Q1 | 2024

Stable Value Fund (50 bps management fee)

FRANKLIN TEMPLETON

OBJECTIVE

To preserve principal and achieve high current income through a diversified portfolio of high-quality investment contracts.

INVESTMENT THEMES

- Liquidity, stability, and consistency are essential to the portfolio construction process, which emphasizes diversifying the sources of returns, industries, and issuers within the portfolio
- Utilizes the full opportunity set within the stable value universe, including cash alternatives, GICs, managed synthetics, and constant duration synthetics

PERFORMANCE

Putnam Stable Value Fund (as of March 31, 2024)

Annualized	(%)	ICE BofA U.S. 3-Month Treasury Bill Index
Q1	0.85	1.29
1 year	3.29	5.24
3 years	2.51	2.58
5 years	2.37	2.02
10 years	2.01	1.38

Periods less than one year are not annualized.
Data is historical. Past performance is not a guarantee of future results. More recent returns may be higher or lower than those shown. Investment returns and principal value will fluctuate and you may have a gain or a loss when you sell your shares. All performance is shown net of fees. For the most recent month end performance information please contact Putnam Investments.
ICE BofA U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace. You cannot invest directly in an index.

Portfolio characteristics

Inception date	February 28, 1991
Total portfolio assets	$16.3B
Total strategy assets	$17.6B
Net crediting rate	3.53%
Market/book value	94.57%
Effective duration	3.01
Weighted average maturity*	3.92

Portfolio issuers

Synthetic wrap providers	**75.2%**
Transamerica Life	16.2%
Mass Mutual	13.7%
Pacific Life	13.6%
Prudential Life	9.3%
Metropolitan Life	6.1%
American United Life	6.1%
American General Life	5.9%
New York Life	4.1%
Traditional GIC issuers	**23.1%**
Principal Life	7.4%
United of Omaha	5.5%
Metropolitan Life	4.3%
Jackson National Life	2.6%
Minnesota Life	1.7%
Lincoln National Life	1.6%
Net cash	**1.7%**
Putnam Money Market Portfolio	1.7%
Percent of portfolio	**100.0%**

PERFORMANCE

- During the first quarter Putnam Stable Value Fund posted positive absolute returns but as expected, underperformed its benchmark for the period with the continued inversion of the yield curve. We expect the inversion to persist until the Federal Reserve pivots to a rate cutting regime and money market rates fall in response.
- Our two underlying synthetic strategies outperformed their respective benchmarks during the quarter.
- Mortgage credit strategies were a notable contributor primarily driven by the fund’s exposure to commercial mortgage credit.
- CMBS spreads rallied across the capital structure to start the year, supported by increased capital market activity and strong demand, particularly among mezzanine tranches. While the market adjusted to higher-for-longer interest rates amid persistent inflation, long-term rates remain well below the October peak, which has benefited commercial borrowers.
- Corporate credit strategies were another notable contributor to relative performance, namely our investment grade (IG) and collateralized loan obligation (CLO) holdings. Healthy market dynamics and supportive macroeconomic data have helped keep IG spread volatility subdued and fundamentals have largely been better than feared.
- Finally, exposure to traditional GICs (which are not sensitive to interest rate movements) continued to provide a measure of stability and positive returns for the fund.

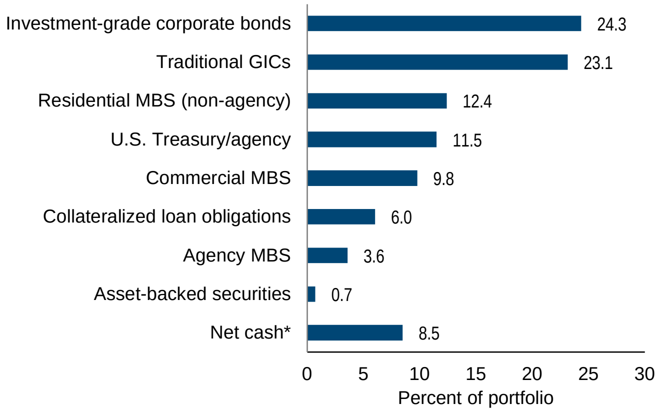
OUTLOOK

- Overall, broad positioning within the Putnam Stable Value strategy remains focused on liquidity, diversification, and preservation of principal. We believe that these priorities provide the Fund with the foundation to perform consistently in all types of market environments.
- Within investment-grade corporate credit, healthy market technicals and supportive macroeconomic data have kept spread volatility low. With that backdrop, we continue to seek out and find pockets of idiosyncratic opportunity but maintain our cautious view on IG credit over the intermediate term.
- Within commercial mortgage credit, the market continues to face meaningful headwinds and increased risks including higher-for-longer interest rates, tighter credit conditions, more conservative cash flow projections, and concerns surrounding the office sector.
- Within residential mortgage credit markets, U.S. homeowner balance sheets remain well positioned, supported by the combination of locked-in ultra-low mortgage rates and the very high home price appreciation they have experienced in recent years.
- We expect prepayment speeds to be stable in the short- and medium-term with most existing borrowers “out-of-the-money” given current mortgage interest rates. We find long-term value in agency mortgages with a preference for lower- and higher-end coupons.
- We believe senior AAA-rated CLOs remain attractive from a risk-adjusted return perspective and have attractive liquidity characteristics relative to other available options in unsecured and secured high grade sectors.
- In the Traditional GIC sector, A and AA contracts maturing between 3-5 years remain an important, long-term structural component of the portfolio. We remain more tactical in adding exposure given the yield curve inversion which continues to provide high rates on cash-like instruments. With that said, current spreads offered in the GIC market are wider versus insurance sector spreads in the unsecured market, despite the fact that GICs are higher in the capital structure. This spread anomaly remains a market inefficiency that we will continue to take advantage of within the Fund.

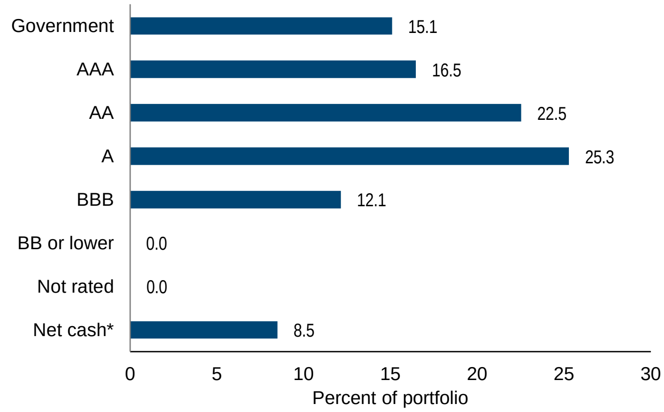
* Calculation indicates value at the security level.
Due to rounding, percentages may not equal 100%.

The views expressed herein are exclusively those of the portfolio manager as of the end of the period covered, and are subject to change without notice. It is not intended to provide investment advice, and should not be considered the primary basis on which you make these decisions.
Holdings and sectors will vary over time. This is not an offer to sell or a recommendation to buy any individual security.

Sector allocation



Quality



Due to rounding, percentages may not equal 100%.
** Total Net cash shown within the Sector & Quality distributions reflects total cash, including wrapped cash and cash held outside of managed strategies. Net cash in the Portfolio Structure distribution only reflects unwrapped cash held for daily portfolio activity.*
Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, Fitch, and DBRS. Short-term cash bonds rated A-1+ are included in the AAA-rating category. Ratings and portfolio credit quality will vary over time. The fund itself has not been rated by an independent rating agency.
Plan Sponsors whose plans are invested in the Stable Value Fund and would like additional information on the fund's investments, including certain monthly information, can contact Putnam Investments. Selected monthly information is also available on Putnam's website in the "Monthly Portfolio Characteristics". Other parties, such as prospective investors, may also obtain information about the Fund's investments at Putnam's discretion.

Calendar year performance (%)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Stable Value Fund (@ 50 bps)	3.07	2.13	1.95	2.18	2.19	1.99	1.69	1.47	1.49	1.46
ICE BofA U.S. 3-Month Treasury Bill Index	5.01	1.46	0.05	0.67	2.28	1.87	0.86	0.33	0.05	0.03

Periods less than one year are not annualized.
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Expense information as of fiscal year-end

Fiscal year-end	12/31/23
Management fee	0.50%
Wrap fee*	0.11%
Other/Administrative fee	0.01%
Total expense ratio	0.62%
CUSIP	74686Q405

*Wrap fees are calculated based on total synthetic wrap fees (in dollars) divided by the Fund's average assets. Synthetic wrap contracts account for only a part of the overall portfolio. As a result, the Fund's blended expense is 0.12% for the twelve-month period ended December 31, 2023, although the average wrap fee, on a contract basis, is higher. For example, if the Fund had half its assets in synthetic wrap contracts over the period, and the contracts had wrap fees of 0.20%, the Fund's reported wrap fees would be 0.10% of assets. Current wrap fees may be higher than the fees shown. Implicit expenses associated with traditional guaranteed investment contracts and other portfolio investments that do not charge an explicit wrap fee are not included in the table, but are reflected in the Fund's performance and crediting rate. The fund (or any other fund in which it invests) also bears its other operating expenses, such as custody, middle office services and accounting fees, audit fees, legal expenses and any other miscellaneous expenses.

Please note that the expense information above is calculated in accordance with Department of Labor requirements, which require that wrap fees be reflected as a separate expense item. Expense information in the Fund's annual report, which is prepared under U.S. general accounting principles, does not reflect these fees, and will differ as a result.

Consider these risks before investing: The fund seeks capital preservation, but there can be no assurances that it will achieve this goal. The fund's returns will fluctuate with interest rates and market conditions. The fund is not insured or guaranteed by any governmental agency. Funds that invest in bonds are subject to certain risks including interest-rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short term bonds. Unlike bonds, bond funds have ongoing fees and expenses.

Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk. The use of derivatives involves additional risks, such as the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. The fund may be exposed to risks associated with the providers of any wrap contracts (synthetic GICs) covering with the fund's assets, including credit risk and capacity risk.

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.

Average Effective Duration
Average effective duration provides a measure of a fund's interest-rate sensitivity. In general, the longer a fund's duration, the more sensitive the fund is to shifts in interest rates. The relationship among funds with different durations is straightforward: A fund with duration of 10 years is expected to be twice as volatile as a fund with a five-year duration. Duration also gives an indication of how a fund's net asset value (NAV) will change as interest rates change. A fund with a five-year duration would be expected to lose 5% of its NAV if interest rates rose by 1 percentage point, or gain 5% if interest rates fell by 1 percentage point.

Weighted Average Maturity
Weighted average maturity is a calculation of the average time that securities in a fixed-income fund will come due. Average maturity takes into account mortgage payments in mortgage-backed securities, adjustable coupons on bonds, and puts. Call provisions are not included.

Crediting Rate
The weighted average net interest rate of all of the fund's investments (including cash) as of period end. This rate is quoted net of all fees, including investment management fees.

The fund is a collective trust managed and distributed by Putnam Fiduciary Trust Company, LLC ("PFTC"), a non-depository New Hampshire trust company. However, it is not FDIC insured; is not a deposit or other obligation of, and is not guaranteed by, PFTC or any of its affiliates. The fund is not a mutual fund registered under the Investment Company Act of 1940, and its units are not registered under the Securities Act of 1933. The fund is only available for investment by eligible, qualified retirement plan trusts, as defined in the declaration of trust and participation agreement.

To request the offering document for the fund visit Putnam.com. The offering document includes investment objective, risks, charges, expenses and other information that you should read and consider carefully before investing.

Putnam Fiduciary Trust Company, Putnam Retail Management, LP and Putnam Investments are Franklin Templeton companies.

Securities offered by Putnam Retail Management.

For informational purposes only. Not an investment recommendation.

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

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