

Putnam VT Equity Income Fund — IB Shares

Investment Strategy from investment's prospectus

The investment seeks capital growth and current income. The fund invests mainly in common stocks of midsize and large U.S. companies, with a focus on value stocks that offer the potential for capital growth, current income, or both. Value stocks are issued by companies that the advisor believes are currently undervalued by the market. It may consider, among other factors, a company's valuation, financial strength, growth potential, competitive position in its industry, projected future earnings, cash flows and dividends when deciding whether to buy or sell investments.

Category Description: Large Value

Large-value funds invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. These funds often feature investments in energy, financial or manufacturing sectors.

Operations

Fund Inception Date	05-01-03
Initial Share Class Inception Date	05-01-03
Advisor	Putnam Investment Management, LLC
Subadvisor	Putnam Investments Limited

Fees and Expenses as of 04-30-20

Gross Prospectus Expense Ratio	0.82%
Net Prospectus Expense Ratio	0.82%

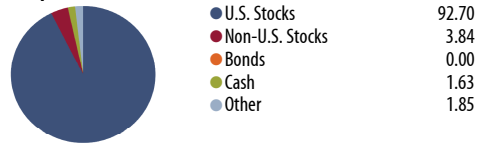
Waiver Data	Type	Exp.Date	%

Portfolio Manager(s)

Darren A. Jaroch, CFA. B.A., Hartwick College. Since 2012.
 Lauren B. DeMore, CFA. B.A., University of California. Since 2019.

Portfolio Analysis as of 09-30-20

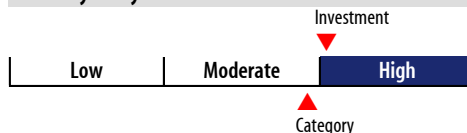
Composition as of 09-30-20



Top 20 Holdings as of 09-30-20

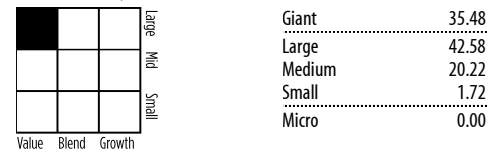
Company	% Assets
Microsoft Corp	3.42
Walmart Inc	3.38
Bank of America Corp	2.84
JPMorgan Chase & Co	2.78
Citigroup Inc	2.39
Johnson & Johnson	2.31
Fidelity National Information Services Inc	2.19
Northrop Grumman Corp	2.04
Charter Communications Inc A	2.04
Procter & Gamble Co 04-27-40	1.90
American Tower Corp	1.88
BJ's Wholesale Club Holdings Inc	1.76
Amgen Inc	1.75
Qualcomm Inc	1.74
Union Pacific Corp	1.72
Merck & Co Inc	1.66
Eli Lilly and Co	1.63
Comcast Corp Class A	1.60
Cigna Corp	1.59
United Rentals Inc	1.58
Total Number of Stock Holdings	85
Total Number of Bond Holdings	—
Annual Turnover Ratio %	14.00
Total Fund Assets (\$mil)	1,425.68

Volatility Analysis



In the past, this investment has shown a wide range of price fluctuations relative to other investments. This investment may experience significant price increases in favorable markets or undergo large price declines in adverse markets. Some of this risk may be offset by owning other investments that follow different investment strategies.

Morningstar Style Box™ as of 09-30-20



Statistics as of 09-30-20

Statistic	Stk Port Avg	S&P 500	Category
P/E Ratio	17.45	22.62	16.23
P/B Ratio	1.67	3.67	2.37
P/C Ratio	8.15	15.03	10.63
GeoAvgCap(\$mil)	71,707.05	176,727.08	101,860.17

Risk Measures as of 12-31-20

Metric	Port Avg	S&P 500	Category
3 Yr Std Dev	20.14	18.80	20.17
3 Yr Sharpe Ratio	0.41	0.72	0.30
3 Yr Alpha	-5.88	—	-7.87
3 Yr Beta	1.04	—	1.02
3 Yr R-squared	95.28	—	90.78

Morningstar Sectors as of 09-30-20

Sector	%Fund	S&P 500 %
Cyclical	34.77	30.69
Basic Materials	7.15	2.27
Consumer Cyclical	6.58	12.50
Financial Services	17.27	13.50
Real Estate	3.77	2.42
Sensitive	31.80	46.03
Communication Services	5.71	10.77
Energy	4.88	2.28
Industrials	10.97	8.79
Technology	10.24	24.19
Defensive	33.43	23.28
Consumer Defensive	11.39	6.97
Healthcare	16.90	13.55
Utilities	5.14	2.76

Notes

This material is authorized for client use only when preceded or accompanied by a Disclosure Statement, a product prospectus, a fund prospectus and/or informational brochure containing more complete information. These can be obtained from your investment professional and should be read carefully before investing or sending money.

NOT A DEPOSIT — NOT FDIC INSURED — NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY — NOT GUARANTEED BY THE INSTITUTION — MAY GO DOWN IN VALUE