

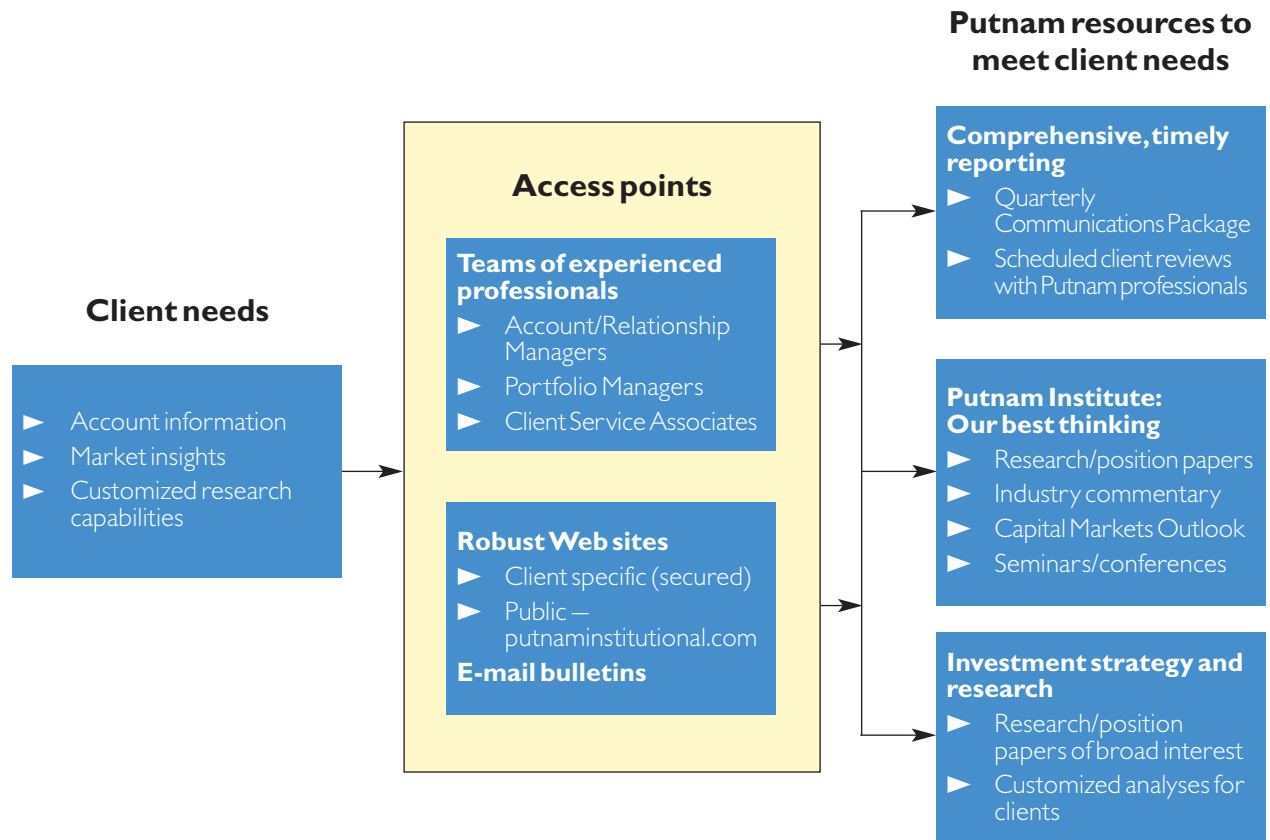
PUTNAM INVESTMENTS

“Investment performance is the most obvious component of the value added by an investment manager, but by no means the only one. The expertise required to run a global money management firm such as Putnam is also an excellent source of insight on both capital markets and management of your overall plan. Putnam Institutional Management aims to deliver meaningful non-investment value to its clients by providing access to these insights.”

*—Frank Porcelli, Managing Director
Director of Institutional Sales and Service*



CLIENT SERVICE: NON-INVESTMENT VALUE ADDED



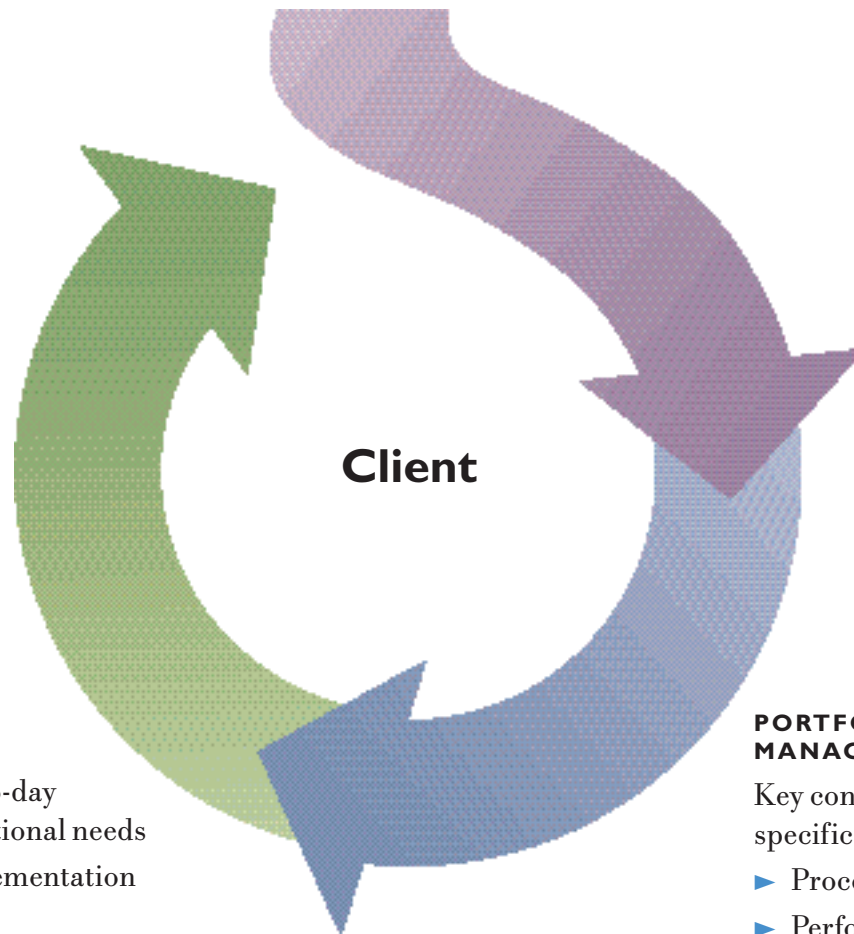


SEASONED PROFESSIONALS FOCUSED ON CLIENT NEEDS

ACCOUNT/RELATIONSHIP MANAGERS

Responsible for client relationship

- ▶ Overall portfolio/Putnam questions
- ▶ Gateway to other Putnam resources
- ▶ Changes in plan needs
- ▶ Overall service



CLIENT SERVICE ASSOCIATES

Key contact for day-to-day administrative/operational needs

- ▶ Conversions/implementation planning
- ▶ Contributions/withdrawals
- ▶ Contracts/guidelines
- ▶ Reporting requirements
- ▶ Custodian updates/changes
- ▶ Consultant inquiries

PORTFOLIO MANAGERS

Key contacts for portfolio-specific issues

- ▶ Process and strategy
- ▶ Performance and attribution



INTERNET-BASED SERVICE CAPABILITIES

www.putnaminstitutional.com: A content-rich Web site tailored to the needs of institutional investors

- ▶ Client-specific content (password-secured)
 - ▶ Client account balances updated monthly
 - ▶ Performance data over monthly, quarterly, and annual periods
 - ▶ Complete quarterly reporting packages with appraisals
 - ▶ Key Putnam contacts
 - ▶ Account data accessible to client's consultants and custodian banks (with client approval)



Client site

- ▶ Generally accessible features (no password required)
 - ▶ Product performance and characteristics
 - ▶ Market commentary
 - ▶ Summaries of Putnam research papers
 - ▶ Overviews of capabilities
- ▶ E-mail bulletins on time-sensitive topics



Public site

Ranked among top 5 institutional sites by Kasina Associates

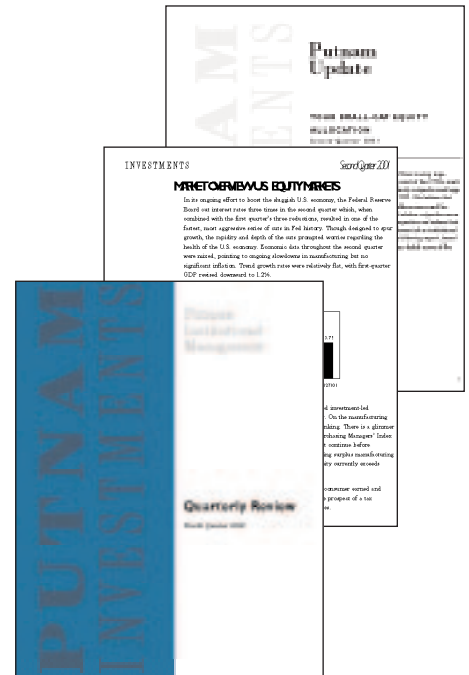
“Clients regard it as well ahead of its peers...user-friendly and flexible”

—Plansponsor.com, 2001 Defined Benefit Survey



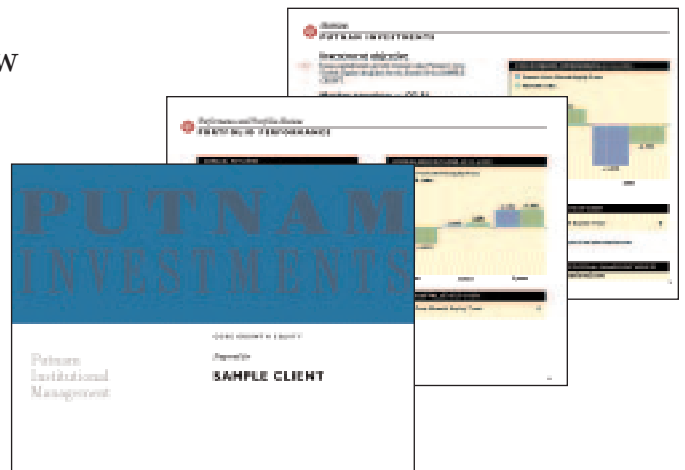
The Quarterly Communications Package: Comprehensive and timely reporting delivered in hard copy and/or online

- ▶ Portfolio commentary
 - ▶ Market overview
 - ▶ Portfolio analysis
 - ▶ Outlook and strategy
- ▶ Portfolio appraisal
 - ▶ Performance summary
 - ▶ Detail of portfolio holdings, transactions executed during the period, realized gains and losses, corporate actions
- ▶ Putnam Update – an article or essay on a topic of current interest to institutional investors



Client Review: An in-depth periodic review of your portfolio with Putnam professionals

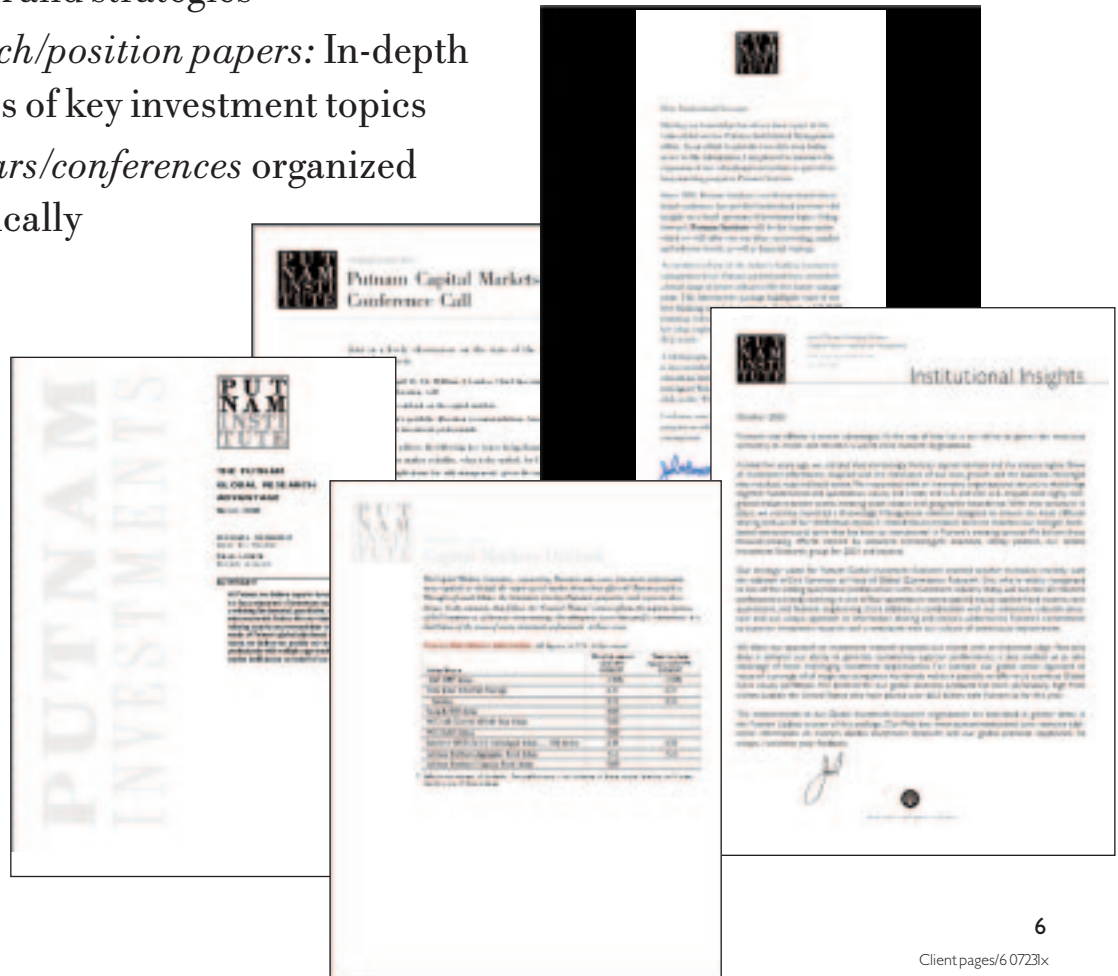
- ▶ Overview
- ▶ Philosophy and process
- ▶ Performance and portfolio review
- ▶ Outlook and strategy





Putnam’s latest insights on financial markets and the investment industry

- ▶ Access to Putnam’s best ideas — in your mailbox, on the Web, via conference calls, and at Putnam-sponsored conferences and seminars
 - ▶ *Capital Markets conference calls/Webcasts*: Timely communications in response to breaking market events
 - ▶ *Institutional Insights*: Quarterly commentary from the head of our institutional business on major industry topics
 - ▶ *Capital Markets Outlook*: Periodic report from senior investment professionals on Putnam’s current investment outlook and strategies
 - ▶ *Research/position papers*: In-depth analysis of key investment topics
 - ▶ *Seminars/conferences* organized periodically





STRATEGIC RESEARCH FOR INSTITUTIONAL INVESTORS

A dedicated staff of analysts conducting strategic research tailored to the interests of institutional investors

- ▶ Research on capital market developments
 - ▶ Examples: Structuring an international equity allocation, the role of benchmarks, small-cap stocks in an institutional portfolio
- ▶ Product analysis
 - ▶ Assessments of strategies across the range of capitalization, style, geography, and risk
- ▶ Custom research projects for clients and prospects
 - ▶ Examples: Manager fit, competitive analysis, plan analysis, portfolio analysis, risk budgeting
- ▶ Staff includes professionals with backgrounds as portfolio managers and analysts





SAMPLE PROJECTS

International equities: The emerging-markets dilemma

Do emerging market equities warrant a strategic plan allocation or should they be incorporated into a broader international equity mandate? Traditional arguments in favor of stand-alone EM allocations do not tell the whole story. This presentation provides a more robust analysis of the drivers of return, the implications for plan sponsors, and the unique challenges faced by dedicated EM managers.

The impact of benchmarks on institutional portfolios

One of the most critical elements in obtaining optimal investment results from an investment manager is benchmark selection. A benchmark introduces inherent risks into a portfolio and creates incentives for certain investment behaviors. Our white paper on this topic explores the impact of benchmarks on institutional portfolios and provides a broad framework for understanding how a benchmark can affect the success of an investment manager over dynamic market cycles.

Your small-cap equity allocation

The large number and relatively high volatility of small-cap securities makes successful participation in this asset class a challenging but potentially rewarding task for investors. This white paper sets out the basic structure of the small-cap market, examines the attractiveness of the asset class, and looks at the issues surrounding a decision to increase your allocation to this dynamic market.

Global equity management

A variety of trends have encouraged an increasing degree of interdependence in the world economy. Despite the trend toward globalization, however, many of the market indices most widely used as portfolio benchmarks assign companies to countries or regions from which they derive relatively little of their overall revenue. Our analysis indicates that a global product can be used to increase the efficiency of a typical U.S. institutional investor's equity allocation.