



# Putnam U.S. Large Cap Growth Equity Concentrated SMA

Commentary | as of September 30, 2025

## **Key Takeaways**

- Markets: US equities delivered strong performance, and large-cap growth stocks handily outperformed their value counterparts in the guarter.
- Contributors: Stock selection in information technology, real estate and materials
- **Detractors:** Stock selection in communication services, consumer discretionary and industrials
- Outlook: Uncertainty continues to surround the Trump administration's actions, but the US economy has remained
  resilient.

## **Performance Review**

- The strategy posted solid absolute returns but trailed its benchmark for the quarter (both gross and net of fees). Stock selection in information technology, real estate and materials proved additive to results, while positions in communication services, consumer discretionary and industrials detracted.
- Our cash position detracted, given the robust performance of US large-cap equities.
- Top contributors to relative performance included overweight positions in Applovin (information technology) and Oracle (information technology) and avoiding Costco (consumer staples).
- Detractors included overweight exposure to Chipotle (consumer discretionary) and Netflix (communication services) and underweight exposure to strong-performing Apple (information technology).

## **Outlook**

- Uncertainty continues to surround the Trump administration's actions, but the US economy has remained resilient and
  markets climbed to all-time highs in the third quarter.
- While we are vigilant of macroeconomic challenges, our focus in on bottom-up stock selection process combined with topdown growth themes.
- In the quarter, we added a new portfolio theme: "Closer to home." This was influenced by increased efforts from some of the
  world's largest economies to prioritize domestic economic growth over a more comprehensive and globalized approach.
  Many countries are taking incremental measures to reduce their reliance on other countries. This has a material impact on
  supply chains and capital deployment decisions. Areas of the growth universe likely to benefit from this theme are US
  manufacturing and consumer companies that produce and sell the majority of their offerings within the United States.

## **Top Equity Issuers (% of Total)**

Holding	Portfolio
NVIDIA	15.07
Microsoft	12.95
Apple	8.57
Broadcom	6.98
Amazon	5.70
Tesla	4.28
Meta	4.24
Alphabet	3.51
Netflix	3.46
Mastercard	3.28

### Average annual total returns (%) - as of September 30, 2025-PRELIMINARY

Composite	3-Mo*	6-Mo*	YTD*	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	20-Yr	25-Yr	Inception	Inception Date
Gross of Fees	8.45	28.64	15.22	23.93	31.41	15.61	_	_	_	_	20.05	3/31/2017
Net of Fees	7.67	26.83	12.72	20.37	27.65	12.27	_	_	_	_	16.59	3/31/2017
Benchmark	10.51	30.22	17.24	25.53	31.61	17.58	_	_	_	_	19.31	_

<sup>\*</sup>Cumulative total returns

### Benchmark(s)

Benchmark = Russell 1000 Growth Index

The strategy returns shown are preliminary composite returns, subject to future revision (downward or upward).

Past performance is not a guarantee of future results. An investment in this strategy can lose value. Please visit www.franklintempleton.com for the latest performance figures. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

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The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. Source: FTSE.

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