

18TH ANNUAL MUTUAL FUND AWARDS

Retirement Leader Of The Year

Putnam Investments



Putnam Investments launched new defined contribution platforms for plan sponsors and

participants in 2010, pushing the industry standard of fee disclosure to a higher level than ever before. The firm pulled the trigger on the platforms well ahead of its peers and preceded Department of Labor efforts to get the industry to enhance cost transparency.

The firm gave plan sponsors the total costs of their plans, including investment management and recordkeeping costs, as well as revenue-sharing figures in both basis points and hard-dollar terms. Under the new DOL rules, recordkeepers won't have to disclose total compensation to plan sponsors until January 2012—and many still don't. "Putnam's web site offers the most transparency from a fee perspective than any other vendor in the marketplace," an industry

consultant told *FA*.

The firm also provided a new layout for 401(k) participants on its web site, which included the expense ratios of each investment option converted into dollar value per \$1,000 invested and outlined line by line potential transaction fees. The fees layout put a spotlight on underlying fees and was a step above the recently adopted 404(a)5 regulations, which require plan sponsors to disclose to participants their individual portion of plan expenses starting in November.

Also compelling for 401(k) participants was Putnam's Lifetime Income Analysis Tool, aimed at helping participants save the appropriate amount by predicting gaps in retirement income. The firm reported that by the end of 2010, nearly 34% of 401(k) participants who interacted with it made changes to the amount of income they deferred to retirement savings; 80% were deferral increases. The average savings rate increase among these participants moved from 7% to 8.6% of annual income.

Reprinted with permission of Fund Action

The views and opinions expressed are those of *Fund Action*, are subject to change with market conditions, and are not meant as investment advice.

About the Awards

The Annual Mutual Fund Industry Awards, presented by *Fund Directions* and *Fund Action*, recognize the funds, fund leaders, marketers, trustees, and independent counsel who stood out for their successes, achievements, and contributions in 2010. Winners are chosen based on a number of factors including innovation, market impact, uniqueness of approach, and how well they met other criteria established by the editors for their award category.

IMPORTANT: The projections, or other information generated by the Lifetime Income Analysis Tool regarding the likelihood of various investment outcomes, are hypothetical in nature. They do not reflect actual investment results and are not guarantees of future results. The results may vary with each use and over time. The analyses present the likelihood of various investment outcomes if certain investment strategies or styles are undertaken, thereby serving as an additional resource to investors in the evaluation of the potential risks and returns of investment choices.

Each simulation takes into account the participant's current plan balance and investment mix, as well as his or her age, income, retirement date, contribution rate, likely future savings, and estimated Social Security benefit. The tool runs over 50 billion market simulations to provide an estimate of a monthly income likely to be generated at retirement. The Lifetime Income Analysis Tool is an interactive investment tool designed for Putnam 401(k) participants to illustrate the estimated impact of a participant's plan balances and projected savings on income in retirement. The tool does not take into account post-tax contributions to savings. It also cannot account for dramatic changes in a participant's personal situation, including unexpected expenses and other financial situations that may negatively affect one's estimated monthly income in retirement.

Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus containing this and other information for any Putnam fund or product, call your financial representative or call Putnam at 1-800-225-1581. Please read the prospectus carefully before investing.