

Q1 | 2024

Putnam Multi-Asset Model Portfolios Summary

Market commentary

Throughout the quarter, investor sentiment fluctuated around central bank policy. Anticipation of U.S. Federal Reserve rate cuts sparked rallies, while delays in potential timing for the cuts led to declines.

Global stocks rose significantly during the first quarter overall, as stronger-than-expected fourth-quarter earnings reports, ongoing economic resilience, and hopes for interest-rate cuts drove major indexes to record highs. The Fed kept the federal funds target rate unchanged at a 23-year high at its two meetings during the quarter as it sought to control elevated inflation but maintained its outlook for three rate cuts in 2024. At the post-meeting press conference in March, Chair Jerome Powell indicated that a robust labor market would not be a reason to postpone rate cuts.

Headline U.S. CPI rose slightly to 3.2% (year-on-year) in February, driven by a 0.4% increase across the month, but core inflation fell slightly to 3.8%. Elsewhere, non-farm payrolls rose by 303,000 in March, while growth for the fourth quarter of 2023 was revised up to 3.4% on an annualized

basis, driven by robust consumer spending. Signs of improving economic conditions and market demand influenced an expansion of U.S. manufacturing production in March, according to purchasing managers' index (PMI) data from S&P Global, while the services sector also grew, albeit at a more subdued pace. Annual inflation in the euro area is expected to fall to 2.4% in March, down from 2.6% in February, but core inflation remains elevated at 2.9%. The European Central Bank cited strong wage growth as a concern, despite tight financial conditions contributing to a downward revision in growth projections to 0.6% for 2024.

Against this background, U.S., European, and Japanese equities gained, while U.S. Treasury yields rose across the curve, which remained inverted. Corporate bond spreads narrowed amid robust investor sentiment, helping high-yield issues to post positive returns. Oil prices rose during the quarter, influenced by a heightening of Middle East tensions.

Total returns of Putnam Multi-Asset Model Portfolios

Composite performance as of 3/31/24 (net)

	Inception date	QTD	YTD	1 year	3 year	Since inception
Putnam Aggressive Growth Model	11/30/19	9.81%	9.81%	27.83%	8.61%	12.17%
Putnam Aggressive Growth Model Index		8.53	8.53	24.84	7.62	11.63
Putnam Growth Model	4/30/19	7.97	7.97	22.95	6.65	10.04
Putnam Growth Model Index		6.92	6.92	20.75	6.13	9.78
Putnam Balanced Growth Model	4/30/19	6.25	6.25	18.23	4.86	8.20
Putnam Balanced Growth Model Index		5.30	5.30	16.67	4.55	8.05
Putnam Conservative Growth Model	4/30/19	4.28	4.28	13.42	2.52	5.78
Putnam Conservative Growth Model Index		3.37	3.37	11.89	2.44	5.74
Putnam Balanced Income Model	4/30/19	2.27	2.27	8.68	0.18	3.42
Putnam Balanced Income Model Index		1.52	1.52	7.67	0.47	3.48
Putnam Income Model	11/30/19	0.22	0.22	4.04	-2.05	-0.41
Putnam Income Model Index		-0.26	-0.26	3.66	-1.37	0.24

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Portfolio changes

There were no significant changes made to the portfolios this quarter.

Model portfolio performance commentary

Putnam Aggressive Growth Model

Aggressive Growth Model quarterly performance 9.81% (net)

Key driver(s)

The portfolio benefited from the rally in equity markets in Q1. Nearly all active managers outperformed benchmarks, which contributed to the portfolio's strong benchmark-relative return.

Putnam Growth Model

Growth Model quarterly performance 7.97% (net)

Key driver(s)

The portfolio benefited from the rally in equity markets in Q1. However, benchmark-relative outperformance was driven by active equity managers.

Putnam Balanced Growth Model

Balanced Growth Model quarterly performance 6.25% (net)

Key driver(s)

Equity market strength was additive to the portfolio in absolute terms. Benchmark-relative outperformance was driven by both active equity and fixed income managers.

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Model portfolio performance commentary

Putnam Conservative Growth Model

Conservative Growth Model
quarterly performance 4.28% (net)

Key driver(s)

Equity market strength was additive to the portfolio in absolute terms. Benchmark-relative outperformance was driven by both active equity and fixed income managers.

Putnam Balanced Income Model

Balanced Income Model
quarterly performance 7.81% (net)

Key driver(s)

Equity market strength was additive to the portfolio in absolute terms. Benchmark-relative outperformance was driven by active fixed income managers.

Putnam Income Model

Income Model
quarterly performance 0.22% (net)

Key driver(s)

Despite intermediate term rates rising over the quarter, the portfolio generated positive returns through spread tightening in parts of the fixed income market as well as strong outperformance from underlying managers

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Model portfolio performance attribution

Contribution to total performance for Q1 2024

FUND NAME	PUTNAM AGGRESSIVE GROWTH MODEL	PUTNAM GROWTH MODEL	PUTNAM BALANCED GROWTH MODEL	PUTNAM CONSERVATIVE GROWTH MODEL	PUTNAM BALANCED INCOME MODEL	PUTNAM INCOME MODEL
Putnam Large Cap Growth Fund Y	15.0	12.5	10.0	7.0	3.0	—
Putnam Large Cap Value Fund Y	25.0	20.0	16.5	11.5	5.0	—
Schwab US Large-Cap ETF	12.0	10.0	9.0	5.0	3.5	—
iShares Russell 1000 Growth ETF	15.5	12.5	10.0	7.5	3.5	—
Putnam Small Cap Growth Fund Y	3.8	2.5	—	—	—	—
Putnam Small Cap Value Fund Y	3.8	2.5	—	—	—	—
Vanguard Russell 2000 Index Fund ETF	—	—	3.5	2.0	1.5	—
iShares Core MSCI EAFE ETF	18.8	15.0	10.0	7.0	3.5	—
WisdomTree Emerging Markets ex-State-Owned Enterprises ETF	6.3	5.0	1.0	—	—	—
Putnam Income Fund Y	—	9.2	21.7	34.0	45.0	40.0
iShares Core US Aggregate Bond ETF	—	5.8	13.3	20.0	22.0	37.0
Xtrackers USD High Yield Corp Bond ETF	—	5.0	5.0	6.0	13.0	20.0
Putnam Ultra Short Duration Income Fund Y	—	—	—	—	—	3.0

Figures are net of fees; attribution analysis is net of all fees and expenses applicable to the underlying funds within the model portfolio. Portfolio performance attribution represents the underlying holdings for a fully discretionary, actual invested account managed to represent the model portfolio strategy. Investors may not invest directly in a model portfolio except through certain platforms that may offer our models or through implementation by certain third-party firms, both of which may require a certain allocation to cash, which is not reflected in the model portfolios. Putnam does not have investment discretion over or place trade orders for any portfolios or accounts derived from the Putnam Multi-Asset Model Portfolios. Performance attribution of accounts managed in accordance with the model by a third-party firm may differ from the performance attribution shown. Past performance is not a guarantee of future results. An investment in these strategies can lose value.

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Performance commentary for underlying Putnam Funds for Q1 2024

Putnam Large Cap Value Fund returned 12.62% (net) for the quarter (class Y), while its benchmark, the Russell 1000 Value Index, returned 8.99%. Security drove relative results, while sector allocation decisions had a slight negative impact. Performance benefited most from selections in the utilities, information technology, and consumer discretionary sectors. Underweight positioning in financials and industrials proved to be a detractor, as did weakness in communication services and real estate holdings.

Top individual contributions to performance came from overweight positions in utilities companies Constellation Energy and NRG Energy, as well as overweight positions in United Rentals (industrials), Citigroup (financials), and General Motors (consumer discretionary).

Individual detractors included an out-of-benchmark position in Charter Communications (communication services) and an overweight position in Humana (health care). Lack of exposure to strong-performing benchmark holdings Berkshire Hathaway (financials) also held back results.

Putnam Large Cap Growth Fund returned 12.44% (net) for the quarter (class Y), while its benchmark, the Russell 1000 Growth Index, returned 11.41%. For the quarter, stock selection within information technology, industrials, health care, and consumer discretionary contributed most to the strong results. Top contributors to relative outperformance included NVIDIA (information technology), Lonza (health care), Advanced Micro Devices (information technology), Amazon (consumer discretionary), Chipotle (consumer discretionary), and Trade Technologies (industrials). Overweight positions in Lululemon (consumer discretionary), American Tower (real estate), and Palo Alto Networks (information technology) were among the top relative detractors.

Putnam Small Cap Growth Fund returned 16.07% (net) for the quarter (class Y), while its benchmark, the Russell 2000 Growth Index, returned 7.58%. Stock selection drove relative strength during the quarter while the impact from sector positioning was also additive.

Putnam Small Cap Value Fund returned 1.99% (net) for the quarter (class Y), while its benchmark, the Russell 2000 Value Index, returned 2.90%. In our view, the performance of small-cap stocks continues to be driven by a combination of concerns over a slowing economy and optimism that the Fed will begin cutting interest rates.

Putnam Income Fund returned 0.50% (net) for the quarter (class Y), while its benchmark, the Bloomberg U.S. Aggregate Bond Index, returned -0.78%. The fund's mortgage credit exposure was the primary contributor to benchmark-relative returns, driven by exposure to commercial mortgage-backed securities (CMBS), as demand remained strong, and supply was well absorbed. Prepayment risk strategies also added value, while corporate credit strategies were a tailwind to relative returns.

Putnam Ultra Short Duration Income Fund returned 1.32% (net), for the quarter (class Y) while its benchmark, the ICE BofA U.S. Treasury Bill Index, returned 1.27%. Corporate credit was the largest contributor to the fund's relative performance during the three-month period. The fund benefited from tighter short-term corporate credit spreads. [Spreads are the yield advantage bonds carrying credit risk offer over comparable-maturity U.S. Treasuries. Bond prices rise as yield spreads tighten and decline as spreads widen.] Issuer selection in the banking sector, the largest sector allocation within the fund, was the top contributor to performance. The fund's allocation to commercial paper contributed to returns, while the fund's allocation in securitized sectors, including non-agency residential mortgage-backed securities and asset-backed securities, also augmented performance.

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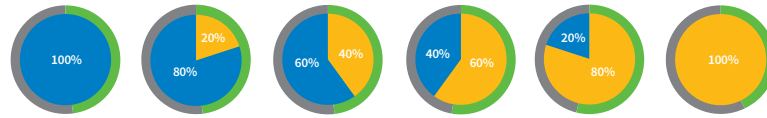
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All Bloomberg indices are provided by Bloomberg Index Services Limited.

Target allocations as of Q1 2024

Stock and bond target allocations (right) are implemented with the funds and ETFs below.

● Stock ● Active
● Bond ● Passive



FUND/ETF AS OF 3/31/24	AGGRESSIVE GROWTH	GROWTH	BALANCED GROWTH	CONSERVATIVE GROWTH	BALANCED INCOME	INCOME	EXPENSE RATIO*
● Active Putnam Funds	47.5%	46.7%	48.2%	52.5%	53.0%	43.0%	
● Putnam Large Cap Value Fund Y (PEIYX)	25.0	20.0	16.5	11.5	5.0	—	0.65
● Putnam Large Cap Growth Fund Y (PGOYX)	15.0	12.5	10.0	7.0	3.0	—	0.65
● Putnam Small Cap Growth Fund Y (PSYGX)	3.8	2.5	—	—	—	—	1.00
● Putnam Small Cap Value Fund Y (PYSVX)	3.8	2.5	—	—	—	—	0.92
● Putnam Income Fund Y (PNCYX)	—	9.2	21.7	34.0	45.0	40.0	0.51
● Putnam Ultra Short Duration Income Fund Y (PSDYX)	—	—	—	—	—	3.0	0.32
● Passive ETFs	52.5	53.3	51.8	47.5	47.0	57.0	
● Schwab US Large-Cap ETF	12.0	10.0	9.0	5.0	3.5	—	0.03
● iShares Russell 1000 Growth ETF	15.5	12.5	10.0	7.5	3.5	—	0.19
● Vanguard Russell 2000 ETF	—	—	3.5	2.0	1.5	—	0.10
● iShares Core MSCI EAFE ETF	18.8	15.0	10.0	7.0	3.5	—	0.07
● WisdomTree Emerging Markets ex-State-Owned Enterprises ETF	6.3	5.0	1.0	—	—	—	0.32
● iShares Core U.S. Aggregate Bond ETF	—	5.8	13.3	20.0	22.0	37.0	0.03
● Xtrackers USD High Yield Corp Bond ETF	—	5.0	5.0	6.0	13.0	20.0	0.05
Weighted average expense ratio†	0.40	0.36	0.32	0.33	0.31	0.23	
Overlay fees	—	—	—	—	—	—	

* Stated prospectus expense ratio, most recent prospectus available.

† Expense ratio for each model is the weighted average of prospectus expense ratios of each fund and ETF based on current model portfolio allocations. Totals may not sum to 100% due to rounding.

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Actual client accounts may differ from the model allocation and may hold cash.

Aggressive Growth Model Index represents 67.5% the Russell 1000® Index, 18.75% the MSCI EAFE Index (ND), 7.5% the Russell 2000® Index, and 6.25% the MSCI Emerging Markets Index (ND). Growth Model Index represents 60% the Russell 3000® Index, 15% the MSCI EAFE Index (ND), 15% the Bloomberg U.S. Aggregate Bond Index, 5% the Bloomberg U.S. Corporate High Yield Index, and 5% the MSCI Emerging Markets Index (ND). Balanced Growth Model Index represents 49% the Russell 3000 Index, 35% the Bloomberg U.S. Aggregate Bond Index, 10% the MSCI EAFE Index (ND), 5% the Bloomberg U.S. Corporate High Yield Index, and 1% the MSCI Emerging Markets Index (ND). Conservative Growth Model Index represents 54% the Bloomberg U.S. Aggregate Bond Index, 33% the Russell 3000 Index, 7% the MSCI EAFE Index (ND), and 6% the Bloomberg U.S. Corporate High Yield Index. Balanced Income Model Index represents 67% the Bloomberg U.S. Aggregate Bond Index, 16.5% the Russell 3000 Index, 13% the Bloomberg U.S. Corporate High Yield Index, and 3.5% the MSCI EAFE Index (ND). Income Model Index represents 77% the Bloomberg U.S. Aggregate Bond Index, 20% the Bloomberg U.S. Corporate High Yield Index, and 3% the ICE BofA U.S. 3-Month Treasury Bill Index. Custom indexes are rebalanced on a quarterly basis. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index.

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