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Putnam INVESTMENTS

Putnam Variable Trust

Annual report

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Putnam VT

Government Money Market Fund

Message from the Trustees

February 12, 2018

Dear Shareholder:

We enter 2018 on the heels of an impressive year for global stock markets. While bond market performance was a bit uneven in 2017, stocks in most regions worldwide delivered solid advances and encountered very little volatility. As seasoned investors, we realize that benign markets like this rarely last long, and we are monitoring risks accordingly.

Although no one can predict the direction of the markets in the months ahead, Putnam's experienced investment professionals actively seek to position their fund portfolios for all types of conditions. They take a research-intensive approach to investing that includes risk management strategies designed to serve investors through changing markets.

In all environments, we believe investors should remain focused on time-tested strategies: maintain a well-diversified portfolio, think about long-term goals, and speak regularly with your financial advisor. In the following pages, you will find an overview of your fund's performance for the reporting period as well as an outlook for the coming months.

Thank you for investing with Putnam.

Respectfully yours,

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments

Jameson A. Baxter
Chair, Board of Trustees

Performance summary (as of 12/31/17)

Investment objective

As high a rate of current income as Putnam Investment Management, LLC, believes is consistent with preservation of capital and maintenance of liquidity

Net asset value December 31, 2017

Class IA: $1.00	Class IB: $1.00

Total return at net asset value

(as of 12/31/17)	Class IA shares*	Class IB shares†	Lipper VP (Underlying Funds) — Money Market Funds
1 year	0.47%	0.24%	0.15%
5 years	0.51	0.29	0.21
Annualized	0.10	0.06	0.04
10 years	3.77	3.14	5.37
Annualized	0.37	0.31	0.52
Life	150.00	144.12	149.69
Annualized	3.11	3.03	3.17
Current rate (as of 12/31/17)			
Current 7-day yield	0.90%	0.65%	

For a portion of the periods, the fund had expense limitations, without which returns would have been lower.

* Class inception date: February 1, 1988.

† Class inception date: April 30, 1998.

The 7-day yield is the most common gauge for measuring money market mutual fund performance. Yield reflects current performance more closely than total return.

Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance information does not reflect any deduction for taxes a shareholder may owe on fund distributions or on the redemption of fund shares. All total return figures are at net asset value and exclude contract charges and expenses, which are added to the variable annuity contracts to determine total return at unit value. Had these charges and expenses been reflected, performance would have been lower. Performance of class IB shares before their inception is derived from the historical performance of class IA shares, adjusted to reflect the higher operating expenses applicable to such shares. For more recent performance, contact your variable annuity provider who can provide you with performance that reflects the charges and expenses at your contract level.

Portfolio composition

Repurchase agreements	**85.9%**
U.S. government agency debt	**8.9%**
U.S. Treasury debt	**5.4%**
Cash and net other assets	**–0.2%**

Allocations are shown as a percentage of the fund's net assets. Cash and net other assets, if any, represent the market value weights of cash and other unclassified assets in the portfolio. Summary information may differ from the portfolio schedule included in the financial statements due to the inclusion of any interest accruals, the exclusion of as-of trades, if any, the use of different classifications of securities for presentation purposes, and rounding. Holdings and allocations may vary over time.

The cash and net other assets category may show a negative market value percentage as a result of the timing of trade-date versus settlement-date transactions.

Report from your fund's managers

What was the money market environment like during the 12-month reporting period ended December 31, 2017, and how did the fund perform?

The economic backdrop continued to improve during the reporting period, evidenced by solid growth, strong corporate earnings, rising consumer confidence, and an unemployment rate approaching 4%. At times, the financial markets faced geopolitical headwinds, but the prospect of tax reform, which was passed on December 22, 2017, helped to keep investor sentiment positive.

The Federal Reserve continued to gradually reduce the amount of monetary policy accommodation — raising the federal funds rate three times in March, June, and December of 2017, and beginning the process of reducing its balance sheet in October 2017. Consequently, yields on short-term money market securities inched higher. The increase in yields was representative of the market's expectations for continued Fed tightening along with the repricing that occurred as the Fed increased its benchmark rate, which closed out the period in a range of 1.25% to 1.50%. As a result, money market investors saw additional income from their investments after an extended period of near-zero yields.

What strategies helped the fund to capture more income in this environment?

Three-month Treasury bill rates rose 88 basis points, or over three quarters of a percentage point, from 0.50% on December 31, 2016, to 1.38% on December 31, 2017 — in line with the Fed's target range. During the period, we positioned the fund's weighted average maturity [WAM] to be shorter than that of its peer group to take advantage of the increasing rate environment. [WAM represents the average life of all the money market securities held in the portfolio.]

The fund's WAM declined from 26 days on December 31, 2016, to 17 days by the end of the reporting period, as we increased the weighting of the fund's investments in U.S. Treasuries and repurchase agreements [repos]. We entered into repo agreements with highly rated counterparties, and these transactions were fully collateralized by Treasury and/or agency mortgage securities. We continued to look for term opportunities in Treasury bills and U.S. government-sponsored enterprises [GSE] that would price in further rate increases should the Fed continue to tighten its monetary policy. These GSEs might include the Federal Home Loan Bank, Federal Farm Credit Banks Funding Corporation, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation.

What are your expectations for fiscal and Fed policy as 2018 begins?

With Congress failing to strike a long-term budget deal for 2018 as of the January 19, 2018 deadline, the U.S. government briefly shut down. Congress ended the three-day shutdown by adopting another short-term spending bill through February 8, 2018. We'll continue to monitor the progress of the budget and debt ceiling debate on Capitol Hill, as well as the confirmation of President Trump's nomination of Jerome Powell as the next Federal Reserve chair.

The Fed expects to raise rates three times in 2018, but we believe the pace of this process will ultimately depend on the continuation of decent growth and the possibility that we will soon reach a tipping point in the labor markets, when wages will start to rise and inflation will return. The passage of growth-enhancing tax reform or new infrastructure spending could add momentum to the case for more rate hikes, in our view. In this environment, we're maintaining our neutral view of the short-term money markets.

With rates trending higher, we believe we are now in an environment where investor interest in money market funds may begin to grow.

Consider these risks before investing: *You can lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time. The values of money market investments usually rise and fall in response to changes in interest rates. Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or an instrument's credit quality or value.*

Certain securities in which the fund may invest, including securities issued by certain U.S. government agencies and U.S. government-sponsored enterprises, are not guaranteed by the U.S. government or supported by the full faith and credit of the United States. Mortgage-backed securities are subject to prepayment risk and the risk that they may increase in value less when interest rates decline and decline in value more when interest rates rise.

Your fund's managers

Portfolio Manager **Joanne M. Driscoll, CFA,** joined Putnam in 1995 and has been in the investment industry since 1992.

Portfolio Manager **Jonathan M. Topper** has been in the investment industry since he joined Putnam in 1990.

Your fund's managers may also manage other accounts advised by Putnam Management or an affiliate, including retail mutual fund counterparts to the funds in Putnam Variable Trust.

Understanding your fund's expenses

As an investor in a variable annuity product that invests in a registered investment company, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay one-time transaction expenses, which are not shown in this section and would result in higher total expenses. Charges and expenses at the insurance company separate account level are not reflected. For more information, see your fund's prospectus or talk to your financial representative.

Review your fund's expenses

The two left-hand columns of the Expenses per $1,000 table show the expenses you would have paid on a $1,000 investment in your fund from 7/1/17 to 12/31/17. They also show how much a $1,000 investment would be worth at the close of the period, *assuming actual returns and expenses*. To estimate the ongoing expenses you paid over the period, divide your account value by $1,000, then multiply the result by the number in the first line for the class of shares you own.

Compare your fund's expenses with those of other funds

The two right-hand columns of the Expenses per $1,000 table show your fund's expenses based on a $1,000 investment, *assuming a hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All shareholder reports of mutual funds and funds serving as variable annuity vehicles will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

Expense ratios

	Class IA	Class IB
Total annual operating expenses for the fiscal year ended 12/31/16	0.45%	0.70%
Annualized expense ratio for the six-month period ended 12/31/17*	0.45%	0.70%

Fiscal-year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

*For the fund's most recent fiscal half year; may differ from expense ratios based on one-year data in the financial highlights.

Expenses per $1,000

	Expenses and value for a $1,000 investment, assuming actual returns for the 6 months ended 12/31/17		Expenses and value for a $1,000 investment, assuming a hypothetical 5% annualized return for the 6 months ended 12/31/17	
	Class IA	Class IB	Class IA	Class IB
Expenses paid per $1,000*†	$2.27	$3.53	$2.29	$3.57
Ending value (after expenses)	$1,003.20	$1,002.00	$1,022.94	$1,021.68

*Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 12/31/17. The expense ratio may differ for each share class.

†Expenses based on actual returns are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period; and then dividing that result by the number of days in the year. Expenses based on a hypothetical 5% return are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period; and then dividing that result by the number of days in the year.

Report of Independent Registered Public Accounting Firm

To the Trustees of Putnam Variable Trust and
Shareholders of Putnam VT Government Money Market Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the portfolio, of Putnam VT Government Money Market Fund (one of the funds constituting Putnam Variable Trust, referred to hereafter as the "Fund") as of December 31, 2017, the related statement of operations for the year ended December 31, 2017, the statement of changes in net assets for each of the two years in the period ended December 31, 2017, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2017 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2017, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2017 and the financial highlights for each of the five years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2017 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
Boston, Massachusetts
February 12, 2018

We have served as the auditor of one or more investment companies in the Putnam Investments family of mutual funds since at least 1957. We have not determined the specific year we began serving as auditor.

The fund's portfolio 12/31/17

REPURCHASE AGREEMENTS (85.9%)*	Principal amount	Value
Interest in $224,000,000 joint tri-party repurchase agreement dated 12/29/17 with Citigroup Global Markets, Inc. due 1/2/18 - maturity value of $28,004,356 for an effective yield of 1.400% (collateralized by various mortgage backed securities with coupon rates ranging from 2.000% to 6.500% and due dates ranging from 10/1/26 to 12/1/47, valued at $228,480,000)	$28,000,000	$28,000,000
Interest in $177,000,000 joint tri-party term repurchase agreement dated 12/28/17 with Citigroup Global Markets, Inc. due 1/4/18 - maturity value of $2,600,698 for an effective yield of 1.380% (collateralized by various mortgage backed securities with coupon rates ranging from 2.500% to 6.500% and due dates ranging from 1/1/24 to 10/1/53, valued at $180,540,000)	2,600,000	2,600,000
Interest in $28,000,000 tri-party repurchase agreement dated 12/29/17 with Goldman, Sachs & Co. due 1/2/18 - maturity value of $28,004,044 for an effective yield of 1.300% (collateralized by various mortgage backed securities with coupon rates ranging from 3.000% to 6.500% and due dates ranging from 6/1/19 to 10/1/47, valued at $28,560,000)	28,000,000	28,000,000
Interest in $330,213,000 joint tri-party repurchase agreement dated 12/29/17 with Merrill Lynch, Pierce, Fenner & Smith, Inc. due 1/2/18 - maturity value of $26,750,190 for an effective yield of 1.410% (collateralized by various mortgage backed securities with coupon rates ranging from 2.500% to 3.500% and due dates ranging from 10/20/46 to 11/20/47, valued at $336,817,261)	26,746,000	26,746,000
Total repurchase agreements (cost $85,346,000)		**$85,346,000**

U.S. GOVERNMENT AGENCY OBLIGATIONS (8.8%)*	Yield (%)	Maturity date	Principal amount	Value
Federal Farm Credit Banks Funding Corporation discount notes	1.461	7/31/18	$1,300,000	$1,288,981
Federal Farm Credit Banks Funding Corporation discount notes	1.535	7/30/18	200,000	198,227
Federal Farm Credit Banks Funding Corporation discount notes	1.545	7/24/18	400,000	396,532
Federal Farm Credit Banks Funding Corporation discount notes	1.513	7/2/18	400,000	396,967
Federal Farm Credit Banks Funding Corporation discount notes	1.407	6/27/18	600,000	595,885

U.S. GOVERNMENT AGENCY OBLIGATIONS (8.8%)* *cont.*	Yield (%)	Maturity date	Principal amount	Value
Federal Farm Credit Banks Funding Corporation discount notes	1.331	6/15/18	$385,000	$382,671
Federal Farm Credit Banks Funding Corporation discount notes	1.281	6/5/18	1,000,000	994,532
Federal Farm Credit Banks Funding Corporation discount notes	1.258	4/24/18	300,000	298,823
Federal Home Loan Banks unsec. discount notes	1.209	4/27/18	200,000	199,227
Federal Home Loan Banks unsec. discount notes	1.167	3/23/18	350,000	349,087
Federal Home Loan Banks unsec. discount notes	1.642	8/14/18	750,000	742,388
Federal Home Loan Banks unsec. discount notes	1.565	7/27/18	350,000	346,881
Federal Home Loan Banks unsec. discount notes	1.460	5/31/18	272,000	270,357
Federal Home Loan Banks unsec. discount notes	1.318	5/2/18	325,000	323,569
Federal Home Loan Banks unsec. discount notes	1.146	2/2/18	1,000,000	998,987
Federal Home Loan Mortgage Corporation unsec. discount notes Ser. RB	1.227	4/10/18	1,000,000	996,641
Total U.S. government agency obligations (cost $8,779,755)				**$8,779,755**

U.S. TREASURY OBLIGATIONS (5.3%)*	Yield (%)	Maturity date	Principal amount	Value
U.S. Treasury FRN	1.722	1/31/18	$1,150,000	$1,150,136
U.S. Treasury FRN	1.640	4/30/18	1,150,000	1,150,066
U.S. Treasury FRN	1.624	7/31/18	1,000,000	999,936
U.S. Treasury FRN	1.620	10/31/18	1,000,000	999,979
U.S. Treasury FRN	1.590	1/31/19	1,000,000	1,000,109
Total U.S. treasury obligations (cost $5,300,226)				**$5,300,226**
Total investments (cost $99,425,981)				**$99,425,981**

Key to holding's abbreviations

FRN Floating Rate Notes: the rate shown is the current interest rate or yield at the close of the reporting period. Rates may be subject to a cap or floor.

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from January 1, 2017 through December 31, 2017 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of $99,372,215.

The dates shown on debt obligations are the original maturity dates.

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

	Valuation inputs		
Investments in securities:	**Level 1**	**Level 2**	**Level 3**
Repurchase agreements	$—	$85,346,000	$—
U.S. government agency obligations	—	8,779,755	—
U.S. treasury obligations	—	5,300,226	—
Totals by level	**$—**	**$99,425,981**	**$—**

During the reporting period, transfers within the fair value hierarchy, if any, did not represent, in the aggregate, more than 1% of the fund's net assets measured as of the end of the period. Transfers are accounted for using the end of period pricing valuation method.

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities

12/31/17

Assets	
Investment in securities, at value (Note 1):	
Unaffiliated issuers (identified cost $14,079,981)	$14,079,981
Repurchase agreements (identified cost $85,346,000)	85,346,000
Cash	3,948
Interest and other receivables	79,777
Receivable for shares of the fund sold	193,678
Total assets	**99,703,384**

Liabilities	
Payable for shares of the fund repurchased	116,586
Payable for compensation of Manager (Note 2)	23,880
Payable for custodian fees (Note 2)	4,093
Payable for investor servicing fees (Note 2)	11,641
Payable for Trustee compensation and expenses (Note 2)	107,134
Payable for administrative services (Note 2)	1,026
Payable for distribution fees (Note 2)	10,445
Payable for auditing and tax fees	40,973
Other accrued expenses	15,391
Total liabilities	**331,169**
Net assets	**$99,372,215**

Represented by	
Paid-in capital (Unlimited shares authorized) (Notes 1 and 4)	$99,373,757
Undistributed net investment income (Note 1)	1,736
Accumulated net realized loss on investments (Note 1)	(3,278)
Total — Representing net assets applicable to capital shares outstanding	**$99,372,215**

Computation of net asset value Class IA	
Net assets	$50,212,292
Number of shares outstanding	50,212,866
Net asset value, offering price and redemption price per share (net assets divided by number of shares outstanding)	$1.00

Computation of net asset value Class IB	
Net assets	$49,159,923
Number of shares outstanding	49,160,878
Net asset value, offering price and redemption price per share (net assets divided by number of shares outstanding)	$1.00

The accompanying notes are an integral part of these financial statements.

Statement of operations

Year ended 12/31/17

Investment income	
Interest	$949,517
Total investment income	**949,517**

Expenses	
Compensation of Manager (Note 2)	296,370
Investor servicing fees (Note 2)	72,977
Custodian fees (Note 2)	10,004
Trustee compensation and expenses (Note 2)	1,936
Distribution fees (Note 2)	130,102
Administrative services (Note 2)	3,099
Auditing and tax fees	41,466
Other	40,231
Fees waived and reimbursed by Manager (Note 2)	(14,320)
Total expenses	**581,865**
Expense reduction (Note 2)	(11)
Net expenses	**581,854**
Net investment income	**367,663**
Net increase in net assets resulting from operations	**$367,663**

Statement of changes in net assets

	Year ended 12/31/17	Year ended 12/31/16
Decrease in net assets		
Operations:		
Net investment income	$367,663	$14,896
Net realized loss on investments	—	(3,124)
Net increase in net assets resulting from operations	**367,663**	**11,772**
Distributions to shareholders (Note 1):		
From ordinary income		
Net investment income		
Class IA	(241,634)	(8,774)
Class IB	(124,293)	(6,122)
Decrease from capital share transactions (Note 4)	(10,667,864)	(18,380,826)
Total decrease in net assets	**(10,666,128)**	**(18,383,950)**
Net assets:		
Beginning of year	110,038,343	128,422,293
End of year (including undistributed net investment income of $1,736 and $—, respectively)	**$99,372,215**	**$110,038,343**

The accompanying notes are an integral part of these financial statements.

Financial highlights (For a common share outstanding throughout the period)

INVESTMENT OPERATIONS:					LESS DISTRIBUTIONS:					RATIOS AND SUPPLEMENTAL DATA:		
Period ended	**Net asset value, beginning of period**	Net investment income (loss)	Net realized gain (loss) on investments	**Total from investment operations**	From net investment income	**Total distributions**	Non-recurring payment	**Net asset value, end of period**	**Total return at net asset value (%)[a,b]**	**Net assets, end of period (in thousands)**	Ratio of expenses to average net assets (%)[a,c,d]	Ratio of net investment income (loss) to average net assets (%)[d]
Class IA												
12/31/17	**$1.00**	.0047	—	**.0047**	(.0047)	**(.0047)**	—	**$1.00**	**.47**	**$50,212**	.45	.46
12/31/16	**1.00**	.0001	(.0001)	**—[e]**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**55,915**	.37	.01
12/31/15	**1.00**	.0001	—[e]	**.0001**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**64,790**	.19	.01
12/31/14	**1.00**	.0001	—	**.0001**	(.0001)	**(.0001)**	.0017[f]	**1.00**	**.01**	**75,352**	.13	.01
12/31/13	**1.00**	.0001	—[e]	**.0001**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**85,017**	.16	.01
Class IB												
12/31/17	**$1.00**	.0025	—	**.0025**	(.0024)	**(.0024)**	—	**$1.00**	**.24**	**$49,160**	.67	.24
12/31/16	**1.00**	.0001	(.0001)	**—[e]**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**54,124**	.38	.01
12/31/15	**1.00**	.0001	—[e]	**.0001**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**63,632**	.19	.01
12/31/14	**1.00**	.0001	—	**.0001**	(.0001)	**(.0001)**	.0016[f]	**1.00**	**.01**	**78,635**	.13	.01
12/31/13	**1.00**	.0001	—[e]	**.0001**	(.0001)	**(.0001)**	—	**1.00**	**.01**	**91,523**	.16	.01

[a] The charges and expenses at the insurance company separate account level are not reflected.

[b] Total return assumes dividend reinvestment.

[c] Includes amounts paid through expense offset arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

[d] Reflects a voluntary waiver of certain fund expenses in effect during the period relating to the enhancement of certain annualized net yields of the fund. As a result of such waivers, the expenses of each class reflect a reduction of the following amounts as a percentage of average net assets (Note 2):

	12/31/17	12/31/16	12/31/15	12/31/14	12/31/13
Class IA	N/A	0.08%	0.24%	0.32%	0.30%
Class IB	0.03%	0.32	0.49	0.57	0.55

[e] Amount represents less than $0.0001 per share.

[f] Reflects a voluntary non-recurring payment from Putnam Investments.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 12/31/17

Within the following Notes to financial statements, references to "State Street" represent State Street Bank and Trust Company, references to "the SEC" represent the Securities and Exchange Commission, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "OTC", if any, represent over-the-counter. Unless otherwise noted, the "reporting period" represents the period from January 1, 2017 through December 31, 2017.

Putnam VT Government Money Market Fund (the fund) is a diversified series of Putnam Variable Trust (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The goal of the fund is to seek as high a rate of current income as Putnam Management believes is consistent with preservation of capital and maintenance of liquidity. The fund invests at least 99.5 percent of the fund's total assets in cash, U.S. government securities and repurchase agreements that are fully collateralized by U.S. government securities or cash. The fund invests mainly in debt securities that are obligations of the U.S. government, its agencies and instrumentalities and accordingly are backed by the full faith and credit of the United States (e.g., U.S. Treasury bills) or by the credit of a federal agency or government-sponsored entity (e.g., securities issued by Fannie Mae and Freddie Mac). The U.S. government securities in which the fund invests may also include variable and floating rate instruments and when-issued and delayed delivery securities (i.e., payment or delivery of the securities occurs at a future date for a predetermined price). Under normal circumstances, the fund invests at least 80% of the fund's net assets in U.S. government securities and repurchase agreements that are fully collateralized by U.S. government securities. This policy may be changed only after 60 days' notice to shareholders. The securities purchased by the fund are subject to quality, maturity, diversification and other requirements pursuant to rules promulgated by the SEC. Putnam Management may consider, among other factors, credit and interest rate risks, as well as general market conditions, when deciding whether to buy or sell investments.

The fund offers class IA and class IB shares of beneficial interest. Class IA shares are offered at net asset value and are not subject to a distribution fee. Class IB shares are offered at net asset value and pay an ongoing distribution fee, which is identified in Note 2.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund's management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the fund's Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Note 1 — Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Investment income, realized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. Shares of each class would receive their pro-rata share of the net assets of the fund, if the fund were liquidated. In addition, the Trustees declare separate dividends on each class of shares.

Security valuation Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund's assets in accordance with these procedures to Putnam Management. Putnam Management has established an internal Valuation Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

The valuation of the fund's portfolio instruments is determined by means of the amortized cost method (which approximates fair value) as set forth in Rule 2a-7 under the Investment Company Act of 1940. The amortized cost of an instrument is determined by valuing it at its original cost and thereafter amortizing any discount or premium from its face value at a constant rate until maturity and is generally categorized as a Level 2 security.

Joint trading account Pursuant to an exemptive order from the SEC, the fund may transfer uninvested cash balances into a joint trading account along with the cash of other registered investment companies and certain other accounts managed by Putnam Management. These balances may be invested in issues of short-term investments having maturities of up to 90 days.

Repurchase agreements The fund, or any joint trading account, through its custodian, receives delivery of the underlying securities, the fair value of which at the time of purchase is required to be in an amount at least equal to the resale price, including accrued interest. Collateral for certain tri-party repurchase agreements, which totaled $87,052,920, is held at the counterparty's custodian in a segregated account for the benefit of the fund and the counterparty. Putnam Management is responsible for determining that the value of these underlying securities is at all times at least equal to the resale price, including accrued interest. In the event of default or bankruptcy by the other party to the agreement, retention of the collateral may be subject to legal proceedings.

Security transactions and related investment income Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Premiums and discounts from purchases of short-term investments are amortized/accreted at a constant rate until maturity. Gains or losses on securities sold are determined on the identified cost basis.

Interfund lending The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to lend to other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.

Lines of credit The fund participates, along with other Putnam funds, in a $317.5 million unsecured committed line of credit and a $235.5 million unsecured uncommitted line of credit, both provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the overnight LIBOR for the committed line of credit and the Federal Funds rate plus 1.30% for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit plus a $25,000 flat fee and 0.04% of the uncommitted line of credit has been paid by the participating funds. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

Federal taxes It is the policy of the fund to distribute all of its taxable income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At December 31, 2017, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

Loss carryover		
Short-term	**Long-term**	**Total**
$—	$3,278	$3,278

Distributions to shareholders Income dividends are recorded daily by the fund and are paid monthly. Distributions from capital gains, if any, are paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. For the reporting period, there were no material temporary or permanent differences. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. At the close of the reporting period, the fund required no such reclassifications.

The tax basis components of distributable earnings as of the close of the reporting period were as follows:

Undistributed ordinary income	$1,735
Capital loss carryforward	(3,278)
Cost for federal income tax purposes	$99,425,981

The aggregate identified cost on a financial reporting and tax basis is the same.

Expenses of the Trust Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the Trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Beneficial interest At the close of the reporting period, insurance companies or their separate accounts were record owners of all but a de minimis number of the shares of the fund. Approximately 35.0% of the fund is owned by accounts of one insurance company.

Note 2: Management fee, administrative services and other transactions

The fund pays Putnam Management a management fee (based on the fund's average net assets and computed and paid monthly) at annual rates that may vary based on the average of the aggregate net assets of all open-end mutual funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid "double counting" of those assets). Such annual rates may vary as follows:

0.440%	of the first $5 billion,
0.390%	of the next $5 billion,
0.340%	of the next $10 billion,
0.290%	of the next $10 billion,
0.240%	of the next $50 billion,
0.220%	of the next $50 billion,
0.210%	of the next $100 billion and
0.205%	of any excess thereafter.

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.284% of the fund's average net assets.

Putnam Management has contractually agreed, through April 30, 2019, to waive fees or reimburse the fund's expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund's investor servicing contract, investment management contract and distribution plans, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund's average net assets over such fiscal year-to-date period. During the reporting period, the fund's expenses were not reduced as a result of this limit.

Putnam Management may from time to time voluntarily undertake to waive fees and/or reimburse certain fund expenses in order to enhance the annualized net yield for the fund. Any such waiver or reimbursement would be voluntary and may be modified or discontinued by Putnam Management at any time without notice. For the reporting period, Putnam Management waived $14,320 as a result of this waiver, which includes $14,320 of class IB specific distribution fees from the fund.

Putnam Investments Limited (PIL), an affiliate of Putnam Management, is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.25% of the average net assets of the portion of the fund managed by PIL.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by State Street. Custody fees are based on the fund's asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. was paid a monthly fee for investor servicing at an annual rate of 0.07% of the fund's average daily net assets. During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

Class IA	$36,685
Class IB	36,292
Total	$72,977

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by $11 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which $75, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee's average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted a distribution plan (the Plan) with respect to its class IB shares pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Plan is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for services provided and expenses incurred in distributing shares of the fund. The Plan provides for payment by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to 0.35% of the average net assets attributable to the fund's class IB shares. The Trustees have approved payment by the fund at an annual rate of 0.25% of the average net assets attributable to the fund's class IB shares. The expenses related to distribution fees during the reporting period are included in Distribution fees in the Statement of operations.

Note 3 — Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales (including maturities) of investment securities (all short-term obligations) aggregated $19,654,199,642 and $19,665,306,000, respectively. The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

Note 4 — Capital shares

At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Subscriptions and redemptions are presented at the omnibus level. Transactions in capital shares were as follows:

	Class IA shares				Class IB shares			
	Year ended 12/31/17		Year ended 12/31/16		Year ended 12/31/17		Year ended 12/31/16	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Shares sold	19,228,099	$19,228,099	21,965,708	$21,965,708	10,662,798	$10,662,798	13,173,668	$13,173,668
Shares issued in connection with reinvestment of distributions	241,723	241,723	8,430	8,430	124,432	124,432	6,122	6,122
	19,469,822	19,469,822	21,974,138	21,974,138	10,787,230	10,787,230	13,179,790	13,179,790
Shares repurchased	(25,173,271)	(25,173,271)	(30,848,319)	(30,848,319)	(15,751,645)	(15,751,645)	(22,686,435)	(22,686,435)
Net decrease	**(5,703,449)**	**$(5,703,449)**	**(8,874,181)**	**$(8,874,181)**	**(4,964,415)**	**$(4,964,415)**	**(9,506,645)**	**$(9,506,645)**

Note 5 — Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default.

Note 6 — Offsetting of financial and derivative assets and liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 1. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

	Citigroup Global Markets, Inc.	Goldman, Sachs & Co.	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Total
Assets:				
Repurchase agreements**	$30,600,000	$28,000,000	$26,746,000	$85,346,000
Total Assets	**$30,600,000**	**$28,000,000**	**$26,746,000**	**$85,346,000**
Total Financial and Derivative Net Assets	**$30,600,000**	**$28,000,000**	**$26,746,000**	**$85,346,000**
Total collateral received (pledged)†##	$30,600,000	$28,000,000	$26,746,000	
Net amount	$—	$—	$—	
*Controlled collateral received (including TBA commitments)***	$—	$—	$—	$—
Uncontrolled collateral received	$31,212,000	$28,560,000	$27,280,920	$87,052,920
*Collateral (pledged) (including TBA commitments)***	$—	$—	$—	$—

** Included with Investments in securities on the Statement of assets and liabilities.

† Additional collateral may be required from certain brokers based on individual agreements.

Covered by master netting agreement (Note 1).

Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

About the Trustees

Name Year of birth Position held	Principal occupations during past five years	Other directorships	
Independent Trustees			
Liaquat Ahamed Born 1952 Trustee since 2012	Pulitzer Prize-winning author of *Lords of Finance: The Bankers Who Broke the World,* whose articles on economics have appeared in such publications as the *New York Times, Foreign Affairs,* and the *Financial Times*. Director of Aspen Insurance Co., a New York Stock Exchange company, and Chair of the Aspen Board's Investment Committee. Trustee of the Brookings Institution.	The Rohatyn Group, an emerging-market fund complex that manages money for institutions	
Ravi Akhoury Born 1947 Trustee since 2009	Trustee of American India Foundation and of the Rubin Museum. From 1992 to 2007, was Chairman and CEO of MacKay Shields, a multi-product investment management firm.	RAGE Frameworks, Inc., a private software company; English Helper, Inc., a private software company	
Barbara M. Baumann Born 1955 Trustee since 2010	President and Owner of Cross Creek Energy Corporation, a strategic consultant to domestic energy firms and direct investor in energy projects. Current Board member of The Denver Foundation. Former Chair and current Board member of Girls Incorporated of Metro Denver. Member of the Finance Committee, the Children's Hospital of Colorado.	Buckeye Partners, L.P., a publicly traded master limited partnership focused on pipeline transport, storage, and distribution of petroleum products; Devon Energy Corporation, a leading independent natural gas and oil exploration and production company	
Jameson A. Baxter Born 1943 Trustee since 1994, Vice Chair from 2005 to 2011, and Chair since 2011	President of Baxter Associates, Inc., a private investment firm. Chair of Mutual Fund Directors Forum. Chair Emeritus of the Board of Trustees of Mount Holyoke College. Director of the Adirondack Land Trust and Trustee of the Nature Conservancy's Adirondack Chapter.	None	
Katinka Domotorffy Born 1975 Trustee since 2012	Voting member of the Investment Committees of the Anne Ray Charitable Trust and Margaret A. Cargill Foundation, part of the Margaret A. Cargill Philanthropies. Until 2011, Partner, Chief Investment Officer, and Global Head of Quantitative Investment Strategies at Goldman Sachs Asset Management.	Reach Out and Read of Greater New York, an organization dedicated to promoting childhood literacy; Great Lakes Science Center; College Now Greater Cleveland	
Catharine Bond Hill Born 1954 Trustee since 2017	Managing Director of Ithaka S+R, a not-for-profit service that helps the academic community navigate economic and technological change. From 2006 to 2016, served as the 10th President of Vassar College. Prior to 2006, was Provost of Williams College.	Director of Yale-NUS College; Alumni Fellow to the Yale Corporation	
Dr. Paul L. Joskow Born 1947 Trustee since 1997	Elizabeth and James Killian Professor of Economics, Emeritus at the Massachusetts Institute of Technology (MIT). Until 2017, President of the Alfred P. Sloan Foundation, a philanthropic institution focused primarily on research and education issues related to science, technology, and economic performance. Prior to 2007, served as the Director of the Center for Energy and Environmental Policy Research at MIT. Prior to 1998, served as Head of the Department of Economics at MIT.	Yale University; Exelon Corporation, an energy company focused on power services; Boston Symphony Orchestra; Prior to April 2013, served as Director of TransCanada Corporation and TransCanada Pipelines Ltd., energy companies focused on natural gas transmission, oil pipelines and power services	
Kenneth R. Leibler Born 1949 Trustee since 2006 and Vice Chair since 2016	Founder and former Chairman of Boston Options Exchange, an electronic marketplace for the trading of derivative securities. Vice Chairman Emeritus of the Board of Trustees of Beth Israel Deaconess Hospital in Boston, Massachusetts. Director of Beth Israel Deaconess Care Organization. Until November 2010, director of Ruder Finn Group, a global communications and advertising firm.	Eversource Corporation, which operates New England's largest energy delivery system	
Robert E. Patterson Born 1945 Trustee since 1984	Co-Chairman of Cabot Properties, Inc., a private equity firm investing in commercial real estate, and Chairman or Co-Chairman of the Investment Committees for various Cabot Funds. Past Chairman and Trustee of the Joslin Diabetes Center.	None	

Name Year of birth Position held	Principal occupations during past five years	Other directorships	
George Putnam, III Born 1951 Trustee since 1984	Chairman of New Generation Research, Inc., a publisher of financial advisory and other research services. Founder and President of New Generation Advisors, LLC, a registered investment advisor to private funds. Director of The Boston Family Office, LLC, a registered investment advisor.	None	
Manoj P. Singh Born 1952 Trustee since 2017	Until 2015, Chief Operating Officer and Global Managing Director at Deloitte Touche Tohmatsu, Ltd., a global professional services organization. Served on the Deloitte U.S. Board of Directors and the boards of Deloitte member firms in China, Mexico, and Southeast Asia.	Director of Abt Associates, a global research firm focused on health, social and environmental policy, and international development. Trustee of Carnegie Mellon University. Trustee of Rubin Museum of Art. Director of Pratham USA, an organization dedicated to children's education in India. Member of the Advisory Board of Altimetrik, a business transformation and technology solutions firm. Director of DXC Technology, a global IT services and consulting company	
Interested Trustee			
Robert L. Reynolds* Born 1952 Trustee since 2008 and President of the Putnam Funds since 2009	President and Chief Executive Officer of Putnam Investments since 2008 and, since 2014, President and Chief Executive Officer of Great-West Financial, a financial services company that provides retirement savings plans, life insurance, and annuity and executive benefits products, and of Great-West Lifeco U.S. Inc., a holding company that owns Putnam Investments and Great-West Financial. Prior to joining Putnam Investments, served as Vice Chairman and Chief Operating Officer of Fidelity Investments from 2000 to 2007.	None	

*Mr. Reynolds is an "interested person" (as defined in the Investment Company Act of 1940) of the fund and Putnam Investments. He is President and Chief Executive Officer of Putnam Investments, as well as the President of your fund and each of the other Putnam funds.

The address of each Trustee is One Post Office Square, Boston, MA 02109.

As of December 31, 2017, there were 106 Putnam funds. All Trustees serve as Trustees of all Putnam funds.

Each Trustee serves for an indefinite term, until his or her resignation, retirement at age 75, removal, or death.

Officers

In addition to Robert L. Reynolds, the other officers of the fund are shown below:

Jonathan S. Horwitz *(Born 1955)*
Executive Vice President, Principal Executive Officer, and Compliance Liaison
Since 2004

Robert T. Burns *(Born 1961)*
Vice President and Chief Legal Officer
Since 2011
General Counsel, Putnam Investments, Putnam Management, and Putnam Retail Management

James F. Clark *(Born 1974)*
Vice President and Chief Compliance Officer
Since 2016
Chief Compliance Officer, Putnam Investments and Putnam Management

Michael J. Higgins *(Born 1976)*
Vice President, Treasurer, and Clerk
Since 2010

Janet C. Smith *(Born 1965)*
Vice President, Principal Financial Officer, Principal Accounting Officer, and Assistant Treasurer
Since 2007
Head of Fund Administration Services, Putnam Investments and Putnam Management

Susan G. Malloy *(Born 1957)*
Vice President and Assistant Treasurer
Since 2007
Head of Accounting, Middle Office, & Control Services, Putnam Investments and Putnam Management

Mark C. Trenchard *(Born 1962)*
Vice President and BSA Compliance Officer
Since 2002
Director of Operational Compliance, Putnam Investments and Putnam Retail Management

Nancy E. Florek *(Born 1957)*
Vice President, Director of Proxy Voting and Corporate Governance, Assistant Clerk, and Assistant Treasurer
Since 2000

Denere P. Poulack *(Born 1968)*
Assistant Vice President, Assistant Clerk, and Assistant Treasurer
Since 2004

The principal occupations of the officers for the past five years have been with the employers as shown above, although in some cases they have held different positions with such employers. The address of each officer is One Post Office Square, Boston, MA 02109.

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Other important information

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2017, are available in the Individual Investors section of putnam.com and on the Securities and Exchange Commission's (SEC) website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

Each Putnam VT fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain the fund's Form N-Q on the SEC's website at www.sec.gov. In addition, the fund's Form N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the SEC's website or the operation of the Public Reference Room.

Fund information

Investment Manager
Putnam Investment Management, LLC
One Post Office Square
Boston, MA 02109

Investment Sub-Advisor
Putnam Investments Limited
16 St James's Street
London, England SW1A 1ER

Marketing Services
Putnam Retail Management
One Post Office Square
Boston, MA 02109

Investor Servicing Agent
Putnam Investor Services, Inc.
Mailing address:
P.O. Box 8383
Boston, MA 02266-8383
1-800-225-1581

Custodian
State Street Bank and Trust Company

Legal Counsel
Ropes & Gray LLP

Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP

The fund's Statement of Additional Information contains additional information about the fund's Trustees and is available without charge upon request by calling 1-800-225-1581.

This report has been prepared for the shareholders of Putnam VT Government Money Market Fund.

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