

# Putnam VT American Government Inc IB

## Benchmark

Barclays US Government TR USD

## Overall Morningstar Rating™

★★★★★

Out of 659 Intermediate Government VA subaccounts. **A subaccount's overall Morningstar Rating, based on its risk-adjusted return, is a weighted average of its applicable 3-, 5-, and 10-year Ratings. See disclosure for more detail.**

## Morningstar Return

High

## Morningstar Risk

High

## Investment Strategy from portfolio's prospectus

The investment seeks high current income with preservation of capital as its secondary objective.

The fund invests mainly in bonds and securitized debt instruments (such as mortgage-backed investments) that are obligations of the U.S. government, its agencies and instrumentalities and accordingly are backed by the full faith and credit of the United States or by only the credit of a federal agency or government-sponsored entity; and that have short- to long-term maturities.

## Category Description: Intermediate Government

Intermediate government funds concentrate on bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these funds, as the U.S. government is unlikely to default on its debt. These funds have, on average, durations between 3.5 and six years. Consequently, the group's performance--and its level of volatility--tends to fall between that of the short government and long government bond categories.

## Operations

Expense Ratio	0.89% of fund assets
Subaccount Incp Date	04-30-10
Underlying Portfolio Incp Date	01-31-00
Advisor	Putnam Investment Management, LLC
Subadvisor	Putnam Investments Limited

## Portfolio Manager(s)

Daniel S. Choquette, CFA, B.A., Yale University, 1997. B.A., Royal Conservatory of Music, 1991.  
Michael V. Salm, B.S., Cornell University, 1987.

## Morningstar Proprietary Statistics

	3-Year	5-Year	10-Year
Morningstar Rating	★★★★★	★★★★★	★★★★★
Out of # of Investments	659	569	298

## Past Performance is no guarantee of future results.

The ratings presented may reflect the waiver of all or a portion of the portfolio's fees. Without such a waiver, the ratings may have been lower.

## Portfolio Analysis as of 03-31-13

Composition as of 03-31-13	%Net
U.S. Stocks	0.0
Non-U.S. Stocks	0.0
Bonds	104.2
Cash	-11.6
Other	7.4
<b>Total</b>	<b>100.0</b>

## Top 20 Holdings as of 03-31-13

	% Assets
Fannie Mae Single Family TBA 3% 2043-0 05-01-43	23.47
Mbx.Fn30.500.10 R Usl1m P 01/12/41 Bc 01-12-41	17.55
Mbx.Fn30.650.67 P Usl1m R 01/12/38 Bc 01-12-38	17.08
FNMA 4% 07-01-42	10.44
US Treasury Note 0.25% 08-31-14	10.06
US Treasury Bond 4.5% 08-15-39	8.39
US Treasury Note 0.625% 05-31-17	8.16
Fannie Mae Single Family TBA 3% 2043-0 04-01-43	5.65
Mbx.Fn30.600.08 P Usl1m R 01/12/39 Bc 01-12-39	4.47
Mbx.Fn30.650.67 P Usl1m R 01/12/38 Gs 01-12-38	4.03
Ginnie Mae Jumbos TBA 3% 2043-05-01 05-01-43	3.80
Mbx.Fn30.600.08 R Usl1m P 01/12/39 Bc 01-12-39	3.10
FNMA 4% 10-01-42	2.95
Mbx.Fn30.650.67 R Usl1m P 01/12/38 Bc 01-12-38	2.86
GNMA CMO 05-16-41	1.93
FHLMC CMO 04-15-41	1.64
FNMA CMO 08-27-36	1.55
Mbx.Fn30.500.09 R Usl1m P 01/12/40 Bc 01-12-40	1.54
GNMA CMO 05-16-41	1.31
US Treasury Bond 6.25% 08-15-23	1.28
Total Number of Stock Holdings	0
Total Number of Bond Holdings	161
Annual Turnover Ratio %	456.00
Total Fund Assets (\$mil)	108.11

## Morningstar Fixed Income Style Box™ as of 03-31-13

	Avg Eff Duration	5.07
	Avg Eff Maturity	9.04
	Avg Wtd Coupon	3.81
	Avg Wtd Price	101.16

## Morningstar Sectors as of 03-31-13

	% Fund	% Category
Government	27.20	31.06
Corporate	0.00	1.33
Securitized	72.80	47.53
Municipal	0.00	0.66
Cash & Equivalents	0.00	8.48
Other	0.00	10.94

## Credit Analysis as of 03-31-13

	% Bonds
AAA	107
AA	0
A	9
BBB	0
BB	0
B	0
Below B	0
Not Rated	-17

The portfolio's holdings are subject to change without notice. The mention of specific securities is not a recommendation or solicitation for any person to buy, sell, or hold any particular security. When you invest in a variable annuity, you do not invest directly in the portfolios. You invest in sub-accounts of the variable annuity separate account of the issuing insurance company, that, in turn, invest in the portfolios you've selected. Your account is then credited with variable accumulation units in that sub-account.

Before purchasing a variable annuity, you should carefully consider its investment options' objectives, and the risks, charges, and expenses associated with the annuity and its investment options. For this and other information about the Schwab Select Annuity, call Charles Schwab & Co. at 1-800-838-0650 for a free prospectus (in New York State, 1-800-838-0649). Please read the prospectus carefully before you invest or send money.

Notices which may be applicable to certain portfolios: High-yield bond portfolios are subject to a greater risk of loss of principal and interest including risk of default than other bond portfolios. Portfolios that invest in foreign stocks may be exposed to additional risks including currency fluctuations, political instability, foreign taxes and foreign regulation, and the potential for illiquid markets. Historically, small-cap stocks have been more volatile than stocks of larger more established companies.

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**Because a variable annuity's value will fluctuate depending on the underlying investments, an investor's units, when redeemed, may be more or less than the original amount invested. Like all investments, variable annuities carry risks and may cause investors to lose money.**

For each sub-account with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a sub-account's monthly performance (including the effects of any applicable sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. (Each share class is counted as a fraction of one sub-account within this scale and rated separately, which may cause slight variations in the distribution percentages.) The top 10% of the sub-accounts in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating is a weighted average of the sub-accounts' three-, five-, and 10-year (if applicable) Morningstar rating metrics.