

**Portfolio manager**

**Michael C. Petro, CFA**  
(industry since 1999)

**Objective**

The strategy seeks to outperform the Russell 2000 Value Index by investing in a portfolio of stocks with attractive valuation and quality characteristics and improving business momentum or catalysts that can unlock value.

**Composite**

U.S. Small Cap Value Equity

**Inception**

March 31, 1993

**Benchmark**

Russell 2000 Value Index

**Total strategy assets**

\$392.95M

Total strategy assets may include accounts that are not reflected in the composite.

**Number of holdings**

105

**Turnover**

85%

Represents the portfolio's annual turnover rate as of the most recent quarter-end.

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No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of their initial investment. Actual results could be materially different from the stated goals. As with any investment, there is a potential for profit as well as the possibility of loss.

For use with financial intermediaries and their clients.

# U.S. Small Cap Value Equity

## Identifying undiscovered earnings potential

### Uncovering the potential to expand earnings

Takes a multipronged approach by applying fundamental, quantitative, and technical analysis to generate ideas and identify unique opportunities

### Companies poised for revaluation

Applies bottom-up research process that considers valuation, catalyst, and quality indicators, with the goal of finding companies poised for revaluation

### Stock selection drives returns

Seeks to maximize stock-specific risk and minimize unintended factor risk through an active portfolio construction discipline

### Top 10 holdings

Oriental Financial Group	1.70%
First Foundation	1.68
Newpark Resources	1.55
Brookdale Senior Living	1.52
HNI	1.46
Smart Global Holdings	1.43
NRG Energy	1.36
Ribbon Communications	1.34
Bancorp	1.32
Bofl	1.27

Holdings represent 14.62% of the portfolio and will vary over time.

### Sector weightings

Sector	Underweight	Overweight	Portfolio	Benchmark
Technology		1.9	7.5%	5.6%
Health care		1.6	11.3	9.7
Communication services		1.6	2.6	1.0
Capital goods		1.3	7.2	5.9
Consumer staples		0.6	5.7	5.1
Utilities		0.2	3.9	3.7
Conglomerates	-0.1		0.0	0.1
Transportation	-1.1		2.0	3.1
Energy	-1.1		8.7	9.8
Consumer cyclicals	-1.3		11.8	13.1
Basic materials	-1.6		6.5	8.1
Financials	-5.3		29.5	34.8

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

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.

### Risk (as of March 31, 2024)

Beta	1.09
Tracking error	5.91%
Up capture ratio	111.09%
Down capture ratio	99.68%

Based on a simple regression of monthly gross returns for the past five years versus the benchmark. Risk statistics are calculated using composite month-end return values.

Portfolio characteristics and holdings are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly, account characteristics may vary. The inclusion of holdings information should not be interpreted as a recommendation to buy or sell or hold any security. The securities identified do not represent all the securities purchased, sold or recommended for client accounts. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable. Allocations and security selection are subject to change. Past performance is no guarantee of future results.

### Calendar-year composite performance

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	25.06%	-12.26%	41.26%	4.92%	25.35%	-18.78%	9.19%	28.35%	-2.97%	4.44%
Net	24.06	-12.96	40.13	4.07	24.35	-19.43	8.31	27.31	-3.79	3.49
Benchmark	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74	-7.47	4.22

### Composite performance (annualized)

	Q1	1 year	3 years	5 years	10 years
Gross	2.24%	29.02%	8.47%	12.90%	8.86%
Net	2.04	27.98	7.60	11.99	7.97
Benchmark	2.90	18.75	2.22	8.17	6.87

#### Past performance is not a guarantee of future results. An investment in the strategy can lose value.

Performance is stated in U.S. dollars and includes the reinvestment of dividends and interest. Gross performance includes the deduction of transaction costs but does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by advisory and other fees. Net performance reflects the deduction of a model fee applied on a monthly basis, equal to the actual management fee incurred by a portfolio in the Composite or the highest management fee that would be charged to a prospect of the strategy, whichever is higher. The model fee may change over time. Actual advisory fees may vary among clients with the same investment strategy. The composite includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Please see the composite disclosures located at the end of the factsheet for strategy-specific risk disclosures.

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- Are not FDIC or other government agency insured
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- May lose value, including possible loss of principal

## Putnam Investments U.S. Small Cap Value Equity Composite

Year	Gross of Fees Return (%)	Net of Fees Return (%)	Annual Benchmark Return (%)	Three year Standard Deviation of Composite (%) <sup>1</sup>	Three year Standard Deviation of Benchmark (%) <sup>1</sup>	Standard Deviation of Account Returns (%) <sup>2</sup>	Composite Assets (millions)	Total Firm Assets (millions)	Number of Accounts
2023	25.06	24.06	14.65	23.29	21.75	N/A	401	145,979	≤5
2022	-12.26	-12.96	-14.48	30.89	27.27	N/A	374	133,064	≤5
2021	41.26	40.13	28.27	29.02	25.00	N/A	461	159,122	≤5
2020	4.92	4.07	4.63	29.74	26.12	N/A	299	153,327	≤5
2019	25.35	24.35	22.39	16.95	15.68	N/A	350	138,486	≤5
2018	-18.78	-19.43	-12.86	15.64	15.76	N/A	345	117,149	≤5
2017	9.19	8.31	7.84	13.13	13.97	N/A	650	117,916	≤5
2016	28.35	27.31	31.74	14.16	15.50	N/A	784	109,728	≤5
2015	-2.97	-3.79	-7.47	12.28	13.46	N/A	632	110,621	≤5
2014	4.44	3.49	4.22	11.72	12.79	N/A	1,041	120,093	≤5

1 The three-year, annualized ex-post standard deviation of monthly gross composite and benchmark returns represents a measure of total investment risk (volatility) and calculates the variance of a distribution of returns. Data is not presented for periods with less than 36 months of composite returns.

2 Composite dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year. Standard deviation is N/A for composites with five or fewer accounts for the full year.

**Firm overview:** Putnam Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Putnam Investments has been independently verified from January 1, 2000, through December 31, 2022. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. Putnam Investments (the "Firm") is defined as a broad-based investment management organization that provides financial services to institutions and individuals through segregated accounts and pooled investment vehicles, such as mutual funds, active exchange-traded funds, collective investment trusts and private funds. The Firm is a wholly owned indirect subsidiary of Franklin Resources, Inc. Investment management is provided by four wholly owned subsidiaries of the Firm: The Putnam Advisory Company, LLC; Putnam Investment Management, LLC; Putnam Fiduciary Trust Company, LLC; and Putnam Investments Limited. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of the Firm's composite descriptions and pooled fund descriptions for limited distribution pooled funds, and a list of broad distribution pooled funds are available upon request.

**Composition of composite:** The Putnam Investments U.S. Small Cap Value Equity Composite (the "Composite") seeks to outperform the Russell 2000 Value Index by investing in a portfolio of stocks with attractive valuation and quality characteristics and improving business momentum or catalysts that can unlock value. The strategy focuses on bottom-up stock selection, well-diversified portfolios, and downside risk management and seeks to manage risk through security selection, portfolio construction, and liquidity management. The Composite's benchmark is the Russell 2000 Value Index. The Composite may contain accounts with different but largely similar benchmarks. Leverage is not utilized in any account in this Composite. However, derivatives (including futures, exchange-traded or OTC options, and swaps) may be used in some portfolios for hedging or non-hedging purposes. The Composite includes all fully discretionary accounts managed by Putnam Investments in this investment style. The Composite may include portfolios with certain existing investment restrictions that the Firm believes do not materially impact the investment strategy. The Composite inception date was March 31, 1993. The Composite creation date was April 1, 1997. Effective January 31, 2019, there was a portfolio manager change for this strategy.

**Risk considerations:** The prices of stocks in your portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific company or industry. These risks are generally greater for small and midsize companies. Small-cap performance may be more volatile than the performance of a strategy that invests primarily in stocks of large-cap companies. Small-cap companies may have more limited product lines, markets, and financial resources than large-cap companies. Small-cap companies may also have shorter operating histories and more volatile businesses. In addition, it may be harder to sell these stocks, particularly in large blocks, which can reduce their selling price. Value stocks may fail to rebound and the market may not favor value-style investing. This strategy may not be suitable for all investors. It is important to understand that you can lose money by investing in this strategy.

**Calculation of composite:** Returns are presented in U.S. dollars ("USD"). Benchmark, Putnam account and Putnam mutual fund valuation sources and timing may sometimes differ, causing dispersion within the composite and between the composite and the benchmark. The results of the Composite for all periods shown include the reinvestment of dividends and other earnings. The Firm values securities using market quotations, fair value prices from pricing services and/or broker quotations. In limited circumstances, the Firm will value securities based solely on its own analysis, this may include using model prices based on third-party data or, for private equity securities, a fair valuation process whereby a special Valuation committee will review the nature of each deal, the model currently used to value each deal, and any critical underlying assumptions in order to determine fair value. Fair valuations based on internal resources are made in accordance with the Putnam Funds Pricing Procedures and are subject to the oversight of the Firm's Valuation Committee. Please note that, in limited cases, the inputs used to value the security are unobservable and reflect the source's own assumptions. Policies for valuing investments, calculating performance, and preparing composite reports are available upon request.

## Putnam Investments U.S. Small Cap Value Equity Composite

**Benchmark disclosure:** The Russell 2000® Value Index is an unmanaged index of those companies in the small-cap Russell 2000® Index chosen for their value orientation. Benchmarks are generally taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the Composite. The effect of those differences is deemed to be immaterial. The securities holdings of the Composite may differ materially from those of the index used for comparative purposes. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index. 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.

**Gross and Net of fees disclosure:** Gross of Fee Returns includes the deduction of transaction costs but does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by management fees and other fees. The impact of management fees can be material. For instance, assume that \$1 million is invested in a Putnam Investments account, and this account achieves a 10% compounded annual return, gross of fees, for 10 years. If a management fee of 0.50% was charged each year for the 10-year period, the annual return would be 9.5% and the ending dollar value would be \$2,478,200, net of fees, as opposed to \$2,593,700, gross of fees. The actual fee rates are stated in advisory contracts with clients. For composites that contain registered pooled vehicles (such as U.S. mutual funds, U.S. exchange-traded funds, collective investment trusts and UCITS funds), gross of fee performance is calculated by applying the pro-rated monthly percentage of the total net annual expense ratio (as published in the pooled vehicle's annual report) to the monthly return on net asset value per share. Annual expense ratios for the current year may be based on the prior year's financial statements. Returns may be adjusted based upon each year's audited annual report.

Net of Fee Returns reflect the deduction of a model fee applied on a monthly basis, equal to the actual management fee incurred by a portfolio in the Composite or the highest management fee that would be charged to a prospect of the strategy, whichever is higher during the applicable time period. The model fee may change over time. Actual advisory and management fees may vary among clients with the same investment strategy. For composites that include pooled vehicles that pay a performance fee and that calculate performance using the highest fee paid by an account in the Composite, performance-based fee adjustments are included in net of fee returns. For registered pooled vehicles, the fee is typically updated for the most recent fiscal year end after the pooled vehicle has been audited. Returns may be adjusted based upon each year's audited annual report. Please be advised that the Composite may include other investment products or share classes of pooled vehicles that are subject to management fees, including performance fees, that are inapplicable to you but that could have been in excess of the model fee. Therefore, the actual performance of all the portfolios in the composite on a net-of-fees basis will be different, and may be higher or lower, than the model fee performance. Composites that include certain pooled vehicles may also assess a performance fee to underlying investors which could result in the underlying investors paying a higher total management fee than the highest stated management fee below. However, model fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the Composite. Actual investment advisory fees incurred by clients are typically negotiated on an individual basis and may vary depending upon, among other things, the applicable fee schedule and portfolio size.

**Fee schedule:** The standard fee schedule is based on the market value of an account's assets under management and is stated on an annual basis. Separate account management fees are subject to change and are for investment management services only. Standard management fee is: 0.80% of assets on the first \$50 million, 0.70% of assets on the next \$50 million, 0.65% of assets on the next \$150 million, and 0.50% for assets over \$250 million.

**Past performance is not a guarantee of future performance. No assurance can be given as to future performance.**