



The fund received a 4-star Overall Morningstar Rating as of 6/30/23 among 1,117 funds in the Large Growth category (Y shares, based on risk-adjusted returns)



**Katherine Collins, CFA, MTS**  
Portfolio Manager  
(industry since 1990)



**Stephanie Dobson**  
Portfolio Manager  
(industry since 2011)

**Objective**

The fund seeks long-term capital appreciation.

**Morningstar category**

Large Growth

**Lipper category**

Large-Cap Core

**Primary benchmark**

S&P 500 Index

**Secondary benchmark**

Putnam Sustainable Leaders Linked Benchmark

**Fund symbols**

Class A	PNOPX
Class B	PNOBX
Class C	PNOCX
Class R	PNORX
Class R6	PSLGX
Class Y	PNOYX

**Net assets**

\$5,447.39M

**Number of holdings**

55

**Turnover**

32%

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

# Putnam Sustainable Leaders Fund

Investing in sustainability leadership

**Leadership focus**

Invests in companies that have demonstrated leadership in key sustainability issues that are financially material to their business context

**Active research process**

Integrates relevant and forward-looking sustainability analysis with high-quality fundamental research to drive investment decisions

**Integrated, experienced team**

Managed by dedicated and experienced sustainable investing team embedded within Putnam's equity research and quantitative/risk analysis groups

**Top 10 holdings**

Microsoft	8.78%
Apple	8.21
NVIDIA	4.01
Amazon	3.80
Eli Lilly	2.94
Walmart	2.60
UnitedHealth	2.56
Salesforce	2.39
Visa	2.27
Ingersoll Rand	2.21

Holdings represent 39.77% of the portfolio and will vary over time.

**Sector weightings**

	Underweight	Overweight	Portfolio	Primary benchmark
Information technology		4.6	32.9%	28.3%
Health care		2.6	16.0	13.4
Consumer staples		1.8	8.5	6.7
Materials		1.7	4.2	2.5
Consumer discretionary		1.3	12.0	10.7
Real estate		0.6	3.1	2.5
Utilities		0.5	3.1	2.6
Industrials	-2.8		5.7	8.5
Financials	-4.0		8.4	12.4
Energy	-4.1		0.0	4.1
Communication services	-6.3		2.1	8.4

Cash and net other assets represent 4.1% 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 shares, as of 6/30/23)**

Beta	0.98
Tracking error	3.66%
Up capture ratio	99.29%
Down capture ratio	98.86%

**Top active weights**

Top 5 overweights	Portfolio	Primary benchmark	Over/under
Ingersoll Rand	2.2%	0.1%	2.1%
Hilton Worldwide	2.1	0.1	2.0
Walmart	2.6	0.6	2.0
Microsoft	8.8	6.8	2.0
Roper Technologies	2.1	0.1	2.0

Top 5 underweights	Portfolio	Primary benchmark	Over/under
Alphabet	0.0%	3.6%	-3.6%
Tesla	0.0	1.9	-1.9
Meta Platforms	0.0	1.7	-1.7
Berkshire Hathaway	0.0	1.6	-1.6
Exxon Mobil	0.0	1.2	-1.2

**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.

**Total expense ratio**(Y shares)  
0.74%(A shares)  
0.99%**Adjustable management fee examples**

(Y shares, based on performance versus benchmark)

Base fee 0.55%

Higher fee after 1% outperformance 0.58%

Lower fee after 1% underperformance 0.52%

Maximum performance adjustment +/-0.12%

**Annual performance (all distributions reinvested)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD
Y shares at net asset value	13.64%	-0.16%	7.91%	29.39%	-0.65%	36.17%	28.84%	23.56%	-22.59%	15.25%
A shares before sales charge	13.35	-0.40	7.65	29.05	-0.90	35.83	28.50	23.26	-22.79	15.12
Primary benchmark	13.69	1.38	11.96	21.83	-4.38	31.49	18.40	28.71	-18.11	16.89
Secondary benchmark	12.44	5.09	7.39	29.59	-2.12	35.64	18.40	28.71	-18.11	16.89

**Annualized total return performance**

	Q2	1 year	3 years	5 years	10 years
Y shares (Inception 7/19/94)	8.30%	19.62%	10.85%	12.36%	14.05%
A shares (Inception 8/31/90) before sales charge	8.23	19.33	10.57	12.08	13.77
A shares after sales charge	2.01	12.47	8.41	10.76	13.10
Primary benchmark	8.74	19.59	14.60	12.31	12.86
Secondary benchmark	8.74	19.59	14.60	12.51	14.31

**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.**

The S&P 500® Index is an unmanaged index of common stock performance. The Putnam Sustainable Leaders Linked Benchmark represents the performance of the Russell 3000® Growth Index through July 31, 2019, and the performance of the S&P 500® Index thereafter. 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.

Because the dollar amount of the monthly performance fee adjustment is based on the fund's average assets during the rolling performance period, the amount of any dollar adjustment as a percentage of a fund's current assets could exceed the "maximum annualized performance adjustment rates." Performance fee adjustments will not commence until a fund has been operating under a shareholder-approved management contract with a performance fee adjustment for at least 12 months.

**Consider these risks before 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.

Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-style investing. Investments in small and midsize companies increase the risk of greater price fluctuations. International investing involves currency, economic, and political risks. Emerging market securities have illiquidity and volatility risks.

Investing with a focus on companies that exhibit a commitment to sustainable business practices may result in the fund investing in certain types of companies, industries, or sectors that underperform the market as a whole. 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. The technology industries may be significantly affected by technological obsolescence, short product cycles, falling prices and profits, competitive pressures, and general market conditions. In evaluating an investment opportunity, we may make investment decisions based on information and data that is incomplete or inaccurate. In addition, a company's business practices, products, or services may change over time. As a result of these possibilities, among others, the fund may temporarily hold securities that are inconsistent with the fund's sustainable investment criteria.

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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