

Muni Market with a Pinch on SALT

Paul M. Drury, CFA
Portfolio Manager

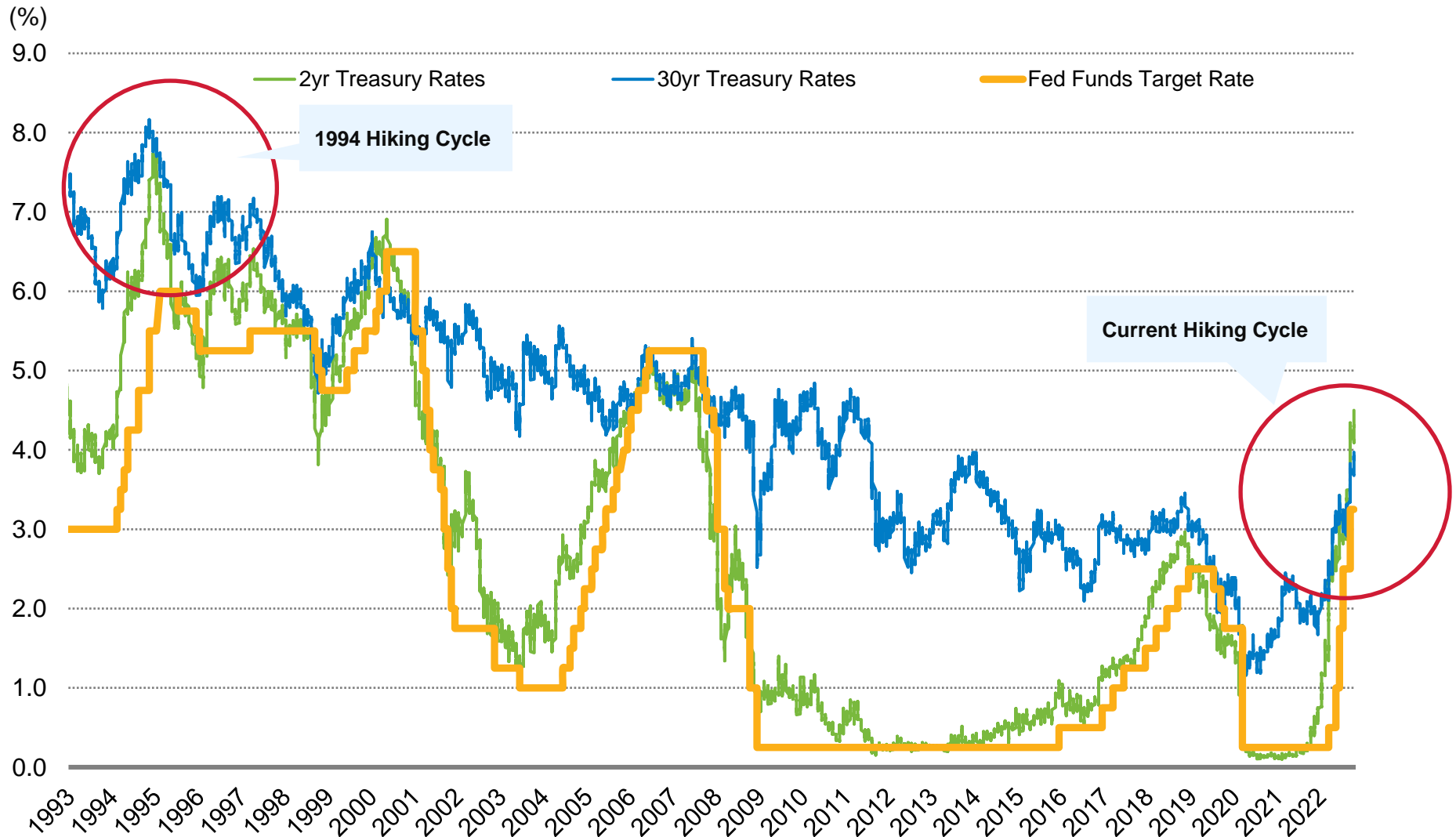
Garrett Hamilton, CFA
Portfolio Manager

Moderated by:
Kelly Loughran, CFA
Investment Product Analyst

The municipal landscape today

Putnam

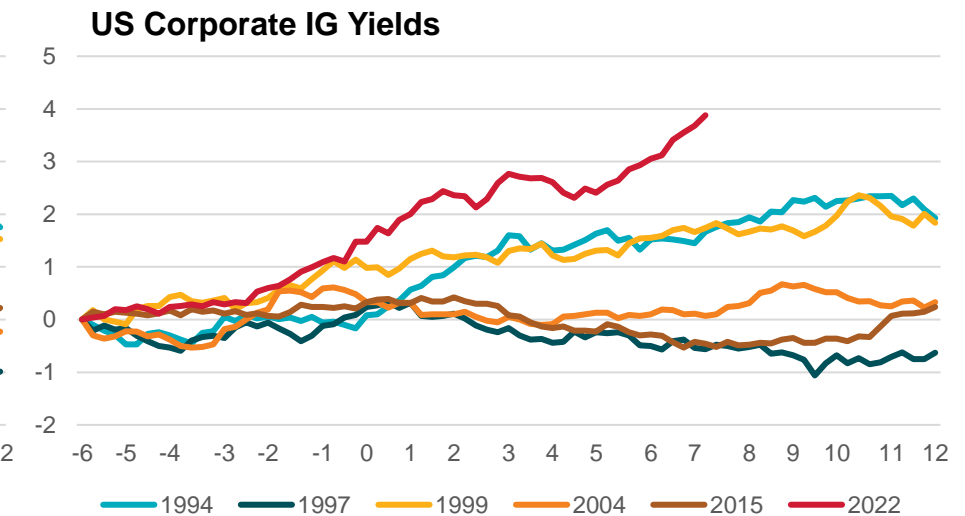
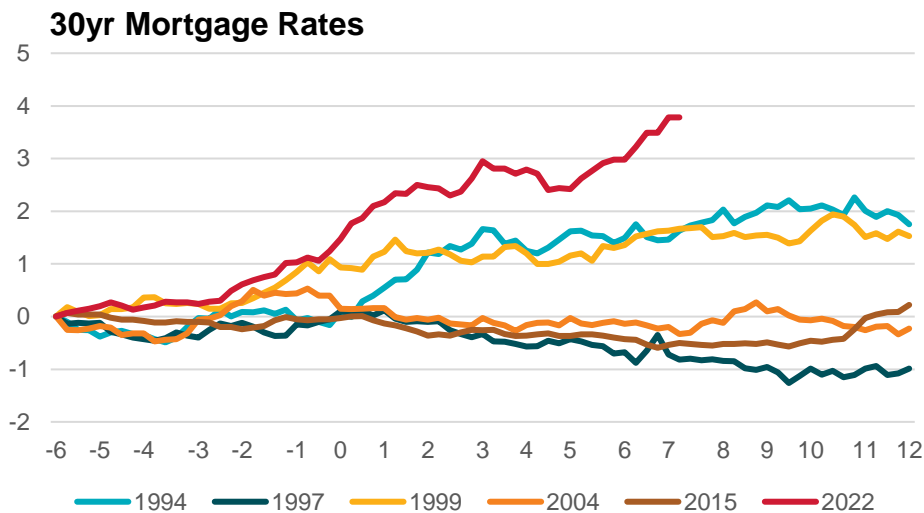
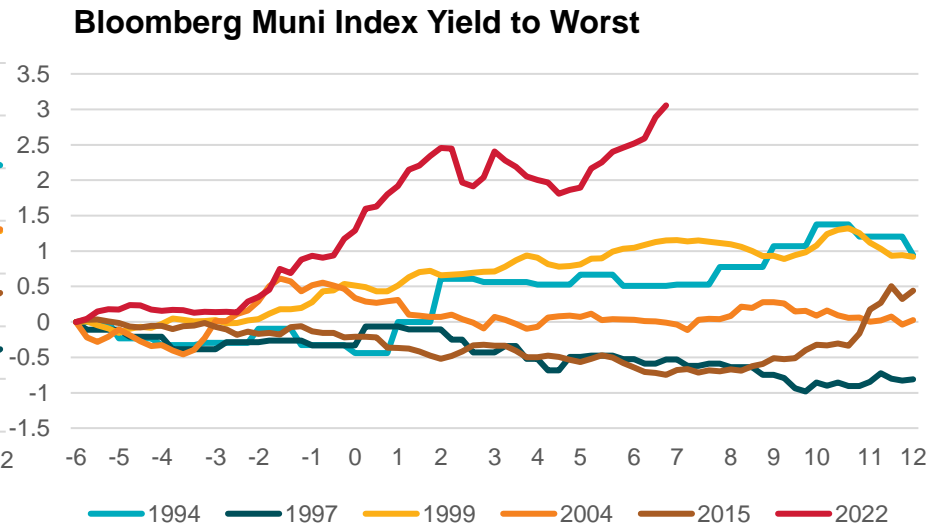
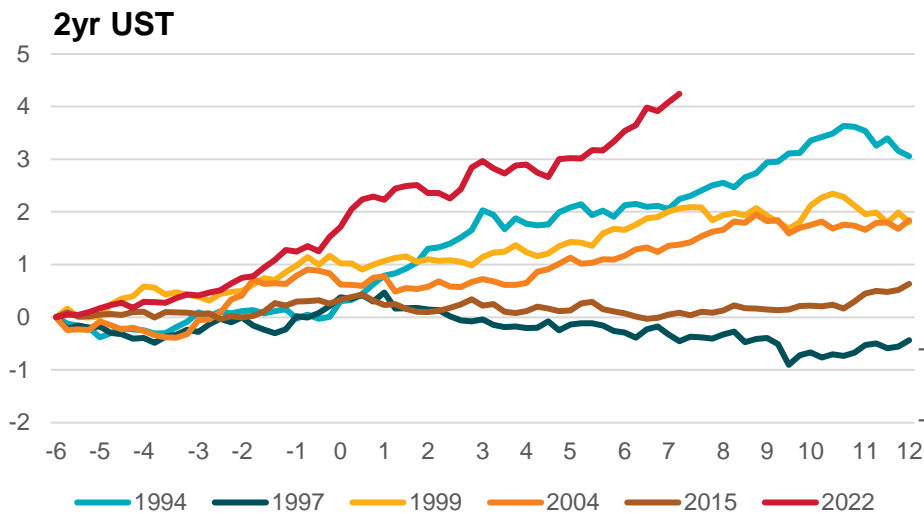
U.S. Treasury rates have front-run the federal funds target rate and we are currently experiencing the fastest tightening cycle since 1994



Sources: Bloomberg, Putnam, as of 10/14/22.

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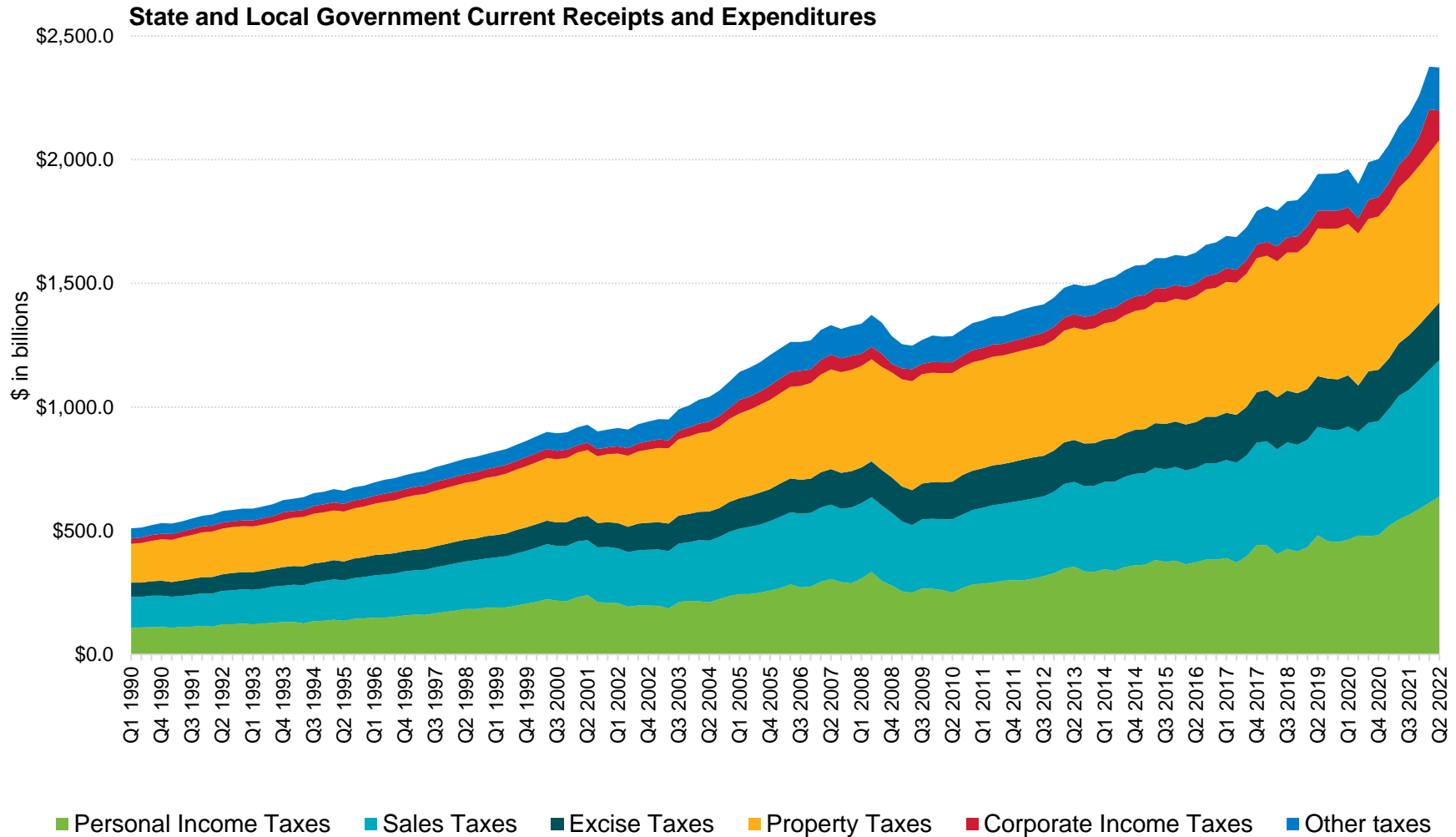
The market has front-run the Fed and responded sharply to the Fed's hawkish guidance relative to historic tightening cycles



Sources: Bloomberg, Putnam, as of 10/14/22.

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State and local tax receipts are up 18% year-over-year, and “Rainy Day Funds” are currently at 11% of revenues, which is the highest point in the last 30 years

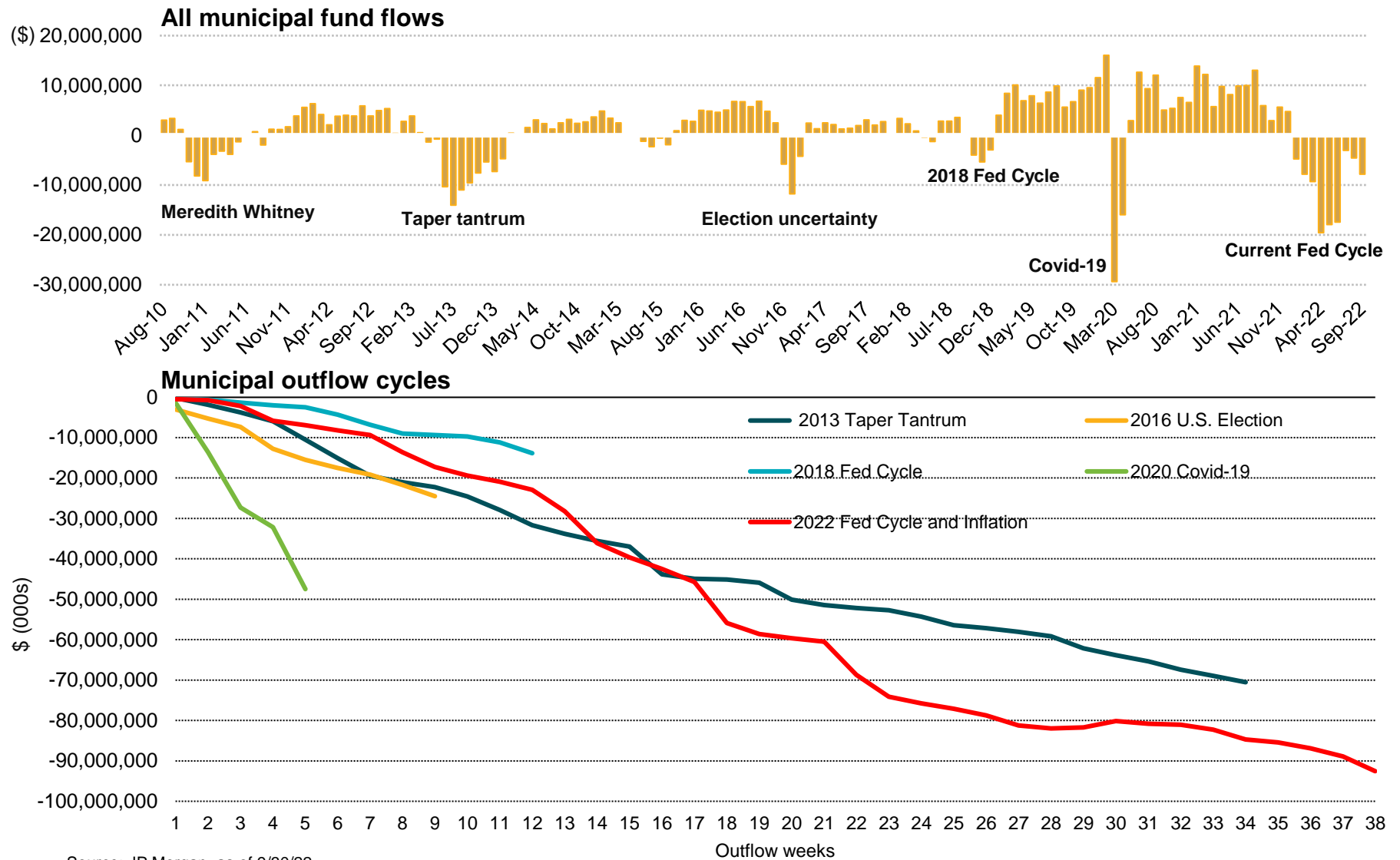


Sources: Bureau of Economic Analysis, Putnam, as of 9/1/22.

*Seasonally adjusted at annual rates

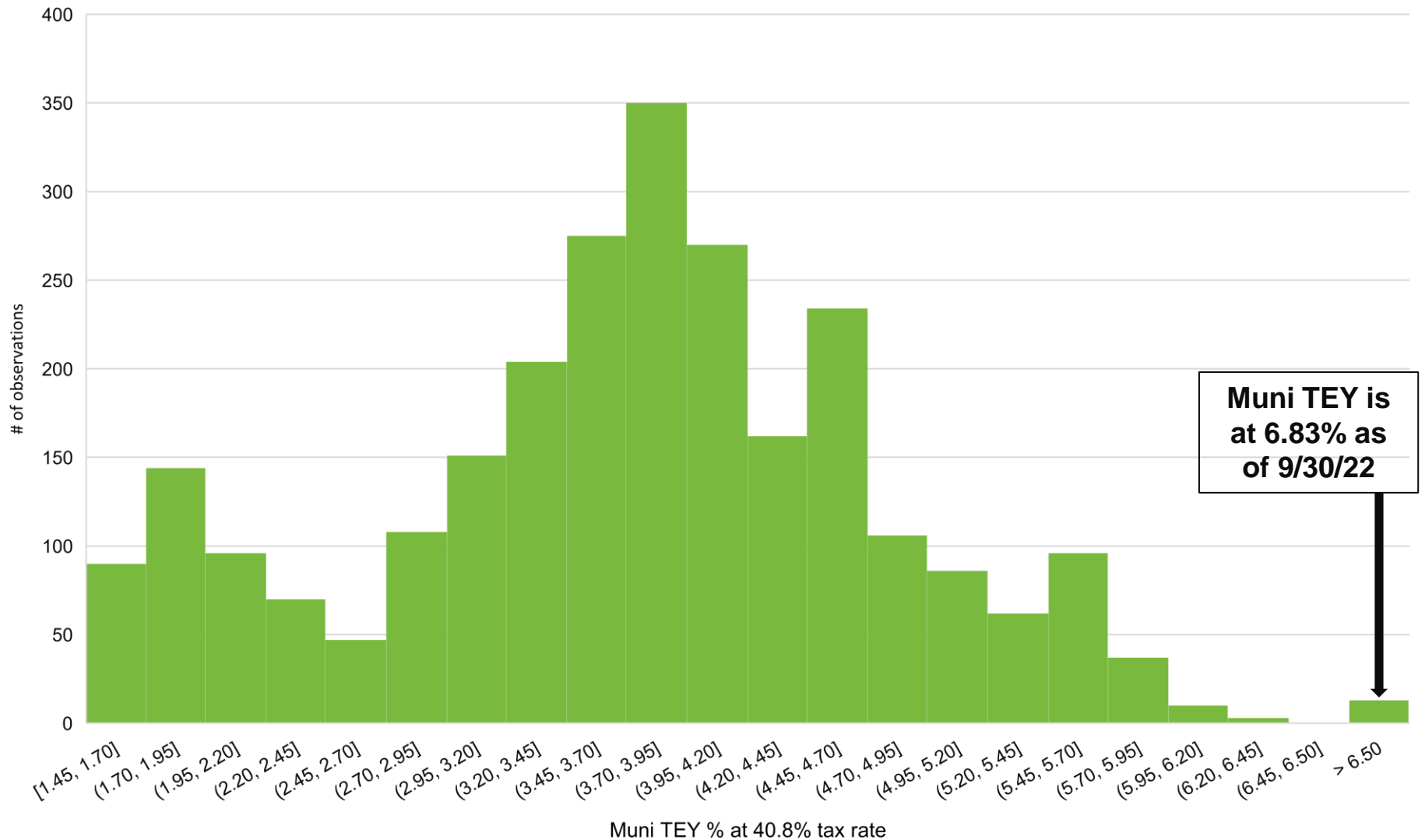
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Municipal mutual fund flows are the worst year on record as outflows have dominated the market so far this year



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Muni Taxable Equivalent Yield (TEY) is currently at one of its most attractive levels compared to TEY over the last 10 years



Sources: Bloomberg, Putnam 9/30/22.

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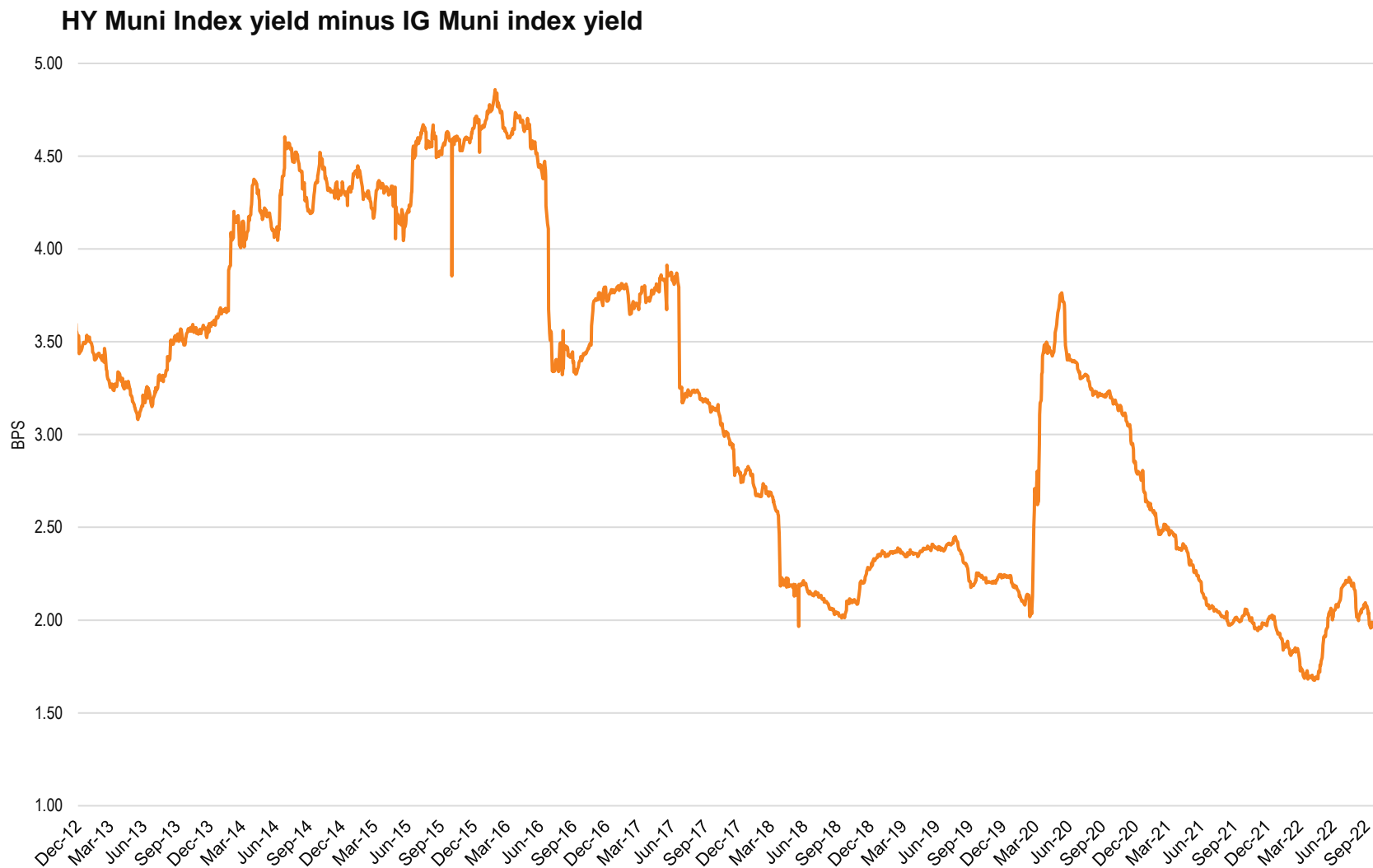
Muni Taxable Equivalent Yield (TEY) is currently at its highest point in the last 10 years



Sources: Bloomberg, Putnam 9/30/22.

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As spreads have widened this year, IG spreads are attractive compared to HY spreads



Sources: Bloomberg, Putnam, as of 10/13/22.

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Putnam performance and characteristics

Putnam

Putnam State Tax-Exempt Strategies

State Tax-Exempt Funds Performance As of 9/30/22	1-year Return	3-year Return	5-year Return	10-year/Life Return	Current Distribution Rate as of 10/13/22	30-day SEC yield	Overall Morningstar Rating as of 9/30/22	Total Expense ratio
California Tax Exempt Income Fund (PCIYX)	-13.64%	-2.35%	0.48%	1.97%	3.04%	3.73%	★★★★★ (out of 102 in category)	0.51%
Massachusetts Tax Exempt Income Fund (PMAYX)	-12.49%	-2.40%	0.17%	1.26%	2.77%	3.45%	★★★★★ (out of 45 in category)	0.54%
Minnesota Tax Exempt Income Fund (PMNYX)	-11.09%	-2.09%	0.29%	1.44%	2.61%	3.11%	★★★★ (out of 43 in category)	0.61%
New Jersey Tax Exempt Income Fund (PNJYX)	-11.94%	-1.84%	0.69%	1.48%	3.20%	3.38%	★★★★★ (out of 49 in category)	0.57%
New York Tax Exempt Income Fund (PNYYX)	-13.78%	-2.79%	0.00%	1.34%	3.09%	3.84%	★★★★ (out of 71 in category)	0.52%
Ohio Tax Exempt Income Fund (POTYX)	-12.07%	-2.20%	0.25%	1.34%	2.74%	3.25%	★★★★★ (out of 23 in category)	0.61%
Pennsylvania Tax Exempt Income Fund (PPTYX)	-12.79%	-2.04%	0.47%	1.52%	2.88%	3.59%	★★★★★ (out of 52 in category)	0.58%

Past performance is not a guarantee of future results. An investment in this fund can lose value.

Periods less than one year are not annualized.

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. For the most recent month-end performance, please visit putnam.com. For a portion of the periods, this fund may have had expense limitations, without which returns would have been lower. Class Y shares are generally only available for corporate and institutional clients and have no initial sales charge.

Indexes are unmanaged and used as a broad measure of market performance. It is not possible to invest directly in an index.

Source: Putnam Investments

Putnam National Tax-Exempt Strategies

National Tax-Exempt Funds Performance As of 9/30/22	1-year Return	3-year Return	5-year Return	10-year/Life Return	Current Distribution Rate as of 10/13/22	30-day SEC yield	Overall Morningstar Rating as of 08/31/22	Total Expense ratio
Intermediate-Term Municipal Income Fund (PIMYX)	-9.24%	-0.95%	0.87%	1.50%	2.36%	2.71% Unsubsidized : 2.32%	★★★ (out of 277 in category)	1.53% (0.64% after exp. limit through 03/30/23)*
Short-Term Municipal Income Fund (PSMYX)	-3.69%	-0.01%	0.76%	0.81%	1.93%	2.47% Unsubsidized : 2.18%	★★★★ (out of 206 in category)	0.66% (0.34% after exp. limit through 03/30/23)*
Strategic Intermediate Municipal Fund (PAMYX)	-9.39%	-0.95%	1.28%	2.15%	2.54%	2.97%	★★★★★ (out of 277 in category)	0.60%
Tax Exempt Income Fund (PTEYX)	-13.57%	-2.46%	0.39%	1.69%	3.34%	3.64%	★★★ (out of 153 in category)	0.55%
Tax-Free High Yield Fund (PTFYX)	-15.06%	-2.20%	0.89%	2.67%	3.96%	4.24%	★★★★★ (out of 190 in category)	0.60%

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*What you pay reflects Putnam Management's decision to contractually limit expenses through 03/30/23

Source: Putnam Investments

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Consider these risks before investing: 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. 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 more broadly invested fund. 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 have a negative effect on the fund. You can lose money by investing in the fund.

The fund's performance will be closely tied to the economic and political conditions in the state, 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 state, the fund may also be exposed to the risks affecting other states.

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