

BARRON'S

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Barron's Best Fund Families of 2023

By Debbie Carlson

The following has been excerpted

Fund Family	One-Year Ranking*	Five-Year Ranking*	Ten-Year Ranking*
Putnam Investments	#1	#1	#5

The adage that bull markets climb a wall of worry was certainly true in 2023.

Among those worries were recession fears, ongoing wars, and China's shaky economy and pugilistic foreign policy. Markets hung on every piece of data, vacillating from risk-on to risk-off.

Still, it ended up being a great year for stocks and bonds, especially compared with 2022's rout.

In that environment, active managers had to prove they added value. Putnam did just that for most of their investors.

The portfolio managers at the \$148 billion Putnam Investments have embraced a saying first coined by Darren Jaroch, the longtime manager of its largest general equity fund by

assets, the \$23.2 billion Putnam Large Cap Value PEYAX: "Consistently good, not occasionally great."¹

That philosophy helps the firm navigate market volatility for its 79 actively managed mutual funds and ETFs, says Shep Perkins, Putnam's chief investment officer. Managers focus on stockpicking rather than style bets, so they don't worry whether growth or value will be in vogue. They look for idiosyncratic risk, taking bite-size positions in stocks where they may have an analytical edge and seeking disconnects between a stock's fundamentals and price.

Consistency underpinned Putnam's fixed-income products, as well. Managers in Putnam's taxable bond funds stuck with BBB-rated

bonds and didn't chase the ultrashort end of fixed income every time the market swooned, says Michael Salm, director of multisector and securitized products at Franklin Templeton Fixed Income.

This past year will be the last that Putnam stands as an independent firm. On Jan. 1, Franklin Templeton completed its purchase of Putnam and says it will integrate its fixed income and multi-asset groups into Franklin Templeton's fixed income and investment solutions groups, while Putnam's equity group will stand alone and keep the Putnam brand name.

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*Source: LSEG Lipper

U.S. Equity

Rank	Fund Family
4	Putnam Investments

Mixed Asset

Rank	Fund Family
5	Putnam Investments

Tax-Exempt Bond

Rank	Fund Family
3	Putnam Investments

Source: LSEG Lipper

Barron's list of best fund families, 2023. Out of 49 firms (1 year), 47 firms (5 year), 46 firms (10 year).

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Consider these risks before investing: Value stocks may fail to rebound, and the market may not favor value-style investing. Income provided by the fund may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the fund invests. The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings.

From time to time, the fund may invest a significant portion of its assets in companies in one or more related industries or sectors, which would make the fund more vulnerable to adverse developments affecting those companies, industries, or sectors. International investing involves currency, economic, and political risks.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

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To be included in the ranking, a firm must have at least three funds in the general equity category, one world equity, one mixed equity (such as a balanced or target-date fund), two taxable bond funds, and one national tax-exempt bond fund.

Single-sector and country equity funds are factored into the rankings as general equity. All passive index funds, including pure index, enhanced index, and index-based are excluded. Actively managed ETFs and smart-beta ETFs are included.

Each fund's performance (before reduction of 12b-1 fees, loads or sales charges) is measured against all funds in its LSEG Lipper category, with a percentile ranking of 100 being the highest and 1 the lowest. This result is then weighted by asset size, relative to the fund family's other assets in its general classification. Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds.

The category weightings for the one-year results in 2023 were: general equity, 37.7%; mixed asset, 22%; world equity, 16.1%; taxable bond, 20.1%; and tax-exempt bond, 4%. The category weightings for the five-year results were: general equity, 37.3%; mixed asset, 22.7%; world equity, 15.9%; taxable bond, 20%; and tax-exempt bond, 4.1%. For the 10-year list, they were: general equity, 38.5%; mixed asset, 22.5%; world equity, 15.8%; taxable bond, 19.1%; and tax-exempt bond, 4%. Due to rounding, the percentages might not add up to 100%.

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1. As of January 31, 2024.



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