

Strong research leads to disciplined investing

Why invest?

Putnam strives to generate returns over the benchmark (commonly referred to as “alpha”) – one of the potential benefits of active fund management. They focus on businesses that generate high cash flow, because they believe long-term cash flow generation drives shareholder returns.

Their equity research team is more nimble than some of their larger competitors, and this means that they can react quickly to market changes. At the same time, the Putnam team works within a global organization, giving them access to in-depth research, resources and insights.

Investment objective

To deliver above-average total returns by investing primarily in U.S. equities.

Investment philosophy: discipline rules the day

Putnam’s disciplined, systematic process of stock selection seeks to capture companies undervalued in price with strong fundamentals (like good management and sustainable competitive advantages). To do this, they use quantitative research to narrow down the investable universe. In other words, computer models do the heavy lifting. The computer models screen the investable universe, so that the management team is only looking at the top 20% of that universe. This removes the emotion from investing and can help the team focus on the top opportunities. Then fundamental research brings in differentiated insights.



Firm name:

Putnam Investments

Risk rating:

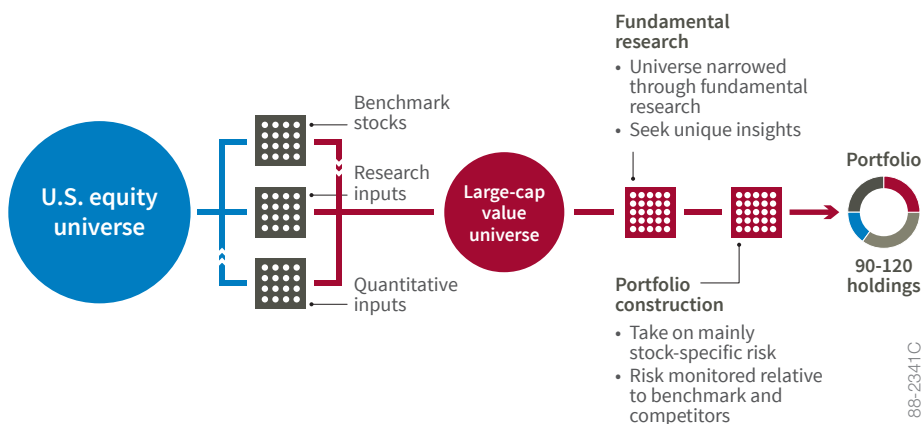


Asset category:

U.S. equity

Competitive advantages

- They have the resources and reach of a large global firm, combined with the collaboration and agility of a smaller boutique
- Due to their global reach and specialization in U.S. equities, they have insights into U.S.-based companies that do business throughout the world – which has helped shape their proven track record in managing U.S. equities
- The team uses a disciplined investment process that combines the strength of their equity research team with quantitative screening and risk-management tools – all to help identify opportunities that will drive returns



Pathways U.S. Equity Fund

Meet the manager



Darren A. Jaroch, BA, CFA, Portfolio Manager – U.S., International and Global Value Strategies

Darren joined Putnam in 1999 and has been in the investment industry since 1996. Previously at Putnam, he managed global core equity strategies and worked on quantitative models as a member of the U.S. Value team.

The Putnam Investments story

Putnam Investments is a global asset manager with over 80 years of experience and more than \$177 billion in assets under management as of Sept. 30, 2018.

A subsidiary of Great-West Lifeco, Putnam employs 200 investment professionals around the globe in Boston (their headquarters), London, Frankfurt, Tokyo, Sydney, Singapore and Beijing.

A description of the key features of the segregated fund policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value. This fund is available through a segregated funds policy issued by Canada Life.

Canada Life and design are trademarks of The Canada Life Assurance Company.
70-0044-5/19

