



Michael C. Petro, CFA
Portfolio Manager
(industry since 1999)

Objective

The fund seeks capital appreciation.

Morningstar category

Small Value

Lipper category

Small-Cap Value

Benchmark

Russell 2000 Value Index

Fund symbols

Class A	PSLAX
Class B	PSLBX
Class C	PSLCX
Class R	PSCRX
Class R6	PSCMX
Class Y	PYSVX

Net assets

\$229.24M

Number of holdings

111

Turnover

108%

Putnam Small Cap Value Fund

Pursuing capital appreciation through undervalued small companies

Small companies

Often overlooked by Wall Street analysts, the stocks of small companies can represent attractive opportunities.

Active value strategy

The portfolio manager seeks attractively valued companies with improving fundamentals or catalysts that may unlock value.

Rigorous research

The portfolio manager and a team of senior research analysts offer the collaboration of a boutique with the extensive resources of a large, global firm.

Top ten holdings

Unifi	1.98%
Vista Outdoor	1.77
Custom Truck One Source	1.58
Ibex Holdings	1.57
Newpark Resources	1.44
Magnolia Oil Gas	1.35
Oriental Financial Group	1.32
Tronox Holdings	1.31
Lakeland Bancorp	1.30
Brookdale Senior Living	1.28

Holdings represent 14.90% of the portfolio and will vary over time.

Sector weightings

	Underweight	Overweight	Portfolio	Benchmark
Materials		4.0	10.3%	6.3%
Information technology		3.5	9.1	5.6
Energy		1.0	5.9	4.9
Communication services		0.9	3.5	2.6
Financials		0.6	27.7	27.1
Industrials		0.5	17.7	17.2
Health care	-1.2		5.2	6.4
Utilities	-1.4		2.5	3.9
Consumer staples	-2.5		1.0	3.5
Consumer discretionary	-2.7		11.5	14.2
Real estate	-3.2		5.1	8.3

Cash and net other assets represent 0.4% of the portfolio.

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

The unclassified sector, where applicable, includes exchange traded funds and other securities not able to be classified by sector

Risk

Y share (as of 3/31/21)

Beta

1.10

Tracking error

5.39%

Up capture ratio

100.25%

Down capture ratio

105.38%

The Russell 2000 Value Index is an unmanaged index of those companies in the small-cap Russell 2000 Index chosen for their value orientation. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell® is a trademark of Frank Russell Company. You cannot invest directly in an index.

Capture ratios are used to evaluate how well an investment manager performed relative to an index during specific periods (periods of positive return in the case of up capture, negative return in the case of down capture). The ratio is calculated by dividing the manager's returns by the returns of the index during the period and multiplying that factor by 100. **Turnover** is the rate at which the fund buys and sells securities each year. For example, if a fund's assets total \$100 million and the fund bought and sold \$100 million of securities that year, its portfolio turnover rate would be 100%. **Beta** is defined as a fund's sensitivity to market movements and is used to evaluate market related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Risk statistics are measured using a 5-year regression analysis. For funds with shorter track records, Since Inception analysis is used. **Tracking error** assesses how closely a fund's performance tracks that of the fund's benchmark by calculating the standard deviation of the difference between the fund's returns and its benchmark returns over a given time period, typically 5 years.

Not all share classes are available on all platforms.

**Not FDIC insured
May lose value
No bank guarantee**

Morningstar rankings

(Y shares, based on total return)

1 year	19% (61/428)
3 years	40% (175/402)
5 years	36% (134/372)
10 years	37% (92/269)

Total expense ratio

(Y shares)

1.31%

(A shares)

1.56%

Market-cap breakdown

Over \$5B	8.00%
\$3B-\$5B	14.77%
\$1B-\$3B	35.38%
\$500M-\$1B	25.98%
Less than \$500M	15.44%
Cash and other assets	0.43%

“Cash and other assets” includes cash, short-term securities, ETFs, bonds excluding convertible bonds, and other securities not able to be classified by market capitalization.

Annual performance (all distributions reinvested)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Y shares at net asset value	17.2%	38.3%	3.7%	-3.6%	26.9%	8.1%	-19.5%	24.2%	3.8%	23.7%
A shares before sales charge	17.0	38.0	3.5	-3.9	26.6	7.9	-19.8	23.9	3.6	23.7
Benchmark	18.1	34.5	4.2	-7.5	31.7	7.8	-12.9	22.4	4.6	21.2

Annualized total return performance

	1 year	3 years	5 years	10 years	Life of fund
Y shares (Inception 1/3/01)	116.08%	10.16%	12.26%	9.74%	9.83%
A shares (Inception 4/13/99) before sales charge	115.63	9.88	11.99	9.48	9.57
A shares after sales charge	103.23	7.74	10.67	8.83	9.28
Benchmark	97.05	11.57	13.56	10.06	10.06

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance of class A and Y shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns for class A reflect a maximum 5.75% load. Returns for class Y shares prior to their inception are derived from the historical performance of class A shares, which have not been adjusted for their lower expenses; had they, returns would have been higher. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit putnam.com.

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.

Consider these risks before investing: Investments in small and/or midsize companies increase the risk of greater price fluctuations. Value stocks may fail to rebound, and the market may not favor value-style investing. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. These risks are generally greater for small and midsize companies. From time to time, the fund may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the fund more vulnerable to adverse developments affecting those industries or sectors. Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

Request a prospectus or a summary prospectus, if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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Putnam Retail Management
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