



William J. Monroe, CFA
Portfolio Manager
(industry since 1996)

Objective

The fund seeks capital appreciation.

Morningstar category

Small Growth

Lipper category

VP (Underlying Funds)—
Small-Cap Growth Funds

Current unit value

Class IA: \$22.13
Class IB: \$21.65

Number of holdings

89

Net assets

\$37.50M

Putnam VT Small Cap Growth Fund

Seeking to capitalize on growing small companies

Small companies

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

A focus on growth

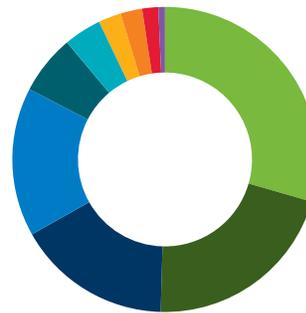
Small companies tend to be flexible and innovative, and can often expand their earnings at faster rates than larger companies.

A disciplined process

The portfolio manager uses a disciplined bottom-up fundamental investment process that focuses on quality and growth.

Diversification across market sectors

● Health care	29.5%
● Information technology	21.0
● Industrials	16.4
● Consumer discretionary	15.8
● Financials	6.3
● Communication services	4.0
● Consumer staples	2.4
● Real estate	2.3
● Materials	1.7
● Cash and other net assets	0.7



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.

Top ten holdings

- Inmode
- R1 RCM
- TFI International
- Entegris
- Medpace Holdings
- Hamilton Lane
- Five Below
- Conmed
- Adapthealth
- Boot Barn Holdings

Holdings represent 21.2% of the portfolio and will vary over time.

Growth of a \$10,000 investment

The fund has returned an average of 11.4% annually since inception. (Class IB)



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. 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.

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

Morningstar rankings

(1B shares)	
1 year	62% (49/79)
3 years	36% (27/76)
5 years	69% (52/76)
10 years	85% (55/66)

Market-cap breakdown

Over \$10B	13.01%
\$5B-\$10B	38.52%
\$3B-\$5B	28.73%
\$1B-\$3B	17.44%
Less than \$1B	1.61%
Cash and other assets	0.70%

"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

0.86

Price to earnings

48.49

Projected 5-yr EPS growth

18.47

Annual performance at net asset value (all distributions reinvested)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD
Class IA	14.7%	34.3%	7.4%	-7.4%	15.8%	8.3%	-13.6%	37.7%	48.8%	3.2%
Class IB	14.4	34.1	7.1	-7.6	15.5	7.9	-13.8	37.5	48.4	3.2
Russell 2000 Growth Index	14.6	43.3	5.6	-1.4	11.3	22.2	-9.3	28.5	34.6	4.9

Annualized total return performance

	Class IA NAV Inception 5/1/03	Class IB NAV Inception 5/1/03	Russell 2000 Growth Index
1 year	86.84%	86.44%	90.20%
3 years	21.95	21.66	17.16
5 years	18.11	17.82	18.61
10 years	11.61	11.33	13.02
Life of fund	11.70	11.42	12.37

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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.

Morningstar 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 Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

Earnings per share (EPS) is found by taking the net income and dividing it by the basic or diluted number of shares outstanding, as reported. You can also take "expected" earnings for the current year or for future years to calculate other P/E ratios. The **price-earnings ratio** of a firm's common stock is calculated as the current stock price divided by projected earnings per share for the coming year. The projections used are based on street consensus estimates provided by IBES. **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.

Not all share classes are available on all platforms.

Consider these risks before investing: Investments in small and/or midsize companies increase the risk of greater price fluctuations. Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-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.

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.

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FS068_VT 325818 4/21