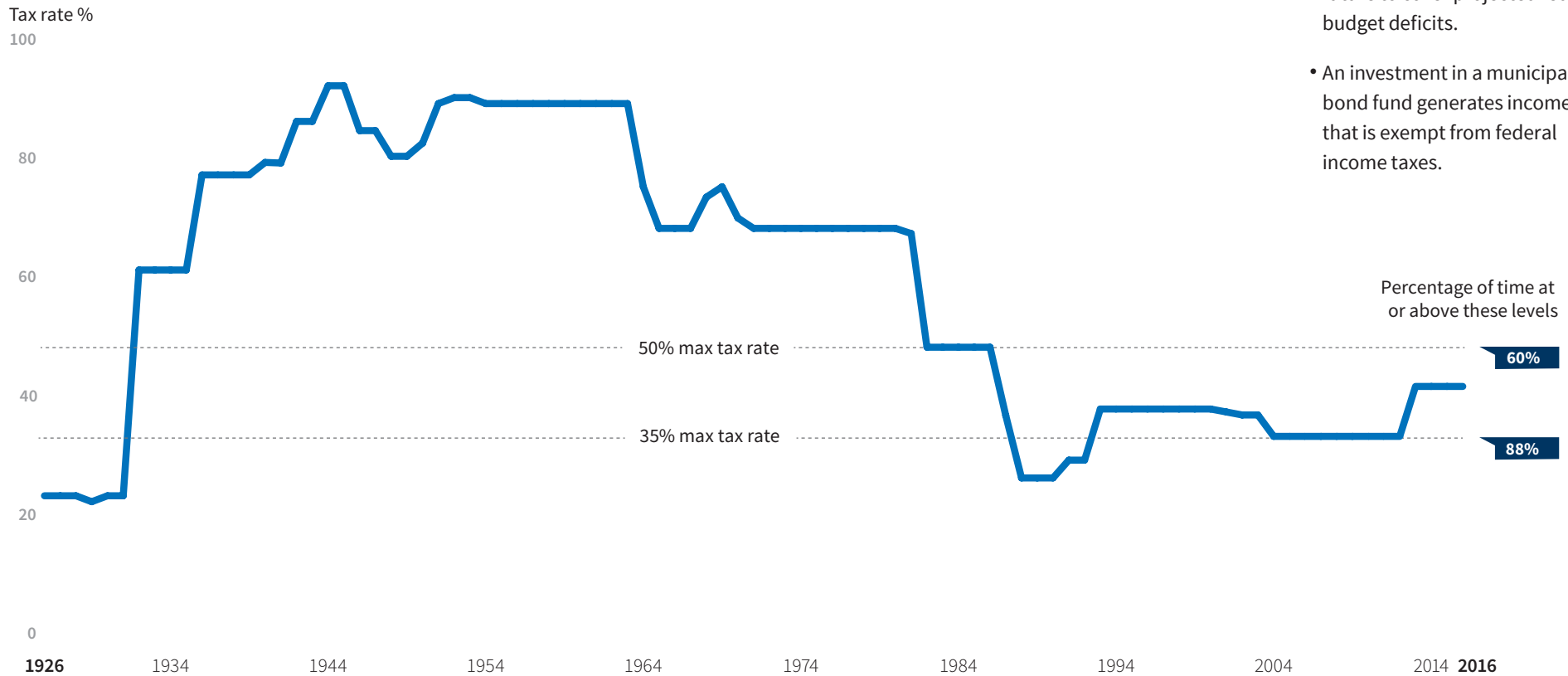


Preserve income from future tax increases

Top federal income tax rate for each year since 1926



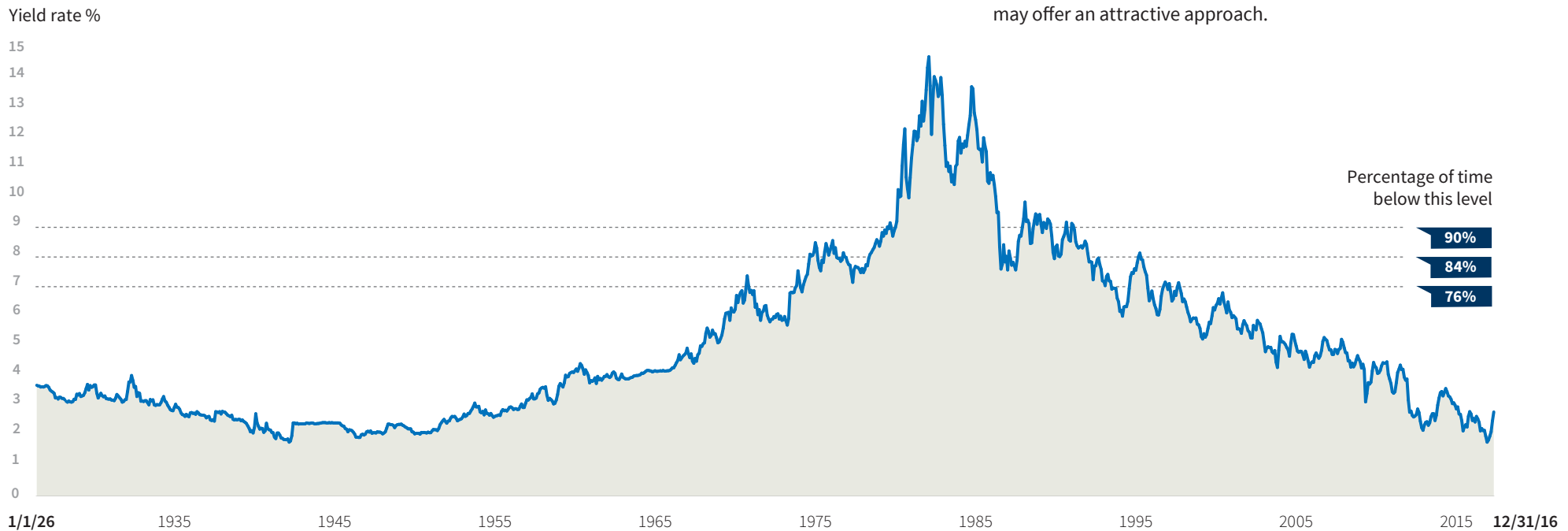
- Current federal tax rates are near the long-term average, but they could increase in the future to cover projected federal budget deficits.
- An investment in a municipal bond fund generates income that is exempt from federal income taxes.

Source: Internal Revenue Service, December 2016. Tax rates from 2013 to 2016 include the 3.8% Medicare surtax on investment income.

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

A portfolio should not rely on government bond yields alone.

Long-term government bond yields since 1926



Source: Data from 1/1/26 to 9/30/93 is based on the yield of the Ibbotson U.S. Long-Term Government Bond Index. Data from 10/1/93 to 12/31/16 is based on the market yield on U.S. Treasury securities at 20-year constant maturity (Federal Reserve).

Performance is historical and not indicative of future results. Performance of the Putnam funds will differ.

Consider these risks before investing: Bond investments are subject to interest-rate risk, which means the prices of the fund's bond investments are likely to fall if interest rates rise. Bond investments also are subject to credit risk, which is the risk that the issuer of the bond may default on payment of interest or principal. Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds, which may be considered speculative. Unlike bonds, funds that invest in bonds have ongoing 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. 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. The prospectus includes investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

- The yields offered by government bonds have fallen since the 1980s to the level of 2%–3%, and government yields are not exempt from federal income tax.
- Potential interest rate increases in the next few years could have a negative impact on bond prices.
- To navigate interest-rate risk, a diversified portfolio that includes a range of investments, including tax-exempt bonds and stocks, may offer an attractive approach.