



The fund received a 5-star Overall Morningstar Rating as of 6/30/22 among 276 funds in the Muni National Interm category (R6 shares, based on risk-adjusted returns)

Portfolio Managers

Garrett L. Hamilton, CFA
(industry since 2006)

Paul M. Drury, CFA
(industry since 1989)

Objective

The fund seeks high current income exempt from federal income tax.

Morningstar category

Muni National Interm

Lipper category

Intermediate Municipal Debt

Primary benchmark

Bloomberg 3-15 Year Blend Municipal Bond Index

Secondary benchmark

Putnam Strategic Intermediate Municipal Linked Benchmark

Fund symbols

Class A	PPNAX
Class B	PTFIX
Class C	PAMTX
Class R6	PAMLX
Class Y	PAMYX

Net assets

\$410.73M

Number of holdings

353

Dividend frequency

Monthly

- Portfolio was repositioned August 28, 2020
- The fund's new benchmark is the Bloomberg 3-15 Year Blend Municipal Bond Index
- The fund can now buy AMT bonds (removed AMT restriction) and high-yield munis

**Not FDIC insured
May lose value
No bank guarantee**

Putnam Strategic Intermediate Municipal Fund

A greater focus on absolute return than a more traditional municipal fund

Opportunistic strategy

Pursuing opportunities across the municipal market, the fund seeks to provide attractive income and returns with a focus on capital preservation.

An intermediate fund with more latitude

The fund has flexibility to respond to market opportunities and changes in the shape and slope of the municipal yield curve.

Opportunistic credit investing

While favoring investment-grade bonds, the fund can invest across the entire municipal landscape, including high-yield bonds, to leverage Putnam's deep municipal credit research expertise.

Sector weightings

Health care	15.5%
Transportation	14.8
Education	9.9
Local debt	9.2
State debt	8.2
Special tax	7.9
Utilities	7.8
Financials	5.8
Other sectors	13.3
Cash and net other assets	7.6

Portfolio quality

AAA	6.8%
AA	30.1
A	35.6
BBB	14.4
BB	2.3
B	0.1
Not rated	3.2
Cash and net other assets	7.6

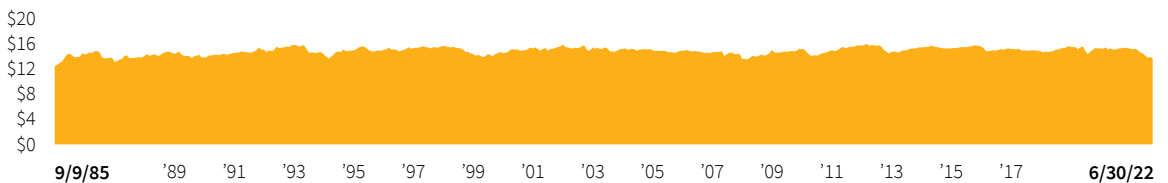
The fund invests 86.9% of its assets in investment-grade tax-exempt bonds.

Credit qualities are shown as a percentage of the fund's net assets. A bond rated BBB or higher (SP-3 or higher, for short-term debt) is considered investment grade. This table 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.

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

Protecting investors' principal, the fund's net asset value has remained stable



Annualized total return performance

	1 year	3 years	5 years	10 years	Life of fund
R6 shares (Inception 5/22/18)	-7.26%	0.57%	2.11%	2.68%	5.17%
Primary benchmark	-7.06	0.08	1.52	2.21	—
Secondary benchmark	-7.06	0.13	1.70	2.48	5.88

Source: Bloomberg Index Services Limited.

Attractive yield at net asset value

	R6 shares
Current 30-day SEC yield*	2.35%
Taxable equivalent†	3.97%

* Based only on investment income, calculated using the maximum offering price in accordance with SEC guidelines.
† Assumes a maximum 40.80% federal tax rate inclusive of the 3.80% Medicare surtax.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance of class R6 shares assumes reinvestment of distributions and does not account for taxes. Class R6 shares, available to qualified employee-benefit plans only, are sold without an initial sales charge and have no CDSC. Performance for class R6 shares prior to their inception is derived from the historical performance of class Y shares (inception 1/2/08), and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher. For the most recent month-end performance, please visit putnam.com.

Morningstar rankings

(R6 shares, based on total return)
 1 year 22% (58/303)
 3 years 5% (13/276)

Total expense ratio

(R6 shares)
 0.59%

Option adjusted duration

5.74

Duration to worst

4.72

Average stated maturity

15.39

Average effective maturity

5.91

AMT exposure

12.14%

Top 10 state allocations

CA	19.70%
TX	10.03%
NY	8.02%
PA	6.79%
IL	6.00%
FL	5.52%
KY	4.17%
OH	3.89%
MA	3.55%
MI	3.53%

Annual performance (all distributions reinvested)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
R6 shares at net asset value	-3.32%	10.35%	2.88%	0.05%	6.03%	0.78%	8.31%	4.57%	2.48%	-7.52%
Primary benchmark	-1.24	6.96	3.06	-0.05	4.76	1.54	6.83	5.04	0.93	-7.36
Secondary benchmark	-2.55	9.05	3.30	0.25	5.45	1.28	7.54	4.92	0.93	-7.36

Source: Bloomberg Index Services Limited.

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Highlights of five-year performance periods (9/9/85–6/30/22)*

	Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
R6 shares	9.74%	9/30/92	1.47%	9/30/08	5.08%	100%	128	0

* Based on annualized returns for quarterly rolling periods.

The Bloomberg 3-15 Year Blend Municipal Bond Index is an unmanaged index composed of investment-grade municipal securities ranging from 2 and 17 years in maturity. The Putnam Strategic Intermediate Municipal Linked Benchmark represents the performance of the Bloomberg Municipal Bond Index through August 27, 2020, and the performance of the Bloomberg 3-15 Year Municipal Bond Index thereafter. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or make any warranty, express or implied, as to the results to be obtained therefrom, and to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith. You cannot invest directly in an index.

Average effective maturity depends on the maturity of the underlying bonds within each fund. The longer the maturity, the greater the interest-rate risk.

Average stated maturity is determined based on the legal final maturity of a bond. **Duration to worst** is the duration of a bond computed assuming the bond is called at the worst possible time and uses the date associated with the lowest yield. Depending on the interest-rate environment and structure of the bond, there may be scenarios in which the worst possible time for the bond to be paid off is the maturity date. **Option adjusted duration** is the modified duration of a bond after adjusting for any embedded optionality.

Tax-free funds may not be suitable for IRAs and other non-taxable accounts.

Not all share classes are available on all platforms.

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

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

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

Request a prospectus or a summary prospectus, if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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Putnam Retail Management
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