

A world of investing.®



# Putnam Pennsylvania Tax Exempt Income Fund

**Annual report**

**5 | 31 | 23**



**Income funds** invest in bonds and other securities with the goal of providing a steady stream of income over time.

FUND SYMBOL  
CLASS A  
PTEPX

# Putnam Pennsylvania Tax Exempt Income Fund

## Annual report

5 | 31 | 23

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## Message from the Trustees

July 12, 2023

Dear Fellow Shareholder:

Stocks have generally advanced in the first half of the year, and the performance of bond markets has also improved compared with 2022. Inflation is trending downward, while economic growth has remained positive. At the same time, investors are weighing the impact of high borrowing costs, a weak housing market, and stress in the banking system.

Fortunately, a strong pulse of innovation is gaining investors' attention. The technology sector, for example, has started to rebound from a difficult 2022. More broadly, international markets are performing better this year, even though the reopening of China's economy lacked the dynamism many had anticipated.

As active managers, your investment team continues to research attractive opportunities for your fund while monitoring risks. This report offers an update on their efforts.

Thank you for investing with Putnam.

Respectfully yours,



A handwritten signature in black ink that reads "Robert L. Reynolds".

**Robert L. Reynolds**  
President and Chief Executive Officer  
Putnam Investments



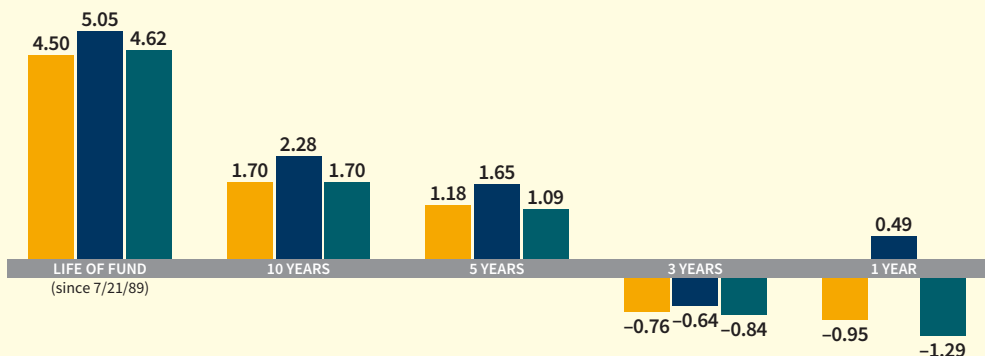
A handwritten signature in black ink that reads "Kenneth R. Leibler".

**Kenneth R. Leibler**  
Chair, Board of Trustees

## Performance history as of 5/31/23

### Annualized total return (%) comparison

- **The fund — class A shares before sales charge**  
Putnam Pennsylvania Tax Exempt Income Fund (PTEPX)
- **Fund's benchmark**  
Bloomberg Municipal Bond Index
- **Fund's Lipper peer group median**  
Pennsylvania Municipal Debt Funds

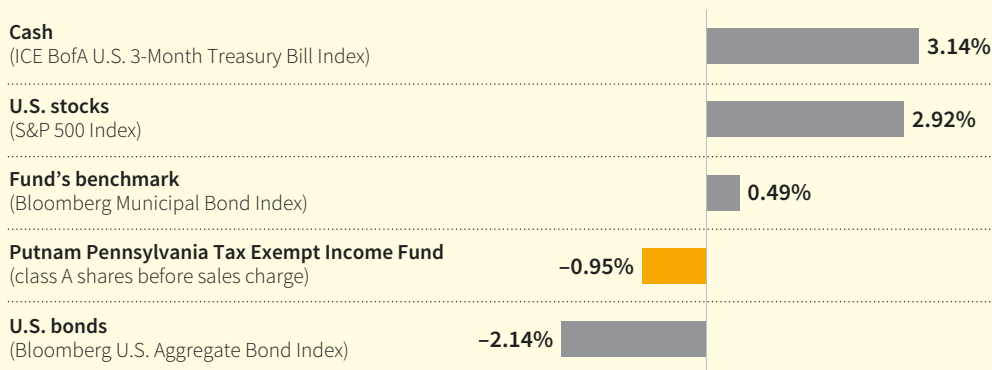


Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will fluctuate, and you may have a gain or a loss when you sell your shares. Performance of class A shares assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart do not reflect a sales charge of 4.00%; had they, returns would have been lower. See below and pages 6–9 for additional performance information. For a portion of the periods, the fund had expense limitations, without which returns would have been lower. To obtain the most recent month-end performance, visit [putnam.com](http://putnam.com).

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group median is provided by Lipper, a Refinitiv company.

### Recent broad market index and fund performance



This comparison shows your fund's performance in the context of broad market indexes for the 12 months ended 5/31/23. See above and pages 6–9 for additional fund performance information. Index descriptions can be found on page 11.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

## Interview with your fund's portfolio manager

Paul Drury discusses the investment environment and fund performance for the 12 months ended May 31, 2023, and his outlook for the municipal bond market and the fund.



**Paul M. Drury, CFA**  
Portfolio Manager

Paul has a B.A. from Suffolk University. He has been in the investment industry since he joined Putnam in 1989.

Garrett L. Hamilton, CFA, is also a Portfolio Manager of the fund.

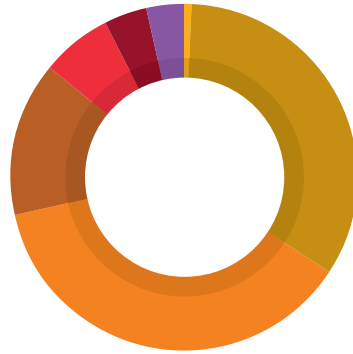
### **Paul, how did municipal bonds perform during the 12-month period ended May 31, 2023?**

The asset class encountered headwinds, ending the period relatively flat. Concerns about rising interest rates and negative returns led investors to reduce their allocation to municipal bond funds and other interest-rate-sensitive assets in calendar 2022. During the second half of the fiscal year, municipal bonds recovered much of those losses, helped in large part by their solid credit fundamentals and a decline in the rate of inflation.

Subduing stubbornly high inflation remained a top priority for the Federal Reserve. The Fed's eight interest-rate hikes during the period included four consecutive 0.75% increases. With inflation showing signs of easing, policy-makers tempered the degree of those hikes in the second half of the fiscal year, which helped to boost the performance of the asset class. The last increase during the reporting period was 0.25% in May 2023, which brought the Fed's benchmark interest rate to a range of 5.00%–5.25%. In its commentary, the Fed suggested that future interest-rate hikes would be dependent on the effect of past rate hikes on

## Credit quality overview

● AAA	0.7%
● AA	33.5
● A	37.3
● BBB	14.4
● BB	6.6
● Not rated	4.0
● Cash and net other assets	3.5



Credit qualities are shown as a percentage of the fund's net assets as of 5/31/23. A bond rated BBB or higher (SP-3 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. Ratings may vary over time. Due to rounding, percentages may not equal 100%.

Cash and net other assets, if any, represent the market value weights of cash, derivatives, and short-term securities in the portfolio. The fund itself has not been rated by an independent rating agency.

the economy. However, inflation remained well above the Fed's 2% target rate at period-end.

In March 2023, the high-profile failures of regional banks in California and New York, as well as the collapse of Credit Suisse in Switzerland, created a new challenge, threatening economic growth. Quick actions by global central banks to minimize systemic risk, including shoring up bank deposits, prevented contagion across the global financial system. While the turmoil stirred recession concerns, it also led to changing expectations about the future path of Fed monetary policy. Investors hoped that a continued economic slowdown might give the Fed room to end interest-rate hikes. April 2023 also proved challenging for municipal bonds. Higher U.S. Treasury rates, heavier municipal-bond supply coming to market, U.S. debt ceiling concerns, and anemic flows into mutual bond funds weighed on the asset class.

For the 12 months ended May 31, 2023, the Bloomberg Municipal Bond Index, the fund's benchmark, returned 0.49%. The asset class

outperformed the broader U.S. fixed income markets, which returned -2.14%, as measured by the Bloomberg U.S. Aggregate Bond Index.

### How did the fund perform during the reporting period?

For the 12 months ended May 31, 2023, the fund underperformed its benchmark but outperformed the median return of its Lipper peer group, Pennsylvania Municipal Debt Funds.

### What strategies or holdings influenced the fund's performance during the reporting period?

Credit spreads widened over the period in response to the Fed's monetary tightening and the challenging mutual-fund-outflow environment in calendar 2022. However, they were flat to slightly tighter in calendar year 2023 through May. The Fed is getting closer to the end of its monetary tightening cycle, in our view. Supply/demand technicals also stabilized in the first five months of 2023.

We continued to have a bias for higher-rated investments throughout the period. The fund has overweights to both the lower tiers of the investment-grade universe and the highest-rated portions of the high-yield universe relative to its Lipper peer group. We remain cautious on lower-rated municipal bonds in general, given our view that the Fed's aggressive tightening cycle could result in slower U.S. economic growth later this year.

After trimming duration risk in late January and early February 2023, we targeted a modestly long-duration position in the portfolio relative to the fund's Lipper peer group. [Duration is a measure of the fund's interest-rate sensitivity.] The fund was invested in a wide range of sectors, including charter school, private higher education, and continuing-care retirement community bonds.

#### **How did you use derivatives during the period?**

We used municipal rate locks for hedging and gaining exposure to interest-rate and term structure risk.

#### **What is your current assessment of the health of Pennsylvania's municipal bond market?**

Pennsylvania municipal credit fundamentals remain solid, in our view. Nine months into fiscal year [FY] 2023, the Commonwealth's tax collections were up 6% year over year as of March 2023. Its projected \$7.9 billion surplus in FY 2023 is allowing it to cover an expected \$2.0 billion revenue shortfall in FY 2024. We believe these healthy reserves can help it weather a potential economic slowdown. Nonfarm employment was up 2.8% year over year as of February 2023. Home values, a factor in property tax revenues, were up 5.4% year over year as of March 2023.

**“ We believe municipal bonds represent a high-quality diversification strategy at this point in the economic cycle. ”**

#### **What do you see on the horizon that could influence your management of the fund?**

Interest-rate volatility, a hawkish Fed, and inflationary pressures will likely remain headwinds for rate-sensitive investments in the near term, in our view. However, we believe we are close to the end of the Fed's tightening cycle. Accordingly, we regard any market volatility as an investment opportunity and continue to be vigilant for dips in the market that can present attractive entry points.

We believe municipal bonds represent a high-quality diversification strategy at this point in the economic cycle. We continue to take the long view that credit fundamentals are sound, defaults remain below average, and valuations have cheapened.

#### **Thank you, Paul, for your time and insights today.**

*The views expressed in this report are exclusively those of Putnam Management and are subject to change. They are not meant as investment advice.*

*Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk. Statements in the Q&A concerning the fund's performance or portfolio composition relative to those of the fund's Lipper peer group may reference information produced by Lipper Inc. or through a third party.*

## Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended May 31, 2023, the end of its most recent fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance information as of the most recent calendar quarter-end and expense information taken from the fund's current prospectus. Performance should always be considered in light of a fund's investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and principal value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance information does not reflect any deduction for taxes a shareholder may owe on fund distributions or on the redemption of fund shares. For the most recent month-end performance, please visit the Individual Investors section at [putnam.com](http://putnam.com) or call Putnam at 1-800-225-1581. Class R6 and Y shares are not available to all investors.

### Annualized fund performance Total return for periods ended 5/31/23

	Life of fund	10 years	5 years	3 years	1 year
<b>Class A (7/21/89)</b>					
Before sales charge	4.50%	1.70%	1.18%	-0.76%	-0.95%
After sales charge	4.38	1.29	0.36	-2.10	-4.91
<b>Class B (7/15/93)</b>					
Before CDSC	4.31	1.20	0.54	-1.37	-1.57
After CDSC	4.31	1.20	0.17	-2.32	-6.39
<b>Class C (10/3/06)</b>					
Before CDSC	4.32	1.09	0.39	-1.51	-1.82
After CDSC	4.32	1.09	0.39	-1.51	-2.78
<b>Class R6 (5/22/18)</b>					
Net asset value	4.62	1.95	1.43	-0.48	-0.80
<b>Class Y (1/2/08)</b>					
Net asset value	4.62	1.94	1.40	-0.51	-0.70

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. After-sales-charge returns for class A shares reflect the deduction of the maximum 4.00% sales charge levied at the time of purchase. Class B share returns after contingent deferred sales charge (CDSC) reflect the applicable CDSC, which is 5% in the first year, declining over time to 1% in the sixth year, and is eliminated thereafter. Class C share returns after CDSC reflect a 1% CDSC for the first year that is eliminated thereafter. Class R6 and Y shares have no initial sales charge or CDSC. Performance for class B, C, and Y shares before their inception is derived from the historical performance of class A shares, adjusted for the applicable sales charge (or CDSC) and the higher operating expenses for such shares, except for class Y shares, for which 12b-1 fees are not applicable. Performance for class R6 shares prior to their inception is derived from the historical performance of class Y shares and has not been adjusted for the lower investor servicing fees applicable to class R6 shares; had it, returns would have been higher.

For a portion of the periods, the fund had expense limitations, without which returns would have been lower.

Class B and C share performance reflects conversion to class A shares after eight years.



## Comparative annualized index returns For periods ended 5/31/23

	Life of fund	10 years	5 years	3 years	1 year
<b>Bloomberg Municipal Bond Index</b>	5.05%	2.28%	1.65%	-0.64%	0.49%
<b>Lipper Pennsylvania Municipal Debt Funds category median*</b>	4.62	1.70	1.09	-0.84	-1.29

Index and Lipper results should be compared with fund performance before sales charge, before CDSC, or at net asset value.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

Lipper peer group median is provided by Lipper, a Refinitiv company.

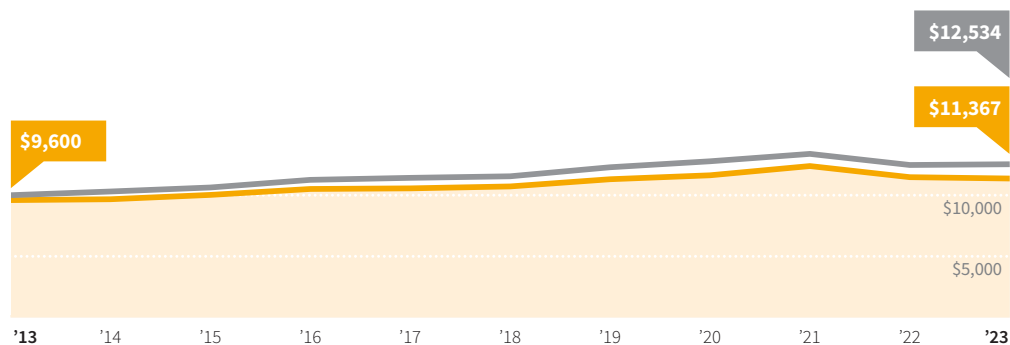
\* Over the 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 5/31/23, there were 48, 48, 45, 37, and 6 funds, respectively, in this Lipper category.

### Change in the value of a \$10,000 investment (\$9,600 after sales charge)

Cumulative total return from 5/31/13 to 5/31/23

Putnam Pennsylvania Tax Exempt Income Fund class A shares after sales charge

Bloomberg Municipal Bond Index



Past performance does not indicate future results. At the end of the same time period, a \$10,000 investment in the fund's class B and C shares would have been valued at \$11,272 and \$11,146, respectively, and no contingent deferred sales charges would apply. A \$10,000 investment in the fund's class R6 and Y shares would have been valued at \$12,136 and \$12,122, respectively.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

## Fund price and distribution information For the 12-month period ended 5/31/23

Distributions	Class A		Class B	Class C	Class R6	Class Y
Number	12		12	12	12	12
Income <sup>1</sup>	\$0.224479		\$0.172223	\$0.159961	\$0.246771	\$0.245574
Capital gains <sup>2</sup>	—		—	—	—	—
<b>Total</b>	<b>\$0.224479</b>		<b>\$0.172223</b>	<b>\$0.159961</b>	<b>\$0.246771</b>	<b>\$0.245574</b>
Share value	Before sales charge	After sales charge	Net asset value	Net asset value	Net asset value	Net asset value
5/31/22	\$8.72	\$9.08	\$8.70	\$8.73	\$8.74	\$8.73
5/31/23	8.41	8.76	8.39	8.41	8.42	8.42
Current rate (end of period)	Before sales charge	After sales charge	Net asset value	Net asset value	Net asset value	Net asset value
Current dividend rate <sup>3</sup>	2.80%	2.69%	2.20%	2.05%	3.08%	3.05%
Taxable equivalent <sup>4</sup>	4.99	4.79	3.92	3.65	5.49	5.43
Current 30-day SEC yield <sup>5</sup>	N/A	3.17	2.70	2.55	3.58	3.55
Taxable equivalent <sup>4</sup>	N/A	5.65	4.81	4.54	6.38	6.32

The classification of distributions, if any, is an estimate. Before-sales-charge share value and current dividend rate for class A shares, if applicable, do not take into account any sales charge levied at the time of purchase. After-sales-charge share value, current dividend rate, and current 30-day SEC yield, if applicable, are calculated assuming that the maximum sales charge (4.00% for class A shares) was levied at the time of purchase. Final distribution information will appear on your year-end tax forms.

<sup>1</sup> For some investors, investment income may be subject to the federal alternative minimum tax.

<sup>2</sup> Capital gains, if any, are taxable for federal and, in most cases, state purposes.

<sup>3</sup> Most recent distribution, including any return of capital and excluding capital gains, annualized and divided by share price before or after sales charge at period-end.

<sup>4</sup> Assumes maximum 43.87% federal and state combined tax rate for 2023. Results for investors subject to lower tax rates would not be as advantageous.

<sup>5</sup> Based only on investment income and calculated using the maximum offering price for each share class, in accordance with SEC guidelines.

## Annualized fund performance as of most recent calendar quarter

Total return for periods ended 6/30/23

	Life of fund	10 years	5 years	3 years	1 year
<b>Class A (7/21/89)</b>					
Before sales charge	4.52%	2.11%	1.34%	-0.90%	2.14%
After sales charge	4.39	1.70	0.52	-2.24	-1.95
<b>Class B (7/15/93)</b>					
Before CDSC	4.32	1.60	0.72	-1.47	1.63
After CDSC	4.32	1.60	0.35	-2.42	-3.35
<b>Class C (10/3/06)</b>					
Before CDSC	4.33	1.49	0.57	-1.62	1.48
After CDSC	4.33	1.49	0.57	-1.62	0.48
<b>Class R6 (5/22/18)</b>					
Net asset value	4.64	2.38	1.62	-0.62	2.53
<b>Class Y (1/2/08)</b>					
Net asset value	4.64	2.36	1.59	-0.61	2.51

See the discussion following the fund performance table on page 6 for information about the calculation of fund performance.

## Your fund's expenses

As a mutual fund investor, you pay ongoing expenses, such as management fees, distribution fees (12b-1 fees), and other expenses. Using the following information, you can estimate how these expenses affect your investment and compare them with the expenses of other funds. You may also pay one-time transaction expenses, including sales charges (loads) and redemption fees, which are not shown in this section and would have resulted in higher total expenses. For more information, see your fund's prospectus or talk to your financial representative.

### Expense ratios

	Class A	Class B	Class C	Class R6	Class Y
Total annual operating expenses for the fiscal year ended 5/31/22	0.83%	1.43%	1.58%	0.56%	0.58%
Annualized expense ratio for the six-month period ended 5/31/23*	0.86%	1.46%	1.61%	0.59%	0.61%

Fiscal year expense information in this table is taken from the most recent prospectus, is subject to change, and may differ from that shown for the annualized expense ratio and in the financial highlights of this report.

Expenses are shown as a percentage of average net assets.

\* Expense ratios for each class are for the fund's most recent fiscal half year. As a result of this, ratios may differ from expense ratios based on one-year data in the financial highlights.

## Expenses per \$1,000

The following table shows the expenses you would have paid on a \$1,000 investment in each class of the fund from 12/1/22 to 5/31/23. It also shows how much a \$1,000 investment would be worth at the close of the period, assuming *actual returns* and expenses.

	Class A	Class B	Class C	Class R6	Class Y
Expenses paid per \$1,000*†	\$4.32	\$7.32	\$8.07	\$2.96	\$3.07
Ending value (after expenses)	\$1,015.10	\$1,010.80	\$1,010.00	\$1,015.20	\$1,016.30

\* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 5/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the period; then multiplying the result by the number of days in the period (182); and then dividing that result by the number of days in the year (365).

## Estimate the expenses you paid

To estimate the ongoing expenses you paid for the six months ended 5/31/23, use the following calculation method. To find the value of your investment on 12/1/22, call Putnam at 1-800-225-1581.

### How to calculate the expenses you paid

**Value of your investment on 12/1/22** ÷ **\$1,000** × **Expenses paid per \$1,000** = **Total expenses paid**

**Example** Based on a \$10,000 investment in class A shares of your fund.

**\$10,000** ÷ **\$1,000** × **\$4.32** (see preceding table) = **\$43.20**

## Compare expenses using the SEC's method

The Securities and Exchange Commission (SEC) has established guidelines to help investors assess fund expenses. Per these guidelines, the following table shows your fund's expenses based on a \$1,000 investment, assuming a *hypothetical 5% annualized return*. You can use this information to compare the ongoing expenses (but not transaction expenses or total costs) of investing in the fund with those of other funds. All mutual fund shareholder reports will provide this information to help you make this comparison. Please note that you cannot use this information to estimate your actual ending account balance and expenses paid during the period.

	Class A	Class B	Class C	Class R6	Class Y
Expenses paid per \$1,000*†	\$4.33	\$7.34	\$8.10	\$2.97	\$3.07
Ending value (after expenses)	\$1,020.64	\$1,017.65	\$1,016.90	\$1,021.99	\$1,021.89

\* Expenses for each share class are calculated using the fund's annualized expense ratio for each class, which represents the ongoing expenses as a percentage of average net assets for the six months ended 5/31/23. The expense ratio may differ for each share class.

† Expenses are calculated by multiplying the expense ratio by the average account value for the six-month period; then multiplying the result by the number of days in the six-month period (182); and then dividing that result by the number of days in the year (365).

## Comparative index definitions

**Bloomberg Municipal Bond Index** is an unmanaged index of long-term, fixed-rate, investment-grade tax-exempt bonds.

**Bloomberg U.S. Aggregate Bond Index** is an unmanaged index of U.S. investment-grade fixed income securities.

**ICE BofA (Intercontinental Exchange Bank of America) U.S. 3-Month Treasury Bill Index** is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

**S&P 500® Index** is an unmanaged index of common stock performance.

Indexes assume reinvestment of all distributions and do not account for fees. Securities and performance of a fund and an index will differ. You cannot invest directly in an index.

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**Lipper**, a Refinitiv company, is a third-party industry-ranking entity that ranks funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund’s category assignment at its discretion. Lipper category medians reflect performance trends for funds within a category.

## Other information for shareholders

### Important notice regarding delivery of shareholder documents

In accordance with Securities and Exchange Commission (SEC) regulations, Putnam sends a single notice of internet availability, or a single printed copy, of annual and semiannual shareholder reports, prospectuses, and proxy statements to Putnam shareholders who share the same address, unless a shareholder requests otherwise. If you prefer to receive your own copy of these documents, please call Putnam at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577. We will begin sending individual copies within 30 days.

### Proxy voting

Putnam is committed to managing our funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2022, are available in the Individual Investors section of [putnam.com](http://putnam.com) and on the SEC's website, [www.sec.gov](http://www.sec.gov). If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581 or, for exchange-traded funds only, 1-833-228-5577.

### Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT within 60 days of the end of such fiscal quarter. Shareholders may obtain the fund's Form N-PORT on the SEC's website at [www.sec.gov](http://www.sec.gov).

### Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam funds. As of May 31, 2023, Putnam employees had approximately \$470,000,000 and the Trustees had approximately \$66,000,000 invested in Putnam funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

### Liquidity risk management program

Putnam, as the administrator of the fund's liquidity risk management program (appointed by the Board of Trustees), presented the most recent annual report on the program to the Trustees in May 2023. The report covered the structure of the program, including the program documents and related policies and procedures adopted to comply with Rule 22e-4 under the Investment Company Act of 1940, and reviewed the operation of the program from January 2022 through December 2022. The report included a description of the annual liquidity assessment of the fund that Putnam performed in November 2022. The report noted that there were no material compliance exceptions identified under Rule 22e-4 during the period. The report included a review of the governance of the program and the methodology for classification of the fund's investments. The report also included a discussion of liquidity monitoring during the period, including during the market liquidity challenges caused by the Covid-19 pandemic, and the impact those challenges had on the liquidity of the fund's investments. Putnam concluded that the program has been operating effectively and adequately to ensure compliance with Rule 22e-4.

## Important notice regarding Putnam's privacy policy

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' names, addresses, Social Security numbers, and dates of birth. Using this information, we are able to maintain accurate records of accounts and transactions.

It is our policy to protect the confidentiality of our shareholder information, whether or not a shareholder currently owns shares of our funds. In particular, it is our policy not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access

to our computer systems and procedures to protect personal information from unauthorized use.

Under certain circumstances, we must share account information with outside vendors who provide services to us, such as mailings and proxy solicitations. In these cases, the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. Finally, it is our policy to share account information with your financial representative, if you've listed one on your Putnam account.

## Audited financial statements

**These sections of the report, as well as the accompanying Notes, preceded by the Report of Independent Registered Public Accounting Firm, constitute the fund's audited financial statements.**

**The fund's portfolio** lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

**Statement of assets and liabilities** shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share, which is calculated separately for each class of shares. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

**Statement of operations** shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income

(or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

**Statement of changes in net assets** shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned.

**Financial highlights** provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover (not required for money market funds) in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.



## Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of  
Putnam Pennsylvania Tax Exempt Income Fund:

### ***Opinion on the Financial Statements***

We have audited the accompanying statement of assets and liabilities, including the fund's portfolio, of Putnam Pennsylvania Tax Exempt Income Fund (the "Fund") as of May 31, 2023, the related statement of operations for the year ended May 31, 2023, the statement of changes in net assets for each of the two years in the period ended May 31, 2023, including the related notes, and the financial highlights for each of the five years in the period ended May 31, 2023 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of May 31, 2023, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended May 31, 2023 and the financial highlights for each of the five years in the period ended May 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of May 31, 2023 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Boston, Massachusetts  
July 12, 2023

We have served as the auditor of one or more investment companies in the Putnam Investments family of funds since at least 1957. We have not been able to determine the specific year we began serving as auditor.

## The fund's portfolio 5/31/23

### Key to holding's abbreviations

**AGM** Assured Guaranty Municipal Corporation

**AMBAC** AMBAC Indemnity Corporation

**BAM** Build America Mutual

**G.O. Bonds** General Obligation Bonds

**VRDN** Variable Rate Demand Notes, which are floating-rate securities with long-term maturities that carry coupons that reset and are payable upon demand

either daily, weekly or monthly. The rate shown is the current interest rate at the close of the reporting period. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index rate, which was 3.56% as of the close of the reporting period.

<b>MUNICIPAL BONDS AND NOTES (97.5%)*</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Alaska (1.2%)</b>			
AK State Indl. Dev. & Export Auth. Rev. Bonds, (Tanana Chiefs Conference), Ser. A, 5.00%, 10/1/30	A+/F	\$1,250,000	\$1,343,796
			<b>1,343,796</b>
<b>Guam (1.9%)</b>			
Territory of GU, Govt. G.O. Bonds, 5.00%, 11/15/31	Ba1	630,000	648,116
Territory of GU, Govt. Bus. Privilege Tax Rev. Bonds, Ser. F, 4.00%, 1/1/42	Ba1	1,300,000	1,143,898
Territory of GU, Govt. Hotel Occupancy Tax Rev. Bonds, Ser. A, 5.00%, 11/1/40	Ba1	425,000	427,346
			<b>2,219,360</b>
<b>Missouri (1.2%)</b>			
Kansas City, Indl. Dev. Auth. Arpt. Special Oblig. Rev. Bonds, (Kansas City, Intl. Arpt.), AGM, 5.00%, 3/1/57	AA	1,300,000	1,338,226
			<b>1,338,226</b>
<b>Ohio (1.2%)</b>			
OH State Higher Ed. Fac. Comm. Rev. Bonds, (Otterbein Homes Oblig. Group)			
4.00%, 7/1/34	A	405,000	401,753
4.00%, 7/1/33	A	390,000	388,116
4.00%, 7/1/27	A	640,000	636,083
			<b>1,425,952</b>
<b>Pennsylvania (91.4%)</b>			
Allegheny Cnty., Arpt. Auth. Rev. Bonds, Ser. A			
5.00%, 1/1/56	AA	250,000	255,706
5.00%, 1/1/51	AA	400,000	412,134
4.00%, 1/1/56	AA	750,000	675,685
Allegheny Cnty., Higher Ed. Bldg. Auth. Rev. Bonds, (Duquesne U. of the Holy Spirit), Ser. A			
5.00%, 3/1/34	A2	640,000	720,180
5.00%, 3/1/30	A2	1,055,000	1,160,150
Bentworth School Dist. G.O. Bonds, Ser. B, BAM, 3.00%, 11/15/28	AA	1,430,000	1,415,353
Bethlehem, Redev. Auth. Rev. Bonds, (Moravian U. Oblig. Group)			
5.00%, 10/1/31	BBB+	500,000	524,528
5.00%, 10/1/30	BBB+	1,260,000	1,318,883
Bucks Cnty., Indl. Dev. Auth. Rev. Bonds			
(Delaware Valley U.), 5.00%, 11/1/42	BBB-/F	250,000	243,046
(St. Luke's U. Health Network), 4.00%, 8/15/39	A3	1,500,000	1,397,458

<b>MUNICIPAL BONDS AND NOTES (97.5%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Pennsylvania cont.</b>			
Chester Cnty., G.O. Bonds, 5.00%, 7/15/36	Aaa	\$750,000	\$781,162
Chester Cnty., Incl. Dev. Auth. Rev. Bonds (Collegium Charter School), Ser. A, 5.125%, 10/15/37	BB	225,000	216,895
(Renaissance Academy Charter School), 5.00%, 10/1/34	BBB-	400,000	400,522
Chester Cnty., Incl. Dev. Auth. 144A Rev. Bonds, (Collegium Charter School), 6.00%, 10/15/52	BB	750,000	729,767
Chester Cnty., Incl. Dev. Auth. Student Hsg. Rev. Bonds, (West Chester U. Student Hsg., LLC), Ser. A, 5.00%, 8/1/45	Ba2	1,000,000	938,735
Cmnwlth. Fin. Auth. Rev. Bonds, (Tobacco Master Settlement Payment Bonds)			
5.00%, 6/1/34	A1	1,000,000	1,069,177
5.00%, 6/1/33	A1	1,000,000	1,069,889
Cumberland Cnty., Muni. Auth. Rev. Bonds			
(Asbury PA Obligated Group), 5.00%, 1/1/45	BB+/P	500,000	424,897
(Diakon Lutheran Social Ministries), 5.00%, 1/1/32	BBB+/F	700,000	705,020
(Penn State Hlth.), 4.00%, 11/1/44	A2	1,500,000	1,388,771
Dallas, Area Muni. Auth. U. Rev. Bonds, (Misericordia U.), 5.00%, 5/1/29	Baa3	1,500,000	1,502,475
Erie, City School Dist. G.O. Bonds, Ser. A, AGM, 4.00%, 4/1/33	AA	1,150,000	1,190,505
Erie, Higher Ed. Bldg. Auth. Rev. Bonds, (Gannon U.), 5.00%, 5/1/34	BBB+	750,000	760,155
Erie, Wtr. Auth. Rev. Bonds			
Ser. A, AGM, 5.00%, 12/1/43	AA	1,000,000	1,063,094
Ser. D, BAM, 4.00%, 12/1/44	AA	1,000,000	982,692
Geisinger, Auth. Rev. Bonds, (Geisinger Hlth. Syst.), Ser. A-2, 5.00%, 2/15/39	AA-	2,155,000	2,221,912
Governor Mifflin School Dist. G.O. Bonds, Ser. A, 4.00%, 4/1/39	AA-	1,000,000	1,000,317
Indiana Cnty., Incl. Dev. Auth. Rev. Bonds, (Foundation for Indiana U. of Pennsylvania (The)), BAM, 4.00%, 5/1/54	AA	1,245,000	1,153,556
Lackawanna Cnty., Incl. Dev. Auth. Rev. Bonds, (Scranton U.), 4.00%, 11/1/40	A-	1,500,000	1,391,919
Lancaster Cnty., Convention Ctr. Auth. Hotel Room Rental Tax Rev. Bonds, Ser. B, 4.00%, 5/1/49	Aa2	1,000,000	955,378
Lancaster Cnty., Hosp. & Hlth. Ctr. Auth. Rev. Bonds			
(Landis Homes Retirement Cmnty.), Ser. A, 5.00%, 7/1/45	BBB-/F	1,000,000	899,901
(St. Anne's Retirement Cmnty.), 5.00%, 3/1/45	BB+/F	500,000	405,796
Lancaster Cnty., Hosp. Auth. Rev. Bonds, (Penn State Hlth.), 5.00%, 11/1/51	A2	1,500,000	1,536,936
Lancaster Cnty., Hosp. Auth. VRDN, (Masonic Homes), Ser. D, 3.95%, 7/1/34	A-1	1,260,000	1,260,000
Lancaster Cnty., Hosp. Auth. Hlth. Care Fac. Rev. Bonds, (Moravian Manors, Inc.), Ser. A			
5.00%, 6/15/49	BB+/F	1,000,000	845,906
5.00%, 6/15/44	BB+/F	1,235,000	1,075,181

<b>MUNICIPAL BONDS AND NOTES (97.5%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Pennsylvania cont.</b>			
Lancaster, G.O. Bonds, AGM, 4.00%, 11/1/46	AA	\$1,000,000	\$977,186
Lancaster, Inld. Dev. Auth. Rev. Bonds			
(Landis Homes Oblig. Group), 4.00%, 7/1/51	BBB-/F	1,500,000	1,095,004
(Willow Valley Communities), 4.00%, 12/1/49	A/F	1,550,000	1,363,131
Lehigh Cnty., Gen. Purpose Hosp. Rev. Bonds, (Lehigh Valley Hlth. Network), Ser. A, 5.00%, 7/1/30	A+	350,000	364,867
Montgomery Cnty., Inld. Dev. Auth. Rev. Bonds			
(Foulkeways at Gwynedd), 5.00%, 12/1/46	BBB	1,000,000	934,266
(ACTS Retirement-Life Communities, Inc.), 5.00%, 11/15/36	A-/F	1,500,000	1,494,150
(Pub. School of Germantown (The)), 4.00%, 10/1/51	BBB+	800,000	630,384
(Pub. School of Germantown (The)), 4.00%, 10/1/46	BBB+	625,000	510,070
(ACTS Retirement-Life Communities, Inc.), 4.00%, 11/15/43	A-/F	550,000	450,022
(Pub. School of Germantown (The)), 4.00%, 10/1/41	BBB+	425,000	362,091
(Pub. School of Germantown (The)), 4.00%, 10/1/36	BBB+	450,000	410,973
PA Rev. Bonds, (City of Philadelphia, Wtr. & Wastewater), 4.00%, 1/1/29	Baa2	650,000	642,883
PA State G.O. Bonds, 5.00%, 10/1/42	Aa3	1,250,000	1,386,599
PA State Econ. Dev. Fin. Auth. Rev. Bonds			
(PennDOT Major Bridges), AGM, 5.75%, 12/31/62	AA	400,000	440,842
(U. of Pittsburgh Med. Ctr.), Ser. A, 5.00%, 2/15/38	A2	1,750,000	1,898,982
(PA Bridges Finco LP), 5.00%, 12/31/34	BBB	250,000	253,950
PA State Econ. Dev. Fin. Auth. Solid Waste Disp. Rev. Bonds, (Procter & Gamble Paper), 5.375%, 3/1/31	Aa3	1,155,000	1,310,976
PA State Fin., Auth. Rev. Bonds, (Penn Hills), Ser. B, AMBAC, zero %, 12/1/27	AA-/P	1,000,000	843,808
PA State Higher Edl. Fac. Auth. Rev. Bonds			
(U. of PA Health Syst. (The)), 5.00%, 8/15/33	AA	550,000	606,441
(Drexel U.), 4.00%, 5/1/34	A3	2,000,000	2,013,967
PA State Higher Edl. Fac. Auth. Student Hsg. Rev. Bonds, (East Stroudsburg), Ser. A, 5.00%, 7/1/35	Baa3	730,000	708,711
PA State Pub. School Bldg. Auth. Rev. Bonds, (Northampton Cnty. Area Cmnty. College), BAM			
4.00%, 3/1/31	AA	490,000	506,429
4.00%, 3/1/30	AA	640,000	662,104
PA State Tpk. Comm. Rev. Bonds			
Ser. B-1, 5.00%, 6/1/42	A3	675,000	698,460
Ser. A-1, 5.00%, 12/1/40	AA-	2,500,000	2,556,001
Ser. 2nd, 5.00%, 12/1/37	A3	1,295,000	1,359,969
5.00%, 6/1/36	A3	2,000,000	2,064,393
4.75%, 12/1/37	A1	1,000,000	1,029,300
PA State Tpk. Comm. Oil Franchise Tax Rev. Bonds, Ser. C, zero %, 12/1/38	Aa3	3,000,000	1,568,367
PA State U. Rev. Bonds, Ser. A, 5.00%, 9/1/45	Aa1	2,200,000	2,366,766
PA State, Econ. Dev. Fin. Auth. Rev. Bonds, (U. of Pittsburgh Med. Ctr.), Ser. A, 5.00%, 2/15/39	A2	1,500,000	1,621,139

<b>MUNICIPAL BONDS AND NOTES (97.5%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Pennsylvania cont.</b>			
Philadelphia Auth. For Ind. Dev. 144A Rev. Bonds, (String Theory Charter School), 5.00%, 6/15/40	BB+	\$1,000,000	\$1,000,420
Philadelphia, G.O. Bonds			
Ser. A, 5.00%, 8/1/37	A1	500,000	528,910
Ser. B, 5.00%, 2/1/37	A1	1,250,000	1,351,414
Philadelphia, Arpt. Rev. Bonds, AGM			
4.00%, 7/1/46	AA	500,000	465,380
4.00%, 7/1/41	AA	400,000	381,209
4.00%, 7/1/40	AA	300,000	286,232
Philadelphia, Auth. for Incl. Dev. Rev. Bonds			
(St. Joseph U.), 5.50%, 11/1/60	A-	1,000,000	1,072,930
(MaST Cmnty. Charter School II), 5.00%, 8/1/50	BBB-	1,050,000	1,009,775
(Independence Charter School-West), 5.00%, 6/15/50	BB/P	1,375,000	1,230,895
(St. Joseph's U.), 5.00%, 11/1/47	A-/P	1,000,000	1,002,126
(MaST Cmnty. Charter School III), 5.00%, 8/1/40	BBB-	615,000	613,253
(Saint Joseph's U.), 4.00%, 11/1/38	A-	1,000,000	952,471
Philadelphia, Auth. for Incl. Dev. VRDN Ser. B-2, 3.50%, 10/1/30	VMIG 1	1,500,000	1,500,000
Philadelphia, Gas Wks. Rev. Bonds, 5.00%, 8/1/47	A	2,500,000	2,561,293
Philadelphia, Incl. Dev. Auth. Rev. Bonds, (Alliance for Progress Charter School, Inc.), Ser. A, 5.00%, 6/15/49	BB-/P	500,000	441,103
Philadelphia, Redev. Auth. Rev. Bonds			
Ser. B, 5.00%, 9/1/43	A1	1,250,000	1,337,848
(Transformation Initiative), 5.00%, 4/15/26 (Prerefunded 6/26/23)	A1	1,000,000	1,000,950
Philadelphia, School Dist. G.O. Bonds			
Ser. F, 5.00%, 9/1/36	A1	1,000,000	1,022,914
Ser. A, 5.00%, 9/1/34	A1	1,000,000	1,024,351
Ser. A, 5.00%, 9/1/33	A1	1,575,000	1,708,014
Philadelphia, Wtr. & Waste Wtr. Rev. Bonds, Ser. A, 5.00%, 11/1/45	A1	1,000,000	1,053,840
Pittsburgh & Allegheny Cnty., Sports & Exhibition Auth. Rev. Bonds, (Pkg. Syst.)			
5.00%, 12/15/37	A	1,000,000	1,061,141
5.00%, 12/15/35	A	625,000	667,392
5.00%, 12/15/33	A	1,000,000	1,071,543
Pittsburgh, G.O. Bonds			
4.00%, 9/1/41	AA-	585,000	574,146
4.00%, 9/1/39	AA-	300,000	300,755
4.00%, 9/1/38	AA-	350,000	353,506
4.00%, 9/1/36	AA-	275,000	282,464
4.00%, 9/1/34	AA-	250,000	258,700
4.00%, 9/1/33	AA-	245,000	254,116
Pittsburgh, School Dist. G.O. Bonds, 3.00%, 9/1/38	Aa3	995,000	850,645
Reading, School Dist. G.O. Bonds, AGM, 5.00%, 3/1/38	AA	1,250,000	1,307,229
Scranton, School Dist. G.O. Bonds, Ser. E, BAM, 4.00%, 12/1/37	AA	1,925,000	1,934,791

<b>MUNICIPAL BONDS AND NOTES (97.5%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Pennsylvania cont.</b>			
Southeastern PA Trans. Auth. Rev. Bonds, (Asset Impt. Program), 5.25%, 6/1/52	Aa3	\$1,750,000	\$1,932,574
State Pub. School Bldg. Auth. Rev. Bonds, AGM, 5.00%, 12/1/33	AA	595,000	620,405
West Cornwall, Twp. Muni. Auth. Rev. Bonds, (Lebanon Valley Brethren Home Oblig. Group), Ser. A			
4.00%, 11/15/46	BBB/F	525,000	397,514
4.00%, 11/15/41	BBB/F	505,000	405,288
4.00%, 11/15/36	BBB/F	365,000	312,797
West Shore Area Auth. Rev. Bonds, (Lifeways at Messiah Village), Ser. A, 5.00%, 7/1/35	BBB-/F	500,000	483,258
Wilkes-Barre, Area School Dist. G.O. Bonds, BAM, 5.00%, 4/15/59	AA	2,000,000	2,054,211
Wilkes-Barre, Fin. Auth. Rev. Bonds, (Wilkes U.), 4.00%, 3/1/42	BBB-	1,400,000	1,164,882
			<b>105,058,597</b>
<b>Puerto Rico (0.3%)</b>			
Cmnwlth. of PR G.O. Bonds, Ser. A-1, 4.00%, 7/1/37	BB/P	350,000	304,608
			<b>304,608</b>
<b>Virgin Islands (0.3%)</b>			
Matching Fund Special Purpose Securitization Corp. Rev. Bonds, Ser. A, 5.00%, 10/1/30	BB/P	320,000	320,951
			<b>320,951</b>
<b>Total municipal bonds and notes (cost \$118,392,738)</b>			<b>\$112,011,490</b>
<b>SHORT-TERM INVESTMENTS (1.5%)*</b>		<b>Shares</b>	<b>Value</b>
Putnam Short Term Investment Fund Class P 5.21% <sup>L</sup>		1,677,279	\$1,677,279
<b>Total short-term investments (cost \$1,677,279)</b>			<b>\$1,677,279</b>
<b>TOTAL INVESTMENTS</b>			<b>\$113,688,769</b>

#### Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from June 1, 2022 through May 31, 2023 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

\* Percentages indicated are based on net assets of \$114,922,094.

\*\* The Moody's, Standard & Poor's or Fitch ratings indicated are believed to be the most recent ratings available at the close of the reporting period for the securities listed. Ratings are generally ascribed to securities at the time of issuance. While the agencies may from time to time revise such ratings, they undertake no obligation to do so, and the ratings do not necessarily represent what the agencies would ascribe to these securities at the close of the reporting period. Securities rated by Fitch are indicated by "/F." Securities rated by Putnam are indicated by "/P." The Putnam rating categories are comparable to the Standard & Poor's classifications. If a security is insured, it will usually be rated by the ratings organizations based on the financial strength of the insurer. Ratings are not covered by the Report of Independent Registered Public Accounting Firm. For further details regarding security ratings, please see the Statement of Additional Information.

<sup>L</sup> Affiliated company (Note 5). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

144A after the name of an issuer represents securities exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

The dates shown parenthetically on prerefunded bonds represent the next prerefunding dates.

The dates shown on debt obligations are the original maturity dates.

The fund had the following sector concentrations greater than 10% at the close of the reporting period (as a percentage of net assets):

Education	23.1%
Health care	22.9
Local debt	21.4
Transportation	13.1

ASC 820 establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund’s investments. The three levels are defined as follows:

Level 1: Valuations based on quoted prices for identical securities in active markets.

Level 2: Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3: Valuations based on inputs that are unobservable and significant to the fair value measurement.

The following is a summary of the inputs used to value the fund’s net assets as of the close of the reporting period:

Investments in securities:	Valuation inputs		
	Level 1	Level 2	Level 3
Municipal bonds and notes	\$—	\$112,011,490	\$—
Short-term investments	—	1,677,279	—
<b>Totals by level</b>	<b>\$—</b>	<b>\$113,688,769</b>	<b>\$—</b>

The accompanying notes are an integral part of these financial statements.

## Statement of assets and liabilities 5/31/23

### ASSETS

Investment in securities, at value (Note 1):	
Unaffiliated issuers (identified cost \$118,392,738)	\$112,011,490
Affiliated issuers (identified cost \$1,677,279) (Notes 1 and 5)	1,677,279
Interest and other receivables	1,479,260
Receivable for shares of the fund sold	69,296
Prepaid assets	5,177
<b>Total assets</b>	<b>115,242,502</b>

### LIABILITIES

Payable for shares of the fund repurchased	71,540
Payable for compensation of Manager (Note 2)	42,617
Payable for custodian fees (Note 2)	6,449
Payable for investor servicing fees (Note 2)	14,126
Payable for Trustee compensation and expenses (Note 2)	50,751
Payable for administrative services (Note 2)	701
Payable for distribution fees (Note 2)	45,679
Payable for auditing and tax fees	48,365
Distributions payable to shareholders	25,087
Other accrued expenses	15,093
<b>Total liabilities</b>	<b>320,408</b>
<b>Net assets</b>	<b>\$114,922,094</b>

### REPRESENTED BY

Paid-in capital (Unlimited shares authorized) (Notes 1 and 4)	\$122,801,631
Total distributable earnings (Note 1)	(7,879,537)
<b>Total — Representing net assets applicable to capital shares outstanding</b>	<b>\$114,922,094</b>

### COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE

Net asset value and redemption price per class A share (\$96,734,111 divided by 11,507,087 shares)	\$8.41
Offering price per class A share (100/96.00 of \$8.41)*	\$8.76
Net asset value and offering price per class B share (\$59,219 divided by 7,056 shares)**	\$8.39
Net asset value and offering price per class C share (\$5,035,524 divided by 598,653 shares)**	\$8.41
Net asset value, offering price and redemption price per class R6 share (\$847,817 divided by 100,688 shares)	\$8.42
Net asset value, offering price and redemption price per class Y share (\$12,245,423 divided by 1,454,804 shares)	\$8.42

\*On single retail sales of less than \$50,000. On sales of \$50,000 or more the offering price is reduced.

\*\*Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

The accompanying notes are an integral part of these financial statements.



## Statement of operations Year ended 5/31/23

### INVESTMENT INCOME

Interest (including interest income of \$89,497 from investments in affiliated issuers) (Note 5)	\$4,217,134
<b>Total investment income</b>	<b>4,217,134</b>

### EXPENSES

Compensation of Manager (Note 2)	518,631
Investor servicing fees (Note 2)	90,022
Custodian fees (Note 2)	10,403
Trustee compensation and expenses (Note 2)	5,241
Distribution fees (Note 2)	310,117
Administrative services (Note 2)	4,086
Other	116,326
<b>Total expenses</b>	<b>1,054,826</b>
Expense reduction (Note 2)	(1,297)
<b>Net expenses</b>	<b>1,053,529</b>
<b>Net investment income</b>	<b>3,163,605</b>

### REALIZED AND UNREALIZED GAIN (LOSS)

#### Net realized gain (loss) on:

Securities from unaffiliated issuers (Notes 1 and 3)	(529,447)
Swap contracts (Note 1)	259,100
<b>Total net realized loss</b>	<b>(270,347)</b>

#### Change in net unrealized appreciation (depreciation) on:

Securities from unaffiliated issuers	(4,370,619)
Swap contracts	(131,316)
<b>Total change in net unrealized depreciation</b>	<b>(4,501,935)</b>
<b>Net loss on investments</b>	<b>(4,772,282)</b>
<b>Net decrease in net assets resulting from operations</b>	<b>\$(1,608,677)</b>

The accompanying notes are an integral part of these financial statements.

## Statement of changes in net assets

DECREASE IN NET ASSETS	Year ended 5/31/23	Year ended 5/31/22
<b>Operations</b>		
Net investment income	\$3,163,605	\$3,082,233
Net realized gain (loss) on investments	(270,347)	297,784
Change in net unrealized depreciation of investments	(4,501,935)	(14,440,144)
<b>Net decrease in net assets resulting from operations</b>	<b>(1,608,677)</b>	<b>(11,060,127)</b>
Distributions to shareholders (Note 1):		
From ordinary income		
Taxable net investment income		
Class A	(6,986)	(15,516)
Class B	(9)	(39)
Class C	(389)	(1,153)
Class R6	(61)	(43)
Class Y	(878)	(2,308)
From tax-exempt net investment income		
Class A	(2,647,411)	(2,515,005)
Class B	(2,981)	(4,702)
Class C	(109,709)	(112,287)
Class R6	(24,938)	(9,170)
Class Y	(384,432)	(413,084)
Decrease from capital share transactions (Note 4)	(10,735,494)	(10,235,043)
<b>Total decrease in net assets</b>	<b>(15,521,965)</b>	<b>(24,368,477)</b>
<b>NET ASSETS</b>		
Beginning of year	130,444,059	154,812,536
<b>End of year</b>	<b>\$114,922,094</b>	<b>\$130,444,059</b>

The accompanying notes are an integral part of these financial statements.

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## Financial highlights

(For a common share outstanding throughout the period)

Period ended	INVESTMENT OPERATIONS				LESS DISTRIBUTIONS
	Net asset value, beginning of period	Net investment income	Net realized and unrealized gain (loss) on investments	Total from investment operations	From net investment income
<b>Class A</b>					
May 31, 2023	<b>\$8.72</b>	.22	(.31)	<b>(.09)</b>	(.22)
May 31, 2022	<b>9.61</b>	.19	(.89)	<b>(.70)</b>	(.19)
May 31, 2021	<b>9.22</b>	.21	.38	<b>.59</b>	(.20)
May 31, 2020	<b>9.19</b>	.23	.03	<b>.26</b>	(.23)
May 31, 2019	<b>8.97</b>	.26	.22	<b>.48</b>	(.26)
<b>Class B</b>					
May 31, 2023	<b>\$8.70</b>	.17	(.31)	<b>(.14)</b>	(.17)
May 31, 2022	<b>9.59</b>	.14	(.89)	<b>(.75)</b>	(.14)
May 31, 2021	<b>9.20</b>	.15	.39	<b>.54</b>	(.15)
May 31, 2020	<b>9.17</b>	.17	.03	<b>.20</b>	(.17)
May 31, 2019	<b>8.96</b>	.20	.22	<b>.42</b>	(.21)
<b>Class C</b>					
May 31, 2023	<b>\$8.73</b>	.16	(.32)	<b>(.16)</b>	(.16)
May 31, 2022	<b>9.62</b>	.12	(.89)	<b>(.77)</b>	(.12)
May 31, 2021	<b>9.22</b>	.13	.40	<b>.53</b>	(.13)
May 31, 2020	<b>9.19</b>	.16	.03	<b>.19</b>	(.16)
May 31, 2019	<b>8.98</b>	.19	.21	<b>.40</b>	(.19)
<b>Class R6</b>					
May 31, 2023	<b>\$8.74</b>	.25	(.32)	<b>(.07)</b>	(.25)
May 31, 2022	<b>9.63</b>	.22	(.89)	<b>(.67)</b>	(.22)
May 31, 2021	<b>9.23</b>	.23	.40	<b>.63</b>	(.23)
May 31, 2020	<b>9.20</b>	.25	.03	<b>.28</b>	(.25)
May 31, 2019	<b>8.99</b>	.28	.22	<b>.50</b>	(.29)
<b>Class Y</b>					
May 31, 2023	<b>\$8.73</b>	.25	(.31)	<b>(.06)</b>	(.25)
May 31, 2022	<b>9.63</b>	.22	(.90)	<b>(.68)</b>	(.22)
May 31, 2021	<b>9.23</b>	.23	.40	<b>.63</b>	(.23)
May 31, 2020	<b>9.20</b>	.25	.03	<b>.28</b>	(.25)
May 31, 2019	<b>8.99</b>	.28	.21	<b>.49</b>	(.28)

<sup>a</sup> Total return assumes dividend reinvestment and does not reflect the effect of sales charges.

<sup>b</sup> Includes amounts paid through expense offset arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

The accompanying notes are an integral part of these financial statements.

**RATIOS AND SUPPLEMENTAL DATA**

<b>Total distributions</b>	<b>Net asset value, end of period</b>	<b>Total return at net asset value (%)<sup>a</sup></b>	<b>Net assets, end of period (in thousands)</b>	<b>Ratio of expenses to average net assets (%)<sup>b</sup></b>	<b>Ratio of net investment income to average net assets (%)</b>	<b>Portfolio turnover (%)</b>
(.22)	\$8.41	(.95)	\$96,734	.87	2.64	19
(.19)	8.72	(7.35)	106,419	.83	2.08	21
(.20)	9.61	6.50	128,422	.84	2.16	12
(.23)	9.22	2.85	125,885	.83	2.51	19
(.26)	9.19	5.50	122,860	.83	2.85	12
(.17)	\$8.39	(1.57)	\$59	1.47	1.99	19
(.14)	8.70	(7.93)	242	1.43	1.47	21
(.15)	9.59	5.87	464	1.44	1.57	12
(.17)	9.20	2.21	767	1.45	1.89	19
(.21)	9.17	4.73	1,263	1.45	2.23	12
(.16)	\$8.41	(1.82)	\$5,036	1.62	1.88	19
(.12)	8.73	(8.04)	7,908	1.58	1.34	21
(.13)	9.62	5.81	7,847	1.59	1.42	12
(.16)	9.22	2.06	11,305	1.60	1.74	19
(.19)	9.19	4.57	14,524	1.60	2.08	12
(.25)	\$8.42	(.80)	\$848	.59	2.91	19
(.22)	8.74	(7.05)	886	.56	2.40	21
(.23)	9.63	6.89	298	.57	2.43	12
(.25)	9.23	3.10	220	.57	2.76	19
(.29)	9.20	5.67	234	.57	3.13	12
(.25)	\$8.42	(.70)	\$12,245	.62	2.88	19
(.22)	8.73	(7.20)	14,990	.58	2.33	21
(.23)	9.63	6.87	17,781	.59	2.41	12
(.25)	9.23	3.08	11,612	.60	2.74	19
(.28)	9.20	5.61	11,242	.60	3.08	12

## Notes to financial statements 5/31/23

Unless otherwise noted, the “reporting period” represents the period from June 1, 2022 through May 31, 2023. The following table defines commonly used references within the Notes to financial statements:

References to	Represent
Putnam Management	Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC
State Street	State Street Bank and Trust Company
JPMorgan	JPMorgan Chase Bank, N.A.
the SEC	the Securities and Exchange Commission
OTC	over-the-counter
PIL	Putnam Investments Limited, an affiliate of Putnam Management

Putnam Pennsylvania Tax Exempt Income Fund (the fund) is a Massachusetts business trust, which is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company. The goal of the fund is to seek as high a level of current income exempt from federal income tax and Pennsylvania personal income tax as Putnam Management believes is consistent with preservation of capital. The fund invests mainly in bonds that pay interest that is exempt from federal income tax and Pennsylvania personal income tax (but that may be subject to federal alternative minimum tax (AMT)), are investment-grade in quality, and have intermediate- to long-term maturities (i.e., three years or longer). Under normal circumstances, the fund invests at least 80% of its net assets in tax-exempt investments. Tax-exempt investments are issued by or for states, territories or possessions of the United States or by their political subdivisions, agencies, authorities or other government entities, and the income from these investments is exempt from both federal and Pennsylvania personal income tax. This investment policy cannot be changed without the approval of the fund’s shareholders. Interest income from private activity bonds may be subject to federal AMT for individuals. These investments are not included for the purpose of complying with the 80% investment policy. Putnam Management may consider, among other factors, credit, interest rate and prepayment risks, as well as general market conditions, when deciding whether to buy or sell investments.

The fund offers the following share classes. The expenses for each class of shares may differ based on the distribution and investor servicing fees of each class, which are identified in Note 2.

Share class	Sales charge	Contingent deferred sales charge	Conversion feature
Class A	Up to 4.00%	1.00% on certain redemptions of shares bought with no initial sales charge	None
Class B*	None	5.00% phased out over six years	Converts to class A shares after 8 years
Class C	None	1.00% eliminated after one year	Converts to class A shares after 8 years
Class R6†	None	None	None
Class Y†	None	None	None

\* Purchases of class B shares are closed to new and existing investors except by exchange from class B shares of another Putnam fund or through dividend and/or capital gains reinvestment.

† Not available to all investors.

In the normal course of business, the fund enters into contracts that may include agreements to indemnify another party under given circumstances. The fund’s maximum exposure under these arrangements is unknown as this would involve future claims that may be, but have not yet been, made against the fund. However, the fund’s management team expects the risk of material loss to be remote.

The fund has entered into contractual arrangements with an investment adviser, administrator, distributor, shareholder servicing agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

Under the fund's Amended and Restated Agreement and Declaration of Trust, any claims asserted against or on behalf of the Putnam Funds, including claims against Trustees and Officers, must be brought in state and federal courts located within the Commonwealth of Massachusetts.

### **Note 1: Significant accounting policies**

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations. Actual results could differ from those estimates. Subsequent events after the Statement of assets and liabilities date through the date that the financial statements were issued have been evaluated in the preparation of the financial statements.

Investment income, realized and unrealized gains and losses and expenses of the fund are borne pro-rata based on the relative net assets of each class to the total net assets of the fund, except that each class bears expenses unique to that class (including the distribution fees applicable to such classes). Each class votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. If the fund were liquidated, shares of each class would receive their pro-rata share of the net assets of the fund. In addition, the Trustees declare separate dividends on each class of shares.

**Security valuation** Portfolio securities and other investments are valued using policies and procedures adopted by the Board of Trustees. The Trustees have formed a Pricing Committee to oversee the implementation of these procedures and have delegated responsibility for valuing the fund's assets in accordance with these procedures to Putnam Management. Putnam Management has established an internal Valuation Committee that is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Pricing Committee.

Tax-exempt bonds and notes are generally valued on the basis of valuations provided by an independent pricing service approved by the Trustees. Such services use information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining value. These securities will generally be categorized as Level 2.

Market quotations are not considered to be readily available for certain debt obligations (including short-term investments with remaining maturities of 60 days or less) and other investments; such investments are valued on the basis of valuations furnished by an independent pricing service approved by the Trustees or dealers selected by Putnam Management. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities (which consider such factors as security prices, yields, maturities and ratings). These securities will generally be categorized as Level 2. Securities quoted in foreign currencies, if any, are translated into U.S. dollars at the current exchange rate.

Investments in open-end investment companies (excluding exchange-traded funds), if any, which can be classified as Level 1 or Level 2 securities, are valued based on their net asset value. The net asset value of such investment companies equals the total value of their assets less their liabilities and divided by the number of their outstanding shares.

To the extent a pricing service or dealer is unable to value a security or provides a valuation that Putnam Management does not believe accurately reflects the security's fair value, the security will be valued at fair value by Putnam Management, who has been designated as valuation designee pursuant to Rule 2a-5 under the Investment Company Act of 1940, in accordance with policies and procedures approved by the Trustees. Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures, recovery rates, sales and other multiples and resale restrictions. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs.

To assess the continuing appropriateness of fair valuations, the Valuation Committee reviews and affirms the reasonableness of such valuations on a regular basis after considering all relevant information that is reasonably available. Such valuations and procedures are reviewed periodically by the Trustees. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of

the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

**Security transactions and related investment income** Security transactions are recorded on the trade date (the date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis.

Interest income, net of any applicable withholding taxes, if any, is recorded on the accrual basis. Amortization and accretion of premiums and discounts on debt securities, if any, is recorded on the accrual basis.

**Total return swap contracts** The fund entered into OTC and/or centrally cleared total return swap contracts, which are arrangements to exchange a market-linked return for a periodic payment, both based on a notional principal amount, for hedging and gaining exposure to interest rate and term structure risk.

To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market maker. Any change is recorded as an unrealized gain or loss on OTC total return swaps. Daily fluctuations in the value of centrally cleared total return swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

OTC and/or centrally cleared total return swap contracts outstanding, including their respective notional amounts at period end, if any, are listed after the fund's portfolio.

**Master agreements** The fund is a party to ISDA (International Swaps and Derivatives Association, Inc.) Master Agreements (Master Agreements) with certain counterparties that govern OTC derivative and foreign exchange contracts entered into from time to time. The Master Agreements may contain provisions regarding, among other things, the parties' general obligations, representations, agreements, collateral requirements, events of default and early termination. With respect to certain counterparties, in accordance with the terms of the Master Agreements, collateral pledged to the fund is held in a segregated account by the fund's custodian and, with respect to those amounts which can be sold or repledged, is presented in the fund's portfolio.

Collateral pledged by the fund is segregated by the fund's custodian and identified in the fund's portfolio. Collateral can be in the form of cash or debt securities issued by the U.S. Government or related agencies or other securities as agreed to by the fund and the applicable counterparty. Collateral requirements are determined based on the fund's net position with each counterparty.

Termination events applicable to the fund may occur upon a decline in the fund's net assets below a specified threshold over a certain period of time. Termination events applicable to counterparties may occur upon a decline in the counterparty's long-term and short-term credit ratings below a specified level. In each case, upon occurrence, the other party may elect to terminate early and cause settlement of all derivative and foreign exchange contracts outstanding, including the payment of any losses and costs resulting from such early termination, as reasonably determined by the terminating party. Any decision by one or more of the fund's counterparties to elect early termination could impact the fund's future derivative activity.

At the close of the reporting period, the fund did not have a net liability position on open derivative contracts subject to the Master Agreements.

**Interfund lending** The fund, along with other Putnam funds, may participate in an interfund lending program pursuant to an exemptive order issued by the SEC. This program allows the fund to borrow from other Putnam funds that permit such transactions. Interfund lending transactions are subject to each fund's investment policies and borrowing and lending limits. Interest earned or paid on the interfund lending transaction will be based on the average of certain current market rates. During the reporting period, the fund did not utilize the program.



**Lines of credit** The fund participates, along with other Putnam funds, in a \$320 million syndicated unsecured committed line of credit, provided by State Street (\$160 million) and JPMorgan Chase Bank, N.A. (\$160 million), and a \$235.5 million unsecured uncommitted line of credit, provided by State Street. Prior to May 2, 2023, the fund participated, along with other Putnam funds, in a \$100 million unsecured committed line of credit and a \$235.5 million unsecured uncommitted line of credit, both provided by State Street. Borrowings may be made for temporary or emergency purposes, including the funding of shareholder redemption requests and trade settlements. Interest is charged to the fund based on the fund's borrowing at a rate equal to 1.25% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the committed line of credit and 1.30% plus the higher of (1) the Federal Funds rate and (2) the Overnight Bank Funding Rate for the uncommitted line of credit. A closing fee equal to 0.04% of the committed line of credit and 0.04% of the uncommitted line of credit has been paid by the participating funds and a \$75,000 fee has been paid by the participating funds to State Street as agent of the syndicated committed line of credit. In addition, a commitment fee of 0.21% per annum on any unutilized portion of the committed line of credit is allocated to the participating funds based on their relative net assets and paid quarterly. During the reporting period, the fund had no borrowings against these arrangements.

**Federal taxes** It is the policy of the fund to distribute all of its income within the prescribed time period and otherwise comply with the provisions of the Internal Revenue Code of 1986, as amended (the Code), applicable to regulated investment companies. It is also the intention of the fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Code.

The fund is subject to the provisions of Accounting Standards Codification 740 *Income Taxes* (ASC 740). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The fund did not have a liability to record for any unrecognized tax benefits in the accompanying financial statements. No provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains. Each of the fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Under the Regulated Investment Company Modernization Act of 2010, the fund will be permitted to carry forward capital losses incurred for an unlimited period and the carry forwards will retain their character as either short-term or long-term capital losses. At May 31, 2023, the fund had the following capital loss carryovers available, to the extent allowed by the Code, to offset future net capital gain, if any:

Loss carryover		
Short-term	Long-term	Total
\$774,596	\$855,812	\$1,630,408

**Distributions to shareholders** Income dividends are recorded daily by the fund and are paid monthly. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. For the reporting period, there were no material temporary or permanent differences. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. At the close of the reporting period, the fund reclassified \$6,456 to decrease undistributed net investment income and \$6,456 to decrease accumulated net realized loss.

Tax cost of investments includes adjustments to net unrealized appreciation (depreciation) which may not necessarily be final tax cost basis adjustments, but closely approximate the tax basis unrealized gains and losses that may be realized and distributed to shareholders. The tax basis components of distributable earnings and the federal tax cost as of the close of the reporting period were as follows:

Unrealized appreciation	\$1,181,498
Unrealized depreciation	(7,543,410)
Net unrealized depreciation	(6,361,912)
Undistributed ordinary income	77,137
Undistributed tax-exempt income	60,734
Capital loss carryforward	(1,630,408)
Cost for federal income tax purposes	\$120,050,681

## Note 2: Management fee, administrative services and other transactions

The fund pays Putnam Management a management fee (based on the fund's average net assets and computed and paid monthly) at annual rates that may vary based on the average of the aggregate net assets of all open-end mutual funds sponsored by Putnam Management (excluding net assets of funds that are invested in, or that are invested in by, other Putnam funds to the extent necessary to avoid "double counting" of those assets). Such annual rates may vary as follows:

0.590%	of the first \$5 billion,	0.390%	of the next \$50 billion,
0.540%	of the next \$5 billion,	0.370%	of the next \$50 billion,
0.490%	of the next \$10 billion,	0.360%	of the next \$100 billion and
0.440%	of the next \$10 billion,	0.355%	of any excess thereafter.

For the reporting period, the management fee represented an effective rate (excluding the impact from any expense waivers in effect) of 0.431% of the fund's average net assets.

Putnam Management has contractually agreed, through September 30, 2024, to waive fees and/or reimburse the fund's expenses to the extent necessary to limit the cumulative expenses of the fund, exclusive of brokerage, interest, taxes, investment-related expenses, extraordinary expenses, acquired fund fees and expenses and payments under the fund's investor servicing contract, investment management contract and distribution plans, on a fiscal year-to-date basis to an annual rate of 0.20% of the fund's average net assets over such fiscal year-to-date period. During the reporting period, the fund's expenses were not reduced as a result of this limit.

PIL is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Putnam Management from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Putnam Management were to engage the services of PIL, Putnam Management would pay a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% (prior to July 1, 2022, the annual rate was 0.40%) of the average net assets of the portion of the fund managed by PIL.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by State Street. Custody fees are based on the fund's asset level, the number of its security holdings and transaction volumes.

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. received fees for investor servicing for class A, class B, class C, and class Y shares that included (1) a per account fee for each direct and underlying non-defined contribution account (retail account) of the fund; (2) a specified rate of the fund's assets attributable to defined contribution plan accounts; and (3) a specified rate based on the average net assets in retail accounts. Putnam Investor Services, Inc. has agreed that the aggregate investor servicing fees for each fund's retail and defined contribution accounts for these share classes will not exceed an annual rate of 0.25% of the fund's average assets attributable to such accounts.

Class R6 shares paid a monthly fee based on the average net assets of class R6 shares at an annual rate of 0.05%.

During the reporting period, the expenses for each class of shares related to investor servicing fees were as follows:

Class A	\$75,071	Class R6	430
Class B	113	Class Y	10,007
Class C	4,401	<b>Total</b>	<b>\$90,022</b>

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by \$1,297 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$104, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

The fund has adopted a Trustee Fee Deferral Plan (the Deferral Plan) which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the Pension Plan) covering all Trustees of the fund who have served as a Trustee for at least five years and were first elected prior to 2004. Benefits under the Pension Plan are equal to 50% of the Trustee's average annual attendance and retainer fees for the three years ended December 31, 2005. The retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. Pension expense for the fund is included in Trustee compensation and expenses in the Statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

The fund has adopted distribution plans (the Plans) with respect to the following share classes pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Plans is to compensate Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Putnam Investments, LLC, for services provided and expenses incurred in distributing shares of the fund. The Plans provide payments by the fund to Putnam Retail Management Limited Partnership at an annual rate of up to the following amounts (Maximum %) of the average net assets attributable to each class. The Trustees have approved payment by the fund at the following annual rate (Approved %) of the average net assets attributable to each class. During the reporting period, the class-specific expenses related to distribution fees were as follows:

	Maximum %	Approved %	Amount
Class A	0.35%	0.25%	\$250,164
Class B	1.00%	0.85%	1,280
Class C	1.00%	1.00%	58,673
<b>Total</b>			<b>\$310,117</b>

For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received net commissions of \$452 from the sale of class A shares and received no monies and \$10 in contingent deferred sales charges from redemptions of class B and class C shares, respectively.

A deferred sales charge of up to 1.00% is assessed on certain redemptions of class A shares. For the reporting period, Putnam Retail Management Limited Partnership, acting as underwriter, received no monies on class A redemptions.

### Note 3: Purchases and sales of securities

During the reporting period, the cost of purchases and the proceeds from sales, excluding short-term investments, were as follows:

	Cost of purchases	Proceeds from sales
Investments in securities (Long-term)	\$21,882,654	\$30,319,025
U.S. government securities (Long-term)	—	—
<b>Total</b>	<b>\$21,882,654</b>	<b>\$30,319,025</b>

The fund may purchase or sell investments from or to other Putnam funds in the ordinary course of business, which can reduce the fund's transaction costs, at prices determined in accordance with SEC requirements and policies approved by the Trustees. During the reporting period, purchases or sales of long-term securities from or to other Putnam funds, if any, did not represent more than 5% of the fund's total cost of purchases and/or total proceeds from sales.

**Note 4: Capital shares**

At the close of the reporting period, there were an unlimited number of shares of beneficial interest authorized. Transactions, including, if applicable, direct exchanges pursuant to share conversions, in capital shares were as follows:

Class A	YEAR ENDED 5/31/23		YEAR ENDED 5/31/22	
	Shares	Amount	Shares	Amount
Shares sold	825,120	\$7,006,836	677,203	\$6,373,714
Shares issued in connection with reinvestment of distributions	286,140	2,411,273	247,294	2,306,590
	1,111,260	9,418,109	924,497	8,680,304
Shares repurchased	(1,805,055)	(15,195,574)	(2,081,366)	(19,214,902)
<b>Net decrease</b>	<b>(693,795)</b>	<b>\$(5,777,465)</b>	<b>(1,156,869)</b>	<b>\$(10,534,598)</b>

Class B	YEAR ENDED 5/31/23		YEAR ENDED 5/31/22	
	Shares	Amount	Shares	Amount
Shares sold	740	\$6,301	113	\$1,045
Shares issued in connection with reinvestment of distributions	281	2,364	387	3,611
	1,021	8,665	500	4,656
Shares repurchased	(21,736)	(182,871)	(21,109)	(199,331)
<b>Net decrease</b>	<b>(20,715)</b>	<b>\$(174,206)</b>	<b>(20,609)</b>	<b>\$(194,675)</b>

Class C	YEAR ENDED 5/31/23		YEAR ENDED 5/31/22	
	Shares	Amount	Shares	Amount
Shares sold	79,667	\$676,679	279,864	\$2,689,018
Shares issued in connection with reinvestment of distributions	12,642	106,615	11,689	108,827
	92,309	783,294	291,553	2,797,845
Shares repurchased	(399,918)	(3,398,586)	(201,326)	(1,888,535)
<b>Net increase (decrease)</b>	<b>(307,609)</b>	<b>\$(2,615,292)</b>	<b>90,227</b>	<b>\$909,310</b>

Class R6	YEAR ENDED 5/31/23		YEAR ENDED 5/31/22	
	Shares	Amount	Shares	Amount
Shares sold	14,609	\$123,619	74,710	\$655,648
Shares issued in connection with reinvestment of distributions	2,947	24,871	998	9,204
	17,556	148,490	75,708	664,852
Shares repurchased	(18,293)	(156,105)	(5,272)	(46,214)
<b>Net increase (decrease)</b>	<b>(737)</b>	<b>\$(7,615)</b>	<b>70,436</b>	<b>\$618,638</b>

Class Y	YEAR ENDED 5/31/23		YEAR ENDED 5/31/22	
	Shares	Amount	Shares	Amount
Shares sold	355,776	\$3,030,510	328,825	\$3,100,023
Shares issued in connection with reinvestment of distributions	43,146	363,916	41,448	386,683
	398,922	3,394,426	370,273	3,486,706
Shares repurchased	(660,537)	(5,555,342)	(500,974)	(4,520,424)
<b>Net decrease</b>	<b>(261,615)</b>	<b>\$(2,160,916)</b>	<b>(130,701)</b>	<b>\$(1,033,718)</b>

At the close of the reporting period, Putnam Investments, LLC owned the following shares of the fund:

	Shares owned	Percentage of ownership	Value
Class R6	1,285	1.3%	\$10,820

### Note 5: Affiliated transactions

Transactions during the reporting period with any company which is under common ownership or control were as follows:

Name of affiliate	Fair value as of 5/31/22	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 5/31/23
<b>Short-term investments</b>					
Putnam Short Term Investment Fund*	\$1,174,599	\$47,322,772	\$46,820,092	\$89,497	\$1,677,279
<b>Total Short-term investments</b>	<b>\$1,174,599</b>	<b>\$47,322,772</b>	<b>\$46,820,092</b>	<b>\$89,497</b>	<b>\$1,677,279</b>

\* Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management. There were no realized or unrealized gains or losses during the period.

### Note 6: Market, credit and other risks

In the normal course of business, the fund trades financial instruments and enters into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the contracting party to the transaction to perform (credit risk). The fund may be exposed to additional credit risk that an institution or other entity with which the fund has unsettled or open transactions will default. The fund focuses a majority of its investments in the state of Pennsylvania and may be affected by economic and political developments in that state.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Various financial industry groups have been planning for the transition away from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. Neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of related transactions, such as

hedges. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur at any time.

#### Note 7: Summary of derivative activity

The volume of activity for the reporting period for any derivative type that was held during the period is listed below and was based on an average of the holdings at the end of each fiscal quarter:

OTC total return swap contracts (notional)	\$680,000
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As of the close of the reporting period, the fund did not hold any derivative instruments.

The following is a summary of realized and change in unrealized gains or losses of derivative instruments in the Statement of operations for the reporting period (Note 1):

#### Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments

##### Derivatives not accounted for as hedging instruments under ASC 815

	Swaps	Total
Interest rate contracts	\$259,100	\$259,100
<b>Total</b>	<b>\$259,100</b>	<b>\$259,100</b>

#### Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments

##### Derivatives not accounted for as hedging instruments under ASC 815

	Swaps	Total
Interest rate contracts	\$(131,316)	\$(131,316)
<b>Total</b>	<b>\$(131,316)</b>	<b>\$(131,316)</b>

#### Note 8: Of special note

On May 31, 2023, Franklin Resources, Inc. (“Franklin Resources”) and Great-West Lifeco Inc., the parent company of Putnam U.S. Holdings I, LLC (“Putnam Holdings”), announced that they have entered into a definitive agreement for a subsidiary of Franklin Resources to acquire Putnam Holdings in a stock and cash transaction.

As part of this transaction, Putnam Management, a wholly owned subsidiary of Putnam Holdings and investment manager to the Putnam family of funds (the “Putnam Funds”), including your fund, would become an indirect wholly owned subsidiary of Franklin Resources.

The transaction is subject to customary closing conditions, including receipt of applicable regulatory approvals. Subject to such approvals and the satisfaction of these conditions, the transaction is currently expected to be consummated in the fourth quarter of 2023.

Under the Investment Company Act of 1940, as amended, consummation of the transaction will result in the automatic termination of the investment management contract between each Putnam Fund and Putnam Management and any related sub-management and sub-advisory contracts, where applicable. In anticipation of this automatic termination, on June 23, 2023, the Board of Trustees of the Putnam Funds approved a new investment management contract between each Putnam Fund and Putnam Management (and new sub-management and sub-advisory contracts, if applicable), which will be presented to the shareholders of each Putnam Fund for their approval at shareholder meetings currently expected to occur in October 2023.

## Federal tax information (Unaudited)

The fund has designated 99.74% of dividends paid from net investment income during the reporting period as tax exempt for federal income tax purposes.

The Form 1099 that will be mailed to you in January 2024 will show the tax status of all distributions paid to your account in calendar 2023.

## Shareholder meeting results (Unaudited)

### June 29, 2022 special meeting

At the meeting, each of the nominees for Trustees was elected, as follows:

	<b>Votes for</b>	<b>Votes withheld</b>
Liaquat Ahamed	9,532,341	156,590
Barbara M. Baumann	9,535,392	153,539
Katinka Domotorffy	9,554,686	134,245
Catharine Bond Hill	9,561,377	127,554
Kenneth R. Leibler	9,526,412	162,519
Jennifer Williams Murphy	9,529,170	159,761
Marie Pillai	9,545,633	143,298
George Putnam, III	9,526,470	162,461
Robert L. Reynolds	9,528,290	160,641
Manoj P. Singh	9,534,981	153,950
Mona K. Sutphen	9,554,686	134,245

All tabulations are rounded to the nearest whole number.

# About the Trustees

## INDEPENDENT TRUSTEES



### Liaquat Ahamed

*Born 1952, Trustee since 2012*

#### Principal occupations during past

**five years:** Author; won Pulitzer Prize for *Lords of Finance: The Bankers Who Broke the World*.

**Other directorships:** Chair of the Sun Valley Writers Conference, a literary not-for-profit organization, and a Trustee of the Journal of Philosophy.



### Barbara M. Baumann

*Born 1955, Trustee since 2010, Vice Chair since 2022*

#### Principal occupations during past

**five years:** President of Cross Creek Energy Corporation, a strategic consultant to domestic energy firms and direct investor in energy projects.

**Other directorships:** Director of Devon Energy Corporation, a publicly traded independent natural gas and oil exploration and production company; Director of National Fuel Gas Company, a publicly traded energy company that engages in the production, gathering, transportation, distribution, and marketing of natural gas; Senior Advisor to the energy private equity firm First Reserve; member of the Finance Committee of the Children's Hospital of Colorado; member of the Investment Committee of the Board of The Denver Foundation; and previously a Director of publicly traded companies Buckeye Partners LP, UNS Energy Corporation, CVR Energy Company, and SM Energy Corporation.



### Katinka Domotorffy

*Born 1975, Trustee since 2012*

#### Principal occupations during past

**five years:** Voting member of the Investment Committees of the Anne Ray Foundation and Margaret A. Cargill Foundation, part of the Margaret A. Cargill Philanthropies.

**Other directorships:** Director of the Great Lakes Science Center and of College Now Greater Cleveland.



### Catharine Bond Hill

*Born 1954, Trustee since 2017*

#### Principal occupations during past

**five years:** Managing Director of Ithaka S+R, a not-for-profit service that helps the academic community navigate economic and technological change. From 2006 to 2016, Dr. Hill served as the 10th president of Vassar College.

**Other directorships:** Director of Yale-NUS College and Trustee of Yale University.



### Kenneth R. Leibler

*Born 1949, Trustee since 2006, Vice Chair from 2016 to 2018, Chair since 2018*

#### Principal occupations during past

**five years:** Vice Chair Emeritus of the Board of Trustees of Beth Israel Deaconess Hospital in Boston. Member of the Investment Committee of the Boston Arts Academy Foundation.

**Other directorships:** Director of Eversource Corporation, which operates New England's largest energy delivery system; previously the Chairman of the Boston Options Exchange, an electronic marketplace for the trading of listed derivatives securities; previously the Chairman and Chief Executive Officer of the Boston Stock Exchange; and previously the President and Chief Operating Officer of the American Stock Exchange.



### Jennifer Williams Murphy

*Born 1964, Trustee since 2022*

#### Principal occupations during past

**five years:** Chief Executive Officer and Founder of Runa Digital Assets, LLC, an institutional investment advisory firm specializing in active management of digital assets. Until 2021, Chief Operating Officer of Western Asset Management, LLC, a global investment advisor, and Chief Executive Officer and President of Western Asset Mortgage Capital Corporation, a mortgage finance real estate investment trust.

**Other directorships:** Previously, a Director of Western Asset Capital Corporation.



### Marie Pillai

*Born 1954, Trustee since 2022*

#### Principal occupations during past

**five years:** Senior Advisor, Hunter Street Partners, LP, an asset-oriented private investment firm; Specialty Leader and Member of the Curriculum Committee of the Center for Board Certified Fiduciaries, a public benefit corporation providing coursework for developing fiduciaries. Until 2019, Vice President, Chief Investment Officer, and Treasurer of General Mills, Inc., a global food company.

**Other directorships:** Member of the Investment Committee of the Bush Foundation, a nonprofit organization supporting community problem-solving in Minnesota, North Dakota, and South Dakota; Member of the Finance Council and Corporate Board of the Archdiocese of Saint Paul and Minneapolis; previously a Board Member of Catholic Charities of St. Paul and Minneapolis; Director of the Catholic Community Foundation of Minnesota; and Investment Advisory Board Member of the University of Minnesota.



**George Putnam III***Born 1951, Trustee since 1984***Principal occupations during past****five years:** Chair of New Generation

Research, Inc., a publisher of financial advisory and other research services, and President of New Generation Advisors, LLC, a registered investment advisor to private funds.

**Other directorships:** Director of The Boston Family Office, LLC, a registered investment advisor; a Director of the Gloucester Marine Genomics Institute; a Trustee of the Lowell Observatory Foundation; and previously a Trustee of the Marine Biological Laboratory.

**Manoj P. Singh***Born 1952, Trustee since 2017***Principal occupations during past****five years:** Until 2015, Chief Operating

Officer and Global Managing Director at Deloitte Touche Tohmatsu, Ltd., a global professional services organization, serving on the Deloitte U.S. Board of Directors and the boards of Deloitte member firms in China, Mexico, and Southeast Asia.

**Other directorships:** Director of ReNew Energy Global plc, a publicly traded renewable energy company; Director of Abt Associates, a global research firm working in the fields of health, social and environmental policy, and international development; Trustee of Carnegie Mellon University; Director of Pratham USA, an organization dedicated to children's education in India; member of the advisory board of Altimetrik, a business transformation and technology solutions firm; and Director of DXC Technology, a global IT services and consulting company.

**Mona K. Sutphen***Born 1967, Trustee since 2020***Principal occupations during past five****years:** Partner, Investment Strategies, at

The Vistria Group, a private investment firm focused on middle-market companies in the health care, education, and financial services industries. From 2014 to 2018, Partner at Macro Advisory Partners, a global consulting firm.

**Other directorships:** Director of Spotify Technology S.A., a publicly traded audio content streaming service; Director of Unitek Learning, a private nursing and medical services education provider in the United States; Board Member, International Rescue Committee; Co-Chair of the Board of Human Rights First; Trustee of Mount Holyoke College; member of the Advisory Board for the Center on Global Energy Policy at Columbia University's School of International and Public Affairs; previously Director of Pattern Energy and Pioneer Natural Resources, publicly traded energy companies; and previously Managing Director of UBS AG.

**INTERESTED TRUSTEE****Robert L. Reynolds\****Born 1952, Trustee since 2008, President**and Chief Executive Officer of Putnam**Investments since 2008***Principal occupations during past five**

**years:** President and Chief Executive Officer of Putnam Investments; member of Putnam Investments' Board of Directors; and Chair of Great-West Lifeco U.S. LLC. Prior to 2019, also President and Chief Executive Officer of Great-West Financial, a financial services company that provides retirement savings plans, life insurance, and annuity and executive benefits products, and of Great-West Lifeco U.S. LLC, a holding company that owns Putnam Investments and Great-West Financial, and a member of Great-West Financial's Board of Directors.

**Other directorships:** Director of the Concord Museum; Director of Dana-Farber Cancer Institute; Director of the U.S. Ski & Snowboard Foundation; Chair of the Boston Advisory Board of the American Ireland Fund; Council Co-Chair of the American Enterprise Institute; Member of U.S. Chamber of Commerce, Center for Capital Markets Competitiveness; Chair of Massachusetts High Technology Council; Member of the Chief Executives Club of Boston; Member of the Massachusetts General Hospital President's Council; Chairman of the Board of Directors of the Ron Burton Training Village; Director and former Chair of the Massachusetts Competitive Partnership; former Chair of the West Virginia University Foundation; and former Executive Committee Member of the Greater Boston Chamber of Commerce.

\* Mr. Reynolds is an "interested person" (as defined in the Investment Company Act of 1940) of the fund and Putnam Investments. He is President and Chief Executive Officer of Putnam Investments, as well as the President of your fund and each of the other Putnam funds.

The address of each Trustee is 100 Federal Street, Boston, MA 02110.

As of May 31, 2023, there were 89 mutual funds, 4 closed-end funds, and 12 exchange-traded funds in the Putnam funds complex. Each Trustee serves as Trustee of all funds in the Putnam funds complex.

Each Trustee serves for an indefinite term, until his or her resignation, retirement at age 75, removal, or death.

## Officers

In addition to Robert L. Reynolds, the other officers of the fund are shown below:

**James F. Clark** *(Born 1974)*

Vice President and Chief Compliance Officer

*Since 2016*

Chief Compliance Officer and Chief Risk Officer, Putnam Investments, and Chief Compliance Officer, Putnam Management

**Michael J. Higgins** *(Born 1976)*

Vice President, Treasurer, and Clerk

*Since 2010*

**Jonathan S. Horwitz** *(Born 1955)*

Executive Vice President, Principal Executive Officer, and Compliance Liaison

*Since 2004*

**Richard T. Kircher** *(Born 1962)*

Vice President and BSA Compliance Officer

*Since 2019*

Assistant Director, Operational Compliance, Putnam Investments and Putnam Retail Management

**Martin Lemaire** *(Born 1984)*

Vice President and Derivatives Risk Manager

*Since 2022*

Risk Manager and Risk Analyst, Putnam Investments

**Susan G. Malloy** *(Born 1957)*

Vice President and Assistant Treasurer

*Since 2007*

Head of Accounting and Middle Office Services, Putnam Investments and Putnam Management

**Alan G. McCormack** *(Born 1964)*

Vice President and Derivatives Risk Manager

*Since 2022*

Head of Quantitative Equities and Risk, Putnam Investments

**Denere P. Poulack** *(Born 1968)*

Assistant Vice President, Assistant Clerk, and Assistant Treasurer

*Since 2004*

**Janet C. Smith** *(Born 1965)*

Vice President, Principal Financial Officer, Principal Accounting Officer, and Assistant Treasurer

*Since 2007*

Head of Fund Administration Services, Putnam Investments and Putnam Management

**Stephen J. Tate** *(Born 1974)*

Vice President and Chief Legal Officer

*Since 2021*

General Counsel, Putnam Investments, Putnam Management, and Putnam Retail Management

**Mark C. Trenchard** *(Born 1962)*

Vice President

*Since 2002*

Director of Operational Compliance, Putnam Investments and Putnam Retail Management

The principal occupations of the officers for the past five years have been with the employers as shown above, although in some cases they have held different positions with such employers. The address of each officer is 100 Federal Street, Boston, MA 02110.

## Fund information

Founded over 85 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We manage funds across income, value, blend, growth, sustainable, and asset allocation categories.

### Investment Manager

Putnam Investment Management, LLC  
100 Federal Street  
Boston, MA 02110

### Investment Sub-Advisor

Putnam Investments Limited  
16 St James's Street  
London, England SW1A 1ER

### Marketing Services

Putnam Retail Management Limited Partnership  
100 Federal Street  
Boston, MA 02110

### Custodian

State Street Bank and Trust Company

### Legal Counsel

Ropes & Gray LLP

### Independent Registered

**Public Accounting Firm**  
PricewaterhouseCoopers LLP

### Trustees

Kenneth R. Leibler, *Chair*  
Barbara M. Baumann, *Vice Chair*  
Liaquat Ahamed  
Katinka Domotorffy  
Catharine Bond Hill  
Jennifer Williams Murphy  
Marie Pillai  
George Putnam III  
Robert L. Reynolds  
Manoj P. Singh  
Mona K. Sutphen

### Officers

Robert L. Reynolds  
*President*  
  
James F. Clark  
*Vice President, Chief Compliance Officer, and Chief Risk Officer*  
  
Michael J. Higgins  
*Vice President, Treasurer, and Clerk*  
  
Jonathan S. Horwitz  
*Executive Vice President, Principal Executive Officer, and Compliance Liaison*

Richard T. Kircher  
*Vice President and BSA Compliance Officer*

Martin Lemaire  
*Vice President and Derivatives Risk Manager*

Susan G. Malloy  
*Vice President and Assistant Treasurer*

Alan G. McCormack  
*Vice President and Derivatives Risk Manager*

Denere P. Poulack  
*Assistant Vice President, Assistant Clerk, and Assistant Treasurer*

Janet C. Smith  
*Vice President, Principal Financial Officer, Principal Accounting Officer, and Assistant Treasurer*

Stephen J. Tate  
*Vice President and Chief Legal Officer*

Mark C. Trenchard  
*Vice President*

*This report is for the information of shareholders of Putnam Pennsylvania Tax Exempt Income Fund. It may also be used as sales literature when preceded or accompanied by the current prospectus, the most recent copy of Putnam's Quarterly Performance Summary, and Putnam's Quarterly Ranking Summary. For more recent performance, please visit putnam.com. Investors should carefully consider the investment objectives, risks, charges, and expenses of a fund, which are described in its prospectus. For this and other information or to request a prospectus or summary prospectus, call 1-800-225-1581 toll free. Please read the prospectus carefully before investing. The fund's Statement of Additional Information contains additional information about the fund's Trustees and is available without charge upon request by calling 1-800-225-1581.*

