

# Investing in durable growth themes

Putnam Large Cap Growth Fund



### **Seeking durable growth stocks that can outperform in a variety of economic environments**

The fund invests in companies with durable long-term growth prospects, high and/or improving capital returns and a strong ownership culture. Portfolio Managers Richard Bodzy and Greg McCullough, CFA, seek businesses with the ability to grow at above-market rates and to sustain that growth.

### **Blending investment themes with deep fundamental research**

A thematic approach is a distinctive feature of the fund. The team analyzes global trends, as well as problems and potential solutions, to identify which themes could drive sustained growth for businesses over a multiyear time horizon.

### **About Putnam Investments**

Putnam is a diversified equity asset manager serving investors worldwide. With roots dating back to 1937, we offer decades of experience in changing markets and investment professionals with extensive knowledge of industries and sectors. As a Franklin Templeton company, we benefit from the resources, scale and stability of one of the world's largest asset managers. Putnam managed over \$135 billion in assets as of June 30, 2025.

**“We seek businesses that could become disruptors in their industries with innovative products and services, and significant growth potential.”**















**Richard Bodzy**  
Portfolio Manager



**Greg McCullough, CFA**  
Portfolio Manager

## Durable growth themes in our portfolio

 <b>A healthier tomorrow</b>	 <b>5G connectivity and the Internet of things</b>	 <b>The experience economy</b>	 <b>Personalized medicine</b>
 <b>Artificial intelligence</b>	 <b>Controlled distribution</b>	 <b>E-commerce and payment processing</b>	 <b>Increased screen time</b>
 <b>Subscriptions and consumables</b>	 <b>Cloud infrastructure and software</b>	 <b>Digital marketing</b>	 <b>Humanization of pets</b>

Themes will change over time.



### 5G connectivity and the Internet of things

5G stands for fifth-generation wireless technology, which increases speed and responsiveness and allows users to connect to more devices at once. The transition to 5G will play out in waves globally over the next 15 years. The “Internet of things” is a term that describes the growing number of devices, from phones to wearable products to home security systems, that are connected to the internet and to one another.

**The rapid growth in connected devices and systems will likely drive carriers to invest rapidly in 5G networks.**

#### Sample holding: American Tower (AMT)

This company rents space on towers and rooftop antennas to wireless carriers and broadcasters.



### Cloud infrastructure and software

Businesses are increasingly shifting their information technology systems from on-premise databases to cloud storage. The benefits are widely recognized and include reduced costs, enhanced data security, better collaboration and greater flexibility for employees accessing company documents and data.

**The demand for cloud computing is on the rise as more businesses find it essential to transition their on-site data systems.**

#### Sample holding: Oracle (ORCL)

Oracle is a technology and software company that provides cloud applications and cloud platform services.

For illustrative purposes only. These are examples of current themes. Themes will change over time. No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of their initial investment. Actual results could be materially different from the stated goals. Investors should carefully consider the risk involved before deciding to invest. As with any investment, there is a potential for profit as well as the possibility of loss. Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-style investing.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, American Tower represented 0.97% and Oracle represented 1.25% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies. There is no assurance that securities purchased will remain in the portfolio, or that securities sold will not be repurchased.



## A healthier tomorrow

Across the globe, people are embracing a comprehensive approach to health and wellness. Individuals are prioritizing exercise, diet and environmental health, and they are seeking greater access to and control over their personal health data. While the theme is focused on individuals, large growth companies can serve as the enablers of change. As demographic trends drive increased awareness of this theme, we expect public policy to support further growth in these markets.

**This theme encompasses a wide range of sectors and companies, such as hospital operators, HVAC equipment manufacturers, medical device makers and workout apparel and skincare brands.**

### Sample holding: Trane Technologies (TT)

This industrial company designs, sells and services innovative HVAC systems.



## E-commerce and payment processing

As the US e-commerce market has grown over the past 20 years, peer-to-peer electronic money transfers have rapidly become more common. Credit card usage for consumer-to-business payments has increased at a steady pace globally. We believe this should continue as regions with less card usage close the gap with North America and Europe.

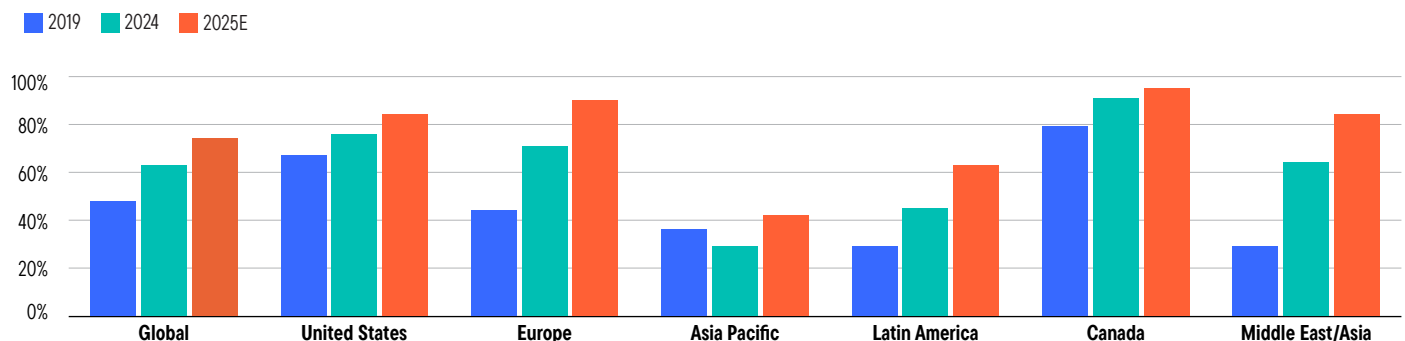
**The digitization of other large payment markets has yet to catch up with the penetration of credit cards in the consumer-to-business market.**

### Sample holding: Mastercard (MA)

This payment card company offers digitization of cash through cards and e-commerce as well as value-added services such as fraud monitoring, authentication and analytics.

## Credit Card Use Is Expanding Globally

Card penetration of consumer-to-business payments as percentage of personal consumption expenditure



As of 6/30/25. Historical volumes are adjusted for European payments regulation and card penetration data are adjusted for domestic schemes and US private-label card penetration. Sources: Nilson Report, World Bank, IMF, and Bernstein estimates and analysis.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, Trane Technologies represented 1.23% and Mastercard represented 3.27% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies.



## Artificial intelligence

Excitement around AI has been building for many years, but now we're seeing strategic action and prominent real-world applications related to generative AI from some of the world's largest companies. Generative AI is advancing at a remarkable pace and leverages massive computing power. Immediate beneficiaries include semiconductor and cloud service companies, but there is meaningful potential for future applications across many other sectors.

Examples include disease detection in health care, search and productivity tools for consumers and businesses, and fraud detection in e-commerce. We believe AI technologies could drive a durable investment cycle across economic end markets that will be both powerful and influential to future stock returns.

**AI is exciting because many of the potential winners (and losers) fit squarely in the large-cap growth investable universe.**

### Sample holding: Broadcom (AVGO)

Broadcom designs, develops and supplies semiconductor, enterprise software and security solutions.



## Subscriptions and consumables

This theme reflects the priority we place on revenue visibility, and our focus on recurring revenue. Two key strategies for generating recurring revenue are subscriptions—ongoing payments from customers, and consumables—products or services that must constantly be repurchased.

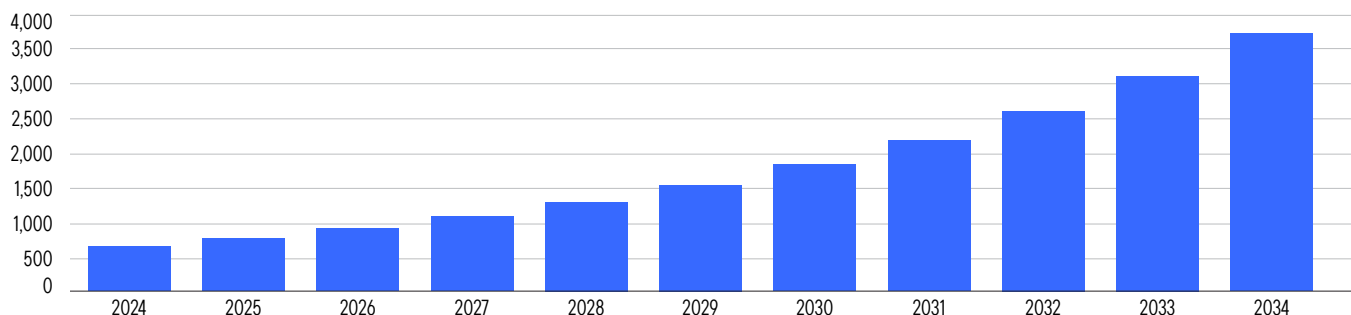
Businesses in our portfolio that benefit from recurring revenue include those that offer streaming services or technology subscriptions. For consumables, we own companies that sell medical devices, and those that offer prescriptions, test kits and other disposable supplies.

### Sample holding: Intuitive Surgical (ISRG)

This company develops robotic-assisted surgical systems and instruments for physicians and health-care providers.

## AI Market Is Expected to Continue Growing Rapidly

AI market size 2024 to 2034 in USD billion



Sources: [www.precedenceresearch.com/artificial-intelligence-market](https://www.precedenceresearch.com/artificial-intelligence-market). For illustrative purposes only. This data is not intended to forecast or predict future events and is not intended to be projections of performance. Like the output of any model, this analysis may be subject to limitations, is not guaranteed and may produce results that diverge from any past or future results.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, Broadcom represented 5.75% and Intuitive Surgical represented 1.42% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies.





## Digital marketing

Digital marketing—promoting products or services through electronic devices—is imperative for success in many industries. It enables companies to capture and use customer data to achieve goals such as sales conversions and building brand awareness. Spending on digital marketing has risen as attention has shifted from traditional media to digital platforms.

**Companies know the increasing importance of social media, mobile applications, email, search engines and websites for driving the growth of their businesses.**

### Sample holding: Salesforce (CRM)

Salesforce is a cloud-based software company specializing in a range of customer service, marketing automation and e-commerce applications.



## Increased screen time

People are spending considerably more time-consuming content on electronic devices. Mobile device usage is growing rapidly as streaming platforms, newly created apps, social media, gaming and targeted advertising campaigns increasingly cater to consumers outside the home.

**Mobile devices have eclipsed TV for consumers' attention. Beginning in 2019, US consumers spent more time with their mobile devices than they did watching TV, and smartphones accounted for 70% of that mobile time.**

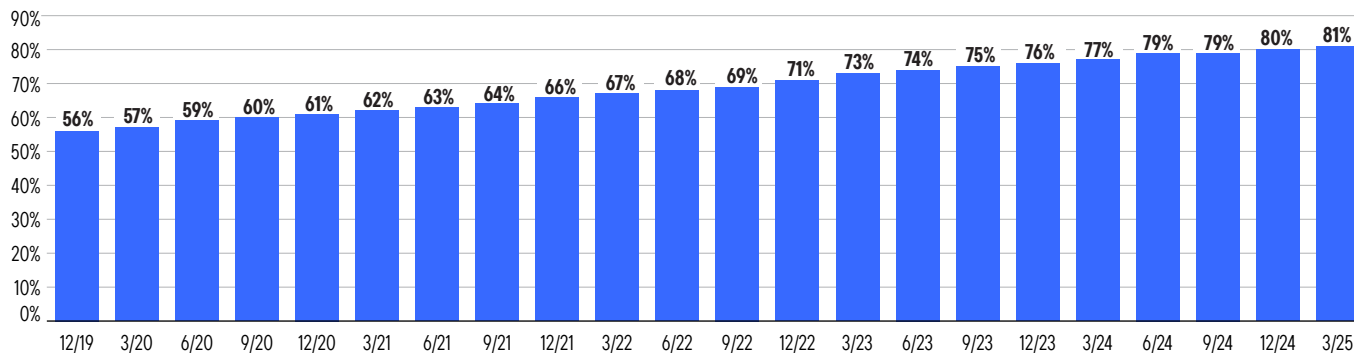
Source: eMarketer, as of 2019.

### Sample holding: Microsoft (MSFT)

Microsoft provides operating systems and productivity software through its PC, productivity and cloud businesses.

## Microsoft's Revenue Stream May Become More Predictable

Recurring revenue as a percentage of sales



As of 6/30/25. Source: Microsoft, most recent data available. Past performance is not a guarantee of future results.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, Salesforce represented 1.27% and Microsoft represented 13.00% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies.



## Controlled distribution

An increasing number of retail brand owners are favoring direct distribution—selling their products solely through their own stores or websites. These companies have few, if any, third-party distributors or indirect sales. They rarely have markdowns or outlet stores, and their products won't be found at online retailers like Amazon. The advantage of this business model is that it allows businesses to better control inventory, pricing, promotion and brand presentation. It also leads to a better, more comprehensive relationship with end customers. As a result, direct sales typically yield higher margins than wholesale, with higher conversion rates.

**Controlled distribution can offer a distinct advantage and is our preferred go-to-market strategy.**

### Sample holding: Sherwin-Williams (SHW)

Paint retailer Sherwin-Williams employs a direct distribution model, reaching consumers through its 4,000-store network and some large retail partners.



## Personalized medicine

We are in the very early innings of a shift toward a broader application of personalized medicine, where therapies will be targeted to a particular patient based on that individual's DNA, RNA and genetic composition. Many companies are making great strides in cell and gene therapy to help in the diagnosis and treatment of cancers and genetic diseases. A patient's genetic makeup will become increasingly more important in the therapy and treatment they receive.

### Sample holding: Lonza (LONN SW)

Lonza manufactures small- and large-molecule therapies, and opened the world's largest dedicated cell and gene therapy facility in 2018.

**The global cell and gene therapy manufacturing market is expected to reach \$47 billion by 2030, with a compound annual growth rate of 26.6% from 2023 to 2030.**

As of 3/2023. Source: ReportLinker.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, Sherwin-Williams represented 0.71% and Lonza represented 0.78% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies.



## Humanization of pets

Pets have become an increasingly important part of the typical household, receiving the same level of attention, care and health maintenance as human family members do. Preventative-care treatments and testing for companion animals are growing, along with overall pet ownership levels. Consumer demand for these services is unwavering, and the diagnostic market outside the United States provides another long-term opportunity for growth.

**With this theme, we seek to capitalize on the strong and rapidly growing demand for quality pet care.**

### Sample holding: IDEXX Laboratories (IDXX)

This animal health care company specializes in diagnostic testing and provides in-office testing kits, components and supplies for veterinarians.



## The experience economy

This theme is based on a growing preference for experiences over material possessions. More consumers are seeking to spend money on live entertainment, luxury travel and conveniences such as food delivery.

**We believe the appeal of experiences has become more widespread after the pandemic lockdowns in 2020.**

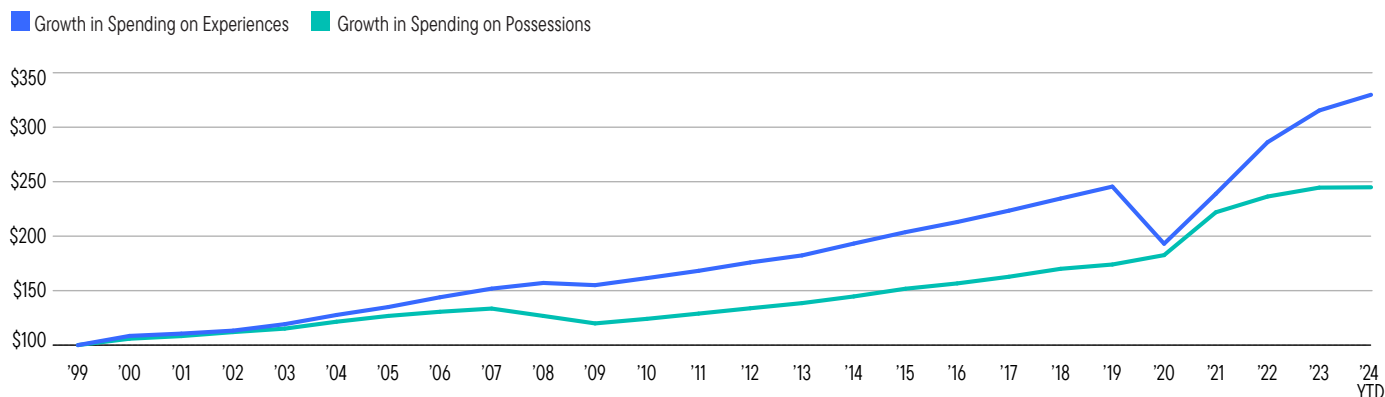
This demand should help a number of businesses grow at above-market rates for an extended period of time.

### Sample holding: TransDigm Group (TGD)

TransDigm produces and supplies highly engineered aircraft components.

## Consumers Are Spending More on Experiences

Growth of \$100 in spending



As of 3/31/25. Sources: Baird Research, Bureau of Economic Analysis, most recent data available. Past performance is not a guarantee of future results.

The companies presented as investment examples represent the largest active weight within each theme. As of 6/30/25, IDEXX represented 0.54% and TransDigm represented 1.01% of Putnam Large Cap Growth Fund assets. Account characteristics may vary. Please see the end disclosures for important information about the references to specific investment advice and inclusion of individual companies. Revenue growth does not necessarily translate into positive returns. Securities prices fluctuate in value unpredictably, and returns cannot be predicted with certainty. As with any investment, there is a potential for profit as well as the possibility of loss.



# ★★★★★ Putnam Large Cap Growth Fund PGOYX

The fund received a 4-star overall Morningstar Rating™ as of 6/30/25 among 1,033 funds in the Large Growth category (Y shares, based on risk-adjusted returns)

The fund's overall Morningstar Rating measures risk-adjusted returns and is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) rating metrics.

## Morningstar Rankings as of 6/30/25

1-Year	3-Year	5-Year	7-Year	10-Year
59%	31%	37%	11%	11%
(652/1,084)	(285/1,033)	(295/954)	(93/905)	(62/754)

Morningstar category: Large Growth

Morningstar rankings for Class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

## Top 10 Holdings as of 6/30/25

	Portfolio	Benchmark
Microsoft	13.00%	12.52%
NVIDIA	12.66	12.55
Apple	8.25	10.27
Amazon	7.28	5.18
Broadcom	5.75	4.32
Meta	4.44	4.50
Alphabet	3.49	4.08
Mastercard	3.27	1.55
Netflix	2.97	1.93
Eli Lilly	2.79	2.12
<b>Total</b>	<b>63.90%</b>	<b>59.03%</b>

Holdings are subject to change.

## Top Active Weights as of 6/30/25

### Top 5

Overweights	Portfolio	Benchmark	Over/Under
Amazon	7.28%	5.18%	2.10%
Mastercard	3.27	1.55	1.72
Cadence Design Systems	1.74	0.29	1.45
Broadcom	5.75	4.32	1.42
Salesforce	1.27	0.10	1.17

### Top 5

Underweights	Portfolio	Benchmark	Over/Under
Apple	8.25%	10.27%	-2.02%
Costco	0.30	1.49	-1.19
AbbVie	—	1.12	-1.12
Home Depot	—	0.94	-0.94
Intuit	—	0.73	-0.73

## Performance as of 6/30/25

Inception 7/1/99	Class Y Shares	Russell 1000 Growth Index
Q1	17.29%	17.84%
1-Year	14.72	17.22
3-Year	25.77	25.76
5-Year	16.03	18.15
7-Year	17.37	17.90
10-Year	16.70	17.01

Expense ratio: 0.67%

Returns for periods of less than one year are not annualized.

**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. All classes of shares may not be available to all investors or through all distribution channels.

For current month-end performance, visit [www.franklintempleton.com](http://www.franklintempleton.com).

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Net expenses are capped under a contractual agreement, which cannot be terminated prior to 11/30/2025 without Board consent. Actual expenses may be higher and may impact portfolio returns.

Indexes are unmanaged and one cannot invest directly in an index. They do not reflect any fees, expenses or sales charges.

## Annual Performance

	Class Y Shares	Russell 1000 Growth Index	Morningstar Ranking
2024	33.59	33.36	26% (297/1,088)
2023	44.58	42.68	24% (255/1,200)
2022	-30.17	-29.14	53% (566/1,235)
2021	22.84	27.60	47% (537/1,237)
2020	38.76	38.49	32% (420/1,289)
2019	36.74	36.39	15% (208/1,360)
2018	2.55	-1.51	11% (167/1,405)
2017	31.28	30.21	26% (352/1,363)

## Active management in all markets

The managers prioritize businesses that are competitively advantaged and able to grow across a cycle, regardless of the economic backdrop. They are mindful of the vulnerabilities of the companies they own. A key component of their investment process is to analyze how businesses have performed through difficult times in the past.

### Portfolio Characteristics as of 6/30/25

Beta	1.01
Tracking Error	1.84%
Up Capture Ratio	101.37%
Down Capture Ratio	103.13%

Based on a simple regression of monthly net returns for the past three years versus the index.

**“Our desire to own high-quality businesses with a narrow range of outcomes has benefited relative returns.”**

**Richard and Greg**  
Portfolio Managers

### Quarterly Returns as of 6/30/25

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23
Fund	17.29%	-10.73%	6.85%	2.54%	8.44%	12.44%	15.00%	-4.20%	14.96%
Russell 1000 Growth Index	17.84	-9.97	7.07	3.19	8.33	11.41	14.16	-3.13	12.81

	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Fund	14.15%	1.53%	-3.12%	-21.94%	-9.06%	9.37%	0.55%	11.90%	-0.18%
Russell 1000 Growth Index	14.37	2.20	-3.60	-20.92	-9.04	11.64	1.16	11.93	0.94

**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. All classes of shares may not be available to all investors or through all distribution channels. For current month-end performance, visit [www.franklintempleton.com](http://www.franklintempleton.com).

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## Learn more

Visit [putnam.com](http://putnam.com) for more information about Putnam Large Cap Growth Fund's philosophy and process, and for insights from Portfolio Managers Richard Bodzy and Gregory McCullough, CFA.

Source: Morningstar®, 6/30/2025. 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. Franklin Templeton provides this fund's Morningstar Rating™ for Class Y shares only. Other share classes may have different Morningstar ratings.

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## What should I know before investing?

**All investments involve risks, including possible loss of principal.** The **investment style** may become out of favor, which may have a negative impact on performance. **Dividends** may fluctuate and are not guaranteed, and a company may reduce or eliminate its dividend at any time. **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.

## Glossary

**Beta:** A measure of the fund's volatility relative to the market, as represented by the stated Index. A beta greater than 1.00 indicates volatility greater than the market. **Tracking error** is a measure of the deviation of the return of a fund compared to the return of a benchmark over a fixed period of time. Expressed as a percentage. The more passively the investment fund is managed, the smaller the tracking error.

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

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**The Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the US equity universe. Source: FTSE. Important data provider notices and terms available at [www.franklintempletondatasources.com](http://www.franklintempletondatasources.com). All data is subject to change.

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Prior to August 2, 2024, Putnam Retail Management, LP served as distributor of Putnam funds and services. Putnam Investment 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](http://www.franklintempleton.com). Please read it carefully.**

Not FDIC Insured | No Bank Guarantee | May Lose Value



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