

# Tax-free income funds As of March 31, 2018



|                                  | AMT-Free Municipal Income<br>1, 2, 4, 6, 8 | Intermediate-Term Municipal Income<br>1, 2, 3, 4, 5, 7 | Short-Term Municipal Income<br>1, 2, 3, 4, 5, 7 | Tax Exempt Income<br>1, 2, 3, 4, 5, 6, 7 | Tax-Free High Yield<br>1, 2, 3, 4, 6, 7, 8 | California Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | Massachusetts Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | Minnesota Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | New Jersey Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | New York Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | Ohio Tax Exempt Income<br>1, 2, 4, 5, 7, 9 | Pennsylvania Tax Exempt Income<br>1, 2, 4, 5, 7, 9 |
|----------------------------------|--------------------------------------------|--------------------------------------------------------|-------------------------------------------------|------------------------------------------|--------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------------|------------------------------------------------|--------------------------------------------|----------------------------------------------------|
| <b>Portfolio quality</b>         | <b>3/31/18</b>                             | <b>3/31/18</b>                                         | <b>3/31/18</b>                                  | <b>3/31/18</b>                           | <b>3/31/18</b>                             | <b>3/31/18</b>                                   | <b>3/31/18</b>                                      | <b>3/31/18</b>                                  | <b>3/31/18</b>                                   | <b>3/31/18</b>                                 | <b>3/31/18</b>                             | <b>3/31/18</b>                                     |
| AAA                              | 9.04%                                      | 9.52%                                                  | 12.89%                                          | 8.10%                                    | 1.21%                                      | 10.15%                                           | 11.62%                                              | 9.21%                                           | 6.13%                                            | 13.51%                                         | 3.40%                                      | 1.59%                                              |
| AA                               | 30.43%                                     | 40.76%                                                 | 32.01%                                          | 31.05%                                   | 5.39%                                      | 49.12%                                           | 51.64%                                              | 41.26%                                          | 32.16%                                           | 43.34%                                         | 55.12%                                     | 31.84%                                             |
| A                                | 40.08%                                     | 31.36%                                                 | 28.62%                                          | 39.18%                                   | 18.36%                                     | 21.67%                                           | 17.40%                                              | 26.58%                                          | 40.27%                                           | 22.78%                                         | 25.76%                                     | 47.13%                                             |
| BBB                              | 13.16%                                     | 13.52%                                                 | 14.51%                                          | 15.24%                                   | 34.37%                                     | 10.32%                                           | 13.06%                                              | 11.02%                                          | 13.82%                                           | 12.47%                                         | 9.25%                                      | 14.68%                                             |
| BB                               | 0.22%                                      | 3.15%                                                  | 1.61%                                           | 1.36%                                    | 11.69%                                     | 0.17%                                            | 0.44%                                               | 3.41%                                           | 2.88%                                            | 1.36%                                          | —                                          | 1.83%                                              |
| B                                | 0.43%                                      | —                                                      | —                                               | 0.49%                                    | 8.22%                                      | 1.07%                                            | —                                                   | —                                               | 0.71%                                            | 1.54%                                          | 1.19%                                      | —                                                  |
| CCC and below                    | —                                          | —                                                      | —                                               | —                                        | —                                          | —                                                | —                                                   | —                                               | —                                                | 0.28%                                          | —                                          | —                                                  |
| Not rated                        | 3.47%                                      | 0.15%                                                  | 0.76%                                           | 2.01%                                    | 17.95%                                     | 4.24%                                            | 3.78%                                               | 5.69%                                           | 3.13%                                            | 2.27%                                          | 4.34%                                      | 1.84%                                              |
| Cash and net other assets        | 3.17%                                      | 1.54%                                                  | 9.60%                                           | 2.57%                                    | 2.81%                                      | 3.26%                                            | 2.06%                                               | 2.83%                                           | 0.90%                                            | 2.45%                                          | 0.94%                                      | 1.09%                                              |
| <b>Sector weightings</b>         |                                            |                                                        |                                                 |                                          |                                            |                                                  |                                                     |                                                 |                                                  |                                                |                                            |                                                    |
| Education                        | 7.56%                                      | 7.67%                                                  | 9.27%                                           | 7.95%                                    | 10.15%                                     | 7.61%                                            | 27.94%                                              | 19.10%                                          | 8.49%                                            | 13.75%                                         | 17.96%                                     | 14.77%                                             |
| Financials                       | 2.24%                                      | 1.89%                                                  | 3.66%                                           | 3.19%                                    | 2.56%                                      | 2.14%                                            | —                                                   | —                                               | —                                                | 1.02%                                          | 1.22%                                      | 0.69%                                              |
| Health care                      | 16.36%                                     | 14.60%                                                 | 10.58%                                          | 15.82%                                   | 21.95%                                     | 8.17%                                            | 12.29%                                              | 16.76%                                          | 11.09%                                           | 7.05%                                          | 15.64%                                     | 18.12%                                             |
| Housing                          | 1.34%                                      | 2.65%                                                  | 4.78%                                           | 1.14%                                    | 2.96%                                      | 0.09%                                            | 4.53%                                               | 1.11%                                           | 2.27%                                            | 2.49%                                          | 1.05%                                      | 2.74%                                              |
| Industrials                      | 0.28%                                      | 1.30%                                                  | 1.39%                                           | 1.78%                                    | 2.31%                                      | 0.58%                                            | 0.48%                                               | 0.18%                                           | 0.84%                                            | 1.91%                                          | 1.07%                                      | 2.40%                                              |
| Land                             | 3.83%                                      | 3.98%                                                  | 3.36%                                           | 2.08%                                    | 4.77%                                      | 9.93%                                            | —                                                   | —                                               | —                                                | 0.05%                                          | —                                          | —                                                  |
| Local debt                       | 9.06%                                      | 15.42%                                                 | 17.46%                                          | 8.33%                                    | 5.36%                                      | 17.25%                                           | 3.73%                                               | 15.58%                                          | 6.64%                                            | 7.97%                                          | 17.92%                                     | 18.86%                                             |
| Prerefunded                      | 5.60%                                      | 0.38%                                                  | 1.92%                                           | 4.93%                                    | 7.00%                                      | 8.54%                                            | 8.83%                                               | 15.29%                                          | 11.82%                                           | 10.09%                                         | 14.75%                                     | 10.54%                                             |
| Special tax                      | 8.75%                                      | 6.81%                                                  | 6.03%                                           | 8.48%                                    | 1.24%                                      | —                                                | 12.52%                                              | 0.29%                                           | 6.76%                                            | 14.42%                                         | 7.07%                                      | 1.62%                                              |
| State debt                       | 8.55%                                      | 13.20%                                                 | 5.91%                                           | 9.42%                                    | 5.80%                                      | 14.04%                                           | 7.63%                                               | 6.93%                                           | 20.66%                                           | 5.65%                                          | 2.05%                                      | 3.50%                                              |
| Tobacco                          | 1.48%                                      | 1.31%                                                  | 0.58%                                           | 1.46%                                    | 8.80%                                      | 2.22%                                            | —                                                   | —                                               | 1.52%                                            | 2.82%                                          | 1.19%                                      | —                                                  |
| Transportation                   | 12.79%                                     | 18.93%                                                 | 10.00%                                          | 15.33%                                   | 12.20%                                     | 13.05%                                           | 6.28%                                               | 6.06%                                           | 15.17%                                           | 14.47%                                         | 5.72%                                      | 11.44%                                             |
| Utilities                        | 16.16%                                     | 10.32%                                                 | 12.05%                                          | 15.89%                                   | 9.10%                                      | 11.38%                                           | 5.56%                                               | 13.81%                                          | 8.10%                                            | 11.53%                                         | 13.42%                                     | 13.57%                                             |
| Other                            | 2.83%                                      | —                                                      | 3.41%                                           | 1.63%                                    | 2.99%                                      | 1.74%                                            | 8.15%                                               | 2.06%                                           | 5.74%                                            | 4.33%                                          | —                                          | 0.66%                                              |
| Cash and net other assets        | 3.17%                                      | 1.54%                                                  | 9.60%                                           | 2.57%                                    | 2.81%                                      | 3.26%                                            | 2.06%                                               | 2.83%                                           | 0.90%                                            | 2.45%                                          | 0.94%                                      | 1.09%                                              |
| <b>Fund data</b>                 |                                            |                                                        |                                                 |                                          |                                            |                                                  |                                                     |                                                 |                                                  |                                                |                                            |                                                    |
| Number of holdings               | 283                                        | 125                                                    | 112                                             | 513                                      | 459                                        | 395                                              | 156                                                 | 164                                             | 143                                              | 321                                            | 135                                        | 164                                                |
| Average maturity                 | 16.86                                      | 10.90                                                  | 9.57                                            | 17.49                                    | 20.76                                      | 19.03                                            | 17.88                                               | 15.65                                           | 17.27                                            | 18.99                                          | 16.61                                      | 16.60                                              |
| Option adjusted duration         | 6.67                                       | 5.13                                                   | 1.70                                            | 6.71                                     | 7.09                                       | 7.33                                             | 6.88                                                | 6.40                                            | 6.21                                             | 7.15                                           | 6.45                                       | 6.50                                               |
| AMT exposure                     | 0.00%                                      | 13.66%                                                 | 9.72%                                           | 9.76%                                    | 11.66%                                     | 5.70%                                            | 5.92%                                               | 3.04%                                           | 10.63%                                           | 6.72%                                          | 1.74%                                      | 8.74%                                              |
| Average price                    | \$106.98                                   | \$108.58                                               | \$103.25                                        | \$106.81                                 | \$104.92                                   | \$107.50                                         | \$109.29                                            | \$107.75                                        | \$106.24                                         | \$108.65                                       | \$107.75                                   | \$107.06                                           |
| 30-day SEC yield without subsidy | 2.32%                                      | 1.00%                                                  | 0.59%                                           | 2.43%                                    | 3.11%                                      | 2.25%                                            | 2.29%                                               | 2.08%                                           | 2.44%                                            | 2.30%                                          | 2.15%                                      | 2.23%                                              |
| 30-day SEC yield with subsidy    | —                                          | 1.89%                                                  | 1.50%                                           | —                                        | —                                          | —                                                | —                                                   | —                                               | —                                                | —                                              | —                                          | —                                                  |

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](http://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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Not FDIC insured | May lose value | No bank guarantee

|                                                             | AMT-Free<br>Municipal<br>Income<br>1, 2, 4, 6, 8 | Intermediate-<br>Term Municipal<br>Income<br>1, 2, 3, 4, 5, 7 | Short-Term<br>Municipal<br>Income<br>1, 2, 3, 4, 5, 7 | Tax<br>Exempt<br>Income<br>1, 2, 3, 4, 5, 6, 7 | Tax-Free<br>High Yield<br>Income<br>1, 2, 3, 4, 6, 7, 8 | California<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | Massachusetts<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | Minnesota<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | New Jersey<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | New York<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | Ohio<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 | Pennsylvania<br>Tax Exempt<br>Income<br>1, 2, 4, 5, 7, 9 |
|-------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------|------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|
| <b>Annualized total return performance (class Y shares)</b> | <b>3/31/18</b>                                   | <b>3/31/18</b>                                                | <b>3/31/18</b>                                        | <b>3/31/18</b>                                 | <b>3/31/18</b>                                          | <b>3/31/18</b>                                         | <b>3/31/18</b>                                            | <b>3/31/18</b>                                        | <b>3/31/18</b>                                         | <b>3/31/18</b>                                       | <b>3/31/18</b>                                   | <b>3/31/18</b>                                           |
| 1 year                                                      | 3.43%                                            | 3.05%                                                         | 1.16%                                                 | 3.53%                                          | 5.65%                                                   | 3.40%                                                  | 2.57%                                                     | 2.61%                                                 | 3.83%                                                  | 2.74%                                                | 2.32%                                            | 2.97%                                                    |
| 3 years                                                     | 2.20%                                            | 1.63%                                                         | 0.75%                                                 | 2.34%                                          | 3.88%                                                   | 2.45%                                                  | 1.85%                                                     | 1.96%                                                 | 2.25%                                                  | 2.24%                                                | 1.90%                                            | 2.09%                                                    |
| 5 years                                                     | 2.79%                                            | 1.85%                                                         | 0.73%                                                 | 2.80%                                          | 4.09%                                                   | 3.07%                                                  | 2.28%                                                     | 2.45%                                                 | 2.20%                                                  | 2.50%                                                | 2.20%                                            | 2.38%                                                    |
| 10 years/life of fund                                       | 4.44%                                            | 1.91%                                                         | 0.76%                                                 | 4.45%                                          | 5.54%                                                   | 4.77%                                                  | 4.28%                                                     | 4.19%                                                 | 4.09%                                                  | 4.11%                                                | 3.82%                                            | 3.98%                                                    |
| Total expense ratio                                         | 0.56%                                            | 1.67%                                                         | 1.40%                                                 | 0.55%                                          | 0.60%                                                   | 0.52%                                                  | 0.57%                                                     | 0.64%                                                 | 0.59%                                                  | 0.53%                                                | 0.61%                                            | 0.60%                                                    |
| What you pay                                                | 0.56%                                            | 0.60%                                                         | 0.35%                                                 | 0.55%                                          | 0.60%                                                   | 0.52%                                                  | 0.57%                                                     | 0.64%                                                 | 0.59%                                                  | 0.53%                                                | 0.61%                                            | 0.60%                                                    |
| <b>Symbols</b>                                              |                                                  |                                                               |                                                       |                                                |                                                         |                                                        |                                                           |                                                       |                                                        |                                                      |                                                  |                                                          |
| Class A                                                     | PPNAX                                            | PIMEX                                                         | PSMEX                                                 | PTAEX                                          | PTHAX                                                   | PCTEX                                                  | PXMAX                                                     | PXMNX                                                 | PTNJX                                                  | PTEIX                                                | PXOHX                                            | PTEPX                                                    |
| Class B                                                     | PTFIX                                            | PIMBX                                                         | PSMFX                                                 | PTBEX                                          | PTHYX                                                   | PCTBX                                                  | PMABX                                                     | PMTBX                                                 | PNJBX                                                  | PEIBX                                                | POXBX                                            | PPNBX                                                    |
| Class C                                                     | PAMTX                                            | PIMFX                                                         | PSMTX                                                 | PTECX                                          | PTCCX                                                   | PCTCX                                                  | PMMCX                                                     | PMOCX                                                 | PNJCX                                                  | PNNCX                                                | POOCX                                            | PPNCX                                                    |
| Class M                                                     | PPMTX                                            | PIMMX                                                         | PSMMX                                                 | PTXMX                                          | PTYMX                                                   | PCLMX                                                  | PMAMX                                                     | PMNMX                                                 | PNJMX                                                  | PNYMX                                                | POHMX                                            | PPAMX                                                    |
| Class Y                                                     | PAMYX                                            | PIMYX                                                         | PSMYX                                                 | PTEYX                                          | PTFYX                                                   | PCIYX                                                  | PMAYX                                                     | 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](http://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 3/30/19 (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.

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- Capital gains, if any, are taxable for federal and, in most cases, state purposes.
- 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.
- 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.
- Bond prices may fall or fail to rise over time for several reasons, including general financial market conditions, changing market perceptions (including perceptions about the risk of default and expectations about monetary policy or interest rates), changes in government intervention in the financial markets, and factors related to a specific issuer or industry. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings.
- 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.
- Income from federally exempt funds may be subject to state and local taxes.
- For some investors, investment income may be subject to the federal alternative minimum tax.
- 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.
- 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 the Putnam Client Engagement Center at 1-800-354-4000. Your clients should read the prospectus carefully before investing.**

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