

Portfolio managers

Gerard P. Sullivan
(Industry since 1982)

Arthur Yeager
(Industry since 1984)

Objective

The strategy seeks capital appreciation.

Composite

U.S. Multi-Cap Core Equity Concentrated

Inception

August 31, 2018

Total strategy assets

\$3,630.31M

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

Benchmark

Russell 3000 Index

U.S. Multi-Cap Core Equity Concentrated

Seeking opportunities across a wide range of stocks

"Go anywhere" approach

The strategy invests in stocks of U.S. companies of all sizes and has the flexibility to own both growth and value stocks.

A disciplined process

The portfolio managers use a disciplined, fundamental investment process with three buckets of idea generation: legacy companies, smart-money indicators, and special situations.

Research focus

Backed by an Equity Research team, the portfolio managers use their stock-picking expertise to identify opportunities and manage risk.



Summary commentary

Performance: The Putnam U.S. Multi-Cap Core strategy modestly underperformed the benchmark during the period. Stock selection drove relative weakness while sector allocation contributed on a relative basis. Selections in information technology and utilities weighed on relative performance, while names held in financials and communication services were notable contributors.

Positioning: The portfolio takes a "go anywhere" approach and can own U.S. companies across market capitalizations and styles. As of the quarter-end, the strategy was most overweight to the financials sector and most underweight to industrials and health care. The portfolio also held roughly 11% in cash at the end of the period.

Increased: The portfolio decreased its underweight to the consumer discretionary sector, primarily due to increased exposure to the internet & direct marketing retail industry.

Decreased: The portfolio decreased its overweight to the financials sector through reducing exposure to names across a variety of industries.

Composite performance (annualized) as of June 30, 2021

	Q2	YTD	1 year	Since inception
Gross	7.76%	16.63%	44.84%	17.06%
Net	7.66	16.42	44.33	16.65
Benchmark	8.24	15.11	44.16	17.13
Relative return (gross)	-0.48	1.52	0.68	-0.07
Relative return (net)	-0.58	1.31	0.17	-0.48

Calendar-year composite performance as of June 30, 2021

	2020	2019	2018*
Gross	20.26%	27.69%	-12.76%
Net	19.84	27.24	-12.86
Benchmark	20.89	31.02	-14.16
Relative return (gross)	-0.63	-3.33	1.40
Relative return (net)	-1.05	-3.78	1.30

*Performance since inception through December 31, 2018.

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

All data as of June 30, 2021, unless otherwise noted. No assurance can be given that the investment objective return will be achieved or that an investor will receive a return of all or part of his or her investment. Actual results could be materially different from the stated goals. Investors should carefully consider the risks involved before deciding to invest. As with any investment, there is a potential for profit as well as the possibility of loss. Returns are stated in U.S. dollars and include the reinvestment of dividends and interest. Returns less than one year are not annualized. Indexes are unmanaged and do not incur expenses. You cannot invest directly in an index.

For use with institutional investors and investment professionals.

Top ten holdings

	Portfolio	Benchmark	Industry
Alphabet	6.3%	3.3%	Interactive media and services
Microsoft	5.9	4.6	Software
Apple	5.8	4.9	Technology hardware, storage and peripherals
Amazon	5.4	3.4	Internet and direct marketing retail
Berkshire Hathaway	4.7	1.2	Diversified financial services
Senior Connect Acquisition I	3.7	0.0	Diversified financial services
Facebook	3.2	1.9	Interactive media and services
Morgan Stanley	2.8	0.3	Capital markets
Goldman Sachs	2.6	0.3	Capital markets
Texas Instruments	2.2	0.4	Semiconductors and semiconductor equipment

Top ten holdings represent 42.5% of the portfolio and will vary overtime. The top 10 holdings included herein are for illustrative purposes only and should not be considered a recommendation to purchase or sell any particular security.

Top active weights

Top 5 overweights	Portfolio	Benchmark	Over/under	Top 5 underweights	Portfolio	Benchmark	Over/under
Senior Connect Acquisition I	3.7%	0.0%	3.7%	Tesla	0.0%	1.2%	-1.2%
Berkshire Hathaway	4.7	1.2	3.5	NVIDIA	0.0	1.1	-1.1
Alphabet	6.3	3.3	3.0	JPMorgan Chase	0.0	1.1	-1.1
Morgan Stanley	2.8	0.3	2.5	Visa	0.0	0.9	-0.9
Goldman Sachs	2.6	0.3	2.3	Home Depot	0.0	0.8	-0.8

Top contributors/detractors

Top 5 contributors	Average portfolio weight	Average benchmark weight	Absolute contribution to return	Top 5 detractors	Average portfolio weight	Average benchmark weight	Absolute contribution to return
Alphabet	6.11%	3.29%	1.19%	PG&E	1.96%	0.03%	-0.29%
Microsoft	5.63	4.49	0.83	Upland Software	0.92	0.00	-0.13
Apple	5.62	4.84	0.68	Intel	0.98	0.57	-0.13
Goldman Sachs	3.52	0.28	0.59	Chuy's	0.77	0.00	-0.13
Berkshire Hathaway	5.31	1.24	0.52	Southwest Airlines	1.08	0.08	-0.11

Sector weightings	Underweight	Overweight	Portfolio	Benchmark
Financials		7.9	19.5%	11.6%
Communication services		4.7	14.8	10.1
Real estate		2.9	6.3	3.4
Utilities		0.2	2.6	2.4
Consumer discretionary	-1.5		10.8	12.3
Energy	-1.6		1.2	2.8
Materials	-2.5		0.0	2.5
Information technology	-3.0		23.6	26.6
Consumer staples	-3.6		1.7	5.3
Health care	-7.1		6.5	13.6
Industrials	-7.7		1.8	9.5

Market-cap breakdown

Over \$95B	62.42%
\$22B - \$95B	6.62
\$4.7B - \$22B	11.08
\$1.5B - \$4.7B	1.45
Less than \$1.5B	7.33
Cash and other assets*	11.12

*"Cash and other assets" includes cash, short-term securities, ETFs, bonds excluding convertible bonds, and other securities not able to be classified by market capitalization. Portfolio characteristics are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly, account characteristics may vary.

Portfolio characteristics

	Portfolio	Benchmark
Capitalization		
Median capitalization	\$109.9B	\$2.8B
Weighted average capitalization	\$663.5B	\$449.4B
Financial		
Projected 12-month P/E	21.6x	22.9x
Projected 5-year EPS growth rate	17.2%	17.1%
Projected PEG ratio	1.3	1.4
Price/book	3.2x	4.4x
Price/cash flow	27.0x	19.7x
Quality		
Long term debt/total capital	65.3%	53.7%

Other

	Portfolio	Benchmark
Total strategy assets*	\$3.6	-
Number of holdings	59	3,009
Cash position	11.1%	-
Portfolio turnover†	35%	-
Active share	62%	-

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

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

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