



# Putnam Massachusetts Tax Exempt Income Fund

**Financial Statements and Other Important Information**

**Semiannual** | November 30, 2024

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## The fund's portfolio 11/30/24 (Unaudited)

### Key to holding's abbreviations

**AGC** Assured Guaranty Corporation

**AGM** Assured Guaranty Municipal Corporation

**AMBAC** AMBAC Indemnity Corporation

**BAM** Build America Mutual

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

**PSFG** Permanent School Fund Guaranteed

**SIFMA** Securities Industry and Financial Markets Association

**SGI** Syncora Guarantee, Incorporated

**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 2.86% as of the close of the reporting period.

<b>MUNICIPAL BONDS AND NOTES (96.8%)*</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Alaska (1.1%)</b>			
AK State Indl. Dev. & Export Auth. Rev. Bonds, (Tanana Chiefs Conference), Ser. A			
5.00%, 10/1/32	A+/F	\$1,000,000	\$1,067,990
5.00%, 10/1/31	A+/F	1,500,000	1,603,644
			<b>2,671,634</b>
<b>American Samoa (0.4%)</b>			
American Samoa Econ. Dev. Auth. 144A Rev. Bonds, Ser. A, 5.00%, 9/1/38			
	Ba3	1,000,000	1,010,981
			<b>1,010,981</b>
<b>California (1.0%)</b>			
Davis, Joint Unified School Dist. G.O. Bonds, (Yolo Cnty., Election 2018), BAM, 3.00%, 8/1/38			
	AA	2,650,000	2,487,360
			<b>2,487,360</b>
<b>Guam (3.2%)</b>			
Territory of GU, Govt. G.O. Bonds, 5.00%, 11/15/31			
	Baa3	765,000	783,086
Territory of GU, Govt. Bus. Privilege Tax Rev. Bonds, Ser. F, 4.00%, 1/1/42			
	Baa3	3,000,000	2,935,491
Territory of GU, Govt. Hotel Occupancy Tax Rev. Bonds, Ser. A, 5.00%, 11/1/40			
	Baa3	825,000	849,844
Territory of GU, Govt. Wtr. Wks. Auth. Wtr. & Waste Wtr. Syst. Rev. Bonds, Ser. A, 5.00%, 1/1/50			
	A-	1,500,000	1,561,158
Territory of GU, Port Auth. Rev. Bonds, Ser. B			
5.00%, 7/1/35	A	400,000	411,806
5.00%, 7/1/34	A	200,000	206,035
5.00%, 7/1/30	A	465,000	483,816
5.00%, 7/1/29	A	400,000	416,936
			<b>7,648,172</b>
<b>Louisiana (0.4%)</b>			
St. Tammany Parish Hosp. Svcs. Dist. No. 1 Rev. Bonds, (St. Tammany Parish Hosp.), Ser. A, 5.00%, 7/1/33			
	AA-/F	1,000,000	1,057,108
			<b>1,057,108</b>
<b>Massachusetts (85.4%)</b>			
Brockton, G.O. Bonds			
5.00%, 8/1/40	AA+	1,755,000	1,953,810
5.00%, 8/1/39	AA+	3,245,000	3,634,288
Lowell, Collegiate Charter School Rev. Bonds, 5.00%, 6/15/54			
	BB-/P	1,620,000	1,623,761
MA Bay Trans. Auth. Rev. Bonds, Ser. A-2, 5.00%, 7/1/52			
	AAA	3,365,000	3,643,015
MA Bay Trans. Auth. Sales Tax Rev. Bonds			
Ser. A-2, 5.00%, 7/1/46	AA+	4,475,000	4,626,201
Ser. A, 5.00%, 7/1/44	AA+	1,000,000	1,123,691
Ser. A-2, 5.00%, 7/1/44	AA+	2,400,000	2,485,564
MA Dev. Fin. Agcy. National Charter School Revolving Loan Fund Rev. Bonds, (Equitable School Revolving Fund, LLC), 4.00%, 11/1/51			
	A	1,335,000	1,328,272
MA State G.O. Bonds			
Ser. C, 5.25%, 10/1/52	Aa1	2,500,000	2,758,028
Ser. B, 5.00%, 5/1/54	Aa1	5,000,000	5,466,879
(Cons. Loan of 2023), Ser. A, 5.00%, 5/1/53	Aa1	4,820,000	5,237,323
Ser. C, 5.00%, 10/1/52	Aa1	2,000,000	2,161,437
Ser. D, 5.00%, 9/1/49	Aa1	2,000,000	2,147,113
Ser. A, 5.00%, 1/1/49	Aa1	3,000,000	3,140,025
Ser. E, 5.00%, 11/1/48	Aa1	2,015,000	2,190,846
MA State Clean Wtr. Trust Rev. Bonds, Ser. 25B			
5.00%, 2/1/43	Aaa	1,450,000	1,628,401
5.00%, 2/1/41	Aaa	400,000	452,435
MA State College Bldg. Auth. Rev. Bonds, Ser. A, 4.00%, 5/1/52			
	Aa2	500,000	496,731

<b>MUNICIPAL BONDS AND NOTES (96.8%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Massachusetts (85.4%) cont.</b>			
MA State Dev. Fin. Agcy. Rev. Bonds			
(WGBH Edl. Foundation), Ser. A, AMBAC, 5.75%, 1/1/42	AA-	\$5,000,000	\$6,165,434
(Milford Regl. Med. Ctr.), Ser. F, 5.625%, 7/15/36	BBB	500,000	500,718
(Boston Med. Ctr. Corp.), Ser. G, 5.25%, 7/1/48	Baa2	2,205,000	2,379,095
(Simmons College), Ser. H, SGI, 5.25%, 10/1/33	AA	1,100,000	1,153,411
(Mass General Brigham, Inc.), Ser. D, 5.00%, 7/1/54	Aa3	1,000,000	1,081,032
(Wheaton College), Ser. I, 5.00%, 1/1/53	Baa2	3,000,000	3,064,796
(Merrimack College), 5.00%, 7/1/52	BBB-	1,000,000	1,028,035
(Southcoast Hlth. Syst.), Ser. G, 5.00%, 7/1/50	Baa1	2,000,000	2,095,456
(Orchard Cove, Inc.), 5.00%, 10/1/49	BBB/F	700,000	712,639
(Boston U.), Ser. FF, 5.00%, 10/1/48	Aa3	3,075,000	3,372,056
(Northeastern U.), 5.00%, 10/1/44	A1	2,000,000	2,210,412
(Wellforce Oblig. Group), Ser. A, 5.00%, 7/1/44	BBB-	500,000	500,875
(Simmons U.), Ser. N, 5.00%, 10/1/43	Baa3	1,750,000	1,736,729
(Carleton-Willard Homes, Inc.), 5.00%, 12/1/42	A-	525,000	538,227
(Franklin W. Olin College of Engineering), Ser. F, 5.00%, 11/1/42	A2	950,000	1,050,445
(Partners Healthcare Syst.), Ser. Q, 5.00%, 7/1/41	Aa3	2,000,000	2,038,831
(Dexter Southfield), 5.00%, 5/1/41	BBB+	2,000,000	2,005,831
(Bentley U.), 5.00%, 7/1/40	A2	1,250,000	1,277,081
(Emerson College), Ser. A, 5.00%, 1/1/40	BBB+	1,570,000	1,601,141
(Orchard Cove, Inc.), 5.00%, 10/1/39	BBB/F	250,000	259,054
(Southcoast Hlth. Syst.), Ser. G, 5.00%, 7/1/39	Baa1	350,000	375,510
(Tufts U.), Ser. Q, 5.00%, 8/15/38	Aa3	500,000	505,630
(Beth Israel Lahey Hlth.), Ser. I, 5.00%, 7/1/38	A	500,000	509,179
(Southcoast Hlth. Syst.), Ser. G, 5.00%, 7/1/38	Baa1	300,000	323,166
(UMass Memorial Hlth. Care Oblig. Group), Ser. K, 5.00%, 7/1/38	BBB+	1,000,000	1,021,385
(Wentworth Inst. Tech.), 5.00%, 10/1/37	Baa1	655,000	663,756
(Foxborough Regl. Charter), Ser. B, 5.00%, 7/1/37	BBB-	1,120,000	1,134,109
(MCPHS U.), Ser. H, 5.00%, 7/1/37	Aa2	450,000	453,920
(Broad Inst.), 5.00%, 4/1/37	Aa3	1,000,000	1,044,192
(Fisher College), 5.00%, 4/1/37	BBB+	835,000	848,111
(Dana-Farber Cancer Inst.), Ser. N, 5.00%, 12/1/36	A1	1,100,000	1,130,630
(Brandeis U.), Ser. S-1, 5.00%, 10/1/36	A1	765,000	827,725
(Caregroup), Ser. I, 5.00%, 7/1/36	A	935,000	952,772
Ser. O, 5.00%, 12/1/35	A1	385,000	414,989
(Beth Israel Lahey Hlth. Oblig. Group), Ser. K, 5.00%, 7/1/35	A	500,000	542,396
Ser. O, 5.00%, 12/1/34	A1	425,000	458,996
(Baystate Med. Oblig. Group), Ser. N, 5.00%, 7/1/34	A	1,000,000	1,001,095
(Beth Israel Lahey Hlth. Oblig. Group), Ser. K, 5.00%, 7/1/34	A	1,000,000	1,086,563
(Woods Hole Oceanographic Inst.), 5.00%, 6/1/34	AA-	1,000,000	1,061,462
Ser. O, 5.00%, 12/1/33	A1	150,000	162,169
(Beth Israel Lahey Hlth. Oblig. Group), Ser. K, 5.00%, 7/1/33	A	665,000	723,731
(Woods Hole Oceanographic Inst.), 5.00%, 6/1/33	AA-	900,000	956,494
(Intl. Charter School), 5.00%, 4/15/33	BBB-	750,000	751,315
(CareGroup Oblig. Group), Ser. J2, 5.00%, 7/1/32	A	2,765,000	2,915,061
(South Shore Hosp., Inc.), Ser. I, 5.00%, 7/1/32	Baa2	1,600,000	1,625,760
(Woods Hole Oceanographic Inst.), 5.00%, 6/1/32	AA-	660,000	702,986
Ser. O, 5.00%, 12/1/31	A1	250,000	271,220
(Salem Cmnty. Corp.), 5.00%, 1/1/31	BB+/P	490,000	502,889
(Lesley U.), 5.00%, 7/1/30	BBB	1,000,000	1,021,911
(Salem Cmnty. Corp.), 5.00%, 1/1/30	BB+/P	465,000	476,498
(Dexter Southfield), 5.00%, 5/1/26	BBB+	740,000	744,604
(Middlesex School), 4.25%, 7/1/54	A+	1,600,000	1,598,595
(Franklin W. Olin College of Engineering), Ser. F, 4.125%, 11/1/43	A2	1,250,000	1,265,569
(Springfield College), Ser. A, 4.00%, 6/1/56	BBB	2,000,000	1,665,142
(Suffolk U.), 4.00%, 7/1/51	Baa3	6,070,000	4,927,227
(Loomis Oblig. Group), Ser. 21, 4.00%, 1/1/51	BBB	100,000	91,221
(Lasell U.), 4.00%, 7/1/50	BB	1,500,000	1,215,921
(Merrimack College), Ser. B, 4.00%, 7/1/50	BBB-	1,825,000	1,681,194
(Southcoast Hlth. Syst. Oblig. Group), Ser. G, 4.00%, 7/1/46	Baa1	1,850,000	1,763,490
(Wellforce Obligated Group), Ser. C, AGM, 4.00%, 10/1/45	AA	4,705,000	4,640,931

<b>MUNICIPAL BONDS AND NOTES (96.8%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Massachusetts (85.4%) cont.</b>			
MA State Dev. Fin. Agcy. Rev. Bonds			
(Suffolk U.), Ser. A, 4.00%, 7/1/45	Baa3	\$1,700,000	\$1,451,049
(Carleton-Willard Homes, Inc.), 4.00%, 12/1/42	A-	485,000	460,641
(Merrimack College), Ser. B, 4.00%, 7/1/42	BBB-	450,000	431,460
(Lasell U.), 4.00%, 7/1/40	BB	2,160,000	1,879,188
(Bentley U.), Ser. A, 4.00%, 7/1/39	A2	1,400,000	1,422,632
(Bentley U.), Ser. A, 4.00%, 7/1/38	A2	700,000	713,799
(Bentley U.), Ser. A, 4.00%, 7/1/37	A2	1,000,000	1,020,168
(Loomis Oblig. Group), Ser. 21, 4.00%, 1/1/36	BBB	385,000	387,102
(WGBH Edl. Foundation), Ser. B, AGC, zero %, 1/1/29	AA	2,000,000	1,756,629
(WGBH Edl. Foundation), Ser. B, AGC, zero %, 1/1/28	AA	2,000,000	1,815,901
MA State Dev. Fin. Agcy. 144A Rev. Bonds			
(CHF Merrimack, Inc.), 5.00%, 7/1/54	BB	1,200,000	1,225,610
(Milford Regl. Med. Ctr. Oblig. Group), 5.00%, 7/15/46	BBB	1,000,000	1,030,259
(Linden Ponds, Inc. Fac.), 5.00%, 11/15/38	A/F	2,100,000	2,182,758
(NewBridge on the Charles, Inc.), 5.00%, 10/1/37	BB+/F	1,000,000	1,018,677
(Loomis Oblig. Group), 4.00%, 1/1/51	BBB	520,000	474,347
(Loomis Oblig. Group), 4.00%, 1/1/36	BBB	395,000	397,156
(Loomis Oblig. Group), 4.00%, 1/1/31	BBB	1,000,000	1,016,537
(Loomis Oblig. Group), 4.00%, 1/1/26	BBB	480,000	481,185
MA State Dev. Fin. Agcy. VRDN Rev. Bonds, (Children's Hosp. Corp.), Ser. U-1, 3.10%, 3/1/48	VMIG 1	5,000,000	5,000,000
MA State Edl. Fin. Auth. Rev. Bonds, (Ed. Loan — Issue 1), 5.00%, 1/1/27	AA	2,750,000	2,753,187
MA State Hlth. & Edl. Fac. Auth. VRDN (MA Inst. of Tech.), Ser. J-2, 2.60%, 7/1/31	VMIG 1	5,000,000	5,000,000
MA State Hsg. Fin. Agcy. Rev. Bonds			
Ser. A, 5.10%, 12/1/30	AA+	635,000	635,523
(Single Fam.), Ser. 178, 3.50%, 6/1/42	Aa1	160,000	159,675
Ser. C-1, 3.30%, 12/1/59	AA+	7,625,000	6,109,330
Ser. A, 3.25%, 12/1/27	AA+	1,870,000	1,870,062
Ser. C-1, 3.10%, 12/1/44	AA+	2,500,000	2,130,292
MA State Muni. Wholesale Elec. Co. Rev. Bonds			
5.00%, 7/1/44	AA-/F	1,650,000	1,819,332
5.00%, 7/1/41	AA-/F	490,000	548,166
5.00%, 7/1/40	AA-/F	470,000	528,145
5.00%, 7/1/39	AA-/F	450,000	506,218
5.00%, 7/1/38	AA-/F	425,000	482,423
MA State Port Auth. Rev. Bonds			
Ser. D, 5.00%, 7/1/51	Aa2	2,000,000	2,143,246
Ser. A, 5.00%, 7/1/42	Aa2	1,275,000	1,300,684
Ser. A, 5.00%, 7/1/40	Aa2	2,500,000	2,621,278
(Green Bonds), Ser. A, 5.00%, 7/1/31	Aa2	1,000,000	1,103,487
(Green Bonds), Ser. A, 5.00%, 7/1/30	Aa2	1,200,000	1,309,553
MA State Port Auth. Special Fac. Rev. Bonds, (Bosfuel Corp.), Ser. A			
5.00%, 7/1/28	A1	210,000	221,180
5.00%, 7/1/26	A1	115,000	117,842
4.00%, 7/1/44	A1	3,500,000	3,448,012
MA State School Bldg. Auth. Dedicated Sales Tax Rev. Bonds, Ser. A			
5.00%, 2/15/44	Aa2	1,035,000	1,097,587
5.00%, 11/15/42	Aa1	2,000,000	2,024,324
MA State Trans. Fund Rev. Bonds			
(Rail Enhancement Program), Ser. A, 5.00%, 6/1/50	AAA	3,900,000	4,168,882
(Rail Enhancement & Accelerated Bridge Program), 5.00%, 6/1/48	AAA	2,095,000	2,181,024
(Rail Enhancement & Accelerated Bridge Program), Ser. A, 5.00%, 6/1/38	AAA	3,000,000	3,079,486
MA State Wtr. Resources Auth. Rev. Bonds, (Green Bonds), Ser. B, 5.25%, 8/1/48	Aa1	1,215,000	1,369,132
North Reading, G.O. Bonds, 5.00%, 5/15/35	Aa2	3,750,000	3,754,870
Quincy, G.O. Bonds, Ser. C			
4.00%, 9/15/42	AA	275,000	280,392
4.00%, 9/15/41	AA	300,000	307,769
4.00%, 9/15/40	AA	325,000	336,329
U. of MA Bldg. Auth. Rev. Bonds, Ser. 1			
5.00%, 11/1/52	Aa2	635,000	674,616
5.00%, 11/1/45	Aa2	1,070,000	1,146,002

<b>MUNICIPAL BONDS AND NOTES (96.8%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Massachusetts (85.4%) cont.</b>			
U. of MA Bldg. Auth. Rev. Bonds, Ser. 1			
5.00%, 11/1/41	Aa2	\$2,365,000	\$2,629,200
			<b>206,950,978</b>
<b>Ohio (1.5%)</b>			
OH State Higher Edl. Fac. Comm. Rev. Bonds, (Otterbein Homes Oblig. Group)			
4.00%, 7/1/39	A	875,000	877,519
4.00%, 7/1/36	A	435,000	440,862
4.00%, 7/1/35	A	425,000	432,906
4.00%, 7/1/32	A	375,000	387,958
4.00%, 7/1/29	A	770,000	797,534
Warren Cnty., Hlth. Care Fac. Rev. Bonds, (Otterbein Homes Oblig. Group), 5.00%, 7/1/32	A	750,000	750,903
			<b>3,687,682</b>
<b>Puerto Rico (0.3%)</b>			
Cmnwlth. of PR, G.O. Bonds, Ser. A-1, 4.00%, 7/1/37	BB-/P	750,000	736,730
			<b>736,730</b>
<b>Texas (2.6%)</b>			
Harris Cnty., Cultural Ed. Fac. Fin. Corp. Thermal Utility Rev. Bonds, (TECO)			
4.00%, 11/15/34	AA	700,000	706,403
4.00%, 11/15/32	AA	1,100,000	1,112,728
Sherman, Indpt. School Dist. G.O. Bonds, Ser. B, PSFG, 5.00%, 2/15/53	Aaa	2,000,000	2,158,562
TX Wtr. Dev. Board State Wtr. Implementation Rev. Bonds, 5.00%, 10/15/57	AAA	2,150,000	2,317,927
			<b>6,295,620</b>
<b>Virgin Islands (0.3%)</b>			
Matching Fund Special Purpose Securitization Corp. Rev. Bonds, Ser. A, 5.00%, 10/1/30	BB/P	640,000	679,427
			<b>679,427</b>
<b>Washington (0.6%)</b>			
Grays Harbor Cnty., Pub. Hosp. Dist. No. 1 Rev. Bonds, 6.75%, 12/1/44	BB+	1,300,000	1,482,340
			<b>1,482,340</b>
<b>Total municipal bonds and notes (cost \$236,695,153)</b>			<b>\$234,708,032</b>
<b>SHORT-TERM INVESTMENTS (1.9%)*</b>			
		<b>Shares</b>	<b>Value</b>
Putnam Short Term Investment Fund Class P 4.78% <sup>L</sup>		4,592,969	\$4,592,969
<b>Total short-term investments (cost \$4,592,969)</b>			<b>\$4,592,969</b>
<b>TOTAL INVESTMENTS</b>			
<b>Total investments (cost \$241,288,122)</b>			<b>\$239,301,001</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, 2024 through November 30, 2024 (the reporting period). Within the following notes to the portfolio, references to "Franklin Advisers" represent Franklin Advisers, Inc., the fund's investment manager, a direct wholly-owned subsidiary of Franklin Resources, Inc., and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

\* Percentages indicated are based on net assets of \$242,349,346.

\*\* 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. 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 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	23.4%
Health care	21.6
State debt	10.8

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	\$—	\$234,708,032	\$—
Short-term investments	—	4,592,969	—
Totals by level	\$—	\$239,301,001	\$—

## Financial statements

### Statement of assets and liabilities

11/30/24 (Unaudited)

#### ASSETS

Investment in securities, at value (Note 1):	
Unaffiliated issuers (identified cost \$236,695,153)	\$234,708,032
Affiliated issuers (identified cost \$4,592,969) (Note 5)	4,592,969
Interest and other receivables	3,388,897
Receivable for shares of the fund sold	105,361
Receivable for investments sold	45,000
Prepaid assets	17,675
<b>Total assets</b>	<b>242,857,934</b>

#### LIABILITIES

Payable for shares of the fund repurchased	160,796
Payable for compensation of Manager (Note 2)	81,710
Payable for custodian fees (Note 2)	7,682
Payable for investor servicing fees (Note 2)	38,393
Payable for Trustee compensation and expenses (Note 2)	68,744
Payable for administrative services (Note 2)	942
Payable for distribution fees (Note 2)	28,420
Payable for auditing and tax fees	32,246
Distributions payable to shareholders	56,077
Other accrued expenses	33,578
<b>Total liabilities</b>	<b>508,588</b>
<b>Net assets</b>	<b>\$242,349,346</b>

#### REPRESENTED BY

Paid-in capital (Unlimited shares authorized) (Notes 1 and 4)	\$251,589,517
Total distributable earnings (Note 1)	(9,240,171)
<b>Total — Representing net assets applicable to capital shares outstanding</b>	<b>\$242,349,346</b>

#### COMPUTATION OF NET ASSET VALUE AND OFFERING PRICE

<b>Net asset value and redemption price per class A share</b> (\$127,701,955 divided by 13,973,261 shares)	\$9.14
<b>Offering price per class A share</b> (100/96.00 of \$9.14)*	\$9.52
<b>Net asset value and offering price per class C share</b> (\$2,795,408 divided by 305,323 shares)**	\$9.16
<b>Net asset value, offering price and redemption price per class R6 share</b> (\$1,159,648 divided by 126,528 shares)	\$9.17
<b>Net asset value, offering price and redemption price per class Y share</b> (\$110,692,335 divided by 12,073,076 shares)	\$9.17

\* 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

Six months ended 11/30/24 (Unaudited)

### INVESTMENT INCOME

Interest (including interest income of \$69,040 from investments in affiliated issuers) (Note 5)	\$4,532,551
<b>Total investment income</b>	<b>4,532,551</b>

### EXPENSES

Compensation of Manager (Note 2)	515,193
Investor servicing fees (Note 2)	77,979
Custodian fees (Note 2)	5,759
Trustee compensation and expenses (Note 2)	4,772
Distribution fees (Note 2)	175,128
Administrative services (Note 2)	1,488
Other	81,690
<b>Total expenses</b>	<b>862,009</b>
Expense reduction (Note 2)	(1,162)
<b>Net expenses</b>	<b>860,847</b>
<b>Net investment income</b>	<b>3,671,704</b>

### REALIZED AND UNREALIZED GAIN (LOSS)

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

Securities from unaffiliated issuers (Notes 1 and 3)	(974,530)
<b>Total net realized loss</b>	<b>(974,530)</b>

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

Securities from unaffiliated issuers	7,712,824
<b>Total change in net unrealized appreciation</b>	<b>7,712,824</b>
<b>Net gain on investments</b>	<b>6,738,294</b>
<b>Net increase in net assets resulting from operations</b>	<b>\$10,409,998</b>

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

## Statement of changes in net assets

	Six months ended 11/30/24*	Year ended 5/31/24
<b>Decrease in net assets</b>		
<b>Operations</b>		
Net investment income	\$3,671,704	\$7,192,467
Net realized loss on investments	(974,530)	(2,613,626)
Change in net unrealized appreciation of investments	7,712,824	3,297,448
<b>Net increase in net assets resulting from operations</b>	<b>10,409,998</b>	<b>7,876,289</b>
Distributions to shareholders (Note 1):		
From ordinary income		
Taxable net investment income		
Class A	—	(109,960)
Class B	—	(22)
Class C	—	(2,809)
Class R6	—	(832)
Class Y	—	(103,589)
From tax-exempt net investment income		
Class A	(1,812,599)	(3,426,873)
Class B	(57)	(1,215)
Class C	(31,316)	(70,848)
Class R6	(16,338)	(25,258)
Class Y	(1,766,676)	(3,433,832)
Decrease from capital share transactions (Note 4)	(13,694,663)	(4,496,099)
<b>Total decrease in net assets</b>	<b>(6,911,651)</b>	<b>(3,795,048)</b>
<b>Net assets</b>		
Beginning of period	249,260,997	253,056,045
<b>End of period</b>	<b>\$242,349,346</b>	<b>\$249,260,997</b>

\*Unaudited.

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

## Financial highlights

(For a common share outstanding throughout the period)

INVESTMENT OPERATIONS					LESS DISTRIBUTIONS				RATIOS AND SUPPLEMENTAL DATA			
Period ended	Net asset value, beginning of period	Net investment income (loss)	Net realized and unrealized gain (loss) on investments	Total from investment operations	From net investment income	Total distributions	Net asset value, end of period	Total return at net asset value (%) <sup>a</sup>	Net assets, end of period (in thousands)	Ratio of expenses to average net assets (%) <sup>b</sup>	Ratio of net investment income (loss) to average net assets (%)	Portfolio turnover (%)
<b>Class A</b>												
November 30, 2024**	\$8.89	.13	.25	.38	(.13)	(.13)	\$9.14	4.27*	\$127,702	.40*	1.44*	5*
May 31, 2024	8.86	.25	.03	.28	(.25)	(.25)	8.89	3.18	125,201	.83	2.79	24
May 31, 2023	9.10	.22	(.24)	(.02)	(.22)	(.22)	8.86	(.16)	132,431	.82	2.47	21
May 31, 2022	10.07	.18	(.97)	(.79)	(.18)	(.18)	9.10	(7.94)	161,671	.79	1.81	16
May 31, 2021	9.73	.19	.34	.53	(.19)	(.19)	10.07	5.45	210,726	.80	1.85	11
May 31, 2020	9.68	.22	.06	.28	(.23)	(.23)	9.73	2.89	200,240	.79	2.32	22
<b>Class C</b>												
November 30, 2024**	\$8.91	.10	.24	.34	(.09)	(.09)	\$9.16	3.88*	\$2,795	.78*	1.06*	5*
May 31, 2024	8.88	.18	.03	.21	(.18)	(.18)	8.91	2.41	3,101	1.58	2.03	24
May 31, 2023	9.12	.15	(.24)	(.09)	(.15)	(.15)	8.88	(.92)	4,531	1.57	1.72	21
May 31, 2022	10.09	.11	(.97)	(.86)	(.11)	(.11)	9.12	(8.61)	6,011	1.54	1.06	16
May 31, 2021	9.75	.11	.34	.45	(.11)	(.11)	10.09	4.66	7,883	1.55	1.12	11
May 31, 2020	9.70	.15	.05	.20	(.15)	(.15)	9.75	2.11	15,818	1.56	1.56	22
<b>Class R6</b>												
November 30, 2024**	\$8.92	.14	.25	.39	(.14)	(.14)	\$9.17	4.40*	\$1,160	.27*	1.57*	5*
May 31, 2024	8.89	.27	.03	.30	(.27)	(.27)	8.92	3.46	966	.56	3.06	24
May 31, 2023	9.13	.24	(.24)	— <sup>c</sup>	(.24)	(.24)	8.89	.09	763	.56	2.72	21
May 31, 2022	10.09	.20	(.95)	(.75)	(.21)	(.21)	9.13	(7.58)	1,386	.53	2.09	16
May 31, 2021	9.76	.21	.33	.54	(.21)	(.21)	10.09	5.60	1,171	.54	2.10	11
May 31, 2020	9.71	.25	.05	.30	(.25)	(.25)	9.76	3.13	797	.55	2.55	22
<b>Class Y</b>												
November 30, 2024**	\$8.92	.14	.25	.39	(.14)	(.14)	\$9.17	4.39*	\$110,692	.28*	1.56*	5*
May 31, 2024	8.89	.27	.03	.30	(.27)	(.27)	8.92	3.44	119,982	.58	3.03	24
May 31, 2023	9.13	.24	(.23)	.01	(.25)	(.25)	8.89	.10	115,148	.57	2.74	21
May 31, 2022	10.10	.20	(.96)	(.76)	(.21)	(.21)	9.13	(7.68)	85,299	.54	2.07	16
May 31, 2021	9.76	.21	.34	.55	(.21)	(.21)	10.10	5.69	96,177	.55	2.10	11
May 31, 2020	9.71	.25	.05	.30	(.25)	(.25)	9.76	3.12	64,387	.56	2.54	22

\* Not annualized.

\*\* Unaudited.

<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 and/or brokerage service arrangements, if any (Note 2). Also excludes acquired fund fees and expenses, if any.

<sup>c</sup> Amount represents less than \$0.01 per share.

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

## Notes to financial statements 11/30/24 (Unaudited)

Unless otherwise noted, the “reporting period” represents the period from June 1, 2024 through November 30, 2024. The following table defines commonly used references within the Notes to financial statements:

References to	Represent
1940 Act	Investment Company Act of 1940, as amended
Franklin Advisers	Franklin Advisers, Inc., a direct wholly-owned subsidiary of Franklin Templeton, and the fund’s investment manager for periods on or after July 15, 2024
Franklin Distributors	Franklin Distributors, LLC, an indirect wholly-owned subsidiary of Franklin Templeton, and the fund’s distributor and principal underwriter for periods on or after August 2, 2024
Franklin Templeton	Franklin Resources, Inc.
Franklin Templeton Services	Franklin Templeton Services, LLC, a wholly-owned subsidiary of Franklin Templeton
JPMorgan	JPMorgan Chase Bank, N.A.
PIL	Putnam Investments Limited, an indirect wholly-owned subsidiary of Franklin Templeton
PSERV	Putnam Investor Services, Inc., a wholly-owned subsidiary of Franklin Templeton
Putnam Management	Putnam Investment Management, LLC, an indirect wholly-owned subsidiary of Franklin Templeton, and the fund’s investment manager for periods prior to July 15, 2024
Putnam Retail Management	Putnam Retail Management Limited Partnership, an indirect wholly-owned subsidiary of Franklin Templeton, and the fund’s distributor and principal underwriter for periods prior to August 2, 2024
SEC	Securities and Exchange Commission
State Street	State Street Bank and Trust Company

Putnam Massachusetts Tax Exempt Income Fund (the fund) is a Massachusetts business trust, which is registered under the 1940 Act 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 Massachusetts personal income tax as Franklin Advisers believes is consistent with preservation of capital. The fund invests mainly in bonds that pay interest that is exempt from federal income tax and Massachusetts 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, Franklin Advisers invests at least 80% of the fund’s 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 Massachusetts 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. Franklin Advisers 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 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

†Not available to all investors.

Effective September 5, 2024, the fund converted all of its class B shares into class A shares, and subsequently terminated its class B shares as a fund offering.

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 Agreement and Declaration of Trust, any claims asserted by a shareholder against or on behalf of the fund, including claims against Trustees and Officers, must be brought in courts located within the Commonwealth of Massachusetts.

### Note 1: Significant accounting policies

The fund follows the accounting and reporting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946, *Financial Services – Investment Companies* (ASC 946) and applies the specialized accounting and reporting guidance in U.S. Generally Accepted Accounting Principles (U.S. GAAP), including, but not limited to, ASC 946. 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 (Trustees). The Trustees have formed a Pricing Committee to oversee the implementation of these procedures. Under compliance policies and procedures approved by the Trustees, the Trustees have designated the fund’s investment manager as the valuation designee and has responsibility for oversight of valuation. The investment manager is assisted by the fund’s administrator in performing this responsibility, including leading the cross-functional Valuation Committee (VC). The VC is responsible for making fair value determinations, evaluating the effectiveness of the pricing policies of the fund and reporting to the Trustees.

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 the fund’s investment manager. 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 the fund's investment manager does not believe accurately reflects the security's fair value, the security will be valued at fair value by the fund's investment manager, which has been designated as valuation designee pursuant to Rule 2a-5 under the 1940 Act, 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.

**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 (\$160 million), and a \$235.5 million unsecured uncommitted line of credit, 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, 2024, 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
\$3,260,464	\$3,272,445	\$6,532,909

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 aggregate identified cost on a tax basis is \$241,214,279, resulting in gross unrealized appreciation and depreciation of \$5,253,083 and \$7,166,361, respectively, or net unrealized depreciation of \$1,913,278.

**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. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal year. 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.

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

Effective July 15, 2024, Putnam Management transferred its management contract with the fund to Franklin Advisers. As a result of the transfer, Franklin Advisers replaced Putnam Management as the investment adviser of the fund. In connection with the transfer, the fund's portfolio managers, along with supporting research analysts and certain other investment staff of Putnam Management, also became employees of Franklin Advisers.

In addition, Putnam Management transferred to Franklin Advisers the sub-management contract between Putnam Management and PIL in respect of the fund.

The fund pays Franklin Advisers 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 (including open-end funds managed by affiliates of Putnam Management that have been deemed to be sponsored by Putnam Management for this purpose) (excluding net assets of such funds that are invested in, or that are invested in by, other such 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,
0.540%	of the next \$5 billion,
0.490%	of the next \$10 billion,
0.440%	of the next \$10 billion,
0.390%	of the next \$50 billion,
0.370%	of the next \$50 billion,
0.360%	of the next \$100 billion and
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 0.210% of the fund's average net assets.

Franklin Advisers has contractually agreed, through September 30, 2025, 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.

Effective July 15, 2024, Franklin Advisers retained Putnam Management as sub-adviser for the fund pursuant to a new sub-advisory agreement. Pursuant to the agreement, Putnam Management provides certain advisory and related services to the fund. Franklin Advisers pays a monthly fee to Putnam Management based on the costs of Putnam Management in providing these services to the fund, which may include a mark-up not to exceed 15% over such costs.

Effective November 1, 2024, Franklin Templeton Investment Management Limited (FTIML) is authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Franklin Advisers from time to time. FTIML did not manage any portion of the assets of the fund during the reporting period. If Franklin Advisers were to engage the services of FTIML, Franklin Advisers (and not the fund) would pay a monthly sub-management fee to FTIML for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by FTIML.

Prior to November 1, 2024, PIL was authorized by the Trustees to manage a separate portion of the assets of the fund as determined by Franklin Advisers from time to time. PIL did not manage any portion of the assets of the fund during the reporting period. If Franklin Advisers had engaged the services of PIL, Franklin Advisers (and not the fund) would have paid a quarterly sub-management fee to PIL for its services at an annual rate of 0.20% of the average net assets of the portion of the fund managed by PIL. Effective November 1, 2024, PIL merged into FTIML, and PIL investment professionals became employees of FTIML.

Franklin Templeton Services provides certain administrative services to the fund. The fee for those services is paid by the fund's investment manager based on the fund's average daily net assets and is not an additional expense of the fund.

The fund reimburses Franklin Advisers 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.

PSERV, an affiliate of Franklin Advisers, provides investor servicing agent functions to the fund. PSERV 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. PSERV 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	\$40,450
Class B	2
Class C	953
Class R6	263
Class Y	36,311
<b>Total</b>	<b>\$77,979</b>

The fund has entered into expense offset arrangements with PSERV and State Street whereby PSERV'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 \$1,162 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$166, 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 from July 1, 1995 through December 31, 2023. 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 1940 Act. The purpose of the Plans is to compensate Franklin Distributors, or for periods prior to August 2, 2024, Putnam Retail Management, for services provided and expenses incurred in distributing shares of the fund. The Plans provide payments by the fund to Franklin Distributors and to Putnam Retail Management 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 %	Franklin Distributors Amount	Putnam Retail Management Amount	Totals
Class A	0.35%	0.25%	\$106,989	\$53,057	\$160,046
Class B	1.00%	0.85%	8	14	\$22
Class C	1.00%	1.00%	9,886	5,174	\$15,060
<b>Total</b>			<b>\$116,883</b>	<b>\$58,245</b>	<b>\$175,128</b>

For the period from August 2, 2024 through November 30, 2024, Franklin Distributors, acting as underwriter, received net commissions of \$135 from the sale of class A shares and received no monies in contingent deferred sales charges from redemptions of class B and class C shares. For the period June 1, 2024 through August 1, 2024, Putnam Retail Management, acting as underwriter, received net commissions of \$624 from the sale of class A shares and received no monies and \$64 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 accessed on certain redemptions of class A shares. For the period from August 2, 2024 through November 30, 2024, Franklin Distributors, acting as underwriter, received no monies on class A redemptions. For the period from June 1, 2024 through August 1, 2024, Putnam Retail Management, 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)	\$12,068,748	\$25,030,916
U.S. government securities (Long-term)	—	—
<b>Total</b>	<b>\$12,068,748</b>	<b>\$25,030,916</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	SIX MONTHS ENDED 11/30/24		YEAR ENDED 5/31/24	
	Shares	Amount	Shares	Amount
Shares sold	449,205	\$4,081,044	913,436	\$8,162,537
Shares issued in connection with reinvestment of distributions	166,841	1,516,962	335,176	2,972,223
	616,046	5,598,006	1,248,612	11,134,760
Shares repurchased	(718,958)	(6,544,461)	(2,116,090)	(18,751,878)
<b>Net decrease</b>	<b>(102,912)</b>	<b>\$(946,455)</b>	<b>(867,478)</b>	<b>\$(7,617,118)</b>
Class B	SIX MONTHS ENDED 11/30/24*		YEAR ENDED 5/31/24	
	Shares	Amount	Shares	Amount
Shares sold	—	\$—	—	\$—
Shares issued in connection with reinvestment of distributions	6	54	140	1,237
	6	54	140	1,237
Shares repurchased	(1,099)	(10,016)	(19,779)	(175,767)
<b>Net decrease</b>	<b>(1,093)</b>	<b>\$(9,962)</b>	<b>(19,639)</b>	<b>\$(174,530)</b>
Class C	SIX MONTHS ENDED 11/30/24		YEAR ENDED 5/31/24	
	Shares	Amount	Shares	Amount
Shares sold	11,751	\$107,155	22,893	\$205,141
Shares issued in connection with reinvestment of distributions	3,126	28,482	7,532	66,851
	14,877	135,637	30,425	271,992
Shares repurchased	(57,612)	(524,867)	(192,668)	(1,711,285)
<b>Net decrease</b>	<b>(42,735)</b>	<b>\$(389,230)</b>	<b>(162,243)</b>	<b>\$(1,439,293)</b>
Class R6	SIX MONTHS ENDED 11/30/24		YEAR ENDED 5/31/24	
	Shares	Amount	Shares	Amount
Shares sold	28,103	\$256,957	48,343	\$431,929
Shares issued in connection with reinvestment of distributions	1,784	16,272	2,950	26,090
	29,887	273,229	51,293	458,019
Shares repurchased	(11,711)	(106,710)	(28,780)	(257,454)
<b>Net increase</b>	<b>18,176</b>	<b>\$166,519</b>	<b>22,513</b>	<b>\$200,565</b>
Class Y	SIX MONTHS ENDED 11/30/24		YEAR ENDED 5/31/24	
	Shares	Amount	Shares	Amount
Shares sold	1,599,679	\$14,591,115	5,152,332	\$45,676,644
Shares issued in connection with reinvestment of distributions	176,471	1,609,447	367,964	3,273,937
	1,776,150	16,200,562	5,520,296	48,950,581
Shares repurchased	(3,149,194)	(28,716,097)	(5,025,884)	(44,416,304)
<b>Net increase (decrease)</b>	<b>(1,373,044)</b>	<b>\$(12,515,535)</b>	<b>494,412</b>	<b>\$4,534,277</b>

\* Effective September 5, 2024, the fund has terminated its class B shares.

**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 5/31/24	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 11/30/24
<b>Short-term investments</b>					
Putnam Short Term Investment Fund Class P†	\$1,203,041	\$29,852,944	\$26,463,016	\$69,040	\$4,592,969
<b>Total Short-term investments</b>	<b>\$1,203,041</b>	<b>\$29,852,944</b>	<b>\$26,463,016</b>	<b>\$69,040</b>	<b>\$4,592,969</b>

† Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management and Franklin Advisers, as applicable. 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 Commonwealth of Massachusetts and may be affected by economic and political developments in that Commonwealth.

## **Changes in and disagreements with accountants**

Not applicable

## **Results of any shareholder votes**

Not applicable

## **Remuneration paid to directors, officers, and others**

Remuneration paid to directors, officers, and others is included in the Notes to financial statements above.



## Board approval of management and subadvisory agreements (Unaudited)

At its meeting on September 27, 2024, the Board of Trustees of your fund, including all of the Trustees who are not “interested persons” (as this term is defined in the Investment Company Act of 1940, as amended (the “1940 Act”)) of the Putnam mutual funds, closed-end funds and exchange-traded funds (collectively, the “funds”) (the “Independent Trustees”), approved a new Sub-Advisory Agreement with respect to your fund (the “New FTIML Sub-Advisory Agreement”) between Franklin Advisers, Inc. (“Franklin Advisers”) and its affiliate, Franklin Templeton Investment Management Limited (“FTIML”). Franklin Advisers and FTIML are each direct or indirect, wholly-owned subsidiaries of Franklin Resources, Inc. (“Franklin Templeton”). (Because FTIML is an affiliate of Franklin Advisers and Franklin Advisers remains fully responsible for all services provided by FTIML, the Trustees did not attempt to evaluate FTIML as a separate entity.)

The Board of Trustees, with the assistance of its Contract Committee (which consists solely of Independent Trustees) and its independent legal counsel (as that term is defined in Rule 0-1(a)(6)(i) under the 1940 Act), requested and evaluated all information it deemed reasonably necessary under the circumstances in connection with its review of the New FTIML Sub-Advisory Agreement. At its September 2024 meeting, the Contract Committee met with representatives of Franklin Templeton, and separately in executive session, to consider the information provided. At the September Trustees’ meetings, the Contract Committee also met in executive session with the other Independent Trustees to discuss its observations and recommendations. Throughout this process, the Contract Committee was assisted by the members of the Board of Trustees’ independent staff and by independent legal counsel for the Independent Trustees.

### Considerations in connection with the Trustees’ approval of the New FTIML Sub-Advisory Agreement

The Trustees considered the proposed New FTIML Sub-Advisory Agreement in connection with the planned November 1, 2024 merger (the “Merger”) of Putnam Investments Limited (“PIL”), an affiliate of Franklin Advisers and a sub-adviser to your fund prior to the Merger, with and into FTIML. The Trustees considered that, in connection with the Merger, PIL investment professionals would become employees of FTIML, and, upon consummation of the Merger, PIL would cease to exist as a separate legal entity.

The Trustees noted that Franklin Templeton viewed the Merger as a further step in the integration of the legacy Putnam and Franklin Templeton organizations, offering potential operational efficiencies and enhanced investment resources for the funds. The Trustees also considered, among other factors, that:

- The Merger and the New FTIML Sub-Advisory Agreement would not result in any reduction or material change in the nature or the level of the sub-advisory services provided to the funds;
- The PIL portfolio managers who are responsible for the day-to-day management of the applicable funds would be the same immediately prior to, and immediately after, the Merger, and these investment personnel would have access to the same research and other resources to support their respective investment advisory functions and operate under the same conditions both immediately before and after the Merger;

- Despite a change in the sub-advisory fee structure for certain funds, the New FTIML Sub-Advisory Agreement would not result in an increase in the advisory fee rates payable by each fund, as Franklin Advisers would be responsible for overseeing the investment advisory services provided to the applicable funds by FTIML under the New FTIML Sub-Advisory Agreement and would compensate FTIML for such services out of the fees it receives under each fund’s Management Contract with Franklin Advisers; and

- The terms of the New FTIML Sub-Advisory Agreement were substantially similar to those under the New PIL Sub-Management Contract (defined below)<sup>1</sup> between Franklin Advisers and PIL.

The Trustees also considered that, prior to the Merger, counsel to Franklin Advisers and FTIML had provided a legal opinion that the Merger and the appointment of FTIML as sub-adviser to the funds would not result in an “assignment” under the 1940 Act of the New PIL Sub-Management Contract and that the New FTIML Sub-Advisory Agreement did not require shareholder approval.

The Trustees also took into account that they had most recently approved the fund’s New PIL Sub-Management Contract in June 2024. Because, other than the parties to the contract, the revised sub-advisory fee structure for certain funds, and certain other non-substantive changes to contractual terms, the New FTIML Sub-Advisory Agreement was substantially similar to the New PIL Sub-Management Contract, the Trustees relied to a considerable extent on their previous approval of the New PIL Sub-Management Contract, which is described below.

### Board of Trustees’ Conclusions

After considering the factors described above and those described below under the heading “Considerations and conclusions in connection with the Trustees’ June 2024 approvals,” as well as other factors, the Board of Trustees, including all of the Independent Trustees, concluded that the fees payable under the New FTIML Sub-Advisory Agreement represented reasonable compensation in light of the nature and quality of the services that would be provided to the funds, and determined to approve the New FTIML Sub-Advisory Agreement for your fund. These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor.

### Considerations and conclusions in connection with the Trustees’ June 2024 approvals

At its meeting on June 28, 2024, the Board of Trustees of your fund, including all of the Independent Trustees, approved a New Management Contract (defined below) between your fund and Franklin Advisers, a New PIL Sub-Management Contract (defined below) for your fund between Franklin Advisers and its affiliate, PIL, and a new subadvisory agreement (the “New Putnam Management Subadvisory Agreement”) for your fund between Franklin Advisers and Putnam Investment Management, LLC (“Putnam Management”) (collectively, the “New Advisory Contracts”). Franklin Advisers, Putnam Management, and PIL are each direct or indirect, wholly-owned subsidiaries of Franklin Templeton.

The Trustees considered the proposed New Advisory Contracts in connection with an internal reorganization (the “Reorganization”) whereby the fixed income and Investment Solutions investment operations of Putnam Management, your fund’s investment adviser prior

<sup>1</sup>The New PIL Sub-Management Contract was operative until the effective date of the Merger, November 1, 2024, and was replaced by the New FTIML Sub-Advisory Agreement effective as of that date.

to the Reorganization, were combined with those of Franklin Advisers. As part of the Reorganization, Franklin Advisers assumed the role of investment adviser for your fund and the other Putnam fixed income and Investment Solutions mutual funds, exchange-traded funds and closed-end funds (collectively, the “FI/IS Funds”), which was accomplished through a transfer by Putnam Management of all of its rights and obligations under the previous management contracts between Putnam Management and the FI/IS Funds (the “Previous Management Contracts”) and the previous sub-management contract between Putnam Management and its affiliate, PIL, with respect to the FI/IS Funds (the “Previous Sub-Management Contract,” and, together with the Previous Management Contracts, the “Previous Contracts”) to Franklin Advisers (the “Contract Transfers”) by means of assignment and assumption agreements (the Previous Management Contracts and the Previous Sub-Management Contract, as modified by the terms of the related assignment and assumption agreements, are hereinafter referred to as the “New Management Contracts” and the “New PIL Sub-Management Contract,” respectively). (Because PIL is an affiliate of Franklin Advisers and Franklin Advisers remains fully responsible for all services provided by PIL, the Trustees did not attempt to evaluate PIL as a separate entity.)

In addition to the New Management Contracts and New PIL Sub-Management Contract, the Board of Trustees of your fund considered and approved the New Putnam Management Subadvisory Agreement pursuant to which Franklin Advisers retained Putnam Management as sub-adviser for each FI/IS Fund so that, following the Reorganization, Putnam Management’s equity team, which was not part of the Reorganization, could continue to provide certain services that it had historically provided to the FI/IS Funds, including, as applicable, the management of the equity portion of a FI/IS Fund’s portfolio, including equity trade execution services, the provision of derivatives and other investment trading facilities for a transitional period, and the provision of proxy voting services for a transitional period (the “Services”).

In connection with the review process, the Independent Trustees’ independent legal counsel (as that term is defined in Rule 0-1(a)(6)(i) under the 1940 Act) met with representatives of Putnam Management and Franklin Templeton to discuss the contract review materials that would be furnished to the Contract Committee. The Board of Trustees, with the assistance of its Contract Committee (which consists solely of Independent Trustees) and its independent legal counsel, requested and evaluated all information it deemed reasonably necessary under the circumstances in connection with its review of the New Management Contracts. Over the course of several months ending in June 2024, the Contract Committee met on a number of occasions with representatives of Putnam Management and Franklin Templeton, and separately in executive session, to consider the information provided. Throughout this process, the Contract Committee was assisted by the members of the Board of Trustees’ independent staff and by independent legal counsel for the Independent Trustees.

At the Board of Trustees’ June 2024 meeting, the Contract Committee met in executive session to discuss and consider its recommendations with respect to the approval of the New Advisory Contracts. At that meeting, the Contract Committee also met in executive session with the other Independent Trustees to discuss its observations and recommendations.

The Trustees noted that Franklin Templeton viewed the Reorganization as a further step in the integration of the legacy Putnam Management and Franklin Advisers fixed income and Investment Solutions organizations, offering potential operational efficiencies and enhanced investment

resources for the FI/IS Funds. The Trustees also considered, among other factors, that:

- The Contract Transfers would not result in a change in the senior management at Franklin Templeton, so that the same management will be in place before and after the Contract Transfers, which contemplate no reduction in the nature and level of the advisory and administrative services provided to the FI/IS Funds;
- The portfolio managers who are responsible for the day-to-day management of the FI/IS Funds would be the same immediately prior to, and immediately after, the Contract Transfers, and these investment personnel would have access to the same research and other resources to support their respective investment management functions both before and immediately after the Contract Transfers; and
- The Contract Transfers would not result in an increase in the advisory fee rates payable by each FI/IS Fund and that, other than an acknowledgment by Franklin Advisers and Putnam Management that for purposes of the New Management Contracts, each applicable FI/IS Fund will continue to be “an open-end fund sponsored by Putnam Management,” for purposes of calculating the advisory fee rates, and updating the parties to the agreements, the terms of the New Management Contracts and New PIL Sub-Management Contract were substantially identical to those under the Previous Contracts (including with respect to the term of the New Management Contracts and New PIL Sub-Management Contract, which run through June 30, 2025, unless the contracts are sooner terminated or continued pursuant to their terms).

With respect to the New Putnam Management Subadvisory Agreement, the Trustees considered that, under the agreement, Putnam Management would provide any necessary Services to the applicable FI/IS Fund under generally the same terms and conditions related to the FI/IS Fund as such Services were previously provided by Putnam Management under the FI/IS Fund’s Previous Management Contract. The Trustees also considered that Franklin Advisers would be responsible for overseeing the Services provided to the FI/IS Funds by Putnam Management under the New Putnam Management Subadvisory Agreement and would compensate Putnam Management for such services out of the fees it receives under the New Management Contracts. The Trustees further noted Franklin Advisers’ and Putnam Management’s representations that Putnam Management’s appointment as sub-adviser to the FI/IS Funds would not result in any material change in the nature or level of investment advisory services provided to the FI/IS Funds.

The Trustees also considered that, prior to the Reorganization, counsel to Franklin Advisers and Putnam Management had provided a legal opinion that the Contract Transfers would not result in an “assignment” under the 1940 Act of the Previous Contracts or a material amendment of those contracts, and, therefore, the New Management Contracts and New PIL Sub-Management Contract did not require shareholder approval. In addition, the Trustees considered that counsel to Franklin Advisers and Putnam Management had provided a legal opinion that shareholder approval of the New Putnam Management Subadvisory Agreement was not required under the 1940 Act.

## General conclusions

In addition to the above considerations, the Independent Trustees’ approvals were based on the following conclusions:

- That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds and the application of certain reductions and waivers noted below; and

- That the fee schedule in effect for your fund represented an appropriate sharing between fund shareholders and Franklin Advisers of any economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. The considerations and conclusions discussed herein were also informed by the fact that there would be continuity in the management of the FI/IS Funds, including your fund, immediately following the Reorganization (i.e., the same portfolio managers that managed the fund prior to the Reorganization would be in place immediately following the Reorganization). The Trustees also considered that the FI/IS Funds had no operating history with Franklin Templeton or its affiliates prior to 2024.

### **Management fee schedules and total expenses**

Under its Previous Management Contract and under its New Management Contract, your fund has the benefit of breakpoints in its management fee schedule that provide shareholders with reduced fee levels as assets under management in the Putnam family of funds increase ("Fund Family Breakpoints"). The Trustees considered that breakpoints in a fund's management fee schedule, such as the Fund Family Breakpoints in place for your fund, were one way in which economies of scale in managing a fund can be shared with the fund's shareholders. The Trustees reviewed the total expenses of each Putnam fund, recognizing that in most cases management fees represented the major, but not the sole, determinant of total costs to fund shareholders. (Two mutual funds and each of the exchange-traded funds have implemented so-called "all-in" or unitary management fees covering substantially all routine fund operating costs.)

As in the past, the Trustees also focused on the competitiveness of each fund's total expense ratio. The Trustees, Putnam Management and the funds' investor servicing agent, Putnam Investor Services, Inc. ("PSERV"), have implemented expense limitations. These expense limitations were: (i) a contractual expense limitation applicable to specified mutual funds, including your fund, of 25 basis points on investor servicing fees and expenses and (ii) a contractual expense limitation applicable to specified mutual funds, including your fund, of 20 basis points on so-called "other expenses" (i.e., all expenses exclusive of management fees, distribution fees, investor servicing fees, investment-related expenses, interest, taxes, brokerage commissions, acquired fund fees and expenses and extraordinary expenses). These expense limitations attempt to maintain competitive expense levels for the funds. Most funds, including your fund, had sufficiently low expenses that these expense limitations were not operative during their fiscal years ending in 2023. Franklin Advisers, who now serves as your fund's investment adviser following the Reorganization, and PSERV have agreed to maintain these expense limitations until at least September 30, 2025. Franklin Advisers' and PSERV's commitment to these expense limitation arrangements, which were intended to support an effort to have fund expenses meet competitive standards, was an important factor in the Trustees' decision to approve your fund's New Advisory Contracts.

The Trustees reviewed comparative fee and expense information for a custom group of competitive funds selected by Broadridge Financial Solutions, Inc. ("Broadridge"). This comparative information included your fund's percentile ranking for effective management fees and total

expenses (excluding any applicable 12b-1 fees), which provides a general indication of your fund's relative standing. In the custom peer group, your fund ranked in the first quintile in effective management fees (determined for your fund and the other funds in the custom peer group based on fund asset size and the applicable contractual management fee schedule) and in the third quintile in total expenses (excluding any applicable 12b-1 fees) as of December 31, 2023. The first quintile represents the least expensive funds and the fifth quintile the most expensive funds. The fee and expense data reported by Broadridge as of December 31, 2023 reflected the most recent fiscal year-end data available in Broadridge's database at that time.

In connection with their review of fund management fees and total expenses, the Trustees also reviewed the costs of the services provided and the profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included year-over-year data with respect to revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management, investor servicing and distribution services provided to the funds, as applicable. In this regard, the Trustees also reviewed an analysis of the revenues, expenses and profitability of Putnam Management and its affiliates, allocated on a fund-by-fund basis, with respect to (as applicable) the funds' management, distribution and investor servicing contracts. For each fund, the analysis presented information about revenues, expenses and profitability in 2023 for each of the applicable agreements separately and for the agreements taken together on a combined basis. The Trustees also reviewed the revenues, expenses and profitability of Franklin Templeton's global investment management business and its U.S. registered investment company business, which includes the financial results of Franklin Advisers. Because the FI/IS Funds had no operating history with Franklin Templeton or its affiliates, the Trustees did not review fund-by-fund profitability information for Franklin Templeton. The Trustees concluded that, at current asset levels, the fee schedules in place for each of the funds, including the fee schedule for your fund, represented reasonable compensation for the services to be provided by Franklin Advisers (which are substantially identical to those historically provided by Putnam Management) and represented an appropriate sharing between fund shareholders and Franklin Advisers of any economies of scale as may exist in the management of the funds at that time.

The information examined by the Trustees in connection with their review of the New Advisory Contracts included information regarding services provided and fees charged by Putnam Management and its affiliates to other clients, including collective investment trusts offered in the defined contribution retirement plan market, sub-advised mutual funds, private funds sponsored by affiliates of Putnam Management, model-only separately managed accounts and Putnam Management's manager-traded separately managed account programs. This information included, in cases where a product's investment strategy corresponds with a FI/IS Fund's strategy, comparisons of those fees with fees charged to the funds, as well as an assessment of the differences in the services provided to these clients as compared to the services provided to the funds. The Trustees also considered information regarding services provided and fees charged by Franklin Advisers and its other Franklin Templeton affiliates to other clients, including U.S. registered mutual funds, funds organized outside of the United States (i.e., offshore funds), separate accounts (including separately managed accounts), collective investment trusts and sub-advised funds, which included, where applicable, the specific fees charged to strategies that are comparable to those of the FI/IS Funds. The Trustees observed that the differences in fee

rates between these clients and the funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients may reflect, among other things, historical competitive forces operating in separate marketplaces. The Trustees considered the fact that in many cases fee rates across different asset classes are higher on average for 1940 Act-registered funds than for other clients, and the Trustees also considered the differences between the services that Putnam Management historically provided and that Franklin Advisers will provide to the FI/IS Funds as investment adviser and those that they provide to their other clients. The Trustees did not rely on these comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

**Investment performance**

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees’ evaluation of the quality of services provided by Putnam Management under your fund’s Previous Management Contract and was also a significant factor in considering approval of your fund’s New Management Contract, since the portfolio managers of your fund that were employed by Putnam Management prior to the Reorganization would continue to serve as portfolio managers of your fund immediately following the Reorganization as employees of Franklin Advisers. The Trustees were assisted in their review of Putnam Management’s investment process and performance by the work of the investment oversight committees of the Trustees and the full Board of Trustees, which met on a regular basis with individual portfolio managers and with senior management of Putnam Management’s Investment Division throughout the year. The Trustees concluded that Putnam Management generally provided a high-quality investment process — based on the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to them and in general Putnam Management’s ability to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period. In addition to Putnam Management’s investment process and performance, the Trustees considered aggregate performance information for Franklin Advisers’ fixed income and Investment Solutions investment strategies, and also met with senior investment leadership at Franklin Advisers, including the respective heads of the fixed income and Investment Solutions teams and the Head of Public Market Investments.

The Trustees considered that, in the aggregate, peer-relative and benchmark-relative Putnam fund performance was generally strong in 2023 against a backdrop of largely solid fixed income markets and strong but volatile equity markets, which were characterized by a concentration of performance among large-cap growth stocks. The Trustees also noted that corporate earnings and employment figures continued to generally show strength, underpinning market rallies in 2023, while inflation concerns, Federal Reserve actions to reduce inflation and geopolitical tensions continued to be a focus of investors. For the one-year period ended December 31, 2023, the Trustees considered that the Putnam funds, on an asset-weighted basis, ranked in the 32nd percentile of their peers as determined by LSEG Lipper (“Lipper”) and, on an asset-weighted-basis, outperformed their benchmarks by 2.8% gross of fees over the one-year period. The Committee also noted that the funds’ aggregate performance over longer-term periods continued to be strong, with the funds, on an asset-weighted basis, ranking in the 31st, 21st, and 22nd percentiles of their Lipper peers over the three-year, five-year and ten-year periods ended December 31, 2023, respectively.

The Trustees further noted that the funds, in the aggregate, outperformed their benchmarks on a gross basis for each of the three-year, five-year and ten-year periods. The Trustees also considered the Morningstar, Inc. ratings assigned to the funds, noting that 45 funds were rated four or five stars at the end of 2023, which represented an increase of 5 funds year-over-year. The Trustees also considered that 18 funds were five-star rated at the end of 2023, which was a year-over-year increase of 11 funds, and that 90% of the funds’ aggregate assets were in four- or five-star rated funds at year end.

In addition to the performance of the individual Putnam funds, the Trustees considered, as they had in prior years, the performance of The Putnam Fund complex versus competitor fund complexes, as reported in the Barron’s/Lipper Fund Families survey (the “Survey”). The Trustees noted that the Survey ranks mutual fund companies based on their performance across a variety of asset types, and that The Putnam Fund complex had performed exceptionally well in 2023. In this regard, the Trustees considered that The Putnam Fund complex had ranked 1st out of 49 fund companies, 1st out of 47 fund companies and 5th out of 46 fund companies for the one-year, five-year and ten-year periods, respectively. The Trustees also noted that 2023 had marked the seventh year in a row that The Putnam Fund complex had ranked in the top ten fund companies. They also noted, however, the disappointing investment performance of some Putnam funds for periods ended December 31, 2023 and considered information provided by Putnam Management regarding the factors contributing to the underperformance and, where relevant, actions being taken to improve the performance of these particular funds. The Trustees indicated their intention to continue to monitor the performance of those funds.

For purposes of the Trustees’ evaluation of the Putnam funds’ investment performance, the Trustees generally focus on a competitive industry ranking of each fund’s total net return over a one-year, three-year and five-year period. In the case of your fund, the Trustees considered that its class A share cumulative total return performance at net asset value was in the following quartiles of its Lipper peer group (Lipper Massachusetts Municipal Debt Funds) for the one-year, three-year and five-year periods ended December 31, 2023 (the first quartile representing the best-performing funds and the fourth quartile the worst-performing funds):

One-year period	Three-year period	Five-year period
1st	2nd	2nd

Over the one-year, three-year and five-year periods ended December 31, 2023, there were 32, 32 and 31 funds, respectively, in your fund’s Lipper peer group. (When considering performance information, shareholders should be mindful that past performance is not a guarantee of future results.)

**Brokerage and soft-dollar allocations and other benefits; distribution**

The Trustees considered various potential benefits that Franklin Advisers and Putnam Management may receive in connection with the services provided under the New Advisory Contracts to your fund. These include benefits related to brokerage allocation and the use of soft dollars, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that are expected to be useful to Franklin Advisers and Putnam Management in managing the assets of the fund and of other clients. Subject to policies established by the Trustees, soft dollars generated by these means are used predominantly to acquire brokerage and research services (including third-party research and market data) that would enhance Franklin Advisers’ and

Putnam Management's investment capabilities and supplement their internal research efforts. The Trustees intend to continue to monitor regulatory and industry developments in this area with the assistance of their Brokerage Committee. In addition, with the assistance of their Brokerage Committee, the Trustees intend to continue to monitor the allocation of the funds' brokerage in order to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process. Your fund is not expected to generate a significant amount of soft-dollar credits.

The Trustees also considered other potential benefits that Franklin Advisers and Putnam Management may receive in connection with the services provided under the New Advisory Contracts to your fund. These potential benefits included, among others, Franklin Advisers' and Putnam Management's registered fund businesses aiding in the growth of their non-registered fund businesses and the use of an affiliated transfer agent's services (in the case of your fund, PSERV, which is affiliated with Franklin Advisers and Putnam Management), where the fees for those services are paid by the fund.

Franklin Advisers may also receive benefits from payments made to Franklin Advisers' affiliates by the mutual funds for distribution services. In connection with the consolidation of Putnam Retail Management Limited Partnership ("PRM") with Franklin Distributors, LLC ("FD"), which took place on August 2, 2024 (the "Consolidation"), the Trustees appointed FD as principal underwriter of the mutual funds, effective on August 2, 2024. Both PRM and FD are affiliates of Franklin Advisers and Putnam Management. In approving the continuation of your fund's distribution plans, the Trustees concluded that the fees payable by the mutual funds to PRM, prior to FD succeeding PRM as principal underwriter for the mutual funds, and to be paid to FD, once it assumed the role of principal underwriter, for distribution services were fair and reasonable in relation to the nature and quality of such services, the fees paid by competitive funds and the costs incurred by PRM and FD, as applicable, in providing such services.



