate to improved earnings.
- We are disciplined and pragmatic about valuation and risk, and we believe recent market returns are the result of both strong corporate earnings and AI euphoria. While we are cognizant of the overall macroeconomic backdrop, we consistently work to remain balanced in our positioning relative to the benchmark, with the goal of consistently outperforming on an absolute and risk-adjusted basis.
- We continue to seek stocks that trade at a discount to our estimates of their intrinsic value. We look for businesses that have the ability to create future value over time through sales growth, margin expansion, and durable competitive moats.
- The portfolio remains diversified across all sectors of the benchmark, as well as value, core and growth styles. We are focused on our goal of building a diversified core portfolio that can outperform over the medium and long term.

Morningstar Rating™

Overall Rating as of December 31, 2025

★★★★★ (5-Star) Class Y

★★★★★ (5-Star) Class A

As of 12/31/2025 the fund's Class A and Class Y shares received a 5 star overall Morningstar rating™, measuring risk-adjusted returns against 1210, 1122 and 880 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.

Top Equity Issuers (% of Total)

Holding	Fund
NVIDIA	7.05
Apple	6.23
Microsoft	6.02
Alphabet	5.45
Amazon	3.80
Meta	2.79
Broadcom	2.66
Tesla	2.11
Mastercard	1.84
Goldman Sachs	1.79

Average annual total returns and fund expenses (%) - as of December 31, 2025

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	74676P839	PMYXX	3.61	17.31	17.31	23.83	15.87	15.50	15.65	3.61	17.31	17.31	23.83	15.87	15.50	15.65	0.70	0.70	—	—	9/24/2010
Class A	74676P888	PMYAX	3.53	17.02	17.02	23.52	15.58	15.21	15.36	-2.42	10.29	10.29	21.11	14.22	14.53	14.91	0.95	0.95	5.75	1.00	9/24/2010
Benchmark	—	—	2.40	17.15	17.15	22.25	13.15	14.29	—	2.40	17.15	17.15	22.25	13.15	14.29	—	—	—	—	—	—

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.

Glossary

Moat is an advantage a company has which allows it to protect its market share and profitability.

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®, 12/31/2025. 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.

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

© 2025 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. Please read it carefully.