

Putnam Focused Large Cap Growth ETF

PGRO

Commentary | as of March 31, 2026

Key Takeaways

- **Markets:** Large-cap growth stocks were weak during the first quarter, driven by underperforming technology stocks and geopolitical uncertainty.
- **Contributors:** Stock selection in industrials and information technology
- **Detractors:** Stock selection in health care and real estate
- **Outlook:** Over the balance of the year, we expect to see a number of stock-specific opportunities emerge and believe the portfolio is well-positioned for long-term growth..

Performance Review

- The strategy outperformed its benchmark, the Russell 1000 Growth Index. Stock selection drove relative outperformance, while sector allocations were modestly additive. Holdings in the industrials and information technology sectors drove relative outperformance, while those in the health care and real estate sectors offset some strength.
- Top contributors to relative performance included overweight positions in GE Vernova (industrials), Lam Research (information technology), and Caterpillar (industrials). Individual detractors included an overweight position in ServiceNow (information technology), an out-of-benchmark position in Capital One Financial (financials), and lack of exposure to KLA (information technology).
- Notable new positions added during the quarter include Costco (consumer staples), Caterpillar (industrials) and Hilton Worldwide (consumer discretionary). Notable eliminations included AppLovin (information technology) and Waste Connections (industrials).

Outlook

- There is ongoing discussion around broadening leadership in the growth universe, and we anticipate some degree of increased breadth going forward.
- Over the balance of the year, we expect to see a number of stock-specific opportunities emerge and believe the portfolio is well-positioned for long-term growth.
- Another area of focus in the market is expectations around several high-profile IPOs this year. We believe the initial weight in benchmarks like the Russell 1000 Growth will be quite small (under 10bps). While audited financials are not yet available, these companies have been closely followed and researched by our team. Any IPO participation decision will depend on fundamentals, industry analysis, and valuation-based risk-reward, as it would be for any other security under consideration.
- Potential headwinds for equities include worsening consumer sentiment, rising inflation, valuations, and ongoing geopolitical tensions. Strong equity returns are rarely realized in a straight line but rather are accompanied by high volatility. We expect no different in today's environment. It is important to remember that heightened volatility can bring ongoing risks but can also provide attractive opportunities for long-term, fundamental investors.
- While we remain vigilant on macroeconomic factors, our process is driven through a bottom-up stock selection process married with top-down growth themes. We continue to see structural tailwinds and exciting multiyear trends that we believe can drive sustained growth for many businesses.
- More broadly, we believe that innovation in the economy will come from traditional growth sectors in the next 5 years. These sectors include information technology, health care, consumer discretionary and industrials. These four sectors combined make up over 75% of the portfolio. Our goal, as always, is to anchor our process to the fundamentals of each business and to build a portfolio driven by the bottom-up work of our analyst team, rather than taking meaningful bets on factor or macroeconomic exposure..

Top Equity Issuers (% of Total)

Holding	Fund
NVIDIA	14.33
Apple	9.89
Microsoft	8.36
Broadcom	6.53
Alphabet	5.29
Amazon	4.62
Meta	4.51
Eli Lilly	3.99
Tesla	3.83
Mastercard	3.13

Average annual total returns and fund expenses (%) - as of March 31, 2026

Product	Ticker	Listed Exchange	3-Mo*	6-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	Inception	Gross Expenses	Net Expenses	Inception Date
Market Price Return	PGRO	NYSE Arca	-9.76	-9.34	-9.76	16.44	20.79	—	—	10.44	0.50	0.49	5/25/2021
NAV Returns	—	—	-9.66	-9.34	-9.66	16.30	20.78	—	—	10.44	0.50	0.49	5/25/2021
Benchmark	—	—	-9.78	-8.76	-9.78	18.81	21.18	—	—	12.00	—	—	—

*Cumulative total returns

Benchmark(s)

Benchmark = Russell 1000 Growth 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. An investor cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expense or sales charges. Returns for periods of less than one year are not annualized. For current month-end performance, please visit franklintempleton.com. Net Asset Value (NAV) returns are based on the NAV of the ETF; Market Price returns are based upon the official closing price of the ETF's shares. Returns are average annualized total returns, except for those periods of less than one year, which are cumulative. Market Price returns are calculated using the closing price as of 4 p.m. Eastern time on each trading day (when NAV is normally determined for most funds), and do not represent the returns you would receive if you traded shares at other times. Performance for the ETF and its benchmark index are as of the ETF's last trading day before the end of the period.

Gross expenses are the fund's total annual operating expenses as of the fund's prospectus available at the time of publication. Actual expenses may be higher and may impact portfolio returns. Net expenses reflect contractual fee waivers, expense caps and/or reimbursements, which cannot be terminated prior to 12/31/2026 without Board consent. Additional amounts may be voluntarily waived and/or reimbursed and may be modified or discontinued at any time without notice.

What are the Risks?

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. To the extent the portfolio invests in a concentration of certain securities, regions or industries, it is subject to increased volatility. The portfolio is **non-diversified** and may invest in a relatively small number of issuers, which may negatively impact the performance and result in greater fluctuation in value. 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

Effective September 15, 2025, the fund transitioned to a "transparent" ETF, disclosing its complete portfolio holdings daily and operating under Rule 6c-11 of the Investment Company Act of 1940. Effective July 1, 2025, the all-inclusive management fee decreased to 0.49%. Refer to the prospectus supplement for more 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.

ETFs and ETPs trade like stocks, fluctuate in market value and may trade at prices above or below the ETFs/ETPs net asset value. Brokerage commissions and ETF expenses will reduce returns. ETF/ETP shares may be bought or sold throughout the day at their market price, not their Net Asset Value (NAV), on the exchange on which they are listed. Shares of ETFs/ETPs are tradable on secondary markets and may trade either at a premium or a discount to their NAV on the secondary market. **Canada:** This content is intended only for Canadian institutional investors that qualify as "permitted clients" as defined in National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations. U.S. securities laws generally limit a non-U.S. fund's purchase of a U.S. registered mutual fund or ETF/ETP (a "U.S. Fund") to no more than 3% of the U.S. Fund's voting stock. You should consult your legal counsel prior to investing in a U.S. Fund.

The **Russell 1000 Growth Index** measures the performance of the large-cap growth segment of the U.S. equity universe.

Source: FTSE.

Holdings are provided for informational purposes only and should not be construed as a recommendation to purchase or sell any security.

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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.