

IMPORTANT NOTICE: Beginning on January 1, 2021, reports like this one will no longer automatically be sent by mail. See inside for more information.



Putnam Managed Municipal Income Trust

Annual report

10 | 31 | 19



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

FUND SYMBOL
PMM

Putnam Managed Municipal Income Trust

Annual report

10 | 31 | 19

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The fund has adopted a managed distribution policy (the "Distribution Policy") with the goal of providing shareholders with a consistent, although not guaranteed, monthly distribution. In accordance with the Distribution Policy, the fund currently expects to make monthly distributions to common shareholders at a distribution rate per share of \$0.0320. Distributions may include ordinary and/or tax-exempt income, net capital gains, and/or a return of capital of your investment in the fund. You should not draw any conclusions about the fund's investment performance from the amount of this distribution or from the terms of the Distribution Policy. The Distribution Policy provides that the Board of Trustees may amend or terminate the Distribution Policy at any time without prior notice to fund shareholders.

IMPORTANT NOTICE: Delivery of paper fund reports

In accordance with regulations adopted by the Securities and Exchange Commission, beginning on January 1, 2021, reports like this one will no longer be sent by mail unless you specifically request it. Instead, they will be on Putnam's website, and you will be notified by mail whenever a new one is available, and provided with a website link to access the report.

If you wish to stop receiving paper reports sooner, or if you wish to continue to receive paper reports free of charge after January 1, 2021, please see the back cover or insert for instructions. If you invest through a bank or broker, your choice will apply to all funds held in your account. If you invest directly with Putnam, your choice will apply to all Putnam funds in your account.

If you already receive these reports electronically, no action is required.

Message from the Trustees

December 19, 2019

Dear Fellow Shareholder:

We believe your mutual fund investment offers a number of advantages, such as investment diversification and daily liquidity. Putnam funds also include a commitment to active investing. Putnam's portfolio managers and analysts take a research-intensive approach that incorporates risk management strategies designed to serve you through changing conditions.

To support your overall investment program, we believe that the counsel of a financial advisor is prudent. For over 80 years, Putnam has recognized the importance of professional investment advice. Your financial advisor can help in many ways, including defining and planning for goals, determining your appropriate level of risk, and reviewing your investments on a regular basis.

As always, your fund's Board of Trustees remains committed to protecting the interests of Putnam shareholders like you. We 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

About the fund

Potential for income exempt from federal income tax

Putnam Managed Municipal Income Trust has the flexibility to invest in municipal bonds issued by any state in the country or U.S. territory. As a closed-end fund, it shares some common characteristics with open-end mutual funds, but there are some key differences that investors should understand as they consider their portfolio.



MORE ASSETS AT WORK

Open-end funds are subject to ongoing sales and redemptions that can generate transaction costs for long-term shareholders. Closed-end funds, however, are typically fixed pools of capital that do not need to hold cash in connection with sales and redemptions, allowing the funds to keep more assets actively invested.



TRADED LIKE STOCKS

Closed-end fund shares are traded on stock exchanges. As a result, their prices fluctuate because of the influence of several factors.



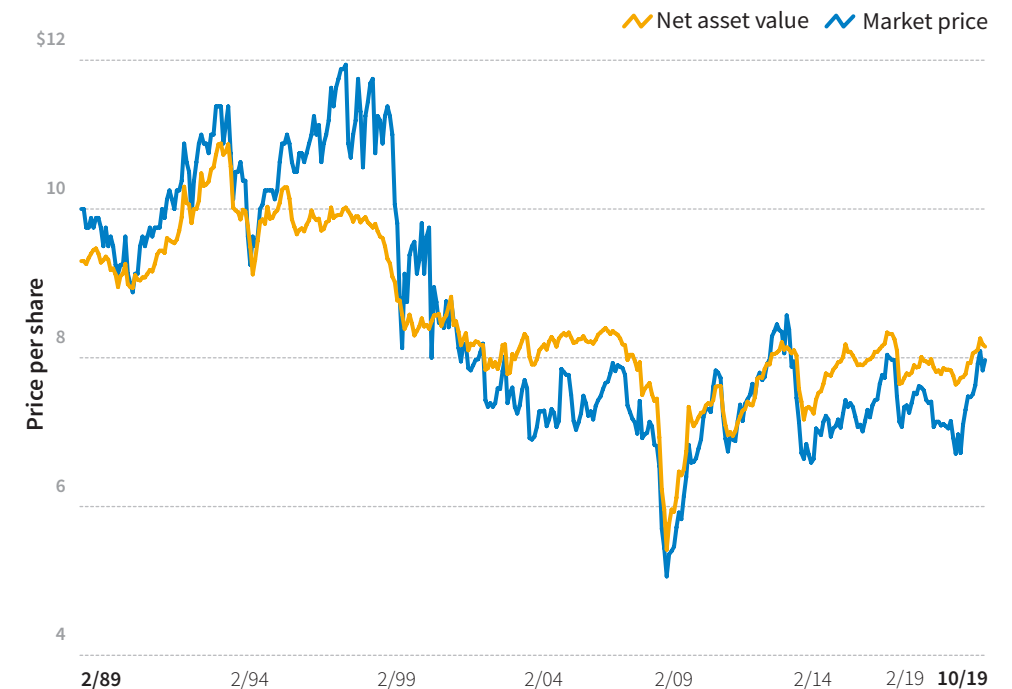
THEY HAVE A MARKET PRICE

Like an open-end fund, a closed-end fund has a per-share net asset value (NAV). However, closed-end funds also have a “market price” for their shares — which is how much you pay when you buy shares of the fund, and how much you receive when you sell them.

Looking at a closed-end fund's performance

You will usually see that the NAV and the market price differ. The market price can be influenced by several factors that cause it to vary from the NAV, including fund distributions, changes in supply and demand for the fund's shares, changing market conditions, and investor perceptions of the fund or its investment manager.

PUTNAM MANAGED MUNICIPAL INCOME TRUST

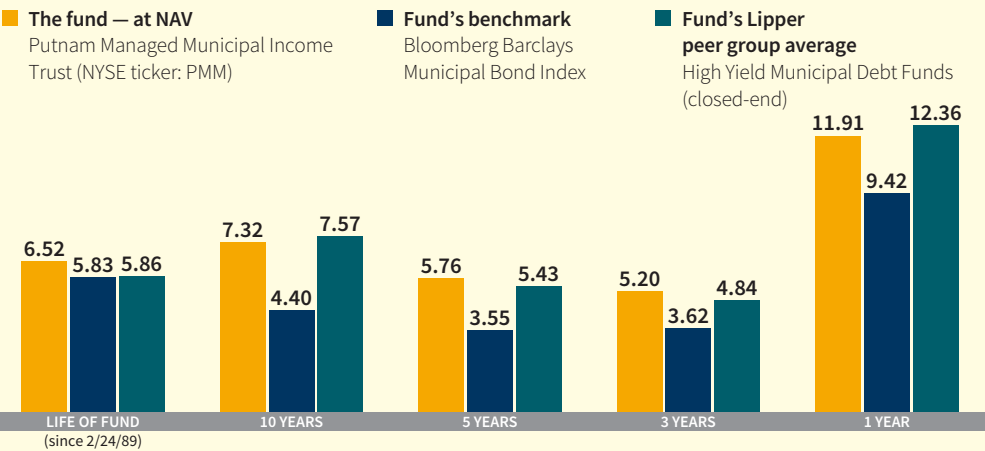


A mix of credit qualities

In addition to its flexible geographical focus, Putnam Managed Municipal Income Trust combines bonds of differing credit quality. The fund invests in high-quality bonds, but also includes an allocation to lower-rated bonds, which may offer higher income in return for more risk.

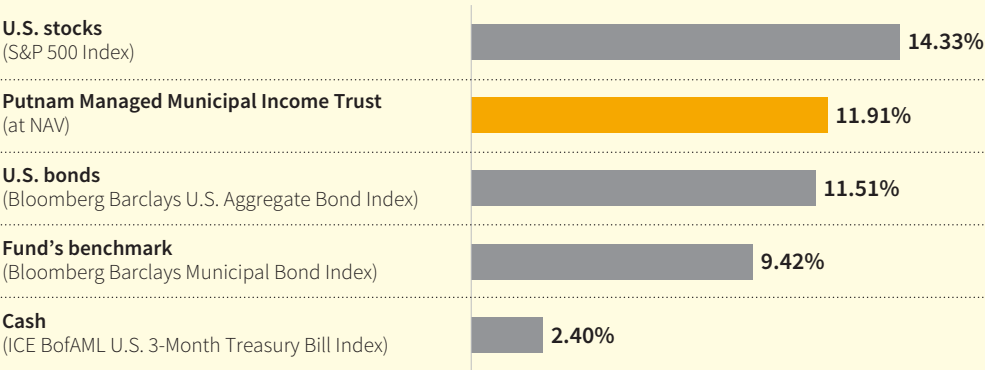
Performance history as of 10/31/19

Annualized total return (%) comparison



Data are historical. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and net asset value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See below and pages 9–10 for additional performance information, including fund returns at market price. Index and Lipper results should be compared with fund performance at NAV. Fund results reflect the use of leverage, while index results are unleveraged and Lipper results reflect varying use of, and methods for, leverage.

Recent broad market index and fund performance



This comparison shows your fund's performance in the context of broad market indexes for the 12 months ended 10/31/19. See above and pages 9–10 for additional fund performance information. Index descriptions can be found on page 12.

Interview with your fund's portfolio manager

Paul Drury discusses the investment environment and fund performance for the 12 months ended October 31, 2019, as well his outlook for the fund.



Paul M. Drury, CFA
Portfolio Manager

Paul holds a B.A. from Suffolk University. He has been in the investment industry since he joined Putnam in 1989.

Garrett L. Hamilton, CFA, is also a Portfolio Manager of the fund.

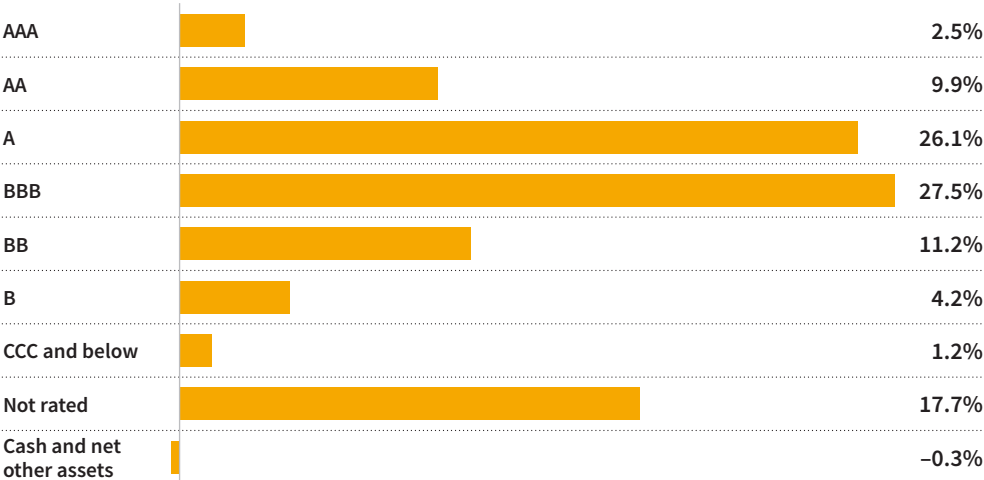
Paul, how did municipal bonds perform during the reporting period?

Municipal bonds continued their streak of solid performance, with the Bloomberg Barclays Municipal Bond Index rising 9.42% for the year. This performance came as market volatility increased with the U.S.–China trade dispute and slowing global growth, which contributed to recession fears. December 2018 and May and August 2019 were noteworthy for their sell-offs in risk assets.

After raising its benchmark interest rate in December 2018, the Federal Reserve became more dovish in its communications. Fed policy makers stated that they were not on a “pre-set” course and indicated a willingness to pause on future rate hikes. As recession fears grew during the second quarter of 2019, the pace of the Fed’s interest-rate hikes came into question, adding to market volatility. With investors expecting cuts from the Fed and other central banks, bonds rallied, and yields fell globally.

The Fed reduced its benchmark rate by a quarter percentage point on July 31, 2019. Chair Jerome Powell described the reduction as a “mid-cycle adjustment” to help get the economy moving again. He added that the

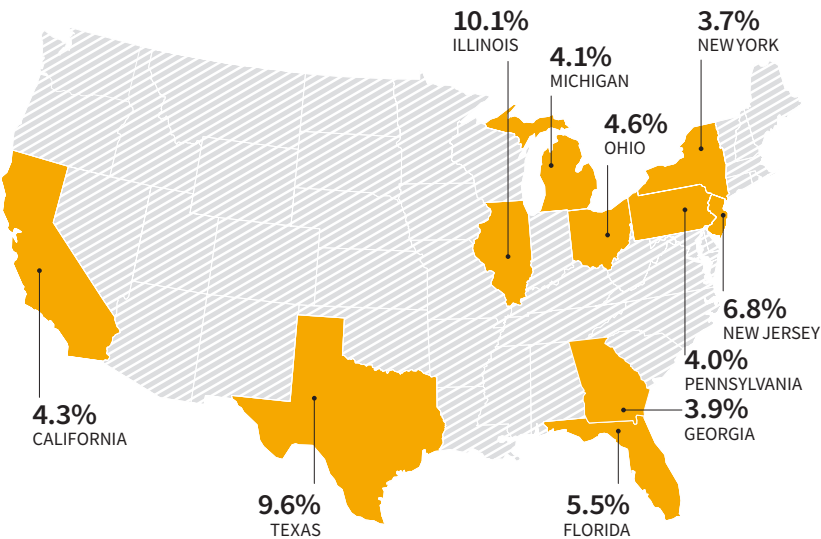
Credit quality overview



Credit qualities are shown as a percentage of the fund's net assets (common and preferred shares) as of 10/31/19. 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.

Portfolio allocation — top 10 states



Top ten state allocations are shown as a percentage of the fund's net assets (common and preferred shares) as of 10/31/19. Investments in Puerto Rico represented 0.2% of the fund's net assets. Summary information may differ from the portfolio schedule included in the financial statements due to the differing treatment of interest accruals, the floating rate portion of tender option bonds, derivative securities, if any, 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.

adjustment didn't represent the "beginning of a lengthy cutting cycle." The Fed introduced a second rate cut in September to help keep the U.S. economy on solid footing. However, when the Fed announced a third rate cut just before the close of the period, it hinted that it could be nearing a pause. Policy makers indicated that they remain data dependent with regard to future rate moves rather than being predisposed to adjusting rates lower.

In addition to falling interest rates, strong technicals [supply/demand dynamics] were supportive of the asset class during the period. Fund flows, a measure of investor demand for municipal mutual funds, were historic, as investors sought their tax-free income, perceived lower volatility, and stable credit fundamentals.

How did the fund perform during the reporting period?

For the 12 months ended October 31, 2019, the fund outperformed the Bloomberg Barclays Municipal Bond Index [the benchmark] but underperformed the average return of its Lipper peer group, High Yield Municipal Debt Funds.

What was your investment approach?

Many of our broader investment themes remained in place. Duration positioning, or interest-rate sensitivity, was generally neutral relative to the fund's Lipper peer group. The fund's yield curve positioning focused on longer intermediate-term securities with maturities of 10 to 15 years. As part of this strategy, the fund held underweight exposures to long maturity holdings compared with the benchmark.

With regard to credit positioning, we favored higher-rated bonds over lower-rated, high-yield bonds due to the credit spread compression in the municipal bond market. Accordingly, the fund held an overweight exposure to higher-quality bonds rated A and BBB and an underweight exposure to non-rated bonds relative to the fund's Lipper peer group. The fund's overweight in bonds rated BBB was especially beneficial, as they outperformed the

“ Our base case is for slower U.S. and global growth, but we don't believe a U.S. recession is imminent. ”

Paul Drury

market when the Fed's outlook became more dovish. From a sector positioning perspective, we favored state-backed, hospital, and essential-service revenue bonds relative to the fund's Lipper peer group.

Within our state strategy, we believe the financial profile of the state of Illinois continues to stabilize. This was not completely reflected by market spreads, in our view. Thus, we believe these holdings look attractive from a fundamental and relative value standpoint. In August 2019, Fitch Ratings upgraded its outlook to stable for Illinois and affirmed the state's BBB rating. This positive development came on the heels of a lawsuit that was filed in July 2019. It argued the state's pension bond sale in 2003 and tax-exempt debt issued in 2017 were debt refinancings prohibited by the Illinois constitution. Illinois general obligation [GO] bonds sold off modestly following the announcement. However, on August 29, Sangamon County Circuit Court denied the petition on lack of merit. Illinois GOs rallied following the favorable ruling.

In late July, Puerto Rico Governor Ricardo Rossello resigned amid protests demanding his exit after leaked texts indicated possible wrongdoing in his political circle. He appointed Pedro Pierluisi as his successor, but Puerto Rico's Supreme Court ruled in August that this move was unconstitutional due to a lack of legislative confirmation. Puerto Rico Justice Secretary Wanda Vazquez then became governor. We remain cautious about Puerto Rico due to its uncertain economic recovery and a perceived lack of institutional credibility across the Commonwealth's government. As such, the fund remained underweight in its exposure to Puerto Rico's municipal bonds during the period compared with its Lipper peer group.

What is your near-term outlook?

We believe the U.S.–China trade war is creating headwinds for the U.S. economy. U.S. GDP growth declined from 3.1% in the first quarter of 2019 to 2.1% in the second quarter. The advanced estimate for the third quarter was 1.9%. Global growth is also showing the effects of the trade war, with Germany and the United Kingdom, as well as China, experiencing weaker growth. Given the growth-dampening effects of the trade conflict and mild inflation, we believe the Fed could remain on hold or reduce short-term interest rates one more time over the next 12 months. Our base case is for slower U.S. and global growth, but we don’t believe a U.S. recession is imminent.

We’ll continue to adjust the portfolio to reflect the team’s best ideas to enhance income as well as total return prospects in an evolving interest-rate environment.

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

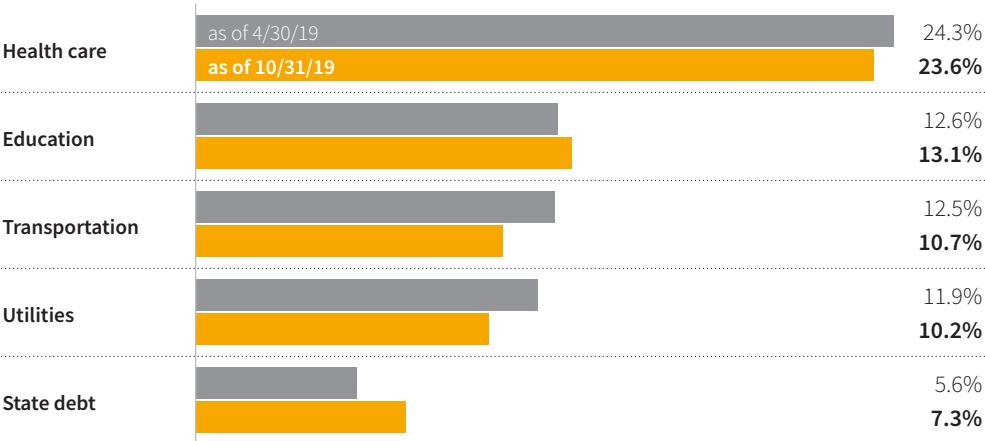
The views expressed in this report are exclusively those of Putnam Management and are subject to change. They are not meant as investment advice.

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.

Of special interest

In November 2018, the Trustees of the Putnam Funds approved an amendment to the dividend policy for the Putnam closed-end funds to establish targeted distribution rates for common shares, effective with the December 2018 distribution. Under the policy, the fund currently expects to make monthly distributions to common shareholders at a distribution rate of \$0.0320 per share, up from \$0.0289 per share. Distributions may include ordinary and/or tax-exempt income, net capital gains, and/or a return of capital of your investment in the fund. You should not draw any conclusions about the fund’s investment performance from the amount of this distribution or from the terms of the Distribution Policy.

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 (common and preferred shares). 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.

Your fund’s performance

This section shows your fund’s performance, price, and distribution information for periods ended October 31, 2019, the end of its most recent fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance information as of the most recent calendar quarter-end. Performance should always be considered in light of a fund’s investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return, net asset value, and market price will fluctuate, and you may have a gain or a loss when you sell your shares.

Fund performance Total return and comparative index results for periods ended 10/31/19

	Annual average Life of fund (since 2/24/89)	10 years	Annual average	5 years	Annual average	3 years	Annual average	1 year
NAV	6.52%	102.61%	7.32%	32.31%	5.76%	16.44%	5.20%	11.91%
Market price	6.31	121.37	8.27	45.89	7.85	24.51	7.58	24.89
Bloomberg Barclays Municipal Bond Index	5.83	53.88	4.40	19.08	3.55	11.24	3.62	9.42
Lipper High Yield Municipal Debt Funds (closed-end) category average*	5.86	108.22	7.57	30.35	5.43	15.27	4.84	12.36

Performance assumes reinvestment of distributions and does not account for taxes.

Index and Lipper results should be compared with fund performance at net asset value. Fund results reflect the use of leverage, while index results are unleveraged and Lipper results reflect varying use of, and methods for, leverage.

* Over the 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 10/31/19, there were 12, 11, 11, 11, and 6 funds, respectively, in this Lipper category.

Performance includes the deduction of management fees and administrative expenses.

Fund price and distribution information For the 12-month period ended 10/31/19

Distributions		
Number	12	
Income ¹	\$0.3099	
Capital gains ²	0.0710	
Total	\$0.3809	
Distributions — preferred shares	Series A (240 shares)	Series C (1,507 shares)
Number		
Income ¹	\$2,156.65	\$1,066.58
Capital gains ²	468.33	235.38
Total	\$2,624.98	\$1,301.96
Share value	NAV	Market price
10/31/18	\$7.64	\$6.71
10/31/19	8.15	7.97
Current dividend rate (end of period)	NAV	Market price
Current dividend rate ³	4.71%	4.82%
Taxable equivalent ⁴	7.96	8.14

The classification of distributions, if any, is an estimate. 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. Income from federally exempt funds may be subject to state and local taxes.

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 NAV or market price at end of period.

⁴ Assumes maximum 40.80% federal tax rate for 2019. Results for investors subject to lower tax rates would not be as advantageous.

Fund performance as of most recent calendar quarter Total return for periods ended 9/30/19

	Annual average Life of fund (since 2/24/89)	10 years	Annual average	5 years	Annual average	3 years	Annual average	1 year
NAV	6.54%	98.97%	7.12%	33.89%	6.01%	14.80%	4.71%	10.57%
Market price	6.25	110.26	7.71	45.30	7.76	14.89	4.74	19.01

See the discussion following the fund performance table on page 9 for information about the calculation of fund performance.

Consider these risks before investing

Lower-rated bonds may offer higher yields in return for more risk. 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). 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 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. You can lose money by investing in the fund. The fund's shares trade on a stock exchange at market prices, which may be lower than the fund's net asset value.

Important notice regarding Putnam's privacy policy

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' names, addresses, Social Security numbers, and dates of birth. Using this information, we are able to maintain accurate records of accounts and transactions.

It is our policy to protect the confidentiality of our shareholder information, whether or not a shareholder currently owns shares of our funds. In particular, it is our policy not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access

to our computer systems and procedures to protect personal information from unauthorized use.

Under certain circumstances, we must share account information with outside vendors who provide services to us, such as mailings and proxy solicitations. In these cases, the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. Finally, it is our policy to share account information with your financial representative, if you've listed one on your Putnam account.

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.

Net asset value (NAV) is the value of all your fund's assets, minus any liabilities, divided by the number of outstanding shares.

Market price is the current trading price of one share of the fund. Market prices are set by transactions between buyers and sellers on exchanges such as the New York Stock Exchange.

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

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

ICE BofAML (Intercontinental Exchange Bank of America Merrill Lynch) 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.

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.

ICE Data Indices, LLC ("ICE BofAML"), used with permission. ICE BofAML permits use of the ICE BofAML indices and related data on an "as is" basis; makes no warranties regarding same; does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE BofAML indices or any data included in, related to, or derived therefrom; assumes no liability in connection with the use of the foregoing; and does not sponsor, endorse, or recommend Putnam Investments, or any of its products or services.

Lipper 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 averages reflect performance trends for funds within a category.

Other information for shareholders

Important notice regarding share repurchase program

In September 2019, the Trustees of your fund approved the renewal of a share repurchase program that had been in effect since 2005. This renewal allows your fund to repurchase, in the 356 days beginning October 10, 2019, up to 10% of the fund's common shares outstanding as of October 9, 2019.

Important notice regarding delivery of shareholder documents

In accordance with Securities and Exchange Commission (SEC) regulations, Putnam sends a single 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, 2019, 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 October 31, 2019, Putnam employees had approximately \$472,000,000 and the Trustees had approximately \$74,000,000 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.

Summary of Putnam Closed-End Funds' Amended and Restated Dividend Reinvestment Plans

Putnam Managed Municipal Income Trust, Putnam Master Intermediate Income Trust, Putnam Municipal Opportunities Trust and Putnam Premier Income Trust (each, a “Fund” and collectively, the “Funds”) each offer a **dividend reinvestment plan** (each, a “Plan” and collectively, the “Plans”). If you participate in a Plan, all income dividends and capital gain distributions are **automatically reinvested** in Fund shares by the Fund’s agent, Putnam Investor Services, Inc. (the “Agent”). If you are not participating in a Plan, every month you will receive all dividends and other distributions in cash, paid by check and mailed directly to you.

Upon a purchase (or, where applicable, upon registration of transfer on the shareholder records of a Fund) of shares of a Fund by a registered shareholder, each such shareholder **will be deemed to have elected to participate** in that Fund’s Plan. Each such shareholder will have all distributions by a Fund automatically reinvested in additional shares, unless such shareholder elects to terminate participation in a Plan by instructing the Agent to pay future distributions in cash. Shareholders who were not participants in a Plan as of January 31, 2010, will continue to receive distributions in cash but may enroll in a Plan at any time by contacting the Agent.

If you participate in a Fund’s Plan, the Agent will automatically reinvest subsequent distributions, and the Agent will send you a confirmation in the mail telling you how many additional shares were issued to your account.

To change your enrollment status or to request additional information about the Plans, you may contact the Agent either in writing, at P.O. Box 8383, Boston, MA 02266-8383, or by telephone at 1-800-225-1581 during normal East Coast business hours.

How you acquire additional shares through a Plan If the market price per share for your Fund’s shares (plus estimated brokerage

commissions) is greater than or equal to their net asset value per share on the payment date for a distribution, you will be issued shares of the Fund at a value equal to the higher of the net asset value per share on that date or 95% of the market price per share on that date.

If the market price per share for your Fund’s shares (plus estimated brokerage commissions) is less than their net asset value per share on the payment date for a distribution, the Agent will buy Fund shares for participating accounts in the open market. The Agent will aggregate open-market purchases on behalf of all participants, and the average price (including brokerage commissions) of all shares purchased by the Agent will be the price per share allocable to each participant. The Agent will generally complete these open-market purchases within five business days following the payment date. If, before the Agent has completed open-market purchases, the market price per share (plus estimated brokerage commissions) rises to exceed the net asset value per share on the payment date, then the purchase price may exceed the net asset value per share, potentially resulting in the acquisition of fewer shares than if the distribution had been paid in newly issued shares.

How to withdraw from a Plan Participants may withdraw from a Fund’s Plan at any time by notifying the Agent, either in writing or by telephone. Such withdrawal will be effective immediately if notice is received by the Agent with sufficient time prior to any distribution record date; otherwise, such withdrawal will be effective with respect to any subsequent distribution following notice of withdrawal. There is no penalty for withdrawing from or not participating in a Plan.

Plan administration The Agent will credit all shares acquired for a participant under a Plan to the account in which the participant’s common shares are held. Each participant will

be sent reasonably promptly a confirmation by the Agent of each acquisition made for his or her account.

About brokerage fees Each participant pays a proportionate share of any brokerage commissions incurred if the Agent purchases additional shares on the open market, in accordance with the Plans. There are no brokerage charges applied to shares issued directly by the Funds under the Plans.

About taxes and Plan amendments

Reinvesting dividend and capital gain distributions in shares of the Funds does not relieve you of tax obligations, which are the same as if you had received cash distributions. The Agent supplies tax information to you and to the IRS annually. Each Fund reserves the right to amend or terminate its Plan upon 30 days' written notice. However, the Agent may assign its rights, and delegate its duties, to a successor agent with the prior

consent of a Fund and without prior notice to Plan participants.

If your shares are held in a broker or nominee name

If your shares are held in the name of a broker or nominee offering a dividend reinvestment service, consult your broker or nominee to ensure that an appropriate election is made on your behalf. If the broker or nominee holding your shares does not provide a reinvestment service, you may need to register your shares in your own name in order to participate in a Plan.

In the case of record shareholders such as banks, brokers or nominees that hold shares for others who are the beneficial owners of such shares, the Agent will administer the Plan on the basis of the number of shares certified by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

Trustee approval of management contract

General conclusions

The Board of Trustees of The Putnam Funds oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of your fund's management contract with Putnam Investment Management, LLC ("Putnam Management") and the sub-management contract with respect to your fund between Putnam Management and its affiliate, Putnam Investments Limited ("PIL"). The Board, with the assistance of its Contract Committee, requests and evaluates all information it deems reasonably necessary under the circumstances in connection with its annual contract review. The Contract Committee consists solely of Trustees who are not "interested persons" (as this term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of The Putnam Funds ("Independent Trustees").

At the outset of the review process, members of the Board's independent staff and independent legal counsel discussed with representatives of Putnam Management the annual contract review materials furnished to the Contract Committee during the course of the previous year's review, identifying possible changes in these materials that might be necessary or desirable for the coming year. Following these discussions and in consultation with the Contract Committee, the Independent Trustees' independent legal counsel requested that Putnam Management and its affiliates furnish specified information, together with any additional information that Putnam Management considered relevant, to the Contract Committee. Over the course of several months ending in June 2019, the Contract Committee met on a number of occasions with representatives of Putnam Management, and separately in executive session, to consider the information that Putnam Management provided. Throughout this process, the Contract Committee was assisted by the members of the Board's independent staff and by independent legal counsel for The Putnam Funds and the Independent Trustees.

In May 2019, the Contract Committee met in executive session to discuss and consider its recommendations with respect to the continuance of the contracts. At the Trustees' June 2019 meeting, the Contract Committee met in executive session with the other Independent

Trustees to review a summary of the key financial, performance and other data that the Contract Committee considered in the course of its review. The Contract Committee then presented its written report, which summarized the key factors that the Committee had considered and set forth its recommendations. The Contract Committee recommended, and the Independent Trustees approved, the continuance of your fund's management and sub-management contracts, effective July 1, 2019. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees have not attempted to evaluate PIL as a separate entity, and all subsequent references to Putnam Management below should be deemed to include reference to PIL as necessary or appropriate in the context.)

The Independent Trustees' approval was based on the following conclusions:

- That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds, and the costs incurred by Putnam Management in providing services to the fund; and
- That the fee schedule in effect for your fund represented an appropriate sharing between fund shareholders and Putnam Management of such economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. It is also important to recognize that the management arrangements for your fund and the other Putnam funds are the result of many years of review and discussion between the Independent Trustees and Putnam Management, that some aspects of the arrangements may receive greater scrutiny in some years than others, and that the Trustees' conclusions may be based, in part, on their consideration of fee arrangements in previous years.

Management fee schedules and total expenses

The Trustees reviewed the management fee schedules in effect for all Putnam funds, including fee levels and breakpoints. The Trustees also reviewed the total expenses of each Putnam fund, recognizing that in most cases management fees represented the major, but not the sole, determinant of total costs to fund shareholders. (Two funds have implemented so-called “all-in” management fees covering substantially all routine fund operating costs.)

In reviewing fees and expenses, the Trustees generally focus their attention on material changes in circumstances — for example, changes in assets under management, changes in a fund’s investment strategy, changes in Putnam Management’s operating costs or profitability, or changes in competitive practices in the mutual fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not indicate that changes to the management fee structure for your fund would be appropriate at this time.

Under its management contract, your fund has the benefit of breakpoints in its management fee schedule that provide shareholders with economies of scale in the form of reduced fee rates as the fund’s assets under management increase. The Trustees noted, however, that because your fund is a closed-end management investment company, it has relatively stable levels of assets under management and is not expected to be affected significantly by breakpoints in its management fee schedule. The Trustees concluded that the fee schedule in effect for your fund represented an appropriate sharing of economies of scale between fund shareholders and Putnam Management.

The Trustees reviewed comparative fee and expense information for a custom group of competitive funds selected by Broadridge Financial Solutions, Inc. (“Broadridge”). This comparative information included your fund’s percentile ranking for effective management fees and total expenses, which provides a general indication of your fund’s relative standing. In the custom peer group, your fund ranked in the first quintile in effective management fees (determined for your fund and the other funds in the custom peer group based on fund asset size and the applicable contractual management fee schedule) and in the second quintile in total expenses as of

December 31, 2018. The first quintile represents the least expensive funds and the fifth quintile the most expensive funds. The fee and expense data reported by Broadridge as of December 31, 2018 reflected the most recent fiscal year-end data available in Broadridge’s database at that time.

In connection with their review of fund management fees and total expenses, the Trustees also reviewed the costs of the services provided and the profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included trends in revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management, investor servicing and distribution services provided to the funds. In this regard, the Trustees also reviewed an analysis of Putnam Management’s revenues, expenses and profitability, allocated on a fund-by-fund basis, with respect to the funds’ management, distribution, and investor servicing contracts. For each fund, the analysis presented information about revenues, expenses and profitability for each of the agreements separately and for the agreements taken together on a combined basis. The Trustees concluded that, at current asset levels, the fee schedules in place represented reasonable compensation for the services being provided and represented an appropriate sharing between fund shareholders and Putnam Management of such economies of scale as may exist in the management of the Putnam funds at that time.

The information examined by the Trustees in connection with their annual contract review for the Putnam funds included information regarding fees charged by Putnam Management and its affiliates to institutional clients, including defined benefit pension and profit-sharing plans and sub-advised mutual funds. This information included, in cases where an institutional product’s investment strategy corresponds with a fund’s strategy, comparisons of those fees with fees charged to the Putnam funds, as well as an assessment of the differences in the services provided to these different types of clients as compared to the services provided to the Putnam funds. The Trustees observed that the differences in fee rates between these clients and the Putnam funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients may reflect, among other things, historical competitive forces operating in separate markets. The Trustees considered the

fact that in many cases fee rates across different asset classes are higher on average for mutual funds than for institutional clients, and the Trustees also considered the differences between the services that Putnam Management provides to the Putnam funds and those that it provides to its other clients. The Trustees did not rely on these comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

Investment performance

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees’ evaluation of the quality of services provided by Putnam Management under your fund’s management contract. The Trustees were assisted in their review of the Putnam funds’ investment process and performance by the work of the investment oversight committees of the Trustees and the full Board of Trustees, which meet on a regular basis with the funds’ portfolio teams and with the Chief Investment Officers and other senior members of Putnam Management’s Investment Division throughout the year. The Trustees concluded that Putnam Management generally provides a high-quality investment process — based on the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to them, and in general Putnam Management’s ability to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period.

The Trustees considered that, after a strong start to the year, 2018 was a mixed year for The Putnam Funds, with the Putnam open-end Funds’ performance, on an asset-weighted basis, ranking in the 54th percentile of their Lipper Inc. (“Lipper”) peers (excluding those Putnam funds that are evaluated based on their total returns versus selected investment benchmarks). The Trustees also noted that The Putnam Funds were ranked by the Barron’s/Lipper Fund Families survey as the 41st-best performing mutual fund complex out of 57 complexes for the one-year period ended December 31, 2018 and the 29th-best performing mutual fund complex out of 55 complexes for the five-year period ended December 31, 2018. The Trustees observed that The Putnam Funds’ performance over the longer-term continued to be strong, ranking 6th out of 49 mutual fund complexes in the survey over the ten-year period

ended 2018. In addition, the Trustees noted that 22 of the funds were four- or five-star rated by Morningstar Inc. at the end of 2018. They also noted, however, the disappointing investment performance of some funds for periods ended December 31, 2018 and considered information provided by Putnam Management regarding the factors contributing to the underperformance and actions being taken to improve the performance of these particular funds. The Trustees indicated their intention to continue to monitor closely the performance of those funds, including the effectiveness of any efforts Putnam Management has undertaken to address underperformance and whether additional actions to address areas of underperformance are warranted.

For purposes of the Trustees’ evaluation of the Putnam Funds’ investment performance, the Trustees generally focus on a competitive industry ranking of each fund’s total net return over a one-year, three-year and five-year period. For a number of Putnam funds with relatively unique investment mandates for which Putnam Management informed the Trustees that meaningful competitive performance rankings are not considered to be available, the Trustees evaluated performance based on their total gross and net returns and comparisons of those returns with the returns of selected investment benchmarks. In the case of your fund, the Trustees considered that its common share cumulative total return performance at net asset value was in the following quartiles of its Lipper peer group (Lipper High Yield Municipal Debt Funds (closed-end)) for the one-year, three-year and five-year periods ended December 31, 2018 (the first quartile representing the best-performing funds and the fourth quartile the worst-performing funds):

One-year period	2nd
Three-year period	2nd
Five-year period	3rd

Over each of the one-year, three-year and five-year periods ended December 31, 2018, there were 11 funds in your fund’s Lipper peer group. (When considering performance information, shareholders should be mindful that past performance is not a guarantee of future results.)

The Trustees considered Putnam Management’s continued efforts to support fund performance through initiatives including structuring compensation for portfolio managers and research analysts to enhance accountability for fund performance, emphasizing accountability in the

portfolio management process, and affirming its commitment to a fundamental-driven approach to investing. The Trustees noted further that Putnam Management had made selective hires in 2018 to strengthen its investment team.

Brokerage and soft-dollar allocations; investor servicing

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage allocation and the use of soft dollars, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that are expected to be useful to Putnam Management in managing the assets of the fund and of other clients. Subject to policies established by the Trustees, soft dollars generated by these means are used predominantly to acquire brokerage and research services (including third-party research and market data) that enhance Putnam Management's investment capabilities and supplement Putnam Management's internal research efforts. However, the Trustees noted that a portion of available soft dollars continues to be used to

pay fund expenses. The Trustees indicated their continued intent to monitor regulatory and industry developments in this area with the assistance of their Brokerage Committee. The Trustees also indicated their continued intent to monitor the allocation of the Putnam funds' brokerage in order to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

Putnam Management may also receive benefits from payments that the funds make to Putnam Management's affiliates for investor services. In conjunction with the annual review of your fund's management and sub-management contracts, the Trustees reviewed your fund's investor servicing agreement with Putnam Investor Services, Inc. ("PSERV"), which is an affiliate of Putnam Management. The Trustees concluded that the fees payable by the funds to PSERV for such services are fair and reasonable in relation to the nature and quality of such services, the fees paid by competitive funds, and the costs incurred by PSERV in providing such services. Furthermore, the Trustees were of the view that the services provided were required for the operation of the funds, and that they were of a quality at least equal to those provided by other providers.

Audited financial statements

These sections of the report, as well as the accompanying Notes, preceded by the Report of Independent Registered Public Accounting Firm, constitute the fund's audited 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. (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 year.

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.

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.

Report of Independent Registered Public Accounting Firm

Shareholders and the Board of Trustees
Putnam Managed Municipal Income Trust:

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities of Putnam Managed Municipal Income Trust (the “fund”), including the fund’s portfolio, as of October 31, 2019, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the related notes (collectively, the “financial statements”) and the financial highlights for each of the years in the five-year period then ended. In our opinion, the financial statements and financial highlights present fairly, in all material respects, the financial position of the fund as of October 31, 2019, and the results of its operations for the year then ended, the changes in its net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements and financial highlights are the responsibility of the fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements and financial highlights, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements and financial highlights. Such procedures also included confirmation of securities owned as of October 31, 2019, by correspondence with the custodian and brokers or by other appropriate auditing procedures. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and financial highlights. We believe that our audits provide a reasonable basis for our opinion.

KPMG LLP

We have served as the auditor of one or more Putnam investment companies since 1999.
Boston, Massachusetts
December 19, 2019

The fund's portfolio 10/31/19

Key to holding's abbreviations

ABAG Association Of Bay Area Governments
AGM Assured Guaranty Municipal Corporation
AMBAC AMBAC Indemnity Corporation
COP Certificates of Participation
FRB Floating Rate Bonds: the rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.
G.O. Bonds General Obligation Bonds
IO Interest Only
NATL National Public Finance Guarantee Corporation

PO Principal Only
PSFG Permanent School Fund Guaranteed
U.S. Govt. Coll. U.S. Government Collateralized
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 1.12% as of the close of the reporting period.

MUNICIPAL BONDS AND NOTES (129.8%)*	Rating**	Principal amount	Value
Alabama (1.8%)			
Jefferson Cnty., Swr. Rev. Bonds			
Ser. D, 6.50%, 10/1/53	BBB	\$500,000	\$600,245
zero %, 10/1/46	BBB	3,950,000	3,806,734
Jefferson, Cnty. Rev. Bonds, (Warrants)			
5.00%, 9/15/34	AA	2,075,000	2,487,738
5.00%, 9/15/33	AA	275,000	330,385
			7,225,102
Alaska (2.9%)			
AK State Indl. Dev. & Export Auth. Rev. Bonds, (Tanana Chiefs Conference), Ser. A, 4.00%, 10/1/44	A+/F	4,750,000	5,172,323
Northern Tobacco Securitization Corp. Rev. Bonds, Ser. A, 5.00%, 6/1/46	B3	6,370,000	6,378,663
			11,550,986
Arizona (4.5%)			
AZ State Indl. Dev. Auth. Ed. 144A Rev. Bonds, (BASIS Schools, Inc.), Ser. G, 5.00%, 7/1/37	BB	500,000	551,040
Chandler, Indl. Dev. Auth. Mandatory Put Bonds (6/3/24), (Intel Corp.), 5.00%, 6/1/49	A1	1,200,000	1,376,916
La Paz Cnty., Indl. Dev. Auth. Ed. Fac. Rev. Bonds, (Harmony Pub. Schools), Ser. A			
5.00%, 2/15/48	BBB	2,330,000	2,633,483
5.00%, 2/15/38	BBB	500,000	574,170
Maricopa Cnty., Indl. Dev. Auth. Ed. Rev. Bonds, (Horizon Cmnty. Learning Ctr.), 5.00%, 7/1/35	BB+	500,000	541,080
Phoenix, Indl. Dev. Auth. Ed. Rev. Bonds (Great Hearts Academies), 6.00%, 7/1/32 (Prerefunded 7/1/21)	AAA/P	200,000	215,644
(Choice Academies, Inc.), 5.625%, 9/1/42	BB	315,000	328,869
(Great Hearts Academies), 5.00%, 7/1/44	BBB-	1,700,000	1,839,502
(Choice Academies, Inc.), 4.875%, 9/1/22	BB	425,000	438,099

MUNICIPAL BONDS AND NOTES (129.8%)* <i>cont.</i>	Rating**	Principal amount	Value
Arizona <i>cont.</i>			
Phoenix, Indl. Dev. Auth. Ed. 144A Rev. Bonds, (BASIS Schools, Inc.)			
Ser. A, 5.00%, 7/1/46	BB	\$250,000	\$266,443
5.00%, 7/1/35	BB	900,000	974,475
Ser. A, 5.00%, 7/1/35	BB	600,000	649,650
Pinal Cnty., Indl. Dev. Auth. Env. Fac. 144A Rev. Bonds, (Green Bond), 7.25%, 10/1/33	BB-/P	2,000,000	2,203,100
Salt Verde, Fin. Corp. Gas Rev. Bonds			
5.50%, 12/1/29	A3	2,000,000	2,599,200
5.00%, 12/1/32	A3	570,000	739,410
Yavapai Cnty., Indl. Dev. Auth. Hosp. Fac. Rev. Bonds			
(Yavapai Regl. Med.), 5.00%, 8/1/36	A2	200,000	235,130
(Yavapai Regl. Med. Ctr.), 5.00%, 8/1/34	A2	200,000	236,428
Yavapai Cnty., Indl. Dev. Ed. Auth. Rev. Bonds, (Agribusiness & Equine Ctr.), 5.00%, 3/1/32	BB+	1,000,000	1,043,800
Yavapai Cnty., Indl. Dev. Ed. Auth. 144A Rev. Bonds, Ser. A, 5.00%, 9/1/34	BB+	500,000	536,880
			17,983,319
California (5.3%)			
ABAG Fin. Auth. for Nonprofit Corps. Rev. Bonds, (Episcopal Sr. Cmnty.), 6.00%, 7/1/31	A-/F	660,000	707,025
CA School Fin. Auth. Rev. Bonds, (2023 Union, LLC), Ser. A, 6.00%, 7/1/33	BBB	465,000	527,752
CA State Muni. Fin. Auth. Charter School Rev. Bonds, (Partnerships Uplift Cmnty.), Ser. A, 5.00%, 8/1/32	BB	665,000	698,290
CA State Poll. Control Fin. Auth. Rev. Bonds			
(Wtr. Furnishing), 5.00%, 11/21/45	Baa3	1,000,000	1,066,040
(San Jose Wtr. Co.), 4.75%, 11/1/46	A	1,100,000	1,245,244
CA Statewide Cmnty. Dev. Auth. Rev. Bonds			
(Terraces at San Joaquin Gardens), Ser. A, 6.00%, 10/1/47	A-/F	1,345,000	1,512,089
(U. CA Irvine E. Campus Apts. Phase 1), 5.375%, 5/15/38	Baa1	1,000,000	1,062,590
(899 Charleston, LLC), Ser. A, 5.25%, 11/1/44	BB/P	450,000	495,954
(U. CA Irvine E. Campus Apts. Phase 1), 5.125%, 5/15/31	Baa1	2,250,000	2,390,918
Golden State Tobacco Securitization Corp. Rev. Bonds, Ser. A-2, 5.00%, 6/1/47	BB/P	5,000,000	5,142,000
La Verne, COP, (Brethren Hillcrest Homes), 5.00%, 5/15/36	BBB-/F	325,000	345,131
Los Angeles, Regl. Arpt. Impt. Corp. Lease Rev. Bonds, (Laxfuel Corp.), 4.50%, 1/1/27	A	400,000	424,192
Morongo Band of Mission Indians 144A Rev. Bonds, Ser. B, 5.00%, 10/1/42	BBB-/F	2,350,000	2,652,234
Rancho Cordova, Cmnty. Fac. Dist. Special Tax Bonds, (Sunridge Anatolia), Ser. 03-1, 5.00%, 9/1/37	BBB-/P	350,000	374,801
San Francisco City & Cnty., Redev. Agcy. Cmnty. Successor Special Tax Bonds, (No. 6 Mission Bay Pub. Impts.), Ser. C			
zero %, 8/1/43	BBB/P	2,000,000	554,040
zero %, 8/1/38	BBB/P	2,000,000	748,260

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
California cont.			
Sunnyvale, Special Tax Bonds, (Cmnty. Fac. Dist. No. 1), 7.75%, 8/1/32	B+/P	\$835,000	\$837,630
Yucaipa Special Tax Bonds, (Cmnty. Fac. Dist. No. 98-1 Chapman Heights), 5.375%, 9/1/30	A	375,000	399,105
			21,183,295
Colorado (3.4%)			
Aviation Station North Metro. Dist. No. 2 G.O. Bonds, Ser. A, 5.00%, 12/1/48	B+/P	850,000	904,230
Broadway Station Metro. Dist. No. 2 Co. G.O. Bonds, Ser. A, 5.125%, 12/1/48	B/P	500,000	529,725
Central Platte Valley, Metro. Dist. G.O. Bonds, 5.00%, 12/1/43	BB+	400,000	431,260
CO Pub. Hwy. Auth. Rev. Bonds, (E-470), Ser. C, 5.375%, 9/1/26	A2	500,000	515,965
CO State Educ. & Cultural Fac. Auth. Rev. Bonds, (Skyview Academy), 5.125%, 7/1/34	BB	755,000	800,277
CO State Hlth. Fac. Auth. Rev. Bonds (Christian Living Cmnty.), 6.375%, 1/1/41	BB/P	810,000	876,226
(Total Longterm Care National), Ser. A, 6.25%, 11/15/40 (Prerefunded 11/15/20)	AAA/P	300,000	315,120
(Evangelical Lutheran Good Samaritan Society Oblig. Group (The)), 5.625%, 6/1/43 (Prerefunded 6/1/23)	AAA/P	250,000	288,408
(Evangelical Lutheran Good Samaritan Society Oblig. Group (The)), 5.00%, 12/1/33 (Prerefunded 6/1/22)	AAA/P	1,100,000	1,205,369
CO State Hlth. Fac. Auth. Hosp. Rev. Bonds (Frasier Meadows Retirement Cmnty.), Ser. B, 5.00%, 5/15/48	BB+/F	1,500,000	1,581,240
(Christian Living Neighborhood), 5.00%, 1/1/37	BB/P	1,250,000	1,375,825
(Christian Living Neighborhood), 5.00%, 1/1/31	BB/P	500,000	556,395
Eaton, Area Park & Recreation Dist. G.O. Bonds, 5.25%, 12/1/34	BB/P	220,000	232,771
Park Creek, Metro. Dist. Tax Allocation Bonds, (Sr. Ltd. Property Tax Supported), Ser. A, 5.00%, 12/1/45	A/F	225,000	253,697
Plaza, Tax Alloc. Bonds, (Metro. Dist. No. 1), 5.00%, 12/1/40	BB-/P	1,650,000	1,728,441
Regl. Trans. Dist. Rev. Bonds, (Denver Trans. Partners), 6.00%, 1/15/41	Baa3	750,000	769,373
Southlands, Metro. Dist. No. 1 G.O. Bonds, Ser. A-1, 5.00%, 12/1/37	Ba1	500,000	568,925
Willow Bend Metro. Dist. G.O. Bonds, Ser. A, 5.00%, 12/1/39	BB-/P	600,000	643,956
			13,577,203
Connecticut (0.4%)			
Harbor Point Infrastructure Impt. Dist. 144A Tax Alloc. Bonds, (Harbor Point Ltd.), 5.00%, 4/1/39	BB/P	1,500,000	1,694,415
			1,694,415

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Delaware (1.9%)			
DE State Econ. Dev. Auth. Rev. Bonds			
(Delmarva Pwr.), 5.40%, 2/1/31	A-	\$500,000	\$513,790
(Indian River Pwr.), 5.375%, 10/1/45	Baa3	2,600,000	2,678,650
(ASPIRA of Delaware Charter Operations, Inc.), Ser. A, 5.00%, 6/1/51	BB+	1,035,000	1,110,348
(ASPIRA Charter School), Ser. A, 5.00%, 6/1/36	BB+	705,000	769,627
DE State Hlth. Fac. Auth. VRDN, (Christiana Care), Ser. A, 1.35%, 10/1/38	VMIG 1	965,000	965,000
Millsboro Special Oblig. 144A Tax Alloc. Bonds, (Plantation Lakes Special Dev. Dist.), 5.125%, 7/1/38	BB-/P	1,490,000	1,623,012
			7,660,427
District of Columbia (1.2%)			
D.C. Rev. Bonds, (D.C. Intl. School), 5.00%, 7/1/49	BBB	1,275,000	1,511,181
DC Rev. Bonds			
(Howard U.), Ser. A, 6.50%, 10/1/41	BBB-	395,000	411,077
(Howard U.), Ser. A, 6.25%, 10/1/32	BBB-	525,000	547,229
(KIPP DC), 4.00%, 7/1/39	BBB+	750,000	821,010
DC Tobacco Settlement Fin. Corp. Rev. Bonds, Ser. A, zero %, 6/15/46	CCC/P	7,500,000	1,432,650
			4,723,147
Florida (6.8%)			
Alachua Cnty., Hlth. Fac. Auth. Rev. Bonds, (Shands Teaching Hospital & Clinics, Inc.), Ser. A, 4.00%, 12/1/49	A	5,000,000	5,457,600
Cap. Trust Agcy. Senior Living 144A Rev. Bonds, (H-Bay Ministries, Inc.-Superior Residencies), Ser. C, 7.50%, 7/1/53	B-/P	250,000	262,338
Celebration Pointe Cmnty. Dev. Dist. No. 1 144A Special Assessment Bonds, (Alachua Cnty.), 5.00%, 5/1/48	B/P	250,000	264,883
Double Branch Cmnty. Dev. Dist. Special Assmt. Bonds, (Sr. Lien), Ser. A-1, 4.125%, 5/1/31	A	500,000	531,485
Fishhawk, CCD IV Special Assmt. Bonds, 7.25%, 5/1/43	B/P	380,000	429,655
Greater Orlando Aviation Auth. Rev. Bonds, (JetBlue Airways Corp.), 5.00%, 11/15/36	B/P	1,000,000	1,067,390
Halifax Hosp. Med. Ctr. Rev. Bonds, 5.00%, 6/1/36	A-	1,300,000	1,509,807
Lakewood Ranch, Stewardship Dist. Special Assessment Bonds, (Village of Lakewood Ranch South), 5.125%, 5/1/46	B+/P	900,000	958,689
Lakewood Ranch, Stewardship Dist. Special Assmt. Bonds, 4.875%, 5/1/35	BB-/P	485,000	514,304
Martin Cnty., Rev. Bonds, (Indiantown Cogeneration), 4.20%, 12/15/25	BBB+	1,500,000	1,519,695
Miami Beach, Hlth. Fac. Auth. Hosp. Rev. Bonds, (Mount Sinai Med. Ctr.), 5.00%, 11/15/29	Baa1	1,000,000	1,097,080
Miami-Dade Cnty., Rev. Bonds, (Tran. Syst. Sales Surtax), 5.00%, 7/1/42	AA	2,000,000	2,168,560
Miami-Dade Cnty., Indl. Dev. Auth. Rev. Bonds, (Pinecrest Academy, Inc.), 5.00%, 9/15/34	BBB	1,240,000	1,352,406
Midtown Miami Cmnty. Dev. Dist. Special Assmt. Bonds, (Garage), Ser. A, 5.00%, 5/1/29	BB-/P	570,000	604,998

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Florida cont.			
Palm Beach Cnty., 144A Rev. Bonds, (PBAU Hsg.), Ser. A, 5.00%, 4/1/39	Ba1	\$500,000	\$559,665
Pinellas Cnty., Indl. Dev. Auth. Rev. Bonds, (2017 Foundation for Global Understanding, Inc.), 5.00%, 7/1/39	AAA/P	690,000	801,801
Sarasota Cnty., Hlth. Fac. Auth. Rev. Bonds, (Village on the Isle), Ser. A, 5.00%, 1/1/37	BBB-/F	1,000,000	1,104,110
Sarasota Cnty., Pub. Hosp. Dist. Rev. Bonds, (Sarasota Memorial Hosp.), 4.00%, 7/1/48	A1	1,500,000	1,639,620
Southeast Overtown Park West Cmnty. Redevel. Agcy. 144A Tax Alloc. Bonds, Ser. A-1, 5.00%, 3/1/30	BBB+	480,000	537,859
Tallahassee, Hlth. Fac. Rev. Bonds, (Tallahassee Memorial HealthCare, Inc.), Ser. A, 5.00%, 12/1/55	Baa1	1,000,000	1,119,520
Verandah, West Cmnty. Dev. Dist. Special Assmt. Bonds, (Cap. Impt.), 5.00%, 5/1/33	B+/P	495,000	516,721
Village Cmnty. Dev. Dist. No. 10 Special Assmt. Bonds, 5.75%, 5/1/31	BB/P	725,000	810,797
Village Cmnty. Dev. Dist. No. 11 Special Assmt. Bonds, 4.50%, 5/1/45	BB-/P	990,000	1,034,194
Village Cmnty. Dev. Dist. No. 12 144A Special Assessment Bonds, 4.00%, 5/1/33	BB-/P	745,000	795,869
Village Cmnty. Dev. Dist. No. 8 Special Assmt. Bonds, (Phase II), 6.125%, 5/1/39	BBB-/P	365,000	372,855
Village Cmnty. Dev. Dist. No. 9 Special Assmt. Bonds, 5.00%, 5/1/22	BBB-/P	205,000	213,120
			27,245,021
Georgia (4.8%)			
Clayton Cnty., Dev. Auth. Special Fac. Rev. Bonds, (Delta Airlines), Ser. A, 8.75%, 6/1/29	Baa3	3,000,000	3,123,540
Cobb Cnty., Dev. Auth. Student Hsg. Rev. Bonds, (Kennesaw State U. Real Estate Oblig. Group), Ser. C, 5.00%, 7/15/38	Baa2	765,000	850,076
GA State Private College & U. Auth. Rev. Bonds, (Mercer U.)			
Ser. C, 5.25%, 10/1/30	Baa1	750,000	816,420
Ser. A, 5.25%, 10/1/27	Baa1	1,000,000	1,068,340
Ser. A, 5.00%, 10/1/32	Baa1	1,000,000	1,050,280
Gainesville & Hall Cnty., Dev. Auth. Edl. Fac. Rev. Bonds, (Riverside Military Academy)			
5.00%, 3/1/47	BBB-/F	1,000,000	1,100,960
5.00%, 3/1/37	BBB-/F	1,450,000	1,616,127
Gainesville & Hall Cnty., Devauth Retirement Cmnty. Rev. Bonds, (Acts Retirement-Life Cmnty.), Ser. A-2, 6.375%, 11/15/29 (Prerefunded 11/15/19)	A-/F	700,000	701,092
Main St. Natural Gas, Inc. Gas Supply Rev. Bonds, Ser. A, 5.00%, 5/15/34	A3	3,345,000	4,052,802
Muni. Election Auth. of GA Rev. Bonds			
(Plant Voltage Units 3 & 4), Ser. A, 5.50%, 7/1/60	A	2,000,000	2,250,660
(Plant Vogtle Units 3 & 4), Ser. A, 4.00%, 1/1/59	A2	2,000,000	2,135,040
(Plant Vogtle Units 3 & 4), Ser. A, 4.00%, 1/1/49	A2	500,000	541,825
			19,307,162

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Guam (0.1%)			
Territory of GU, Pwr. Auth. Rev. Bonds, Ser. A, 5.00%, 10/1/34	Baa2	\$200,000	\$213,794
			213,794
Hawaii (0.1%)			
HI State Dept. Budget & Fin. Rev. Bonds, (Kahala Nui), 5.125%, 11/15/32	A/F	400,000	443,608
			443,608
Idaho (0.5%)			
ID State Hlth. Fac. Auth. Rev. Bonds, (St. Luke's Hlth. Sys. Oblig. Group), Ser. A, 4.00%, 3/1/38	A3	2,000,000	2,157,680
			2,157,680
Illinois (12.4%)			
Chicago, G.O. Bonds, Ser. A			
6.00%, 1/1/38	BBB+	2,560,000	3,039,744
5.50%, 1/1/49	BBB+	1,000,000	1,165,030
5.00%, 1/1/40	BBB+	2,000,000	2,267,400
Chicago, Special Assmt. Bonds, (Lake Shore East), 6.75%, 12/1/32	BB/P	1,572,000	1,580,803
Chicago, Board of Ed. G.O. Bonds			
Ser. C, 5.25%, 12/1/39	BB-	1,500,000	1,649,310
Ser. H, 5.00%, 12/1/36	BB-	2,100,000	2,384,655
Chicago, Motor Fuel Tax Rev. Bonds, 5.00%, 1/1/29	Ba1	500,000	532,910
Chicago, O'Hare Intl. Arpt. Rev. Bonds, Ser. A, 5.00%, 1/1/38	A	700,000	844,872
Chicago, Waste Wtr. Transmission Rev. Bonds, (2nd Lien), 5.00%, 1/1/39	A	1,360,000	1,484,780
Chicago, Wtr. Wks Rev. Bonds			
5.00%, 11/1/39	A	875,000	973,543
5.00%, 11/1/30	A	1,000,000	1,172,710
Cicero, G.O. Bonds, Ser. A, AGM, 5.00%, 1/1/20	AA	1,250,000	1,256,863
Cook Cnty., G.O. Bonds, 5.00%, 11/15/35	AA-	500,000	578,780
Du Page Cnty., Special Svc. Area No. 31 Special Tax Bonds, (Monarch Landing), 5.625%, 3/1/36	B/P	319,000	320,113
IL Fin. Auth. Rev. Bonds			
(Navistar Intl. Recvy. Zone), 6.75%, 10/15/40	BB-	500,000	516,275
(American Wtr. Cap. Corp.), 5.25%, 10/1/39	A	1,575,000	1,578,197
IL State G.O. Bonds			
5.25%, 2/1/30	Baa3	1,000,000	1,097,510
5.00%, 11/1/41	Baa3	1,250,000	1,377,988
5.00%, 1/1/41	Baa3	700,000	765,051
5.00%, 2/1/39	Baa3	200,000	214,436
Ser. A, 5.00%, 5/1/38	Baa3	1,000,000	1,130,340
5.00%, 11/1/34	Baa3	500,000	558,395
Ser. B, 5.00%, 10/1/31	Baa3	1,000,000	1,150,580
Ser. C, 5.00%, 11/1/29	Baa3	3,775,000	4,283,115
5.00%, 1/1/29	Baa3	1,095,000	1,226,006
Ser. A, 5.00%, 12/1/28	Baa3	1,760,000	2,029,790
Ser. D, 5.00%, 11/1/28	Baa3	1,000,000	1,144,680
Ser. D, 5.00%, 11/1/26	Baa3	2,500,000	2,842,600

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Illinois cont.			
IL State Fin. Auth. Rev. Bonds			
(Three Crowns Park), 5.25%, 2/15/47	BB–/P	\$540,000	\$582,854
(Plymouth Place), 5.25%, 5/15/45	BB+/F	1,000,000	1,068,620
(Three Crowns Park), 5.25%, 2/15/37	BB–/P	305,000	330,471
(Southern IL Healthcare Enterprises, Inc.), 5.00%, 3/1/33	A+	700,000	823,914
(Windy City Portfolio), Ser. A-1, 4.375%, 12/1/42	BB–/P	1,000,000	684,740
(Riverside Hlth. Syst.), 4.00%, 11/15/35	A+	500,000	538,775
IL State Fin. Auth. Student Hsg. & Academic Fac. Rev. Bonds, (U. of IL-CHF-Chicago, LLC), Ser. A			
5.00%, 2/15/47	Baa3	500,000	562,680
5.00%, 2/15/37	Baa3	1,200,000	1,372,704
Metro. Pier & Exposition Auth. Rev. Bonds, (McCormick Place Expansion), Ser. B, stepped-coupon zero % (4.950%, 6/15/31), 12/15/47 ††	BBB	1,500,000	1,003,290
Metro. Wtr. Reclamation Dist. of Greater Chicago G.O. Bonds, Ser. A, 5.00%, 12/1/31	AA+	1,000,000	1,192,400
Sales Tax Securitization Corp. Rev. Bonds, Ser. C, 5.50%, 1/1/36	AA–	2,000,000	2,433,560
			49,760,484
Indiana (1.0%)			
IN State Fin. Auth. Edl. Fac. Rev. Bonds, (Butler U.), Ser. B, 5.00%, 2/1/29	A–	500,000	536,675
IN State Fin. Auth. Hosp. Rev. Bonds, (Goshen Hlth. Obligated Group), Ser. A			
4.00%, 11/1/39	A–	715,000	789,789
4.00%, 11/1/37	A–	1,330,000	1,479,066
Valparaiso, Exempt Facs. Rev. Bonds, (Pratt Paper, LLC), 6.75%, 1/1/34	B+/P	1,125,000	1,307,869
			4,113,399
Iowa (0.2%)			
IA State Fin. Auth. Midwestern Disaster Rev. Bonds, (IA Fertilizer Co., LLC), 5.25%, 12/1/25	B+	750,000	816,660
			816,660
Kansas (0.3%)			
Wichita, Hlth. Care Fac. Rev. Bonds, (Presbyterian Manors), Ser. I, 5.00%, 5/15/33	BB–/P	500,000	548,990
Wyandotte, Cnty./Kansas City, Unified Govt. 144A Rev. Bonds, (Legends Apt. Garage & West Lawn), 4.50%, 6/1/40	AA	490,000	512,952
			1,061,942
Kentucky (3.1%)			
KY Econ. Dev. Fin. Auth. Rev. Bonds, (Masonic Home Indpt. Living), 5.00%, 5/15/46	BB/P	1,000,000	1,045,270
KY Pub. Trans. Infrastructure Auth. Rev. Bonds, (1st Tier Downtown Crossing), Ser. A, 6.00%, 7/1/53	Baa3	1,100,000	1,244,870
KY State Econ. Dev. Fin. Auth. Rev. Bonds, (Owensboro Hlth.), Ser. A, 5.25%, 6/1/41	Baa3	125,000	144,829
KY State Econ. Dev. Fin. Auth. Hlth. Care Rev. Bonds, (Masonic Homes of KY), 5.375%, 11/15/42	BB–/P	900,000	942,039

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Kentucky cont.			
KY State Pub. Energy Auth. Gas Supply Mandatory Put Bonds (6/1/25), Ser. C-1, 4.00%, 12/1/49)	A3	\$4,635,000	\$5,144,943
Louisville & Jefferson Cnty., Metro. Govt. Hlth. Syst. Rev. Bonds, (Norton Healthcare Oblig. Group), 5.50%, 10/1/33	A	3,000,000	3,398,010
Owen Cnty., Wtr. Wks. Syst. Rev. Bonds, (American Wtr. Co.), Ser. A, 6.25%, 6/1/39	A	700,000	702,506
			12,622,467
Louisiana (2.2%)			
LA State Pub. Fac. Auth. Rev. Bonds, (LA State U. Greenhouse Phase III), Ser. A, 5.00%, 7/1/59	A3	3,000,000	3,486,300
LA State Pub. Fac. Solid Waste Disp. Auth. Rev. Bonds, (LA Pellets, Inc.), Ser. A, 8.375%, 7/1/39 (In default) †	D/P	500,000	5
Pub. Fac. Auth. Rev. Bonds, (Tulane U.), Ser. A, 4.00%, 12/15/50	A2	750,000	819,810
Pub. Fac. Auth. Dock & Wharf 144A Rev. Bonds, (Impala Warehousing, LLC), 6.50%, 7/1/36	B+/P	1,000,000	1,100,310
St. John The Baptist Parish Mandatory Put Bonds (7/1/24), (Marathon Oil Corp.), Ser. A-2, 2.10%, 6/1/37	BBB	3,000,000	3,010,080
St. Tammany, Public Trust Fin. Auth. Rev. Bonds, (Christwood), 5.25%, 11/15/37	BB/P	385,000	421,775
			8,838,280
Maine (0.7%)			
ME Hlth. & Higher Edl. Fac. Auth. Rev. Bonds (ME Gen. Med. Ctr.), 7.50%, 7/1/32	Ba3	1,000,000	1,091,310
(Maine General Health Oblig. Group), 6.95%, 7/1/41	Ba3	1,000,000	1,075,970
ME State Fin. Auth. Solid Waste Disp. 144A Mandatory Put Bonds (8/1/25), (Casella Waste Syst.), 5.125%, 8/1/35	B2	500,000	569,200
			2,736,480
Maryland (1.0%)			
Brunswick, Special Tax, 5.00%, 7/1/36	B+/P	550,000	615,368
Frederick Cnty., Edl. Fac. 144A Rev. Bonds, (Mount St. Mary's U.), Ser. A, 5.00%, 9/1/37	BB+	500,000	566,265
Prince Georges Cnty., Special Oblig. 144A Tax Alloc. Bonds, (Westphalia Town Ctr.), 5.125%, 7/1/39	B/P	1,000,000	1,111,400
Westminster, Rev. Bonds (Lutheran Village at Miller's Grant, Inc. (The)), Ser. A, 6.00%, 7/1/34	B-/P	250,000	280,060
(Carroll Lutheran Village, Inc.), 5.125%, 7/1/34	BB/P	1,500,000	1,617,240
			4,190,333
Massachusetts (1.0%)			
MA State Dev. Fin. Agcy. Rev. Bonds (Loomis Communities), Ser. A, 6.00%, 1/1/33	BBB/P	100,000	111,753
(Loomis Communities), Ser. A, U.S. Govt. Coll., 6.00%, 1/1/33 (Prerefunded 7/1/23)	AAA/P	100,000	117,010
(Linden Ponds, Inc.), Ser. B, zero %, 11/15/56	B-/P	439,022	126,030
MA State Dev. Fin. Agcy. 144A Rev. Bonds, (Linden Ponds, Inc. Fac.) 5.125%, 11/15/46	BB/F	1,000,000	1,128,990
5.00%, 11/15/38	BB/F	500,000	565,530

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Massachusetts cont.			
MA State Dev. Fin. Agcy. Hlth. Care Fac. 144A Rev. Bonds, (Adventcare), Ser. A, 6.65%, 10/15/28	B/P	\$995,000	\$990,324
MA State Port Auth. Special Fac. Rev. Bonds, (Conrac), Ser. A, 5.125%, 7/1/41	A	750,000	792,638
			3,832,275
Michigan (6.5%)			
Detroit, G.O. Bonds, 5.00%, 4/1/37	Ba3	750,000	832,185
Detroit, Wtr. Supply Syst. Rev. Bonds, Ser. B, AGM, 6.25%, 7/1/36	AA	5,000	5,018
Flint, Hosp. Bldg. Auth. Rev. Bonds, Ser. A, 5.25%, 7/1/39	Ba1	750,000	794,130
Great Lakes, Wtr. Auth. Swr. Rev. Bonds, (Brazos Presbyterian Homes, Inc.), Ser. C, 5.00%, 7/1/36	A	2,000,000	2,350,380
Kentwood, Economic Dev. Rev. Bonds, (Holland Home), 5.625%, 11/15/32	BBB-/F	2,195,000	2,371,961
Kentwood, Economic Dev. Corp. Rev. Bonds, (Holland Home Obligated Group)			
5.00%, 11/15/41	BBB-/F	1,000,000	1,127,250
5.00%, 11/15/32	BBB-/F	1,250,000	1,435,588
MI State Fin. Auth. Rev. Bonds			
(Local Govt. Loan Program — Detroit Wtr. & Swr. Dept. (DWSD)), Ser. D-2, 5.00%, 7/1/34	A+	400,000	464,208
(Detroit Wtr. & Swr.), Ser. C-6, 5.00%, 7/1/33	A+	600,000	681,840
MI State Fin. Auth. Ltd. Oblig. Rev. Bonds, (Lawrence Technological U.), 5.00%, 2/1/47	BB+	2,150,000	2,348,811
MI State Hosp. Fin. Auth. Rev Bonds (Trinity Hlth. Credit Group), Ser. A, 5.00% 12/1/47 ^T	Aa3	8,500,000	9,249,170
MI State Strategic Fund Ltd. Rev. Bonds, (Worthington Armstrong Venture), 5.75%, 10/1/22 (Escrowed to maturity)	AAA/P	1,350,000	1,512,257
MI State Strategic Fund Ltd. Oblig. Rev. Bonds, (Holland Home Oblig. Group), 5.00%, 11/15/43	BBB-/F	500,000	563,370
Wayne Cnty., Arpt. Auth. Rev. Bonds, Ser. A, 5.00%, 12/1/21	A2	2,000,000	2,144,600
			25,880,768
Minnesota (1.2%)			
Baytown Twp., Lease Rev. Bonds, Ser. A, 4.00%, 8/1/41	BB+	380,000	385,594
Ham Lake, Charter School Lease Rev. Bonds, (DaVinci Academy of Arts & Science), Ser. A, 5.00%, 7/1/47	BB-/P	500,000	525,370
Rochester, Hlth. Care Fac. Rev. Bonds, (Olmsted Med. Ctr.), 5.875%, 7/1/30	A/F	1,000,000	1,027,790
Sartell, Hlth. Care & Hsg. Facs. Rev. Bonds, (Country Manor Campus, LLC)			
5.25%, 9/1/30	B-/P	500,000	536,410
5.25%, 9/1/27	B-/P	750,000	811,868

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Minnesota cont.			
St. Paul, Hsg. & Redev. Auth. Charter School Lease Rev. Bonds, (Nova Classical Academy), Ser. A			
6.625%, 9/1/42 (Prerefunded 9/1/21)	BBB-	\$250,000	\$274,260
6.375%, 9/1/31	BBB-	250,000	268,223
St. Paul, Port Auth. Lease Rev. Bonds, (Regions Hosp. Pkg. Ramp), Ser. 1, 5.00%, 8/1/36	A-/P	1,125,000	1,127,183
			4,956,698
Mississippi (1.4%)			
MS State Bus. Fin. Corp. Rev. Bonds, (System Energy Resources, Inc.), 2.50%, 4/1/22	BBB+	5,600,000	5,621,000
			5,621,000
Missouri (1.2%)			
MO State Hlth. & Ed. Fac. Auth. VRDN, (WA U. (The)), Ser. D, 1.21%, 9/1/30	VMIG 1	1,000,000	1,000,000
Saint Louis, Indl. Dev. Auth. Fin. Rev. Bonds, (Ballpark Village Dev.), Ser. A, 4.75%, 11/15/47	BB-/P	875,000	954,599
St. Louis Cnty., Indl. Dev. Auth. Sr. Living Fac. Rev. Bonds, (Friendship Village Oblig. Group), Ser. A, 5.00%, 9/1/38	BB+/F	2,500,000	2,815,400
			4,769,999
Nebraska (1.5%)			
Central Plains, Energy Mandatory Put Bonds (1/1/24), (No. 4), 5.00%, 3/1/50	A3	4,500,000	5,014,800
Lancaster Cnty., Hosp. Auth. Rev. Bonds, (Immanuel Oblig. Group), 5.50%, 1/1/30	AA/F	1,000,000	1,006,790
			6,021,590
Nevada (1.4%)			
Clark Cnty., Impt. Dist. Special Assmt. Bonds, (Mountains Edge Local No. 142), 5.00%, 8/1/21	A	445,000	468,509
Clark Cnty., Impt. Dist. No. 159 Special Assessment Bonds, (Summerlin Village 16A), 5.00%, 8/1/32	B+/P	475,000	521,588
Las Vegas, Special Assmt. Bonds			
5.00%, 6/1/31	B+/P	400,000	427,160
(Dist. No. 607 Local Impt.), 5.00%, 6/1/23	BBB-/P	325,000	351,146
Las Vegas, Impt. Dist. No. 812 Special Assessment Bonds, (Summerlin Village 24), 5.00%, 12/1/35	B/P	250,000	273,360
North Las Vegas, G.O. Bonds, AGM, 4.00%, 6/1/33	AA	3,095,000	3,471,166
			5,512,929
New Hampshire (2.2%)			
National Fin. Auth. 144A Rev. Bonds, (Covanta Holding Corp.), Ser. C, 4.875%, 11/1/42	B1	1,275,000	1,353,553
NH State Hlth. & Ed. Fac. Auth. Rev. Bonds			
(Rivermead), Ser. A, 6.875%, 7/1/41	BB+/P	2,000,000	2,109,700
(Rivermead), Ser. A, 6.625%, 7/1/31	BB+/P	1,320,000	1,395,016
(Catholic Med. Ctr.), 5.00%, 7/1/44	A-	1,000,000	1,160,080
(Kendel at Hanover), 5.00%, 10/1/40	BBB+/F	585,000	649,397
(Elliot Hosp.), 5.00%, 10/1/38	A-	250,000	289,663
(Southern NH Med. Ctr.), 5.00%, 10/1/37	A-	1,000,000	1,161,010
NH State Hlth. & Ed. Fac. Auth. 144A Rev. Bonds, (Hillside Village), Ser. A, 6.25%, 7/1/42	B-/P	750,000	815,865
			8,934,284

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
New Jersey (8.3%)			
Atlantic City, G.O. Bonds, (Tax Appeal), Ser. B, AGM, 4.00%, 3/1/42	AA	\$1,250,000	\$1,368,338
NJ State Econ. Dev. Auth. Rev. Bonds			
(Ashland School, Inc.), 6.00%, 10/1/33	BBB	995,000	1,134,579
(NYNJ Link Borrower, LLC), 5.375%, 1/1/43	BBB	1,000,000	1,120,400
Ser. EEE, 5.00%, 6/15/48	Baa1	3,000,000	3,408,180
(North Star Academy Charter School of Newark, Inc.), 5.00%, 7/15/47	BBB-	1,000,000	1,133,530
Ser. AAA, 5.00%, 6/15/36	Baa1	350,000	399,854
(United Methodist Homes), Ser. A, 5.00%, 7/1/29	BBB-/F	500,000	543,835
Ser. B, 5.00%, 11/1/26	Baa1	3,000,000	3,546,720
5.00%, 6/15/26	Baa1	500,000	536,820
NJ State Econ. Dev. Auth. Fac. Rev. Bonds, (Continental Airlines, Inc.), 5.625%, 11/15/30	BB	1,500,000	1,722,795
NJ State Econ. Dev. Auth. Special Fac. Rev. Bonds, (Port Newark Container Term., LLC), 5.00%, 10/1/37	Ba1	1,500,000	1,742,790
NJ State Econ. Dev. Auth. Wtr. Fac. Rev. Bonds, (NJ American Wtr. Co.)			
Ser. A, 5.70%, 10/1/39	A1	2,600,000	2,608,242
Ser. D, 4.875%, 11/1/29	A1	700,000	720,314
NJ State Hlth. Care Fac. Fin. Auth. Rev. Bonds, (St. Peter's U. Hosp.), 6.25%, 7/1/35	Ba1	2,000,000	2,121,560
NJ State Trans. Trust Fund Auth. Rev. Bonds, Ser. A			
5.00%, 12/15/35	Baa1	2,600,000	3,027,466
5.00%, 12/15/34	Baa1	1,800,000	2,100,438
North Hudson, Swr. Auth. Rev. Bonds, Ser. A			
5.00%, 6/1/42	A+	945,000	1,019,778
5.00%, 6/1/42 (Prerefunded 6/1/22)	AAA/P	55,000	60,416
Tobacco Settlement Fin. Corp. Rev. Bonds, Ser. B, 5.00%, 6/1/46	BB+	3,300,000	3,638,151
Union Cnty., Util. Auth. Resource Recvy. Fac. Lease Rev. Bonds, (Covanta Union), Ser. A, 5.25%, 12/1/31	AA+	1,450,000	1,559,171
			33,513,377
New Mexico (0.8%)			
Farmington, Poll. Control Rev. Bonds			
(Public Service Co. of San Juan, NM), Ser. D, 5.90%, 6/1/40	BBB+	500,000	512,630
(AZ Pub. Svc. Co.), Ser. B, 4.70%, 9/1/24	A2	2,000,000	2,060,720
Sante Fe, Retirement Fac. Rev. Bonds, (El Castillo Retirement Residences), Ser. A, 5.00%, 5/15/39	BB+/F	500,000	559,110
			3,132,460
New York (6.6%)			
Glen Cove, Local Econ. Assistance Corp. Rev. Bonds, (Garvies Point Pub. Impt.), Ser. C, stepped-coupon zero% (5.625%, 1/1/24), 1/1/55 ††	B/P	300,000	287,568
Metro. Trans. Auth. Rev. Bonds, (Green Bonds), Ser. C-1, 4.00%, 11/15/32	A1	3,000,000	3,431,520
Metro. Trans. Auth. Dedicated Tax Mandatory Put Bonds (6/1/22), Ser. A-2A, 1.57%, 11/1/26	AA	2,530,000	2,526,559
NY Counties, Tobacco Trust VI Rev. Bonds, (Tobacco Settlement Pass Through), Ser. A-2B, 5.00%, 6/1/51	BBB	1,700,000	1,775,395

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
New York cont.			
NY State Dorm. Auth. Rev. Bonds, Ser. A, Group C, 5.00% 3/15/42 †	AAA	\$10,845,000	\$12,906,179
NY State Env. Fac. Corp. Solid Waste Disp. 144A Mandatory Put Bonds (12/2/19), (Casella Waste Syst., Inc.), 3.75%, 12/1/44	B2	1,000,000	1,001,510
NY State Liberty Dev. Corp. 144A Rev. Bonds (World Trade Ctr.), Class 2, 5.375%, 11/15/40	BB-/P	750,000	844,898
(3 World Trade Ctr., LLC), Class 1-3, 5.00%, 11/15/44	BB-/P	2,350,000	2,593,319
Port Auth. of NY & NJ Special Oblig. Rev. Bonds, (John F. Kennedy Intl. Air Term.), 6.00%, 12/1/42	Baa1	1,000,000	1,047,680
			26,414,628
North Carolina (1.9%)			
NC State Med. Care Comm. Hlth. Fac. Rev. Bonds, (Presbyterian Homes), Ser. C, 5.00%, 10/1/31	A-/F	800,000	925,512
NC State Med. Care Comm. Retirement Fac. Rev. Bonds (Salemtowne), 5.375%, 10/1/45	BB/P	1,615,000	1,778,939
(Aldersgate United Methodist Retirement Cmnty., Inc.), Ser. A, 5.00%, 7/1/47	BB/P	400,000	438,016
(Aldersgate United Methodist Church), 5.00%, 7/1/45	BB/P	825,000	885,794
(Twin Lakes Cmnty.), Ser. A, 5.00%, 1/1/38	BBB/F	1,750,000	2,031,208
(Southminister, Inc.), 5.00%, 10/1/37	BB/P	965,000	1,057,958
(United Church Homes & Svcs. Oblig. Group), Ser. A, 5.00%, 9/1/37	BB/P	500,000	535,530
			7,652,957
Ohio (5.6%)			
Buckeye, Tobacco Settlement Fin. Auth. Rev. Bonds			
Ser. A-2, 6.50%, 6/1/47	B3	4,000,000	4,090,840
Ser. A-3, 6.25%, 6/1/37	CCC+	5,850,000	5,992,682
Ser. A-2, 6.00%, 6/1/42	B3	4,000,000	4,022,800
Ser. B, zero %, 6/1/47	CCC+/P	10,000,000	611,500
Cleveland-Cuyahoga Cnty., Port Auth. Cultural Fac. Rev. Bonds, (Playhouse Square Foundation), 5.50%, 12/1/53	BB+	1,500,000	1,728,960
Franklin Cnty., Hlth. Care Fac. Rev. Bonds, (OH Presbyterian Retirement Svcs. (OPRS) Cmnty. Oblig. Group), Ser. A, 5.625%, 7/1/26	BBB/F	1,250,000	1,282,763
Lake Cnty., Hosp. Fac. Rev. Bonds, (Lake Hosp. Syst., Inc.), Ser. C, 5.625%, 8/15/29	Baa1	245,000	245,813
OH State Air Quality Dev. Auth. Exempt Fac. 144A Rev. Bonds, (Pratt Paper, LLC), 4.50%, 1/15/48	BB+/P	1,200,000	1,298,148
OH State Higher Edl. Fac. Comm. Rev. Bonds, (Kenyon College) 5.00%, 7/1/44 (Prerefunded 7/1/20)	A	525,000	538,104
U.S. Govt. Coll., 5.00%, 7/1/44 (Prerefunded 7/1/20)	AAA/P	275,000	281,864
OH State Private Activity Rev. Bonds, (Portsmouth Bypass), AGM, 5.00%, 12/31/35	AA	750,000	856,260

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Ohio cont.			
Southeastern OH Port Auth. Hosp. Fac. Rev. Bonds			
5.75%, 12/1/32	BB-/F	\$900,000	\$981,657
(Memorial Hlth. Syst. Oblig. Group), 5.00%, 12/1/43	BB-/F	150,000	157,847
Toledo-Lucas Cnty., Port Auth. FRB, (CSX Transn, Inc.), 6.45%, 12/15/21	A3	500,000	546,905
			22,636,143
Oklahoma (0.7%)			
Tulsa Cnty., Indl. Auth. Rev. Bonds, (Sr. Living Cmnty. Montereau, Inc.), Ser. A, 7.125%, 11/1/30 (Prerefunded 5/1/20)	BB-/P	1,250,000	1,285,625
Tulsa, Muni. Arpt. Trust Rev. Bonds, (American Airlines, Inc.), Ser. B, 5.50%, 12/1/35	B+/P	1,250,000	1,364,500
			2,650,125
Oregon (1.6%)			
Multnomah Cnty., Hosp. Fac. Auth. Rev. Bonds, (Terwilliger Plaza, Inc.), 5.00%, 12/1/29	BBB/F	350,000	379,057
Portland, Rev. Bonds, Ser. C, 7.701%, 6/1/22	Aaa	4,000,000	4,373,960
Warm Springs Reservation, Confederated Tribes 144A Rev. Bonds, (Pelton Round Butte Tribal), Ser. B, 6.375%, 11/1/33	A3	700,000	700,000
Warm Springs, Reservation Confederated Tribes 144A Rev. Bonds, (Pelton-Round Butte), Ser. B			
5.00%, 11/1/36	A3	500,000	588,735
5.00%, 11/1/34	A3	200,000	237,600
			6,279,352
Pennsylvania (4.9%)			
Allegheny Cnty., Higher Ed. Bldg. Auth. Rev. Bonds (Robert Morris U.), Ser. A, 5.50%, 10/15/30	Baa3	1,000,000	1,030,970
(Robert Morris U.-UPMC Events Ctr.), 5.00%, 10/15/47	Baa3	1,820,000	2,038,509
Allegheny Cnty., Hosp. Dev. Auth. Rev. Bonds, (Allegheny Hlth. Network Oblig. Group), Ser. A			
5.00%, 4/1/35	A	1,200,000	1,441,968
5.00%, 4/1/32	A	1,425,000	1,732,401
Chester Cnty., Indl. Dev. Auth. Rev. Bonds			
(Collegium Charter School), Ser. A, 5.125%, 10/15/37	BB	750,000	813,900
(Renaissance Academy Charter School), 5.00%, 10/1/34	BBB-	350,000	386,012
Chester Cnty., Indl. Dev. Auth. Student Hsg. Rev. Bonds, (West Chester U. Student Hsg., LLC), Ser. A, 5.00%, 8/1/45	Baa3	1,000,000	1,070,880
Dallas, Area Muni. Auth. U. Rev. Bonds, (Misericordia U.), 5.00%, 5/1/48	Baa3	500,000	560,995
Montgomery Cnty., Indl. Auth. Rev. Bonds, (Whitemarsh Continuing Care Retirement Cmnty.), Ser. A, 5.25%, 1/1/48	BB-/P	500,000	523,950
Moon, Indl. Dev. Auth. Rev. Bonds, (Baptist Homes Society Oblig. Group), 5.75%, 7/1/35	B+/P	1,500,000	1,631,655

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Pennsylvania cont.			
PA State Econ. Dev. Fin. Auth. Solid Waste Disp. 144A Rev. Bonds, (Covanta Holding Corp.), Ser. A, 3.25%, 8/1/39	B	\$2,200,000	\$2,193,554
PA State Higher Edl. Fac. Auth. Rev. Bonds (Shippensburg U.), 6.25%, 10/1/43 (Prerefunded 10/1/21)	AAA/P	500,000	547,790
(Gwynedd Mercy College), Ser. KK1, 5.375%, 5/1/42	BBB	785,000	837,085
PA State Tpk. Comm. Rev. Bonds Ser. A, 5.00%, 12/1/44	A3	1,500,000	1,812,705
Ser. B-1, 5.00%, 6/1/42	A3	900,000	1,055,799
Philadelphia, Auth. for Indl. Dev. Rev. Bonds, (Master Charter School), 6.00%, 8/1/35 (Prerefunded 8/1/20)	AAA/P	1,055,000	1,091,450
West Shore Area Auth. Rev. Bonds, (Lifeways at Messiah Village), Ser. A, 5.00%, 7/1/35	BBB-/F	785,000	846,191
			19,615,814
Puerto Rico (0.2%)			
Cmnwlth. of PR, G.O. Bonds, (Pub. Impt.), Ser. A, NATL, 5.50%, 7/1/20	Baa2	1,000,000	1,017,120
			1,017,120
Rhode Island (0.4%)			
RI Hlth. & Edl. Bldg. Corp. Rev. Bonds, (Lifespan Oblig. Group-Hosp. Fin.), 5.00%, 5/15/25	BBB+	1,500,000	1,753,155
			1,753,155
South Carolina (3.2%)			
SC State Jobs Econ. Dev. Auth. Edl. Fac. 144A Rev. Bonds, (High Point Academy), Ser. A 5.75%, 6/15/49	Ba1	1,000,000	1,115,890
5.75%, 6/15/39	Ba1	500,000	563,910
SC State Pub. Svcs. Auth. Rev. Bonds Ser. A, 5.50%, 12/1/54	A2	2,000,000	2,270,480
Ser. C, 5.00%, 12/1/46	A2	2,500,000	2,818,000
(Santee Cooper), Ser. D, 5.00%, 12/1/43	A2	1,000,000	1,066,990
Ser. A, 5.00%, 12/1/36	A2	1,000,000	1,174,070
SC Trans. Infrastructure Bank Mandatory Put Bonds (10/1/22), Ser. 03B, 1.811%, 10/1/31	Aa3	3,980,000	3,983,741
			12,993,081
Tennessee (0.8%)			
Metro. Govt. Nashville & Davidson Cnty., Hlth. & Edl. Fac. Board Mandatory Put Bonds (7/1/21), (Vanderbilt U. Med. Ctr.), Ser. D, 4.511%, 7/1/46	A3	2,000,000	2,046,940
Tennergy Corp., Gas Mandatory Put Bonds (10/1/24), Ser. A, 5.00%, 2/1/50	Aa2	1,000,000	1,152,260
			3,199,200
Texas (13.3%)			
Arlington, Higher Ed. Fin. Corp. Rev. Bonds, (Uplift Ed.), Ser. A, PSFG, 4.00%, 12/1/42	AAA	1,000,000	1,102,860
Central TX Regl. Mobility Auth. Rev. Bonds, (Sr. Lien), Ser. A, 5.00%, 1/1/33	A-	525,000	573,815

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Texas cont.			
Clifton, Higher Ed. Fin. Corp. Rev. Bonds			
(Intl. Leadership), Ser. D, 6.125%, 8/15/48	BB–/P	\$2,500,000	\$2,789,325
(Idea Pub. Schools), 5.00%, 8/15/32	A–	315,000	338,962
(IDEA Pub. Schools), 5.00%, 8/15/28	A–	200,000	238,374
Dallas-Fort Worth, Intl. Arpt. Rev. Bonds, Ser. B, 4.50%, 11/1/45	A+	2,535,000	2,717,951
Harris Cnty., Cultural Ed. Fac. Fin. Corp. Rev. Bonds			
(Brazos Presbyterian Homes, Inc.), 5.00%, 1/1/37	BBB–/F	250,000	275,603
(YMCA of the Greater Houston Area), Ser. A, 5.00%, 6/1/33	Baa2	1,000,000	1,067,590
Harris Cnty., Cultural Ed. Fac. Fin. Corp. VRDN, (The Methodist Hosp.), Ser. C-1, 1.35%, 12/1/24	A-1+	1,500,000	1,500,000
Houston, Arpt. Syst. Rev. Bonds			
Ser. B-1, 5.00%, 7/15/35	BB	2,500,000	2,793,950
Ser. B-1, 5.00%, 7/15/30	BB	650,000	730,659
Ser. A, 5.00%, 7/1/24	A+	1,500,000	1,588,425
La Vernia, Higher Ed. Fin. Corp. 144A Rev. Bonds, (Meridian World School, LLC), Ser. A, 5.25%, 8/15/35	BB+	1,000,000	1,086,000
Love Field, Arpt. Modernization Corp. Special Fac. Rev. Bonds, (Southwest Airlines Co.), 5.25%, 11/1/40	A3	3,500,000	3,621,905
Matagorda Cnty., Poll. Control Rev. Bonds, (Dist. No. 1), Ser. A, AMBAC, 4.40%, 5/1/30	A–	1,250,000	1,484,025
Montgomery Cnty., Toll Road Auth. Rev. Bonds, 5.00%, 9/15/36	BBB–	1,110,000	1,251,547
New Hope, Cultural Ed. Fac. Fin. Corp. Rev. Bonds			
(Wesleyan Homes, Inc.), 5.50%, 1/1/43	BB–/P	500,000	540,665
(Collegiate Student Hsg. Island Campus, LLC), Ser. A, 5.00%, 4/1/42	Ba1	1,830,000	1,942,655
(Collegiate Hsg.-Tarleton St.), 5.00%, 4/1/39	Baa3	500,000	537,095
(MRC Crestview), 5.00%, 11/15/36	BB+/F	200,000	218,154
(Woman's U.-Collegiate Hsg. Denton, LLC), Ser. A-1, AGM, 4.125%, 7/1/53	AA	1,000,000	1,065,200
Newark, Higher Ed. Fin. Corp. Rev. Bonds, (Austin Achieve Pub. Schools, Inc.), 5.00%, 6/15/48	BB–/P	500,000	512,770
North Texas Edl. Fin. Co. Rev. Bonds, (Uplift Edl.), Ser. A, 5.25%, 12/1/47 (Prerefunded 6/1/22)	BBB–	2,000,000	2,201,540
Red River, Hlth. Retirement Fac. Dev. Corp. Rev. Bonds, (Happy Harbor Methodist Home, Inc.), Ser. A, 7.75%, 11/15/44	B–/P	420,000	496,150
Temple, Tax Increment 144A Tax Alloc. Bonds, (Reinvestment Zone No. 1), Ser. A, 5.00%, 8/1/38	BB+	1,500,000	1,642,935
TX Private Activity Surface Trans. Corp. Rev. Bonds			
(NTE Mobility), 7.50%, 12/31/31	Baa2	2,000,000	2,021,000
(LBJ Infrastructure), 7.00%, 6/30/40	Baa3	2,500,000	2,593,625
(Segment 3C), 5.00%, 6/30/58	Baa3	2,500,000	2,916,350
TX State Muni. Gas Acquisition & Supply Corp. III Rev. Bonds, 5.00%, 12/15/28	A3	1,500,000	1,636,920
TX State Private Activity Bond Surface Trans. Corp. Rev. Bonds, (Blueridge Trans. Group, LLC (SH 288 Toll Lane))			
5.00%, 12/31/55	Baa3	500,000	554,810
5.00%, 12/31/50	Baa3	750,000	834,443

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Texas cont.			
TX State Trans. Comm. Rev. Bonds, (State Hwy. 249 Sys.), Ser. A, zero %, 8/1/39	Baa3	\$700,000	\$318,325
Uptown Dev. Auth. Tax Alloc. Bonds, Ser. A, 5.00%, 9/1/40	BBB	700,000	790,979
TX State Transportation Commission G.O. Bonds, Ser. A, 5.00% 10/1/44 [†]	AAA	8,000,000	9,197,561
			53,182,168
Utah (1.1%)			
Infrastructure Agcy. Telecomm. Rev. Bonds, 4.00%, 10/15/39	BBB-/F	1,500,000	1,564,935
Murray City, Hosp. VRDN, (IHC Hlth. Svcs., Inc.), Ser. A, 1.35%, 5/15/37	VMIG 1	2,000,000	2,000,000
UT State Charter School Fin. Auth. Rev. Bonds, (Summit Academy, Inc.), Ser. A, 5.00%, 4/15/44	AA	625,000	754,538
			4,319,473
Virginia (4.1%)			
Cherry Hill Cmnty., Dev. Auth. 144A Special Assmt. Bonds, (Potomac Shores), 5.40%, 3/1/45	B/P	1,000,000	1,056,180
Federal Home Loan Mortgage Corp. Rev. Bonds, Ser. M-053, Class A, 2.55%, 6/15/35	AA+	3,000,000	3,072,900
Front Royal & Warren Cnty., Indl. Dev. Auth. Rev. Bonds, (Valley Hlth. Oblig. Group), 4.00%, 1/1/50	A1	2,500,000	2,684,475
Henrico Cnty., Econ. Dev. Auth. Res. Care Fac. Rev. Bonds, (United Methodist Homes), 5.00%, 6/1/22	BB+/P	625,000	671,494
King George Cnty., Indl. Dev. Auth. Mandatory Put Bonds (5/1/19), (Waste Mgt., Inc.-King George Landfill, Inc.), Ser. A, 2.50%, 6/1/23	A-	1,875,000	1,924,050
Lexington, Indl. Dev. Auth. Res. Care Fac. Rev. Bonds, (Kendal at Lexington), 4.00%, 1/1/31	BBB-/F	675,000	719,516
Lower Magnolia Green Cmnty., Dev. Auth. 144A Special Assmt. Bonds, 5.00%, 3/1/35	B/P	485,000	504,958
Small Bus. Fin. Auth. Private Activity Rev. Bonds, (Transform 66 P3), 5.00%, 12/31/49	Baa3	1,000,000	1,148,360
Suffolk, Econ. Dev. Auth. Retirement Fac. Rev. Bonds, (United Church Homes & Svcs. Oblig. Group), 5.00%, 9/1/31	BB/P	500,000	551,345
VA State Cmnlwth. U. Hlth. Syst. Auth. Rev. Bonds, Ser. B, 4.00%, 7/1/40	Aa3	2,000,000	2,216,360
VA State Small Bus. Fin. Auth. Rev. Bonds (Elizabeth River Crossings OPCO, LLC), 6.00%, 1/1/37	BBB	740,000	819,890
(Express Lanes, LLC), 5.00%, 7/1/34	BBB	1,150,000	1,229,557
			16,599,085
Washington (2.5%)			
Kalispel Tribe of Indians Priority Dist. Rev. Bonds, Ser. A, 5.25%, 1/1/38	BB+/P	750,000	832,298
Port of Seattle, Rev. Bonds, Ser. C, 5.00%, 4/1/40	A1	625,000	704,306
Port Seattle, Port Indl. Dev. Corp. Rev. Bonds, (Delta Airlines, Inc.), 5.00%, 4/1/30	BBB-	800,000	874,600
Skagit Cnty., Pub. Hosp. Rev. Bonds, (Dist. No. 001), 5.75%, 12/1/35	Baa2	2,500,000	2,592,925

MUNICIPAL BONDS AND NOTES (129.8%)* cont.	Rating**	Principal amount	Value
Washington cont.			
Tobacco Settlement Auth. of WA Rev. Bonds, 5.25%, 6/1/32	A-	\$1,275,000	\$1,340,739
WA State Hlth. Care Fac. Auth. Mandatory Put Bonds (7/1/22), (Fred Hutchinson Cancer Research Ctr.), Ser. B, 2.296%, 1/1/42	A+	1,700,000	1,712,767
WA State Hsg. Fin. Comm. Rev. Bonds, (Wesley Homes Lea Hill), 5.00%, 7/1/41	B/P	500,000	536,195
WA State Hsg. Fin. Comm. 144A Rev. Bonds, (Presbyterian Retirement Cmnty. Northwest), Ser. A, 5.00%, 1/1/36	BB/F	1,175,000	1,316,259
			9,910,089

Wisconsin (2.8%)			
Pub. Fin. Auth. Arpt. Fac. Rev. Bonds, (Sr. Oblig. Group), 5.25%, 7/1/28	BBB+	350,000	380,940
Pub. Fin. Auth. Edl. Fac. Rev. Bonds, (Piedmont Cmnty. Charter School), 5.00%, 6/15/53	Baa3	1,150,000	1,315,106
Pub. Fin. Auth. Exempt Fac. Rev. Bonds, (Celanese U.S. Holdings, LLC), Ser. C, 4.30%, 11/1/30	BBB	300,000	327,660
Pub. Fin. Auth. Higher Ed. Fac. Rev. Bonds, (Gannon U.)			
5.00%, 5/1/47	BBB+	250,000	279,773
5.00%, 5/1/42	BBB+	1,090,000	1,223,089
Pub. Fin. Auth. Ltd. Oblig. Pilot 144A Rev. Bonds, (American Dream at Meadowlands), 7.00%, 12/1/50	BB/P	1,000,000	1,197,610
Pub. Fin. Auth. Retirement Communities Rev. Bonds, (Evergreens Obligated Group), Ser. A, 5.00%, 11/15/49	BBB/F	1,750,000	2,003,252
Pub. Fin. Auth. Retirement Fac. Rev. Bonds, (Southminster, Inc.), 5.00%, 10/1/43	BB/F	750,000	831,728
WI State Hlth. & Edl. Fac. Auth. Rev. Bonds, (St. John's Cmnty., Inc.), Ser. B, 5.00%, 9/15/45	BBB-/F	250,000	259,363
WI State Pub. Fin. Auth. Sr. Living Rev. Bonds, (Rose Villa, Inc.), Ser. A, 5.75%, 11/15/44	BB-/P	1,800,000	1,964,484
WI State Pub. Fin. Auth. Sr. Living 144A Rev. Bonds, (Mary's Woods at Marylhurst), Ser. A, 5.25%, 5/15/37	BB/F	380,000	429,506
WI State Pub. Fin. Auth. 144A Rev. Bonds, (Church Home of Hartford, Inc.), Ser. A, 5.00%, 9/1/30	BB/F	945,000	1,029,275
			11,241,786
Total municipal bonds and notes (cost \$492,767,958)			\$520,744,760

SHORT-TERM INVESTMENTS (0.1%)*	Principal amount	Value
U.S. Treasury Bills 1.930%, 12/12/19 ^A	\$295,000	\$294,505
U.S. Treasury Bills 1.908%, 3/12/20 ^A	152,000	151,146
U.S. Treasury Bills 2.013%, 11/7/19	86,000	85,977
Total short-term investments (cost \$531,301)		\$531,628

TOTAL INVESTMENTS	
Total investments (cost \$493,299,259)	\$521,276,388

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 November 1, 2018 through October 31, 2019 (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 \$401,241,685.
- ** 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. Ratings are not covered by the Report of Independent Registered Public Accounting Firm.
- † This security is non-income-producing.
- †† The interest rate and date shown parenthetically represent the new interest rate to be paid and the date the fund will begin accruing interest at this rate.
- Δ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period. Collateral at period end totaled \$352,839 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 8).

At the close of the reporting period, the fund maintained liquid assets totaling \$37,638,703 to cover certain derivative contracts, tender option bonds and the settlement of certain securities.

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 1.12%, 1.78% and 1.90%, 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):

Health care	31.5%
Education	16.5
Transportation	13.2
Utilities	12.6
State debt	10.4

OTC INTEREST RATE SWAP CONTRACTS OUTSTANDING at 10/31/19

Swap counterparty/ Notional amount	Value	Upfront premium received (paid)	Termina- tion date	Payments made by fund	Payments received by fund	Unrealized appreciation/ (depreciation)
Citibank, N.A.						
\$1,575,000	\$17,377 ^E	\$—	1/2/50	1.46% — Quarterly	SIFMA Municipal Swap index — Quarterly	\$17,377
10,800,000	99,554 ^E	—	10/18/31	1.404% — Quarterly	SIFMA Municipal Swap index — Quarterly	(99,554)
20,000,000	76,540 ^E	—	10/18/26	SIFMA Municipal Swap index — Quarterly	1.182% — Quarterly	76,540
37,830,000	103,238 ^E	—	10/20/26	SIFMA Municipal Swap index — Quarterly	1.159% — Quarterly	103,238
11,135,000	123,387 ^E	—	10/21/41	1.559% — Quarterly	SIFMA Municipal Swap index — Quarterly	(123,387)
Upfront premium received		—		Unrealized appreciation		197,155
Upfront premium (paid)		—		Unrealized (depreciation)		(222,941)
Total		\$—		Total		\$(25,786)

^E Extended effective date.

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 10/31/19

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.						
\$2,870,000	\$70,975	\$—	12/10/19	—	1.495% minus Municipal Market Data Index AAA municipal yields 15 Year rate — At maturity	\$(70,975)
800,000	192	—	1/24/20	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	(192)
1,595,000	335	—	1/23/20	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	(335)

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 10/31/19 cont.

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. cont.						
\$4,750,000	\$12,208	\$—	1/30/20	—	1.55% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	\$12,208
2,075,000	3,901	—	11/12/19	—	2.06% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	(3,901)
1,925,000	6,160	—	1/2/20	—	2.08% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	(6,160)
2,075,000	34,694	—	11/7/19	—	2.15% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	34,694
955,000	100,858	—	6/2/20	—	2.7% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	(100,858)
1,915,000	205,671	—	6/4/20	—	2.71% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	(205,671)
Goldman Sachs International						
1,595,000	64	—	1/15/20	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	64
1,125,000	2,858	—	12/26/19	—	2.080% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	(2,858)

OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 10/31/19 cont.

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)
Morgan Stanley & Co. International PLC						
\$800,000	\$120	\$—	1/21/20	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	\$(120)
800,000	120	—	1/21/20	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	(120)
Upfront premium received		—	Unrealized appreciation		46,966	
Upfront premium (paid)		—	Unrealized (depreciation)		(391,190)	
Total		\$—	Total		\$(344,224)	

*The 50 largest components, and any individual component greater than 1% of basket value, are shown below.

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	\$—	\$520,744,760	\$—
Short-term investments	—	531,628	—
Totals by level	\$—	\$521,276,388	\$—

Valuation inputs			
Other financial instruments:	Level 1	Level 2	Level 3
Interest rate swap contracts	\$—	\$(25,786)	\$—
Total return swap contracts	—	(344,224)	—
Totals by level	\$—	\$(370,010)	\$—

At the start and close of the reporting period, Level 3 investments in securities represented less than 1% of the fund's net assets and were not considered a significant portion of the fund's portfolio.

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

Statement of assets and liabilities 10/31/19

ASSETS

Investment in securities, at value (Notes 1 and 8):	
Unaffiliated issuers (identified cost \$493,299,259)	\$521,276,388
Cash	2,714,541
Interest and other receivables	7,185,076
Receivable for investments sold	469,275
Receivable for custodian fees (Note 2)	48,490
Unrealized appreciation on OTC swap contracts (Note 1)	244,121
Prepaid assets	8,061
Total assets	531,945,952

LIABILITIES

Payable for investments purchased	8,181,954
Payable for compensation of Manager (Note 2)	684,916
Payable for investor servicing fees (Note 2)	33,565
Payable for Trustee compensation and expenses (Note 2)	170,025
Payable for administrative services (Note 2)	1,481
Payable for floating rate notes issued (Note 1)	19,838,424
Payable for variation margin on futures contracts (Note 1)	21,453
Distributions payable to shareholders	1,614,834
Distributions payable to preferred shareholders (Note 1)	31,686
Unrealized depreciation on OTC swap contracts (Note 1)	614,131
Preferred share remarketing agent fees	30,633
Other accrued expenses	131,165
Total liabilities	31,354,267
Series A remarketed preferred shares: (240 shares authorized and issued at \$100,000 per share) (Note 4)	24,000,000
Series C remarketed preferred shares: (1,507 shares authorized and issued at \$50,000 per share) (Note 4)	75,350,000
Net assets	\$401,241,685

REPRESENTED BY

Paid-in capital — common shares (Unlimited shares authorized) (Notes 1 and 5)	\$373,107,654
Total distributable earnings (Note 1)	28,134,031
Total — Representing net assets applicable to common shares outstanding	\$401,241,685

COMPUTATION OF NET ASSET VALUE

Net asset value per common share	
(\$401,241,685 divided by 49,204,185 shares)	\$8.15

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

Statement of operations Year ended 10/31/19

INVESTMENT INCOME	
Interest income	\$22,726,908
Total investment income	22,726,908
EXPENSES	
Compensation of Manager (Note 2)	2,676,275
Investor servicing fees (Note 2)	196,242
Custodian fees (Note 2)	12,460
Trustee compensation and expenses (Note 2)	15,869
Administrative services (Note 2)	11,837
Interest and fees expense (Note 1)	555,350
Preferred share remarketing agent fees	151,098
Other	355,077
Total expenses	3,974,208
Expense reduction (Note 2)	(116,439)
Net expenses	3,857,769
Net investment income	18,869,139
REALIZED AND UNREALIZED GAIN (LOSS)	
Net realized gain (loss) on:	
Securities from unaffiliated issuers (Notes 1 and 3)	6,150,053
Futures contracts (Note 1)	341,710
Swap contracts (Note 1)	1,384,080
Total net realized gain	7,875,843
Change in net unrealized appreciation (depreciation) on:	
Securities from unaffiliated issuers	19,633,697
Swap contracts	(370,010)
Total change in net unrealized appreciation	19,263,687
Net gain on investments	27,139,530
Net increase in net assets resulting from operations	\$46,008,669
Distributions to Series A and C remarketed preferred shareholders (Note 1):	
From ordinary income	
Taxable net investment income	(77,116)
Net realized long-term gain on investments	(467,121)
From tax exempt net investment income	(2,047,810)
Net increase in net assets resulting from operations (applicable to common shareholders)	43,416,622

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

Statement of changes in net assets

INCREASE (DECREASE) IN NET ASSETS	Year ended 10/31/19	Year ended 10/31/18
Operations		
Net investment income	\$18,869,139	\$20,749,776
Net realized gain on investments	7,875,843	4,983,122
Change in net unrealized appreciation (depreciation) of investments	19,263,687	(22,820,843)
Net increase in net assets resulting from operations	46,008,669	2,912,055
Distributions to Series A and C remarketed preferred shareholders (Note 1):		
From ordinary income		
Taxable net investment income	(77,116)	—
From net realized long-term gains on investments	(467,121)	—
From tax exempt net investment income	(2,047,810)	(2,062,049)
Net increase in net assets resulting from operations (applicable to common shareholders)	43,416,622	850,006
Distributions to common shareholders (note 1):		
From ordinary income		
Taxable net investment income	(576,790)	—
Net realized long-term gains on investments	(3,493,854)	—
From tax exempt net investment income	(14,726,715)	(19,231,990)
Decrease from capital shares repurchased (Note 5)	(8,401,154)	(23,562,130)
Total increase (decrease) in net assets	16,218,109	(41,944,114)
NET ASSETS		
Beginning of year	385,023,576	426,967,690
End of year	\$401,241,685	\$385,023,576
NUMBER OF FUND SHARES		
Common shares outstanding at beginning of year	50,407,625	53,735,135
Shares repurchased (Note 5)	(1,203,440)	(3,327,510)
Common shares outstanding at end of year	49,204,185	50,407,625
Series A Remarketed preferred shares outstanding at beginning and end of year		
	240	240
Series C Remarketed preferred shares outstanding at beginning and end of year		
	1,507	1,507

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

Financial highlights (For a common share outstanding throughout the period)

PER-SHARE OPERATING PERFORMANCE					
	Year ended				
	10/31/19	10/31/18	10/31/17	10/31/16	10/31/15
Net asset value, beginning of period (common shares)	\$7.64	\$7.95	\$8.10	\$7.97	\$7.94
Investment operations:					
Net investment income ^a	.38	.40	.39	.43	.45
Net realized and unrealized gain (loss) on investments	.54	(.35)	(.17)	.15	(.02)
Total from investment operations	.92	.05	.22	.58	.43
Distributions to preferred shareholders:					
From net investment income	(.04)	(.04)	(.02)	(.01)	— ^e
From capital gains	(.01)	—	—	—	—
Total from investment operations (applicable to common shareholders)	.87	.01	.20	.57	.43
Distributions to common shareholders:					
From net investment income	(.31)	(.37)	(.39)	(.44)	(.43)
From capital gains	(.07)	—	—	—	—
From return of capital	—	—	(.01)	—	—
Total distributions	(.38)	(.37)	(.40)	(.44)	(.43)
Increase from shares repurchased	.02	.05	—^e	—^e	.03
Increase from Preferred shares tender offer	—	—	.05	—	—
Net asset value, end of period (common shares)	\$8.15	\$7.64	\$7.95	\$8.10	\$7.97
Market price, end of period (common shares)	\$7.97	\$6.71	\$7.43	\$7.48	\$7.30
Total return at market price (%) (common shares)^b	24.89	(4.91)	4.84	8.38	8.11
Total return at net asset value (%) (common shares)^b	11.91	0.71	3.32	7.20	6.00
RATIOS AND SUPPLEMENTAL DATA					
Net assets, end of period (common shares) (in thousands)	\$401,242	\$385,024	\$426,968	\$436,309	\$430,032
Ratio of expenses to average net assets (including interest expense) (%) ^{c,d,f}	1.01	1.03	1.13 ^g	.92	.90
Ratio of net investment income to average net assets (%) ^c	4.21	4.54	4.73	5.09	5.57
Portfolio turnover (%)	36	28	30	24	13

(Continued on next page)

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

Financial highlights *cont.*

- * Not annualized.
- ** Unaudited.
- a Per share net investment income has been determined on the basis of the weighted average number of shares outstanding during the period.
- b Total return assumes dividend reinvestment.
- c Ratios reflect net assets available to common shares only; net investment income ratio also reflects reduction for dividend payments to preferred shareholders.
- d Includes amounts paid through expense offset arrangements, if any (Note 2).
- e Amount represents less than \$0.01 per share.
- f Includes interest and fee expense associated with borrowings which amounted to:

	Percentage of average net assets
October 31, 2019	0.14%
October 31, 2018	0.17
October 31, 2017	0.06
October 31, 2016	0.03
October 31, 2015	0.02

- g Includes 0.17% of increased proxy solicitation and legal fees related to the 2017 annual shareholder meeting.

Notes to financial statements 10/31/19

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 November 1, 2018 through October 31, 2019.

Putnam Managed Municipal Income Trust (the fund) is a Massachusetts business trust, which is registered under the Investment Company Act of 1940, as amended, as a diversified closed-end management investment company. The goal of the fund is to seek a high level of current income exempt from federal income tax. The fund intends to achieve its objective by investing in a diversified portfolio of tax-exempt municipal securities which Putnam Management believes does not involve undue risk to income or principal. Up to 60% of the fund’s assets may consist of high-yield tax-exempt municipal securities that are below investment grade and involve special risk considerations. The fund also uses leverage, primarily by issuing preferred shares in an effort to enhance the returns for the common shareholders. The fund’s shares trade on a stock exchange at market prices, which may be lower than the fund’s net asset value. The fund also uses leverage which involves risk and may increase the volatility of the fund’s net asset value.

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, transfer 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.

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.

Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. 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. 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. 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, including amortization and accretion of premiums and discounts on debt securities, is recorded on the accrual basis.

Securities purchased or sold on a forward commitment 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.

Interest rate swap contracts The fund entered into OTC and/or centrally cleared interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, for hedging term structure risk and for yield curve positioning.

An OTC and centrally cleared interest rate swap can be purchased or sold with an upfront premium. For OTC interest rate swap contracts, an upfront payment received by the fund is recorded as a liability on the fund's books. An upfront payment made by the fund is recorded as an asset on the fund's books. OTC and centrally cleared interest rate swap contracts are marked to market daily based upon quotations from an independent pricing service or market makers. Any change is recorded as an unrealized gain or loss on OTC interest rate swaps. Daily fluctuations in the value of centrally cleared interest rate 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, including upfront premiums, received or made are recorded as realized gains or losses at the reset date or the closing of the contract. Certain OTC and centrally cleared interest rate 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 if the counterparty defaults, in the case of OTC interest rate contracts, or the central clearing agency or a clearing member defaults, in the case of centrally cleared interest rate swap contracts, on its respective obligation to perform under the contract. 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 interest rate swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared interest rate swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared interest rate 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 centrally cleared interest rate swap contracts outstanding, including their respective notional amounts 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 sector exposure and for gaining exposure to specific sectors.

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.

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 \$31,352,910 were held by the TOB trust and served as collateral for \$19,838,424 in floating-rate bonds outstanding. For the reporting period ended, the fund incurred interest expense of \$404,440 for these investments based on an average interest rate of 1.59%.

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 posted 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 had a net liability position of \$370,010 on open derivative contracts subject to the Master Agreements. Collateral posted by the fund at period end for these agreements totaled \$352,839 and may include amounts related to unsettled agreements.

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.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred will be required to be utilized prior to the losses incurred in pre-enactment tax years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

Distributions to shareholders Distributions to common and preferred shareholders from net investment income are recorded by the fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. Effective with the December 2018 distributions, the fund established targeted distribution rates to its common shareholders, whose principal source of the distribution is ordinary income. However, the balance of the distribution, if any, comes first from capital gain and then will constitute a return of capital. A return of capital is not taxable; rather it reduces a shareholder's tax basis in their shares of the fund. The fund may make return of capital distributions to achieve the targeted distribution rates. Dividends on remarketed preferred shares become payable when, as and if declared by the Trustees. Each dividend period for the remarketed preferred Series A shares is generally a 28 day period, and generally a 7 day period for Class C. The applicable dividend rate for the remarketed preferred shares on October 31, 2019 was 2.163% on class A, and 2.163% for Series C.

During the reporting period, the fund has experienced unsuccessful remarketings of its remarketed preferred shares. As a result, dividends to the remarketed preferred shares have been paid at the "maximum dividend rate," pursuant to the fund's by-laws, which, based on the current credit quality of the remarketed preferred shares, equals 110% of the 60-day "AA" composite commercial paper rate.

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. These differences include temporary and/or permanent differences from dividends payable and from market discount. 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. At the close of the reporting period, the fund reclassified \$485,648 to decrease distributions in excess of net investment income, \$861 to increase paid-in capital and \$486,509 to decrease accumulated net realized gain.

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 tax basis components of distributable earnings and the federal tax cost as of the close of the reporting period were as follows:

Unrealized appreciation	\$29,522,669
Unrealized depreciation	(1,791,266)
Net unrealized appreciation	27,731,403
Undistributed tax-exempt income	2,049,149
Cost for federal income tax purposes	\$493,174,975

Determination of net asset value Net asset value of the common shares is determined by dividing the value of all assets of the fund, less all liabilities and the liquidation preference (redemption value of preferred shares , plus accumulated and unpaid dividends) of any outstanding remarketed preferred shares, by the total number of common shares outstanding as of period end.

Note 2: Management fee, administrative services and other transactions

The fund pays Putnam Management for management and investment advisory services quarterly based on the average net assets of the fund, including assets attributable to preferred shares. Such fee is based on the following annual rates based on the average weekly net assets attributable to common and preferred shares.

The lesser of (i) 0.550% of average net assets attributable to common and preferred shares outstanding, or (ii) the following rates:

0.650%	of the first \$500 million of average weekly net assets,	0.425%	of the next \$5 billion of average weekly net assets.
0.550%	of the next \$500 million of average weekly net assets	0.405%	of the next \$5 billion of average weekly net assets.
0.500%	of the next \$500 million of average weekly net assets	0.390%	of the next \$5 billion of average weekly net assets,
0.450%	of the next \$5 billion of average weekly net assets.	0.380%	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 0.550% of the fund’s average net assets attributable to common and preferred shares outstanding.

If dividends payable on remarketed preferred shares during any dividend payment period plus any expenses attributable to remarketed preferred shares for that period exceed the fund’s gross income attributable to the proceeds of the remarketed preferred shares during that period, then the fee payable to Putnam Management for that period will be reduced by the amount of the excess (but not more than the effective management fees rate under the contract multiplied by the liquidation preference of the remarketed preferred shares outstanding during the period).

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 0.40% 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. was paid a monthly fee for investor servicing at an annual rate of 0.05% of the fund’s average daily net assets. The amounts incurred for investor servicing agent functions during the reporting period are included in Investor servicing fees in the Statement of operations.

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 \$116,439 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$276, 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.

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)	\$182,639,009	\$210,146,754
U.S. government securities (Long-term)	—	—
Total	\$182,639,009	\$210,146,754

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: Preferred Shares

The Series A (240) and C (1,507) Remarketed Preferred shares are redeemable at the option of the fund on any dividend payment date at a redemption price of \$100,000 per Series A Remarketed Preferred share and \$50,000 per Series C Remarketed Preferred share, plus an amount equal to any dividends accumulated on a daily basis but unpaid through the redemption date (whether or not such dividends have been declared) and, in certain circumstances, a call premium.

It is anticipated that dividends paid to holders of remarketed preferred shares will be considered tax-exempt dividends under the Internal Revenue Code of 1986. To the extent that the fund earns taxable income and capital gains by the conclusion of a fiscal year, it may be required to apportion to the holders of the remarketed preferred shares throughout that year additional dividends as necessary to result in an after-tax equivalent to the applicable dividend rate for the period. Total additional dividends for the reporting period were \$121,957.

Under the Investment Company Act of 1940, the fund is required to maintain asset coverage of at least 200% with respect to the remarketed preferred shares. Additionally, the fund's bylaws impose more stringent asset coverage requirements and restrictions relating to the rating of the remarketed preferred shares by the shares' rating agencies. Should these requirements not be met, or should dividends accrued on the remarketed preferred shares not be paid, the fund may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain of the remarketed preferred shares. At year end, no such restrictions have been placed on the fund.

Note 5: Shares repurchased

In September 2019, the Trustees approved the renewal of the repurchase program to allow the fund to repurchase up to 10% of its outstanding common shares over the 356 day period ending September 30, 2020 (based on shares outstanding as of October 9, 2019). Prior to this renewal, the Trustees had approved a repurchase program to allow the fund to repurchase up to 10% of its outstanding common shares over the 12-month period ending October 9, 2019 (based on shares outstanding as of October 9, 2018). Repurchases are made when the fund's shares are trading at less than net asset value and in accordance with procedures approved by the fund's Trustees.

For the reporting period, the fund repurchased 1,203,440 common shares for an aggregate purchase price of \$8,401,154, which reflects a weighted-average discount from net asset value per share of 9.36%. The weighted-average discount reflects the payment of commissions by the fund to execute repurchase trades.

For the previous fiscal year, the fund repurchased 3,327,510 common shares for an aggregate purchase price of \$23,562,130 which reflected a weighted-average discount from net asset value per share of 9.37%. The weighted-average discount reflected the payment of commissions by the fund to execute repurchase trades.

At the close of the reporting period, Putnam Investments, LLC owned approximately 1,576 shares of the fund (less than 0.003% of the fund's shares outstanding), valued at \$12,844 based on net asset value.

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. The fund may invest in higher-yielding, lower-rated bonds that may have a higher rate of default.

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)	10
OTC interest rate swap contracts (notional)	\$24,300,000
OTC total return swap contracts (notional)	\$12,700,000

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	Receivables244,121	Payables	614,131
Total		\$244,121		\$614,131

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	Swaps	Total
Interest rate contracts	\$341,710	\$1,384,080	\$1,725,790
Total	\$341,710	\$1,384,080	\$1,725,790

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	Swaps	Total
Foreign exchange contracts	\$(370,010)	\$(370,010)
Total	\$(370,010)	\$(370,010)

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.	Goldman Sachs International	Goldman, Sachs & Co.	JPMorgan Securities LLC	Morgan Stanley & Co. International PLC	Total
Assets:						
OTC Interest rate swap contracts*#	\$197,155	\$—	\$—	\$—	\$—	\$197,155
OTC Total return swap contracts*#	46,902	64	—	—	—	46,966
Futures contracts [§]	—	—	—	—	—	—
Total Assets	\$244,057	\$64	\$—	\$—	\$—	\$244,121
Liabilities:						
OTC Interest rate swap contracts*#	222,941	—	—	—	—	222,941
OTC Total return swap contracts*#	388,092	2,858	—	—	240	391,190
Futures contracts [§]	—	—	—	21,453	—	21,453
Total Liabilities	\$611,033	\$2,858	\$—	\$21,453	\$240	\$635,584
Total Financial and Derivative Net Assets	\$(366,976)	\$(2,794)	\$—	\$(21,453)	\$(240)	\$(391,463)
Total collateral received (pledged) ^{†##}	\$(352,839)	\$—	\$—	\$—	\$—	
Net amount	\$(14,137)	\$(2,794)	\$—	\$(21,453)	\$(240)	
<i>Controlled collateral received (including TBA commitments)**</i>	\$—	\$—	\$—	\$—	\$—	\$—
<i>Uncontrolled collateral received</i>	\$—	\$—	\$—	\$—	\$—	\$—
<i>Collateral (pledged) (including TBA commitments)**</i>	\$(352,839)	\$—	\$—	\$—	\$—	\$(352,839)

* 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 is represented in the tables listed after the fund's portfolio.

Federal tax information (Unaudited)

The fund has designated 96.22% of dividends paid from net investment income during the reporting period as tax exempt for Federal income tax purposes.

Pursuant to §852 of the Internal Revenue Code, as amended, the fund hereby designates \$4,753,170 as a capital gain dividend with respect to the taxable year ended October 31, 2019, or, if subsequently determined to be different, the net capital gain of such year.

The Form 1099 that will be mailed to you in January 2020 will show the tax status of all distributions paid to your account in calendar 2019.

Shareholder meeting results (Unaudited)

April 26, 2019 annual meeting

At the meeting, a proposal to fix the number of Trustees at 11 was approved as follows:

Votes for	Votes against	Abstentions
42,290,995	1,595,283	724,748

At the meeting, each of the nominees for Trustees was elected as follows:

	Votes for	Votes withheld
Liaquat Ahamed	42,744,032	1,991,527
Ravi Akhoury	42,370,692	2,364,867
Barbara M. Baumann	42,813,074	1,922,485
Katinka Domotorffy	42,668,090	2,067,469
Catharine Bond Hill	43,236,570	1,498,989
Paul L. Joskow	42,695,144	2,040,414
Kenneth R. Leibler	42,699,023	2,036,535
Robert L. Reynolds	43,087,688	1,647,871
Manoj P. Singh	42,524,507	2,211,051

At the meeting, each of the preferred nominees for Trustees was elected as follows:

	Votes for	Votes withheld
Robert E. Patterson	1,661	—
George Putnam, III	1,661	—

At the meeting, a proposal to convert Putnam Managed Municipal Income Trust to an open-end investment company and approve certain related amendments to its Declaration of Trust was not approved as follows:

Votes for	Votes against	Abstentions
2,892,288	14,324,471	865,232

All tabulations are rounded to the nearest whole number.

About the Trustees

INDEPENDENT TRUSTEES



Liaquat Ahamed

Born 1952, Trustee since 2012

Principal occupations during past

five years: Pulitzer Prize-winning author of *Lords of Finance: The Bankers Who*

Broke the World, whose articles on economics have appeared in such publications as the *New York Times*, *Foreign Affairs*, and the *Financial Times*. Trustee of the Brookings Institution.

Other directorships: The Rohatyn Group, an emerging-market fund complex that manages money for institutions



Ravi Akhoury

Born 1947, Trustee since 2009

Principal occupations during past

five years: Trustee of the Rubin Museum.

From 1992 to 2007, was Chairman and CEO of MacKay Shields, a multi-product investment management firm.

Other directorships: English Helper, Inc., a private software company



Barbara M. Baumann

Born 1955, Trustee since 2010

Principal occupations during past

five years: President and Owner of Cross Creek Energy Corporation, a strategic

consultant to domestic energy firms and direct investor in energy projects. Current Treasurer of the Board and Chair of the Finance Committee, The Denver Foundation. Member of the Finance Committee, the Children's Hospital of Colorado. Senior Advisor to First Reserve, an energy and private equity firm.

Other directorships: Buckeye Partners, L.P., a publicly traded master limited partnership focused on pipeline transport, storage, and distribution of petroleum products; Devon Energy Corporation, an independent natural gas and oil exploration and production company



Katinka Domotorffy

Born 1975, Trustee since 2012

Principal occupations during past five

years: Voting member of the Investment Committees of the Anne Ray Charitable

Trust and Margaret A. Cargill Foundation, part of the Margaret A. Cargill Philanthropies. Until 2011, Partner, Chief Investment Officer, and Global Head of Quantitative Investment Strategies at Goldman Sachs Asset Management.

Other directorships: Great Lakes Science Center; College Now Greater Cleveland



Catharine Bond Hill

Born 1954, Trustee since 2017

Principal occupations during past

five years: Managing Director of Ithaca S+R, a not-for-profit service that helps

the academic community navigate economic and technological change. From 2006 to 2016, served as the 10th President of Vassar College. Prior to 2006, was Provost of Williams College.

Other directorships: Director of Yale-NUS College; Alumni Fellow to the Yale Corporation



Dr. Paul L. Joskow

Born 1947, Trustee since 1997

Principal occupations during past

five years: Elizabeth and James Killian

Professor of Economics, Emeritus at the

Massachusetts Institute of Technology (MIT). Head of the MIT Department of Economics from 1994 to 1998 and Director of the MIT Center for Energy and Environmental Policy Research from 1999 through 2007. From 2008 to 2017, President of the Alfred P. Sloan Foundation, a philanthropic institution focused primarily on research and education issues related to science, technology, and economic performance.

Other directorships: Yale University; Exelon Corporation, an energy company focused on power services; Member Emeritus of the Board of Advisors of the Boston Symphony Orchestra; Prior to April 2013, served as Director of TransCanada Corporation and TransCanada Pipelines Ltd., energy companies focused on natural gas transmission, oil pipelines and power services

**Kenneth R. Leibler**

*Born 1949, Trustee since 2006
Vice Chair from 2016 to 2018,
and Chair since 2018*

Principal occupations during past

five years: Founder and former Chairman of Boston Options Exchange, an electronic marketplace for the trading of derivative securities. Vice Chair Emeritus of the Board of Trustees of Beth Israel Deaconess Hospital in Boston, Massachusetts, and former Director of Beth Israel Deaconess Care Organization. Until November 2010, Director of Ruder Finn Group, a global communications and advertising firm.

Other directorships: Eversource Corporation, which operates New England's largest energy delivery system

**Robert E. Patterson**

Born 1945, Trustee since 1984

Principal occupations during past five

years: Until 2017, Co-Chairman of Cabot Properties, Inc., a private equity firm investing in commercial real estate, and Chairman or Co-Chairman of the Investment Committees for various Cabot Funds. Past Chairman and Trustee of the Joslin Diabetes Center.

**George Putnam, III**

Born 1951, Trustee since 1984

Principal occupations during past

five years: Chairman of New Generation Research, Inc., a publisher of financial advisory and other research services. Founder and President of New Generation Advisors, LLC, a registered investment advisor to private funds. Director of The Boston Family Office, LLC, a registered investment advisor.

Other directorships: Trustee of Gloucester Marine Genomics Institute. Until June 2019, a Trustee of the Marine Biological Laboratory.

**Manoj P. Singh**

Born 1952, Trustee since 2017

Principal occupations during past

five years: Until 2015, Chief Operating Officer and Global Managing Director at Deloitte Touche Tohmatsu, Ltd., a global professional services organization. Served on the Deloitte U.S. Board of Directors and the boards of Deloitte member firms in China, Mexico, and Southeast Asia.

Other directorships: Director of Abt Associates, a global research firm focused on health, social and environmental policy, and international development. Trustee of Carnegie Mellon University. Trustee of Rubin Museum of Art. Director of Pratham USA, an organization dedicated to children's education in India. Member of the Advisory Board of Altimetrik, a business transformation and technology solutions firm. Director of DXC Technology, a global IT services and consulting company

INTERESTED TRUSTEE**Robert L. Reynolds***

*Born 1952, Trustee since 2008 and
President of the Putnam Funds since 2009*

Principal occupations during past five

years: President and Chief Executive Officer of Putnam Investments since 2008 and, since 2014, President and Chief Executive Officer of Great-West Financial, a financial services company that provides retirement savings plans, life insurance, and annuity and executive benefits products, and of Great-West Lifeco U.S. Inc., a holding company that owns Putnam Investments and Great-West Financial. Since 2019, Chair of Great-West Lifeco U.S. Inc. Prior to joining Putnam Investments, served as Vice Chairman and Chief Operating Officer of Fidelity Investments from 2000 to 2007.

* Mr. Reynolds is an "interested person" (as defined in the Investment Company Act of 1940) of the fund and Putnam Investments. He is President and Chief Executive Officer of Putnam Investments, as well as the President of your fund and each of the other Putnam funds.

The address of each Trustee is 100 Federal Street, Boston, MA 02110.

As of October 31, 2019, there were 91 Putnam funds. All Trustees serve as Trustees of all Putnam funds.

Each Trustee serves for an indefinite term, until his or her resignation, retirement at age 75, removal, or death.

Officers

In addition to Robert L. Reynolds, the other officers of the fund are shown below:

Robert T. Burns *(Born 1961)*

Vice President and Chief Legal Officer

Since 2011

General Counsel, Putnam Investments,
Putnam Management, and Putnam Retail Management

James F. Clark *(Born 1974)*

Vice President and Chief Compliance Officer

Since 2016

Chief Compliance Officer and Chief Risk Officer,
Putnam Investments and Chief Compliance Officer,
Putnam Management

Nancy E. Florek *(Born 1957)*

Vice President, Director of Proxy Voting and Corporate
Governance, Assistant Clerk, and Assistant Treasurer

Since 2000

Michael J. Higgins *(Born 1976)*

Vice President, Treasurer, and Clerk

Since 2010

Jonathan S. Horwitz *(Born 1955)*

Executive Vice President, Principal Executive Officer,
and Compliance Liaison

Since 2004

Richard T. Kircher *(Born 1962)*

Vice President and BSA Compliance Officer

Since 2019

Assistant Director, Operational Compliance, Putnam
Investments and Putnam Retail Management

Susan G. Malloy *(Born 1957)*

Vice President and Assistant Treasurer

Since 2007

Head of Accounting and Middle Office Services,
Putnam Investments and Putnam Management

Denere P. Poulack *(Born 1968)*

Assistant Vice President, Assistant Clerk,
and Assistant Treasurer

Since 2004

Janet C. Smith *(Born 1965)*

Vice President, Principal Financial Officer, Principal
Accounting Officer, and Assistant Treasurer

Since 2007

Head of Fund Administration Services,
Putnam Investments and Putnam Management

Mark C. Trenchard *(Born 1962)*

Vice President

Since 2002

Director of Operational Compliance, Putnam
Investments and Putnam Retail Management

The principal occupations of the officers for the past five years have been with the employers as shown above, although in some cases they have held different positions with such employers. The address of each officer is 100 Federal Street, Boston, MA 02110.

Fund information

Founded over 80 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, asset allocation, absolute return, and global sector categories.

Investment Manager

Putnam Investment
Management, LLC
100 Federal Street
Boston, MA 02110

Investment Sub-Advisor

Putnam Investments Limited
16 St James's Street
London, England SW1A 1ER

Marketing Services

Putnam Retail Management
100 Federal Street
Boston, MA 02110

Custodian

State Street Bank
and Trust Company

Legal Counsel

Ropes & Gray LLP

Independent Registered Public Accounting Firm

KPMG LLP

Trustees

Kenneth R. Leibler, *Chair*
Liaquat Ahamed
Ravi Akhoury
Barbara M. Baumann
Katinka Domotorffy
Catharine Bond Hill
Paul L. Joskow
Robert E. Patterson
George Putnam, III
Robert L. Reynolds
Manoj P. Singh

Officers

Robert L. Reynolds
President

Robert T. Burns
*Vice President and
Chief Legal Officer*

James F. Clark
*Vice President, Chief Compliance
Officer, and Chief Risk Officer*

Nancy E. Florek
*Vice President, Director of
Proxy Voting and Corporate
Governance, Assistant Clerk,
and Assistant Treasurer*

Michael J. Higgins
*Vice President, Treasurer,
and Clerk*

Jonathan S. Horwitz
*Executive Vice President,
Principal Executive Officer,
and Compliance Liaison*

Richard T. Kircher
*Vice President and BSA
Compliance Officer*

Susan G. Malloy
*Vice President and
Assistant Treasurer*

Denere P. Poulack
*Assistant Vice President, Assistant
Clerk, and Assistant Treasurer*

Janet C. Smith
*Vice President,
Principal Financial Officer,
Principal Accounting Officer,
and Assistant Treasurer*

Mark C. Trenchard
Vice President

Call 1-800-225-1581 Monday through Friday between 8:00 a.m. and 8:00 p.m. Eastern Time, or visit putnam.com anytime for up-to-date information about the fund's NAV.



Putnam
INVESTMENTS

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