



# **Putnam Focused Large Cap Value ETF**

# Commentary | as of September 30, 2025

## **Key Takeaways**

- Markets: US equity markets delivered gains for the third quarter, driven by optimism surrounding Federal Reserve rate
  cuts and technology sector strength.
- Contributors: Stock selection in information technology, health care, financials and industrials
- **Detractors:** Stock selection in materials and consumer staples
- Outlook: Economic growth and equity markets remain resilient, but we are mindful of the potential impact of tariffs on inflation and consumer spending.

### **Performance Review**

- For the quarter, the portfolio generated a positive return and outperformed its benchmark, the Russell 1000 Value Index.
   Stock selection drove performance while sector allocation decisions detracted modestly.
- Stock selection contributed most in the information technology, health care, financials, and industrials sectors. Relative
  weakness among stocks in the materials and consumer staples sectors provided a partial offset.
- From a sector allocation perspective, relative performance was hurt by an overweight to consumer staples, the weakest sector in the benchmark, and an underweight to communication services, the strongest sector in the benchmark.
- Top individual contributors to performance included an out-of-benchmark position in Seagate Technology (information technology) and overweight positions in Citigroup (financials), PulteGroup (consumer discretionary), General Motors (consumer discretionary), and Northrop Grumman (industrials).
- Detractors included overweight positions in American International Group (financials), Charter Communications (communication services), Philip Morris International (consumer staples), Freeport-McMoRan (materials), and BJ's Wholesale Club (consumer staples).

### **Outlook**

- US economic growth and equity markets remain resilient despite macroeconomic challenges. These include a softening labor market, a growing bifurcation of the consumer sector, and the formalization of some tariffs.
- The economy has yet to experience the full effects of tariffs and questions remain around a number of tariff proposals. We are mindful of the potential impact of tariffs on inflation and consumer spending in the months ahead.
- Based on the general direction of economic data, markets are optimistic about further interest-rate cuts from the Federal Reserve. However, we believe the data does not indicate a clear path forward and there is clearly some division among FOMC members.
- We continue to see uncertainty around Trump administration policies, several of which could have consequences for
  economic growth and investor confidence. At the same time, equity valuations are on the rich side of history, leaving stocks
  vulnerable to negative developments that are likely at this stage of the economic cycle.
- Corporate earnings have remained strong and are expected to continue to grow, albeit at a slower pace than previously
  anticipated. The implementation of meaningful tariffs could have a significant impact on earnings growth, stressing current
  expensive multiples.
- Financials make up a considerable portion of the value universe, and we are watching for proposals that could ease the regulatory burden on banks and boost long-term return potential for the sector.
- Although uncertainty remains, as value investors, we recognize that market disruptions can also present attractive investment opportunities.

# **Top Equity Issuers (% of Total)**

| Holding                      | Fund |
|------------------------------|------|
| Citigroup                    | 4.18 |
| Walmart                      | 3.85 |
| Exxon Mobil                  | 3.33 |
| Cisco Systems                | 3.04 |
| Seagate Technology Holdings  | 3.03 |
| Alphabet                     | 3.01 |
| McKesson                     | 2.98 |
| Bank of America              | 2.97 |
| American International Group | 2.91 |
| Philip Morris International  | 2.85 |

## Average annual total returns and fund expenses (%) - as of September 30, 2025

| Product             | Ticker | Listed Exchange | 3-Mo* | 6-Mo* | YTD*  | 1-Yr  | 3-Yr  | 5-Yr | 10-Yr | Inception | <b>Gross Expenses</b> | Net Expenses | Inception Date |
|---------------------|--------|-----------------|-------|-------|-------|-------|-------|------|-------|-----------|-----------------------|--------------|----------------|
| Market Price Return | PVAL   | NYSE Arca       | 6.55  | 12.90 | 15.82 | 13.77 | 23.04 | _    | _     | 14.30     | 0.56                  | 0.56         | 5/25/2021      |
| NAV Returns         | _      | _               | 6.34  | 12.73 | 15.61 | 13.45 | 22.93 | _    | _     | 14.21     | 0.56                  | 0.56         | 5/25/2021      |
| Benchmark           | _      | _               | 5.33  | 9.32  | 11.65 | 9.44  | 16.96 | _    | _     | 8.13      | _                     | _            | _              |

<sup>\*</sup>Cumulative total returns

### Benchmark(s)

Benchmark = Russell 1000 Value 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. Performance for the ETF and its benchmark index are as of the ETF's last trading day before the end of the period. Since shares of the Fund did not trade in the secondary market until after the Fund's inception, for the period from inception to the first day of secondary trading May 26, 2021, the NAV of the Fund is used as a proxy for the Market Price to calculate market returns.

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.

This ETF is different from traditional ETFs. Traditional ETFs tell the public what assets they hold each day. This ETF will not. This may create additional risks for your investment. For example:

- You may have to pay more money to trade the ETF's shares. This ETF will provide less information to traders, who tend to charge more for trades when they have less information.
- The price you pay to buy ETF shares on an exchange may not match the value of the ETF's portfolio. The same is true when you sell shares. These price differences may be greater for this ETF compared with other ETFs because it provides less information to traders.
- These additional risks may be even greater in bad or uncertain market conditions.
- The ETF will publish on its website each day a Tracking Basket designed to help trading in shares of the ETF. While the Tracking Basket includes some of the ETF's holdings, it is not the ETF's actual portfolio.

The differences between this ETF and other ETFs may also have advantages. By keeping certain information about the ETF secret, this ETF may face less risk that other traders can predict or copy its investment strategy. This may improve the ETF's performance. If other traders are able to copy or predict the ETF's investment strategy, however, this may hurt the ETF's performance.

## 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 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.

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 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. Source: FTSE.

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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.

