



Putnam U.S. Small Cap Value Equity SMA

Separately Managed Accounts

Value
March 31, 2025

Product Commentary

Performance Review

- In a volatile quarter for equities, the strategy outperformed its benchmark, the Russell 2000 Value Index.

QUARTERLY KEY PERFORMANCE DRIVERS¹

	Stocks	Sectors
HELPED	Alamos Golf	Industrials
	Option Care Health	Materials
	Ibex Holdings	Real estate
HURT	Columbus McKinnon	Health care
	DocGo	Consumer discretionary
	Terawulf	Technology

- Stock selection was the driver of outperformance for the quarter, while sector allocation was a slight drag on returns.
- Stock selection was strong in the industrials, materials, and real estate sectors. Selection within health care, consumer discretionary, and technology detracted from performance.
- Top individual contributors included out-of-benchmark holding Alamos Golf and overweight positions in Option Care Health and Ibex Holdings. Top detractors included overweight positions in Columbus McKinnon, DocGo, and Terawulf.
- At quarter-end, the largest sector overweights were consumer discretionary and financials. The largest underweights were real estate and communication services.

Outlook & Strategy

- We have moved recently to focus on companies that are more exposed to US infrastructure, as they tend to be more defensive and resilient in an environment of tariff pressures.
- We have made some adjustments due to tariffs, based on our assessment of company pricing power and specific import exposure.
- We have added to holdings that we believe offer attractive valuations because of tariff fears, but also have solid products and balance sheets. Any positive change in the tariff picture would cause a quick revaluation. Even if there is no change, we believe these companies would be able to reposition supply chains and recapture profitability over the medium term.
- We had slightly defensive positioning coming into April, but have trimmed some in favor of more deeper value-oriented stocks. However, we continue to maintain a healthy weight of staples in the portfolio.

Product Details²

Inception Date	03/31/1993
Benchmark	Russell 2000 Value Index

Performance Data

Average Annual Total Returns (USD %)

	3 Mths	YTD	1 Year	3 Year	5 Year	10 Year	20 Year	Since Inception (03/31/1993)
Putnam U.S. Small Cap Value Equity SMA - GROSS	-6.92	-6.92	-2.17	2.91	22.21	8.22	7.76	9.99
Putnam U.S. Small Cap Value Equity SMA - NET	-7.62	-7.62	-5.03	-0.10	18.69	5.07	4.63	6.80
Russell 2000 Value Index	-7.74	-7.74	-3.12	0.05	15.31	6.07	-	9.12

1. Representative Account Holdings Caveat

2. Information is based on Putnam U.S. Small Cap Value Equity SMA. A composite is an aggregation of one or more portfolios into a single group that represents a particular investment objective or strategy.

Calendar Year Returns (USD %)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Putnam U.S. Small Cap Value Equity SMA - GROSS	7.45	25.06	-12.25	41.27	4.92	25.35	-18.78	9.19	28.34	-2.97
Putnam U.S. Small Cap Value Equity SMA - NET	4.33	21.46	-14.85	37.26	1.84	21.75	-21.20	6.02	24.66	-5.82
Russell 2000 Value Index	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86	7.84	31.74	-7.47

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

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" 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.

The **Russell 2000 Value Index** measures the performance of the small-cap value segment of the U.S. equity universe. Source: FTSE.

Investment Team

Mike Petro, CFA

Years with Firm 22

Years Experience 25

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