

Objective

The fund seeks as high a level of current income as Putnam Management believes is consistent with preservation of capital.

Portfolio Managers

Michael V. Salm

(industry since 1989)

Jatin Misra PhD, CFA

(industry since 2004)

Current unit value

Class IA: \$9.28

Class IB: \$9.27

Credit qualities are shown as a percentage of the fund's 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, and Fitch. To-be-announced (TBA) mortgage commitments, if any, are included based on their issuer ratings. Ratings may vary over time. Cash, derivative instruments, and net other assets are shown in the not-rated category. Payables and receivables for TBA mortgage commitments are included in the not-rated category and may result in negative weights. **The fund itself has not been rated by an independent rating agency.**

Putnam VT Mortgage Securities Fund*

Seeking opportunities throughout the universe of mortgage-related bonds

Broad securitized opportunities

The fund invests in multiple mortgage sectors, including agency MBS and CMOs, non-agency RMBS and CMBS, and ABS.

Higher potential returns

By investing in mortgage-backed bonds, the fund can offer the potential for higher returns than an investment strategy focused only on agency MBS.

Leading research

The fund's portfolio managers use proprietary models to assist in the evaluation of mortgage-backed bonds and to manage the fund's interest-rate risk.

Diversification across bond market sectors

Agency pass-through	88.4%
Agency CMO	42.4
Commercial MBS	38.0
Residential MBS (non-agency)	17.6
Asset-backed securities (ABS)	0.2
Net cash	9.9

Allocations will vary over time.

Allocations may not total 100% of net assets because the table includes the notional value of derivatives (the economic value for purposes of calculating periodic payment obligations), in addition to the market value of securities.

Maturity breakdown

0 to 1 year	-49.5%
1 to 5 years	18.8
5 to 10 years	117.3
10 to 15 years	13.4

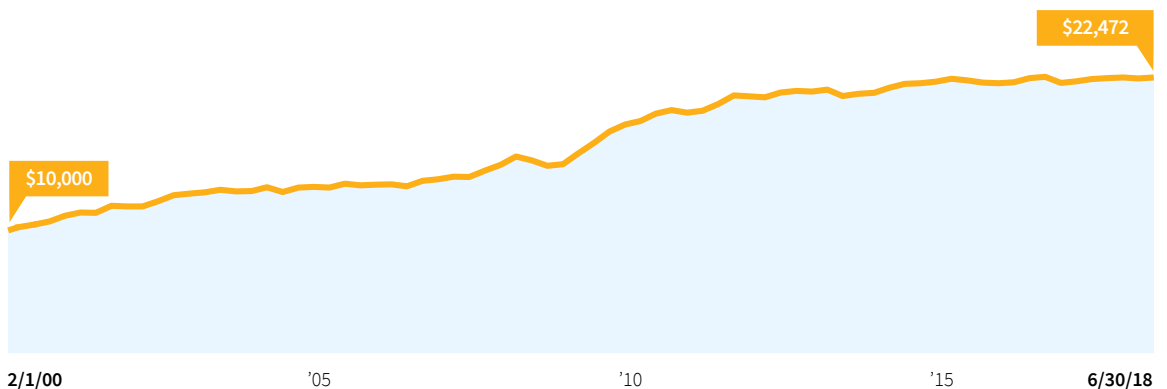
Portfolio quality

AAA	133.8%
A	8.8
BBB	3.3
BB	1.8
B	6.8
CCC and below	2.2
Not rated	-56.7

Holdings represent 100% of the portfolio and will vary over time

Growth of a \$10,000 investment

The fund has returned an average of 4.5% annually since inception. (Class IB)



* Prior to April 30, 2018, the fund was known as Putnam VT American Government Income Fund.

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

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. All total return figures are at net asset value. The charges and expenses of the insurance company separate account level are not reflected. Performance for class IB shares for periods prior to their inception is based on class IA shares, adjusted to reflect the fees paid by class IB shares including a 12b-1 fee of 0.25%. To obtain the most recent month-end performance, contact your variable annuity provider, who has more information about their variable annuity and variable life products that invest in Putnam managed products. For a portion of the period, this fund limited expenses, without which returns would have been lower.

Lipper rankings

(1B shares)

1 year	9% (5/57)
3 years	83% (47/56)
5 years	45% (24/53)
10 years	21% (9/43)

Category:

VP (Underlying funds)—
General U.S. government
funds**Number of holdings**

629

Net assets

\$59.83M

Average effective duration

5.32

Average effective duration

provides a measure of a fund's interest-rate sensitivity. The longer a fund's duration, the more sensitive the fund is to shifts in interest rates.

For informational purposes only. Not an investment recommendation.

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Putnam Retail Management
FS038_VT 312342 8/18

Annual performance at net asset value (all distributions reinvested)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 YTD
Class IA	21.4%	5.3%	7.1%	2.2%	-0.2%	4.5%	-0.3%	0.4%	2.3%	0.1%
Class IB	21.0	5.2	6.8	1.9	-0.5	4.3	-0.7	0.2	2.0	0.1
BBG Barclays U.S. MBS Index	5.9	5.4	6.2	2.6	-1.4	6.1	1.5	1.7	2.5	-0.9
BBG Barclays Government Bond Index	-2.2	5.5	9.0	2.0	-2.6	4.9	0.9	1.1	2.3	-1.3

Annualized total return performance

	Class IA (2/1/00) NAV	Class IB (2/1/00) NAV	BBG Barclays U.S. MBS Index	BBG Barclays Government Bond Index
1 year	0.87%	0.60%	0.15%	-0.84%
3 years	0.61	0.40	1.46	0.94
5 years	1.63	1.39	2.25	1.43
10 years	3.90	3.64	3.54	2.89
Life of fund	4.74	4.49	4.80	4.48

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As of April 30, 2018, the Bloomberg Barclays U.S. MBS Index replaced the Bloomberg Barclays Government Bond Index as the benchmark for this fund because, in Putnam Investment Management, LLC's opinion, the securities tracked by this index more accurately reflect the types of securities that generally will be held by the fund. The Bloomberg Barclays U.S. MBS Index covers the mortgage-backed pass-through securities of GinnieMae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The Bloomberg (BBG) Barclays Government Bond Index is an unmanaged index of U.S. Treasury and government agency bonds. You cannot invest directly in an index.

Lipper rankings for class IB shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Lipper. Variable annuities are long-term investment vehicles intended for retirement planning. Annuities have insurance related charges and tax considerations, and are offered by contract only.

Not all share classes are available on all platforms.

Consider these risks before investing: Funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value less than other bonds when interest rates decline and decline in value more than other bonds when interest rates rise. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Risks associated with derivatives include increased investment exposure (which may be considered leverage) and, in the case of over-the-counter instruments, the potential inability to terminate or sell derivatives positions and the potential failure of the other party to the instrument to meet its obligations. Unlike bonds, funds that invest in bonds have fees and expenses. Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to periods of increased volatility and reduced liquidity in the fund's portfolio holdings. You can lose money by investing in the fund.

Your clients should carefully consider the investment objective, risks, charges, and expenses of a fund before investing. For a prospectus containing this and other information for any variable annuity or variable life product that invests in Putnam managed products, call the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.