

PUTNAM STABLE VALUE FUND
CUSIP 74686Q801
(15 bps management fee)

Disclosure for ERISA 408(b)(2) Reporting

A. Background

Section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), requires a “covered service provider” to a retirement plan (“Plan”) to disclose the compensation that it receives in connection with providing services to the Plan. Putnam Fiduciary Trust Company (“PFTC”), as trustee of the Putnam Stable Value Fund (the “Fund”), in which your Plan has invested, is a covered service provider. This report is designed to meet Putnam’s disclosure obligations under ERISA Section 408(b)(2). Please review it in combination with the Plan’s participation agreement (or investment instructions) as well as the offering statement, declaration of trust, and most recent annual report for the Fund.

B. Explanation of Services

The Fund is a collective trust established and maintained by PFTC, a non-depository New Hampshire trust company. As trustee, PFTC is responsible for making investment decisions for the Fund and managing the Fund’s other affairs and business. PFTC invests the assets in accordance with the investment objective of the Fund, which is described in detail in the offering statement.

PFTC has contracted with its affiliate, The Putnam Advisory Company, LLC (“PAC”), to provide certain non-discretionary investment advisory and administrative services to PFTC in connection with the Fund. The fees for these services will be borne by PFTC.

C. Fiduciary Status

PFTC is a fiduciary for the Fund, and accordingly, for your Plan with respect to the assets invested in the Fund. PAC is a fiduciary for your Plan and is an investment adviser registered under the Investment Advisers Act of 1940.

D. Compensation

Management Fee. Your plan pays a management fee equal to 0.15% of the plan’s assets invested in the Fund. This fee is deducted from your assets in the Fund. A portion of the fee may be applied to payments made by PFTC to financial advisors, or other service providers for marketing and servicing expenses and plan administrative costs, as directed from time to time. For more information, see the section entitled “Fees” in the Fund’s offering statement.

Investment Contract Fees and other expenses. The Fund has always had embedded expenses associated with the purchase of investment contracts which (based on standard accounting treatment) have not been reflected in the total expense ratio. These third party expenses, which include wrap fees, custody fees and management or subadvisory fees (in the case of a managed

SBIC with an unaffiliated investment manager), are reflected in the interest rates credited under the investment contracts to the Fund.

The Fund also bears other expenses, as described further in the offering statement and annual report, such as audit and legal fees. For information on the Fund's Total Annual Operating Expense Ratio, which includes each of these expenses, please refer to Section E, "Investment Disclosures," below.

Bank Account Earnings. PFTC and its affiliates may earn additional compensation in the form of "float" (income earnings or bank fee credits) generated from clients' balances in the Putnam bank accounts used for Fund subscriptions and redemptions/distributions. The item numbers in the description below correspond to the disclosure requirements listed under the "Obligations of Service Providers" as set forth in the Department of Labor's *Field Assistance Bulletin 2002-3*.

1. *Disclose the specific circumstances under which float will be earned and retained.*

All Fund contributions, distributions, and transfers processed by Putnam as trustee of the Fund are initially deposited in one or more non-interest bearing, omnibus demand deposit accounts ("DDA"). The funds remain in the DDA only to the extent needed to process the particular transaction, as described in items 2 and 3 below.

Depending on the size of the overall balance in the DDA at the end of each business day, a portion of the balance may be invested on an overnight basis in a money market mutual fund or other short term investment vehicle. The balance not invested remains in the DDA as a "buffer" for subscription/redemption activity. Balances invested overnight generate a short-term investment return.

Under current practice, any balances in the DDA that are not invested overnight generate bank fee credits, which are used to offset general banking expenses of Putnam. Accordingly, to the extent the float reduces these expenses, it forms part of the compensation payable to PFTC or its affiliates for the services it provides to the Fund.

2. *In the case of float on contributions pending investment direction, establish, disclose and adhere to specific time frames within which cash pending investment direction will be invested following direction from the plan fiduciary, as well as any exceptions that might apply.*

Generally, there is no float when a contribution is made to the Fund because Putnam receives the contribution or other transfer and completes the purchase and settlement (i.e. settles with the Fund) on the same day. If, however, there is a delay in the settlement (for example, if the order comes in late or funds are received without corresponding instructions), there would be float as described above for as long as the trade is delayed.

Putnam agrees to adhere to the foregoing procedures.

3. *In the case of float on distributions, disclose when the float period commences (e.g., the date the check is requested, the date the check is written, the date the check is mailed) and ends (the date the check is presented for payment). Also disclose, and adhere to, time frames for mailing and any other administrative practices that might affect the duration of the float period.*

Generally, there is no float when a redemption or transfer is made from the Fund because Putnam receives the request for distribution and completes the disbursement and settlement on the same day. If, however, there is a delay in the settlement (for example, if the transaction request comes in late), there would be float as described above for as long as the trade is delayed. In such case, the money is held in the DDA where it earns float until the settlement.

Dividends paid by the Putnam collective trust funds, if any, are currently settled same day and, as a result, typically would not generate float.

4. *Disclose the rate of the float or the specific manner in which such rate will be determined. For example, earnings on cash pending investment and earnings on uncashed checks are generally at a money market interest rate.*

Amounts that are invested on an overnight basis are invested in a money market mutual fund or similar investment vehicle selected by PFTC or its affiliates from time to time. Overnight investment returns are generally at money market rates. Currently, overnight balances are invested in a government money market mutual fund that returned 0.01% for the one-year period ended March 31, 2017. For information about the most recent returns and investment vehicle, please contact Putnam.

Under current practice, any balances in the DDA that are not invested overnight do not earn explicit interest or other amounts; instead, the float is used to offset general banking expenses of Putnam based on a “credit” rate set by the bank holding the account. This credit rate is generally higher than overnight interest rates by a small margin (for example, based on a 3-month Treasury Bill rate after deducting a margin for bank capital requirements).

Soft dollar arrangements. Putnam, consistent with the safe harbor provisions of Section 28(e) under the Securities Exchange Act of 1934, obtains “research” from broker-dealers (“proprietary research”) or third parties paid by broker-dealers (“third-party research”) using commissions generated by security trades on behalf of clients. At present, Putnam generally does not use “soft dollars” to obtain “brokerage services.” The research so obtained includes: economic analysis, investment research, industry and company reviews, statistical information, market data, evaluations of investments, recommendations as to the purchase and sale of investments, access to company management, attendance at industry seminars, and performance measurement services. Any given broker-dealer or third-party research firm may provide Putnam with one or more of the above categories of research, and Putnam may acquire different research services from a firm over different periods. With the exception of market data, which is generally obtained as third-party research, there generally is no categorical distinction between third-party research and proprietary research. Third-party research may be provided by firms that are registered broker-dealers but with whom Putnam does not trade. Additional information regarding soft dollars and/or brokerage and research services is provided in Part 2 (including the section titled “Brokerage Practices”) of the Form ADV for The Putnam Advisory Company, LLC, which serves as sub-adviser to PFTC for the Fund, which is available upon request.

Below is a list of the top 50 third-party and proprietary research providers from whom Putnam received research in 2016. The research was not provided to Putnam with respect to any specific Putnam investment product or retirement plan client and, if applicable, is generally not provided in relation to fixed income transactions. As a result, it is impracticable to provide a reasonable estimate of the value of the services received applicable to any specific plan. Putnam received

research from other providers in 2016 which was of insubstantial value with respect to any plan and therefore not provided below.

Top 50 third-party research providers (for 2016)	Top 50 proprietary research providers (for 2016)
86Research	Barclays
Absolute Strategy	Berenberg Bank
Aliya Capital	Bernstein
Autonomous Research	BMO Capital Markets
B. Riley & Co.	BoA Merrill
BCA Research	BTIG
Bloomberg	Citigroup
Business Intelligence Advisors (BIA)	CLSA
Capital Economics (London)	Cowen & Co.
Capitol Street	Credit Suisse
CFRA	Daiwa Securities
China International Capital Corporation	Davy Securities
Coleman Research	Deutsche Bank
Consumer Edge Research & Trading	Evercore ISI
Cornerstone Macro	Exane
Debtwire	FBR Capital Markets
DrugAnalyst	Goldman Sachs
Empirical	Guggenheim Partners
evaDimensions	HSBC
Factset	Jefferies & Co.
GaveKal	JP Morgan
Gerson Lehrman	KBW
Green Street Advisors	KeyBanc (Pacific Crest)
Holt (Datafeed)	Macquarie
IHS	Mizuho Securities
Infinata (Pharmawire)	MKM Partners
Institute of International Finance	Morgan Stanley
Integrity Research Associates	Needham & Co.
Interactive Data	Nomura/Instinet
Intex Solutions	Oppenheimer
InvestorTools	Piper Jaffray
IPD Analytics	Raymond James & Associates
JLM Pacific Epoch, LLC	RBC Capital Markets
Medley Global Advisors	Redburn Partners
Moody's Analytics	Robert W. Baird
Morningstar	Sandler O'Neill + Partners LP
Ned Davis	Scotia Howard Weil
New Street Research	SG Americas
NPD Group	State Street
Quantitative Services Group	Stephens Inc.
Redburn Partners	Stifel Nicolaus

Schilit Forensics, LLC	SunTrust Robinson Humphrey
SMBC Nikko Securities	Susquehanna
SNL Financial LC	Tudor Pickering Holt
Strategas	UBS
Thomson Reuters	Wedbush Morgan Securities
Vertical Research Partners	Wells Fargo Capital Markets
Wood Mackenzie	William Blair & Co.
Zacks Investment Research	Wolfe Research
Zelman Associates	Wunderlich Securities

For future changes to this list, please refer to the Fund's most recent Schedule C Disclosure provided by Putnam.

Gifts and Entertainment. PFTC may receive indirect compensation from parties other than the Plan or the Fund in connection with managing the Fund. Putnam employees, including portfolio managers, may receive limited gifts and entertainment from third parties. Under Putnam's policies and procedures, any gifts and entertainment must be of a reasonable value so they do not influence the nature of the investment advice given to clients, the selection of broker-dealers to execute portfolio trades, or other business decisions.

Termination. There is no fee for termination of services provided by PFTC.

E. Investment Disclosures

The table below provides certain additional information for the Fund or instructions on how to locate the additional information. For access to the additional information and any updated information, please visit www.putnam.com/dcio/erisa.

Investment Information	
The name of the investment option/issuer.	Putnam Stable Value Fund
The category of the Fund.	Stable Value
The average annual total return of the Fund for 1, 5, and 10-calendar year periods (or for the life of the alternative, if shorter).	Annual total returns are provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa
The name and returns of an appropriate broad based benchmark over the same 1, 5, and 10-calendar year periods (or for the life of the alternative, if shorter) as above.	Benchmark returns are provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa

Updated annual total return of the Fund for 1, 5, and 10-periods (or for the life of the alternative, if shorter) for the most recently completed calendar quarter .	Updated returns for the most recent calendar quarter are provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa
The amount and description of each shareholder type fees (fees charged against investment – such as commissions, sales loads, sales charges, redemption fees, surrender charges, exchange fees, account fees and purchase fees, which are not included in the total annual operating expenses).	There are no shareholder type fees for the Fund that are not part of the Total Annual Operating Expense Ratio below.
A description of any restriction or limitation that may be applicable to a purchase, transfer or withdrawal of the investment in whole or in part (such as round trip, equity wash, or other restrictions).	--Transfers into a competing fund (as defined by PFTC) are restricted for 90 days due to an equity wash provision. --A 12 month delay may apply for employer withdrawal requests; and other limitations may apply under limited circumstances. These restrictions are explained in more detail in the Fund's offering statement in the sections titled "90-day equity wash provision" and "Withdrawals."
Total annual operating expenses of the Fund.	Total annual operating expenses are provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa
Total annual operating expenses of the Fund for a one year period expressed as a dollar amount for a \$1,000 investment. This information is based on the Fund's most recent fiscal year end.	Total annual operating expenses (per \$1,000 investment) are provided in the Quarterly Performance Update available on Putnam's website at www.putnam.com/dcio/erisa
The Fund's objectives or goals .	Please refer to the section entitled "Goal" in the offering statement.
The Fund's principal strategies and risks .	Please refer to the sections entitled "Investment Strategy" and "Risks of the Fund" in the offering statement.
The Fund's portfolio turnover rate .	Not required for a stable value fund due to its investment strategy.

F. Questions

If you have any additional questions regarding the fees associated with your plan or the information in this report, please e-mail Putnam at plan_provider_services@putnam.com.