

Putnam International Durable Equity (ADR-Only) SMA



Separately Managed Accounts | Fact Sheet as of September 30, 2025

Investment overview

The Putnam International Durable Equity (ADR-Only) SMA uses a disciplined approach to investing in ADRs of companies in developed non-U.S. markets with structural competitive advantages and attractive end markets.

Investment objective

Seeks to outperform by investing in non-U.S. large-cap companies with durable growth opportunities.

Investment philosophy and process

We believe the portfolio can outperform by focusing on durable, high-quality businesses. We prefer to own companies that operate in structural/secular growth end markets, which constitute most of the portfolio.

Durable growth

Invests in non-U.S. companies that have strong moats, significant market share, and attractive end markets

Focus on fundamental research

Identifies opportunities in mispriced stocks with the potential for superior risk-adjusted returns

Active positions

Maintains a concentrated, high active share portfolio with the goal of consistently outperforming the benchmark

Key differentiators

- High active share portfolio of 25-35 ADRs of companies in developed non-U.S. markets
- Flexible and opportunistic approach seeks the best fundamental ideas to maximize alpha potential
- Research-focused to identify companies with durable and defensible growth advantages
- Optimized portfolio construction and balanced risk management to seek outperformance in both up and down markets

Management team

Putnam is a diversified equity-only asset manager serving investors worldwide. The firm has roots dating back to 1937, decades of experience in changing markets, and a tenured portfolio management team. Putnam offers a range of stock-driven portfolios designed to pursue consistent outperformance while managing downside risk.

Investment management team

Vivek Gandhi, CFA
Portfolio Manager
Industry since 1994

David Morgan
Portfolio Manager
Industry since 1995

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. Use of models and analytical, quantitative and risk management tools and techniques is no guarantee of investment success or positive performance.

Investment process

STEP 1

Idea generation and screening

- Employ quality and valuation screens
- Meet with company managements, competitors, suppliers, and customers
- Research to understand key drivers, trends, market structure, and competition
- Utilize independent, parallel quantitative process for comprehensive screen

STEP 2

Evaluate candidates for portfolio

- Conduct fundamental research to identify mispriced stocks where we have differentiated insight
- Utilize a broad tool set to reduce reliance on single-point estimate of fair value
- Seek a combination of quality, valuation, and differentiation

STEP 3

Portfolio construction and sell discipline

- Create efficient portfolio that reflects stock-picking skills of investment team
- Review sources of alpha to help ensure exposures are meaningful and in line with manager and analyst convictions
- Build portfolio focused on three elements: return, risk, portfolio targets
- Employ strong sell discipline, trimming or selling if alpha characteristics have declined, position is outsized due to outperformance, or stock characteristics are unfavorable for the market environment

The investment process may change over time. The characteristics set forth above are intended as a general illustration of some of the criteria the strategy team considers in selecting securities for client portfolios. There is no guarantee that investment objectives will be achieved.

Portfolio Information†

As of September 30, 2025

Top Ten Holdings (%)

	Portfolio
Taiwan Semiconductor	8.31
Tencent	4.69
Prudential	4.67
HOYA	4.59
Airbus Group	4.39
CME Group	4.31
ASML	4.21
Alibaba	4.15
Linde	4.13
CRH	4.09
Total	47.55

Sector Weightings (%)

	Portfolio	BM
Information Technology	16.28	20.67
Industrials	15.85	21.52
Consumer Discretionary	13.24	12.42
Financials	13.11	12.29
Communication Services	12.17	7.95
Health Care	10.01	9.90
Materials	9.90	5.98
Consumer Staples	8.15	6.27
Utilities	0.00	1.41
Energy	0.00	0.89
Real Estate	0.00	0.69
Cash & Other Net Assets	1.31	0.00

Characteristics

	Portfolio	BM
Estimated 3-5 Year EPS Growth	11.41%	11.44%
P/E to Growth	1.97x	1.99x
Price to Earnings (12-Month Forward)	20.73x	20.78x
Price to Cash Flow	13.48x	15.57x
Price to Book	4.49x	4.01x
Dividend Yield*	1.54%	1.54%
Median Market Cap (Millions USD)	\$116,253	\$13,333
Weighted Average Market Capitalization (Millions USD)	\$396,373	\$184,992
Active Share	77.71%	-
Portfolio Turnover	56.32%	-
Cash Weight	1.31%	0.00%
Total strategy assets (Millions USD)	\$20	-

Market Capitalization (%)

	Portfolio
\$1.7B - \$6.3B	0.00
\$6.3B - \$36.6B	7.68
\$36.6B - \$155.9B	45.68
Over \$155.9B	45.34
Cash and other assets	1.31

†Source: Putnam Investments. Portfolio characteristics are for a representative account and are shown for illustrative purposes only. Each account is managed individually. Accordingly, characteristics may vary.

Performance

Annualized Rates of Return – Gross and Net of Fees (%) as of September 30, 2025 – (Inception date: 4/30/2017)

	1 Mth	3 Mths	YTD	1 Year	3 Year	5 Year	Since Incept
Intl Durable Eq (ADR-Only)—Gross of Fees—(USD)	5.18	5.50	25.35	20.07	23.18	10.25	12.17
Intl Durable Eq (ADR-Only)—Net of Fees—(USD)	4.93	4.73	22.66	16.62	19.64	7.05	8.92
MSCI AC World ex-US Growth—(USD)	4.07	5.71	22.51	12.86	18.33	6.22	7.64

Calendar-Year Total Returns – Gross and Net of Fees (%) ending December 31

	2024	2023	2022	2021	2020	2019	2018
Intl Durable Eq (ADR-Only)—Gross of Fees—(USD)	7.55	21.63	-17.08	6.53	28.16	31.45	-8.34
Intl Durable Eq (ADR-Only)—Net of Fees—(USD)	4.43	18.13	-19.55	3.44	24.49	27.70	-11.04
MSCI AC World ex-US Growth—(USD)	5.07	14.03	-23.05	5.09	22.20	27.34	-14.43

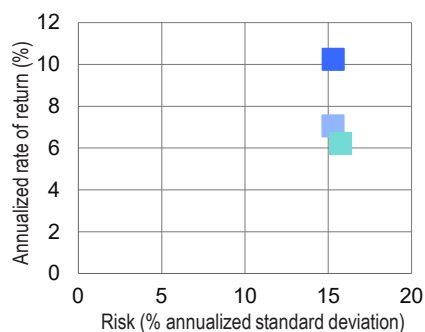
Please visit www.franklintempleton.com for the latest performance figures.

Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns is reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

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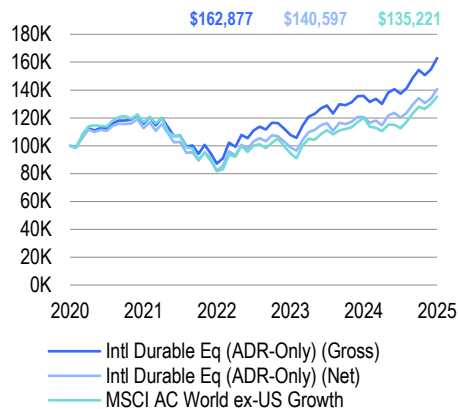
Composite Performance Statistics¹ (based on 5-year period ending September 30, 2025)

Risk/Return profile (%)

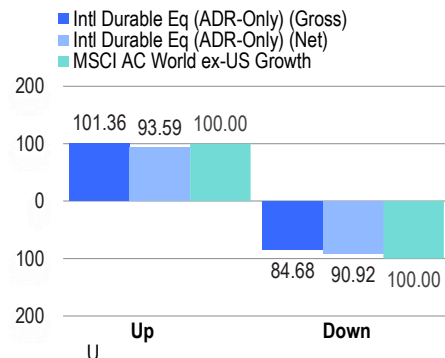


■ Intl Durable Eq (ADR-Only) (Gross)	
Annualized Return (%)	10.25
Annualized Standard Deviation (%)	15.30
■ Intl Durable Eq (ADR-Only) (Net)	
Annualized Return (%)	7.05
Annualized Standard Deviation (%)	15.30
■ MSCI AC World ex-US Growth	
Annualized Return (%)	6.22
Annualized Standard Deviation (%)	15.74

Growth of \$100,000*



Up/Down market capture ratios (%)



Modern portfolio statistics

	Portfolio (Gross)	Portfolio (Net)	BM
Sharpe Ratio	0.51	0.32	N/A
Beta	0.90	0.90	N/A
Alpha (%)	4.15	1.12	N/A
R-Squared	0.87	0.87	N/A

	(+) Months	(-) Months
Gross:	33	27
Net:	33	27

¹ Source: Putnam Investments.

*For illustrative purposes only. Assumes no withdrawals or contributions. These statistics are based on gross and net-of-fees quarterly composite returns, were calculated assuming reinvestment of dividends and income, and take into account both realized and unrealized capital gains and losses.

Periods less than one year are not annualized. Performance results are for the composite which includes all actual, fully discretionary accounts with substantially similar investment policies and objectives managed to the composite's investment strategy. Composite returns are stated in U.S. dollars and assume reinvestment of any dividends, interest income, capital gains, or other earnings. The composite may include account(s) that are gross of fees and pure gross of fees. "Pure" gross-of-fee returns do not reflect the deduction of any expenses, including transaction costs. A traditional (or "true") gross-of-fee return reflects performance after the reduction of transaction costs but before the reduction of the investment advisory fee. The gross-of-fee return may include a blend of "true" gross-of-fee returns for non-wrap accounts and "pure" gross-of-fee returns for wrap accounts. Net-of-fee returns are reduced by a model "wrap fee" (3.0% is the maximum anticipated wrap fee for equity and balanced portfolios) which includes trading expenses as well as investment management, administrative and custodial fees. The model wrap fee used represents the highest anticipated wrap fee applicable to the strategy. Actual fees and account minimums may vary.

Terms and definitions:

Dividend yield is determined by dividing a stock's annual dividends per share by the current market price per share. Dividend yield is a financial ratio that shows how much a company pays out in dividends. **Dividend yield is calculated without the deduction of fees and expenses.**

P/E (Year 1) is the previous day's closing price of the stock divided by the consensus earnings per share (EPS) of fiscal year 1 (FY1) provided by I/B/E/S. Forecasts are inherently limited and should not be relied upon as indicators of future performance.

The **price-to-book ratio (P/B)** is a stock's price divided by the stock's per share book value. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of a common stock.

Weighted median market capitalization represents the value at which half the portfolio's market capitalization weight falls above, and half falls below.

Weighted average market capitalization represents the average value of the companies held in the portfolio. When that figure is weighted, the impact of each company's capitalization on the overall average is proportional to the total market value of its shares.

Market capitalization measures the number of outstanding common shares of a given corporation multiplied by the latest price per share.

Standard deviation measures the risk or volatility of an investment's return over a particular time period; the greater the number, the greater the risk.

The **up-capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An up-capture ratio of more than 100 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **down-capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A down-capture ratio of less than 100 indicates a manager who outperforms the relative benchmark in the benchmark's negative quarters and protects more of a portfolio's value during down markets.

Alpha is a measure of performance vs. a benchmark on a risk-adjusted basis. A positive alpha of 1.0 means the portfolio has outperformed its benchmark index by 1%. Correspondingly, a similar negative alpha would indicate an underperformance of 1%. Alpha is a measure of the difference between actual returns and expected performance measuring sensitivity to index movements.

Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe ratio is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better a portfolio's historical risk-adjusted performance.

R-squared measures the strength of the linear relationship between a portfolio and its benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

The **MSCI All Country World Index ex US** (MSCI ACWI Index ex US) is a market capitalization-weighted index designed to measure equity market performance of developed and emerging markets, excluding the U.S. Source: MSCI makes no warranties and shall have no liability with respect to any MSCI data reproduced herein. No further redistribution or use is permitted. This report is not prepared or endorsed by MSCI.

What are the risks?

All investments involve risks, including possible loss of principal. International investments are subject to special risks, including currency fluctuations and social, economic and political uncertainties, which could increase volatility. These risks are magnified in **emerging markets**. The **investment style** may become out of favor, which may have a negative impact on performance. **Small- and mid-cap stocks** involve greater risks and volatility than large-cap stocks. To the extent the portfolio invests in a **concentration of certain securities, regions or industries**, it is subject to increased volatility. **Derivative instruments** can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. The managers' **environmental, social and governance (ESG) strategies** may limit the types and number of investments available and, as a result, may forgo favorable market opportunities or underperform strategies that are not subject to such criteria. There is no guarantee that the strategy's ESG directives will be successful or will result in better performance.

Any information, statement or opinion set forth herein is general in nature, is not directed to or based on the financial situation or needs of any particular investor, and does not constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation with respect to any particular security or investment strategy or type of retirement account. Investors seeking financial advice regarding the appropriateness of investing in any securities or investment strategies should consult their financial professional.

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.

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