

**Portfolio manager**

**William J. Monroe, CFA**  
 (industry since 1996)

**Objective**

The strategy seeks to outperform the Russell 2000 Growth index over a full market cycle.

**Composite**

U.S. Small Cap Growth Equity

**Inception**

January 31, 2000

**Benchmark**

Russell 2000 Growth Index

**Total strategy assets**

\$1,921.85M

Total strategy assets may include accounts that are not reflected in the composite.

**Number of holdings**

87

**Turnover**

37%

Represents the portfolio's annual turnover rate as of the most recent quarter-end.

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.

No assurance can be given that the investment objective will be achieved or that an investor will receive a return of all or part of their initial investment. Actual results could be materially different from the stated goals. As with any investment, there is a potential for profit as well as the possibility of loss.

For use with financial intermediaries and their clients.

# U.S. Small Cap Growth Equity

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

## Combining quality and aggressive growth

We believe portfolios that balance exposure to high-quality and aggressive growth small-cap stocks can offer strong risk-adjusted return potential.

## Research-intensive process

Our fundamental investment process focuses on identifying growth opportunities where the market has undervalued the duration or magnitude of a company's growth potential.

## Long-term investment horizon

We seek to invest over a multiyear horizon to harness the power of compounding growth and embed risk management at multiple levels.

## Top 10 holdings

Super Micro Computer	3.50%
Comfort Systems USA	2.68
Medpace	2.24
Kinsale Capital Group	2.19
Emcor	2.09
Installed Building Products	2.09
Eagle Materials	1.94
Nova	1.77
HealthSouth	1.74
Manhattan Associates	1.73

Holdings represent 21.98% of the portfolio and will vary over time.

## Sector weightings

	Underweight	Overweight	Portfolio	Benchmark
Industrials		3.3	23.7%	20.4%
Materials		1.8	5.9	4.1
Consumer discretionary		1.2	11.8	10.6
Information technology	-0.1		23.9	24.0
Consumer staples	-0.5		3.9	4.4
Real estate	-0.5		1.0	1.5
Energy	-0.8		3.8	4.6
Utilities	-1.3		0.0	1.3
Financials	-1.3		4.8	6.1
Communication services	-1.9		0.0	1.9
Health care	-3.2		18.1	21.3

Cash and net other assets represent 3.0% 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.

## Risk (as of March 31, 2024)

Beta	0.88
Tracking error	7.52%
Up capture ratio	100.00%
Down capture ratio	73.38%

Based on a simple regression of monthly gross returns for the past five years versus the benchmark. Risk statistics are calculated using composite month-end return values.

Portfolio characteristics and holdings are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly, account characteristics may vary. The inclusion of holdings information should not be interpreted as a recommendation to buy or sell or hold any security. The securities identified do not represent all the securities purchased, sold or recommended for client accounts. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable. Allocations and security selection are subject to change. Past performance is no guarantee of future results.

### Calendar-year composite performance

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Gross	24.42%	-27.20%	15.51%	49.49%	39.32%	-1.26%	21.69%	9.54%	-1.95%	3.21%
Net	23.42	-27.78	14.58	48.29	38.21	-2.05	20.72	8.66	-2.90	2.18
Benchmark	18.66	-26.36	2.83	34.63	28.48	-9.31	22.17	11.32	-1.38	5.60

### Composite performance (annualized)

	Q1	1 year	3 years	5 years	10 years
Gross	16.34%	34.94%	5.59%	16.11%	12.91%
Net	16.11	33.85	4.74	15.18	11.96
Benchmark	7.58	20.35	-2.68	7.38	7.89

#### Past performance is not a guarantee of future results. An investment in the strategy can lose value.

Performance is stated in U.S. dollars and includes the reinvestment of dividends and interest. Gross performance includes the deduction of transaction costs but does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by advisory and other fees. Net performance reflects the deduction of a model fee applied on a monthly basis, equal to the actual management fee incurred by a portfolio in the Composite or the highest management fee that would be charged to a prospect of the strategy, whichever is higher. The model fee may change over time. Actual advisory fees may vary among clients with the same investment strategy. The composite includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Please see the composite disclosures located at the end of the factsheet for strategy-specific risk disclosures.

This material is prepared for use with financial intermediaries and their clients and is provided for limited purposes. By receiving and reviewing this material, the recipient acknowledges the following: This material is a general communication being provided for informational and educational purposes only. It is not designed to be a recommendation of any specific investment product, strategy, or decision, and is not intended to suggest taking or refraining from any course of action. The material was not prepared, and is not intended, to address the needs, circumstances, and objectives of any specific institution, plan, or individual(s). Putnam is not providing advice in a fiduciary capacity under applicable law in providing this material, which should not be viewed as impartial, because it is provided as part of the general marketing and advertising activities of Putnam, which earns fees when clients select its products and services. The views and strategies described herein may not be suitable for all investors. Prior to making any investment or financial decisions, any recipients of this material should seek individualized advice from their personal financial, legal, tax, and other professional advisors that takes into account all of the particular facts and circumstances of their situation. Representative account data in this report is for illustrative purposes only. Generally, the representative account is selected based on the account that has the longest track record or that is most representative of the intended strategy taking into consideration the account with the least investment restrictions, the size of the account, and/or most relevant and applicable to the prospective client. Representative accounts may change over time. Representative account data may differ from composite data. Unless otherwise noted, Putnam is the source of all data. Putnam Investments cannot guarantee the accuracy or completeness of any statements or data contained in the material. Predictions, opinions, and other information contained in this material are subject to change. Any forward-looking statements speak only as of the date they are made, and Putnam assumes no duty to update them. Forward-looking statements are subject to numerous assumptions, risks, and uncertainties. Actual results could differ materially from those anticipated. While Putnam Investments seeks to achieve the portfolio's stated objective, there is no guarantee the objective will be achieved. All investments involve risk, and investment recommendations will not always be profitable. Putnam Investments does not guarantee any minimum level of investment performance or the success of any investment strategy. Investing entails risks, including possible loss of principal. Past performance is no guarantee of future results. As with any investment, there is a potential for profit as well as the possibility of loss.

This material or any portion hereof may not be reprinted, sold, or redistributed in whole or in part without the express written consent of Putnam Investments. The information provided relates to Putnam Investments and its affiliates, which include, Putnam Investment Management, LLC and The Putnam Advisory Company, LLC. Putnam Investments is a Franklin Templeton company.

**Retail Separately Managed Accounts (SMAs):** Putnam Investment Management, LLC acts as a discretionary investment manager or non-discretionary model provider in a variety of retail separately managed account programs and platforms ("SMA Programs") sponsored by non-affiliated financial intermediaries (each, a "Sponsor Firm"). Through various Sponsor Firms, Putnam offers model-delivery SMAs as well as single- and dual-contract SMAs through a range of actively managed equity strategies. SMA Programs may require a minimum asset level and, depending on specific investment objectives and financial position, may not be appropriate for all investors. The information provided relates to Putnam Investments and its affiliates, which includes Putnam Investment Management, LLC. Putnam Investments is a Franklin Templeton company.

**Canada:** Prepared for use in Canada by Franklin Templeton Investments Corp. or Putnam Investments Canada ULC (o/a Putnam Management in Manitoba), as applicable, 200 King Street West, Suite 1400, Toronto, ON, M5H 3T4, (800) 387-0830, Fax: (416) 364-1163, [www.franklintempleton.ca](http://www.franklintempleton.ca).

This is not an offer to sell or a solicitation of an offer to purchase securities in any jurisdiction where it would be illegal to do so.

Please visit [www.franklinresources.com](http://www.franklinresources.com) to be directed to your local Franklin Templeton website with further contact details/information.

The investment strategies described herein are those of Putnam Investments. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these Putnam Investments materials are preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon a client's request. For additional information, documents, and/or materials, please speak to your financial advisor.

Investment and insurance products:

- Are not FDIC or other government agency insured
- Are not bank guaranteed
- May lose value, including possible loss of principal

For use with financial intermediaries and their clients.

FS841\_SMA 336670 4/24

[putnam.com](http://putnam.com)

## Putnam Investments U.S. Small Cap Growth Equity Composite

Year	Gross of Fees Return (%)	Net of Fees Return (%)	Annual Benchmark Return (%)	Three year Standard Deviation of Composite (%) <sup>1</sup>	Three year Standard Deviation of Benchmark (%) <sup>1</sup>	Standard Deviation of Account Returns (%) <sup>2</sup>	Composite Assets (millions)	Total Firm Assets (millions)	Number of Accounts
2023	24.42	23.42	18.66	20.62	21.79	N/A	1,505	145,979	≤5
2022	-27.20	-27.78	-26.36	24.58	26.20	N/A	905	133,064	≤5
2021	15.51	14.58	2.83	20.38	23.07	N/A	1,017	159,122	≤5
2020	49.49	48.29	34.63	22.97	25.10	N/A	827	153,327	≤5
2019	39.32	38.21	28.48	16.28	16.37	N/A	554	138,486	≤5
2018	-1.26	-2.05	-9.31	16.75	16.46	N/A	415	117,149	≤5
2017	21.69	20.72	22.17	14.77	14.59	N/A	172	117,916	≤5
2016	9.54	8.66	11.32	16.26	16.67	N/A	224	109,728	≤5
2015	-1.95	-2.90	-1.38	14.90	14.95	0.37	502	110,621	20
2014	3.21	2.18	5.60	13.49	13.82	0.62	506	120,093	21

1 The three-year, annualized ex-post standard deviation of monthly gross composite and benchmark returns represents a measure of total investment risk (volatility) and calculates the variance of a distribution of returns. Data is not presented for periods with less than 36 months of composite returns.

2 Composite dispersion is calculated using the equal-weighted standard deviation of the annual gross returns of those portfolios that were included in the composite for the entire year. Standard deviation is N/A for composites with five or fewer accounts for the full year.

**Firm overview:** Putnam Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Putnam Investments has been independently verified from January 1, 2000, through December 31, 2022. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Putnam Investments U.S. Small Cap Growth Equity Composite has had a performance examination for the periods January 1, 2007 through December 31, 2022. The verification and performance examination reports are available upon request. Putnam Investments (the "Firm") is defined as a broad-based investment management organization that provides financial services to institutions and individuals through segregated accounts and pooled investment vehicles, such as mutual funds, active exchange-traded funds, collective investment trusts and private funds. . The Firm is a wholly owned indirect subsidiary of Franklin Resources, Inc. Investment management is provided by four wholly owned subsidiaries of the Firm: The Putnam Advisory Company, LLC; Putnam Investment Management, LLC; Putnam Fiduciary Trust Company, LLC; and Putnam Investments Limited. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. A list of the Firm's composite descriptions and pooled fund descriptions for limited distribution pooled funds, and a list of broad distribution pooled funds are available upon request.

**Composition of composite:** The Putnam Investments U.S. Small Cap Growth Equity Composite (the "Composite") strategy seeks to outperform the Russell 2000 Growth index over a full market cycle by investing mainly in common stock of small U.S. companies. The strategy seeks to build a portfolio that offers above-average growth with a focus on quality and stability. The Composite's benchmark is the Russell 2000 Growth Index. Derivatives, including futures, options, warrants, and swaps, may be used for hedging or non-hedging purposes. The Composite comprises all fully discretionary accounts, including carve-out assets, managed by Putnam Investments in this investment style. A "carve-out" is a portion of a portfolio that is by itself representative of a distinct investment strategy. It is used to create a track record for a narrower mandate from a multiple-strategy portfolio managed to a broader mandate. The Composite inception date was January 31, 2000. The Composite creation date was October 18, 2000. Effective March 31, 2017, there was a portfolio manager change for this strategy.

**Risk considerations:** The prices of stocks in a portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including both general financial market conditions and factors related to a specific company or industry. These risks are generally greater for small and midsize companies. Small-cap performance may be more volatile than the performance of a strategy that invests primarily in stocks of large-cap companies. Small-cap companies may have more limited product lines, markets, and financial resources than large-cap companies. Small-cap companies may also have shorter operating histories and more volatile businesses. In addition, it may be harder to sell these stocks, particularly in large blocks, which can reduce their selling price. Growth stocks may be more susceptible to earnings disappointments, and the market may not favor growth-style investing. This strategy may not be suitable for all investors. It is important to understand that you can lose money by investing in this strategy.

**Calculation of composite:** Returns are presented in U.S. dollars ("USD"). Benchmark, Putnam account and Putnam mutual fund valuation sources and timing may sometimes differ, causing dispersion within the composite and between the composite and the benchmark. The results of the Composite for all periods shown include the reinvestment of dividends and other earnings. The Firm values securities using market quotations, fair value prices from pricing services and/or broker quotations. In limited circumstances, the Firm will value securities based solely on its own analysis, this may include using model prices based on third-party data or, for private equity securities, a fair valuation process whereby a special Valuation committee will review the nature of each deal, the model currently used to value each deal, and any critical underlying assumptions in order to determine fair value. Fair valuations based on internal resources are made in accordance with the Putnam Funds Pricing Procedures and are subject to the oversight of the Firm's Valuation Committee. Please note that, in limited cases, the inputs used to value the security are unobservable and reflect the source's own assumptions. Policies for valuing investments, calculating performance, and preparing composite reports are available upon request.

## Putnam Investments U.S. Small Cap Growth Equity Composite

**Benchmark disclosure:** The Russell 2000® Growth Index is an unmanaged index of those companies in the small-cap Russell 2000® Index chosen for their growth orientation. Benchmarks are generally taken from published sources and may have different calculation methodologies, pricing times, and foreign exchange sources from the Composite. The effect of those differences is deemed to be immaterial. The securities holdings of the Composite may differ materially from those of the index used for comparative purposes. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index. 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. Benchmark returns are not examined by the independent verifier. Benchmark returns are not covered by the report of independent verifiers.

**Gross and Net of fees disclosure:** Gross of Fee Returns includes the deduction of transaction costs but does not include the deduction of management fees and other expenses that may be incurred in managing an investment account. A portfolio's return will be reduced by management fees and other fees. The impact of management fees can be material. For instance, assume that \$1 million is invested in a Putnam Investments account, and this account achieves a 10% compounded annual return, gross of fees, for 10 years. If a management fee of 0.50% was charged each year for the 10-year period, the annual return would be 9.5% and the ending dollar value would be \$2,478,200, net of fees, as opposed to \$2,593,700, gross of fees. The actual fee rates are stated in advisory contracts with clients. For composites that contain registered pooled vehicles (such as U.S. mutual funds, U.S. exchange-traded funds, collective investment trusts and UCITS funds), gross of fee performance is calculated by applying the pro-rated monthly percentage of the total net annual expense ratio (as published in the pooled vehicle's annual report) to the monthly return on net asset value per share. Annual expense ratios for the current year may be based on the prior year's financial statements. Returns may be adjusted based upon each year's audited annual report.

Net of Fee Returns reflect the deduction of a model fee applied on a monthly basis, equal to the actual management fee incurred by a portfolio in the Composite or the highest management fee that would be charged to a prospect of the strategy, whichever is higher during the applicable time period. The model fee may change over time. Actual advisory and management fees may vary among clients with the same investment strategy. For composites that include pooled vehicles that pay a performance fee and that calculate performance using the highest fee paid by an account in the Composite, performance-based fee adjustments are included in net of fee returns. For registered pooled vehicles, the fee is typically updated for the most recent fiscal year end after the pooled vehicle has been audited. Returns may be adjusted based upon each year's audited annual report. Please be advised that the Composite may include other investment products or share classes of pooled vehicles that are subject to management fees, including performance fees, that are inapplicable to you but that could have been in excess of the model fee. Therefore, the actual performance of all the portfolios in the composite on a net-of-fees basis will be different, and may be higher or lower, than the model fee performance. Composites that include certain pooled vehicles may also assess a performance fee to underlying investors which could result in the underlying investors paying a higher total management fee than the highest stated management fee below. However, model fee performance is intended to provide the most appropriate example of the impact management fees would have by applying management fees relevant to you to the gross performance of the Composite. Actual investment advisory fees incurred by clients are typically negotiated on an individual basis and may vary depending upon, among other things, the applicable fee schedule and portfolio size.

**Fee schedule:** The standard fee schedule is based on the market value of an account's assets under management and is stated on an annual basis. Separate account management fees are subject to change and are for investment management services only. Standard management fee is: 0.80% of assets on the first \$50 million, 0.70% of assets on the next \$50 million, 0.65% of assets on the next \$150 million, and 0.50% for assets over \$250 million.

**Past performance is not a guarantee of future performance. No assurance can be given as to future performance.**