



The fund received a 4-star Overall Morningstar Rating as of 9/30/20 among 1,129 funds in the Large Value category (Y shares, based on risk-adjusted returns)



**Darren A. Jaroch, CFA**  
Portfolio Manager  
(industry since 1996)



**Lauren B. DeMore, CFA**  
Assistant Portfolio Manager  
(industry since 2002)

**Objective**

The fund seeks capital growth and current income.

**Morningstar category**

Large Value

**Lipper category**

Equity Income

**Fund symbols**

Class A	PEYAX
Class B	PEQNX
Class C	PEQCX
Class R	PEQRX
Class R6	PEQSX
Class Y	PEIYX

**Number of holdings**

87

**Net assets**

\$11,969.27M

**Dividend frequency**

Quarterly

**Current allocation**

Equities	96.93%
Cash and other net assets	3.07%

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

# Putnam Equity Income Fund (PEIYX)

A multidimensional approach that defines value on a daily basis

**A large-value focus**

The fund focuses on large companies whose stocks are priced below their long-term potential, and where there may be a catalyst for positive change.

**Dividend growth**

The fund places a distinct emphasis on companies that can grow their dividends and are able and willing to return cash to shareholders.

**A disciplined process**

The portfolio managers invest using fundamental research and quantitative tools supported by strong risk controls in portfolio construction.

**Top ten holdings**

Microsoft	3.40%
Walmart	3.34
Bank of America	2.80
JPMorgan Chase	2.75
Citigroup	2.38
Johnson & Johnson	2.29
Fidelity National Information Services	2.18
Northrop Grumman	2.01
Charter Communications	1.99
American Tower	1.86

Holdings represent 25.00% of the portfolio and will vary over time.

**Sector weightings**

	Fund	Russell 1000 Value Index
Financials	16.5%	18.1%
Health care	16.4	14.3
Industrials	11.3	13.1
Consumer staples	9.8	8.4
Information technology	9.7	9.7
Materials	6.8	4.7
Consumer discretionary	6.8	7.6
Communication services	6.4	9.6
Utilities	4.9	6.0
Energy	4.6	4.0
Real estate	3.6	4.6

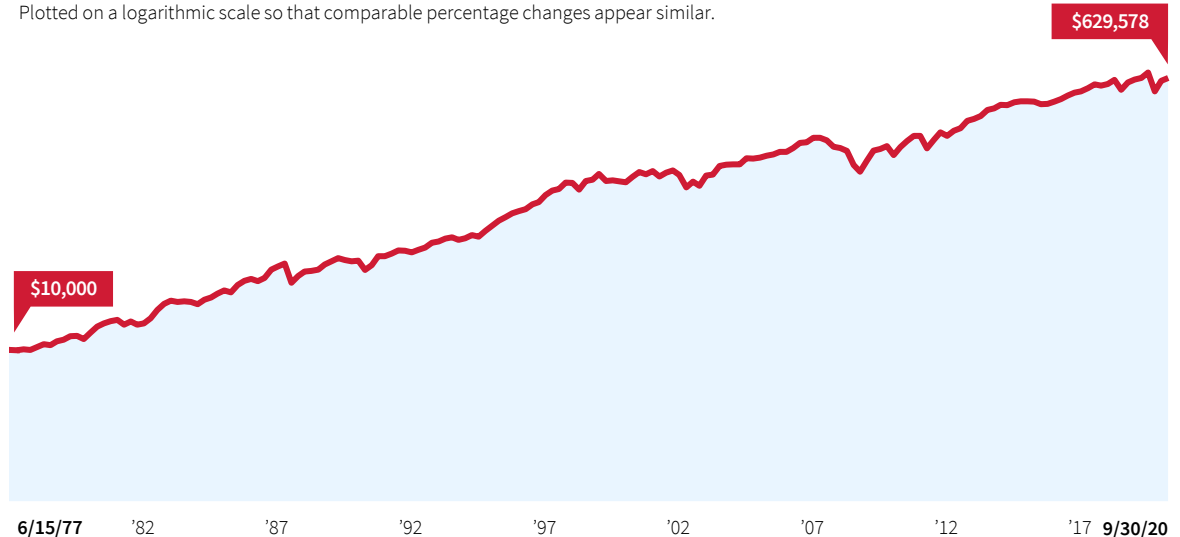
Cash and net other assets represent 3.1% of the portfolio.

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

**Growth of a \$10,000 investment**

The fund has returned an average of 10.0% annually since inception.

Plotted on a logarithmic scale so that comparable percentage changes appear similar.



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 Y shares assumes reinvestment of distributions and does not account for taxes. 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. Performance for class Y shares prior to their inception is derived from the historical performance of class A shares (inception 6/15/77), which have not been adjusted for the lower expenses; had they, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

**Morningstar rankings**

(Y shares, based on total return)

1 year	23% (223/1205)
3 years	20% (185/1129)
5 years	21% (172/992)
10 years	9% (42/716)

**Total expense ratio**

(Y shares)

0.66%

**Market-cap breakdown**

Over \$95B	43.08%
\$22B–\$95B	37.88%
\$4.7B–\$22B	14.30%
\$1.5B–\$4.7B	1.66%
Less than \$1.5B	0.00%
Cash and other assets	3.07%

“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.

**Beta**

0.97

**30-day SEC yield**

1.89%

**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.

The Russell 1000 Value Index is an unmanaged index of those companies in the large-cap Russell 1000 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.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management  
FS020\_Y 323486 10/20

**Annual performance at net asset value (all distributions reinvested)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD
Y shares	2.0%	19.3%	31.9%	12.7%	-2.9%	13.8%	19.0%	-8.1%	30.2%	-8.2%
Russell 1000 Value Index	0.4	17.5	32.5	13.5	-3.8	17.3	13.7	-8.3	26.5	-11.6

**Annualized total return performance**

Inception 10/1/98	Class Y shares	Russell 1000 Value Index
1 year	-0.08%	-5.03%
3 years	5.33	2.63
5 years	9.15	7.66
10 years	11.10	9.95
Life of fund	10.04	—

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**Highlights of five-year performance periods (6/15/77–9/30/20)\***

Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
21.69%	6/30/99	-2.12%	3/31/09	10.43%	98%	151	3

\* Based on annualized returns for quarterly rolling periods.

The Morningstar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam Equity Income Fund received 4, 4, and 4 stars for the 3-, 5-, and 10-year periods among 1,129, 992, and 716 Large Value funds, respectively.

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.

Not all share classes are available on all platforms.

**Consider these risks before investing:** Value stocks may fail to rebound, and the market may not favor value-style investing. Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests. 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. 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.**