

Tax-free income funds As of March 31, 2017



	AMT-Free Municipal 1,2,4,6,8	Intermediate-Term Municipal Income 1,2,3,4,5,7	Short-Term Municipal Income 1,2,3,4,5,7	Tax Exempt Income 1,2,3,4,5,6,7	Tax-Free High Yield 1,2,3,4,6,7,8	Arizona Tax Exempt Income 1,2,4,5,7,9	California Tax Exempt Income 1,2,4,5,7,9	Massachusetts Tax Exempt Income 1,2,4,5,7,9	Michigan Tax Exempt Income 1,2,4,5,7,9	Minnesota Tax Exempt Income 1,2,4,5,7,9	New Jersey Tax Exempt Income 1,2,4,5,7,9	New York Tax Exempt Income 1,2,4,5,7,9	Ohio Tax Exempt Income 1,2,4,5,7,9	Pennsylvania Tax Exempt Income 1,2,4,5,7,9
Portfolio quality	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17
AAA	7.27%	9.02%	7.50%	4.57%	0.73%	9.84%	6.33%	10.47%	4.39%	10.83%	4.47%	16.11%	5.57%	1.76%
AA	37.44%	36.62%	32.75%	36.02%	8.41%	41.30%	54.94%	47.97%	54.57%	46.67%	37.21%	41.25%	51.66%	32.31%
A	35.71%	36.89%	33.29%	34.37%	18.87%	23.81%	18.18%	21.58%	22.27%	21.96%	37.99%	21.13%	20.85%	42.35%
BBB	13.05%	11.21%	11.26%	15.54%	36.32%	10.33%	11.59%	13.31%	5.28%	9.51%	11.68%	11.11%	7.06%	14.46%
BB	—	2.49%	0.49%	0.87%	8.91%	2.58%	0.56%	0.81%	1.13%	3.19%	1.76%	2.61%	0.25%	2.21%
B	0.52%	—	—	0.82%	7.11%	—	1.03%	—	0.33%	—	0.68%	0.60%	1.08%	—
CCC and below	—	—	—	—	0.86%	—	—	0.11%	0.17%	—	—	0.43%	—	—
Not rated	3.06%	0.18%	0.77%	3.97%	15.06%	4.93%	3.90%	2.13%	9.12%	5.91%	3.04%	2.91%	4.55%	1.89%
Cash and net other assets	2.95%	3.59%	13.94%	3.84%	3.73%	7.21%	3.47%	3.62%	2.74%	1.93%	3.17%	3.85%	8.98%	5.02%
Sector weightings														
Education	6.87%	10.73%	4.95%	6.59%	8.84%	19.70%	7.01%	23.37%	14.30%	19.54%	10.90%	12.75%	17.55%	16.19%
Financials	2.28%	0.93%	2.59%	2.17%	3.26%	2.52%	1.52%	—	—	1.08%	—	0.94%	1.23%	—
Health care	14.26%	17.09%	11.72%	13.25%	21.28%	8.42%	9.48%	12.27%	14.67%	17.78%	11.41%	6.37%	13.50%	16.17%
Housing	0.93%	2.44%	6.29%	1.52%	2.89%	0.75%	0.36%	4.52%	2.57%	1.40%	2.07%	2.22%	1.09%	2.69%
Industrials	0.60%	1.58%	2.25%	1.84%	2.53%	0.62%	—	—	—	0.27%	—	0.71%	0.52%	1.67%
Land	2.74%	5.24%	3.37%	1.59%	4.65%	1.31%	8.94%	0.44%	1.82%	—	—	0.04%	0.15%	—
Local debt	6.17%	12.03%	8.75%	5.33%	3.56%	10.12%	16.50%	4.65%	19.13%	15.29%	7.23%	5.31%	15.72%	13.08%
Prerefunded	14.92%	1.05%	1.31%	10.63%	7.78%	15.29%	9.21%	13.09%	17.15%	10.98%	9.70%	13.56%	16.57%	15.99%
Special tax	7.44%	3.29%	3.28%	4.31%	0.54%	12.72%	0.76%	9.65%	3.20%	1.77%	8.72%	14.70%	4.73%	6.48%
State debt	11.27%	10.16%	11.74%	15.05%	5.48%	2.89%	13.95%	5.72%	4.76%	7.82%	15.55%	7.86%	0.59%	3.44%
Tobacco	0.99%	1.59%	0.68%	1.48%	7.91%	0.24%	2.34%	0.69%	0.33%	—	1.53%	2.94%	1.33%	0.72%
Transportation	12.58%	16.81%	8.94%	15.12%	14.50%	1.30%	10.24%	6.98%	2.93%	6.41%	14.76%	12.24%	3.62%	7.29%
Utilities	13.63%	10.78%	15.63%	15.83%	10.97%	16.91%	14.47%	7.32%	15.69%	13.22%	8.77%	12.28%	12.62%	10.66%
Other	2.37%	2.69%	4.56%	1.45%	2.08%	—	1.75%	7.68%	0.71%	2.51%	6.19%	4.23%	1.80%	0.60%
Cash and net other assets	2.95%	3.59%	13.94%	3.84%	3.73%	7.21%	3.47%	3.62%	2.74%	1.93%	3.17%	3.85%	8.98%	5.02%
Fund data														
Number of holdings	298	124	118	371	465	95	412	164	123	156	144	307	137	177
Average maturity	17.34	10.54	8.33	17.76	21.15	15.10	18.72	17.40	13.88	15.35	17.48	19.10	16.52	15.94
Option adjusted duration	6.68	5.35	1.62	6.75	7.69	6.06	7.20	6.45	6.07	6.22	6.49	6.96	5.99	6.00
AMT exposure	0.00%	11.27%	7.94%	7.74%	10.50%	0.73%	3.44%	5.80%	6.44%	4.43%	7.10%	6.28%	0.61%	7.35%
Average price	\$108.14	\$109.58	\$103.28	\$107.38	\$103.92	\$110.67	\$106.80	\$109.36	\$109.43	\$107.32	\$105.44	\$108.68	\$107.99	\$107.20
30-day SEC yield after sales charge without subsidy	2.18%	0.74%	0.06%	2.37%	3.20%	0.14%	2.25%	2.00%	1.43%	1.98%	2.37%	2.19%	1.81%	2.00%
30-day SEC yield after sales charge with subsidy	—	1.83%	0.97%	—	—	1.73%	—	—	1.98%	—	—	—	—	—

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

Data is for class Y shares. Portfolio characteristics will vary over time. Due to rounding, percentages may not equal 100%.

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Annualized total return performance (class Y shares)	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17	3/31/17
1 year at net asset value	-0.14%	-0.64%	0.37%	0.36%	1.03%	-0.32%	0.06%	0.03%	0.12%	0.28%	-0.11%	0.22%	-0.13%	-0.16%
3 years at net asset value	3.66%	2.04%	0.61%	3.68%	5.48%	3.34%	4.03%	3.44%	3.37%	3.18%	3.03%	3.71%	3.18%	3.47%
5 years at net asset value	3.31%	—	—	3.33%	4.82%	2.83%	3.85%	2.75%	2.79%	2.92%	2.47%	3.01%	2.78%	2.88%
10 years/Life of fund at net asset value	4.20%	1.64%	0.66%	4.19%	4.60%	3.94%	4.36%	4.23%	3.90%	4.06%	3.89%	3.97%	3.77%	3.88%
Total expense ratio	0.56%	1.22%	1.37%	0.55%	0.60%	0.74%	0.48%	0.55%	0.67%	0.63%	0.58%	0.53%	0.59%	0.59%
What you pay*	0.56%	0.60%	0.35%	0.55%	0.60%	0.70%	0.48%	0.55%	0.67%	0.63%	0.58%	0.53%	0.59%	0.59%
Symbols														
Class A	PPNAX	PIMEX	PSMEX	PTAEX	PTHAX	PTAZX	PCTEX	PXMAX	PXMIX	PXMNX	PTNJX	PTEIX	PXOHX	PTEPX
Class B	PTFIX	PIMBX	PSMFX	PTBEX	PTHYX	PAZBX	PCTBX	PMABX	PMEBX	PMTBX	PNJBX	PEIBX	POXBX	PPNBX
Class C	PAMTX	PIMFX	PSMTX	PTECX	PTCCX	PAZCX	PCTCX	PMMCX	PMGCX	PMOCX	PNJCX	PNNCX	POOCX	PPNCX
Class M	PPMTX	PIMMX	PSMMX	PTXMX	PTYMX	PAZMX	PCLMX	PMAMX	PMIMX	PMNMX	PNJMX	PNYMX	POHMX	PPAMX
Class Y	PAMYX	PIMYX	PSMYX	PTEYX	PTFYX	PAZYX	PCIYX	PMAYX	PMIYX	PMNYX	PNJYX	PNYYX	POTYX	PPTYX

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

Each fund's expense ratio is taken from its most recent prospectus, usually updated only annually.

* "What you pay" reflects Putnam Management's decision to contractually limit expenses through 9/30/17 (Arizona Tax Exempt Income) and 3/30/18 (Intermediate-Term Municipal Income and Short-Term Municipal Income).

Credit qualities are shown as a percentage of net assets. A bond rated Baa or higher (MIG3/VMIG3 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. Short-term cash bonds, including those rated A-1+, are included in the cash and net other assets category. Ratings and portfolio credit quality will vary over time. Credit quality includes the fixed-income portion of the portfolio. Derivative instruments, including currency forwards, are only included to the extent of any unrealized gain or loss on such instruments and are shown in the cash and net other assets category. Cash is also shown in the cash and net other assets category. The funds themselves have not been rated by an independent rating agency.

- 1 Capital gains, if any, are taxable for federal and, in most cases, state purposes.
- 2 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 greater for longer-term bonds, and credit risk is greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses.
- 3 The fund is not a suitable investment for IRAs, for other tax-exempt or tax-deferred accounts, or for other investors who are not sensitive to the federal income tax consequences of their investments.
- 4 Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions of the risk of default, changes in government intervention, and factors related to a specific issuer or industry. These factors may also lead to periods of high volatility and reduced liquidity in the bond markets.
- 5 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 may be taxable.
- 6 Income from federally exempt funds may be subject to state and local taxes.
- 7 For some investors, investment income may be subject to the federal alternative minimum tax.
- 8 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.
- 9 Single-state investments are at risk of common economic forces and other factors affecting a state's tax-exempt investments. This may result in greater losses and volatility.

Clients can make purchases at NAV in any Putnam tax-free income fund when investing \$500,000 or more.

Your clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. For a prospectus or summary prospectus containing this and other information for any Putnam fund or product, call Putnam Dealer Marketing Services at 1-800-354-4000. Your clients should read the prospectus carefully before investing.

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