Putnam Massachusetts Tax Exempt Income Fund

Seeking a high level of tax-free income

Tax-advantaged income

The fund offers Massachusetts residents the potential for high current income that is free from federal income tax and Massachusetts State personal income taxes.

Focus on performance

The portfolio managers seek to provide a competitive yield through a combination of careful security selection and portfolio construction strategies.

A diversified portfolio

A broadly diversified portfolio enables the managers to pursue current tax-free income opportunities while managing risk and seeking to preserve capital.

Sector weightings

<table>
<thead>
<tr>
<th>Sector</th>
<th>Education</th>
<th>Health care</th>
<th>Transportation</th>
<th>State debt</th>
<th>Special tax</th>
<th>Local debt</th>
<th>Housing</th>
<th>Utilities</th>
<th>Other sectors</th>
<th>Cash and net other assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weight (%)</td>
<td>22.8%</td>
<td>16.4%</td>
<td>10.6%</td>
<td>9.4%</td>
<td>9.2%</td>
<td>8.2%</td>
<td>4.0%</td>
<td>2.8%</td>
<td>13.0%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Portfolio quality

- AAA: 8.3%
- AA: 43.1%
- A: 23.4%
- BBB: 13.1%
- BB: 3.3%
- B: 0.5%
- Not rated: 4.8%

The fund invests 87.9% of its assets in investment-grade tax-exempt bonds.

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

![Graph showing net asset value stability]

Annualized total return performance

- Y shares (Inception 1/2/08): Q3 -3.88%, 1 year 2.78%, 3 years 2.65%, 5 years 0.68%, 10 years 2.00%
- A shares (Inception 10/23/89) before sales charge: Q3 -4.06%, 1 year 2.40%, 3 years 2.90%, 5 years 0.43%, 10 years 1.75%
- A shares after sales charge: Q3 -7.90%, 1 year -1.69%, 3 years -4.22%, 5 years -0.38%, 10 years 1.34%
- Benchmark: Q3 -3.95%, 1 year 2.66%, 3 years -2.30%, 5 years 1.05%, 10 years 2.29%

Source: Bloomberg Index Services Limited.

Attractive yield at net asset value

- Y shares: Current 30-day SEC yield: 3.85%, Taxable equivalent: 7.67%
- A shares: Current 30-day SEC yield: 3.45%, Taxable equivalent: 6.87%

* Based only on investment income, calculated using the maximum offering price in accordance with SEC guidelines.
† Assumes a maximum 49.80% combined federal and state 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 A and Y shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns for class A reflect a maximum 4.00% load. Returns for class Y shares prior to their inception are derived from the historical performance of class A shares, which have not been adjusted for their lower expenses; had they, returns would have been higher. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit putnam.com.
Annual performance (all distributions reinvested)

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</thead>
<tbody>
<tr>
<td>Y shares at net asset value</td>
<td>10.13%</td>
<td>2.44%</td>
<td>0.50%</td>
<td>4.98%</td>
<td>0.43%</td>
<td>7.18%</td>
<td>5.01%</td>
<td>1.73%</td>
<td>-9.80%</td>
<td>-1.29%</td>
</tr>
<tr>
<td>A shares before sales charge</td>
<td>9.91</td>
<td>2.11</td>
<td>0.38</td>
<td>4.65</td>
<td>0.21</td>
<td>6.96</td>
<td>4.77</td>
<td>1.48</td>
<td>-10.07</td>
<td>-1.49</td>
</tr>
<tr>
<td>Benchmark</td>
<td>9.05</td>
<td>3.30</td>
<td>0.25</td>
<td>5.45</td>
<td>1.28</td>
<td>7.54</td>
<td>5.21</td>
<td>1.52</td>
<td>-8.53</td>
<td>-1.38</td>
</tr>
</tbody>
</table>

Source: Bloomberg Index Services Limited.

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Highlights of five-year performance periods (10/23/89–9/30/23)*

<table>
<thead>
<tr>
<th></th>
<th>Best 5-year</th>
<th>Best period end date</th>
<th>Worst 5-year</th>
<th>Worst period end date</th>
<th>Average 5-year return</th>
<th>% of 5-year periods with positive returns</th>
<th>Number of positive 5-year periods</th>
<th>Number of negative 5-year periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y shares</td>
<td>9.42%</td>
<td>12/31/95</td>
<td>0.17%</td>
<td>9/30/22</td>
<td>4.84%</td>
<td>100%</td>
<td>116</td>
<td>0</td>
</tr>
<tr>
<td>A shares</td>
<td>9.42</td>
<td>12/31/95</td>
<td>-0.05</td>
<td>9/30/22</td>
<td>4.73</td>
<td>99</td>
<td>115</td>
<td>1</td>
</tr>
</tbody>
</table>

* Based on annualized returns for quarterly rolling periods.

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The MorningstarStar Rating™ for funds, or “star rating,” is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 5-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam Massachusetts Tax Exempt Income Fund received 4, 4, and 4 stars for the 3-, 5-, and 10-year periods among 42, 32, and 32 Muni Massachusetts funds, respectively.

Average effective 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: 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; investors’ 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.

The fund’s performance will be closely tied to the economic and political conditions in Massachusetts, and can be more volatile than the performance of a more geographically diversified fund. To the extent the fund invests in securities of issuers located outside of Massachusetts, the fund may also be exposed to the risks affecting other states and U.S. territories. Capital gains, if any, are taxed at the federal and, in most cases, state levels. For some investors, investment income may be subject to the federal alternative minimum tax. 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. Tax-exempt bonds may be issued under the Internal Revenue Code only by limited types of issuers for limited types of projects. As a result, the fund’s investments may be focused in certain market segments and be more vulnerable to fluctuations in the values of the securities it holds than a more broadly invested fund. Interest the fund receives might be taxable.

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 others 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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