

Putnam may refer to certain financial terms on this site. Definitions of these financial terms are for informational purposes only. This list may not include all terms used on this Web site.

FINANCIAL TERMS

Annual Turnover – The lesser of purchases or sales divided by the average total assets for the period.

Beta – A quantitative measure of the volatility of a given stock or portfolio, relative to the overall market.
R-Squared - a measure of the reliability of beta and alpha, indicates whether the comparison benchmark is appropriate.

Dividend yield – a ratio that shows how much a company pays out in dividends each year relative to its share price.

Down-market capture ratio - The down-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has dropped. The ratio is calculated by dividing the portfolio's returns by the returns of the index during the down-market and multiplying that factor by 100.

Earnings Growth Rate - A measure of growth in a company's net income over a specific period.

Information Ratio – A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns.

Maximum Drawdown - A measure of financial risk that calculates the largest peak-to-trough decline that could be experienced by an investor over a specified time period.

Median Market Cap - The midpoint of market capitalization of the stocks in a portfolio.

PEG ratio - A stock's price-to-earnings ratio divided by the growth rate of its earnings for a specified time period.

Price-to-Earnings (P/E) – The most common measure of how expensive a stock is. Price to Earnings (P/E) ratio compares a stock's current share price to its earnings per share (EPS).

Price-to-Sales – A stock's capitalization divided by its sales over the trailing 12 months.

R-Squared - A measurement of how closely the portfolio's performance correlates with the performance of a benchmark index, such as the S&P 500. R² is a proportion which ranges between 0.00 and 1.00. An R² of 1.00 indicates perfect correlation to the benchmark index.

Return on Equity (ROE) – the amount expressed as a percentage, earned on a company's common stock investment for a given period.

Standard Deviation – A statistical measure of the historical volatility of a portfolio.

Sharpe Ratio - A measure of historical adjusted performance calculated by dividing the portfolio's return minus the risk-free rate (BofA Merrill Lynch U.S. Treasury Bill Index) by the standard deviation of the portfolio's return.

Tracking Error - Tracking error quantifies the degree to which a portfolio differs from the index or benchmark, by measuring the standard deviation between the two values.

Up-market capture ratio - The up-market capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen. The ratio is calculated by dividing the portfolio's returns by the returns of the index during the up-market, and multiplying that factor by 100.

Weighted Average Market Cap – The average market value of securities in a portfolio or index, weighted in proportion to their percentage of net assets in the portfolio or index.