

Putnam may refer to certain financial terms on this site. Definitions of these financial terms are for informational purposes only. This list may not include all terms used on this website.

FINANCIAL TERMS

Annual turnover — The lesser of purchases or sales divided by the average total assets for the period.

Beta — A quantitative measure of the volatility of a given stock or portfolio, relative to the overall market.

R-Squared — A measure of the reliability of beta and alpha, indicates whether the comparison benchmark is appropriate.

Dividend yield — A ratio that shows how much a company pays out in dividends each year relative to its share price.

Earnings growth rate — A measure of growth in a company's net income over a specific period.

Median market cap — The midpoint of market capitalization of the stocks in a portfolio.

Price-to-earnings (P/E) — The most common measure of how expensive a stock is. Price to earnings (P/E) ratio compares a stock's current share price to its earnings per share (EPS).

Price-to-sales — A stock's capitalization divided by its sales over the trailing 12 months.

Standard deviation — A statistical measure of the historical volatility of a portfolio.

Weighted average market cap — The average market value of securities in a portfolio or index, weighted in proportion to their percentage of net assets in the portfolio or index.

Return on equity (ROE) — The amount, expressed as a percentage, earned on a company's common stock investment for a given period.

Information ratio — A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns.

Tracking error — Tracking error quantifies the degree to which a portfolio differs from the index or benchmark, by measuring the standard deviation between the two values.