



The fund received a 4-star Overall Morningstar Rating as of 3/31/24 among 552 funds in the Small Growth category (IB shares, based on risk-adjusted returns)



William J. Monroe, CFA
Portfolio Manager
(industry since 1996)

Objective

The fund seeks long-term growth of capital.

Morningstar category

Small Growth

Lipper category

VP (Underlying Funds) – Small-Cap Growth Funds

Benchmark

Russell 2000 Growth Index

Current unit value

Class IA: \$20.90
Class IB: \$20.19

Net assets

\$32.39M

Number of holdings

87

Morningstar rankings

(IB shares, based on total return)

1 year 3% (2/72)
3 years 9% (6/72)
5 years 6% (2/72)
10 years 38% (19/64)

**Not FDIC insured
May lose value
No bank guarantee**

Putnam VT Small Cap Growth Fund

Uncovering high-quality and fast-growing small-cap companies

Combining quality and aggressive growth

Pursues strong risk-adjusted return potential through a foundation of high-quality growth stocks augmented by aggressive growth stocks

Research-intensive process

Applies rigorous fundamental research to identify growth opportunities where the market has undervalued the duration or magnitude of a company’s growth potential

Long-term investment horizon

Seeks to harness the power of compounding growth and embed risk management at multiple levels

Top 10 holdings

Super Micro Computer	3.52%
Comfort Systems USA	2.73
Medpace	2.27
Kinsale Capital Group	2.23
Installed Building Products	2.13
Eagle Materials	1.97
Nova	1.80
HealthSouth	1.78
Manhattan Associates	1.76
Onto Innovation	1.72

Holdings represent 21.91% of the portfolio and will vary over time.

Risk (IB shares, as of 3/31/24)

Beta	0.89
Tracking error	7.50%
Up capture ratio	98.90%
Down capture ratio	76.16%

Sector weightings

	Underweight	Overweight	Portfolio	Benchmark
Industrials		3.4	23.8%	20.4%
Materials		2.0	6.1	4.1
Consumer discretionary		1.6	12.2	10.6
Information technology		0.5	24.5	24.0
Consumer staples	-0.4		4.0	4.4
Real estate	-0.4		1.1	1.5
Energy	-0.6		4.0	4.6
Financials	-1.2		4.9	6.1
Utilities	-1.3		0.0	1.3
Communication services	-1.9		0.0	1.9
Health care	-2.3		19.0	21.3

Cash and net other assets represent 0.4% of the portfolio.

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

The unclassified sector, where applicable, includes exchange-traded funds and other securities not able to be classified by sector.

Capture ratios are used to evaluate how well an investment manager performed relative to an index during specific periods (periods of positive return in the case of up capture, negative return in the case of down capture). The ratio is calculated by dividing the manager’s returns by the returns of the index during the period and multiplying that factor by 100. **Turnover** is the rate at which the fund buys and sells securities each year. For example, if a fund’s assets total \$100 million and the fund bought and sold \$100 million of securities that year, its portfolio turnover rate would be 100%. **Beta** is defined as a fund’s sensitivity to market movements and is used to evaluate market-related, or systematic, risk. It is a historical measure of the variability of return earned by an investment portfolio. Risk statistics are measured using a 5-year regression analysis. For funds with shorter track records, since inception analysis is used. **Tracking error** assesses how closely a fund’s performance tracks that of the fund’s benchmark by calculating the standard deviation of the difference between the fund’s returns and its benchmark returns over a given time period, typically 5 years.

Not all share classes are available on all platforms.

Annual performance at net asset value (all distributions reinvested)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 YTD
Class IA	-7.37%	15.77%	8.26%	-13.64%	37.73%	48.71%	14.18%	-28.11%	23.46%	16.11%
Class IB	-7.61	15.52	7.93	-13.84	37.45	48.30	13.92	-28.30	23.14	16.03
Benchmark	-1.38	11.32	22.17	-9.31	28.48	34.63	2.83	-26.36	18.66	7.58

Annualized total return performance

	Q1	1 year	3 years	5 years	10 years
Class IA NAV (Inception 5/1/03)	16.11%	33.80%	4.46%	15.04%	9.53%
Class IB NAV (Inception 5/1/03)	16.03	33.44	4.20	14.76	9.26
Benchmark	7.58	20.35	-2.68	7.38	7.89

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. All total return figures are at net asset value. The charges and expenses of the insurance company separate account level are not reflected. 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. To obtain the most recent month-end performance, contact your variable annuity provider, who has more information about their variable annuity and variable life products that invest in Putnam-managed products. For a portion of the period, this fund limited expenses, without which returns would have been lower.

The Russell 2000[®] Growth Index is an unmanaged index of those companies in the small-cap Russell 2000 Index chosen for their growth orientation. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. Russell[®] is a trademark of Frank Russell Company. You cannot invest directly in an index.

The Morningstar Rating[™] for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam VT Small Cap Growth Fund received 4, 5, and 4 stars for the 3-, 5-, and 10-year periods among 552, 520, and 400 Small Growth funds, respectively. Morningstar rankings for class IB shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

Consider these risks before investing: Investments in small and/or midsize companies increase the risk of greater price fluctuations. Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-style investing.

The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings. These risks are generally greater for small and midsize companies. From time to time, the fund may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the fund more vulnerable to adverse developments affecting those industries or sectors.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

Your clients should carefully consider the investment objective, risks, charges, and expenses of a fund before investing. For a prospectus containing this and other information for any variable annuity or variable life product that invests in Putnam managed products, call the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

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