



The fund received a 5-star Overall Morningstar Rating as of 3/31/22 among 276 funds in the Muni National Interm category (Y shares, based on risk-adjusted returns)

Portfolio Managers

Garrett L. Hamilton, CFA
(industry since 2006)

Paul M. Drury, CFA
(industry since 1989)

Objective

The fund seeks high current income exempt from federal income tax.

Morningstar category

Muni National Interm

Lipper category

Intermediate Municipal Debt

Primary benchmark

Bloomberg 3-15 Year Blend Municipal Bond Index

Secondary benchmark

Putnam Strategic Intermediate Municipal Linked Benchmark

Fund symbols

Class A	PPNAX
Class B	PTFIX
Class C	PAMTX
Class R6	PAMLX
Class Y	PAMYX

Net assets

\$279.23M

Number of holdings

306

Dividend frequency

Monthly

- Portfolio was repositioned August 28, 2020

- The fund's new benchmark is the Bloomberg 3-15 Year Blend Municipal Bond Index

- The fund can now buy AMT bonds (removed AMT restriction) and high-yield munis

**Not FDIC insured
May lose value
No bank guarantee**

Putnam Strategic Intermediate Municipal Fund

A greater focus on absolute return than a more traditional municipal fund

Opportunistic strategy

Pursuing opportunities across the municipal market, the fund seeks to provide attractive income and returns with a focus on capital preservation.

An intermediate fund with more latitude

The fund has flexibility to respond to market opportunities and changes in the shape and slope of the municipal yield curve.

Opportunistic credit investing

While favoring investment-grade bonds, the fund can invest across the entire municipal landscape, including high-yield bonds, to leverage Putnam's deep municipal credit research expertise.

Sector weightings

Health care	17.1%
Education	14.4
Transportation	10.9
State debt	8.7
Special tax	7.8
Utilities	7.3
Prerefunded	6.1
Local debt	5.8
Other sectors	16.8
Cash and net other assets	5.2

Portfolio quality

AAA	4.4%
AA	21.4
A	39.6
BBB	21.1
BB	3.3
B	0.1
Not rated	4.9
Cash and net other assets	5.2

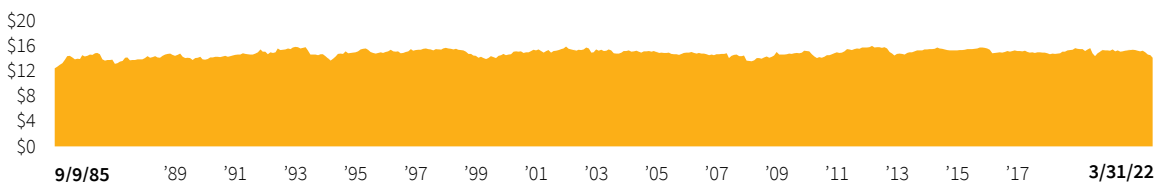
The fund invests 86.5% of its assets in investment-grade tax-exempt bonds.

Credit qualities are shown as a percentage of the fund's net assets. 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. 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.

Allocations will vary over time. Due to rounding, percentages may not equal 100%.

Protecting investors' principal, the fund's net asset value has remained stable



Annualized total return performance

	1 year	3 years	5 years	10 years	Life of fund
Y shares (Inception 1/2/08)	-3.29%	2.23%	3.00%	3.16%	5.27%
A shares (Inception 9/20/93) before sales charge	-3.47	1.98	2.76	2.91	5.37
A shares after sales charge	-7.33	0.60	1.93	2.49	5.25
Primary benchmark	-4.47	1.32	2.25	2.56	—
Secondary benchmark	-4.47	1.43	2.45	2.85	5.97

Source: Bloomberg Index Services Limited.

Attractive yield at net asset value

	Y shares	A shares
Current 30-day SEC yield [*]	1.57%	1.25%
Taxable equivalent [†]	2.65%	2.11%

^{*} Based only on investment income, calculated using the maximum offering price in accordance with SEC guidelines.

[†] Assumes a maximum 40.80% federal tax rate inclusive of the 3.80% Medicare surtax.

Current performance may be lower or higher than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or a loss when you sell your shares. Performance of class A and Y shares assumes reinvestment of distributions and does not account for taxes. After-sales-charge returns for class A reflect a maximum 4.00% load. Returns for class A and Y shares prior to their inception are derived from the historical performance of class B shares (inception 9/9/85), which have not been adjusted for their lower expenses; had they, returns would have been higher. Class Y shares, available to investors through an asset-based fee program or for institutional clients, are sold without an initial sales charge and have no CDSC. For the most recent month-end performance, please visit putnam.com.

Morningstar rankings

(Y shares, based on total return)

1 year	13% (31/302)
3 years	8% (16/276)
5 years	8% (14/240)
10 years	7% (12/170)

Total expense ratio

(Y shares)

0.60%

(A shares)

0.85%

Option adjusted duration

5.38

Duration to worst

4.23

Average stated maturity

14.90

Average effective maturity

5.01

AMT exposure

8.24%

Top 10 state allocations

IL	9.88%
TX	9.20%
CA	8.30%
NY	7.23%
FL	5.65%
PA	5.13%
MI	4.84%
KY	4.57%
OH	4.46%
MN	3.81%

Morningstar rankings for class Y shares are based on total return without sales charge relative to all share classes of funds with similar objectives as determined by Morningstar. Morningstar rankings may differ significantly from Morningstar's risk-adjusted star ratings. Past performance is not indicative of future results.

For informational purposes only. Not an investment recommendation.

Putnam Retail Management
FSO43_YA 329647 4/22

Annual performance (all distributions reinvested)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 YTD
Y shares at net asset value	-3.32%	10.35%	2.88%	0.05%	6.03%	0.74%	8.38%	4.56%	2.45%	-5.23%
A shares before sales charge	-3.55	10.11	2.64	-0.19	5.79	0.51	8.14	4.25	2.27	-5.29
Primary benchmark	-1.24	6.96	3.06	-0.05	4.76	1.54	6.83	5.04	0.93	-5.71
Secondary benchmark	-2.55	9.05	3.30	0.25	5.45	1.28	7.54	4.92	0.93	-5.71

Source: Bloomberg Index Services Limited.

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Highlights of five-year performance periods (9/9/85–3/31/22)*

	Best 5-year return	Best period end date	Worst 5-year return	Worst period end date	Average 5-year return	% of 5-year periods with positive returns	Number of positive 5-year periods	Number of negative 5-year periods
Y shares	9.74%	9/30/92	1.47%	9/30/08	5.10%	100%	127	0
A shares	9.74	9/30/92	2.02	9/30/08	5.23	100	127	0

* Based on annualized returns for quarterly rolling periods.

The Bloomberg 3-15 Year Blend Municipal Bond Index is an unmanaged index composed of investment-grade municipal securities ranging from 2 and 17 years in maturity. The Putnam Strategic Intermediate Municipal Linked Benchmark represents the performance of the Bloomberg Municipal Bond Index through August 27, 2020, and the performance of the Bloomberg 3-15 Year Municipal Bond Index thereafter. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Neither Bloomberg nor Bloomberg's licensors approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or make any warranty, express or implied, as to the results to be obtained therefrom, and to the maximum extent allowed by law, neither shall have any liability or responsibility for injury or damages arising in connection therewith. You cannot invest directly in an index.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36–59 months of total returns, 60% 5-year rating/40% 3-year rating for 60–119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods. Ratings do not take into account the effects of sales charges and loads. Putnam Strategic Intermediate Municipal Fund received 4, 5, and 5 stars for the 3-, 5-, and 10-year periods among 276, 240, and 170 Muni National Intern funds, respectively.

Average effective maturity depends on the maturity of the underlying bonds within each fund. The longer the maturity, the greater the interest-rate risk.

Average stated maturity is determined based on the legal final maturity of a bond. **Duration to worst** is the duration of a bond computed assuming the bond is called at the worst possible time and uses the date associated with the lowest yield. Depending on the interest-rate environment and structure of the bond, there may be scenarios in which the worst possible time for the bond to be paid off is the maturity date. **Option adjusted duration** is the modified duration of a bond after adjusting for any embedded optionality.

Tax-free funds may not be suitable for IRAs and other non-taxable accounts.

Not all share classes are available on all platforms.

Consider these risks before investing: Capital gains, if any, are taxable for federal and, in most cases, state purposes. Income from federally tax-exempt funds may be subject to state and local taxes. Bond investments are subject to interest-rate risk (the risk of bond prices falling if interest rates rise) and credit risk (the risk of an issuer defaulting on interest or principal payments). Interest-rate risk is generally greater for longer-term bonds, and credit risk is generally greater for below-investment-grade bonds. Unlike bonds, funds that invest in bonds have fees and expenses. The fund may invest significantly in particular segments of the tax-exempt debt market, making it more vulnerable to fluctuations in the values of the securities it holds than a fund that invests more broadly. Interest the fund receives might be taxable.

The value of investments in the fund's portfolio may fall or fail to rise over extended periods of time for a variety of reasons, including general economic, political, or financial market conditions; investor sentiment and market perceptions; government actions; geopolitical events or changes; and factors related to a specific issuer, geography, industry, or sector. These and other factors may lead to increased volatility and reduced liquidity in the fund's portfolio holdings.

Our investment techniques, analyses, and judgments may not produce the outcome we intend. The investments we select for the fund may not perform as well as other securities that we do not select for the fund. We, or the fund's other service providers, may experience disruptions or operating errors that could have a negative effect on the fund. You can lose money by investing in the fund.

Request a prospectus or a summary prospectus, if available, from your financial representative or by calling Putnam at 1-800-225-1581. These prospectuses include investment objectives, risks, fees, expenses, and other information that you should read and consider carefully before investing.

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