

Putnam Multi-Asset Model Portfolios

Blending both active and
passive exposures for investors

Q2 | 20



Targeted diversification
Professional management
Competitive cost structure

Investors can benefit from diversified portfolios

We innovated model portfolios that offer

- Targeted diversification to help investors pursue their financial goals
- Professional management by experienced multi-asset team
- A competitive cost structure with no overlay fees

Putnam Multi-Asset Model Portfolios are backed by experienced teams committed to innovating for investors

The multi-asset model portfolios are overseen by an Investment Committee that brings together veteran members of Putnam's Global Asset Allocation team and Portfolio Solutions Group. The teams work together in selecting the funds through an objective process that combines a due-diligence review of quantitative and qualitative criteria. This additional step enhances portfolio construction without additional costs.



Robert J. Schoen
CIO, GAA
Putnam since 1997



James A. Fetch
Co-Head of GAA
Putnam since 1994



Jason R. Vaillancourt, CFA
Co-Head of GAA
Putnam since 1999

GLOBAL ASSET ALLOCATION TEAM

Multi-asset model portfolios are the latest in a series of innovations from teams with a 25-year record focused on improving diversification for investors.

1994

Putnam Dynamic Asset Allocation Funds

Global diversification in each fund with allocations to maximize risk-adjusted returns

2004

Target-date portfolios

Designed for investors' retirement horizon, with diversified allocations that shift automatically over time

The Global Asset Allocation Team is one of the longest-tenured multi-asset teams in the investment industry, with a 25-year track record. The team manages asset allocation, retirement, and absolute return funds.

The Portfolio Solutions Group offers insight and analysis to help advisors, institutions, and plan sponsors better understand drivers of risk and return in portfolios.

Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

Putnam's Portfolio Solutions Group does not offer investment advice, and any analysis provided is not intended to make any recommendation or offer advice as to whether any investment or strategy is suitable for a particular investor.



Brendan T. Murray
Sr. Investment Director,
Putnam since 2002



Seamus S. Young, CFA
Sr. Investment Director
Putnam since 2009



Daniel W. Lahrman, CFA
Investment Director
Putnam since 2011

PORTFOLIO SOLUTIONS GROUP

2008

Multi-Asset Absolute Return Fund

A strategy to diversify portfolios, free from constraints and focused on pursuing positive returns with proportional risk

2014

Portfolio Solutions Group: Portfolio Analysis

Consulting support for advisors to improve portfolios with institutional-level portfolio analysis and construction

2019

Putnam Multi-Asset Model Portfolios

Diversified portfolios of active funds and passive ETFs designed for client return and risk goals

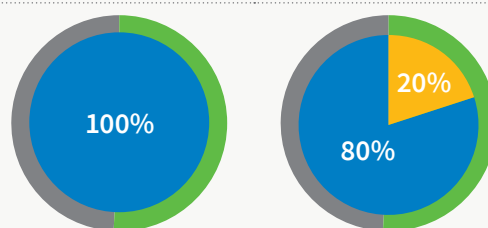
Putnam Multi-Asset Model Portfolios blend active and passive exposures

The six portfolios — Aggressive Growth, Growth, Balanced Growth, Conservative Growth, Balanced Income, and Income — are built to pursue different goals. Each portfolio is diversified with stock and bond investments and includes both active and passive strategies. The portfolios are rebalanced periodically to maintain desired exposures.

Putnam Multi-Asset Model Portfolios

Stock and bond target allocations (right) are implemented with the funds and ETFs below.

- Stock ● Active
- Bond ● Passive



FUND/ETF AS OF 6/30/20	AGGRESSIVE GROWTH	GROWTH
● Active Putnam funds	51.0%	51.0%
● Putnam Equity Income Fund Y (PEIYX)	25.5%	20.9%
● Putnam Growth Opportunities Fund Y (PGOYX)	25.5	20.9
● Putnam Income Fund Y (PNCYX)	—	9.2
● Putnam Mortgage Securities Fund Y (PUSYX)	—	—
● Putnam Ultra Short Duration Income Fund Y (PSDYX)	—	—
● Passive ETFs	49.0%	49.0%
● Schwab US Large-Cap ETF	16.5%	12.2%
● Schwab US Small-Cap ETF	7.5	6.0
● iShares Core MSCI EAFE ETF	18.8	15.0
● iShares Core MSCI Emerging Markets ETF	6.3	5.0
● iShares U.S. Core Aggregate Bond ETF	—	5.8
● iShares 7-10 year Treasury Bond ETF	—	—
● Xtrackers USD High Yield Corporate Bond ETF	—	5.0
Weighted average expense ratio[†]	0.40%	0.38%
Overlay fees	—	—

* Stated prospectus expense ratio from most recent prospectus available.

† Expense ratio for each model is the weighted average of prospectus expense ratios of each fund and ETF based on current model portfolio allocations.

Putnam Multi-Asset Model Portfolios invest in non-Putnam exchange-traded funds and exclusively in Putnam mutual funds. Putnam does not currently charge overlay fees for portfolio management of the Putnam Multi-Asset Model Portfolios; however, it earns fees from the Putnam mutual funds in which the portfolios invest. Prior to making any investment or financial decisions, any recipients of this material should evaluate the overall fees and charges of the firm as well as the services provided.



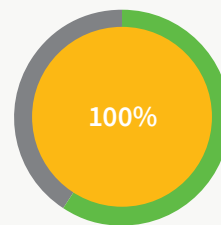
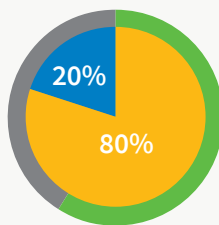
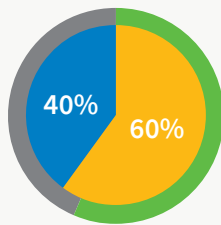
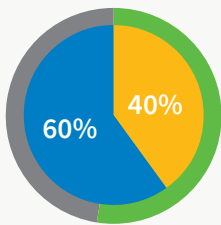
Targeted diversification,
to help investors pursue their
financial goals



Professional management by
experienced multi-asset team



A competitive cost structure
with no overlay fees



**BALANCED
GROWTH**

**CONSERVATIVE
GROWTH**

**BALANCED
INCOME**

INCOME

**EXPENSE
RATIO***

52.5%

56.6%

59.0%

59.9%

15.4%

9.9%

5.0%

—

0.66%

15.4

9.9

5.0

—

0.78

21.7

36.8

49.0

34.4

0.49

—

—

—

22.5

0.50

—

—

—

3.0

0.30

47.5%

43.4%

41.0%

40.1%

13.3%

9.9%

5.0%

—

0.03%

4.9

3.3

1.5

—

0.04

10.0

7.0

3.5

—

0.07

1.0

—

—

—

0.14

13.3

17.2

18.0

13.6

0.05

—

—

—

6.5

0.15

5.0

6.0

13.0

20.0

0.15

0.36%

0.35%

0.35%

0.34%

—

—

—

—

Putnam Multi-Asset Model Portfolios are designed to provide broad diversification with targeted stock and bond allocations across multiple risk and return profiles. Each model portfolio is managed to contain approximate underlying fund exposures as shown. Target allocations can vary +/-10%. The invested Putnam model portfolio may differ from its target allocation due to market conditions and other factors. Allocations may not match a client's actual experience from an account managed in accordance with the model portfolio allocation. Actual client accounts may differ from the model allocation and may hold cash. Asset allocation strategies do not assure a profit and do not protect against loss.

How to align Putnam Multi-Asset Model Portfolios with investor goals

Select a portfolio by considering one's goals and risk tolerance

1

Establish goals

Organize financial goals around essential needs, additional priorities, and potential aspirations.



Essential needs

Primary residence, retirement savings, healthcare costs



Additional priorities

Education funding, family vacations



Potential aspirations

Second home, legacy planning, philanthropic endeavors

2

Identify risk tolerance

Think about willingness and capacity to take investment risk.

Willingness to take risk

What is your comfort level with investing?

What are your expectations for investment performance?

How would you feel if there is a market downturn?

In a downturn, would you be more likely to sell your investment or invest more?

Capacity to take risk

What is your time horizon for investing?

When do you want to access the money you invest?

Is your current income stable and secure?

What other sources of income or wealth do you have?

A financial advisor can offer helpful information about return and risk, and a careful approach to selecting a portfolio.

3

Select model portfolio

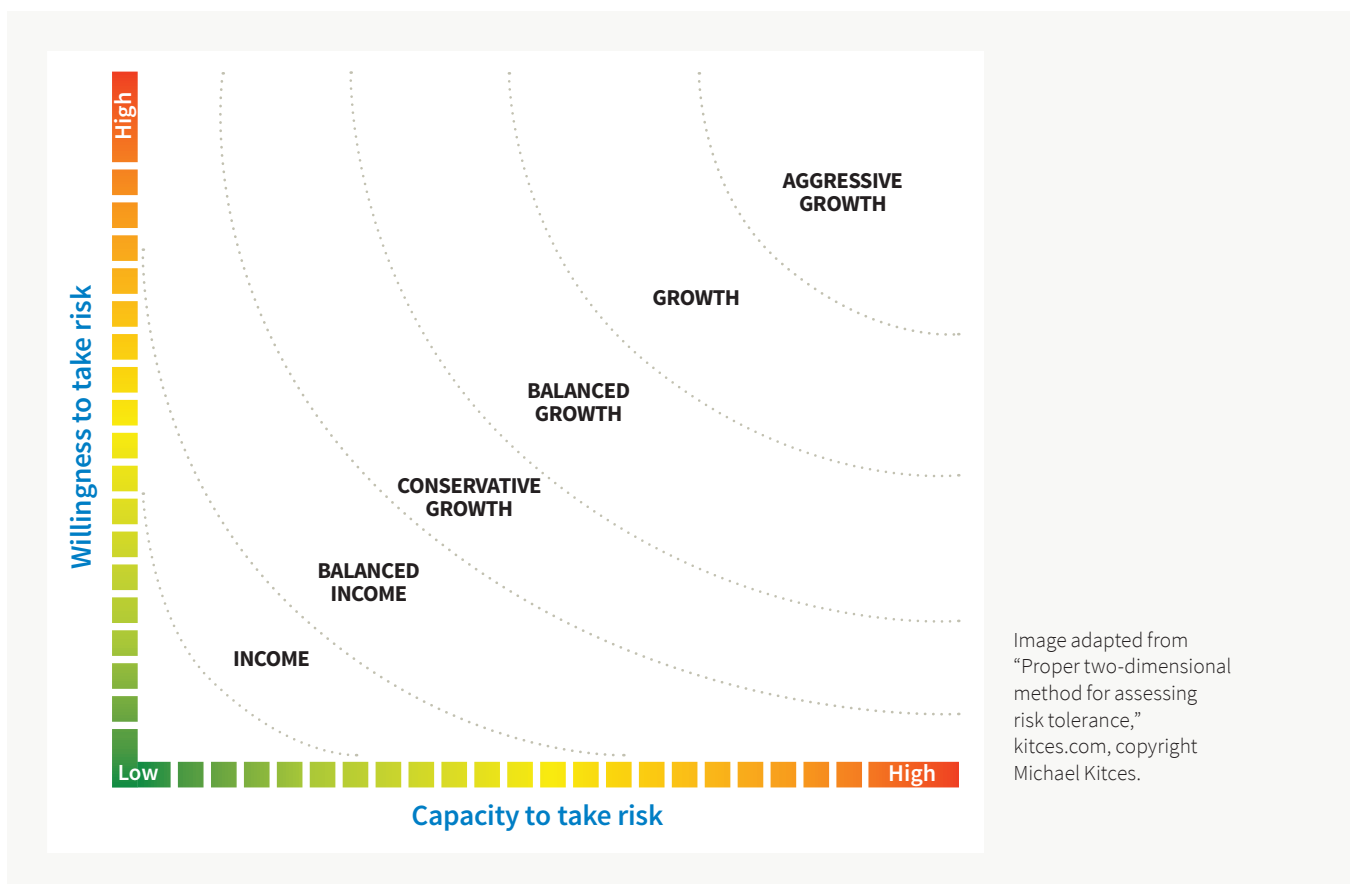
Consider the portfolio that takes the right amount of risk to pursue your goals.

4

Monitor progress

Review progress over time and consider a different portfolio when necessary.

Think about willingness and capacity to take risk as you consider the portfolios.



Investors should carefully consider risk tolerance, time horizon, and financial objectives before making investment decisions. The suggested asset allocations should be viewed as broad guidelines and should not be considered the primary basis for your investment decisions. There is no guarantee that any particular investment or asset allocation will meet investment objectives. Reading or utilizing this information does not create an advisory relationship.

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