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A LETTER FROM THE PRESIDENT(S)

R. THOMAS MANNING, CFA, CHIEF EXECUTIVE OFFICER AND PRESIDENT
JOHN V. CARBERRY, SENIOR ADVISOR, FORMER PRESIDENT

For investors and market observers, 2015 has become known as “The Year Nothing Worked” or “The Year of Zero Returns.” The pundits are correct: In all the major asset classes, investment returns were close to zero for the year, or in the case of commodities, substantially worse than zero. Positive investment returns were hard to find anywhere. In essence, all markets were caught in a tug-of-war over which economic scenario would eventually win out – the moderate but steady growth in the U.S. economy vs. the stagnant or weakening economies of most other major countries throughout the world. This tug-of-war was played out on a daily basis as positive economic news would put the optimists in charge for a few days, only to have subsequent bad news put the pessimists in control for the next few days. The result was substantial price volatility for fixed income and equity securities – particularly after mid-year – only to end in a stand-off as the year closed out.

However, if we take a longer view, a year with minimal returns is not that unusual or unexpected. For example, recall that for calendar years 2012–2014, U.S. equities provided investors with a cumulative return of over 70%. Such terrific investment returns are unsustainable, and one might say that in 2015 the U.S. stock market took a much-needed break.

As our clients know, 2015 was a year of major changes at F.L.Putnam. For me, Tom Manning’s becoming our new president was the year’s highlight. Tom is now fully in charge and he embraces our firm’s policy of always putting our clients first and providing our clients with an extraordinary level of service. Over the years, it was a pleasure for me to hear from clients about how much they appreciated the good work our entire staff did on their behalf. I am sure Tom will maintain – and enhance – this level of client focus and service.

As 2015 ends, F.L.Putnam remains in strong financial shape. Indeed, in 2015 we had the highest level of new business in the firm’s history. Much of this new business came from current clients who referred friends, family or organizations to us. This is our favorite source of new business since we see it as a vote of confidence in the firm from a happy client.

Tom and I want to thank you for choosing F.L.Putnam to manage your investment portfolio. Along with our entire staff, we wish you a healthy and happy 2016.



MARKET INSIGHT

As 2015 closes, I would once again like to thank John Carberry for all of his efforts and for his stewardship of the firm over many years. In the weeks that I have been with the firm, I have been impressed with the professionalism and dedication of the team to their profession, the passion for serving our clients and the thoughtfulness of the advice they deliver every day. I have seen many things over the 25 years I have been in the business and I believe that John has helped build one of the best investment management firms in the industry. My goal every day will be to continue to build upon the success of F.L.Putnam.

In the weeks and months ahead, we will be working to further enhance our clients' experience with F.L.Putnam. We will make a number of strategic investments in our technology, which will include our client reporting. Our investment in technology will also help us to expand our core capabilities and broaden our expertise. We will also be reinvesting in other areas of the company and in our people to ensure the company remains strong and stable for many years to come.

On this last note I am proud to be able to announce two things that will happen as this year ends and we ring in 2016. On January 1st, all employees of F.L.Putnam will become owners of our business. We have established an Employee Stock Ownership Plan (ESOP) that will allow everyone in the firm to share in any success that we may have as a business going forward and that will help ensure that anyone who ultimately retires from F.L.Putnam will be able to do so with greater financial security.

Secondly, I am also pleased to announce that Scott Mazuzan will be rejoining the company on January 4th. Scott, a certified financial plannerTM, will take on the position of Private Client Advisor and will be working directly with our clients to help coordinate their overall financial needs with their other advisors and will focus on all aspects of financial planning on their behalf. Please help us in welcoming Scott back into the fold.

My goal is for F.L.Putnam to be known for excellence in all that we do, to be the first choice for clients with investment management needs and to be a destination for talented professionals within our industry.

Thank you for the opportunity to work with you and please feel free to provide me with any feedback that can help us improve what we do on your behalf. I wish you all a happy and prosperous New Year.



2015 MARKET DIARY		
	12/31/15	YTD Change*
Dow Jones Industrials	17,425.03	0.21 %
NASDAQ	4,875.21	7.11 %
S&P 500	2,043.94	1.37 %
Russell 2000	1,135.89	-4.41 %
10-Year Treasury Bond Yield	2.27 %	10 b.p.

Source: Bloomberg Capital Markets

* Includes dividends for equity indices

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