



**Eric N. Harthun, CFA**  
Portfolio Manager  
(industry since 1994)

**David L. Diamond, CFA**  
Portfolio Manager  
(industry since 1986)

**Objective**

The fund seeks capital appreciation.

**Current unit value**

Class IA \$15.39  
Class IB \$15.22

**Number of holdings**

181

**Net assets**

\$165.86M

# Putnam VT Small Cap Value Fund

Pursuing capital appreciation through undervalued small companies

**Small companies**

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

**Active value strategy**

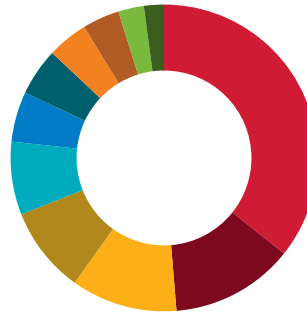
The portfolio managers seek attractively valued companies with improving fundamentals or catalysts that may unlock value.

**Rigorous research**

The portfolio managers and a team of senior research analysts offer the collaboration of a boutique with the extensive resources of a large, global firm.

**Diversification across market sectors**

Financials	35.7%
Information technology	13.0
Industrials	11.2
Consumer discretionary	9.1
Real estate	7.7
Health care	5.3
Energy	5.0
Utilities	4.3
Materials	3.9
Consumer staples	2.7
Cash and net other assets	2.1



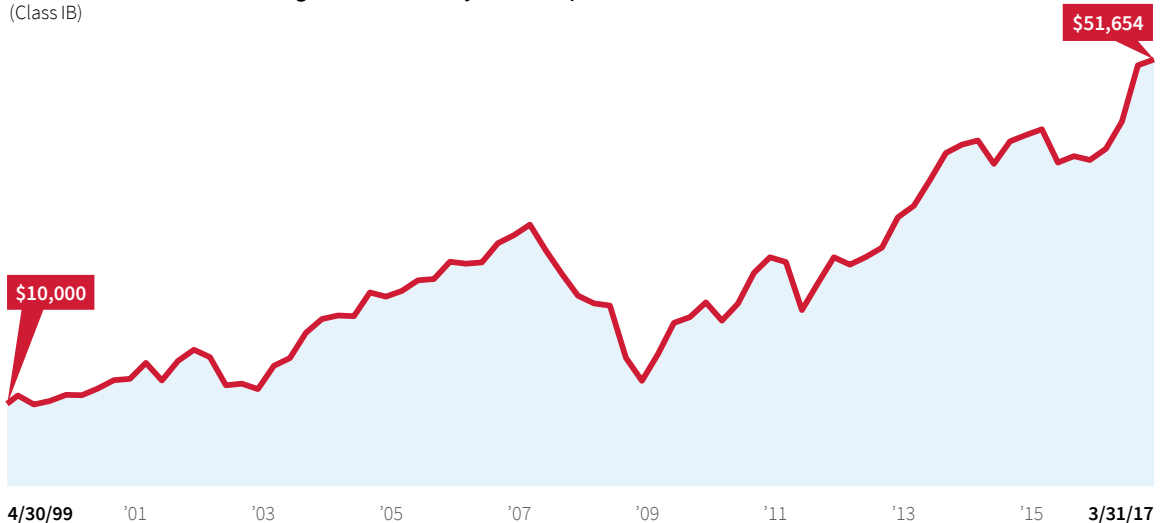
Allocations will vary over time. Due to rounding, percentages may not equal 100%.

**Top ten holdings**

- Summit Hotel Properties
  - Tower Semiconductor
  - Energen
  - IDACORP
  - First Merchants
  - Control4
  - J2 Global
  - Orbotech
  - Patterson-UTI Energy
  - Reinsurance Group of America
- Holdings represent 8.9% of the portfolio and will vary over time.

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

The fund has returned an average of 9.6% 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**

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**Lipper rankings**

(1B shares)

1 year	4% (2/53)
3 years	45% (23/51)
5 years	27% (14/51)
10 years	90% (33/36)

Category:

VP (Underlying Funds) —  
Small-cap value funds**Market-cap breakdown**

Over \$5B	8.06%
\$3B–\$5B	17.46%
\$1B–\$3B	41.57%
Less than \$1B	30.85%
Cash and other assets	2.06%

“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**

0.92

**Annual performance before sales charge (all distributions reinvested)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Class IA	-12.4%	-39.3%	31.8%	26.3%	-4.5%	17.8%	39.9%	3.7%	-3.9%	27.7%	1.4%
Class IB	-12.7	-39.4	31.5	26.0	-4.7	17.5	39.6	3.4	-4.2	27.5	1.4
Russell 2000 Value Index	-9.8	-28.9	20.6	24.5	-5.5	18.0	34.5	4.2	-7.5	31.7	-0.1

**Annualized total return performance**

	Class IA NAV Inception 4/30/99	Class IB NAV Inception 4/30/99	Russell 2000 Value Index
1 year	31.01%	30.73%	29.37%
3 years	7.96	7.68	7.62
5 years	13.52	13.24	12.54
10 years	5.70	5.44	6.09
Life of fund	9.86	9.60	9.69

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The Russell 2000 Value Index is an unmanaged index of those companies in the small-cap Russell 2000 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.

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. **Beta** measures volatility in relation to the fund's benchmark. A beta of less than 1.0 indicates lower volatility; a beta of more than 1.0, higher volatility than the benchmark.

**Consider these risks before investing:** Investments in small and/or midsize companies increase the risk of greater price fluctuations. Value stocks may fail to rebound, and the market may not favor value-style investing. Stock prices may fall or fail to rise over time for several reasons, including general financial market conditions and factors related to a specific issuer or industry. 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 Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.**

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