

A world of investing.®



Putnam Strategic Intermediate Municipal Fund

Semiannual report

1 | 31 | 23



Income funds invest in bonds and other securities with the goal of providing a steady stream of income over time.

FUND SYMBOL
CLASS A
PPNAX

Putnam Strategic Intermediate Municipal Fund

Semiannual report

1 | 31 | 23

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Message from the Trustees

March 10, 2023

Dear Fellow Shareholder:

Stock and bond markets rose in early 2023 as inflation continued to ease and the U.S. Federal Reserve moderated its interest-rate increases. Investors showed optimism that the Fed might slow the economy and reduce inflation without causing a recession. Still, caution may be warranted. While the Fed has reduced the size of its interest-rate increases, it also signaled that more rate hikes are likely if concerns persist about a resurgence in inflation.

Putnam's investment teams believe a recession is possible this year or next. However, they also are finding what they believe to be attractive investment opportunities in a range of asset classes, including stocks and taxable and tax-exempt bonds. As active researchers, our teams analyze interest-rate and credit risks as they seek out investments for your fund. They also consider how stocks and bonds are likely to perform in uncertain economic conditions.

Thank you for investing with Putnam.

Respectfully yours,



A handwritten signature in black ink that reads "Robert L. Reynolds".

Robert L. Reynolds
President and Chief Executive Officer
Putnam Investments

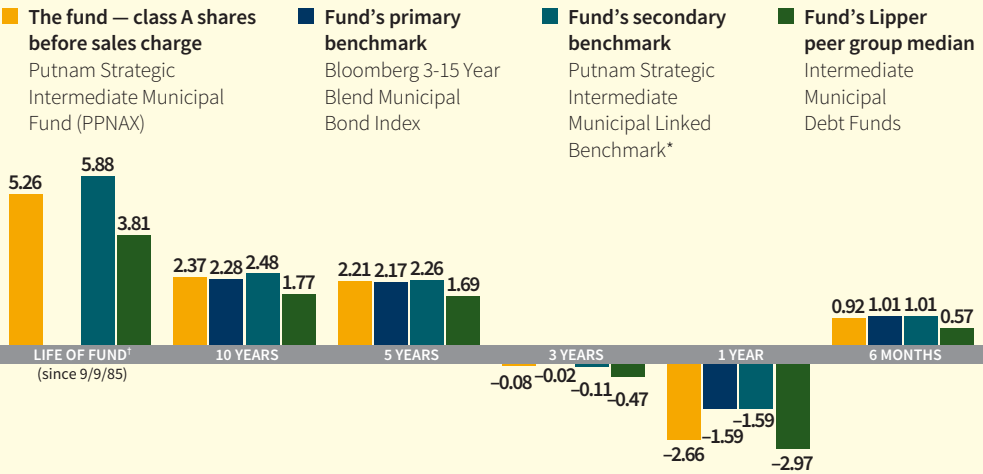


A handwritten signature in black ink that reads "Kenneth R. Leibler".

Kenneth R. Leibler
Chair, Board of Trustees

Performance history as of 1/31/23

Annualized total return (%) comparison



Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will fluctuate, and you may have a gain or a loss when you sell your shares. Performance of class A shares assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart do not reflect a sales charge of 2.25%; had they, returns would have been lower. Performance for class A shares before their inception (9/20/93) is derived from the historical performance of class B shares. See page 3 and pages 9–12 for additional performance information. For a portion of the periods, the fund had expense limitations, without which returns would have been lower. To obtain the most recent month-end performance, visit [putnam.com](https://www.putnam.com).

Before August 28, 2020, the fund was managed with a materially different investment strategy and may have achieved materially different performance results under its current investment strategy from that shown for periods before this date.

Returns for periods of less than one year are not annualized.

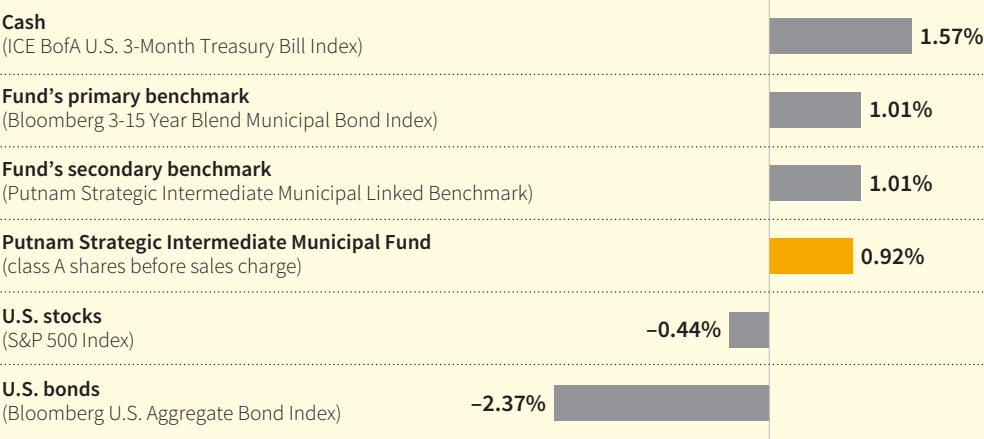
All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group median is provided by Lipper, a Refinitiv company.

* The Putnam Strategic Intermediate Municipal Linked Benchmark represents the performance of the Bloomberg Municipal Bond Index through August 27, 2020, and the performance of the Bloomberg 3-15 Year Blend Municipal Bond Index thereafter.

† The fund's primary benchmark, the Bloomberg 3-15 Year Blend Municipal Bond Index, was introduced on 1/31/90, which post-dates the inception of the fund.

Recent broad market index and fund performance



This comparison shows your fund's performance in the context of broad market indexes for the six months ended 1/31/23. See page 2 and pages 9–12 for additional fund performance information. Index descriptions can be found on pages 15–16.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Interview with your fund's portfolio manager

Garrett Hamilton discusses the investing environment and fund performance for the six months ended January 31, 2023, as well as his outlook for the fund.



Garrett L. Hamilton, CFA
Portfolio Manager

Garrett has an M.S. in Investment Management from Boston University and a B.S. in International Business Administration from Southern New Hampshire University. He joined Putnam in 2016 and has been in the investment industry since 2006.

Paul M. Drury, CFA, is also a Portfolio Manager of the fund.

Garrett, how was the market environment for intermediate-term municipal bonds during the six-month period ended January 31, 2023?

After a challenging first few months, intermediate-term municipal bonds regained their footing. November 2022 was especially strong for the asset class, despite the Federal Reserve's announcement of its fourth consecutive 0.75% interest-rate increase on November 3. Investors were heartened to see that the Consumer Price Index [CPI], a widely used measure of inflation, came in better than expected at 7.7% for October 2022. Investors interpreted this as evidence that the Fed was making progress in subduing stubbornly high prices. As the month ended, the Fed hinted it might temper the degree of interest-rate hikes as early as December 2022.

The CPI for November also showed progress, with year-over-year inflation falling to 7.1%. It was the smallest 12-month increase since December 2021. In our view, this gave the Fed room to raise its benchmark interest rate by only half a percentage point on December 15, 2022. However, Fed policymakers also signaled the fight against inflation was not over. Fed Chair Jerome Powell stated that "it will take

Sector allocations

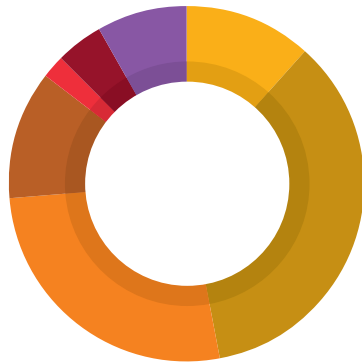
| | |
|-----------------------------|-------|
| ● Transportation | 19.5% |
| ● Special tax | 11.6 |
| ● Utilities | 11.4 |
| ● Education | 9.4 |
| ● Health care | 9.2 |
| ● Local debt | 8.4 |
| ● State debt | 7.9 |
| ● Housing | 4.4 |
| ● Other sectors | 10.0 |
| ● Cash and net other assets | 8.2 |



Allocations are shown as a percentage of the fund's net assets as of 1/31/23. Cash and net other assets, if any, represent the market value weights of cash, derivatives, short-term securities, and other unclassified assets in the portfolio. Summary information may differ from the information in the portfolio schedule notes included in the financial statements due to the inclusion of derivative securities, any interest accruals, the timing of matured security transactions, the use of different classifications of securities for presentation purposes, and rounding. Holdings and allocations may vary over time.

Credit quality overview

| | |
|-----------------------------|-------|
| ● AAA | 11.6% |
| ● AA | 35.4 |
| ● A | 26.7 |
| ● BBB | 11.7 |
| ● BB | 2.1 |
| ● Not rated | 4.3 |
| ● Cash and net other assets | 8.2 |



Credit qualities are shown as a percentage of the fund's net assets as of 1/31/23. A bond rated BBB or higher (SP-3 or higher, for short-term debt) is considered investment grade. This chart reflects the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Ratings may vary over time.

Cash and net other assets, if any, represent the market value weights of cash, derivatives, and short-term securities in the portfolio. The fund itself has not been rated by an independent rating agency.

substantially more evidence to give confidence that inflation is on a sustained downward path.” Minutes from the central bank’s policy meeting in December revealed that Fed officials agreed it would be appropriate to slow the pace of its aggressive rate hikes to minimize the risks to economic growth. At period-end, the Fed raised its benchmark rate by 0.25%, elevating its benchmark interest rate to a target range of 4.50%–4.75%.

Market technicals improved during the period as well. Demand rebounded amid the improvement in market sentiment. At the same time, new issue supply was well below average due to the sharp rise in interest rates. This imbalance aided returns. With these positive developments, November 2022’s return of 3.76% represented the strongest monthly return for the Bloomberg 3-15 Year Blend Municipal Bond Index [the fund’s primary benchmark] since 1990.

For the six months ended January 31, 2023, the fund’s primary benchmark returned 1.01%. Intermediate-term municipal bonds outperformed longer-term and shorter-term cohorts. From a credit perspective, investment-grade municipal bonds performed better than higher-yielding, lower-rated bonds, which aided our positioning.

What is your current assessment of the health of the municipal bond market?

Municipal credit fundamentals continue to be stable, in our view. Higher employment and increasing wages have bolstered tax receipts. Home values, a factor in property tax revenues, have been facing headwinds in the form of rising mortgage rates. We believe assessed values, another factor in taxes, should continue to reflect growth given the roughly two-year lag between tax assessments and actual property values.

State and local tax collections were up 16% year over year through the third quarter of 2022 compared with the same period in 2021 [most recent data available]. Unprecedented fiscal

“ We think the bulk of the tightening is behind us and Fed monetary policy is set to enter the fine-tuning stage of the cycle. ”

support during the Covid-19 pandemic, as well as strong economic growth during the second half of 2020 and 2021, put most state and local governments in their best fiscal shape in more than a decade, in our view. Municipal defaults are running near long-term averages as of January 31, 2023, and they remain a very small percentage of the market. As such, we believe the credit outlook remains favorable, though we continue to actively monitor the market. We expect economic conditions to slow during 2023, which could impact municipal bond credit quality, in our view.

How did the fund perform during the period?

For the six months ended January 31, 2023, the fund’s class A shares underperformed the primary and secondary benchmarks but outperformed the median return of its Lipper peer group, Intermediate Municipal Debt Funds.

What strategies or holdings influenced the fund’s performance during the reporting period?

During the early months of the reporting period, the Fed’s hawkish monetary policy and investors’ risk-averse sentiment contributed to a sharp sell-off. This propelled bond yields higher and bond prices, which move in the opposite direction of yields, lower. Credit spreads widened, presenting attractively priced investment opportunities, in our view. We moved the portfolio to a long duration position versus its Lipper peers by adding bonds with maturities in the 7- to 15-year range. Our additions were generally focused on higher-rated investment-grade bonds.

The fund held an overweight exposure to lower-investment-grade bonds and those rated A relative to the benchmark. We remain

cautious on lower-rated municipal bonds in general, given our view that the Fed’s aggressive tightening cycle could result in slower U.S. economic growth in 2023. However, we have found value in some of the upper tiers of the high-yield market. While credit spreads widened over the period, they were not excessively wide versus previous recessionary periods, in our view. The fund was invested in a wide range of sectors, including public power, airport, and local general obligation bonds.

The fund remained underweight in its exposure to Puerto Rico municipal debt relative to its Lipper peer group. However, we note that the U.S. territory has experienced recent improvement in credit fundamentals since coming out of bankruptcy in March 2022. We continue to closely monitor Puerto Rico’s credit fundamentals and remain vigilant for investment opportunities.

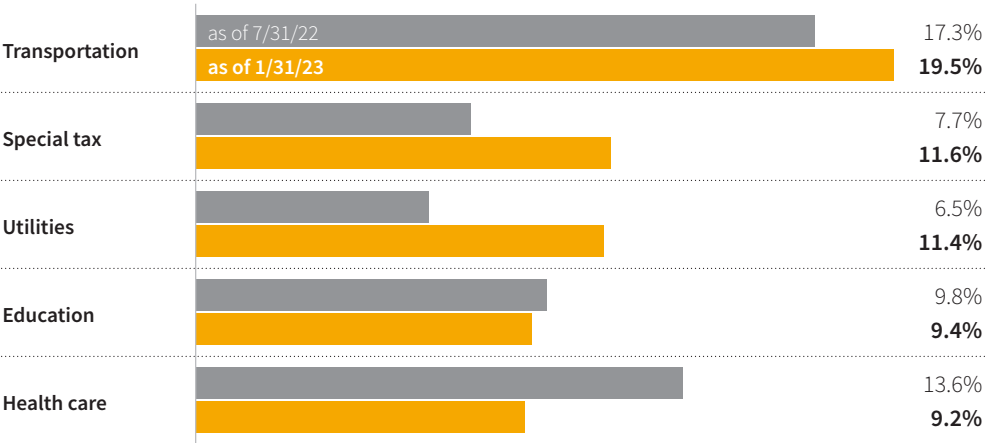
What do you see on the horizon that could influence your management of the fund?

While it appears to us that inflation has peaked in this cycle, we believe U.S. economic data remains relatively strong. Especially noteworthy is the low U.S. unemployment rate and strong consumer spending. We presume this will keep the Fed on track to continue ratcheting up interest rates to slow economic growth and the jobs market. That said, we think the bulk of the tightening is behind us and Fed monetary policy is set to enter the fine-tuning stage of the cycle. Market expectations are for the Fed to complete its tightening cycle by the summer of 2023.

Seasonal factors are typically weaker in late winter and early spring but turn more favorable in late spring and summer months. Against this backdrop, we believe valuations offer investors attractive tax-free income, as well as the potential for price appreciation once the Fed concludes its monetary tightening cycle.

Thank you, Garrett, for your time and insights today.

Comparison of top sector weightings



This chart shows how the fund’s top weightings have changed over the past six months. Allocations are shown as a percentage of the fund’s net assets. Current period summary information may differ from the information in the portfolio schedule notes included in the financial statements due to the inclusion of derivative securities, any interest accruals, the timing of matured security transactions, the use of different classifications of securities for presentation purposes, and rounding. Holdings and allocations may vary over time.

The views expressed in this report are exclusively those of Putnam Management and are subject to change. They are not meant as investment advice. Please note that the holdings discussed in this report may not have been held by the fund for the entire period.

Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk. Statements in the Q&A concerning the fund's performance or portfolio composition relative to those of the fund's Lipper peer group may reference information produced by Lipper Inc. or through a third party.

Your fund’s performance

This section shows your fund’s performance, price, and distribution information for periods ended January 31, 2023, the end of the first half of its current fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance information as of the most recent calendar quarter-end and expense information taken from the fund’s current prospectus. Performance should always be considered in light of a fund’s investment strategy. Before August 28, 2020, the fund was managed with a materially different investment strategy and may have achieved materially different performance results under its current investment strategy from that shown for periods before this date. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance information does not reflect any deduction for taxes a shareholder may owe on fund distributions or on the redemption of fund shares. For the most recent month-end performance, please visit the Individual Investors section at putnam.com or call Putnam at 1-800-225-1581. Class R6 and Y shares are not available to all investors. See the Terms and definitions section in this report for definitions of the share classes offered by your fund.

Annualized fund performance Total return for periods ended 1/31/23

| | Life of fund | 10 years | 5 years | 3 years | 1 year | 6 months |
|---------------------------|--------------|----------|---------|---------|--------|----------|
| Class A (9/20/93) | | | | | | |
| Before sales charge | 5.26% | 2.37% | 2.21% | -0.08% | -2.66% | 0.92% |
| After sales charge | 5.19 | 2.14 | 1.75 | -0.84 | -4.85 | -1.35 |
| Class B (9/9/85) | | | | | | |
| Before CDSC | 5.26 | 1.86 | 1.60 | -0.70 | -3.17 | 0.62 |
| After CDSC | 5.26 | 1.86 | 1.25 | -1.62 | -7.95 | -4.36 |
| Class C (7/26/99) | | | | | | |
| Before CDSC | 5.23 | 1.74 | 1.43 | -0.85 | -3.39 | 0.47 |
| After CDSC | 5.23 | 1.74 | 1.43 | -0.85 | -4.34 | -0.52 |
| Class R6 (5/22/18) | | | | | | |
| Net asset value | 5.17 | 2.62 | 2.47 | 0.18 | -2.35 | 1.08 |
| Class Y (1/2/08) | | | | | | |
| Net asset value | 5.17 | 2.61 | 2.45 | 0.14 | -2.44 | 0.98 |

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. After-sales-charge returns for class A shares reflect the deduction of the maximum 2.25% sales charge levied at the time of purchase. Class B share returns after contingent deferred sales charge (CDSC) reflect the applicable CDSC, which is 5% in the first year, declining over time to 1% in the sixth year, and is eliminated thereafter. Class C share returns after CDSC reflect a 1% CDSC for the first year that is eliminated thereafter. Class R6 and Y shares have no initial sales charge or CDSC. Performance for class A, C, and Y shares before their inception is derived from the historical performance of class B shares, adjusted for the applicable sales charge (or CDSC) and, for class C shares, the higher operating expenses for such shares. Performance for class R6 shares prior to their inception is derived from the historical performance of class Y shares and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher.

Returns for periods of less than one year are not annualized.

For a portion of the periods, the fund had expense limitations, without which returns would have been lower.

Class B and C share performance reflects conversion to class A shares after eight years.

Comparative annualized index returns For periods ended 1/31/23

| | Life of fund | 10 years | 5 years | 3 years | 1 year | 6 months |
|--|--------------|----------|---------|---------|--------|----------|
| Bloomberg 3-15 Year Blend Municipal Bond Index* | — | 2.28% | 2.17% | -0.02% | -1.59% | 1.01% |
| Putnam Strategic Intermediate Municipal Linked Benchmark† | 5.88% | 2.48 | 2.26 | -0.11 | -1.59 | 1.01 |
| Lipper Intermediate Municipal Debt Funds category median‡ | 3.81 | 1.77 | 1.69 | -0.47 | -2.97 | 0.57 |

Index and Lipper results should be compared with fund performance before sales charge, before CDSC, or at net asset value.

Returns for periods of less than one year are not annualized.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group median is provided by Lipper, a Refinitiv company.

* The fund’s primary benchmark, the Bloomberg 3-15 Year Blend Municipal Bond Index, was introduced on 1/31/90, which post-dates the inception of the fund.

† The Putnam Strategic Intermediate Municipal Linked Benchmark represents the performance of the Bloomberg Municipal Bond Index through August 27, 2020, and the performance of the Bloomberg 3-15 Year Blend Municipal Bond Index thereafter.

‡ Over the 6-month, 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 1/31/23, there were 223, 215, 193, 166, 125, and 26 funds, respectively, in this Lipper category.

Fund price and distribution information For the six-month period ended 1/31/23

| Distributions | Class A | | Class B | Class C | Class R6 | Class Y |
|---|---------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Number | 6 | | 6 | 6 | 6 | 6 |
| Income ¹ | \$0.162597 | | \$0.122989 | \$0.112979 | \$0.184113 | \$0.181074 |
| Capital gains ² | — | | — | — | — | — |
| Total | \$0.162597 | | \$0.122989 | \$0.112979 | \$0.184113 | \$0.181074 |
| Share value | Before sales charge | After sales charge | Net asset value | Net asset value | Net asset value | Net asset value |
| 7/31/22 | \$14.00 | \$14.32 | \$14.01 | \$14.04 | \$14.00 | \$14.01 |
| 1/31/23 | 13.96 | 14.28 | 13.97 | 13.99 | 13.96 | 13.96 |
| Current rate (end of period) | Before sales charge | After sales charge | Net asset value | Net asset value | Net asset value | Net asset value |
| Current dividend rate ³ | 2.34% | 2.29% | 1.75% | 1.60% | 2.61% | 2.59% |
| Taxable equivalent ⁴ | 3.95 | 3.87 | 2.96 | 2.70 | 4.41 | 4.38 |
| Current 30-day SEC yield (with expense limitation) ⁵ | N/A | 2.45 | 1.91 | 1.76 | 2.77 | 2.75 |
| Taxable equivalent ⁴ | N/A | 4.14 | 3.23 | 2.97 | 4.68 | 4.65 |

The classification of distributions, if any, is an estimate. Before-sales-charge share value and current dividend rate for class A shares, if applicable, do not take into account any sales charge levied at the time of purchase. After-sales-charge share value, current dividend rate, and current 30-day SEC yield, if applicable, are calculated assuming that the maximum sales charge (2.25% for class A shares) was levied at the time of purchase. Final distribution information will appear on your year-end tax forms.

¹ For some investors, investment income may be subject to the federal alternative minimum tax.

² Capital gains, if any, are taxable for federal and, in most cases, state purposes.

³ Most recent distribution, including any return of capital and excluding capital gains, annualized and divided by share price before or after sales charge at period-end.

⁴ Assumes maximum 40.80% federal tax rate for 2022. Results for investors subject to lower tax rates would not be as advantageous.

⁵ Based only on investment income and calculated using the maximum offering price for each share class, in accordance with SEC guidelines.

Annualized fund performance as of most recent calendar quarter

Total return for periods ended 12/31/22

| | Life of fund | 10 years | 5 years | 3 years | 1 year | 6 months |
|---------------------------|--------------|----------|---------|---------|--------|----------|
| Class A (9/20/93) | | | | | | |
| Before sales charge | 5.20% | 2.15% | 1.46% | -0.36% | -7.21% | 0.53% |
| After sales charge | 5.13 | 1.92 | 1.00 | -1.11 | -9.29 | -1.73 |
| Class B (9/9/85) | | | | | | |
| Before CDSC | 5.20 | 1.65 | 0.84 | -0.95 | -7.75 | 0.20 |
| After CDSC | 5.20 | 1.65 | 0.50 | -1.87 | -12.30 | -4.76 |
| Class C (7/26/99) | | | | | | |
| Before CDSC | 5.16 | 1.53 | 0.70 | -1.08 | -7.88 | 0.13 |
| After CDSC | 5.16 | 1.53 | 0.70 | -1.08 | -8.80 | -0.87 |
| Class R6 (5/22/18) | | | | | | |
| Net asset value | 5.11 | 2.40 | 1.72 | -0.08 | -6.90 | 0.67 |
| Class Y (1/2/08) | | | | | | |
| Net asset value | 5.11 | 2.40 | 1.71 | -0.10 | -6.92 | 0.61 |

See the discussion following the fund performance table on page 8 for information about the calculation of fund performance.

Returns for periods of less than one year are not annualized.

Your fund's expenses

As a mutual fund investor, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial representative.

Expense ratios

| | Class A | Class B | Class C | Class R6 | Class Y |
|--|---------|---------|---------|----------|---------|
| Total annual operating expenses for the fiscal year ended 7/31/22* | 0.84% | 1.44% | 1.59% | 0.58% | 0.59% |
| Annualized expense ratio for the six-month period ended 1/31/23† | 0.84% | 1.44% | 1.59% | 0.57% | 0.59% |

Fiscal year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

* Restated to reflect current fees.

† Expense ratios for each class are for the fund's most recent fiscal half year. As a result of this, ratios may differ from expense ratios based on one-year data in the financial highlights.

Expenses per \$1,000

The following table shows the expenses you would have paid on a \$1,000 investment in each class of the fund from 8/1/22 to 1/31/23. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming *actual returns* and expenses.

| | Class A | Class B | Class C | Class R6 | Class Y |
|-------------------------------|------------|------------|------------|------------|------------|
| Expenses paid per \$1,000*† | \$4.25 | \$7.28 | \$8.03 | \$2.89 | \$2.99 |
| Ending value (after expenses) | \$1,009.20 | \$1,006.20 | \$1,004.70 | \$1,010.80 | \$1,009.80 |

* Expenses for each share class are calculated using the fund’s annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 1/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period (184); and then dividing that result by the number of days in the year (365).

Estimate the expenses you paid

To estimate the ongoing expenses you paid for the six months ended 1/31/23, use the following calculation method. To find the value of your investment on 8/1/22, call Putnam at 1-800-225-1581.

How to calculate the expenses you paid

Value of your investment on 8/1/22 ÷ \$1,000 X Expenses paid per \$1,000 = Total expenses paid

Example Based on a \$10,000 investment in class A shares of your fund.

\$10,000 ÷ \$1,000 X \$4.25 (see preceding table) = \$42.50

Compare expenses using the SEC’s method

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the following table shows your fund’s expenses based on a \$1,000 investment, assuming a *hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

| | Class A | Class B | Class C | Class R6 | Class Y |
|-------------------------------|------------|------------|------------|------------|------------|
| Expenses paid per \$1,000*† | \$4.28 | \$7.32 | \$8.08 | \$2.91 | \$3.01 |
| Ending value (after expenses) | \$1,020.97 | \$1,017.95 | \$1,017.19 | \$1,022.33 | \$1,022.23 |

* Expenses for each share class are calculated using the fund’s annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 1/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period (184); and then dividing that result by the number of days in the year (365).

Consider these risks before investing

Capital gains, if any, are taxable for federal and, in most cases, state purposes. Income from federally tax-exempt funds may be subject to state and local taxes. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Bond investments may be more susceptible to downgrades or defaults during economic downturns or other periods of economic stress. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses. The fund may invest significantly in particular segments of the tax-exempt debt market, making it more vulnerable to fluctuations in the values of the securities it holds than a fund that invests more broadly. Interest the fund receives might be taxable.

The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could negatively impact the fund. You can lose money by investing in the fund.

Terms and definitions

Important terms

Total return shows how the value of the fund's shares changed over time, assuming you held the shares through the entire period and reinvested all distributions in the fund.

Before sales charge, or net asset value, is the price, or value, of one share of a mutual fund, without a sales charge. Before-sales-charge figures fluctuate with market conditions. They are calculated by dividing the net assets of each class of shares by the number of outstanding shares in the class.

After sales charge is the price of a mutual fund share plus the maximum sales charge levied at the time of purchase. After-sales-charge performance figures shown here assume the 2.25% maximum sales charge for class A shares.

Net asset value (NAV) is the price, or value, of one share of a mutual fund, without a sales charge. Net asset values fluctuate with market conditions. They are calculated by dividing the net assets of each class of shares by the number of outstanding shares in the class.

Contingent deferred sales charge (CDSC) is generally a charge applied at the time of the redemption of class B or C shares and assumes redemption at the end of the period. Your fund's class B CDSC declines over time from a 5% maximum during the first year to 1% during the sixth year. After the sixth year, the CDSC no longer applies. The CDSC for class C shares is 1% for one year after purchase.

Share classes

Class A shares are generally subject to an initial sales charge and no CDSC (except on certain redemptions of shares bought without an initial sales charge).

Class B shares are closed to new investments and are only available by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

They are not subject to an initial sales charge and may be subject to a CDSC.

Class C shares are not subject to an initial sales charge and are subject to a CDSC only if the shares are redeemed during the first year.

Class R6 shares are not subject to an initial sales charge or CDSC and carry no 12b-1 fee. They are generally only available to employer-sponsored retirement plans, corporate and institutional clients, and clients in other approved programs.

Class Y shares are not subject to an initial sales charge or CDSC and carry no 12b-1 fee. They are generally only available to corporate and institutional clients and clients in other approved programs.

Fixed income terms

Current rate is the annual rate of return earned from dividends or interest of an investment. Current rate is expressed as a percentage of the price of a security, fund share, or principal investment.

Yield curve is a graph that plots the yields of bonds with equal credit quality against their differing maturity dates, ranging from shortest to longest. It is used as a benchmark for other debt, such as mortgage or bank lending rates.

Comparative indexes

Bloomberg 3-15 Year Blend Municipal Bond Index is an unmanaged index composed of investment-grade municipal securities ranging from 2 and 17 years in maturity.

Bloomberg Municipal Bond Index is an unmanaged index of long-term, fixed-rate, investment-grade tax-exempt bonds.

Bloomberg U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed income securities.

ICE BofA (Intercontinental Exchange Bank of America) U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

Putnam Strategic Intermediate Municipal Linked Benchmark represents the performance of the Bloomberg Municipal Bond Index through August 27, 2020, and the performance of the Bloomberg 3-15 Year Blend Municipal Bond Index thereafter.

S&P 500® Index is an unmanaged index of common stock performance.

Indexes assume reinvestment of all distributions and do not account for fees. Securities and performance of a fund and an index will differ. You cannot invest directly in an index.

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warranty, express or implied, as to the results to be obtained therefrom, and to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith. You cannot invest directly in an index.

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Lipper, a Refinitiv company, is a third-party industry-ranking entity that ranks mutual funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund's category assignment at its discretion. Lipper category medians reflect performance trends for funds within a category.

Other information for shareholders

Important notice regarding delivery of shareholder documents

In accordance with Securities and Exchange Commission (SEC) regulations, Putnam sends a single notice of internet availability, or a single printed copy, of annual and semiannual shareholder reports, prospectuses, and proxy statements to Putnam shareholders who share the same address, unless a shareholder requests otherwise. If you prefer to receive your own copy of these documents, please call Putnam at 1-800-225-1581, and Putnam will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2022, are available in the Individual Investors section of putnam.com and on the SEC's website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and

procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the fund's Form N-PORT on the SEC's website at www.sec.gov.

Prior to its use of Form N-PORT, the fund filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at www.sec.gov.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam mutual funds. As of January 31, 2023, Putnam employees had approximately \$478,000,000 and the Trustees had approximately \$64,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Financial statements

These sections of the report, as well as the accompanying Notes, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share, which is calculated separately for each class of shares. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to

or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

Statement of changes in net assets shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal period.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.

The fund's portfolio 1/31/23 (Unaudited)

Key to holding's abbreviations

AGM Assured Guaranty Municipal Corporation
BAM Build America Mutual
COP Certificates of Participation
FHA Insd. Federal Housing Administration Insured
FHLMC Coll. Federal Home Loan Mortgage Corporation Collateralized
FNMA Coll. Federal National Mortgage Association Collateralized
G.O. Bonds General Obligation Bonds
GNMA Coll. Government National Mortgage Association Collateralized

PSFG Permanent School Fund Guaranteed
VRDN Variable Rate Demand Notes, which are floating-rate securities with long-term maturities that carry coupons that reset and are payable upon demand either daily, weekly or monthly. The rate shown is the current interest rate at the close of the reporting period. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index rate, which was 1.66% as of the close of the reporting period.

| MUNICIPAL BONDS AND NOTES (96.8%)* | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|------------------|
| Alabama (0.9%) | | | |
| Black Belt Energy Gas Dist., Gas Supply Mandatory Put Bonds (3/1/27), Ser. D-1, 4.00%, 7/1/52 Mandatory Put Bonds (6/1/27), 6/1/27 | Aa1 | \$1,000,000 | \$1,018,635 |
| Jefferson, Cnty. Rev. Bonds, (Refunding warrants) 5.00%, 9/15/34 | AA | 1,075,000 | 1,163,805 |
| 5.00%, 9/15/33 | AA | 125,000 | 136,121 |
| Southeast Energy Auth. Commodity Supply Mandatory Put Bonds (12/1/29), Ser. A-1, 5.50%, 1/1/53 | A1 | 1,350,000 | 1,470,465 |
| Mandatory Put Bonds (8/1/28), Ser. B-1, 5.00%, 5/1/53 | A2 | 3,000,000 | 3,145,326 |
| | | | 6,934,352 |
| Alaska (0.4%) | | | |
| AK State Indl. Dev. & Export Auth. Rev. Bonds, (Tanana Chiefs Conference), Ser. A 4.00%, 10/1/39 | A+/F | 2,445,000 | 2,447,994 |
| 4.00%, 10/1/38 | A+/F | 555,000 | 558,648 |
| | | | 3,006,642 |
| Arizona (1.3%) | | | |
| AZ State Indl. Dev. Auth. Rev. Bonds (Equitable School Revolving Fund), Ser. A, 5.00%, 11/1/38 | A | 2,740,000 | 2,889,866 |
| (Equitable School Revolving Fund, LLC), 5.00%, 11/1/33 | A | 1,000,000 | 1,081,766 |
| Glendale, Indl. Dev. Auth. Sr. Living Fac. Rev. Bonds, (Royal Oaks Life Care Cmnty.) 4.00%, 5/15/31 | BBB-/F | 1,000,000 | 925,713 |
| 4.00%, 5/15/29 | BBB-/F | 1,000,000 | 946,047 |
| Pima Cnty., Indl. Dev. Auth. Sr. Living 144A Rev. Bonds, (La Posada at Park Centre, Inc.), 6.25%, 11/15/35 | BBB+/P | 2,750,000 | 2,864,056 |
| Salt Verde, Fin. Corp. Gas Rev. Bonds, 5.50%, 12/1/29 | A3 | 1,000,000 | 1,102,881 |
| | | | 9,810,329 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|---|----------|------------------|-------------|
| California (15.6%) | | | |
| Anaheim, Union High School Dist. G.O. Bonds, 3.00%, 8/1/38 | Aa2 | \$3,000,000 | \$2,714,738 |
| Antioch, Unified School Dist. G.O. Bonds, BAM, 3.00%, 8/1/34 | AA | 1,185,000 | 1,175,507 |
| CACmnty. Choice Fin. Auth. Mandatory Put Bonds (8/1/28), (Green Bonds), Ser. A-1, 4.00%, 5/1/53 | A1 | 9,675,000 | 9,828,565 |
| CACmnty. Hsg. Agcy. Essential Hsg. 144A Rev. Bonds, (Aster Apt.), Ser. A-1, 4.00%, 2/1/56 | BB+/P | 250,000 | 220,805 |
| CA Hsg. Fin. Agcy. Muni. Certif. Rev. Bonds, Ser. 21-1, Class A, 3.50%, 11/20/35 | BBB+ | 900,149 | 872,821 |
| CAMuni. Fin. Auth. VRDN (Chevron USA, Inc.), 0.65%, 11/1/35 | VMIG 1 | 1,400,000 | 1,400,000 |
| CAPub. Fin. Auth. VRDN, (Sharp Hlth. Care Oblig. Group), Ser. C, 0.45%, 8/1/52 | VMIG 1 | 1,000,000 | 1,000,000 |
| CA State G.O. Bonds | | | |
| 5.00%, 2/1/32 (Prerefunded 2/1/23) | Aa2 | 10,000,000 | 10,000,000 |
| 3.00%, 10/1/36 | Aa2 | 2,000,000 | 1,938,680 |
| CA State Charter School Fin. Auth. 144A Rev. Bonds, (Aspire Pub. Schools), 5.00%, 8/1/36 | BBB | 3,225,000 | 3,294,893 |
| CA State Enterprise Dev. Auth. Student Hsg. Rev. Bonds, (Provident Group-SDSU Properties, LLC), Ser. A, 5.00%, 8/1/28 | Baa3 | 150,000 | 161,552 |
| CA State Infrastructure & Econ. Dev. Bank | | | |
| Mandatory Put Bonds (6/1/26), (Museum Associates), 2.36%, 12/1/50 | A3 | 1,000,000 | 965,609 |
| Mandatory Put Bonds (8/1/24), (CA Academy of Sciences), 2.01%, 8/1/47 | A2 | 1,500,000 | 1,480,643 |
| CA State Infrastructure & Econ. Dev. Bank Rev. Bonds, (Performing Arts Ctr. of Los Angeles Cnty.), 5.00%, 12/1/29 | A | 675,000 | 778,221 |
| CA State Muni. Fin. Auth. Rev. Bonds | | | |
| (CHF-Riverside II, LLC), 5.00%, 5/15/34 | Baa3 | 915,000 | 968,856 |
| (HumanGood Oblig. Group), Ser. A, 4.00%, 10/1/32 | A-/F | 1,000,000 | 1,023,503 |
| CA State Poll. Control Fin. Auth. Rev. Bonds, (San Jose Wtr. Co.), 4.75%, 11/1/46 | A | 1,000,000 | 1,023,613 |
| CA State Pub. Wks. Board Rev. Bonds, Ser. E, 5.00%, 9/1/34 | Aa3 | 900,000 | 934,482 |
| CA State U. Mandatory Put Bonds (11/1/26), Ser. B-2, 0.55%, 11/1/49 | Aa2 | 1,000,000 | 893,024 |
| CA Statewide Cmnty. Dev. Auth. 144A Rev. Bonds, (Lancer Edl. Student Hsg.), Ser. A, 3.00%, 6/1/29 | BB/P | 1,450,000 | 1,332,033 |
| Chula Vista, Muni. Fin. Auth. Special Tax Bonds, 5.50%, 9/1/30 | AA- | 775,000 | 789,286 |
| Golden State Tobacco Securitization Corp. Rev. Bonds, Ser. B-1, 3.85%, 6/1/50 | BBB- | 3,000,000 | 2,723,324 |
| Imperial Cnty., Local Trans. Auth. Sales Tax Rev. Bonds, Ser. E, AGM, 5.00%, 6/1/32 | AA | 8,730,000 | 9,671,940 |
| Indio, Pub. Fin. Auth. Rev. Bonds, Ser. A, BAM | | | |
| 5.00%, 11/1/33 | AA | 425,000 | 501,088 |
| 5.00%, 11/1/32 | AA | 350,000 | 415,738 |
| 5.00%, 11/1/31 | AA | 375,000 | 441,138 |
| 5.00%, 11/1/30 | AA | 400,000 | 466,565 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|---|-----------------|-------------------------|--------------|
| California <i>cont.</i> | | | |
| Indio, Pub. Fin. Auth. Rev. Bonds, Ser. A, BAM | | | |
| 5.00%, 11/1/29 | AA | \$310,000 | \$356,079 |
| 5.00%, 11/1/28 | AA | 275,000 | 310,517 |
| Long Beach, Arpt. Syst. Rev. Bonds | | | |
| Ser. B, AGM, 5.00%, 6/1/38 | AA | 300,000 | 340,493 |
| Ser. B, AGM, 5.00%, 6/1/36 | AA | 250,000 | 290,124 |
| Ser. A, AGM, 5.00%, 6/1/35 | AA | 300,000 | 354,723 |
| Ser. B, AGM, 5.00%, 6/1/35 | AA | 300,000 | 354,723 |
| Ser. A, AGM, 5.00%, 6/1/34 | AA | 400,000 | 478,348 |
| Ser. B, AGM, 5.00%, 6/1/34 | AA | 200,000 | 239,174 |
| Los Angeles Cnty., Dev. Auth. Multi-Fam. Hsg. Mandatory Put Bonds (7/1/26), (VA Building 402), 3.375%, 1/1/46 | Aaa | 3,250,000 | 3,274,994 |
| Los Angeles, Dept. of Arpt. Rev. Bonds | | | |
| Ser. H, 5.50%, 5/15/36 | Aa2 | 3,000,000 | 3,487,361 |
| 5.00%, 5/15/31 | Aa3 | 1,500,000 | 1,730,459 |
| Ser. A, 5.00%, 5/15/28 | Aa3 | 1,500,000 | 1,659,133 |
| Ser. C, 5.00%, 5/15/28 | Aa3 | 2,175,000 | 2,405,743 |
| Ser. A, 4.00%, 5/15/39 | Aa3 | 1,500,000 | 1,493,145 |
| 4.00%, 5/15/35 | Aa3 | 600,000 | 615,894 |
| Los Angeles, Dept. of Arpts. Rev. Bonds, Ser. A, 5.00%, 5/15/34 | Aa2 | 5,700,000 | 5,935,200 |
| Los Angeles, Dept. of Wtr. & Pwr. Rev. Bonds | | | |
| Ser. A, 5.00%, 7/1/42 | Aa2 | 7,870,000 | 8,430,692 |
| Ser. B, 5.00%, 7/1/40 | Aa2 | 2,800,000 | 3,252,054 |
| Port of Oakland Rev. Bonds | | | |
| 5.00%, 5/1/28 | A2 | 750,000 | 826,725 |
| 1.081%, 5/1/24 | A1 | 620,000 | 593,127 |
| San Francisco, City & Cnty. Arpt. Comm. Intl. Arpt. Rev. Bonds, Ser. A | | | |
| 5.00%, 5/1/35 | A1 | 1,900,000 | 2,119,345 |
| 5.00%, 5/1/34 | A1 | 4,585,000 | 5,165,259 |
| 5.00%, 5/1/30 | A1 | 1,000,000 | 1,125,852 |
| 5.00%, 5/1/29 | A1 | 2,000,000 | 2,228,097 |
| San Francisco, City & Cnty. Arpt. Comm. Intl. Arpt. VRDN, Ser. B, 1.05%, 5/1/58 | VMIG 1 | 3,500,000 | 3,500,000 |
| San Francisco, Pub. Fac. Fin. Auth. Rev. Bonds | | | |
| 5.00%, 6/1/39 | AA+ | 475,000 | 533,816 |
| 5.00%, 6/1/38 | AA+ | 400,000 | 450,697 |
| 5.00%, 6/1/37 | AA+ | 350,000 | 396,131 |
| 5.00%, 6/1/36 | AA+ | 325,000 | 370,379 |
| 5.00%, 6/1/35 | AA+ | 280,000 | 322,001 |
| 5.00%, 6/1/34 | AA+ | 250,000 | 290,170 |
| 5.00%, 6/1/33 | AA+ | 255,000 | 296,793 |
| Sierra View, Local Hlth. Care Dist. Rev. Bonds | | | |
| 5.00%, 7/1/30 | A/F | 620,000 | 696,112 |
| 5.00%, 7/1/27 | A/F | 625,000 | 678,201 |
| 4.00%, 7/1/26 | A/F | 300,000 | 310,204 |
| 4.00%, 7/1/25 | A/F | 290,000 | 296,600 |
| 4.00%, 7/1/24 | A/F | 235,000 | 238,241 |
| 4.00%, 7/1/23 | A/F | 260,000 | 261,109 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|---|-----------------|-------------------------|--------------------|
| California cont. | | | |
| U. of CAVRDN, Ser. AL-4, 0.40%, 5/15/48 | VMIG 1 | \$1,800,000 | \$1,800,000 |
| Yucaipa Special Tax Bonds, (Cmnty. Fac. Dist. No. 98-1 Chapman Heights), 5.375%, 9/1/30 | A | 375,000 | 376,875 |
| | | | 114,901,214 |
| Colorado (1.6%) | | | |
| CO State Hlth. Fac. Auth. Hosp. Rev. Bonds, (CommonSpirit Hlth.), Ser. A, 5.00%, 11/1/25 | A- | 350,000 | 369,041 |
| Denver City & Cnty., Arpt. Rev. Bonds | | | |
| Ser. D, 5.75%, 11/15/36 | Aa3 | 3,000,000 | 3,791,688 |
| Ser. B, 5.00%, 11/15/42 | Aa3 | 1,125,000 | 1,268,311 |
| E-470 Pub. Hwy. Auth. Mandatory Put Bonds (9/1/24), Ser. B, 3.231%, 9/1/39 | A2 | 4,000,000 | 3,983,526 |
| Regl. Trans. Dist. Rev. Bonds, (Denver Transit Partners, LLC), 3.00%, 7/15/37 | Baa1 | 850,000 | 734,282 |
| Vauxmont, Metro. Dist. G.O. Bonds, AGM | | | |
| 5.00%, 12/1/34 | AA | 285,000 | 320,195 |
| 5.00%, 12/1/32 | AA | 250,000 | 283,817 |
| 5.00%, 12/15/30 | AA | 125,000 | 134,685 |
| 5.00%, 12/15/29 | AA | 125,000 | 134,700 |
| 5.00%, 12/15/27 | AA | 125,000 | 134,756 |
| 5.00%, 12/15/25 | AA | 125,000 | 133,837 |
| 5.00%, 12/1/25 | AA | 175,000 | 186,766 |
| | | | 11,475,604 |
| Connecticut (1.2%) | | | |
| CT State Hlth. & Edl. Fac. Auth. Mandatory Put Bonds (7/1/26), (Yale U.), Ser. A-2, 2.00%, 7/1/42 | Aaa | 1,050,000 | 1,011,035 |
| CT State Hlth. & Edl. Fac. Auth. Rev. Bonds | | | |
| (Masonicare Issue), Ser. F, 5.00%, 7/1/34 | BBB+/F | 1,250,000 | 1,251,110 |
| (Masonicare Issue), Ser. F, 5.00%, 7/1/33 | BBB+/F | 250,000 | 250,844 |
| (Stamford Hosp. Oblig. Group (The)), Ser. M, 5.00%, 7/1/32 | BBB+ | 1,400,000 | 1,604,328 |
| (U. of New Haven), 5.00%, 7/1/28 | BBB- | 550,000 | 573,649 |
| (Stamford Hosp. Oblig. Group (The)), Ser. L-1, 4.00%, 7/1/26 | BBB+ | 700,000 | 714,437 |
| (Yale U.), Ser. A-1, 0.50%, 7/1/42 | Aaa | 1,450,000 | 1,450,000 |
| CT State Hsg. Fin. Auth. Rev. Bonds, Ser. B-1 | | | |
| 4.15%, 11/15/44 | Aaa | 1,355,000 | 1,349,106 |
| 4.10%, 11/15/39 | Aaa | 565,000 | 565,456 |
| | | | 8,769,965 |
| District of Columbia (1.8%) | | | |
| DC Rev. Bonds | | | |
| (KIPP DC), Ser. A, 5.00%, 7/1/48 | BBB+ | 1,250,000 | 1,261,978 |
| (Latin American Montessori Bilingual Pub. Charter School Oblig. Group), 4.00%, 6/1/30 | BB+ | 1,000,000 | 976,343 |
| Metro. DC Arpt. Auth. Rev. Bonds, Ser. A | | | |
| 5.00%, 10/1/43 | Aa3 | 3,650,000 | 3,836,275 |
| 5.00%, 10/1/31 | Aa3 | 1,000,000 | 1,118,771 |
| 5.00%, 10/1/30 | Aa3 | 4,410,000 | 5,025,139 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|-------------------|
| District of Columbia <i>cont.</i> | | | |
| Metro. Washington DC, Arpt. Auth. Dulles Toll Rd. Rev. Bonds | | | |
| (Dulles Metrorail & Cap. Impt. Proj.) 4.00%, 10/1/53 ^T | A- | \$660,000 | \$619,004 |
| (Dulles Metrorail & Cap. Impt. Proj.) Ser. B, 4.00%, 10/1/44 ^T | A- | 665,000 | 649,853 |
| | | | 13,487,363 |
| Florida (4.8%) | | | |
| Cap. Trust Agcy. 144A Rev. Bonds, (WFCS Holdings II, LLC), Ser. A-1, 3.30%, 1/1/31 | BB/P | 480,000 | 437,191 |
| Double Branch Cmnty. Dev. Dist. Special Assmt. Bonds, Ser. A-1, 4.25%, 5/1/34 | A | 360,000 | 360,576 |
| FL State Dept. of Mgt. Svcs. COP, Ser. A, 3.00%, 11/1/35 | Aa1 | 1,000,000 | 975,040 |
| FL State Dev. Fin. Corp. Ed. Fac. Rev. Bonds, (River City Ed.), 5.00%, 7/1/31 | Baa3 | 325,000 | 346,000 |
| FL State Dev. Fin. Corp. Ed. Fac. 144A Rev. Bonds, (Drs. Kiran & Pallavi Patel 2017 Foundation for Global Understanding Inc.), 3.00%, 7/1/31 | BB/P | 200,000 | 183,132 |
| Greater Orlando, Aviation Auth. Arpt. Fac. Rev. Bonds, Ser. A, 5.00%, 10/1/35 | A1 | 7,500,000 | 7,974,637 |
| Halifax Hosp. Med. Ctr. Rev. Bonds, 5.00%, 6/1/36 | A- | 1,375,000 | 1,432,063 |
| Orange Cnty., HFA Mandatory Put Bonds (9/1/23), (Dunwoodie Place Preservation, Ltd.), Ser. A, 0.20%, 9/1/24 | AA+ | 1,920,000 | 1,875,634 |
| Orange Cnty., Hlth. Fac. Auth. Rev. Bonds | | | |
| (Orlando Hlth.), 5.00%, 10/1/40 | A+ | 1,000,000 | 1,103,288 |
| (Orlando Hlth.), 5.00%, 10/1/39 | A+ | 1,500,000 | 1,664,119 |
| (Orlando Hlth.), 5.00%, 10/1/38 | A+ | 1,000,000 | 1,114,958 |
| (Presbyterian Retirement Cmnty.), 5.00%, 8/1/34 | A-/F | 1,000,000 | 1,021,515 |
| Orlando Cmnty. Redev. Agcy. Tax Alloc. Bonds, (Republic Drive/Universal), 5.00%, 4/1/23 | A+/F | 1,630,000 | 1,633,026 |
| Palm Beach Cnty., 144A Rev. Bonds, (Provident Group-LU Properties, LLC), 4.25%, 6/1/31 | BB-/P | 1,200,000 | 1,143,941 |
| Palm Beach Cnty., Hlth. Fac. Auth. Rev. Bonds, (Acts Retirement-Life Cmnty., Inc.), 5.00%, 11/15/32 | A-/F | 2,000,000 | 2,055,344 |
| Palm Beach Cnty., School Board COP, Ser. C, 5.00%, 8/1/31 | Aa3 | 5,400,000 | 5,582,020 |
| Sarasota Cnty., Pub. Hosp. Dist. Rev. Bonds, 5.00%, 7/1/38 | A1 | 5,000,000 | 5,329,648 |
| Southeast Overtown Park West Cmnty. Redev. Agcy. 144A Tax Alloc. Bonds, Ser. A-1, 5.00%, 3/1/30 | BBB+ | 240,000 | 244,778 |
| St. John's Cnty., Indl. Dev. Auth. Rev. Bonds, (Life Care Ponte Vedra Oblig. Group), Ser. A | | | |
| 4.00%, 12/15/31 | BB+/F | 200,000 | 185,125 |
| 4.00%, 12/15/30 | BB+/F | 195,000 | 182,191 |
| 4.00%, 12/15/29 | BB+/F | 215,000 | 202,499 |
| Village, 144A Special Assmt., (Village Cmnty. Dev. Dist. No. 13), 1.875%, 5/1/25 | BB-/P | 515,000 | 489,670 |
| | | | 35,536,395 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|-------------------|
| Georgia (2.3%) | | | |
| Burke Cnty., Dev. Auth. Poll. Control | | | |
| Mandatory Put Bonds (8/19/25), (GA Pwr. Co.), 2.875%, 12/1/49 | Baa1 | \$4,250,000 | \$4,179,884 |
| Mandatory Put Bonds (5/25/23), (GA Power Co.), 2.25%, 10/1/32 | Baa1 | 4,000,000 | 3,983,318 |
| Mandatory Put Bonds (2/3/25), (Oglethorpe Pwr. Corp.), 1.50%, 1/1/40 | Baa1 | 1,600,000 | 1,527,142 |
| Main Street Natural Gas, Inc. Gas Supply Mandatory Put Bonds (9/1/23), Ser. B, 3.677%, 4/1/48 | Aa1 | 2,200,000 | 2,199,885 |
| Muni. Election Auth. of GA Rev. Bonds | | | |
| (Plant Vogtle Units 3 & 4), AGM, 5.00%, 7/1/39 | AA | 1,000,000 | 1,111,586 |
| (Plant Vogtle Units 3 & 4), AGM, 5.00%, 7/1/36 | AA | 1,000,000 | 1,136,299 |
| Ser. A, 5.00%, 1/1/34 | A2 | 2,295,000 | 2,539,419 |
| (Plant Vogtle Units 3 & 4), 4.00%, 1/1/46 | BBB+ | 330,000 | 303,747 |
| | | | 16,981,280 |
| Illinois (4.7%) | | | |
| Chicago, G.O. Bonds, Ser. A | | | |
| 5.00%, 1/1/35 | BBB+ | 3,000,000 | 3,220,654 |
| 4.00%, 1/1/36 | BBB+ | 1,000,000 | 972,327 |
| Chicago, Board of Ed. G.O. Bonds, Ser. A, 5.00%, 12/1/39 | BB | 1,000,000 | 1,024,395 |
| Chicago, O'Hare Intl. Arpt. Rev. Bonds, Ser. B, 5.00%, 1/1/33 | A+ | 5,465,000 | 5,701,702 |
| Chicago, Waste Wtr. Transmission Rev. Bonds | | | |
| 5.00%, 1/1/44 | A | 500,000 | 501,926 |
| Ser. C, 5.00%, 1/1/39 | A | 750,000 | 758,308 |
| (2nd Lien), 5.00%, 1/1/39 | A | 565,000 | 568,042 |
| Ser. C, 5.00%, 1/1/34 | A | 400,000 | 409,439 |
| Ser. C, 5.00%, 1/1/33 | A | 405,000 | 414,987 |
| Chicago, Wtr. Wks Rev. Bonds, 5.00%, 11/1/39 | A | 675,000 | 684,438 |
| IL State G.O. Bonds | | | |
| 5.00%, 11/1/41 | Baa1 | 600,000 | 612,492 |
| 5.00%, 1/1/41 | Baa1 | 340,000 | 346,073 |
| 5.00%, 11/1/34 | Baa1 | 1,650,000 | 1,717,900 |
| Ser. C, 5.00%, 11/1/29 | Baa1 | 1,225,000 | 1,308,848 |
| Ser. D, 5.00%, 11/1/28 | Baa1 | 2,080,000 | 2,231,917 |
| Ser. D, 5.00%, 11/1/27 | Baa1 | 920,000 | 991,871 |
| 4.125%, 11/1/31 | Baa1 | 830,000 | 845,752 |
| 4.00%, 1/1/31 | Baa1 | 695,000 | 704,109 |
| IL State Fin. Auth. | | | |
| Mandatory Put Bonds (8/15/25), (U. of Chicago Med. Ctr.), Ser. B-1, 5.00%, 8/15/52 | AA+ | 2,350,000 | 2,471,081 |
| Mandatory Put Bonds (11/15/26), (OSF Hlth. Care Syst. Oblig. Group), Ser. B-2, 5.00%, 5/15/50 | A | 1,000,000 | 1,067,690 |
| IL State Fin. Auth. Rev. Bonds | | | |
| (Ascension Hlth. Credit Group), Ser. C, 5.00%, 2/15/34 | AA+ | 1,100,000 | 1,183,436 |
| (Rosalind Franklin U. of Medicine and Science), Ser. A, 5.00%, 8/1/31 | BBB+ | 400,000 | 421,112 |
| (Art Institute of Chicago (The)), 5.00%, 3/1/30 | AA | 1,500,000 | 1,608,151 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|-------------------|
| Illinois cont. | | | |
| IL State Fin. Auth. Student Hsg. & Academic Fac. Rev. Bonds | | | |
| (U. of IL Chicago), 5.00%, 2/15/50 | Baa3 | \$460,000 | \$457,311 |
| (CHF-Chicago, LLC), 5.00%, 2/15/47 | Baa3 | 500,000 | 500,994 |
| Metro. Pier & Exposition Auth. Rev. Bonds, (McCormick Place Expansion), Ser. B, 5.00%, 12/15/33 | A- | 300,000 | 313,693 |
| Metro. Wtr. Reclamation Dist. of Greater Chicago G.O. Bonds, Ser. A, 5.00%, 12/1/31 | AA+ | 1,000,000 | 1,088,935 |
| Romeoville, Rev. Bonds, (Lewis U.) 5.00%, 10/1/29 | BBB | 975,000 | 991,669 |
| 5.00%, 10/1/27 | BBB | 860,000 | 875,530 |
| 5.00%, 10/1/26 | BBB | 500,000 | 509,092 |
| | | | 34,503,874 |
| Indiana (1.3%) | | | |
| IN State. Fin. Auth. Rev. Bonds, (Rose-Hulman Inst. of Tech., Inc.) | | | |
| 5.00%, 6/1/32 | A2 | 200,000 | 227,279 |
| 5.00%, 6/1/31 | A2 | 200,000 | 227,675 |
| 5.00%, 6/1/30 | A2 | 200,000 | 228,530 |
| 5.00%, 6/1/29 | A2 | 175,000 | 197,119 |
| 5.00%, 6/1/28 | A2 | 100,000 | 110,847 |
| 5.00%, 6/1/27 | A2 | 180,000 | 196,188 |
| 4.00%, 6/1/34 | A2 | 235,000 | 245,474 |
| 4.00%, 6/1/33 | A2 | 210,000 | 220,957 |
| Indianapolis, Local Pub. Impt. Bond Bk. Rev. Bonds, Ser. A | | | |
| 5.25%, 2/1/54 | Aa1 | 1,500,000 | 1,617,391 |
| 5.00%, 2/1/44 | Aa1 | 1,175,000 | 1,268,926 |
| Rockport, Poll. Control Rev. Bonds, (AEP Generating Co.), 3.125%, 7/1/25 | A- | 4,150,000 | 4,120,411 |
| Silver Creek, School Bldg. Corp. Rev. Bonds | | | |
| 3.00%, 1/15/36 | AA+ | 500,000 | 488,100 |
| 3.00%, 1/15/34 | AA+ | 375,000 | 378,576 |
| | | | 9,527,473 |
| Iowa (0.3%) | | | |
| IA State Fin. Auth. Rev. Bonds, (Lifespace Cmnty., Inc. Oblig. Group), Ser. A, 4.00%, 5/15/46 | | | |
| | BBB/F | 1,150,000 | 843,707 |
| IA State Fin. Auth. Solid Waste Fac. Mandatory Put Bonds (4/1/24), (Gevco NW Iowa RNG, LLC), 1.50%, 1/1/42 | | | |
| | Aa3 | 1,700,000 | 1,672,064 |
| | | | 2,515,771 |
| Kentucky (2.9%) | | | |
| KY Pub. Trans. Infrastructure Auth. Rev. Bonds, (1st Tier Downtown Crossing), Ser. A, 6.00%, 7/1/53 (Prerefunded 7/1/23) | | | |
| | Baa2 | 500,000 | 506,045 |
| KY State Hsg. Corp. Mandatory Put Bonds (10/1/23), (Winterwood II Rural Hsg.), 0.37%, 10/1/24 | | | |
| | Aaa | 1,295,000 | 1,263,169 |
| KY State Property & Bldg. Comm. Rev. Bonds, (No. 127), Ser. A, 5.00%, 6/1/36 | | | |
| | A1 | 5,500,000 | 6,305,617 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|-------------------|
| Kentucky <i>cont.</i> | | | |
| KY State Pub. Energy Auth. Gas Supply | | | |
| Mandatory Put Bonds (6/1/25), Ser. C-1, 4.00%, 12/1/49 | A1 | \$3,150,000 | \$3,159,380 |
| Mandatory Put Bonds (1/1/25), Ser. B, 4.00%, 1/1/49 | A1 | 2,800,000 | 2,800,267 |
| Louisville & Jefferson Cnty., Metro. Govt. Hlth. Syst. Rev. Bonds, (Norton Healthcare, Inc.), Ser. A, 5.00%, 10/1/30 | A | 2,750,000 | 2,937,178 |
| Louisville and Jefferson Cnty., Metro. Govt. Poll. Control Mandatory Put Bonds (7/1/26), (Louisville Gas and Elec. Co.), 1.75%, 2/1/35 | A1 | 5,000,000 | 4,739,257 |
| | | | 21,710,913 |
| Louisiana (0.3%) | | | |
| LA Stadium & Exposition Dist. Rev. Bonds, 4.00%, 7/3/23 | BBB+/F | 500,000 | 500,554 |
| St. John The Baptist Parish Mandatory Put Bonds (7/1/26), (Marathon Oil Corp.), Ser. A-3, 2.20%, 6/1/37 | Baa3 | 2,000,000 | 1,886,150 |
| | | | 2,386,704 |
| Maryland (0.2%) | | | |
| Frederick Cnty., Edl. Fac. 144A Rev. Bonds, (Mount. St. Mary's U., Inc.), Ser. A, 5.00%, 9/1/27 | BB+ | 1,000,000 | 1,017,231 |
| Gaithersburg, Econ. Dev. Rev. Bonds, (Asbury, Oblig. Group), Ser. A, 5.00%, 1/1/36 | BBB/F | 300,000 | 302,978 |
| MD State Hlth. & Higher Ed. Fac. Auth. Rev. Bonds, (Stevenson U.), 4.00%, 6/1/34 | BBB- | 250,000 | 256,413 |
| | | | 1,576,622 |
| Massachusetts (3.2%) | | | |
| Lawrence, G.O. Bonds, 4.00%, 6/1/35 | AA | 1,165,000 | 1,248,687 |
| MA State G.O. Bonds, Ser. A, 5.25%, 4/1/47 | Aa1 | 1,500,000 | 1,607,672 |
| MA State Dev. Fin. Agcy. 144A Rev. Bonds, (Loomis Oblig. Group), 4.00%, 1/1/26 | BBB | 470,000 | 467,306 |
| MA State Dev. Fin. Agcy. VRDN (Boston U.), Ser. U-6C, 1.15%, 10/1/42 | VMIG 1 | 950,000 | 950,000 |
| MA State Hlth. & Edl. Fac. Auth. VRDN (Baystate Total Home Care, Inc.), 1.15%, 7/1/39 | A-1+ | 1,500,000 | 1,500,000 |
| MA State Hsg. Fin. Agcy. Mandatory Put Bonds (6/1/25), Ser. 216, FHLMC Coll., FNMA Coll., GNMA Coll., 1.85%, 12/1/50 | Aa1 | 1,000,000 | 964,776 |
| MA State Hsg. Fin. Agcy. Rev. Bonds, Ser. D, 3.10%, 6/1/30 | AA+ | 720,000 | 719,939 |
| MA State Port Auth. Rev. Bonds, Ser. B, 5.00%, 7/1/39 | Aa2 | 4,935,000 | 5,015,737 |
| MA State Wtr. Resource Auth. VRDN, Ser. A-3, 1.88%, 8/1/37 | VMIG 1 | 1,500,000 | 1,500,000 |
| Merrimack Valley Regl. Transit Auth. Rev. Bonds, 3.25%, 6/23/23 | Aa1 | 9,320,000 | 9,327,426 |
| | | | 23,301,543 |
| Michigan (2.3%) | | | |
| Detroit, G.O. Bonds, 5.50%, 4/1/34 | Ba2 | 660,000 | 719,077 |
| Kentwood, Economic Dev. Corp. Rev. Bonds, (Holland Home Oblig. Group), 5.00%, 11/15/37 | BBB-/F | 1,000,000 | 1,006,777 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|-------------------|
| Michigan <i>cont.</i> | | | |
| MI State Fin. Auth. Rev. Bonds | | | |
| Ser. H-1, 5.00%, 10/1/39 (Prerefunded 10/1/24) | AA- | \$525,000 | \$538,332 |
| (Local Govt. Loan Program — Detroit Wtr. & Swr. Dept. (DWS)), Ser. C, 5.00%, 7/1/35 | A+ | 1,000,000 | 1,041,835 |
| (Detroit Wtr. & Swr.), Ser. C-6, 5.00%, 7/1/33 | AA- | 140,000 | 143,933 |
| (Great Lakes Wtr. Auth. Wtr. Supply Syst.), 5.00%, 7/1/31 | AA- | 6,500,000 | 6,690,806 |
| (Detroit), Ser. C-3, 5.00%, 4/1/28 | Aa2 | 700,000 | 758,062 |
| (Tobacco Settlement), Ser. A-1, 2.326%, 6/1/30 | A | 497,786 | 476,815 |
| MI State Fin. Auth. Ltd. Oblig. Rev. Bonds | | | |
| (Lawrence Technological U.), 5.25%, 2/1/32 | BBB- | 1,145,000 | 1,183,467 |
| (Lawrence Technological U.), 5.00%, 2/1/47 | BBB- | 2,000,000 | 1,914,881 |
| (Lawrence Tech. U.), 4.00%, 2/1/32 | BBB- | 285,000 | 275,664 |
| (Lawrence Tech. U.), 4.00%, 2/1/27 | BBB- | 185,000 | 182,751 |
| Wayne Cnty., Arpt. Auth. Rev. Bonds, Ser. F, 5.00%, 12/1/30 | A1 | 1,840,000 | 1,938,920 |
| | | | 16,871,320 |
| Minnesota (2.4%) | | | |
| Duluth, COP, (Indpt. School Dist. No. 709), Ser. A, 4.20%, 3/1/34 | Baa3 | 750,000 | 719,752 |
| Duluth, Econ. Dev. Auth. Rev. Bonds, (Benedictine Hlth. Syst. Oblig. Group), Ser. A, 4.00%, 7/1/31 | BB/P | 625,000 | 587,395 |
| Duluth, Econ. Dev. Auth. Hlth. Care Fac. Rev. Bonds, (St. Luke's Hosp. of Duluth Oblig. Group) | | | |
| 5.00%, 6/15/32 | BBB- | 975,000 | 1,070,436 |
| 5.00%, 6/15/30 | BBB- | 830,000 | 898,391 |
| Hennepin Cnty., VRDN, Ser. B, 1.65%, 12/1/38 | A-1+ | 410,000 | 410,000 |
| JPM-Putters-XM0872, VRDN, 1.81%, 11/15/26 | A-1 | 4,925,000 | 4,925,000 |
| Minneapolis & St. Paul, Hsg. & Redev. Auth. Hlth. Care VRDN, (Allina Hlth. Syst.), Ser. B-1, 1.20%, 11/15/35 | VMIG 1 | 500,000 | 500,000 |
| Minneapolis & St. Paul, Metro. Arpt. Comm. Rev. Bonds, Ser. A, 5.00%, 1/1/31 | AA- | 1,580,000 | 1,732,965 |
| Minneapolis, Hlth. Care Syst. VRDN (Fairview Hlth. Svcs. Oblig. Group), Ser. B, 2.10%, 11/15/48 | VMIG 1 | 1,500,000 | 1,500,000 |
| MN State Higher Ed. Fac. Auth. Rev. Bonds, (Augsburg U.), Ser. A, 5.00%, 5/1/46 | Ba1 | 750,000 | 708,584 |
| Ramsey, Charter School Rev. Bonds, (PACT Charter School), Ser. A, 5.00%, 6/1/32 | BB+ | 1,400,000 | 1,403,669 |
| Rochester, Hlth. Care Fac. VRDN, (Mayo Clinic), Ser. B, 1.90%, 11/15/38 | VMIG 1 | 250,000 | 250,000 |
| St. Paul, Hsg. & Redev. Auth. Charter School Lease Rev. Bonds, (Hmong College Prep Academy), 5.50%, 9/1/36 | BB+ | 3,000,000 | 3,039,767 |
| | | | 17,745,959 |
| Mississippi (0.8%) | | | |
| MS Bus. Fin. Comm. VRDN (Chevron USA, Inc.) | | | |
| Ser. C, 1.20%, 12/1/30 | VMIG 1 | 1,000,000 | 1,000,000 |
| Ser. F, 1.20%, 12/1/30 | VMIG 1 | 4,565,000 | 4,565,000 |
| MS State Bus. Fin. Corp. Rev. Bonds, (System Energy Resources, Inc.), 2.375%, 6/1/44 | A | 770,000 | 541,186 |
| | | | 6,106,186 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|---|----------|------------------|-------------------|
| Missouri (0.7%) | | | |
| Kansas City, Indl. Dev. Auth. Arpt. Special Oblig. Rev. Bonds | | | |
| (Kansas City, Intl. Arpt.), 5.00%, 3/1/32 | A2 | \$1,000,000 | \$1,098,195 |
| (Kansas City Intl. Arpt.), 5.00%, 3/1/30 | A2 | 1,540,000 | 1,719,533 |
| Plaza at Noah's Ark Cmnty. Impt. Dist. Rev. Bonds | | | |
| 3.00%, 5/1/26 | B+/P | 275,000 | 263,457 |
| 3.00%, 5/1/25 | B+/P | 225,000 | 218,367 |
| 3.00%, 5/1/24 | B+/P | 200,000 | 196,725 |
| St. Louis, Arpt. Rev. Bonds, 5.00%, 7/1/30 | A2 | 1,430,000 | 1,609,577 |
| | | | 5,105,854 |
| Montana (0.4%) | | | |
| MT State Board of Regents Higher Ed. Mandatory Put Bonds (11/15/32), U. of MT, AGM, 5.25%, 11/15/52 † | AA | 2,475,000 | 2,782,843 |
| | | | 2,782,843 |
| Nebraska (0.6%) | | | |
| Central Plains, Energy Mandatory Put Bonds (1/1/24), (No. 4), 5.00%, 3/1/50 | A2 | 2,500,000 | 2,527,554 |
| Omaha, Pub. Pwr. Dist. Rev. Bonds, Ser. A | | | |
| 5.00%, 2/1/39 | Aa2 | 1,000,000 | 1,155,987 |
| 5.00%, 2/1/38 | Aa2 | 1,000,000 | 1,161,272 |
| | | | 4,844,813 |
| Nevada (1.5%) | | | |
| Clark Cnty., School Dist. G.O. Bonds | | | |
| Ser. A, 5.00%, 6/15/37 | A1 | 5,000,000 | 5,703,061 |
| Ser. C, 5.00%, 6/15/28 | A1 | 4,000,000 | 4,289,180 |
| Ser. B, BAM, 3.00%, 6/15/36 | AA | 1,000,000 | 925,271 |
| | | | 10,917,512 |
| New Hampshire (0.4%) | | | |
| National Fin. Auth. Rev. Bonds, (Caritas Acquisitions VII, LLC), Ser. A, 3.75%, 8/15/30 | BBB/P | 1,050,000 | 987,295 |
| NH State Hlth. & Ed. Fac. Auth. Rev. Bonds, (Southern NH Med. Ctr.), 5.00%, 10/1/37 | A- | 2,000,000 | 2,058,122 |
| | | | 3,045,417 |
| New Jersey (2.4%) | | | |
| NJ State G.O. Bonds, (Covid-19 Emergency Bonds), Ser. A, 3.00%, 6/1/32 | A2 | 4,000,000 | 4,059,280 |
| NJ State Econ. Dev. Auth. Mandatory Put Bonds (12/3/29), (American Water Co., Inc.), 2.20%, 10/1/39 | A1 | 3,500,000 | 3,099,955 |
| NJ State Econ. Dev. Auth. Rev. Bonds, Ser. AAA, 5.00%, 6/15/36 | A3 | 350,000 | 368,350 |
| NJ State Edl. Fac. Auth. Rev. Bonds, (William Paterson U. of NJ (The)), Ser. C, AGM | | | |
| 5.00%, 7/1/27 | AA | 100,000 | 109,597 |
| 5.00%, 7/1/26 | AA | 100,000 | 107,468 |
| 5.00%, 7/1/25 | AA | 100,000 | 105,327 |
| 5.00%, 7/1/24 | AA | 100,000 | 103,104 |
| NJ State Hlth. Care Fac. Fin. Auth. VRDN, (AHS Hosp. Corp.), Ser. B, 1.55%, 7/1/36 | VMIG 1 | 4,000,000 | 4,000,000 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|-------------------|
| New Jersey cont. | | | |
| NJ State Trans. Trust Fund Auth. Rev. Bonds | | | |
| Ser. BB, 5.00%, 6/15/34 | A3 | \$675,000 | \$770,093 |
| (Federal Hwy. Reimbursement Notes), 5.00%, 6/15/28 | A+ | 750,000 | 808,314 |
| South Jersey, Trans. Auth. Syst. Rev. Bonds, Ser. A | | | |
| 5.00%, 11/1/40 | BBB+ | 2,500,000 | 2,661,180 |
| 5.00%, 11/1/38 | BBB+ | 1,140,000 | 1,226,780 |
| BAM, 5.00%, 11/1/37 | AA | 250,000 | 279,620 |
| | | | 17,699,068 |
| New Mexico (0.3%) | | | |
| Farmington, Poll. Control Rev. Bonds, (Pub. Service Co. of NM), Ser. B, 2.15%, 4/1/33 | Baa2 | 2,000,000 | 1,680,572 |
| Sante Fe, Retirement Fac. Rev. Bonds, (El Castillo Retirement Res.), 5.00%, 5/15/42 | BB+/F | 980,000 | 866,763 |
| | | | 2,547,335 |
| New York (15.9%) | | | |
| Albany, Cap. Resource Corp. Rev. Bonds, (Empire Commons Student Hsg., Inc.) | | | |
| 5.00%, 5/1/26 | A | 400,000 | 423,414 |
| Ser. A, 5.00%, 5/1/25 | A | 645,000 | 671,802 |
| 5.00%, 5/1/24 | A | 575,000 | 588,806 |
| 5.00%, 5/1/23 | A | 795,000 | 798,887 |
| Build NY City Resource Corp. Rev. Bonds | | | |
| (Global Cmnty. Charter School), 4.00%, 6/15/32 | BB+ | 500,000 | 483,638 |
| (Grand Concourse Academy Charter School), 3.40%, 7/1/27 | BBB- | 300,000 | 300,359 |
| Build NY City Resource Corp. 144A Rev. Bonds, (East Harlem Scholars Academy Charter School), 5.00%, 6/1/32 | BB+ | 375,000 | 388,708 |
| NY City, G.O. Bonds, Ser. B-1, 5.25%, 10/1/39 | Aa2 | 2,500,000 | 2,934,794 |
| NY City, VRDN | | | |
| Ser. I-2, 1.25%, 3/1/40 | VMIG 1 | 3,600,000 | 3,600,000 |
| Ser. I-4, 1.15%, 4/1/36 | VMIG 1 | 3,000,000 | 3,000,000 |
| NY City, Hsg. Dev. Corp. Mandatory Put Bonds (12/22/26), (Sustainable Dev.), Ser. F-2-B, FHA Insd., 3.40%, 11/1/62 | AA+ | 12,750,000 | 12,860,632 |
| NY City, Muni. Wtr. & Swr. Syst. Fin. Auth. Rev. Bonds, Ser. DD, 5.00%, 6/15/40 | Aa1 | 3,320,000 | 3,587,855 |
| NY City, Muni. Wtr. & Swr. Syst. Fin. Auth. VRDN | | | |
| 1.15%, 6/15/49 | VMIG 1 | 1,000,000 | 1,000,000 |
| Ser. DD-1, 1.15%, 6/15/43 | VMIG 1 | 1,000,000 | 1,000,000 |
| NY City, Transitional Fin. Auth. Rev. Bonds | | | |
| Ser. F-1, 5.00%, 2/1/51 | AAA | 2,950,000 | 3,252,302 |
| (Future Tax Secured Revenue), 5.00%, 11/1/40 | AAA | 4,250,000 | 4,624,600 |
| Ser. C-3, 5.00%, 5/1/40 | AAA | 8,975,000 | 9,732,600 |
| NY City, Transitional Fin. Auth. Future Tax Secd. Rev. Bonds, Ser. C, 5.00%, 11/1/27 | AAA | 3,500,000 | 3,702,118 |
| NY State Dorm. Auth. Personal Income Tax Rev. Bonds, Ser. A | | | |
| 5.00%, 3/15/40 | Aa1 | 655,000 | 717,863 |
| 5.00%, 3/15/34 | Aa1 | 5,020,000 | 5,453,191 |
| 3.00%, 3/15/42 | Aa1 | 7,915,000 | 6,730,950 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|--------------------|
| New York <i>cont.</i> | | | |
| NY State Hsg. Fin. Agcy. VRDN (8 East 102nd St., LLC), Ser. A, 1.87%, 5/1/44 | VMIG 1 | \$3,780,000 | \$3,780,000 |
| NY State Mtge. Agcy. Rev. Bonds, Ser. 196, 2.60%, 4/1/25 | Aa1 | 750,000 | 742,881 |
| NY State Thruway Auth. Rev. Bonds, (Green Bonds-Bidding Group 1), 5.00%, 3/15/55 | AA+ | 10,000,000 | 10,925,772 |
| NY State Trans. Special Fac. Dev. Corp. Rev. Bonds | | | |
| (JFK Intl. Arpt. Term. 4, LLC), 5.00%, 12/1/29 | Baa1 | 500,000 | 547,540 |
| (American Airlines, Inc.), 2.25%, 8/1/26 | B/F | 205,000 | 193,709 |
| Orange Cnty., Funding Corp. Rev. Bonds, (Mount St. Mary College), 5.00%, 7/1/29 | BBB+/F | 1,170,000 | 1,228,963 |
| Port Auth. of NY & NJ Rev. Bonds | | | |
| Ser. 218, 5.00%, 11/1/49 [†] | AA- | 1,535,000 | 1,611,627 |
| 5.00%, 1/15/47 | Aa3 | 3,000,000 | 3,227,431 |
| 5.00%, 1/15/37 | Aa3 | 1,000,000 | 1,118,063 |
| 5.00%, 1/15/36 | Aa3 | 1,000,000 | 1,128,165 |
| Ser. 197, 5.00%, 11/15/35 | Aa3 | 5,000,000 | 5,220,540 |
| Ser. 227, 3.00%, 10/1/27 | Aa3 | 5,000,000 | 5,025,325 |
| Triborough Bridge & Tunnel Auth. Rev. Bonds, (Metro. Trans. Auth.), Ser. A, 5.00%, 11/15/24 | AA+ | 15,500,000 | 16,235,015 |
| | | | 116,837,550 |
| North Carolina (0.3%) | | | |
| NC State Med. Care Comm. Hlth. Care Fac. Rev. Bonds, (Lutheran Svcs. for the Aging, Inc. Oblig. Group), Ser. C | | | |
| 5.00%, 3/1/28 | BB/P | 365,000 | 366,284 |
| 5.00%, 3/1/27 | BB/P | 460,000 | 463,863 |
| 5.00%, 3/1/26 | BB/P | 440,000 | 445,363 |
| 4.00%, 3/1/29 | BB/P | 755,000 | 715,047 |
| | | | 1,990,557 |
| Ohio (2.4%) | | | |
| Cleveland-Cuyahoga Cnty., Rev. Bonds, (Euclid Ave. Dev., Corp.), 5.00%, 8/1/39 | A3 | 3,000,000 | 3,054,623 |
| Cuyahoga Cnty., Econ. Dev. Rev. Bonds | | | |
| 5.00%, 1/1/38 | A | 1,380,000 | 1,508,207 |
| 5.00%, 1/1/36 | A | 425,000 | 469,827 |
| Franklin Cnty., Hlth. Care Fac. Rev. Bonds, (Friendship Village of Dublin Oblig. Group), 5.00%, 11/15/34 | BBB+/F | 700,000 | 708,533 |
| OH State Higher Edl. Fac. Comm. Rev. Bonds | | | |
| (Kenyon College), 5.00%, 7/1/36 ^{###} | A2 | 1,250,000 | 1,379,431 |
| (Kenyon College), 5.00%, 7/1/35 ^{###} | A2 | 1,700,000 | 1,897,231 |
| (Cleveland Inst. of Music (The)), 5.00%, 12/1/32 | BBB- | 600,000 | 659,134 |
| (John Carroll U.), 5.00%, 10/1/30 | Baa1 | 455,000 | 502,366 |
| (John Carroll U.), 5.00%, 10/1/29 | Baa1 | 810,000 | 887,529 |
| (John Carroll U.), 5.00%, 10/1/28 | Baa1 | 370,000 | 402,093 |
| (John Carroll U.), 5.00%, 10/1/27 | Baa1 | 350,000 | 376,036 |
| (John Carroll U.), 5.00%, 10/1/26 | Baa1 | 350,000 | 371,225 |
| (John Carroll U.), 5.00%, 10/1/25 | Baa1 | 220,000 | 229,892 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|-------------------|
| Ohio cont. | | | |
| OH State Hosp. Rev. Bonds, (Premier Hlth. Partners Oblig. Group) | | | |
| 5.00%, 11/15/27 | Baa1 | \$240,000 | \$259,850 |
| 5.00%, 11/15/26 | Baa1 | 285,000 | 304,315 |
| 5.00%, 11/15/24 | Baa1 | 135,000 | 139,313 |
| Ohio State Air Qlty. Dev. Auth. Mandatory Put Bonds (6/1/27), (Duke Energy Corp.), Ser. 22B, 4.00%, 9/1/30 | | | |
| | Baa2 | 3,250,000 | 3,325,094 |
| Port of Greater Cincinnati Dev. Auth. 144A Rev. Bonds, 4.25%, 12/1/50 | | | |
| | BB/P | 750,000 | 593,817 |
| Scioto Cnty., Hosp. Rev. Bonds, (Southern OH Med. Ctr.), 5.00%, 2/15/33 | | | |
| | A3 | 500,000 | 517,938 |
| Warren Cnty., Hlth. Care Fac. Rev. Bonds, (Otterbein Homes Oblig. Group), Ser. A, 5.75%, 7/1/33 (Prerefunded 7/1/23) | | | |
| | A | 500,000 | 506,721 |
| | | | 18,093,175 |
| Oregon (0.5%) | | | |
| Keizer, Special Assmt. Bonds, (Keizer Station), Ser. A, 5.20%, 6/1/31 | | | |
| | Aa3 | 215,000 | 219,266 |
| Port of Portland, Arpt. Rev. Bonds | | | |
| Ser. 24B, 5.00%, 7/1/33 | AA- | 2,000,000 | 2,135,928 |
| Ser. 28, 5.00%, 7/1/28 | AA- | 1,000,000 | 1,105,790 |
| | | | 3,460,984 |
| Pennsylvania (6.0%) | | | |
| Allegheny Cnty., Arpt. Auth. Rev. Bonds, Ser. A, 4.00%, 1/1/40 | | | |
| | AA | 1,250,000 | 1,218,900 |
| Chester Cnty., Indl. Dev. Auth. Student Hsg. Rev. Bonds, (West Chester U. Student Hsg., LLC), Ser. A, 5.00%, 8/1/45 | | | |
| | Ba2 | 750,000 | 731,190 |
| Dallas, Area Muni. Auth. U. Rev. Bonds, (Misericordia U.), 5.00%, 5/1/29 | | | |
| | Baa3 | 300,000 | 302,342 |
| Geisinger, Auth. Rev. Bonds, (Geisinger Hlth. Syst.), Ser. A-2, 5.00%, 2/15/39 | | | |
| | AA- | 3,275,000 | 3,433,450 |
| Lackawanna Cnty., Indl. Dev. Auth. Rev. Bonds, (Scranton U.), 4.00%, 11/1/40 | | | |
| | A- | 500,000 | 484,699 |
| Lancaster, Indl. Dev. Auth. Rev. Bonds, (Landis Homes Oblig. Group), 4.00%, 7/1/46 | | | |
| | BBB-/F | 675,000 | 547,148 |
| Monroeville, Fin. Auth. Rev. Bonds, (U. of Pittsburgh Med. Ctr.), Ser. B | | | |
| 5.00%, 2/15/38 | A2 | 2,200,000 | 2,415,041 |
| 5.00%, 2/15/24 | A2 | 500,000 | 511,895 |
| PA Rev. Bonds, (City of Philadelphia, Wtr. & Wastewater) | | | |
| 4.00%, 1/1/32 | Baa2 | 540,000 | 555,342 |
| 4.00%, 1/1/31 | Baa2 | 165,000 | 170,040 |
| 4.00%, 1/1/30 | Baa2 | 115,000 | 118,374 |
| 4.00%, 1/1/29 | Baa2 | 725,000 | 745,799 |
| PA State Econ. Dev. Fin. Auth. Rev. Bonds, (PennDOT Major Bridges) | | | |
| 5.25%, 6/30/36 | Baa2 | 1,650,000 | 1,836,345 |
| 5.25%, 6/30/35 | Baa2 | 2,030,000 | 2,283,165 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|-------------------|
| Pennsylvania <i>cont.</i> | | | |
| PA State Tpk. Comm. Rev. Bonds, Ser. B-1, 5.00%, 6/1/42 | A3 | \$675,000 | \$706,365 |
| Philadelphia, Arpt. Rev. Bonds, Ser. C, 5.00%, 7/1/24 | A2 | 4,000,000 | 4,105,645 |
| Philadelphia, Auth. for Indl. Dev. Rev. Bonds, (LaSalle U.), 5.00%, 5/1/25 | BB | 1,815,000 | 1,820,961 |
| Philadelphia, Auth. for Indl. Dev. City Agreement Rev. Bonds, 5.00%, 12/1/27 | A2 | 3,000,000 | 3,200,009 |
| Philadelphia, School Dist. G.O. Bonds, Ser. F, 5.00%, 9/1/29 | A1 | 6,620,000 | 7,140,451 |
| Pittsburgh Wtr. & Swr. Auth. Mandatory Put Bonds (12/1/23), Ser. C, AGM, 2.31%, 9/1/40 | AA | 1,875,000 | 1,873,669 |
| Scranton, School Dist. G.O. Bonds, Ser. 14-R, 3.821%, 4/1/31 | A1 | 5,275,000 | 5,273,765 |
| Southeastern PA Trans. Auth. Rev. Bonds, (Asset Impt. Program) | | | |
| 5.25%, 6/1/40 | Aa3 | 1,250,000 | 1,459,983 |
| 5.25%, 6/1/39 | Aa3 | 1,500,000 | 1,762,406 |
| Westmoreland Cnty. Indl. Dev. Auth. Hlth. Syst. Rev. Bonds, (Excelsa Hlth. Oblig. Group), Ser. A | | | |
| 5.00%, 7/1/28 | Baa1 | 275,000 | 296,929 |
| 5.00%, 7/1/27 | Baa1 | 375,000 | 400,507 |
| 4.00%, 7/1/26 | Baa1 | 300,000 | 306,577 |
| 4.00%, 7/1/24 | Baa1 | 200,000 | 201,708 |
| | | | 43,902,705 |
| Puerto Rico (0.6%) | | | |
| Cmnwlth. of PR, G.O. Bonds, Ser. A1 | | | |
| 5.625%, 7/1/27 | BB/P | 907,000 | 951,096 |
| 5.375%, 7/1/25 | BB/P | 3,400,000 | 3,480,472 |
| | | | 4,431,568 |
| Rhode Island (0.3%) | | | |
| RI Hlth. & Edl. Bldg. Corp. Rev. Bonds, (Lifespan Oblig. Group-Hosp. Fin.) | | | |
| 5.00%, 5/15/33 | BBB+ | 365,000 | 377,331 |
| 5.00%, 5/15/26 | BBB+ | 580,000 | 608,464 |
| Tobacco Settlement Fin. Corp. Rev. Bonds, Ser. B, 5.00%, 6/1/50 | BBB-/P | 1,000,000 | 1,006,748 |
| | | | 1,992,543 |
| South Carolina (1.1%) | | | |
| Myrtle Beach, Tax Alloc. Bonds, (Myrtle Beach Air Force Base Redev.), 5.00%, 10/1/28 | A2 | 575,000 | 624,439 |
| SC State Pub. Svcs. Auth. Rev. Bonds | | | |
| Ser. A, 5.00%, 12/1/37 | A3 | 3,435,000 | 3,547,864 |
| (Oblig.), Ser. B, 5.00%, 12/1/37 | A3 | 500,000 | 518,720 |
| Ser. A, 5.00%, 12/1/36 | A3 | 1,500,000 | 1,552,971 |
| SC State Trans. Infrastructure Bank Rev. Bonds, Ser. A, 3.00%, 10/1/36 | Aa3 | 1,740,000 | 1,598,914 |
| | | | 7,842,908 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|--|----------|------------------|------------------|
| Tennessee (0.5%) | | | |
| Chattanooga, Hlth. Edl. & Hsg. Fac. Rev. Bonds, (CommonSpirit Health Oblig. Group) | | | |
| Ser. A-2, 5.00%, 8/1/49 T | A- | \$250,000 | \$257,638 |
| Ser. A-2, 5.00%, 8/1/44 T | A- | 150,000 | 156,240 |
| Ser. A-1, 4.00%, 8/1/44 T | A- | 275,000 | 264,988 |
| Ser. A-1, 4.00%, 8/1/38 T | A- | 150,000 | 149,376 |
| Ser. A-1, 4.00%, 8/1/37 T | A- | 150,000 | 149,921 |
| Metro. Nashville, Arpt. Auth. Rev. Bonds, Ser. B | | | |
| 5.50%, 7/1/37 | A1 | 875,000 | 1,003,745 |
| 5.50%, 7/1/36 | A1 | 650,000 | 750,046 |
| 5.00%, 7/1/33 | A2 | 1,000,000 | 1,117,219 |
| | | | 3,849,173 |
| Texas (8.3%) | | | |
| Arlington, Higher Ed. Fin. Corp. Rev. Bonds | | | |
| (Trinity Basin Preparatory, Inc.), PSFG, 5.00%, 8/15/32 | AAA | 245,000 | 283,707 |
| (Trinity Basin Preparatory, Inc.), PSFG, 5.00%, 8/15/31 | AAA | 240,000 | 278,543 |
| (Harmony Pub. Schools), Ser. A, PSFG, 4.00%, 2/15/51 | Aaa | 2,000,000 | 1,929,385 |
| (Uplift Ed.), Ser. A, PSFG, 4.00%, 12/1/32 | AAA | 375,000 | 392,004 |
| Arlington, Higher Ed. Fin. Corp. 144A Rev. Bonds, (Magellan School (The)), 5.50%, 6/1/32 | Ba2 | 1,245,000 | 1,261,215 |
| Austin, Cmnty. College Dist. G.O. Bonds, (Maintenance Tax), 3.00%, 8/1/35 | Aa1 | 1,350,000 | 1,310,575 |
| Austin-Bergstrom Landhost Enterprises, Inc. Rev. Bonds | | | |
| 5.00%, 10/1/36 | A | 1,485,000 | 1,558,924 |
| 5.00%, 10/1/33 | A | 400,000 | 426,216 |
| Clifton, Higher Ed. Fin. Corp. Rev. Bonds, (IDEA Pub. Schools) | | | |
| PSFG, 5.00%, 8/15/48 | AAA | 1,570,000 | 1,669,047 |
| Ser. B, PSFG, 5.00%, 8/15/27 | A- | 350,000 | 373,947 |
| Ser. T, PSFG, 4.00%, 8/15/38 | AAA | 1,400,000 | 1,424,880 |
| Ser. T, PSFG, 4.00%, 8/15/36 | AAA | 700,000 | 726,667 |
| Dallas, Hotel Occupancy Tax Rev. Bonds | | | |
| 4.00%, 8/15/37 | A | 2,000,000 | 2,000,840 |
| 4.00%, 8/15/35 | A | 1,000,000 | 1,008,021 |
| 4.00%, 8/15/34 | A | 750,000 | 760,387 |
| Fort Bend, Grand Parkway Toll Rd. Auth. Rev. Bonds | | | |
| 3.00%, 3/1/39 | Aa1 | 1,245,000 | 1,139,507 |
| 3.00%, 3/1/38 | Aa1 | 1,205,000 | 1,118,762 |
| Fort Bend, Indpt. School Dist. Mandatory Put Bonds (8/1/26), Ser. B, PSFG, 0.72%, 8/1/51 | AAA | 860,000 | 778,674 |
| Harris Cnty., Cultural Ed. Fac. Fin. Corp. Rev. Bonds, (YMCA of the Greater Houston Area), Ser. A, 5.00%, 6/1/38 | Ba1 | 500,000 | 455,907 |
| Houston, Arpt. Syst. Rev. Bonds, Ser. A, 4.00%, 7/1/35 | A1 | 1,500,000 | 1,506,430 |
| Houston, Indpt. School Dist. Mandatory Put Bonds (6/1/25), Ser. A-2, PSFG, 3.50%, 6/1/39 | Aaa | 3,250,000 | 3,244,493 |

| MUNICIPAL BONDS AND NOTES (96.8%)* <i>cont.</i> | Rating** | Principal amount | Value |
|---|----------|------------------|-----------|
| Texas <i>cont.</i> | | | |
| Lake Houston Redev. Auth. Rev. Bonds, (City of Houston, Reinvestment Zone No. 10) | | | |
| 5.00%, 9/1/31 | BBB- | \$200,000 | \$215,203 |
| 5.00%, 9/1/30 | BBB- | 200,000 | 213,879 |
| 5.00%, 9/1/29 | BBB- | 175,000 | 185,956 |
| 5.00%, 9/1/28 | BBB- | 150,000 | 158,225 |
| 5.00%, 9/1/26 | BBB- | 125,000 | 129,796 |
| 5.00%, 9/1/25 | BBB- | 100,000 | 102,787 |
| 5.00%, 9/1/24 | BBB- | 100,000 | 101,712 |
| 4.00%, 9/1/33 | BBB- | 150,000 | 149,739 |
| 4.00%, 9/1/32 | BBB- | 150,000 | 150,547 |
| Midland Cnty., Pub. Fac. Corp. Multi-Fam. Mandatory Put Bonds (6/1/23), (Palladium West Francis, Ltd.), 0.35%, 6/1/24 | | | |
| | Aaa | 3,250,000 | 3,211,488 |
| New Hope, Cultural Ed. Fac. Fin. Corp. Rev. Bonds | | | |
| (CHF-Collegiate Hsg. Stephenville III, LLC), 5.00%, 4/1/47 (Prerefunded 4/1/25) | AAA/P | 365,000 | 383,733 |
| (TX Woman's U. CHF-Collegiate Hsg. Dining), Ser. B-1, AGM, 5.00%, 7/1/38 | AA | 860,000 | 898,120 |
| (Tarleton State U. Collegiate Student Hsg.), Ser. A, 5.00%, 4/1/35 (Prerefunded 4/1/25) | AAA/P | 800,000 | 841,058 |
| (Collegiate Hsg.-Tarleton St.), 5.00%, 4/1/29 (Prerefunded 4/1/24) | AAA/P | 1,225,000 | 1,259,367 |
| (Collegiate Housing Island Campus, LLC.), Ser. A, 5.00%, 4/1/25 (Escrowed to maturity) | AAA/P | 500,000 | 526,743 |
| SA Energy Acquisition Pub. Fac. Corp. Rev. Bonds, (Gas Supply), 5.50%, 8/1/25 | A2 | 1,000,000 | 1,043,917 |
| Tarrant Cnty., Cultural Ed. Fac. Fin. Corp. Mandatory Put Bonds (11/15/30), (Baylor Scott & White Hlth.), 5.00%, 11/15/52 | Aa3 | 1,500,000 | 1,714,508 |
| Tarrant Cnty., Cultural Ed. Fac. Fin. Corp. Retirement Fac. Rev. Bonds, (Buckner Retirement Svcs., Inc.), 5.00%, 11/15/37 | A/F | 1,250,000 | 1,299,283 |
| Temple, Tax Increment Tax Alloc. Bonds, (Reinvestment Zone No. 1), Ser. A, BAM | | | |
| 5.00%, 8/1/30 | AA | 250,000 | 287,845 |
| 5.00%, 8/1/29 | AA | 200,000 | 227,378 |
| 5.00%, 8/1/28 | AA | 150,000 | 168,772 |
| 5.00%, 8/1/27 | AA | 125,000 | 137,720 |
| 5.00%, 8/1/26 | AA | 125,000 | 135,257 |
| 4.00%, 8/1/33 | AA | 200,000 | 215,573 |
| 4.00%, 8/1/32 | AA | 225,000 | 244,217 |
| 4.00%, 8/1/31 | AA | 200,000 | 218,585 |
| Trinity River Pub. Fac. Corp. Multi-Fam. Mandatory Put Bonds (10/1/23), (Cowan Place Apt.), 0.28%, 10/1/24 | | | |
| | Aaa | 2,500,000 | 2,437,887 |
| TX State G.O. Bonds | | | |
| Ser. B, 5.00%, 8/1/34 | Aaa | 6,040,000 | 7,205,905 |
| Ser. B, 5.00%, 8/1/33 | Aaa | 5,755,000 | 6,810,441 |
| 3.00%, 8/1/34 | Aaa | 2,255,000 | 2,162,270 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|-------------------|
| Texas cont. | | | |
| TX State A&M U. Rev. Bonds, 5.25%, 5/15/37 | Aaa | \$1,500,000 | \$1,790,286 |
| TX Wtr. Dev. Board State Wtr. Implementation Rev. Bonds, 4.50%, 10/15/37 | AAA | 2,500,000 | 2,771,796 |
| | | | 61,048,124 |
| Utah (0.5%) | | | |
| Infrastructure Agcy. Telecomm. Rev. Bonds | | | |
| 5.00%, 10/15/27 | BBB-/F | 1,000,000 | 1,032,208 |
| 5.00%, 10/15/27 | BBB-/F | 550,000 | 567,714 |
| 4.00%, 10/15/31 | BBB-/F | 460,000 | 443,587 |
| 4.00%, 10/15/29 | BBB-/F | 600,000 | 584,683 |
| UT Infrastructure Agcy. Rev. Bonds, Ser. A, 4.00%, 10/15/28 | BBB-/F | 200,000 | 196,711 |
| UT State Charter School Fin. Auth. Rev. Bonds, (UT Charter Academies, Inc.), 5.00%, 10/15/30 | AA | 575,000 | 622,637 |
| | | | 3,447,540 |
| Virgin Islands (0.1%) | | | |
| Matching Fund Special Purpose Securitization Corp. Rev. Bonds, Ser. A, 5.00%, 10/1/27 | BB/P | 515,000 | 535,575 |
| | | | 535,575 |
| Virginia (0.2%) | | | |
| Fairfax Cnty., Econ. Dev. Auth. Res. Care Fac. Rev. Bonds, (Goodwin House, Inc.), Ser. A, 5.00%, 10/1/42 (Prerefunded 10/1/24) | AAA/P | 350,000 | 370,024 |
| VA State Small Bus. Fin. Auth. Rev. Bonds, (National Sr. Campuses, Inc. Oblig. Group) | | | |
| 5.00%, 1/1/29 | A/F | 590,000 | 646,161 |
| 5.00%, 1/1/27 | A/F | 320,000 | 340,829 |
| | | | 1,357,014 |
| Washington (3.3%) | | | |
| Port of Seattle Rev. Bonds, Ser. B | | | |
| 5.00%, 8/1/40 | AA- | 1,750,000 | 1,907,829 |
| 5.00%, 8/1/38 | AA- | 8,585,000 | 9,431,225 |
| 5.00%, 5/1/27 | AA- | 1,100,000 | 1,193,402 |
| Seattle, Muni. Lt. & Pwr. Mandatory Put Bonds (11/1/26), Ser. B, 1.91%, 5/1/45 | Aa2 | 750,000 | 735,874 |
| WA State G.O. Bonds, Ser. A-1, 5.00%, 8/1/37 | Aaa | 9,500,000 | 9,988,001 |
| WA State Hsg. Fin. Comm. Rev. Bonds, (Social Certif.), Ser. A-1, 3.50%, 12/20/35 | BBB+ | 1,141,838 | 1,076,897 |
| | | | 24,333,228 |
| Wisconsin (2.2%) | | | |
| Pub. Fin. Auth. Poll. Control Mandatory Put Bonds (10/1/30), (Duke Energy Progress, LLC), 3.70%, 10/1/46 | Aa3 | 7,000,000 | 7,268,660 |
| Pub. Fin. Auth. Student Hsg. Fac. Rev. Bonds | | | |
| (Beyond Boone, LLC-Appalachian State U.), Ser. A, AGM, 5.00%, 7/1/54 | AA | 1,475,000 | 1,517,931 |
| (Beyond Boone, LLC-Appalachian State U.), Ser. A, AGM, 5.00%, 7/1/44 | AA | 1,000,000 | 1,040,298 |

| MUNICIPAL BONDS AND NOTES (96.8%)* cont. | Rating** | Principal amount | Value |
|--|-----------------|-------------------------|----------------------|
| Wisconsin cont. | | | |
| Pub. Fin. Auth. Student Hsg. Fac. Rev. Bonds (NCA&T Real Estate Foundation, LLC), 5.00%, 6/1/28 | BBB- | \$655,000 | \$677,543 |
| (NCA&T Real Estate Foundation, LLC), 5.00%, 6/1/27 | BBB- | 430,000 | 443,467 |
| WI State Hlth. & Edl. Fac. Auth. Rev. Bonds (Three Pillars Sr. Living), 5.00%, 8/15/33 (Prerefunded 8/15/23) | AAA/P | 1,000,000 | 1,013,740 |
| (Froedtert Health, Inc.), Ser. A, 4.00%, 4/1/37 | AA | 3,930,000 | 3,966,384 |
| | | | 15,928,023 |
| Total municipal bonds and notes (cost \$710,245,871) | | | \$713,143,018 |

| SHORT-TERM INVESTMENTS (3.6%)* | | Principal amount/ shares | Value |
|---|--------|-------------------------------------|---------------------|
| Putnam Short Term Investment Fund Class P 4.58% ^L | Shares | 24,563,783 | \$24,563,783 |
| State Street Institutional U.S. Government Money Market Fund, Premier Class 4.18% ^P | Shares | 1,090,000 | 1,090,000 |
| U.S. Treasury Bills 4.498%, 3/16/23 [#] | | \$600,000 | 596,798 |
| U.S. Treasury Bills 4.410%, 2/23/23 [#] | | 200,000 | 199,456 |
| Total short-term investments (cost \$26,450,094) | | | \$26,450,037 |

| | | | |
|---|--|--|----------------------|
| TOTAL INVESTMENTS | | | |
| Total investments (cost \$736,695,965) | | | \$739,593,055 |

Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from August 1, 2022 through January 31, 2023 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

* Percentages indicated are based on net assets of \$736,553,182.

** The Moody's, Standard & Poor's or Fitch ratings indicated are believed to be the most recent ratings available at the close of the reporting period for the securities listed. Ratings are generally ascribed to securities at the time of issuance. While the agencies may from time to time revise such ratings, they undertake no obligation to do so, and the ratings do not necessarily represent what the agencies would ascribe to these securities at the close of the reporting period. Securities rated by Fitch are indicated by "/F." Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications. If a security is insured, it will usually be rated by the ratings organizations based on the financial strength of the insurer. For further details regarding security ratings, please see the Statement of Additional Information.

[#] This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period. Collateral at period end totaled \$731,478 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 8).

^L Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

^P This security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivative contracts. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

^T Underlying security in a tender option bond transaction. This security has been segregated as collateral for financing transactions.

When-issued security (Note 1).

Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

On Mandatory Put Bonds, the rates shown are the current interest rates at the close of the reporting period and the dates shown represent the next mandatory put dates. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index, 1 Month US LIBOR or 3 Month US LIBOR rates, which were 1.66%, 4.57% and 4.81%, respectively, as of the close of the reporting period.

The dates shown parenthetically on prerefunded bonds represent the next prerefunding dates.

The dates shown on debt obligations are the original maturity dates.

The fund had the following sector concentrations greater than 10% at the close of the reporting period (as a percentage of net assets):

| | |
|----------------|-------|
| Transportation | 20.1% |
| Utilities | 11.8 |
| Tax bonds | 11.4 |
| Health care | 11.0 |

FUTURES CONTRACTS OUTSTANDING at 1/31/23 (Unaudited)

| | Number of contracts | Notional amount | Value | Expiration date | Unrealized appreciation/ (depreciation) |
|---------------------------------------|------------------------|--------------------|--------------|--------------------|---|
| U.S. Treasury Note Ultra 10yr (Short) | 256 | \$31,028,000 | \$31,028,000 | Mar-23 | \$(228,537) |
| Unrealized appreciation | | | | | — |
| Unrealized (depreciation) | | | | | (228,537) |
| Total | | | | | \$(228,537) |

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 1/31/23 (Unaudited)

| Swap counterparty/ Notional amount | Value | Upfront premium received (paid) | Termina- tion date | Payments received (paid) by fund | Total return received by or paid by fund | Unrealized appreciation/ (depreciation) |
|---------------------------------------|-----------|--|----------------------------------|--|--|---|
| Citibank, N.A. | | | | | | |
| \$9,000,000 | \$161,955 | \$— | 4/11/23 | — | 2.76% minus Municipal Market Data Index AAA municipal yields 5 Year rate — At maturity | \$161,955 |
| 13,000,000 | 465,894 | — | 3/14/23 | — | 2.80% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity | 465,894 |
| 10,000,000 | 432,000 | — | 4/4/23 | — | 2.95% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity | 432,000 |
| Upfront premium received | | — | Unrealized appreciation | | 1,059,849 | |
| Upfront premium (paid) | | — | Unrealized (depreciation) | | — | |
| Total | | \$— | Total | | \$1,059,849 | |

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

| Valuation inputs | | | |
|-------------------------------------|--------------------|----------------------|----------------|
| Investments in securities: | Level 1 | Level 2 | Level 3 |
| Municipal bonds and notes | \$— | \$713,143,018 | \$— |
| Short-term investments | 1,090,000 | 25,360,037 | — |
| Totals by level | \$1,090,000 | \$738,503,055 | \$— |
| Valuation inputs | | | |
| Other financial instruments: | Level 1 | Level 2 | Level 3 |
| Futures contracts | \$(228,537) | \$— | \$— |
| Total return swap contracts | — | 1,059,849 | — |
| Totals by level | \$(228,537) | \$1,059,849 | \$— |

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities 1/31/23 (Unaudited)

ASSETS

| | |
|--|--------------------|
| Investment in securities, at value (Notes 1 and 8): | |
| Unaffiliated issuers (identified cost \$712,132,182) | \$715,029,272 |
| Affiliated issuers (identified cost \$24,563,783) (Note 5) | 24,563,783 |
| Interest and other receivables | 7,686,776 |
| Receivable for shares of the fund sold | 2,513,869 |
| Unrealized appreciation on OTC swap contracts (Note 1) | 1,059,849 |
| Prepaid assets | 106,983 |
| Total assets | 750,960,532 |

LIABILITIES

| | |
|--|----------------------|
| Payable to custodian | 12 |
| Payable for investments purchased | 3,861,995 |
| Payable for purchases of delayed delivery securities (Note 1) | 3,238,784 |
| Payable for shares of the fund repurchased | 1,146,153 |
| Payable for compensation of Manager (Note 2) | 261,880 |
| Payable for custodian fees (Note 2) | 5,804 |
| Payable for investor servicing fees (Note 2) | 80,847 |
| Payable for Trustee compensation and expenses (Note 2) | 89,328 |
| Payable for administrative services (Note 2) | 1,122 |
| Payable for distribution fees (Note 2) | 52,197 |
| Payable for floating rate notes issued (Note 1) | 4,160,671 |
| Payable for variation margin on futures contracts (Note 1) | 56,036 |
| Distributions payable to shareholders | 288,438 |
| Collateral on certain derivative contracts, at value (Notes 1 and 8) | 1,090,000 |
| Other accrued expenses | 74,083 |
| Total liabilities | 14,407,350 |
| Net assets | \$736,553,182 |

REPRESENTED BY

| | |
|---|----------------------|
| Paid-in capital (Unlimited shares authorized) (Notes 1 and 4) | \$738,181,039 |
| Total distributable earnings (Note 1) | (1,627,857) |
| Total — Representing net assets applicable to capital shares outstanding | \$736,553,182 |

(Continued on next page)

Statement of assets and liabilities *cont.*

COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE

| | |
|--|---------|
| Net asset value and redemption price per class A share (\$208,421,044 divided by 14,933,245 shares) | \$13.96 |
| Offering price per class A share (100/97.75 of \$13.96)* | \$14.28 |
| Net asset value and offering price per class B share (\$85,683 divided by 6,135 shares)** | \$13.97 |
| Net asset value and offering price per class C share (\$9,678,762 divided by 691,612 shares)** | \$13.99 |
| Net asset value, offering price and redemption price per class R6 share (\$7,356,932 divided by 527,155 shares) | \$13.96 |
| Net asset value, offering price and redemption price per class Y share (\$511,010,761 divided by 36,594,780 shares) | \$13.96 |

*On single retail sales of less than \$100,000. On sales of \$100,000 or more the offering price is reduced.

**Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

The accompanying notes are an integral part of these financial statements.

Statement of operations Six months ended 1/31/23 (Unaudited)

INVESTMENT INCOME

| | |
|---|------------------|
| Interest (including interest income of \$229,748 from investments in affiliated issuers) (Note 5) | \$9,915,583 |
| Total investment income | 9,915,583 |

EXPENSES

| | |
|--|------------------|
| Compensation of Manager (Note 2) | 1,322,273 |
| Investor servicing fees (Note 2) | 214,423 |
| Custodian fees (Note 2) | 9,668 |
| Trustee compensation and expenses (Note 2) | 12,853 |
| Distribution fees (Note 2) | 297,887 |
| Administrative services (Note 2) | 14,786 |
| Interest and fees expense (Note 2) | 55,220 |
| Other | 175,535 |
| Total expenses | 2,102,645 |
| Expense reduction (Note 2) | (1,957) |
| Net expenses | 2,100,688 |
| Net investment income | 7,814,895 |

REALIZED AND UNREALIZED GAIN (LOSS)

Net realized gain (loss) on:

| | |
|--|--------------------|
| Securities from unaffiliated issuers (Notes 1 and 3) | (3,498,518) |
| Futures contracts (Note 1) | 898,801 |
| Total net realized loss | (2,599,717) |

Change in net unrealized appreciation (depreciation) on:

| | |
|---|---------------------|
| Securities from unaffiliated issuers | 4,188,731 |
| Futures contracts | (91,928) |
| Swap contracts | 1,059,849 |
| Total change in net unrealized appreciation | 5,156,652 |
| Net gain on investments | 2,556,935 |
| Net increase in net assets resulting from operations | \$10,371,830 |

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

| INCREASE IN NET ASSETS | | Six months ended 1/31/23* | Year ended 7/31/22 |
|--|--|---------------------------|----------------------|
| Operations | | | |
| Net investment income | | \$7,814,895 | \$5,023,578 |
| Net realized loss on investments | | (2,599,717) | (2,730,171) |
| Change in net unrealized appreciation (depreciation) of investments | | 5,156,652 | (14,945,603) |
| Net increase (decrease) in net assets resulting from operations | | 10,371,830 | (12,652,196) |
| Distributions to shareholders (Note 1): | | | |
| From ordinary income | | | |
| Taxable net investment income | | | |
| Class A | | (55,300) | (13,818) |
| Class B | | (23) | (11) |
| Class C | | (2,521) | (711) |
| Class R6 | | (1,823) | (63) |
| Class Y | | (122,376) | (4,551) |
| Net realized short-term gain on investments | | | |
| Class A | | — | (1,859,760) |
| Class B | | — | (1,427) |
| Class C | | — | (95,742) |
| Class R6 | | — | (8,433) |
| Class Y | | — | (605,437) |
| From tax-exempt net investment income | | | |
| Class A | | (2,328,122) | (2,772,919) |
| Class B | | (773) | (1,223) |
| Class C | | (73,525) | (69,907) |
| Class R6 | | (79,325) | (29,747) |
| Class Y | | (5,144,348) | (1,785,566) |
| From net realized long-term gain on investments | | | |
| Class A | | — | (1,836,564) |
| Class B | | — | (1,407) |
| Class C | | — | (94,501) |
| Class R6 | | — | (8,513) |
| Class Y | | — | (612,076) |
| Increase from capital share transactions (Note 4) | | 201,906,866 | 275,640,631 |
| Total increase in net assets | | 204,470,560 | 253,186,059 |
| NET ASSETS | | | |
| Beginning of period | | 532,082,622 | 278,896,563 |
| End of period | | \$736,553,182 | \$532,082,622 |

*Unaudited.

The accompanying notes are an integral part of these financial statements.

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Financial highlights

(For a common share outstanding throughout the period)

| Period ended | INVESTMENT OPERATIONS | | | | LESS DISTRIBUTIONS |
|--------------------|--------------------------------------|------------------------------|--|----------------------------------|----------------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) on investments | Total from investment operations | From net investment income |
| Class A | | | | | |
| January 31, 2023** | \$14.00 | .16 | (.04) | .12 | (.16) |
| July 31, 2022 | 15.37 | .21 | (1.11) | (.90) | (.20) |
| July 31, 2021 | 15.33 | .25 | .43 | .68 | (.26) |
| July 31, 2020 | 15.38 | .36 | .27 | .63 | (.36) |
| July 31, 2019 | 14.93 | .41 | .61 | 1.02 | (.41) |
| July 31, 2018 | 15.16 | .44 | (.23) | .21 | (.44) |
| Class B | | | | | |
| January 31, 2023** | \$14.01 | .12 | (.04) | .08 | (.12) |
| July 31, 2022 | 15.39 | .13 | (1.11) | (.98) | (.13) |
| July 31, 2021 | 15.35 | .16 | .43 | .59 | (.17) |
| July 31, 2020 | 15.40 | .26 | .28 | .54 | (.27) |
| July 31, 2019 | 14.95 | .32 | .61 | .93 | (.32) |
| July 31, 2018 | 15.17 | .35 | (.22) | .13 | (.35) |
| Class C | | | | | |
| January 31, 2023** | \$14.04 | .11 | (.05) | .06 | (.11) |
| July 31, 2022 | 15.43 | .11 | (1.13) | (1.02) | (.10) |
| July 31, 2021 | 15.38 | .13 | .45 | .58 | (.15) |
| July 31, 2020 | 15.43 | .24 | .27 | .51 | (.24) |
| July 31, 2019 | 14.97 | .30 | .62 | .92 | (.30) |
| July 31, 2018 | 15.20 | .33 | (.23) | .10 | (.33) |
| Class R6 | | | | | |
| January 31, 2023** | \$14.00 | .18 | (.04) | .14 | (.18) |
| July 31, 2022 | 15.39 | .26 | (1.12) | (.86) | (.26) |
| July 31, 2021 | 15.35 | .29 | .43 | .72 | (.30) |
| July 31, 2020 | 15.40 | .39 | .28 | .67 | (.40) |
| July 31, 2019 | 14.94 | .45 | .62 | 1.07 | (.45) |
| July 31, 2018† | 14.87 | .09 | .07 | .16 | (.09) |
| Class Y | | | | | |
| January 31, 2023** | \$14.01 | .18 | (.05) | .13 | (.18) |
| July 31, 2022 | 15.39 | .25 | (1.12) | (.87) | (.24) |
| July 31, 2021 | 15.35 | .29 | .43 | .72 | (.30) |
| July 31, 2020 | 15.40 | .39 | .28 | .67 | (.40) |
| July 31, 2019 | 14.94 | .44 | .62 | 1.06 | (.44) |
| July 31, 2018 | 15.17 | .48 | (.23) | .25 | (.48) |

See notes to financial highlights at the end of this section.

The accompanying notes are an integral part of these financial statements.

| | | | | RATIOS AND SUPPLEMENTAL DATA | | | |
|---|------------------------|--------------------------------------|--|--|---|---|------------------------------|
| From net realized gain on investments | Total distributions | Net asset value, end of period | Total return at net asset value (%) ^a | Net assets, end of period (in thousands) | Ratio of expenses to average net assets (%) ^b | Ratio of net investment income (loss) to average net assets (%) | Portfolio turnover (%) |
| — | (.16) | \$13.96 | .92* | \$208,421 | .42* ^c | 1.20* | 28* |
| (.27) | (.47) | 14.00 | (5.99) | 200,256 | .84 ^c | 1.49 | 34 |
| (.38) | (.64) | 15.37 | 4.57 | 207,780 | .87 ^{c,e} | 1.63 | 78 |
| (.32) | (.68) | 15.33 | 4.23 | 218,232 | .87 ^{c,d} | 2.36 | 42 |
| (.16) | (.57) | 15.38 | 7.03 | 242,379 | .81 | 2.74 | 38 |
| — | (.44) | 14.93 | 1.43 | 256,172 | .79 | 2.91 | 32 |
| — | (.12) | \$13.97 | .62* | \$86 | .73* ^c | .90* | 28* |
| (.27) | (.40) | 14.01 | (6.53) | 98 | 1.44 ^c | .83 | 34 |
| (.38) | (.55) | 15.39 | 3.94 | 284 | 1.47 ^{c,e} | 1.08 | 78 |
| (.32) | (.59) | 15.35 | 3.58 | 741 | 1.49 ^{c,d} | 1.75 | 42 |
| (.16) | (.48) | 15.40 | 6.36 | 1,025 | 1.43 | 2.13 | 38 |
| — | (.35) | 14.95 | .85 | 1,345 | 1.41 | 2.29 | 32 |
| — | (.11) | \$13.99 | .47* | \$9,679 | .80* ^c | .82* | 28* |
| (.27) | (.37) | 14.04 | (6.75) | 9,473 | 1.59 ^c | .73 | 34 |
| (.38) | (.53) | 15.43 | 3.84 | 11,268 | 1.62 ^{c,e} | .90 | 78 |
| (.32) | (.56) | 15.38 | 3.42 | 15,888 | 1.64 ^{c,d} | 1.59 | 42 |
| (.16) | (.46) | 15.43 | 6.26 | 19,827 | 1.58 | 1.98 | 38 |
| — | (.33) | 14.97 | .64 | 23,682 | 1.56 | 2.14 | 32 |
| — | (.18) | \$13.96 | 1.08* | \$7,357 | .29* ^c | 1.35* | 28* |
| (.27) | (.53) | 14.00 | (5.76) | 4,243 | .58 ^c | 1.90 | 34 |
| (.38) | (.68) | 15.39 | 4.84 | 803 | .61 ^{c,e} | 1.86 | 78 |
| (.32) | (.72) | 15.35 | 4.47 | 410 | .63 ^{c,d} | 2.60 | 42 |
| (.16) | (.61) | 15.40 | 7.35 | 306 | .57 | 2.97 | 38 |
| — | (.09) | 14.94 | 1.08* | 10 | .11* | .60* | 32 |
| — | (.18) | \$13.96 | .98* | \$511,011 | .30* ^c | 1.34* | 28* |
| (.27) | (.51) | 14.01 | (5.77) | 318,012 | .59 ^c | 1.87 | 34 |
| (.38) | (.68) | 15.39 | 4.82 | 58,762 | .62 ^{c,e} | 1.87 | 78 |
| (.32) | (.72) | 15.35 | 4.47 | 44,668 | .64 ^{c,d} | 2.59 | 42 |
| (.16) | (.60) | 15.40 | 7.34 | 46,574 | .58 | 2.98 | 38 |
| — | (.48) | 14.94 | 1.66 | 52,804 | .56 | 3.14 | 32 |

Financial highlights *cont.*

Before August 28, 2020, the fund was managed with a materially different investment strategy and may have achieved materially different performance results under its current strategy from that shown for periods before this date.

* Not annualized.

** Unaudited.

† For the period May 22, 2018 (commencement of operations) to July 31, 2018.

^a Total return assumes dividend reinvestment and does not reflect the effect of sales charges.

^b Includes amounts paid through expense offset arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

^c Includes interest and fee expense associated with borrowings which amounted to (for each class):

| | Percentage of average net assets |
|------------------|----------------------------------|
| January 31, 2023 | 0.01% |
| July 31, 2022 | 0.02 |
| July 31, 2021 | 0.02 |
| July 31, 2020 | 0.02 |

^d Includes one-time proxy costs of 0.05%.

^e Includes one-time proxy costs of 0.02%.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements 1/31/23 (Unaudited)

Within the following Notes to financial statements, references to “State Street” represent State Street Bank and Trust Company, references to “the SEC” represent the Securities and Exchange Commission, references to “Putnam Management” represent Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to “OTC”, if any, represent over-the-counter. Unless otherwise noted, the “reporting period” represents the period from August 1, 2022 through January 31, 2023.

Putnam Strategic Intermediate Municipal Fund (the fund) is a diversified series of Putnam Tax-Free Income Trust (the Trust), a Massachusetts business trust registered under the Investment Company Act of 1940, as amended, as an open-end management investment company. The goal of the fund is to seek as high a level of current income exempt from federal income tax as Putnam Management believes is consistent with preservation of capital. The fund invests mainly in bonds that pay interest that is exempt from federal income tax (but that may be subject to federal alternative minimum tax (AMT)). The fund normally maintains an average dollar-weighted maturity between three and ten years. The fund may invest broadly in municipal bonds of any duration (a measure of the sensitivity of a bond’s price to interest rate changes), maturity and credit quality although the bonds the fund invests in are mainly investment-grade in quality. The fund may also invest in investments that are below-investment-grade (sometimes referred to as “junk bonds”), which can be more sensitive to changes in markets, credit conditions, and interest rates, and may be considered speculative. Under normal circumstances, the fund invests at least 80% of the fund’s net assets in tax-exempt investments. Investments paying interest subject to the federal AMT for individuals are considered tax-exempt investments for purposes of this policy. This investment policy cannot be changed without the approval of the fund’s shareholders. The fund may invest up to 20% of its net assets in securities the income on which is subject to federal income tax and may invest without limit in investments the income on which is subject to the AMT. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments.

The fund offers the following share classes. The expenses for each class of shares may differ based on the distribution and investor servicing fees of each class, which are identified in Note 2.

| Share class | Sales charge | Contingent deferred sales charge | Conversion feature |
|-------------|--------------|--|--|
| Class A | Up to 2.25% | 1.00% on certain redemptions of shares bought with no initial sales charge | None |
| Class B* | None | 5.00% phased out over six years | Converts to class A shares after 8 years |
| Class C | None | 1.00% eliminated after one year | Converts to class A shares after 8 years |
| Class R6† | None | None | None |
| Class Y† | None | None | None |

* Purchases of class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

† Not available to all investors.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund’s management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the fund’s Amended and Restated Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

Note 1: Significant accounting policies

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. If the fund were liquidated, shares of each class would receive their pro-rata share of the net assets of the fund. In addition, the Trustees declare separate dividends on each class of shares.

Security valuation Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund's assets in accordance with these procedures to Putnam Management. Putnam Management has established an internal Valuation Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

Tax-exempt bonds and notes are generally valued on the basis of valuations provided by an independent pricing service approved by the Trustees. Such services use information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining value. These securities will generally be categorized as Level 2.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees or dealers selected by Putnam Management. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that Putnam Management does not believe accurately reflects the security's fair value, the security will be valued at fair value by Putnam Management in accordance with policies and procedures approved by the Trustees. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

Security transactions and related investment income Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes, if any, is recorded on the accrual basis. Amortization and accretion of premiums and discounts on debt securities, if any, is recorded on the accrual basis.

Securities purchased or sold on a when issued basis may be settled at a future date beyond customary settlement time; interest income is accrued based on the terms of the securities. Losses may arise due to changes in the fair value of the underlying securities or if the counterparty does not perform under the contract.

Futures contracts The fund uses futures contracts for hedging treasury term structure risk and for yield curve positioning.

The potential risk to the fund is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. With futures, there is minimal counterparty credit risk to the fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognized on the Statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

Futures contracts outstanding at period end, if any, are listed after the fund's portfolio.

Total return swap contracts The fund entered into OTC and/or centrally cleared total return swap contracts, which are arrangements to exchange a market-linked return for a periodic payment, both based on a notional principal amount, for hedging inflation, for gaining exposure to inflation and for hedging and gaining exposure to interest rate and term structure risk.

To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market maker. Any change is recorded as an unrealized gain or loss on OTC total return swaps. Daily fluctuations in the value of centrally cleared total return swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and/or centrally cleared total return swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

Master agreements The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements (Master Agreements) with certain counterparties that govern OTC derivative and foreign exchange contracts entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral pledged to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, is presented in the fund's portfolio.

Collateral pledged by the fund is segregated by the fund's custodian and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

Termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term and short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund did not have a net liability position on open derivative contracts subject to the Master Agreements.

Tender option bond transactions The fund may participate in transactions whereby a fixed-rate bond is transferred to a tender option bond trust (TOB trust) sponsored by a broker. The TOB trust funds the purchase of the fixed rate bonds by issuing floating-rate bonds to third parties and allowing the fund to retain the residual interest in the TOB trust's assets and cash flows, which are in the form of inverse floating rate bonds. The inverse floating rate bonds held by the fund give the fund the right to (1) cause the holders of the floating rate bonds to tender their notes at par, and (2) to have the fixed-rate bond held by the TOB trust transferred to the fund, causing the TOB trust to collapse. The fund accounts for the transfer of the fixed-rate bond to the TOB trust as a secured borrowing by including the fixed-rate bond in the fund's portfolio and including the floating rate bond as a liability in the Statement of assets and liabilities. At the close of the reporting period, the fund's investments with a value of \$6,641,491 were held by the TOB trust and served as collateral for \$4,160,671 in floating-rate bonds outstanding. For the reporting period ended, the fund incurred interest expense of \$41,876 for these investments based on an average interest rate of 2.18%.

Interfund lending The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to borrow from other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.

Lines of credit The fund participates, along with other Putnam funds, in a \$100 million (\$317.5 million prior to October 14, 2022) unsecured committed line of credit and a \$235.5 million unsecured uncommitted line of credit, both provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the committed line of credit and 1.30% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit and 0.04% of the uncommitted line of credit has been paid by the participating funds. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

Federal taxes It is the policy of the fund to distribute all of its income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies. It is also the intention of the fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Code.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Pursuant to federal income tax regulations applicable to regulated investment companies, the fund has elected to defer certain capital losses of \$3,156,277 recognized during the period between November 1, 2021 and July 31, 2022 to its fiscal year ending July 31, 2023.

Tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but closely approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. The aggregate identified cost on a tax basis is \$736,643,007, resulting in gross unrealized appreciation and depreciation of \$14,240,128 and \$10,458,768, respectively, or net unrealized appreciation of \$3,781,360.

Distributions to shareholders Income dividends are recorded daily by the fund and are paid monthly. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund’s fiscal year. Reclassifications are made to the fund’s capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations.

Expenses of the Trust Expenses directly charged or attributable to any fund will be paid from the assets of that fund. Generally, expenses of the Trust will be allocated among and charged to the assets of each fund on a basis that the Trustees deem fair and equitable, which may be based on the relative assets of each fund or the nature of the services performed and relative applicability to each fund.

Note 2: Management fee, administrative services and other transactions

The fund pays Putnam Management a management fee (based on the fund’s average net assets and computed and paid monthly) at annual rates that may vary based on the average of the aggregate net assets of all open-end mutual funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid “double counting” of those assets). Such annual rates may vary as follows:

| | | | |
|--------|---------------------------|--------|-------------------------------|
| 0.590% | of the first \$5 billion, | 0.390% | of the next \$50 billion, |
| 0.540% | of the next \$5 billion, | 0.370% | of the next \$50 billion, |
| 0.490% | of the next \$10 billion, | 0.360% | of the next \$100 billion and |
| 0.440% | of the next \$10 billion, | 0.355% | of any excess thereafter. |

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.218% of the fund’s average net assets.

Putnam Management has contractually agreed, through November 30, 2023, to waive fees and/or reimburse the fund’s expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund’s investor servicing contract, investment management contract and distribution plans, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund’s average net assets over such fiscal year-to-date period. During the reporting period, the fund’s expenses were not reduced as a result of this limit.

Putnam Investments Limited (PIL), an affiliate of Putnam Management, is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by PIL.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund’s assets are provided by State Street. Custody fees are based on the fund’s asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. received fees for investor servicing for class A, class B, class C and class Y shares that included (1) a per account fee for each direct and underlying non-defined contribution account (retail account) of the fund; (2) a specified rate of the fund’s assets attributable to defined contribution plan accounts; and (3) a specified rate based on the average net assets in retail accounts. Putnam Investor Services, Inc. has agreed that

the aggregate investor servicing fees for each fund’s retail and defined contribution accounts for these share classes will not exceed an annual rate of 0.25% of the fund’s average assets attributable to such accounts.

Class R6 shares paid a monthly fee based on the average net assets of class R6 shares at an annual rate of 0.05%.

During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

| | | | |
|---------|----------|--------------|------------------|
| Class A | \$70,502 | Class R6 | 1,498 |
| Class B | 31 | Class Y | 139,145 |
| Class C | 3,247 | Total | \$214,423 |

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.’s and State Street’s fees are reduced by credits allowed on cash balances. For the reporting period, the fund’s expenses were reduced by \$1,957 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$612 as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee’s average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee’s lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted distribution plans (the Plans) with respect to the following share classes pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Plans is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for services provided and expenses incurred in distributing shares of the fund. The Plans provide payments by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to the following amounts (Maximum %) of the average net assets attributable to each class. The Trustees have approved payment by the fund at the following annual rate (Approved %) of the average net assets attributable to each class. During the reporting period, the class-specific expenses related to distribution fees were as follows:

| | Maximum % | Approved % | Amount |
|--------------|-----------|------------|------------------|
| Class A | 0.35% | 0.25% | \$251,219 |
| Class B | 1.00% | 0.85% | 379 |
| Class C | 1.00% | 1.00% | 46,289 |
| Total | | | \$297,887 |

For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received net commissions of \$2,807 from the sale of class A shares and received \$0 and \$0 in contingent deferred sales charges from redemptions of class B and class C shares, respectively.

A deferred sales charge of up to 1.00% is assessed on certain redemptions of class A shares. For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received \$0 on class A redemptions.

Note 3: Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales, excluding short-term investments, were as follows:

| | Cost of purchases | Proceeds from sales |
|--|----------------------|----------------------|
| Investments in securities (Long-term) | \$305,264,061 | \$156,468,060 |
| U.S. government securities (Long-term) | — | — |
| Total | \$305,264,061 | \$156,468,060 |

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

Note 4: Capital shares

At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Transactions, including, if applicable, direct exchanges pursuant to share conversions, in capital shares were as follows:

| | SIX MONTHS ENDED 1/31/23 | | YEAR ENDED 7/31/22 | |
|--|--------------------------|--------------------|--------------------|---------------------|
| Class A | Shares | Amount | Shares | Amount |
| Shares sold | 2,942,685 | \$39,975,657 | 2,791,862 | \$40,101,181 |
| Shares issued in connection with reinvestment of distributions | 158,439 | 2,149,846 | 396,268 | 5,850,713 |
| | 3,101,124 | 42,125,503 | 3,188,130 | 45,951,894 |
| Shares repurchased | (2,473,403) | (33,610,950) | (2,397,183) | (34,708,609) |
| Net increase | 627,721 | \$8,514,553 | 790,947 | \$11,243,285 |

| | SIX MONTHS ENDED 1/31/23 | | YEAR ENDED 7/31/22 | |
|--|--------------------------|-------------------|--------------------|--------------------|
| Class B | Shares | Amount | Shares | Amount |
| Shares sold | 13 | \$176 | 39 | \$586 |
| Shares issued in connection with reinvestment of distributions | 46 | 620 | 236 | 3,503 |
| | 59 | 796 | 275 | 4,089 |
| Shares repurchased | (955) | (12,818) | (11,670) | (175,392) |
| Net decrease | (896) | \$(12,022) | (11,395) | \$(171,303) |

| | SIX MONTHS ENDED 1/31/23 | | YEAR ENDED 7/31/22 | |
|--|--------------------------|------------------|--------------------|--------------------|
| Class C | Shares | Amount | Shares | Amount |
| Shares sold | 100,374 | \$1,376,923 | 98,225 | \$1,465,086 |
| Shares issued in connection with reinvestment of distributions | 5,298 | 72,079 | 16,943 | 251,926 |
| | 105,672 | 1,449,002 | 115,168 | 1,717,012 |
| Shares repurchased | (88,838) | (1,201,834) | (170,918) | (2,522,214) |
| Net increase (decrease) | 16,834 | \$247,168 | (55,750) | \$(805,202) |

| | SIX MONTHS ENDED 1/31/23 | | YEAR ENDED 7/31/22 | |
|--|--------------------------|--------------------|--------------------|--------------------|
| Class R6 | Shares | Amount | Shares | Amount |
| Shares sold | 368,550 | \$5,017,240 | 303,914 | \$4,239,140 |
| Shares issued in connection with reinvestment of distributions | 5,974 | 81,102 | 3,234 | 46,755 |
| | 374,524 | 5,098,342 | 307,148 | 4,285,895 |
| Shares repurchased | (150,458) | (2,023,169) | (56,202) | (784,656) |
| Net increase | 224,066 | \$3,075,173 | 250,946 | \$3,501,239 |

| | SIX MONTHS ENDED 1/31/23 | | YEAR ENDED 7/31/22 | |
|--|--------------------------|----------------------|--------------------|----------------------|
| Class Y | Shares | Amount | Shares | Amount |
| Shares sold | 21,169,589 | \$288,437,476 | 22,551,282 | \$313,737,118 |
| Shares issued in connection with reinvestment of distributions | 288,880 | 3,928,878 | 183,694 | 2,675,170 |
| | 21,458,469 | 292,366,354 | 22,734,976 | 316,412,288 |
| Shares repurchased | (7,567,821) | (102,284,360) | (3,848,801) | (54,539,676) |
| Net increase | 13,890,648 | \$190,081,994 | 18,886,175 | \$261,872,612 |

At the close of the reporting period, Putnam Investments, LLC. Owned 811 Class R6 shares of the fund (0.15% of class R6 shares outstanding), valued at \$11,322.

Note 5: Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

| Name of affiliate | Fair value as of 7/31/22 | Purchase cost | Sale proceeds | Investment income | Shares outstanding and fair value as of 1/31/23 |
|-------------------------------------|--------------------------|----------------------|----------------------|-------------------|---|
| Short-term investments | | | | | |
| Putnam Short Term Investment Fund* | \$4,064,439 | \$210,293,938 | \$189,794,594 | \$229,748 | \$24,563,783 |
| Total Short-term investments | \$4,064,439 | \$210,293,938 | \$189,794,594 | \$229,748 | \$24,563,783 |

* Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management. There were no realized or unrealized gains or losses during the period.

Note 6: Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR

in most major currencies. Various financial industry groups have been planning for the transition away from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. Neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of related transactions, such as hedges. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur at any time.

The Covid-19 pandemic and efforts to contain its spread have resulted in, among other effects, significant market volatility, exchange trading suspensions and closures, declines in global financial markets, higher default rates, significant changes in fiscal and monetary policies, and economic downturns and recessions. The effects of the Covid-19 pandemic have negatively affected, and may continue to negatively affect, the global economy, the economies of the United States and other individual countries, the financial performance of individual issuers, sectors, industries, asset classes, and markets, and the value, volatility, and liquidity of particular securities and other assets. The effects of the Covid-19 pandemic also are likely to exacerbate other risks that apply to the fund, which could negatively impact the fund's performance and lead to losses on your investment in the fund. The duration of the Covid-19 pandemic and its effects cannot be determined with certainty.

Note 7: Summary of derivative activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was based on an average of the holdings at the end of each fiscal quarter:

| | |
|--|--------------|
| Futures contracts (number of contracts) | 100 |
| OTC total return swap contracts (notional) | \$13,700,000 |

The following is a summary of the fair value of derivative instruments as of the close of the reporting period:

Fair value of derivative instruments as of the close of the reporting period

| Derivatives not accounted for as hedging instruments under ASC 815 | ASSET DERIVATIVES | | LIABILITY DERIVATIVES | |
|--|--|--------------------|--|------------------|
| | Statement of assets and liabilities location | Fair value | Statement of assets and liabilities location | Fair value |
| Interest rate contracts | Receivables | \$1,059,849 | Payables | \$228,537* |
| Total | | \$1,059,849 | | \$228,537 |

*Includes cumulative appreciation/depreciation of futures contracts as reported in the fund's portfolio. Only current day's variation margin is reported within the Statement of assets and liabilities.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the Statement of operations for the reporting period (Note 1):

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

| Derivatives not accounted for as hedging instruments under ASC 815 | Futures | Total |
|--|------------------|------------------|
| Interest rate contracts | \$898,801 | \$898,801 |
| Total | \$898,801 | \$898,801 |

Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments

Derivatives not accounted for as hedging instruments under ASC 815

| | Futures | Swaps | Total |
|-------------------------|--------------------|--------------------|------------------|
| Interest rate contracts | \$ (91,928) | \$1,059,849 | \$967,921 |
| Total | \$ (91,928) | \$1,059,849 | \$967,921 |

Note 8: Offsetting of financial and derivative assets and liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 1. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

| | Citibank, N.A. | JPMorgan Securities LLC | Total |
|---|-----------------------|--------------------------------|--------------------|
| Assets: | | | |
| OTC Total return swap contracts*# | \$1,059,849 | \$— | \$1,059,849 |
| Futures contracts [§] | — | — | — |
| Total Assets | \$1,059,849 | \$— | \$1,059,849 |
| Liabilities: | | | |
| OTC Total return swap contracts*# | — | — | — |
| Futures contracts [§] | — | 56,036 | 56,036 |
| Total Liabilities | \$— | \$56,036 | \$56,036 |
| Total Financial and Derivative Net Assets | \$1,059,849 | \$ (56,036) | \$1,003,813 |
| Total collateral received (pledged) ^{†##} | \$1,059,849 | \$— | |
| Net amount | \$— | \$ (56,036) | |
| <i>Controlled collateral received (including TBA commitments)**</i> | <i>\$1,090,000</i> | <i>\$—</i> | <i>\$1,090,000</i> |
| <i>Uncontrolled collateral received</i> | <i>\$—</i> | <i>\$—</i> | <i>\$—</i> |
| <i>Collateral (pledged) (including TBA commitments)**</i> | <i>\$—</i> | <i>\$—</i> | <i>\$—</i> |

* Excludes premiums, if any. Included in unrealized appreciation and depreciation on OTC swap contracts on the Statement of assets and liabilities.

** Included with Investments in securities on the Statement of assets and liabilities.

† Additional collateral may be required from certain brokers based on individual agreements.

Covered by master netting agreement (Note 1).

Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

§ Includes current day's variation margin only as reported on the Statement of assets and liabilities, which is not collateralized. Cumulative appreciation/(depreciation) for futures contracts and centrally cleared swap contracts is represented in the tables listed after the fund's portfolio. Collateral pledged for initial margin on futures contracts, which is not included in the table above, amounted to \$731,478.

Fund information

Founded over 85 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We manage funds across income, value, blend, growth, sustainable, and asset allocation categories.

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Investment Sub-Advisor

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Mark C. Trenchard
Vice President

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