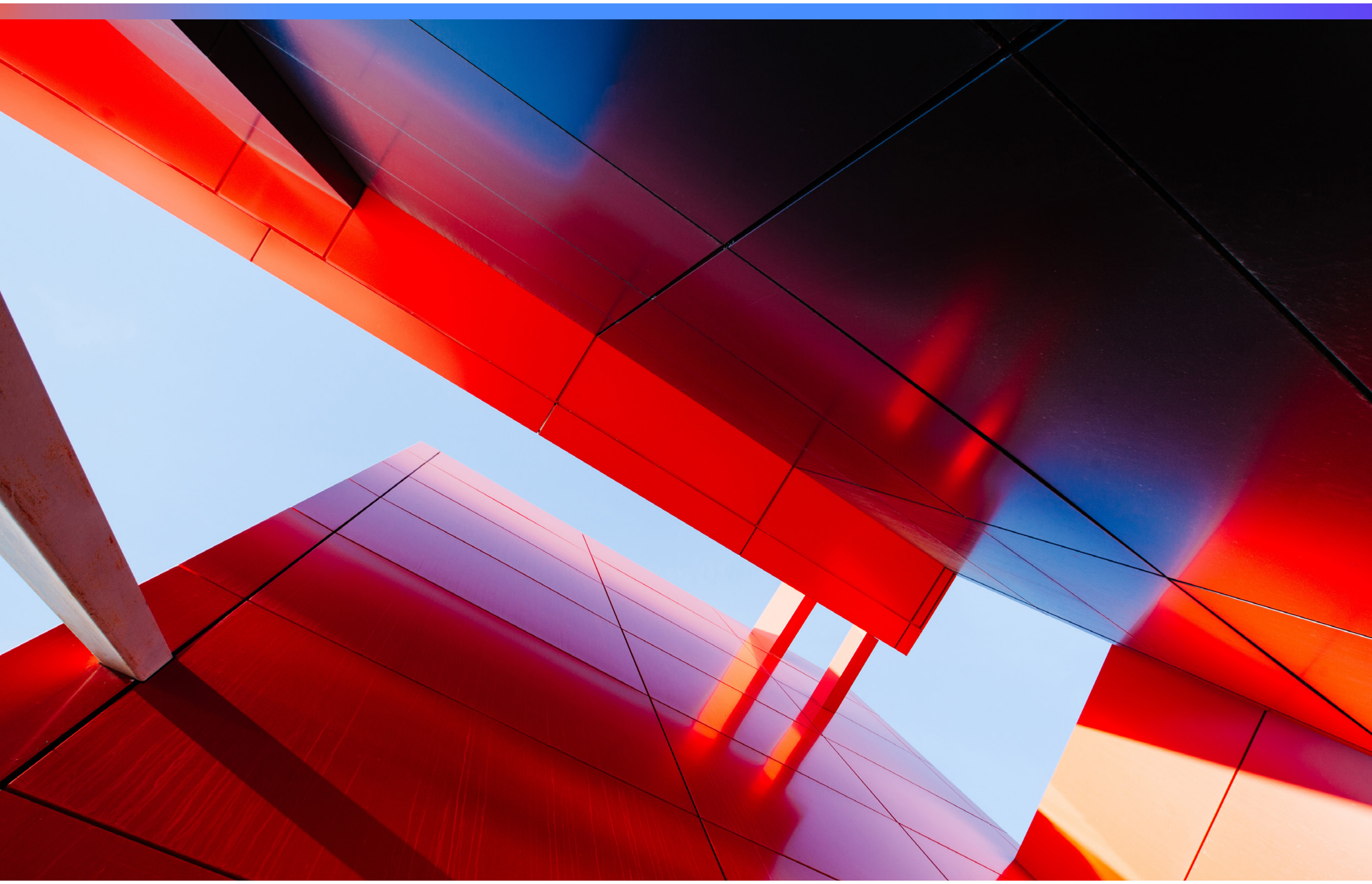
A multidimensional approach to value investing

Putnam U.S. Large Cap Value Equity Concentrated



“We believe investors want performance that is consistently good rather than occasionally great.”

Darren Jaroch, CFA
Portfolio Manager since 2012
Industry since 1996

Lauren DeMore, CFA
Portfolio Manager since 2019
Industry since 2002

Veteran managers aiming for consistent outperformance

Putnam's Large Cap Value managers invest with a focus on consistency, relative value and rigorous risk management.

Experience at a glance

52 years of combined industry experience	**26** combined years managing portfolios at Putnam	**35** research analysts with an average of 16 years of experience

Access to deep equity research expertise

The managers are supported by a tenured team of research analysts with expertise across sectors. The team's hybrid, best-of-both structure encourages debate and collaboration, and generates unique insights.

- Two-thirds of analysts are focused on specific sectors
- One-third of analysts are aligned with specific equity portfolios
- The analysts have years, and in many cases decades, of work experience in the sectors they cover
- Putnam's research culture prizes collaboration, a diversity of views, continuous formal and informal communication, and active debate

Advantage of a global perspective

The portfolio managers also oversee Putnam's Non-U.S. Value Equity strategies, giving them a critical understanding of the global investment landscape. This provides a distinct advantage as large companies within most sectors and industries compete globally.

About Putnam

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 an 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 $149 billion in assets as of September 30, 2025.

A distinct approach to defining value

The Putnam Large Cap Value team looks beyond traditional value metrics to find opportunities across the value universe.

The index uses one metric. This strategy goes much further.

Unlike passive managers who replicate the benchmark index, Putnam's managers are not limited in the way they assess value. The Russell 1000 Value Index is a universe of companies with lower price-to-book ratios and low growth rates. Beyond these basic metrics, Putnam's managers use an array of additional measures and tools for evaluating stocks.

They have the flexibility to measure value in ways that are sector-specific and even company-specific. They can use different valuation methodologies based on each company's industry or business model. For example, a traditional metric such as price-to-book may be appropriate for financials, but in the industrials sector, where book values are high, different measures are more appropriate.

Relative value matters

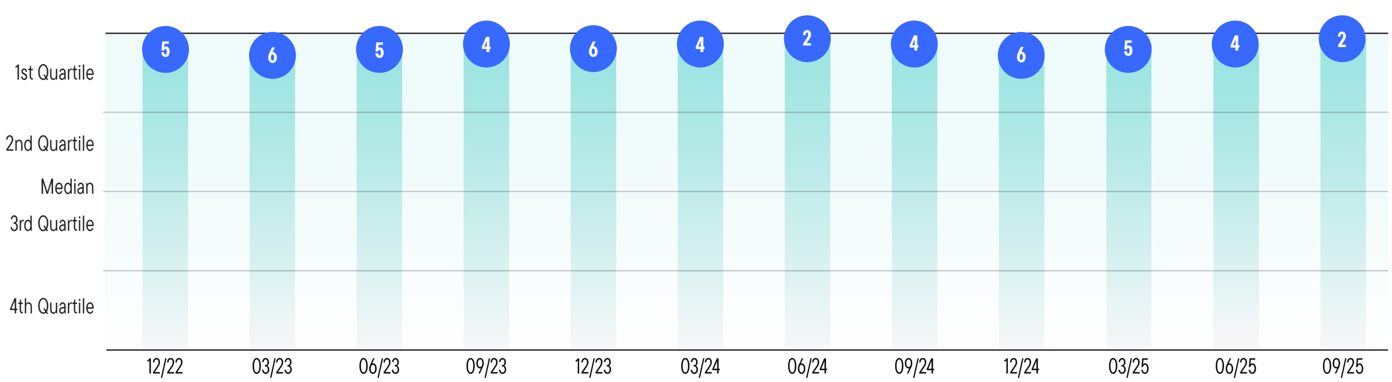
The managers put emphasis on relative value—how a stock measures up versus its own history as well as relative to its industry or sector peers. Analyzing a stock's valuation relative to its sector rather than the overall market provides a differentiated view of opportunities.

The benefit of defining value daily

The Russell 1000 Value Index is rebalanced once a year, when weightings are shifted and stocks may be added or removed. Over the course of 12 months, equity valuations and company fundamentals can change considerably. This is why the Putnam Large Cap Value team analyzes and defines the value universe every day. This "defining value daily" approach can help uncover opportunities not recognized by benchmark metrics alone.

The Composite Strategy Has Consistently Ranked in The Top Quartile of Its Peer Group

eVestment Percentile Rankings for Rolling 5-Year Periods



Source: eVestment data as of 9/30/25 (most recent data available).

eVestment ranking represents the eVestment US large cap value equity universe. The universe includes all portfolios managed in the US large cap value equity style (gross of fees) as defined by eVestment. eVestment Alliance (eVestment) is a third-party database that provides detailed information on investment managers and their products. Based on manager input, eVestment independently constructs universes using qualitative and quantitative factors. The investment products are organized into peer groups and assessed on an ongoing basis to ensure the consistency of a product's attributes within a designated style classification. eVestment calculates performance and characteristics based on manager-reported gross-of-fee returns, as manager fees may vary, so that returns will be reduced when advisory fees are deducted. Gross performance does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by advisory and other fees. eVestment does not independently verify the data provided by advisers, which forms the basis for rankings. Putnam has not verified and cannot verify the information from outside sources. Putnam pays a fee to eVestment for access to peer rankings and analytical services.

A focus on cash flow and value to shareholders

In evaluating a business, the team focuses on cash flows and shareholder yield — how the company is using its cash to benefit shareholders. As value investors, the managers also seek companies that are undergoing substantial positive internal or external change.

Assessing shareholder yield

The managers determine a company's value to its shareholders based on several measures.

Cash flow and capital allocation
The company is deploying or has the potential to deploy its cash in ways that benefit its shareholders

Share buybacks
The business has a history of buying back stock or has the potential to implement future repurchase plans

Dividends
Management has shown a willingness to pay dividends and the business generates sufficient cash flow to support and potentially grow the dividend

Investments
The company invests in high capital return projects that can benefit shareholders in the form of return on equity

The managers are willing to invest in companies that do not pay a dividend, but instead are deploying cash in ways that could lead to stronger earnings growth or dividend distributions in the future.

Searching for multiple ways to win

Recognizing that value investing requires a long-term perspective, the managers own stocks for an average of five years. They aim to avoid stocks that have binary outcomes — that is, "all or nothing" reward potential. Instead, they seek stocks that have multiple catalysts that could contribute to value matriculation at different times over the course of several years. The managers are also patient and meticulous about adding new holdings to the portfolio. Their approach is aimed at seeking performance consistency and durability, as well as mitigating risk.

> **"It is important to differentiate companies that can simply support a dividend from those that can grow that dividend."**

Darren Jaroch, CFA
Portfolio Manager

Portfolio construction grounded in rigorous risk management

The managers believe performance is driven by a combination of stock selection and risk management. For all Putnam investment teams, risk management is embedded in the portfolio construction process.

Building a stock-driven portfolio

The managers seek performance that is driven by individual stock selection rather than macroeconomic or style factors, which tend to be more volatile. They use a research-intensive approach focused on high-conviction ideas with support from Putnam's Equity Research team. With their stock-driven approach, they aim to outperform in all markets, including in periods of extreme market declines, market rebounds and changing interest-rate regimes.

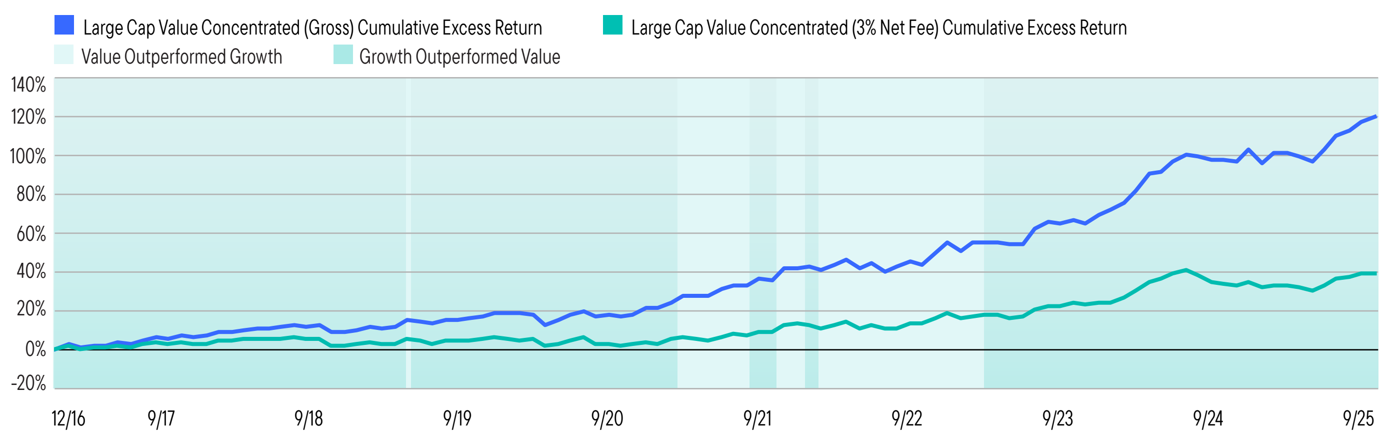
Preparing for external shocks

The managers use a number of proprietary tools to help manage risk. Their risk dashboard provides real-time data to continually analyze the portfolio's risk exposures. They also conduct regular stress tests to measure how a portfolio is expected to perform if subjected to certain market, macroeconomic or event stresses. Examples include severe declines in sectors or asset classes, commodity price volatility or unpredictable events like terrorist attacks or global financial crises.

Risk management that aims for outperformance in all markets

Putnam views risk management as a key driver of returns. It is not a separate function; it is a distinct step that occurs at the same time managers are determining allocations and building the portfolio. This risk discipline has helped the portfolio outperform in a variety of market environments.

Portfolio Has Historically Outperformed Regardless of Which Style Is in Favor



As of 9/30/25. **Past performance is not a guarantee of future results.** Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in US dollars and assume reinvestment of any dividends, interest income, capital gains or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3% is the maximum anticipated wrap fee for equity and balanced portfolios), which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

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

Calendar-Year Composite Performance (%) As of 9/30/25

	2024	2023	2022	2021	2020	2019	2018	2017
Gross	19.92	18.42	-2.19	35.25	3.88	32.54	-5.52	20.13
Net	16.47	15.01	-5.06	31.40	0.84	38.75	-8.29	16.68
Benchmark	14.37	11.46	-7.54	25.16	2.80	26.54	-8.27	13.66

Inception November 30, 2016.

Annualized Composite Performance (%) As of 9/30/25

	Q3	1-Year	3-Years	5-Years	Since inception*
Gross	6.50	13.84	23.22	20.69	15.17
Net	5.73	10.55	19.68	17.21	11.85
Benchmark	5.33	9.44	16.96	13.88	9.83

* Inception November 30, 2016.

Portfolio Characteristics As of 9/30/25

	Portfolio	Russell 1000 Value Index
Financial		
Projected 12-month P/E	16.65x	17.67x
Projected 5-year EPS growth rate	11.56%	8.70%
Dividend yield*	1.75%	1.92%
Historical 5-year DPS growth rate	8.91x	6.90x
Risk† (Gross of Fees)		
Beta	0.99	—
Tracking error	3.17	—
Information ratio	2.15	—
Up capture ratio	111.39	—
Down capture ratio	83.77	—
Other		
Number of holdings	45	870
Cash position	3.78	—
Portfolio turnover‡	18.61	—

*** Dividend yield is calculated without the deduction of fees and expenses.**
† Based on a simple regression of monthly gross returns for past five years versus the benchmark.
‡ Represents the portfolio's annual dollar.

Top 10 Portfolio Holdings (%) As of 9/30/25

Company	Portfolio	Benchmark	Industry
Citigroup	4.27	0.52	Banks
Walmart	3.83	1.39	Consumer Staples Distribution & Retail
Exxon Mobil	3.21	1.68	Oil, Gas & Consumable Fuels
Alphabet	3.01	3.13	Interactive Media & Services
Bank of America	3.00	1.10	Banks
Cisco Systems	2.97	0.94	Communications Equipment
Seagate Technology	2.92	0.00	Technology Hardware, Storage & Peripherals
American International Group	2.92	0.16	Insurance
McKesson	2.87	0.03	Health Care Providers & Services
Philip Morris International	2.81	0.87	Tobacco
Total	**31.81**	**9.81**	

Top 10 holdings represent 31.81% of the portfolio and will vary over time. The top net holdings included herein are for illustrative purposes only and should not be considered a recommendation to purchase or sell any particular security.

Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in US dollars and assume reinvestment of any dividends, interest income, capital gains or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model (3% is the maximum anticipated wrap fee for equity and balanced portfolios) "wrap fee" which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Past performance is not a guarantee of future results. To obtain specific information on available products and services or a GIPS® Report, contact your Franklin Templeton separately managed account sales team at (800) DIAL BEN/342-5236. Putnam Investments claims compliance with the Global Investment Performance Standards (GIPS®). GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Past performance is not a guarantee of future results. An investment in this strategy can lose value.

Unless otherwise noted, portfolio characteristics are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly, account characteristics may vary. The inclusion of holdings information should not be considered a recommendation or solicitation to purchase or sell the securities. The securities identified do not represent all the securities purchased, sold, or recommended for client accounts. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein.

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

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends.

P/E (year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (of fiscal year 1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk adjusted performance.

R-squared measures the strength of the linear relationship between a fund and its benchmark. R squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

The Russell 1000 Value Index measures the performance of the large cap value segment of the US equity universe. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges. Source: FTSE. Important data provider notices and terms available at www.franklintempletondatasources.com.

Not FDIC Insured | No Bank Guarantee | May Lose Value

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