

Putnam Investments Limited Tax Strategy

Putnam Investments Limited is a responsible taxpayer, aiming to comply with the tax rules. In the UK, the principles in our tax strategy set out our approach to tax management and compliance as it applies across the business, summarised below.

Governance and risk management

As part of our overall risk management and control processes, we seek to manage our tax risks and ensure;

- uncertainties in interpretation of UK tax law are identified and managed to mitigate financial or reputational risk;
- The board approves material tax risk judgements, to the extent such judgements should arise;
- UK tax information recorded in financial statements/regulatory returns is accurate; and
- all appropriate tax returns are filed in accordance with UK tax laws and regulations.

We recognise that tax is an important feature of our business, and that our approach to tax should be careful and responsible – no different to our overall approach to risk management.

Responsibility for compliance with the UK Tax Strategy is delivered through oversight across all UK taxes by the US Tax Director, with support from the US Tax, Accounting, Financial Reporting, Legal and Payroll Departments. An outside firm supports our business operations with UK tax footprints, providing advice and compliance support services, managing relationships with tax authorities and assisting with tax and financial reporting obligations. Business operations are responsible for identifying, managing and monitoring tax risk within their processes, as they are for any operational risk, and Putnam maintains a robust internal audit function and enterprise risk arrangements to review the firm's various internal processes and to assist in the overall assessment of operational risks, respectively. In addition the US Tax Director is accountable to the Board for an effective internal control system being in place.

Assessment of acceptable tax risk

Our long term business objectives are to provide asset management services to our customers now and into the future without accepting significant tax risk. This requires that tax risks are assessed and managed effectively. We have a low appetite for UK tax risk from our business activities.

We aim to take a consistent approach using the same parameters to assess and manage tax risk in situations where an element of tax risk is maintained, in accordance with our risk management framework.

We would not pursue an interpretation of the tax legislation which is incompatible with our overall attitude to tax risk management and only enter into transactions with a commercial purpose.

Attitude to tax planning

We seek to organise our UK tax affairs to meet the commercial objectives of the business in a tax efficient manner. We strive to comply with applicable UK tax laws, regulations and rules, self-assessing and reporting all UK taxes where a tax liability is identified. We will take external tax advice on material commercial transactions where we believe that judgements on tax uncertainty are required.

Working with tax authorities

We seek to build an open and honest relationship with the UK tax authorities. Integrity and consistency are central to the management of taxes, ensuring our obligations to our stakeholders are met in a tax efficient manner, underpinned by a robust approach to tax risk management.

We regard the publication of this tax strategy as complying with the duty under paragraph 16 (2) of Schedule 19 of the Finance Act 2016 to publish the group tax strategy in the current financial year.