

A world of investing.®



# Putnam Municipal Opportunities Trust

**Annual report**

**4 | 30 | 22**



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

FUND SYMBOL  
PMO

# Putnam Municipal Opportunities Trust

## Annual report

4 | 30 | 22

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The fund has adopted a managed distribution policy (the "Distribution Policy") with the goal of providing shareholders with a consistent, although not guaranteed, monthly distribution. In accordance with the Distribution Policy, the fund currently expects to make monthly distributions to common shareholders at a distribution rate per share of \$0.0531. Distributions may include ordinary and/or tax-exempt income, net capital gains, and/or a return of capital of your investment in the fund. You should not draw any conclusions about the fund's investment performance from the amount of this distribution or from the terms of the Distribution Policy. The Distribution Policy provides that the Board of Trustees may amend or terminate the Distribution Policy at any time without prior notice to fund shareholders.

## Message from the Trustees

June 14, 2022

Dear Fellow Shareholder:

The year to date has been difficult for investors, with bond and stock prices falling in repeated market downturns. Inflation has climbed to levels not seen in decades, prompting the U.S. Federal Reserve to reverse the stimulus that had helped support financial assets since 2020. Markets globally also have reacted to the Russia-Ukraine War and the worsening Covid-19 pandemic in China. In the underlying economy, we have seen encouraging signs, such as abundant job openings and wage gains in the United States.

History has shown us that markets eventually recover from crises and may reward those focused on long-term goals rather than short-term uncertainties. At Putnam, professional, active investors are working for you. They are monitoring risks while looking for strong potential investments for your fund. Learn more in the interview with your fund manager(s) in the following pages.

Thank you for investing with Putnam.

Respectfully yours,



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

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



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

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

## About the fund

# Potential for income exempt from federal income tax

Putnam Municipal Opportunities Trust has the flexibility to invest in municipal bonds issued by any U.S. state or territory. As a closed-end fund, it shares some common characteristics with open-end mutual funds, but there are some key differences that investors should understand as they consider their portfolio.



### MORE ASSETS AT WORK

Open-end funds are subject to ongoing sales and redemptions that can generate transaction costs for long-term shareholders. Closed-end funds, however, are typically fixed pools of capital that do not need to hold cash in connection with sales and redemptions, allowing the funds to keep more assets actively invested.



### TRADED LIKE STOCKS

Closed-end fund shares are traded on stock exchanges. As a result, their prices fluctuate because of the influence of several factors.



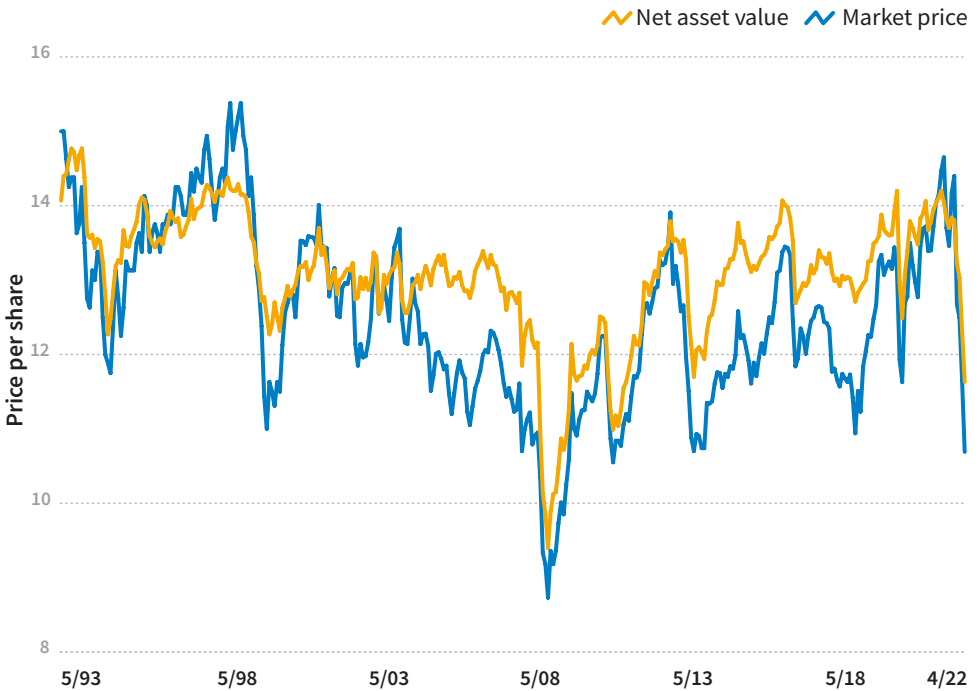
### THEY HAVE A MARKET PRICE

Like an open-end fund, a closed-end fund has a per-share net asset value (NAV). However, closed-end funds also have a “market price” for their shares — which is how much you pay when you buy shares of the fund, and how much you receive when you sell them.

## Looking at a closed-end fund's performance

You will usually see that the NAV and the market price differ. The market price can be influenced by several factors that cause it to vary from the NAV, including fund distributions, changes in supply and demand for the fund's shares, changing market conditions, and investor perceptions of the fund or its investment manager.

### PUTNAM MUNICIPAL OPPORTUNITIES TRUST

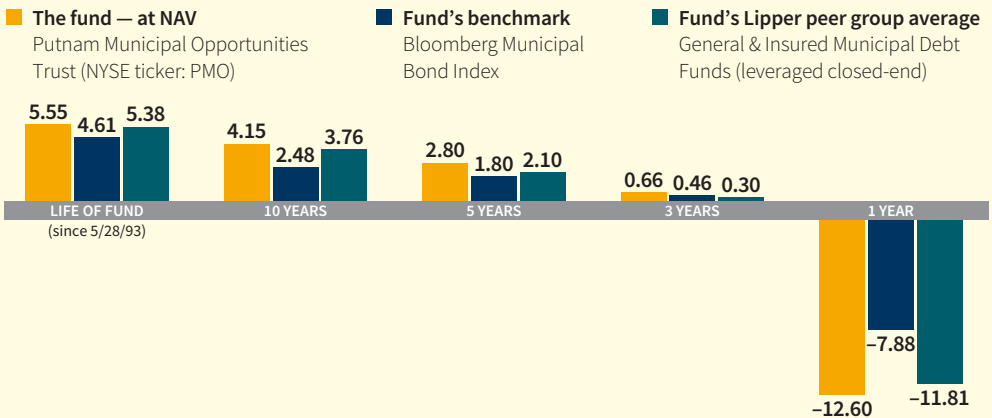


## A mix of credit qualities

In addition to its flexible geographical focus, Putnam Municipal Opportunities Trust combines bonds of differing credit quality. The fund invests in high-quality bonds, but also includes an allocation to lower-rated bonds, which may offer higher income in return for more risk.

## Performance history as of 4/30/22

### Annualized total return (%) comparison

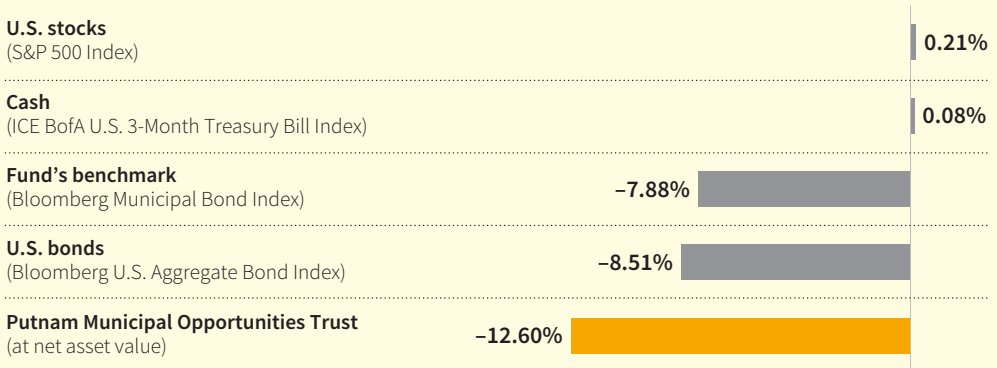


Data are historical. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and net asset value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See below and pages 10–11 for additional performance information, including fund returns at market price. Index and Lipper results should be compared with fund performance at NAV. Fund results reflect the use of leverage, while index results are unleveraged and Lipper results reflect varying use of, and methods for, leverage.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

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

### Recent broad market index and fund performance



This comparison shows your fund's performance in the context of broad market indexes for the 12 months ended 4/30/22. See above and pages 10–11 for additional fund performance information. Index descriptions can be found on page 17.

All Bloomberg indices are provided by Bloomberg Index Services Limited.

## Interview with your fund's portfolio manager

Paul Drury discusses the municipal bond market and fund performance for the 12 months ended April 30, 2022, as well as his outlook for the asset class.



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

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

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

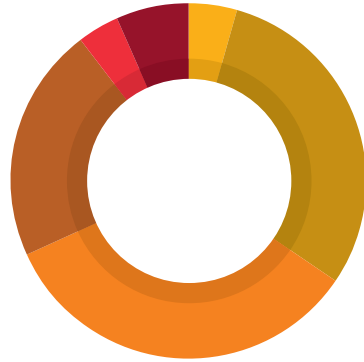
### **Paul, how did municipal bonds perform during the 12-month period ended April 30, 2022?**

Municipal bonds began the period on solid ground, supported by positive supply/demand technicals, low interest rates, and strong economic growth. In the second half of the period, market conditions became more challenging. Investors feared that persistently high inflation might prompt the Federal Reserve to pare back pro-growth monetary policies faster than expected. Inflation concerns were stoked by supply chain disruptions, rising labor costs, and higher commodity prices. Geopolitical and economic uncertainties surrounding Russia's invasion of Ukraine in February 2022 also unnerved investors.

At their March 2022 meeting, Fed policymakers raised their benchmark interest rate by a quarter percentage point and signaled their intent to take further measures to curb the highest inflation in 40 years. The markets began pricing in a higher probability that the Fed would raise interest rates more aggressively. At the May 2022 meeting [shortly after the close of the fund's reporting period], Fed officials raised their key rate by half a percentage point, the

## Credit quality overview

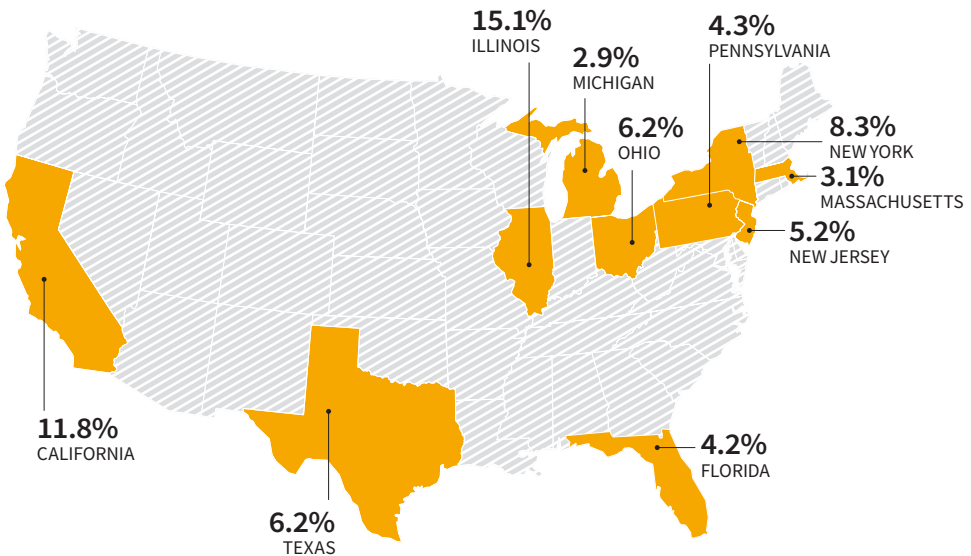
● AAA	4.4%
● AA	30.1
● A	33.7
● BBB	21.4
● BB	3.8
● Not rated	6.6



Credit qualities are shown as a percentage of the fund's net assets (common and preferred shares) as of 4/30/22. 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.

## Portfolio allocation — Top 10 states



Top 10 state allocations are shown as a percentage of the fund's net assets (common and preferred shares) as of 4/30/22. As of 4/30/22, the fund did not have any investments in Puerto Rico. Summary information may differ from the portfolio schedule included in the financial statements due to the differing treatment of interest accruals, the floating-rate portion of tender option bonds, derivative securities, if any, and the use of different classifications of securities for presentation purposes. Holdings and allocations may vary over time.



largest hike in 22 years. The Fed also announced that it would begin reducing bond holdings on its balance sheet on June 1, 2022.

These actions led to significant outflows from municipal bond funds, resulting in increasingly difficult market technicals. For the 12 months ended April 30, 2022, the Bloomberg Municipal Bond Index [the fund's benchmark] returned -7.88%. Short-term municipal bonds outperformed intermediate- and long-term cohorts. From a credit perspective, investment-grade municipal bonds held up better than higher-yielding, lower-rated municipal bonds in the risk-off environment.

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

For the 12 months ended April 30, 2022, the fund underperformed its benchmark, a non-leveraged index, due to our leveraging strategies. The fund's return was close to that of the median fund ranked within its Lipper peer group, General & Insured Municipal Debt Funds [leveraged closed-end]. [Median is the midpoint in a series of values laid out in numerical order.]

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

With the significant sell-off in fixed income in early 2022, we believed municipal bonds had become more attractive. We extended the portfolio's duration, a measure of the fund's interest-rate sensitivity. At period-end, the fund's duration was modestly long relative to the level of its Lipper peer group. We believe this positioning may help the fund outperform if the year-to-date rise in interest rates reverses course.

At period-end, the fund held an overweight exposure to bonds rated A and BBB relative to the benchmark. From a sector- or industry-positioning perspective, we favored continuing-care retirement communities, water/sewer, and charter school bonds relative to the fund's Lipper peer group.

Regarding our strategy for state debt, the fund held an overweight exposure to Illinois relative

**“ Although supply/demand technicals remain challenged, we believe credit fundamentals are strong and valuations are attractive.”**

**Paul Drury**

to its Lipper peer group. We believe Illinois's financial profile continues to stabilize, and its flexibility and credit fundamentals have improved since the onset of the Covid-19 pandemic in the United States.

The fund remained underweight in its exposure to uninsured Puerto Rico municipal debt relative to its Lipper peer group. At period-end, the fund had no holdings in bonds issued by Puerto Rico. However, we have become somewhat more optimistic about the U.S. territory's credit fundamentals. In March 2022, Puerto Rico ended its nearly five-year bankruptcy with a plan to restructure its debt, resume payments to bondholders, and restore its public pension system. We continue to monitor Puerto Rico-related debt for potential investment opportunities.

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

We utilized swaps to hedge or gain exposure to interest-rate and term structure risk and to hedge or gain exposure to inflation. Additionally, we used futures for hedging Treasury term structure risk and yield curve positioning.

### **What were the fund's distributions during the period?**

The fund's distributions are fixed at a targeted rate. The targeted rate is not expected to vary with each distribution but may change from time to time. During the last fiscal year, the fund made monthly distributions totaling \$0.6372 per share, which were characterized as \$0.2331 per share of net realized gain, and \$0.4041 per share of net investment income. While there

were no distributions of capital during the fiscal year, distributions of capital decrease the fund's total assets and total assets per share and, therefore, could have the effect of increasing the fund's expense ratio. In general, the policy of fixing the fund's distributions at a targeted rate does not affect the fund's investment strategy. However, in order to make these distributions, on occasion the fund may have to sell portfolio securities at a less than opportune time.

[Please see the Distributions to shareholders note on page 56 for more information on fund distributions.]

### What is your current assessment of the health of the municipal bond market?

Municipal bonds have faced headwinds so far in 2022 as positive seasonal factors waned, fund flows turned negative, and the market adjusted to a quicker pace of monetary policy normalization. However, municipal credit fundamentals remain strong, in our view. Unprecedented fiscal support, tax revenue outperformance, and strong economic growth expectations put most state and local governments in their best fiscal

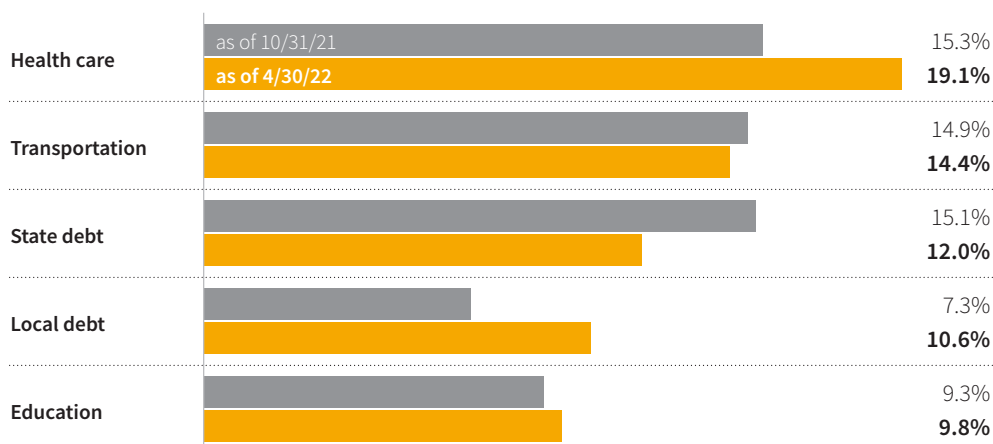
shape for more than a decade. State and local tax collections also were up 13.6% in 2021 compared with 2020. Finally, municipal defaults are running below long-term averages year to date through April 30, 2022, and remain isolated to the lowest-rated cohorts. As such, we believe the credit outlook is currently the most favorable factor supporting the asset class.

### What is your outlook?

Higher-than-expected inflation and strong labor reports during the early months of 2022 have seemingly cemented the Fed's pivot to a hawkish stance. The market has quickly repriced to reflect a faster pace of policy normalization. In our view, the Fed is likely to continue the path of monetary policy normalization. We believe this process could contribute to heightened market volatility but also present investors with attractive opportunities.

We expect pandemic-related supply chain pressures will begin to ease and U.S. economic activity will slow in the second half of 2022. We think the combination could contribute to slower growth and lower inflation, which

## Comparison of top sector weightings



This chart shows how the fund's top weightings have changed over the past six months. Allocations are shown as a percentage of the fund's net assets (common and preferred shares). Current period summary information may differ from the information in the portfolio schedule notes included in the financial statements due to the inclusion of derivative securities, any interest accruals, the timing of matured security transactions, the use of different classifications of securities for presentation purposes, and rounding. Holdings and allocations may vary over time.

could lead to a slower pace of monetary policy normalization than is currently priced in.

Although supply/demand technicals remain challenged, we believe credit fundamentals are strong and valuations are attractive. Future returns look more promising for longer-term investors, in our opinion.

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

*The views expressed in this report are exclusively those of Putnam Management and are subject to change. Disclosures provide only a summary of certain changes that have occurred in the past fiscal*

*period, which may not reflect all of the changes that have occurred since an investor purchased the fund. They are not meant as investment advice.*

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

## HOW CLOSED-END FUNDS DIFFER FROM OPEN-END FUNDS

Closed-end funds and open-end funds share many common characteristics but also have some key differences that you should understand as you consider your portfolio strategies.

**More assets at work** Open-end funds are subject to ongoing sales and redemptions that can generate transaction costs for long-term shareholders. Closed-end funds, however, are typically fixed pools of capital that do not need to hold cash in connection with sales and redemptions, allowing the funds to keep more assets actively invested.

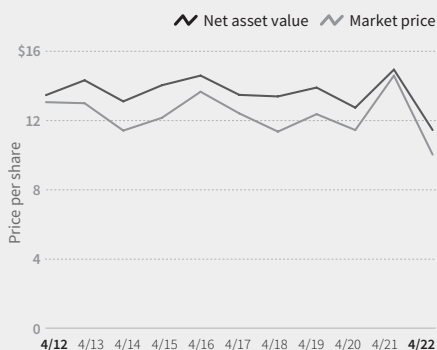
**Traded like stocks** Closed-end fund shares are traded on stock exchanges and, as a result, their prices fluctuate because of the influence of several factors.

**They have a market price** Like an open-end fund, a closed-end fund has a per-share net asset value (NAV). However, closed-end funds also have a “market price” for their shares — which is how much you pay when you buy shares of the

fund, and how much you receive when you sell them.

When looking at a closed-end fund's performance, you will usually see that the NAV and the market price differ. The market price can be influenced by several factors that cause it to vary from the NAV, including fund distributions, changes in supply and demand for the fund's shares, changing market conditions, and investor perceptions of the fund or its investment manager. A fund's performance at market price typically differs from its results at NAV.

### Putnam Municipal Opportunities Trust



## Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended April 30, 2022, the end of its most recent fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance information as of the most recent calendar quarter-end. Performance should always be considered in light of a fund's investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return, net asset value, and market price will fluctuate, and you may have a gain or a loss when you sell your shares.

### Fund performance Total return and comparative index results for periods ended 4/30/22

	Life of fund (since 5/28/93)	10 years	5 years	3 years	1 year
Net asset value	5.55%	4.15%	2.80%	0.66%	-12.60%
Market price	5.23	3.83	2.47	0.64	-18.22
Bloomberg Municipal Bond Index	4.61	2.48	1.80	0.46	-7.88
Lipper General & Insured Municipal Debt Funds (leveraged closed-end) category average*	5.38	3.76	2.10	0.30	-11.81

Performance assumes reinvestment of distributions and does not account for taxes.

Index and Lipper results should be compared with fund performance at net asset value. Fund results reflect the use of leverage, while index results are unleveraged and Lipper results reflect varying use of, and methods for, leverage.

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

All Bloomberg indices are provided by Bloomberg Index Services Limited.

\* Over the 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 4/30/22, there were 58, 51, 49, 44, and 23 funds, respectively, in this Lipper category.

Performance includes the deduction of management fees and administrative expenses.

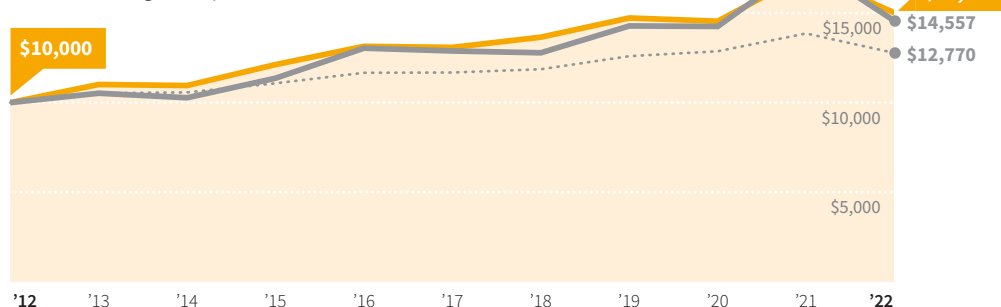
### Change in the value of a \$10,000 investment

Cumulative total return from 4/30/12 to 4/30/22

↗ Putnam Municipal Opportunities Trust at net asset value

↘ Putnam Municipal Opportunities Trust at market price

⋯ Bloomberg Municipal Bond Index



Past performance does not indicate future results.

## Fund price and distribution information For the 12-month period ended 4/30/22

Distributions		
Number	12	
Income <sup>1</sup>	\$0.404123	
Capital gains <sup>2</sup>		
Long-term gains	0.144297	
Short-term gains	0.088780	
<b>Total</b>	<b>\$0.637200</b>	
Distributions — Preferred shares	Series B (2,876 shares)	Series C (2,673 shares)
Income <sup>1</sup>	\$41.30	\$41.42
Capital gains <sup>2</sup>		
Long-term gains	5.04	4.94
Short-term gains	3.15	3.04
<b>Total</b>	<b>\$49.49</b>	<b>\$49.41</b>
Share value	NAV	Market price
4/30/21	\$13.95	\$13.72
4/30/22	11.63	10.69
Current dividend rate (end of period)	NAV	Market price
Current dividend rate <sup>3</sup>	5.48%	5.96%
Taxable equivalent <sup>4</sup>	9.26	10.07

The classification of distributions, if any, is an estimate. Final distribution information will appear on your year-end tax forms.

<sup>1</sup> For some investors, investment income may be subject to the federal alternative minimum tax. Income from federally exempt funds may be subject to state and local taxes.

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

<sup>3</sup> Most recent distribution, including any return of capital and excluding capital gains, annualized and divided by NAV or market price at end of period.

<sup>4</sup> Assumes maximum 40.80% federal tax rate for 2022. Results for investors subject to lower tax rates would not be as advantageous.

## Fund performance as of most recent calendar quarter Total return for periods ended 3/31/22

	Life of fund (since 5/28/93)	10 years	5 years	3 years	1 year
<b>Net asset value</b>	5.76%	4.90%	4.08%	2.62%	-6.34%
<b>Market price</b>	5.54	4.85	4.69	3.49	-8.86

See the discussion following the fund performance table on page 10 for information about the calculation of fund performance.

# Information about the fund's goal, investment strategies, principal risks, and fundamental investment policies

## Goal

The goal of the fund is to seek as high a level of current income exempt from federal income tax as we believe to be consistent with preservation of capital.

## The fund's main investment strategies and related risks

This section contains detail regarding the fund's main investment strategies and the related risks you face as a fund shareholder. It is important to keep in mind that risk and reward generally go hand in hand; the higher the potential reward, the greater the risk.

The fund intends to achieve its objective by investing in a portfolio of investment-grade and some below investment-grade municipal bonds selected by Putnam Management. The fund also uses leverage, primarily by issuing preferred shares in an effort to enhance the returns for the common shareholders.

The fund's shares trade on a stock exchange at market prices, which may be lower than the fund's net asset value. The fund's use of leverage involves risks, which are discussed in more detail below, and may increase the volatility of the fund's net asset value.

- **Tax-exempt investments.** These 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 federal income tax. These investments are issued to raise money for public purposes, such as loans for the construction of housing, schools or hospitals, or to provide temporary financing in anticipation of the receipt of taxes and other revenue. They also include private activity obligations of public authorities to finance privately owned or operated facilities. Changes in law or adverse determinations by the Internal Revenue Service could make the income from some of these obligations taxable.
- **Alternative minimum tax risk.** The fund may invest in municipal securities and private activity bonds that generate interest that is subject to federal alternative minimum tax (AMT). As a result, taxpayers who are subject to the AMT potentially could earn a lower after-tax return. Corporate shareholders will be required to include all exempt interest dividends in determining their federal AMT. For more information, including possible state, local and other taxes, contact your tax advisor.
- **General obligations.** These are backed by the issuer's authority to levy taxes and are considered an obligation of the issuer. They are payable from the issuer's general unrestricted revenues, although payment may depend upon government appropriation or aid from other governments. These investments may be vulnerable to legal limits on a government's power to raise revenue or increase taxes, as well as economic or other developments that can reduce revenues.
- **Revenue obligations.** These are payable from revenue earned by a particular project or other revenue source. They include private activity bonds such as industrial development bonds, which are paid only from the revenues of the private owners or operators of the facilities. Investors can look only to the revenue generated by the project or the private company operating the project rather than the credit of the state or local government authority issuing the bonds. Revenue obligations are typically subject to greater credit risk than general obligations because of the relatively limited source of revenue.
- **Tender option bonds.** The fund may leverage its assets through the use of proceeds received through tender option bond transactions. In a tender option bond transaction, the fund transfers a fixed-rate municipal bond to a special purpose entity trust (TOB trust) sponsored by a broker. The TOB trust funds the purchase of the fixed rate bonds by issuing short-term floating-rate bonds to third parties and allowing the fund to retain the residual interest in the TOB trust's assets and cash flows, which are in the form of inverse floating rate bonds. The inverse floating rate bonds held by the fund give the fund the right to (1) cause the holders of the floating rate bonds to tender their notes at par, and (2) to have the fixed-rate bond held by the TOB trust transferred to the fund, causing the TOB trust to be liquidated. The fund will look through to the underlying municipal bond held by a TOB trust for purposes of the fund's 80% policy referenced below under the heading "The fund's fundamental investment policies."
- **Interest rate risk.** The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Interest rates can change in response to the supply and demand for credit, government and/or central bank monetary policy and action, inflation rates, and other factors. Declining interest rates generally result in an increase in the value of existing debt instruments, and rising interest rates generally result in a decrease in the value of existing debt instruments. Changes in a debt instrument's value usually will not affect the amount of interest income paid to the fund, but will affect the value of the fund's shares. Interest rate risk is generally greater for investments with longer maturities.

Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, we might have to reinvest the proceeds in an investment offering a lower yield, and, therefore, the fund might not benefit from any increase in value as a result of declining interest rates.

- **Credit risk.** Investors normally expect to be compensated in proportion to the risk they are assuming. Thus, debt of issuers with poor credit prospects usually offers higher yields than debt of issuers with more secure credit. Higher-rated investments generally have lower credit risk.

We invest mainly in investment-grade debt investments. These are rated at least BBB or its equivalent at the time of purchase by a nationally recognized securities rating agency, or are unrated investments that we believe are of comparable quality. We may invest up to 30% of the fund's total assets in non-investment-grade investments. However, we will not invest in investments that are rated lower than BB or its equivalent by each agency rating the investment, or are unrated securities that we believe are of comparable quality. We will not necessarily sell an investment if its rating is reduced after we buy it.

We may also invest in investment that are below-investment-grade (sometimes referred to as "junk bonds"), which can be more sensitive to changes in markets, credit conditions, and interest rates and may be considered speculative. These investments are rated below BBB or its equivalent, which reflects a greater possibility that the issuers may be unable to make timely payments of interest and principal and thus default. If default occurs, or is perceived as likely to occur, the value of the investment will usually be more volatile and is likely to fall. The value of a debt instrument may also be affected by changes in, or perceptions of, the financial condition of the issuer, borrower, counterparty, or other entity, or underlying collateral or assets, or changes in, or perceptions of, specific or general market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions. A default or expected default could also make it difficult for us to sell the investment at a price approximating the value we had previously placed on it. Tax-exempt debt, particularly lower-rated tax-exempt debt, usually has a more limited market than taxable debt, which may at times make it difficult for us to buy or sell certain debt instruments or to establish their fair value. Credit risk is generally greater for investments that are required to make interest payments only at maturity rather than at intervals during the life of the investment.

Bond investments may be more susceptible to downgrades or defaults during economic downturns or other periods of economic stress, which in turn could

affect the market values and marketability of many or all bond obligations of issuers in a state, U.S. territory, or possession. For example, the novel coronavirus (Covid-19) pandemic has significantly stressed the financial resources of many tax-exempt debt issuers. This may make it less likely that those issuers can meet their financial obligations when due and may adversely impact the value of their bonds, which could negatively impact the performance of the fund. In light of the uncertainty surrounding the magnitude, duration, reach, costs and effects of the Covid-19 pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, it is difficult to predict the level of financial stress and duration of such stress issuers may experience. We may buy investments that are insured as to the payment of principal and interest in the event the issuer defaults. Any reduction in the insurer's ability to pay claims may adversely affect the value of insured investments and, consequently, the value of the fund's shares.

- **Focus of investments.** We may make significant investments in a particular segment of the tax-exempt debt market, such as tobacco settlement bonds or revenue bonds for health care facilities, housing or airports. We may also make significant investments in the debt of issuers located in the same state. These investments may cause the value of the fund's shares to fluctuate more than the values of shares of funds that invest in a greater variety of investments. Certain events may adversely affect all investments within a particular market segment. Examples include legislation or court decisions, concerns about pending legislation or court decisions, and lower demand for the services or products provided by a particular market segment. Investing in issuers located in the same state may make the fund more vulnerable to that state's economy and to factors affecting its tax-exempt issuers, such as their ability to collect revenues to meet payment obligations.

At times, the fund and other accounts that Putnam Management and its affiliates manage may own all or most of the debt of a particular issuer. This concentration of ownership may make it more difficult to sell, or to determine the fair value of, these investments.

- **Derivatives.** We may engage in a variety of transactions involving derivatives, such as futures, options, swap contracts and inverse floaters, although they do not represent a primary focus of the fund. Derivatives are financial instruments whose value depends upon, or is derived from, the value of something else, such as one or more underlying investments, pools of investments or indexes. We may make use of "short" derivatives positions, the values of which typically move in the opposite direction from the price of the underlying investment, pool of investments, or index. We may use derivatives both for hedging

and non-hedging purposes, such as to modify the behavior of an investment so that it responds differently than it would otherwise respond to changes in a particular interest rate. For example, derivatives may increase or decrease an investment's exposure to long- or short-term interest rates or cause the value of an investment to move in the opposite direction from prevailing short-term or long-term interest rates. We may also use derivatives as a substitute for a direct investment in the securities of one or more issuers. However, we may also choose not to use derivatives, based on our evaluation of market conditions or the availability of suitable derivatives. Investments in derivatives may be applied toward meeting a requirement to invest in a particular kind of investment if the derivatives have economic characteristics similar to that investment.

Derivatives involve special risks and may result in losses. The successful use of derivatives depends on our ability to manage these sophisticated instruments. Some derivatives are "leveraged," which means they provide the fund with investment exposure greater than the value of the fund's investment in the derivatives. As a result, these derivatives may magnify or otherwise increase investment losses to the fund. The risk of loss from certain short derivatives positions is theoretically unlimited. The value of derivatives may move in unexpected ways due to the use of leverage or other factors, especially in unusual market conditions, and may result in increased volatility.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the fund's derivatives positions. In fact, many over-the-counter instruments (investments not traded on an exchange) will not be liquid. Over-the-counter instruments also involve the risk that the other party to the derivatives transaction will not meet its obligations.

- **Preferred share leverage risk.** Leverage from the issuance of preferred shares creates risks, including the likelihood of greater volatility of net asset value and market price of, and distributions from, the fund's common shares and the risk that fluctuations in dividend rates on preferred shares may affect the return to common shareholders. If the income from the investments purchased with proceeds received from leverage is not sufficient to cover the cost of leverage, the amount of income available for distribution to common shareholders will be less than if leverage had not been used. While the fund has preferred shares outstanding, an increase in short-term interest rates could result in an increased cost of leverage, which could adversely affect the fund's income available for distribution to common shareholders. In connection with its preferred shares, the fund is required to maintain specified asset coverage mandated by applicable federal securities laws and

by the fund's Amended and Restated Bylaws. The fund may be required to dispose of portfolio investments on unfavorable terms if market fluctuations or other factors cause the required asset coverage to be less than the prescribed amount. There can be no assurance that a leveraging strategy will be successful.

- **Liquidity and illiquid investments.** We may invest in illiquid investments, which may be considered speculative and which may be difficult to sell. The sale of many of these investments is prohibited or limited by law or contract. Some investments may be difficult to value for purposes of determining the fund's net asset value. Certain other investments may not have an active trading market due to adverse market, economic, industry, political, regulatory, geopolitical, environmental, public health, and other conditions, including investors trying to sell large quantities of a particular investment or type of investment, or lack of market makers or other buyers for a particular investment or type of investment. We may not be able to sell the fund's illiquid investments when we consider it desirable to do so, or we may be able to sell them only at less than their value.
- **Market risk.** 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 (including perceptions about monetary policy, interest rates or the risk of default); government actions (including protectionist measures, intervention in the financial markets or other regulation, and changes in fiscal, monetary or tax policies); geopolitical events or changes (including natural disasters, epidemics or pandemics, terrorism and war); 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. These risks may be exacerbated during economic downturns or other periods of economic stress.

The novel coronavirus (Covid-19) pandemic and efforts to contain its spread have negatively affected, and are likely to continue to negatively affect, the global economy, the economies of the United States and other individual countries, and the financial performance of individual issuers, sectors, industries, asset classes, and markets in significant and unforeseen ways. The Covid-19 pandemic has resulted in significant market volatility, exchange trading suspensions and closures, declines in global financial markets, higher default rates, and economic downturns and recessions, and these effects may continue for an extended period of time and may increase in severity over time. In addition, actions taken by government and quasi-governmental authorities and regulators throughout the world in response to



the Covid-19 pandemic, including significant fiscal and monetary policy changes, may affect the value, volatility, and liquidity of some securities and other assets. Given the significant uncertainty surrounding the magnitude, duration, reach, costs and effects of the Covid-19 pandemic, as well as actions that have been or could be taken by governmental authorities or other third parties, it is difficult to predict its potential impacts on the fund's investments. The effects of the Covid-19 pandemic also are likely to exacerbate other risks that apply to the fund, including the risks disclosed in the fund's prospectus, which could negatively impact the fund's performance and lead to losses on your investment in the fund.

- **Management and operational risk.** The fund is actively managed and its performance will reflect, in part, our ability to make investment decisions that seek to achieve the fund's investment objective. There is no guarantee that the investment techniques, analyses, or judgments that we apply in making investment decisions for the fund will produce the intended outcome or that the investments we select for the fund will perform as well as other securities that were not selected for the fund. As a result, the fund may underperform its benchmark or other funds with a similar investment goal and may realize losses. In addition, we, or the fund's other service providers, may experience disruptions or operating errors that could negatively impact the fund. Although service providers may have operational risk management policies and procedures and take appropriate precautions to avoid and mitigate risks that could lead to disruptions and operating errors, it may not be possible to identify all of the operational risks that may affect the fund or to develop processes and controls to completely eliminate or mitigate their occurrence or effects.
- **Other investments.** In addition to the main investment strategies described above, the fund may also make other types of investments, which may produce taxable income and be subject to other risks. The fund may also invest in cash or cash equivalents, including money market instruments or short-term instruments such as commercial paper, bank obligations (e.g., certificates of deposit and bankers' acceptances), repurchase agreements, and U.S. Treasury bills or other government obligations. The fund may also from time to time invest all or a portion of its cash balances in money market and/or short-term bond funds advised by Putnam Management or its affiliates. The percentage of the fund invested in cash and cash equivalents and such money market and short-term bond funds is expected to vary over time and will depend on various factors, including market conditions and our assessment of the cash level that is appropriate to allow the fund to pursue investment opportunities as they arise. Large cash positions may

dampen performance and may prevent the fund from achieving its goal.

- **Temporary defensive strategies.** In response to adverse market, economic, political or other conditions, we may take temporary defensive positions, such as investing some or all of the fund's assets in cash and cash equivalents, that differ from the fund's usual investment strategies. However, we may choose not to use these temporary defensive strategies for a variety of reasons, even in very volatile market conditions. If we do employ these strategies, the fund may miss out on investment opportunities and may not achieve its goal. Additionally, while temporary defensive strategies are mainly designed to limit losses, they may not work as intended.
- **Changes in policies.** The Trustees may change the fund's goal, investment strategies and other policies without shareholder approval, except in circumstances in which shareholder approval is specifically required by law (such as changes to fundamental investment policies) or where a shareholder approval requirement was specifically disclosed in the fund's prospectus, statement of additional information or shareholder report and is otherwise still in effect.

#### **The fund's fundamental investment policies**

The fund has adopted the following investment restrictions which may not be changed without the affirmative vote of a "majority of the outstanding voting securities" of the fund (which is defined in the 1940 Act to mean the affirmative vote of the lesser of (1) more than 50% of the outstanding common shares and of the outstanding preferred shares of the fund, each voting as a separate class, or (2) 67% or more of the common shares and of the preferred shares, each voting as a separate class, present at a meeting if more than 50% of the outstanding shares of each class are represented at the meeting in person or by proxy).

Under normal market conditions, the fund invests at least 80% of its total assets in municipal bonds.

Additionally, the fund may not:

1. Issue senior securities, as defined in the 1940 Act, other than shares of beneficial interest with preference rights, except to the extent such issuance might be involved with respect to borrowings described under restriction 2 below or with respect to transactions involving financial futures, options, and other financial instruments.
2. Borrow money in excess of 10% of the value (taken at the lower of cost or current value) of its total assets (not including the amount borrowed) at the time the borrowing is made, and then only from banks as a temporary measure (not for leverage) in situations which might otherwise require the untimely

disposition of portfolio investments or for extraordinary or emergency purposes. Such borrowings will be repaid before any additional investments are purchased.

3. Underwrite securities issued by other persons except to the extent that, in connection with the disposition of its portfolio investments, it may be deemed to be an underwriter under the federal securities laws.

4. Purchase or sell real estate, although it may purchase securities of issuers which deal in real estate, securities which are secured by interests in real estate, and securities representing interests in real estate, and it may acquire and dispose of real estate or interests in real estate acquired through the exercise of its rights as a holder of debt obligations secured by real estate or interests therein.

5. Purchase or sell commodities or commodity contracts, except that the fund may purchase and sell financial futures contracts and options and may enter into foreign exchange contracts and other financial transactions not involving physical commodities.

6. Make loans, except by purchase of debt obligations in which the fund may invest consistent with its investment policies (including without limitation debt obligations issued by other Putnam funds), by entering into repurchase agreements, or by lending its portfolio securities.

7. With respect to 50% of its total assets, invest in the securities of any issuer if, immediately after such investment, more than 5% of the total assets of the fund (taken at current value) would be invested in the securities of such issuer; provided that this limitation does not apply to obligations issued or guaranteed as to interest or principal by the U.S. government or its agencies or instrumentalities.

8. With respect to 50% of its total assets, acquire more than 10% of the outstanding voting securities of any issuer.

9. Purchase securities (other than securities of the U.S. government, its agencies or instrumentalities or tax-exempt securities, except tax-exempt securities backed only by the assets and revenues of non-governmental issuers) if, as a result of such purchase, more than 25% of the fund's total assets would be invested in any one industry.

## Terms and definitions

### Important terms

**Total return** shows how the value of the fund's shares changed over time, assuming you held the shares through the entire period and reinvested all distributions in the fund.

**Net asset value (NAV)** is the value of all your fund's assets, minus any liabilities, divided by the number of outstanding shares.

**Market price** is the current trading price of one share of the fund. Market prices are set by transactions between buyers and sellers on exchanges such as the New York Stock Exchange.

### Fixed income terms

**Current rate** is the annual rate of return earned from dividends or interest of an investment. Current rate is expressed as a percentage of the price of a security, fund share, or principal investment.

**Yield curve** is a graph that plots the yields of bonds with equal credit quality against their differing maturity dates, ranging from shortest to longest. It is used as a benchmark for other debt, such as mortgage or bank lending rates.

### Comparative indexes

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

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

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

performance of U.S. Treasury bills available in the marketplace.

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

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

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

## Other information for shareholders

### Important notice regarding share repurchase program

In September 2021, the Trustees of your fund approved the renewal of a share repurchase program that had been in effect since 2005. This renewal allows your fund to repurchase, in the 365 days beginning October 1, 2021, up to 10% of the fund's common shares outstanding as of September 30, 2021.

### Important notice regarding delivery of shareholder documents

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

### Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2021, are available in the Individual Investors section of [putnam.com](http://putnam.com)

and on the SEC's website, [www.sec.gov](http://www.sec.gov). If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

### Fund portfolio holdings

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

Prior to its use of Form N-PORT, the fund filed its complete schedule of its portfolio holdings with the SEC on Form N-Q, which is available online at [www.sec.gov](http://www.sec.gov).

### Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam mutual funds. As of April 30, 2022, Putnam employees had approximately \$492,000,000 and the Trustees had approximately \$72,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

## Important notice regarding Putnam's privacy policy

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

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

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

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

## Summary of Putnam closed-end funds' amended and restated dividend reinvestment plans

Putnam Managed Municipal Income Trust, Putnam Master Intermediate Income Trust, Putnam Municipal Opportunities Trust and Putnam Premier Income Trust (each, a "Fund" and collectively, the "Funds") each offer a **dividend reinvestment plan** (each, a "Plan" and collectively, the "Plans"). If you participate in a Plan, all income dividends and capital gain distributions are **automatically reinvested** in Fund shares by the Fund's agent, Putnam Investor Services, Inc. (the "Agent"). If you are not participating in a Plan, every month you will receive all dividends and other distributions in cash, paid by check and mailed directly to you.

Upon a purchase (or, where applicable, upon registration of transfer on the shareholder records of a Fund) of shares of a Fund by a registered shareholder, each such shareholder **will be deemed to have elected to participate** in that Fund's Plan. Each such shareholder will have all distributions by a Fund automatically reinvested in additional shares, unless such shareholder elects to terminate participation in a Plan by instructing the Agent to pay future distributions in cash. Shareholders who were not participants in a Plan as of January 31, 2010, will continue to receive distributions in cash but may enroll in a Plan at any time by contacting the Agent.

If you participate in a Fund's Plan, the Agent will automatically reinvest subsequent distributions, and the Agent will send you a confirmation in the mail telling you how many additional shares were issued to your account.

To change your enrollment status or to request additional information about the Plans, you may contact the Agent either in writing, at P.O. Box 8383, Boston, MA 02266-8383, or by telephone at 1-800-225-1581 during normal East Coast business hours.

**How you acquire additional shares through a Plan** If the market price per share for your Fund's shares (plus estimated brokerage

commissions) is greater than or equal to their net asset value per share on the payment date for a distribution, you will be issued shares of the Fund at a value equal to the higher of the net asset value per share on that date or 95% of the market price per share on that date.

If the market price per share for your Fund's shares (plus estimated brokerage commissions) is less than their net asset value per share on the payment date for a distribution, the Agent will buy Fund shares for participating accounts in the open market. The Agent will aggregate open-market purchases on behalf of all participants, and the average price (including brokerage commissions) of all shares purchased by the Agent will be the price per share allocable to each participant. The Agent will generally complete these open-market purchases within five business days following the payment date. If, before the Agent has completed open-market purchases, the market price per share (plus estimated brokerage commissions) rises to exceed the net asset value per share on the payment date, then the purchase price may exceed the net asset value per share, potentially resulting in the acquisition of fewer shares than if the distribution had been paid in newly issued shares.

**How to withdraw from a Plan** Participants may withdraw from a Fund's Plan at any time by notifying the Agent, either in writing or by telephone. Such withdrawal will be effective immediately if notice is received by the Agent with sufficient time prior to any distribution record date; otherwise, such withdrawal will be effective with respect to any subsequent distribution following notice of withdrawal. There is no penalty for withdrawing from or not participating in a Plan.

**Plan administration** The Agent will credit all shares acquired for a participant under a Plan to the account in which the participant's common shares are held. Each participant will

be sent reasonably promptly a confirmation by the Agent of each acquisition made for his or her account.

**About brokerage fees** Each participant pays a proportionate share of any brokerage commissions incurred if the Agent purchases additional shares on the open market, in accordance with the Plans. There are no brokerage charges applied to shares issued directly by the Funds under the Plans.

**About taxes and Plan amendments**

Reinvesting dividend and capital gain distributions in shares of the Funds does not relieve you of tax obligations, which are the same as if you had received cash distributions. The Agent supplies tax information to you and to the IRS annually. Each Fund reserves the right to amend or terminate its Plan upon 30 days' written notice. However, the Agent may assign its rights, and delegate its duties, to a successor agent with the prior

consent of a Fund and without prior notice to Plan participants.

**If your shares are held in a broker or nominee name**

If your shares are held in the name of a broker or nominee offering a dividend reinvestment service, consult your broker or nominee to ensure that an appropriate election is made on your behalf. If the broker or nominee holding your shares does not provide a reinvestment service, you may need to register your shares in your own name in order to participate in a Plan.

In the case of record shareholders such as banks, brokers or nominees that hold shares for others who are the beneficial owners of such shares, the Agent will administer the Plan on the basis of the number of shares certified by the record shareholder as representing the total amount registered in such shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

## Audited financial statements

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

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

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

**Statement of operations** shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as

any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

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

**Statement of cash flows** shows changes in the fund's cash balance during the period as results of cash flows from operating and financing activities.

**Financial highlights** provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.



## Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of  
Putnam Municipal Opportunities Trust:

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

We have audited the accompanying statement of assets and liabilities, including the fund's portfolio, of Putnam Municipal Opportunities Trust (the "Fund") as of April 30, 2022, the related statement of operations and cash flows for the year ended April 30, 2022, the statement of changes in net assets for each of the two years in the period ended April 30, 2022, including the related notes, and the financial highlights for each of the five years in the period ended April 30, 2022 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of April 30, 2022, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period ended April 30, 2022 and the financial highlights for each of the five years in the period ended April 30, 2022 in conformity with accounting principles generally accepted in the United States of America.

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

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of April 30, 2022 by correspondence with the custodian, transfer agent and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP  
Boston, Massachusetts  
June 14, 2022

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

## The fund's portfolio 4/30/22

### Key to holding's abbreviations

**ABAG** Association Of Bay Area Governments

**AGM** Assured Guaranty Municipal Corporation

**AMBAC** AMBAC Indemnity Corporation

**BAM** Build America Mutual

**COP** Certificates of Participation

**FRB** Floating Rate Bonds: The rate shown is the current interest rate at the close of the reporting period. Rates may be subject to a cap or floor. For certain securities, the rate may represent a fixed rate currently in place at the close of the reporting period.

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

**NATL** National Public Finance Guarantee Corporation

**PSFG** Permanent School Fund Guaranteed

**Q-SBLF** Qualified School Board Loan Fund

**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 0.44% as of the close of the reporting period.

<b>MUNICIPAL BONDS AND NOTES (152.7%)*</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Alabama (1.2%)</b>			
Jefferson Cnty., Swr. Rev. Bonds, Ser. D, 6.50%, 10/1/53	BBB	\$2,000,000	\$2,206,138
Jefferson, Cnty. Rev. Bonds, (Refunding warrants) 5.00%, 9/15/34	AA	2,075,000	2,265,044
5.00%, 9/15/33	AA	275,000	300,456
			<b>4,771,638</b>
<b>Alaska (1.5%)</b>			
AK State Incl. Dev. & Export Auth. Rev. Bonds, (Tanana Chiefs Conference), Ser. A 4.00%, 10/1/49	A+/F	1,500,000	1,461,562
4.00%, 10/1/44	A+/F	4,180,000	4,248,858
			<b>5,710,420</b>
<b>Arizona (3.5%)</b>			
AZ Incl. Dev. Auth. Student Hsg. Rev. Bonds, (NCCU Properties, LLC Central U.), BAM, 5.00%, 6/1/49	AA	2,000,000	2,162,180
AZ State Incl. Dev. Auth. Rev. Bonds, (Equitable School Revolving Fund, LLC Oblig. Group), 4.00%, 11/1/50	A	2,855,000	2,735,100
AZ State Incl. Dev. Auth. Ed. Rev. Bonds, (KIPP New York, Inc., Jerome Fac.), Ser. B 4.00%, 7/1/61	BBB-	1,380,000	1,149,952
4.00%, 7/1/41	BBB-	720,000	659,835
AZ State Incl. Dev. Auth. Ed. 144A Rev. Bonds, (BASIS Schools, Inc.), Ser. D, 5.00%, 7/1/51	BB	510,000	520,891
Maricopa Cnty., Incl. Dev. Auth. Ed. Rev. Bonds (Reid Traditional Schools Painted Rock Academy), 5.00%, 7/1/36	Baa3	350,000	362,389
(Horizon Cmnty. Learning Ctr.), 5.00%, 7/1/35	BB+	750,000	763,523
Phoenix, Incl. Dev. Auth. Ed. Rev. Bonds, (Great Hearts Academies), 3.75%, 7/1/24	BBB-	300,000	299,014
Phoenix, Incl. Dev. Auth. Ed. 144A Rev. Bonds, (BASIS Schools, Inc.), 5.00%, 7/1/35	BB	1,000,000	1,025,778

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Arizona cont.</b>			
Salt Verde, Fin. Corp. Gas Rev. Bonds, 5.50%, 12/1/29	A3	\$1,350,000	\$1,509,060
Yavapai Cnty., Incl. Dev. Auth. Hosp. Fac. Rev. Bonds, (Yavapai Regl. Med. Ctr.), 5.00%, 8/1/34	A2	500,000	541,946
Yuma, Incl. Dev. Auth. Hosp. Rev. Bonds, (Yuma Regl. Med. Ctr.), Ser. A, 5.00%, 8/1/32	A	2,065,000	2,164,256
			<b>13,893,924</b>
<b>California (17.5%)</b>			
ABAG Fin. Auth. for Nonprofit Corps. Rev. Bonds, (Episcopal Sr. Cmnty.), Ser. A, 5.00%, 7/1/32 (Prerefunded 7/1/22)	AAA/P	550,000	553,161
CA Cmnty. Hsg. Agcy. Essential Hsg. 144A Rev. Bonds, (Aster Apt.), Ser. A-1, 4.00%, 2/1/56	BB+/P	550,000	489,386
CA Hsg. Fin. Agcy. Muni. Certif. Rev. Bonds, Ser. 21-1, Class A, 3.50%, 11/20/35	BBB+	2,067,207	2,068,888
CA Muni. Fin. Auth. VRDN (Chevron USA, Inc.), 0.30%, 11/1/35	VMIG 1	3,900,000	3,900,000
CA State G.O. Bonds 4.00%, 11/1/33 †	Aa2	10,000,000	10,525,300
CA State Muni. Fin. Auth. Mobile Home Park Rev. Bonds, (Caritas Affordable Hsg., Inc.), 5.25%, 8/15/39	A-	400,000	412,281
CA State Muni. Fin. Auth. Rev. Bonds, (HumanGood CA Oblig. Group), 4.00%, 10/1/49	A-/F	2,700,000	2,635,131
CA State Poll. Control Fin. Auth. Rev. Bonds, (San Jose Wtr. Co.)			
5.10%, 6/1/40	A	3,500,000	3,509,114
4.75%, 11/1/46	A	750,000	771,333
CA State Pub. Wks. Board Rev. Bonds, (Various Cap.), Ser. A, 5.00%, 8/1/33	Aa3	3,000,000	3,436,526
CA Statewide Cmnty. Dev. Auth. Rev. Bonds, (Front Porch Cmnty. & Svcs. Oblig. Group), Ser. A, 3.00%, 4/1/51	A-	3,440,000	2,731,574
CSCDA Cmnty. Impt. Auth. Rev. Bonds, (Pasadena Portfolio), Ser. A-2, 3.00%, 12/1/56	BBB-/P	2,635,000	1,880,304
CSCDA Cmnty. Impt. Auth. 144A Rev. Bonds			
(Anaheim), 4.00%, 8/1/56	BB/P	2,125,000	1,880,075
(City of Orange Portfolio), 3.00%, 3/1/57	BBB-/P	650,000	463,271
(Essential Hsg.), Ser. A-2, 3.00%, 2/1/57	BBB-/P	1,900,000	1,354,555
Los Angeles, Cmnty. Fac. Dist. No. 11 Special Tax, 4.00%, 9/1/38	BB/P	1,000,000	982,806
Los Angeles, Dept. of Arpt. Rev. Bonds			
Ser. A, 4.00%, 5/15/39	Aa3	1,150,000	1,141,545
4.00%, 5/15/36	Aa3	500,000	504,406
Mount Diablo Unified School Dist. G.O. Bonds, Ser. B			
4.00%, 6/1/37 ###	Aa3	1,625,000	1,671,659
4.00%, 8/1/36 ##	Aa3	2,960,000	3,064,752
North Natomas, Cmnty. Fac. Special Tax Bonds, (Dist. No. 4), Ser. E, 5.00%, 9/1/30	BBB+	1,250,000	1,287,165

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>California cont.</b>			
Regents of the U. of CA Med. Ctr. (The) Rev. Bonds, Ser. P			
5.00%, 5/15/42	Aa3	\$13,000,000	\$14,435,395
5.00%, 5/15/41	Aa3	5,260,000	5,853,820
San Bernardino Cnty., FRB, Ser. C, 0.685%, 8/1/23	AA+	1,125,000	1,128,251
San Diego Cnty., COP, 5.00%, 10/1/46	Aa1	2,150,000	2,391,799
			<b>69,072,497</b>
<b>Colorado (3.1%)</b>			
CO State Hlth. Fac. Auth. Rev. Bonds			
(Valley View Hosp. Assn.), 5.00%, 5/15/40	A	1,000,000	1,052,796
(Covenant Retirement Cmnty.), Ser. A, 5.00%, 12/1/35	A-/F	1,000,000	1,052,166
CO State Hlth. Fac. Auth. Hosp. Rev. Bonds			
(Christian Living Neighborhood), 5.00%, 1/1/37	BB/P	550,000	561,201
(Covenant Living Cmnty. and Svcs. Oblig. Group), 4.00%, 12/1/50	A-/F	2,700,000	2,481,681
Park Creek, Metro. Dist. Tax Alloc. Bonds, (Sr. Ltd. Property Tax Supported), Ser. A, 5.00%, 12/1/45	A/F	200,000	209,977
Pub. Auth. for CO Energy Rev. Bonds, (Natural Gas Purchase), 6.50%, 11/15/38	A2	2,250,000	2,863,729
Regl. Trans. Dist. Rev. Bonds, (Denver Transit Partners, LLC)			
4.00%, 7/15/38	Baa1	800,000	784,466
3.00%, 7/15/37	Baa1	850,000	719,857
Sterling Ranch Cmnty. Auth. Board Rev. Bonds, (Metro. Dist. No. 2), Ser. A, 4.25%, 12/1/50	BB/P	550,000	474,795
Vauxmont, Metro. Dist. G.O. Bonds, AGM			
5.00%, 12/1/33	AA	255,000	289,368
5.00%, 12/15/32	AA	160,000	173,527
5.00%, 12/15/31	AA	135,000	146,523
5.00%, 12/1/30	AA	215,000	244,338
5.00%, 12/1/29	AA	210,000	239,005
5.00%, 12/15/28	AA	130,000	141,249
5.00%, 12/1/28	AA	210,000	236,265
5.00%, 12/1/27	AA	200,000	222,208
5.00%, 12/15/26	AA	135,000	146,807
5.00%, 12/1/26	AA	190,000	208,156
			<b>12,248,114</b>
<b>Connecticut (1.4%)</b>			
CT State Special Tax, 4.00%, 5/1/39			
	AA-	1,700,000	1,751,629
CT State Hlth. & Edl. Fac. Auth. Rev. Bonds, (Stamford Hosp. Oblig. Group (The)), Ser. M			
5.00%, 7/1/34	BBB+	1,900,000	2,134,880
4.00%, 7/1/41	BBB+	580,000	554,205
Harbor Point Infrastructure Impt. Dist. 144A Tax Alloc. Bonds, (Harbor Point Ltd.), 5.00%, 4/1/39			
	BB/P	1,000,000	1,061,088
			<b>5,501,802</b>

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>District of Columbia (3.3%)</b>			
DC Rev. Bonds			
(Plenary Infrastructure DC, LLC), 5.50%, 2/28/37 ##	A3	\$1,500,000	\$1,655,530
(Plenary Infrastructure DC, LLC), 5.50%, 2/29/36 ##	A3	1,370,000	1,511,283
(Ingleside at Rock Creek), Ser. A, 5.00%, 7/1/52	BB-/P	500,000	477,505
(Two Rivers Pub. Charter School, Inc.), 5.00%, 6/1/50	Baa3	1,500,000	1,527,300
(Latin American Montessori Bilingual Pub. Charter School Oblig. Group), 5.00%, 6/1/40	BB+	2,000,000	2,060,198
(Two Rivers Pub. Charter School, Inc.), 5.00%, 6/1/40	Baa3	1,500,000	1,548,921
Metro. Washington, Arpt. Auth. Dulles Toll Rd. Rev. Bonds, (Metrorail), Ser. A, zero %, 10/1/37	A-	3,700,000	1,748,503
Metro. Washington DC, Arpt. Auth. Dulles Toll Rd. Rev. Bonds			
(Dulles Metrorail & Cap. Impt. Proj.), 4.00%, 10/1/53 T	A-	1,290,000	1,261,710
(Dulles Metrorail & Cap. Impt. Proj.), Ser. B, 4.00%, 10/1/44 T	A-	1,285,000	1,284,113
			<b>13,075,063</b>
<b>Florida (5.7%)</b>			
FL State Dev. Fin. Corp. Ed. Fac. Rev. Bonds, (River City Ed.)			
5.00%, 7/1/57 ###	Baa3	680,000	626,571
5.00%, 7/1/51 ###	Baa3	650,000	614,721
5.00%, 7/1/42 ###	Baa3	460,000	446,419
FL State Higher Edl. Fac. Financial Auth. Rev. Bonds			
(St. Leo U.), 5.00%, 3/1/44	BB+	1,500,000	1,511,977
(Florida Inst. of Tech., Inc.), 4.00%, 10/1/39	BBB-	800,000	748,358
Halifax Hosp. Med. Ctr. Rev. Bonds, 5.00%, 6/1/36	A-	2,250,000	2,417,382
Lakeland, Hosp. Syst. Rev. Bonds, (Lakeland Regl. Hlth.), 5.00%, 11/15/40	A2	1,350,000	1,404,136
Miami-Dade Cnty., Aviation Rev. Bonds, Ser. A			
5.00%, 10/1/36	A2	5,000,000	5,142,641
5.00%, 10/1/32	A2	3,790,000	3,918,696
Orange Cnty., Hlth. Fac. Auth. Rev. Bonds, (Presbyterian Retirement Cmnty.), 5.00%, 8/1/34	A-/F	1,350,000	1,404,781
Pinellas Cnty., Indl. Dev. Auth. Rev. Bonds, (2017 Foundation for Global Understanding, Inc.), 5.00%, 7/1/39	AAA/P	500,000	514,205
Southeast Overtown Park West Cmnty. Redev. Agcy. 144A Tax Alloc. Bonds, Ser. A-1, 5.00%, 3/1/30	BBB+	360,000	372,398
Village, 144A Special Assmt., (Village Cmnty. Dev. Dist. No. 13), 3.00%, 5/1/35	BB-/P	2,475,000	2,214,425
Volusia Cnty., Edl. Fac. Auth. Rev. Bonds, (Embry- Riddle Aeronautical University, Inc.), Ser. A			
4.00%, 10/15/39	A2	600,000	609,267
4.00%, 10/15/36	A2	500,000	509,657
			<b>22,455,634</b>

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Georgia (2.5%)</b>			
Atlanta, Arpt. Rev. Bonds, (Dept. of Aviation), Ser. C, 4.00%, 7/1/42	Aa3	\$800,000	\$793,190
Muni. Election Auth. of GA Rev. Bonds, (Plant Vogtle Units 3 & 4)			
Ser. A, 5.50%, 7/1/60	A	3,500,000	3,721,588
AGM, 5.00%, 1/1/62	AA	1,000,000	1,080,436
5.00%, 1/1/56	BBB+	650,000	689,405
4.00%, 1/1/51	A2	500,000	474,381
4.00%, 1/1/51	BBB+	425,000	390,121
Paulding Cnty., Hosp. Auth. Rev. Bonds, (WellStar Hlth. Syst.)			
5.00%, 4/1/43	A+	1,400,000	1,529,702
4.00%, 4/1/41	A+	1,000,000	1,001,274
			<b>9,680,097</b>
<b>Hawaii (0.5%)</b>			
HI State Harbor Syst. Rev. Bonds			
Ser. C, 4.00%, 7/1/40	Aa3	300,000	313,090
Ser. A, 4.00%, 7/1/35	Aa3	1,700,000	1,774,667
			<b>2,087,757</b>
<b>Illinois (20.1%)</b>			
Chicago, G.O. Bonds			
Ser. A, 5.00%, 1/1/27	BBB+	1,850,000	1,966,172
Ser. B, 4.00%, 1/1/38	BBB+	2,060,000	1,921,648
Ser. B, 4.00%, 1/1/35	BBB+	3,117,000	2,953,999
Chicago, Board of Ed. G.O. Bonds			
Ser. C, 5.25%, 12/1/39	BB	2,250,000	2,330,080
Ser. B, 5.00%, 12/1/36	BB	2,500,000	2,625,554
Ser. H, 5.00%, 12/1/36	BB	500,000	524,124
Chicago, O'Hare Intl. Arpt. Rev. Bonds			
Ser. C, 5.375%, 1/1/39	A2	1,250,000	1,269,164
Ser. C, 5.25%, 1/1/28	A2	1,320,000	1,342,044
Ser. C, 5.25%, 1/1/27	A2	2,125,000	2,162,177
Ser. A, 5.00%, 1/1/38	A	100,000	106,179
Ser. A, 5.00%, 1/1/37	A	300,000	318,983
Chicago, Trans. Auth. Sales Tax Rev. Bonds, 5.25%, 12/1/49	AA	3,000,000	3,144,968
Chicago, Waste Wtr. Transmission Rev. Bonds			
Ser. C, 5.00%, 1/1/39	A	900,000	947,450
(2nd Lien), 5.00%, 1/1/39	A	1,835,000	1,884,534
Ser. A, NATL, zero %, 1/1/24	A+	1,600,000	1,528,941
IL State G.O. Bonds			
5.50%, 7/1/38	Baa1	2,280,000	2,345,583
5.50%, 5/1/30	Baa1	1,250,000	1,394,823
Ser. A, 5.00%, 5/1/38	Baa1	1,500,000	1,566,351
Ser. A, 5.00%, 12/1/31	Baa1	5,750,000	6,084,303
Ser. C, 5.00%, 11/1/29	Baa1	1,850,000	1,976,218
5.00%, 2/1/29	Baa1	1,425,000	1,515,696
Ser. A, 5.00%, 12/1/28	Baa1	2,500,000	2,687,144
Ser. D, 5.00%, 11/1/28	Baa1	2,250,000	2,417,367
Ser. D, 5.00%, 11/1/27	Baa1	1,000,000	1,079,572
Ser. A, 4.00%, 3/1/40	Baa1	1,500,000	1,400,662

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Illinois cont.</b>			
IL State Fin. Auth. Mandatory Put Bonds (9/1/22), (Field Museum of Natural History), 0.809%, 11/1/34	A2	\$3,865,000	\$3,861,988
IL State Fin. Auth. Rev. Bonds			
(Lifespace Cmnty., Inc.), Ser. A, 5.00%, 5/15/35	BBB/F	1,025,000	1,044,893
(Riverside Hlth. Syst.), 4.00%, 11/15/34	A+	500,000	504,587
IL State Fin. Auth. Academic Fac. Rev. Bonds, (U. of Illinois at Urbana-Champaign), Ser. A			
5.00%, 10/1/44	Aa3	1,100,000	1,211,915
5.00%, 10/1/36	Aa3	600,000	670,740
5.00%, 10/1/34	Aa3	500,000	560,169
IL State Fin. Auth. Student Hsg. & Academic Fac. Rev. Bonds			
(U. of IL Chicago), 5.00%, 2/15/50	Baa3	2,000,000	2,019,256
(U. of IL-CHF-Chicago, LLC), Ser. A, 5.00%, 2/15/37	Baa3	1,000,000	1,021,797
Metro. Pier & Exposition Auth. Rev. Bonds, (McCormick Place Expansion)			
4.00%, 6/15/52	BBB+	1,000,000	911,790
Ser. B, stepped-coupon zero % (4.700%, 6/15/31), 12/15/37 ††	BBB+	1,000,000	632,549
Metro. Pier & Exposition Auth. Dedicated State Tax Rev. Bonds, (McCormick), Ser. A, NATL, zero %, 12/15/30			
	BBB+	12,000,000	8,446,567
Metro. Wtr. Reclamation Dist. of Greater Chicago G.O. Bonds, (Green Bond), Ser. E, 5.00%, 12/1/30			
	AA	1,310,000	1,426,941
Sales Tax Securitization Corp. Rev. Bonds			
Ser. C, 5.50%, 1/1/36	AA-	3,500,000	3,915,409
Ser. A, 5.00%, 1/1/36	AA-	1,400,000	1,536,342
Ser. A, 4.00%, 1/1/39	AA-	2,000,000	1,992,656
Ser. A, 4.00%, 1/1/38	AA-	500,000	498,502
Southern IL U. Rev. Bonds, (Hsg. & Auxiliary), Ser. A, NATL, zero %, 4/1/25			
	Baa2	1,870,000	1,672,417
			<b>79,422,254</b>
<b>Indiana (1.5%)</b>			
Hammond, Multi-School Bldg. Corp. Rev. Bonds, 5.00%, 7/15/38			
	AA+	1,750,000	1,929,579
IN State Fin. Auth. Hosp. Mandatory Put Bonds (11/1/26), (Goshen Hlth. Oblig. Group), Ser. B, 2.10%, 11/1/49			
	A-	2,700,000	2,607,560
Silver Creek, School Bldg. Corp. Rev. Bonds, 3.00%, 1/15/42			
	AA+	1,600,000	1,380,697
			<b>5,917,836</b>
<b>Iowa (0.7%)</b>			
IA State Fin. Auth. Rev. Bonds, (Lifespace Cmnty., Inc. Oblig. Group), Ser. A, 4.00%, 5/15/53			
	BBB/F	2,000,000	1,613,923
IA Tobacco Settlement Auth. Rev. Bonds, Ser. B-1, Class 2, 4.00%, 6/1/49			
	BBB	1,250,000	1,185,603
			<b>2,799,526</b>

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Kentucky (3.3%)</b>			
KY Pub. Trans. Infrastructure Auth. Rev. Bonds, (1st Tier Downtown Crossing), Ser. A, 6.00%, 7/1/53 (Prerefunded 7/1/23)	Baa2	\$1,000,000	\$1,043,670
KY State Property & Bldg. Comm. Rev. Bonds (No. 119), 5.00%, 5/1/36	A1	1,000,000	1,088,248
(No. 122), Ser. A, 4.00%, 11/1/34	A1	750,000	784,179
KY State Pub. Energy Auth. Gas Supply Mandatory Put Bonds (6/1/25), Ser. C-1, 4.00%, 12/1/49	A1	5,500,000	5,579,883
Mandatory Put Bonds (1/1/25), Ser. B, 4.00%, 1/1/49	A1	3,000,000	3,061,628
Louisville, Regl. Arpt. Auth. Syst. Rev. Bonds, Ser. A 5.00%, 7/1/32	A	1,030,000	1,061,636
5.00%, 7/1/31	A	385,000	397,465
			<b>13,016,709</b>
<b>Louisiana (1.4%)</b>			
LA State Offshore Term. Auth. Deepwater Port Mandatory Put Bonds (12/1/23), (Loop, LLC), Ser. A, 1.65%, 9/1/33	A3	1,600,000	1,579,379
St. John The Baptist Parish Mandatory Put Bonds (7/1/26), (Marathon Oil Corp.), Ser. A-3, 2.20%, 6/1/37	Baa3	3,010,000	2,828,396
Tangipahoa Parish, Hosp. Svcs. Rev. Bonds, (North Oaks Hlth. Syst.), 4.00%, 2/1/42	BBB+	1,250,000	1,226,169
			<b>5,633,944</b>
<b>Maryland (1.6%)</b>			
Baltimore Cnty., COP, (Equip. Acquisition Program), 5.00%, 3/1/31	Aa1	4,065,000	4,702,327
Gaithersburg, Econ. Dev. Rev. Bonds, (Asbury, Oblig. Group), Ser. A, 5.00%, 1/1/36	BBB/F	450,000	477,240
MD Econ. Dev. Corp. Rev. Bonds, (Morgan State U.), 4.25%, 7/1/50	BBB-	1,350,000	1,255,608
			<b>6,435,175</b>
<b>Massachusetts (5.3%)</b>			
MA State Dev. Fin. Agcy. Rev. Bonds (Milford Regl. Med. Ctr. Oblig. Group), Ser. F, 5.75%, 7/15/43	BB	500,000	511,208
(Loomis Cmnty.), Ser. A, 5.75%, 1/1/28 (Prerefunded 1/1/23)	BBB	1,100,000	1,128,037
(Intl. Charter School), 5.00%, 4/15/33	BBB-	1,000,000	1,026,580
(Atrius Hlth. Oblig. Group), Ser. A, 4.00%, 6/1/49	BBB	5,470,000	5,418,600
MA State Dev. Fin. Agcy. VRDN, (Boston U.), Ser. U-6E, 0.29%, 10/1/42	VMIG1	3,000,000	3,000,000
MA State Dev. Fin. Agcy. 144A Rev. Bonds, (Linden Ponds, Inc. Fac.), 5.00%, 11/15/38	A/F	1,410,000	1,482,068
MA State Edl. Fin. Auth. Rev. Bonds, (Ed. Loan — Issue 1), 5.00%, 1/1/27	AA	800,000	833,828
MA State Trans. Fund Rev. Bonds, (Rail Enhancement & Accelerated Bridge Program), 5.00%, 6/1/48 <sup>T</sup>	Aa1	7,000,000	7,577,920
			<b>20,978,241</b>



<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Michigan (6.0%)</b>			
Detroit, G.O. Bonds, AMBAC, 5.25%, 4/1/24	A-/P	\$222,425	\$220,264
Detroit, City School Dist. G.O. Bonds, Ser. A, AGM, 6.00%, 5/1/29	Aa1	920,000	1,036,042
Kentwood, Economic Dev. Corp. Rev. Bonds, (Holland Home Oblig. Group), 5.00%, 11/15/37	BBB-/F	1,750,000	1,829,997
MI State Fin. Auth. Rev. Bonds			
Ser. H-1, 5.00%, 10/1/39 (Prerefunded 10/1/24)	AA-	1,575,000	1,654,587
(Local Govt. Loan Program — Detroit Wtr. & Swr. Dept. (DWSDD)), Ser. C, 5.00%, 7/1/35	A+	1,100,000	1,170,422
(Local Govt. Loan Program — Detroit Wtr. & Swr. Dept. (DWSDD)), Ser. C, 5.00%, 7/1/34	A+	1,900,000	2,022,230
(Local Govt. Loan Program — Detroit Wtr. & Swr. Dept. (DWSDD)), Ser. D-2, 5.00%, 7/1/34	A+	1,000,000	1,064,332
(Local Govt. Program Detroit Wtr. & Swr.), Ser. D4, 5.00%, 7/1/34	AA-	100,000	104,006
(Detroit Wtr. & Swr.), Ser. C-6, 5.00%, 7/1/33	AA-	850,000	884,410
(Detroit), Ser. C-3, 5.00%, 4/1/27	Aa2	750,000	829,362
(Trinity Health Corp. Oblig. Group), Ser. A, 4.00%, 12/1/49 <sup>T</sup>	AA-	2,575,000	2,511,320
MI State Fin. Auth. Ltd. Oblig. Rev. Bonds, (Lawrence Tech. U.), 4.00%, 2/1/42	BBB-	745,000	701,972
Pontiac City, G.O. Bonds, (Pontiac School Dist.), Q-SBLF			
4.00%, 5/1/45 <sup>T</sup>	Aa1	4,424,000	4,506,065
4.00%, 5/1/50 <sup>T</sup>	Aa1	4,977,000	5,061,111
			<b>23,596,120</b>
<b>Mississippi (0.4%)</b>			
MS State Bus. Fin. Corp. Rev. Bonds, (System Energy Resources, Inc.), 2.375%, 6/1/44	A	2,025,000	1,446,540
			<b>1,446,540</b>
<b>Missouri (3.8%)</b>			
Kansas City, Indl. Dev. Auth. Arpt. Special Oblig. Rev. Bonds			
5.00%, 3/1/54	A2	4,455,000	4,650,928
5.00%, 3/1/35	A2	5,925,000	6,347,527
AGM, 4.00%, 3/1/57	AA	2,000,000	1,885,151
St. Louis, Muni. Fin. Corp. Rev. Bonds, AGM, 5.00%, 10/1/45	AA	2,000,000	2,207,257
			<b>15,090,863</b>
<b>Nebraska (0.6%)</b>			
Central Plains Energy Project Gas Supply Mandatory Put Bonds (8/1/25), 4.00%, 12/1/49	Aa1	2,150,000	2,197,367
			<b>2,197,367</b>
<b>Nevada (1.3%)</b>			
North Las Vegas, G.O. Bonds, AGM, 4.00%, 6/1/34	AA	3,600,000	3,746,004
Sparks, Tourism Impt. Dist. No. 1 144A Rev. Bonds, Ser. A			
2.75%, 6/15/28	Ba2	1,200,000	1,133,934
2.50%, 6/15/24	Ba2	330,000	324,308
			<b>5,204,246</b>

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>New Hampshire (2.7%)</b>			
National Fin. Auth. Rev. Bonds, (Caritas Acquisitions VII, LLC), Ser. A			
4.50%, 8/15/55	BBB/P	\$2,540,000	\$2,281,964
4.25%, 8/15/46	BBB/P	1,210,000	1,076,889
4.125%, 8/15/40	BBB/P	1,070,000	972,952
National Fin. Auth. Hosp. Rev. Bonds, (St. Luke's Hosp. Oblig. Group)			
4.00%, 8/15/40	A3	1,040,000	1,056,653
4.00%, 8/15/37	A3	850,000	865,101
NH State Hlth. & Ed. Fac. Auth. Rev. Bonds			
(Catholic Med. Ctr.), 5.00%, 7/1/44	BBB+	1,000,000	1,063,275
(Elliot Hosp.), 5.00%, 10/1/38	A3	500,000	540,076
(Southern NH Med. Ctr.), 5.00%, 10/1/37	A-	2,500,000	2,680,097
			<b>10,537,007</b>
<b>New Jersey (6.9%)</b>			
Bayonne, G.O. Bonds, (Qualified Gen. Impt.), BAM, 5.00%, 7/1/39 (Prerefunded 7/1/26)			
	AA	1,300,000	1,428,174
NJ State Econ. Dev. Auth. Rev. Bonds			
(NYNJ Link Borrower, LLC), 5.375%, 1/1/43	BBB	500,000	514,071
Ser. WW, 5.25%, 6/15/32 (Prerefunded 6/15/25)	A3	1,500,000	1,623,258
Ser. EEE, 5.00%, 6/15/48	A3	3,000,000	3,135,279
Ser. AAA, 5.00%, 6/15/36	A3	750,000	800,151
(Biomedical Research), Ser. A, 5.00%, 7/15/29	A3	400,000	428,473
Ser. B, 5.00%, 11/1/26	A3	4,500,000	4,861,988
5.00%, 6/15/26 (Prerefunded 6/15/22)	BBB+	500,000	502,218
NJ State Econ. Dev. Auth. Special Fac. Rev. Bonds, (Port Newark Container Term., LLC), 5.00%, 10/1/37			
	Baa2	2,000,000	2,112,317
NJ State Hlth. Care Fac. Fin. Auth. Rev. Bonds, (St. Peter's U. Hosp.), 5.75%, 7/1/37			
	Baa3	1,500,000	1,502,969
NJ State Trans. Trust Fund Auth. Rev. Bonds			
Ser. AA, 5.00%, 6/15/38	A3	1,225,000	1,302,155
Ser. AA, 5.00%, 6/15/37	A3	600,000	644,623
Ser. A, 5.00%, 12/15/36	A3	1,000,000	1,067,885
Ser. A, 5.00%, 12/15/34	A3	4,920,000	5,274,856
(Federal Hwy. Reimbursement Notes), 5.00%, 6/15/30	A+	1,900,000	2,028,458
			<b>27,226,875</b>
<b>New Mexico (0.6%)</b>			
Sante Fe, Retirement Fac. Rev. Bonds			
(El Castillo Retirement Residences), Ser. A, 5.00%, 5/15/44	BB+/F	975,000	998,192
(El Castillo Retirement Res.), 5.00%, 5/15/42	BB+/F	1,460,000	1,460,397
			<b>2,458,589</b>
<b>New York (16.3%)</b>			
Metro. Trans. Auth. Rev. Bonds			
(Green Bond), Ser. C-1, 5.00%, 11/15/50	A3	1,500,000	1,561,336
Ser. C-1, 4.00%, 11/15/35	A3	1,000,000	998,865
Metro. Trans. Auth. Dedicated Tax Mandatory Put Bonds (6/1/22), Ser. A-2A, 0.89%, 11/1/26			
	AA	2,810,000	2,810,084
NY City, Muni. Wtr. & Swr. Syst. Fin. Auth. VRDN, Ser. DD-1, 0.32%, 6/15/43			
	VMIG1	5,000,000	5,000,000

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>New York cont.</b>			
NY City, Transitional Fin. Auth. Rev. Bonds			
Ser. C-1, 5.00%, 5/1/41	AAA	\$1,000,000	\$1,109,092
Ser. F-1, 5.00%, 2/1/40	AAA	4,920,000	5,527,601
(Future Tax), Ser. C-1, 4.00%, 5/1/40	AAA	500,000	503,471
(Future Tax), Ser. C-1, 4.00%, 5/1/40 <sup>T</sup>	AAA	11,825,000	11,970,093
4.00%, 11/1/38	AAA	550,000	555,308
4.00%, 5/1/38	AAA	700,000	706,756
NY State Dorm. Auth. Personal Income Tax Rev. Bonds			
Ser. A, 5.00%, 3/15/46 <sup>T</sup>	AA+	5,500,000	6,061,825
Ser. D, 4.00%, 2/15/47	Aa1	2,200,000	2,185,947
Ser. A, 4.00%, 3/15/44	Aa1	2,550,000	2,545,110
Ser. D, 4.00%, 2/15/40	Aa1	1,500,000	1,506,595
Ser. D, 4.00%, 2/15/39	Aa1	1,200,000	1,207,122
NY State Dorm. Auth. Sales Tax Rev. Bonds, Ser. A, Group C, 5.00%, 3/15/42 <sup>T</sup>			
	Aa1	10,845,000	11,603,391
NY State Liberty Dev. Corp. 144A Rev. Bonds, (3 World Trade Ctr., LLC), Class 1-3, 5.00%, 11/15/44			
	BB-/P	2,000,000	2,021,272
NY State Trans. Special Fac. Dev. Corp. Rev. Bonds (Laguardia Arpt. Term. B Redev. Program), Ser. A, 5.00%, 7/1/41			
	Baa3	1,000,000	1,031,041
(Delta Air Lines, Inc.), 5.00%, 10/1/40			
	Baa3	2,000,000	2,097,863
Port Auth. of NY & NJ Rev. Bonds, Ser. 207, 5.00%, 9/15/31			
	Aa3	3,150,000	3,448,067
			<b>64,450,839</b>
<b>North Carolina (2.0%)</b>			
Charlotte-Mecklenburg, Hosp. Auth. Hlth. Care Syst. VRDN (Atrium Hlth. Oblig. Group), Ser. E, 0.33%, 1/15/42			
	VMIG 1	4,870,000	4,870,000
NC State Cap. Fac. Fin. Agcy. Edl. Fac. Rev. Bonds, (High Point U.), 4.00%, 5/1/34			
	A-	900,000	924,173
NC State Med. Care Comm. Hlth. Care Fac. Rev. Bonds, (Lutheran Svcs. for the Aging, Inc. Oblig. Group), 4.00%, 3/1/51			
	BB/P	2,250,000	1,740,470
NC State Med. Care Comm. Retirement Fac. Rev. Bonds, (Maryfield, Inc. Oblig. Group), 5.00%, 10/1/45			
	BB/P	500,000	498,609
			<b>8,033,252</b>
<b>Ohio (10.2%)</b>			
Akron, Income Tax Rev. Bonds			
4.00%, 12/1/37	AA-	525,000	545,855
4.00%, 12/1/36	AA-	655,000	685,871
4.00%, 12/1/35	AA-	1,260,000	1,320,489
Buckeye, Tobacco Settlement Fin. Auth. Rev. Bonds, Ser. B-2, Class 2, 5.00%, 6/1/55			
	BB/P	5,155,000	5,021,224
Cleveland-Cuyahoga Cnty., Port Auth. Cultural Fac. Rev. Bonds, (Playhouse Square Foundation), 5.50%, 12/1/53			
	BB+	500,000	522,100
Franklin Cnty., Hosp. Fac. Rev. Bonds, (Nationwide Children's Hosp.), Ser. A, 4.00%, 11/1/44			
	Aa2	2,050,000	1,992,742
Lancaster, Port Auth. Mandatory Put Bonds (2/1/25), Ser. A, 5.00%, 8/1/49			
	Aa1	2,850,000	2,980,005

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Ohio cont.</b>			
Northeast Ohio Regl. Swr. Dist. Rev. Bonds, U.S. Govt. Coll., 5.00%, 11/15/44 (Prerefunded 11/15/24)†	Aa1	\$10,000,000	\$10,641,700
OH State Higher Edl. Fac. Comm. Rev. Bonds (Kenyon College), 5.00%, 7/1/36###	A2	1,500,000	1,586,730
(John Carroll U.), 4.00%, 10/1/50	Baa1	3,500,000	3,228,346
(Kenyon College 2020), 4.00%, 7/1/44	A2	3,555,000	3,481,596
OH State Private Activity Rev. Bonds, (Portsmouth Bypass), AGM, 5.00%, 12/31/35	AA	1,125,000	1,182,700
OH State Tpk. Comm. Rev. Bonds 5.00%, 2/15/39###	Aa3	1,500,000	1,683,967
5.00%, 2/15/33###	Aa3	2,195,000	2,513,055
Scioto Cnty., Hosp. Rev. Bonds, (Southern OH Med. Ctr.)			
5.00%, 2/15/33	A3	605,000	647,446
5.00%, 2/15/32	A3	745,000	798,647
Southeastern OH Port Auth. Hosp. Fac. Rev. Bonds 5.75%, 12/1/32	BB-/F	625,000	631,904
(Memorial Hlth. Syst. Oblig. Group), 5.50%, 12/1/43	BB-/F	120,000	123,281
Warren Cnty., Hlth. Care Fac. Rev. Bonds, (Otterbein Homes Oblig. Group)			
5.00%, 7/1/33	A	500,000	518,741
5.00%, 7/1/32	A	250,000	259,529
			<b>40,365,928</b>
<b>Oregon (1.1%)</b>			
Clackamas Cnty., Hosp. Fac. Auth. Rev. Bonds, (Rose Villa, Inc.), Ser. A, 5.25%, 11/15/50	BB/P	1,000,000	1,016,281
Keizer, Special Assmt. Bonds, (Keizer Station), Ser. A, 5.20%, 6/1/31	Aa3	1,135,000	1,138,389
Multnomah Cnty., Hosp. Fac. Auth. Rev. Bonds, (Terwilliger Plaza, Inc.), 5.00%, 12/1/36	BB+/F	650,000	663,557
Salem, Hosp. Fac. Auth. Rev. Bonds, (Salem Hlth.), Ser. A, 5.00%, 5/15/33	A+	1,500,000	1,612,372
			<b>4,430,599</b>
<b>Pennsylvania (5.7%)</b>			
Allegheny Cnty., Arpt. Auth. Rev. Bonds, Ser. A 5.00%, 1/1/56	AA	2,075,000	2,183,574
5.00%, 1/1/51	AA	2,675,000	2,840,290
4.00%, 1/1/56	AA	1,750,000	1,607,425
Cumberland Cnty., Muni. Auth. Rev. Bonds, (Diakon Lutheran Social Ministries)			
5.00%, 1/1/32	BBB+/F	200,000	210,567
5.00%, 1/1/31	BBB+/F	1,000,000	1,053,893
Lancaster Cnty., Hosp. & Hlth. Ctr. Auth. Rev. Bonds, (St. Anne's Retirement Cmnty.)			
5.00%, 3/1/50	BB+/F	500,000	480,370
5.00%, 3/1/40	BB+/F	500,000	494,155
Lancaster Cnty., Hosp. Auth. Hlth. Care Fac. Rev. Bonds, (Moravian Manors, Inc.), Ser. A, 5.00%, 6/15/44	BB+/F	1,000,000	1,023,993

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Pennsylvania cont.</b>			
PA State Econ. Dev. Fin. Auth. Exempt Fac. Rev. Bonds, (Amtrak), Ser. A, 5.00%, 11/1/32	A1	\$1,000,000	\$1,013,487
PA State Econ. Dev. Fin. Auth. Solid Waste Disp. Mandatory Put Bonds (8/1/24), (Waste Management, Inc.), Ser. A, 1.75%, 8/1/38	A-	5,000,000	4,831,469
PA State Higher Ed. Fac. Auth. Rev. Bonds, (Gwynedd Mercy College), Ser. KK1, 5.375%, 5/1/42 (Prerefunded 6/3/22)	BBB	500,000	500,261
PA State Tpk. Comm. Rev. Bonds, 4.90%, 12/1/44	A1	4,385,000	4,670,574
Philadelphia, Gas Wks. Rev. Bonds, 5.00%, 8/1/32	A	1,000,000	1,064,236
Westmoreland Cnty., Muni. Auth. Rev. Bonds, BAM, 5.00%, 8/15/27	AA	450,000	484,628
			<b>22,458,922</b>
<b>Rhode Island (0.7%)</b>			
Tobacco Settlement Fin. Corp. Rev. Bonds, Ser. B, 5.00%, 6/1/50	BBB-/P	2,750,000	2,818,395
			<b>2,818,395</b>
<b>South Carolina (0.6%)</b>			
SC State Pub. Svcs. Auth. Rev. Bonds			
Ser. B, 5.00%, 12/1/56	A2	210,000	221,664
Ser. A, 5.00%, 12/1/36	A2	2,000,000	2,128,433
			<b>2,350,097</b>
<b>South Dakota (0.2%)</b>			
Lincoln Cnty., Econ. Dev. Rev. Bonds, (Augustana College Assn. (The)), 4.00%, 8/1/51	BBB-	1,000,000	888,868
			<b>888,868</b>
<b>Tennessee (0.5%)</b>			
Metro. Govt. Nashville & Davidson Cnty., Hlth. & Ed. Fac. Board Rev. Bonds, (Blakeford at Green Hills Oblig. Group), Ser. A, 4.00%, 11/1/45	BBB-/F	2,250,000	2,051,297
			<b>2,051,297</b>
<b>Texas (10.2%)</b>			
Arlington, Higher Ed. Fin. Corp. Rev. Bonds, (Uplift Ed.), Ser. A			
5.00%, 12/1/36	BBB-	500,000	521,070
PSFG, 5.00%, 12/1/35	AAA	500,000	543,921
Austin-Bergstrom Landhost Enterprises, Inc. Rev. Bonds			
5.00%, 10/1/35	A	1,045,000	1,097,793
5.00%, 10/1/34	A	530,000	557,511
Clifton, Higher Ed. Fin. Corp. Rev. Bonds			
(Intl. Leadership), Ser. D, 6.125%, 8/15/48	BB-/P	1,150,000	1,228,061
(IDEA Pub. Schools), 5.00%, 8/15/28	A-	300,000	321,289
(IDEA Pub. Schools), Ser. T, PSFG, 4.00%, 8/15/41	AAA	1,400,000	1,459,471
(IDEA Pub. Schools), Ser. T, PSFG, 4.00%, 8/15/37	AAA	1,000,000	1,060,509
Harris Cnty., Cultural Ed. Fac. Fin. Corp. Rev. Bonds			
(YMCA of the Greater Houston Area), Ser. A, 5.00%, 6/1/38	Baa2	1,500,000	1,462,733
(Brazos Presbyterian Homes, Inc.), 5.00%, 1/1/37	BBB-/F	1,000,000	1,044,417
(YMCA of the Greater Houston Area), Ser. A, 5.00%, 6/1/33	Baa2	800,000	800,383

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Texas cont.</b>			
Love Field, Gen. Arpt. Modernization Corp. Rev. Bonds, 5.00%, 11/1/35	A1	\$1,000,000	\$1,041,102
Lower CO River Auth. Rev. Bonds, AGM, 5.00%, 5/15/39	AA	1,730,000	1,942,274
Matagorda Cnty., Poll. Control Rev. Bonds, (Dist. No. 1), Ser. A, AMBAC, 4.40%, 5/1/30	A-	1,500,000	1,588,543
New Hope, Cultural Ed. Fac. Fin. Corp. Rev. Bonds (Wesleyan Homes, Inc.), 5.50%, 1/1/43	BB-/P	500,000	476,827
(TX Woman's U. CHF-Collegiate Hsg. Dining), Ser. B-1, AGM, 4.125%, 7/1/53	AA	1,000,000	1,007,120
(Woman's U.-Collegiate Hsg. Denton, LLC), Ser. A-1, AGM, 4.125%, 7/1/53	AA	1,000,000	1,007,120
(Children's Hlth. Syst. of TX), Ser. A, 4.00%, 8/15/34	Aa3	600,000	609,326
North TX, Tollway Auth. Rev. Bonds, (1st Tier), Ser. I, 6.50%, 1/1/43 (Prerefunded 1/1/25)	A1	4,000,000	4,415,297
Tarrant Cnty., Cultural Ed. Fin. Corp. Retirement Fac. Rev. Bonds, (Buckner Retirement Svcs.), Ser. B, 5.00%, 11/15/40	A/F	2,000,000	2,118,434
TX Private Activity Surface Trans. Corp. Rev. Bonds, (Segment 3C), 5.00%, 6/30/58	Baa3	3,000,000	3,100,026
TX State Private Activity Bond Surface Trans. Corp. Rev. Bonds, (Blueridge Trans. Group, LLC (SH 288 Toll Lane)), 5.00%, 12/31/50	Baa3	2,000,000	2,084,977
TX State Transportation Commission G.O. Bonds, 5.00% 10/1/44 (Prerefunded 10/1/24) †	AAA	9,855,000	10,434,671
Uptown Dev. Auth. Tax Alloc. Bonds, Ser. A, 5.00%, 9/1/40	BBB	300,000	312,728
			<b>40,235,603</b>
<b>Utah (1.2%)</b>			
Infrastructure Agcy. Telecomm. Rev. Bonds, 5.00%, 10/15/37	BBB-/F	1,200,000	1,202,563
Mida Mountain Village Pub. Infrastructure Dist. 144A Special Assmt. Bonds, (Mountain Village Assmt. Area No. 2), 4.00%, 8/1/50	B/P	1,625,000	1,277,297
Murray City, Hosp. VRDN, (IHC Hlth. Svcs., Inc.), Ser. A, 0.31%, 5/15/37	VMIG 1	2,000,000	2,000,000
			<b>4,479,860</b>
<b>Virginia (2.3%)</b>			
Fairfax Cnty., Econ. Dev. Auth. Res. Care Fac. Rev. Bonds, (Goodwin House, Inc.), Ser. A, 5.00%, 10/1/42	BBB+/F	425,000	445,702
Small Bus. Fin. Auth. Private Activity Rev. Bonds, (Transform 66-P3), 5.00%, 12/31/52	Baa3	4,250,000	4,372,613
VA State Small Bus. Fin. Auth. Rev. Bonds (95 Express Lanes, LLC), 4.00%, 1/1/48	BBB-	3,000,000	2,808,611
(Elizabeth River Crossings OpCo, LLC), 4.00%, 1/1/40###	BBB	750,000	733,074
(Elizabeth River Crossings OpCo, LLC), 4.00%, 1/1/36###	BBB	630,000	624,359
			<b>8,984,359</b>

<b>MUNICIPAL BONDS AND NOTES (152.7%)* cont.</b>	<b>Rating**</b>	<b>Principal amount</b>	<b>Value</b>
<b>Washington (2.6%)</b>			
Bellevue, G.O. Bonds			
4.00%, 12/1/43	Aaa	\$1,000,000	\$1,039,091
4.00%, 12/1/39	Aaa	1,000,000	1,047,833
4.00%, 12/1/35	Aaa	1,000,000	1,054,062
King Cnty., Public Hosp. Dist. No. 1 G.O. Bonds, (Valley Med. Ctr.), 5.00%, 12/1/38	A2	2,365,000	2,573,849
Port of Seattle, Rev. Bonds, Ser. C, 5.00%, 4/1/40	A1	875,000	910,284
Tobacco Settlement Auth. of WA Rev. Bonds, 5.25%, 6/1/32	A-	1,310,000	1,321,365
WA State Hsg. Fin. Comm. Rev. Bonds, (Social Certif.), Ser. A-1, 3.50%, 12/20/35	BBB+	2,669,824	2,438,065
			<b>10,384,549</b>
<b>Wisconsin (2.7%)</b>			
Pub. Fin. Auth. Arpt. Fac. Rev. Bonds, (Sr. Oblig. Group), 5.25%, 7/1/28	BBB+	350,000	350,983
Pub. Fin. Auth. Conference Ctr. & Hotel Rev. Bonds, (U. of NC Charlotte Foundation), Ser. A, 4.00%, 9/1/56	BB+/P	1,000,000	779,716
Pub. Fin. Auth. Student Hsg. Fac. Rev. Bonds, (Appalachian State U.), Ser. A, AGM			
4.00%, 7/1/50	AA	700,000	693,453
4.00%, 7/1/45	AA	600,000	600,857
4.00%, 7/1/40	AA	500,000	504,519
4.00%, 7/1/38	AA	435,000	440,065
4.00%, 7/1/36	AA	340,000	345,648
4.00%, 7/1/34	AA	300,000	306,395
WI Pub. Fin. Auth. Hotel Rev. Bonds, (Grand Hyatt), 5.00%, 2/1/62	BBB-	1,700,000	1,711,592
WI State Hlth. & Edl. Fac. Auth. Rev. Bonds (Hmong American Peace Academy, Ltd.), 5.00%, 3/15/50	BBB	1,000,000	1,022,404
(Three Pillars Sr. Living), 5.00%, 8/15/33 (Prerefunded 8/15/23)	AAA/P	430,000	445,562
(Advocate Aurora Hlth. Oblig. Group), Ser. A, 4.00%, 8/15/35	AA	3,000,000	3,051,412
WI State Pub. Fin. Auth Sr. Living 144A Rev. Bonds, (Mary's Woods at Marylhurst), Ser. A, 5.25%, 5/15/37	BB/F	250,000	253,412
			<b>10,506,018</b>
<b>Total municipal bonds and notes (cost \$622,839,786)</b>			<b>\$602,896,824</b>
<b>SHORT-TERM INVESTMENTS (3.6%)*</b>			
		<b>Principal amount/ shares</b>	<b>Value</b>
Putnam Short Term Investment Fund Class P 0.43% <sup>L</sup>	Shares	12,668,821	\$12,668,821
U.S. Treasury Bills 0.568%, 6/21/22 <sup>#</sup> $\Delta$		\$1,000,000	999,220
U.S. Treasury Bills 0.526%, 6/16/22 <sup>#</sup> $\Delta$		300,000	299,833
U.S. Treasury Bills 0.361%, 6/9/22 <sup>#</sup> $\Delta$		100,000	99,954
U.S. Treasury Bills 0.194%, 5/3/22 <sup>#</sup> $\Delta$		200,000	200,000
<b>Total short-term investments (cost \$14,267,788)</b>			<b>\$14,267,828</b>
<b>TOTAL INVESTMENTS</b>			
<b>Total investments (cost \$637,107,574)</b>			<b>\$617,164,652</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 May 1, 2021 through April 30, 2022 (the reporting period). Within the following notes to the portfolio, references to "Putnam Management" represent Putnam Investment Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*.

\* Percentages indicated are based on net assets of \$394,831,968.

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

†† The interest rate and date shown parenthetically represent the new interest rate to be paid and the date the fund will begin accruing interest at this rate.

# This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period. Collateral at period end totaled \$217,850 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 9).

Δ This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period. Collateral at period end totaled \$1,342,256 and is included in Investments in securities on the Statement of assets and liabilities (Notes 1 and 9).

## Forward commitment, in part or in entirety (Note 1).

### When-issued security (Note 1).

L Affiliated company (Note 6). The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.

T Underlying security in a tender option bond transaction. This security has been segregated as collateral for financing transactions.

At the close of the reporting period, the fund maintained liquid assets totaling \$125,599,452 to cover certain derivative contracts, tender option bonds and the settlement of certain securities.

Unless otherwise noted, the rates quoted in Short-term investments security descriptions represent the weighted average yield to maturity.

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.

On Mandatory Put Bonds, the rates shown are the current interest rates at the close of the reporting period and the dates shown represent the next mandatory put dates. Rates are set by remarketing agents and may take into consideration market supply and demand, credit quality and the current SIFMA Municipal Swap Index, 1 Month US LIBOR or 3 Month US LIBOR rates, which were 0.44%, 0.80% and 1.29%, respectively, as of the close of the reporting period.

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

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

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

Health care	27.9%
Tax bonds	19.3
Transportation	18.7
State debt	16.9
Local debt	15.8
Education	13.9
Utilities	13.4



**FUTURES CONTRACTS OUTSTANDING at 4/30/22**

	Number of contracts	Notional amount	Value	Expiration date	Unrealized appreciation/(depreciation)
U.S. Treasury Bond Ultra 30yr (Short)	33	\$5,294,438	\$5,294,438	Jun-22	\$51,520
<b>Unrealized appreciation</b>					<b>51,520</b>
<b>Unrealized (depreciation)</b>					<b>—</b>
<b>Total</b>					<b>\$51,520</b>

**OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 4/30/22**

Swap counterparty/ Notional amount	Value	Upfront premium received (paid)	Termination date	Payments received (paid) by fund	Total return received by or paid by fund	Unrealized appreciation/(depreciation)
<b>Citibank, N.A.</b>						
\$3,420,000	\$69,751	\$—	6/28/22	—	2.15% minus Municipal Market Data Index AAA municipal yields 5 Year rate — At maturity	\$(69,751)
3,420,000	70,021	—	6/30/22	—	2.15% minus Municipal Market Data Index AAA municipal yields 5 Year rate — At maturity	(70,021)
855,000	75,690	—	6/30/22	—	2.74% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	75,690
855,000	75,374	—	6/28/22	—	2.74% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	75,374
<b>Morgan Stanley &amp; Co. International PLC</b>						
6,500,000	780,982	—	5/3/22	—	1.52% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	(780,982)
5,000,000	520,770	—	5/24/22	—	1.75% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	(520,770)

**OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 4/30/22 cont.**

Swap counterparty/ Notional amount	Value	Upfront premium received (paid)	Termina- tion date	Payments received (paid) by fund	Total return received by or paid by fund	Unrealized appreciation/ (depreciation)
<b>Morgan Stanley &amp; Co. International PLC cont.</b>						
\$5,000,000	\$522,535	\$—	5/26/22	—	1.75% minus Municipal Market Data Index AAA municipal yields 10 Year rate — At maturity	\$(522,535)
2,500,000	499,775	—	5/26/22	—	2.15% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	499,775
2,500,000	498,600	—	5/24/22	—	2.15% minus Municipal Market Data Index AAA municipal yields 30 Year rate — At maturity	498,600
<b>Upfront premium received</b>		—	<b>Unrealized appreciation</b>		<b>1,149,439</b>	
<b>Upfront premium (paid)</b>		—	<b>Unrealized (depreciation)</b>		<b>(1,964,059)</b>	
<b>Total</b>		<b>\$—</b>	<b>Total</b>		<b>\$(814,620)</b>	

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:

	Valuation inputs		
Investments in securities:	Level 1	Level 2	Level 3
Municipal bonds and notes	\$—	\$602,896,824	\$—
Short-term investments	—	14,267,828	—
<b>Totals by level</b>	<b>\$—</b>	<b>\$617,164,652</b>	<b>\$—</b>
	Valuation inputs		
Other financial instruments:	Level 1	Level 2	Level 3
Futures contracts	\$51,520	\$—	\$—
Total return swap contracts	—	(814,620)	—
<b>Totals by level</b>	<b>\$51,520</b>	<b>\$(814,620)</b>	<b>\$—</b>

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

## Statement of assets and liabilities 4/30/22

### ASSETS

Investment in securities, at value (Notes 1 and 9):	
Unaffiliated issuers (identified cost \$624,438,753)	\$604,495,831
Affiliated issuers (identified cost \$12,668,821) (Notes 1 and 6)	12,668,821
Cash	608,613
Interest and other receivables	7,224,120
Receivable for investments sold	10,584,302
Receivable for sales of delayed delivery securities (Note 1)	2,980,686
Receivable for variation margin on futures contracts (Note 1)	26,794
Unrealized appreciation on OTC swap contracts (Note 1)	1,149,439
Prepaid assets	31,349
<b>Total assets</b>	<b>639,769,955</b>

### LIABILITIES

Payable for investments purchased	23,600,465
Payable for purchases of delayed delivery securities (Note 1)	21,238,750
Payable for shares of the fund repurchased	336,486
Payable for compensation of Manager (Note 2)	772,830
Payable for custodian fees (Note 2)	4,630
Payable for investor servicing fees (Note 2)	34,957
Payable for Trustee compensation and expenses (Note 2)	166,343
Payable for administrative services (Note 2)	1,357
Distributions payable to shareholders	1,813,380
Distributions payable to preferred shareholders (Note 1)	12,346
Preferred share remarketing agent fees	19,653
Payable for floating rate notes issued (Note 1)	56,101,247
Unrealized depreciation on OTC swap contracts (Note 1)	1,964,059
Other accrued expenses	146,484
<b>Total liabilities</b>	<b>106,212,987</b>
Series B remarketed preferred shares: (2,876 shares authorized and issued at \$25,000 per share) (Note 4)	71,900,000
Series C remarketed preferred shares: (2,673 shares authorized and issued at \$25,000 per share) (Note 4)	66,825,000
<b>Net assets</b>	<b>\$394,831,968</b>

### REPRESENTED BY

Paid-in capital — common shares (Unlimited shares authorized) (Notes 1 and 5)	\$414,463,252
Total distributable earnings (Note 1)	(19,631,284)
<b>Total — Representing net assets applicable to common shares outstanding</b>	<b>\$394,831,968</b>

### COMPUTATION OF NET ASSET VALUE

Net asset value per common share (\$394,831,968 divided by 33,959,190 shares)	\$11.63
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\*Redemption price per share is equal to net asset value less any applicable contingent deferred sales charge.

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

## Statement of operations Year ended 4/30/22

<b>INVESTMENT INCOME</b>	
Interest (including interest income of \$36,605 from investments in affiliated issuers) (Note 6)	\$19,822,525
<b>Total investment income</b>	<b>19,822,525</b>
<b>EXPENSES</b>	
Compensation of Manager (Note 2)	3,307,359
Investor servicing fees (Note 2)	231,940
Custodian fees (Note 2)	16,364
Trustee compensation and expenses (Note 2)	17,501
Administrative services (Note 2)	11,811
Preferred share remarketing agent fees	210,978
Interest and fees expense (Note 2)	396,636
Other	413,033
<b>Total expenses</b>	<b>4,605,622</b>
Expense reduction (Note 2)	(74)
<b>Net expenses</b>	<b>4,605,548</b>
<b>Net investment income</b>	<b>15,216,977</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>	
<b>Net realized gain (loss) on:</b>	
Securities from unaffiliated issuers (Notes 1 and 3)	1,551,822
Futures contracts (Note 1)	1,423,456
Swap contracts (Note 1)	(3,367,214)
<b>Total net realized loss</b>	<b>(391,936)</b>
<b>Change in net unrealized appreciation (depreciation) on:</b>	
Securities from unaffiliated issuers	(71,907,152)
Futures contracts	34,710
Swap contracts	(517,290)
<b>Total change in net unrealized depreciation</b>	<b>(72,389,732)</b>
<b>Net loss on investments</b>	<b>(72,781,668)</b>
<b>Net decrease in net assets resulting from operations</b>	<b>(57,564,691)</b>
<b>Distributions to Series B and C remarketed preferred shareholders ( Note 1):</b>	
From ordinary income	
Net realized short-term gain on investments	(17,185)
From tax exempt net investment income	(233,244)
From net realized long-term gains on investments	(27,700)
<b>Net decrease in net assets resulting from operations (applicable to common shareholders)</b>	<b>\$(57,842,820)</b>

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

## Statement of changes in net assets

INCREASE (DECREASE) IN NET ASSETS	Year ended 4/30/22	Year ended 4/30/21
<b>Operations</b>		
Net investment income	\$15,216,977	\$16,353,163
Net realized gain (loss) on investments	(391,936)	7,671,455
Change in net unrealized appreciation (depreciation) of investments	(72,389,732)	52,364,668
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>(57,564,691)</b>	<b>76,389,286</b>
<b>Distributions to Series B and C remarketed preferred shareholders (Note 1):</b>		
From ordinary income		
Net realized short-term gains on investments	(17,185)	—
From tax exempt net investment income	(233,244)	(257,870)
From net realized long-term gains on investments	(27,700)	—
<b>Net increase (decrease) in net assets resulting from operations (applicable to common shareholders)</b>	<b>(57,842,820)</b>	<b>76,131,416</b>
<b>Distributions to common shareholders (Note 1):</b>		
From ordinary income		
Taxable net investment income	(73,628)	(941,521)
Net realized short-term gains on investments	(3,028,691)	(596,920)
From tax exempt net investment income	(13,710,957)	(21,738,009)
From net realized long-term gains on investments	(4,928,852)	(2,998,241)
Increase from issuance of common shares in connection with reinvestment of distributions	414,349	—
Decrease from shares repurchased (Note 5)	(1,962,849)	—
<b>Total increase (decrease) in net assets</b>	<b>(81,133,448)</b>	<b>49,856,725</b>
<b>NET ASSETS</b>		
Beginning of year	475,965,416	426,108,691
<b>End of year</b>	<b>\$394,831,968</b>	<b>\$475,965,416</b>
<b>NUMBER OF FUND SHARES</b>		
<b>Common shares outstanding at beginning of year</b>	<b>34,109,686</b>	<b>34,109,686</b>
Shares issued in connection with reinvestment of distributions	29,602	—
Shares repurchased (Note 5)	(180,098)	—
<b>Common shares outstanding at end of year</b>	<b>33,959,190</b>	<b>34,109,686</b>
<b>Series B Remarketed preferred shares outstanding at beginning and end of year</b>	<b>2,876</b>	<b>2,876</b>
<b>Series C Remarketed preferred shares outstanding at beginning and end of year</b>	<b>2,673</b>	<b>2,673</b>

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

## Statement of cash flows Year ended 4/30/22

### CASH FLOWS FROM OPERATING ACTIVITIES

**Net decrease in net assets from operations** **\$(57,564,691)**

#### Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:

Purchase of investment securities	\$(209,691,049)
Proceeds from disposition of investment securities	211,364,779
Purchase of short-term investment securities, net	(20,930,501)
Premium amortization	5,088,737
Accretion discount	(1,080,592)
(Increase) decrease in interest and other receivables	1,001,015
(Increase) decrease in receivable for investments sold	(12,722,879)
Increase (decrease) in payable for investments purchased	38,567,713
(Increase) decrease in prepaid asset	977
Increase (decrease) in payable for compensation of Manager	(82,153)
Increase (decrease) in payable for custodian fees	(3,115)
Increase (decrease) in payable for investor servicing	(4,426)
Increase (decrease) in payable for Trustee compensation and expenses	(24,639)
Increase (decrease) in payable for administrative services	(68)
Increase (decrease) in payable for preferred share remarketing fees	578
Increase (decrease) in payable for other accrued expenses	24,974
Net realized gain (loss) on investments	(1,551,822)
Net unrealized appreciation (depreciation) on OTC swap contracts during the year	796,845
Net unrealized appreciation (depreciation) on investments during the year	71,907,152
<b>Net cash provided by operating activities</b>	<b>82,661,526</b>

### CASH FLOWS FROM FINANCING ACTIVITIES

Increase from dividends reinvested	414,349
Decrease from repurchase of capital shares	(1,626,363)
Distribution to common shareholders	(21,744,922)
Distribution to preferred shareholders	(266,695)
Decrease from tender option bond transactions	(1,272,665)
<b>Net cash used in financing activities</b>	<b>(24,496,296)</b>
<b>Net increase in cash</b>	<b>600,539</b>
Cash balance, beginning of year	8,074
<b>Cash balance, end of year</b>	<b>\$608,613</b>

#### Supplemental disclosure of cash flow information:

Interest expense during the period **\$80,890**

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

## Financial highlights (For a common share outstanding throughout the period)

PER-SHARE OPERATING PERFORMANCE					
	Year ended				
	4/30/22	4/30/2021	4/30/20	4/30/19	4/30/18
<b>Net asset value, beginning of period (common shares)</b>	<b>\$13.95</b>	<b>\$12.49</b>	<b>\$13.26</b>	<b>\$12.92</b>	<b>\$12.98</b>
<b>Investment operations:</b>					
Net investment income <sup>a</sup>	.45	.48	.54	.61	.64
Net realized and unrealized gain (loss) on investments	(2.13)	1.76	(.56)	.36	(.14)
<b>Total from investment operations</b>	<b>(1.68)</b>	<b>2.24</b>	<b>(.02)</b>	<b>.97</b>	<b>.50</b>
<b>Distributions to preferred shareholders:</b>					
From net investment income	(.01)	(.01)	(.07)	(.07)	(.07)
From capital gains	— <sup>f</sup>	—	(.05)	(.03)	—
<b>Total from investment operations (applicable to common shareholders)</b>	<b>(1.69)</b>	<b>2.23</b>	<b>(.14)</b>	<b>.87</b>	<b>.43</b>
<b>Distributions to common shareholders:</b>					
From net investment income	(.40)	(.66)	(.28)	(.47)	(.63)
From capital gains	(.23)	(.11)	(.36)	(.17)	—
<b>Total distributions</b>	<b>(.63)</b>	<b>(.77)</b>	<b>(.64)</b>	<b>(.64)</b>	<b>(.63)</b>
<b>Increase from shares repurchased</b>	<b>—<sup>f</sup></b>	<b>—</b>	<b>.01</b>	<b>.11</b>	<b>.03</b>
<b>Increase from preferred shares tender offer</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>.11</b>
<b>Net asset value, end of period (common shares)</b>	<b>\$11.63</b>	<b>\$13.95</b>	<b>\$12.49</b>	<b>\$13.26</b>	<b>\$12.92</b>
<b>Market price, end of period (common shares)</b>	<b>\$10.69</b>	<b>\$13.72</b>	<b>\$11.63</b>	<b>\$12.24</b>	<b>\$11.57</b>
<b>Total return at market price (%) (common shares)<sup>b</sup></b>	<b>(18.22)</b>	<b>24.88</b>	<b>(0.19)</b>	<b>11.74</b>	<b>(0.80)</b>
<b>Total return at net asset value (%) (common shares)<sup>b</sup></b>	<b>(12.60)</b>	<b>18.13</b>	<b>(1.22)</b>	<b>7.85</b>	<b>4.36</b>
RATIOS AND SUPPLEMENTAL DATA					
<b>Net assets, end of period (common shares) (in thousands)</b>	<b>\$394,832</b>	<b>\$475,965</b>	<b>\$426,109</b>	<b>\$456,588</b>	<b>\$481,134</b>
Ratio of expenses to average net assets (including interest expense) (%) <sup>c,d,e</sup>	.99	.97 <sup>g</sup>	1.02 <sup>g</sup>	1.14 <sup>g</sup>	1.12 <sup>h</sup>
Ratio of net investment income to average net assets (%) <sup>d</sup>	3.23	3.46	3.51	4.13	4.31
Portfolio turnover (%)	32	22	48	41	38

(Continued on next page)

## Financial highlights *cont.*

- <sup>a</sup> Per share net investment income has been determined on the basis of the weighted average number of shares outstanding during the period.
- <sup>b</sup> Total return assumes dividend reinvestment.
- <sup>c</sup> Includes amounts paid through expense offset arrangements, if any (Note 2).
- <sup>d</sup> Ratios reflect net assets available to common shares only; net investment income ratio also reflects reduction for dividend payments to preferred shareholders.
- <sup>e</sup> Includes interest and fee expense associated with borrowings which amounted to:

April 30, 2022	0.09%
April 30, 2021	0.08
April 30, 2020	0.16
April 30, 2019	0.25
April 30, 2018	0.19

- <sup>f</sup> Amount represents less than \$0.01 per share.
- <sup>g</sup> Reflects waiver of certain fund expenses in connection with the fund's remarketing preferred shares during the period. As a result of such waivers, the expenses of the fund for the periods noted below (Note 2):

April 30, 2021	0.03%
April 30, 2020	0.04
April 30, 2019	0.01

- <sup>h</sup> Includes 0.04% of increased proxy solicitation and legal fees related to the 2018 annual shareholder meeting.

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



## Notes to financial statements 4/30/22

Within the following Notes to financial statements, references to “State Street” represent State Street Bank and Trust Company, references to “the SEC” represent the Securities and Exchange Commission, references to “Putnam Management” represent Putnam Investment Management, LLC, the fund’s manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to “OTC”, if any, represent over-the-counter. Unless otherwise noted, the “reporting period” represents the period from May 1, 2021 through April 30, 2022.

Putnam Municipal Opportunities Trust (the fund) is a Massachusetts business trust, which is registered under the Investment Company Act of 1940, as amended, as a non-diversified closed-end management investment company. The fund is currently operating as a diversified fund. In the future, the fund may operate as a non-diversified fund to the extent permitted by applicable law. Under current law, shareholder approval would be required before the fund could operate as a non-diversified fund. The goal of the fund is to seek as high a level of current income exempt from federal income tax as Putnam Management believes is consistent with the preservation of capital. The fund intends to achieve its objective by investing in a portfolio of investment-grade and some below investment-grade municipal bonds selected by Putnam Management. The fund also uses leverage, primarily by issuing preferred shares in an effort to enhance the returns for the common shareholders. The fund’s shares trade on a stock exchange at market prices, which may be lower than the fund’s net asset value. The fund also uses leverage which involves risk and may increase the volatility of the fund’s net asset value. The fund’s shares trade on a stock exchange at market prices, which may be lower than the fund’s net asset value.

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, transfer agent and custodian, who each provide services to the fund. Unless expressly stated otherwise, shareholders are not parties to, or intended beneficiaries of these contractual arrangements, and these contractual arrangements are not intended to create any shareholder right to enforce them against the service providers or to seek any remedy under them against the service providers, either directly or on behalf of the fund.

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

### Note 1: Significant accounting policies

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

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

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

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.

Certain investments, including certain restricted and illiquid securities and derivatives, are also valued at fair value following procedures approved by the Trustees. 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. 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. 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, and including amortization and accretion of premiums and discounts on debt securities, is recorded on the accrual basis.

Securities purchased or sold on a when-issued or forward commitment or delayed delivery basis may be settled at a future date beyond customary settlement time; interest income is accrued based on the terms of the securities. Losses may arise due to changes in the fair value of the underlying securities or if the counterparty does not perform under the contract.

**Futures contracts** The fund uses futures contracts for hedging treasury term structure risk and for yield curve positioning.

The potential risk to the fund is that the change in value of futures contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, if interest or exchange rates move unexpectedly or if the counterparty to the contract is unable to perform. With futures, there is minimal counterparty credit risk to the fund since futures are exchange traded and the exchange's clearinghouse, as counterparty to all exchange traded futures, guarantees the futures against default. Risks may exceed amounts recognized on the Statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin."

Futures contracts outstanding at period end, if any, are listed after the fund's portfolio.

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

To the extent that the total return of the security, index or other financial measure underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the fund will receive a payment from or make a payment to the counterparty. OTC and/or centrally cleared total return swap contracts are marked to market daily based upon quotations from an independent pricing service or market maker. Any change is recorded as an unrealized gain or loss on OTC total return swaps. Daily fluctuations in the value of centrally cleared total return swaps are settled through a central clearing agent and are recorded in variation margin on the Statement of assets and liabilities and recorded as unrealized gain or loss. Payments received or made are recorded as realized

gains or losses. Certain OTC and/or centrally cleared total return swap contracts may include extended effective dates. Payments related to these swap contracts are accrued based on the terms of the contract. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or in the price of the underlying security or index, the possibility that there is no liquid market for these agreements or that the counterparty may default on its obligation to perform. The fund's maximum risk of loss from counterparty risk or central clearing risk is the fair value of the contract. This risk may be mitigated for OTC total return swap contracts by having a master netting arrangement between the fund and the counterparty and for centrally cleared total return swap contracts through the daily exchange of variation margin. There is minimal counterparty risk with respect to centrally cleared total return swap contracts due to the clearinghouse guarantee fund and other resources that are available in the event of a clearing member default. Risk of loss may exceed amounts recognized on the Statement of assets and liabilities.

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

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

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

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

At the close of the reporting period, the fund had a net liability position of \$825,912 on open derivative contracts subject to the Master Agreements. Collateral pledged by the fund at period end for these agreements totaled \$1,342,256 and may include amounts related to unsettled agreements.

**Tender option bond transactions** The fund may participate in transactions whereby a fixed-rate bond is transferred to a tender option bond trust (TOB trust) sponsored by a broker. The TOB trust funds the purchase of the fixed rate bonds by issuing floating-rate bonds to third parties and allowing the fund to retain the residual interest in the TOB trust's assets and cash flows, which are in the form of inverse floating rate bonds. The inverse floating rate bonds held by the fund give the fund the right to (1) cause the holders of the floating rate bonds to tender their notes at par, and (2) to have the fixed-rate bond held by the TOB trust transferred to the fund, causing the TOB trust to collapse. The fund accounts for the transfer of the fixed-rate bond to the TOB trust as a secured borrowing by including the fixed-rate bond in the fund's portfolio and including the floating rate bond as a liability in the Statement of assets and liabilities. At the close of the reporting period, the fund's investments with a value of \$83,439,220 were held by the TOB trust and served as collateral for \$56,101,247 in floating-rate bonds outstanding. For the reporting period ended, the fund incurred interest expense of \$80,890 for these investments based on an average interest rate of 0.17%.

**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.

Pursuant to federal income tax regulations applicable to regulated investment companies, the fund has elected to defer certain capital losses of \$4,326,325 recognized during the period between November 1, 2021 and April 30, 2022 to its fiscal year ending April 30, 2023.

**Distributions to shareholders** Distributions to common and preferred shareholders from net investment income are recorded by the fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The fund used targeted distribution rates to its common shareholders. Distributions are sourced first from tax-exempt and ordinary income. The balance of the distributions, if any, comes next from capital gain and then will constitute a return of capital. A return of capital is not taxable; rather it reduces a shareholder's tax basis in their shares of the fund. The fund may make return of capital distributions to achieve the targeted distribution rates. Dividends on remarketed preferred shares become payable when, as and if declared by the Trustees. Each dividend period for the remarketed preferred shares is generally a 7 day period. The applicable dividend rate for the remarketed preferred shares on April 30, 2022 was 0.72% for Series B and 0.69% for Series C shares. During the reporting period, the fund has experienced unsuccessful remarketings of its remarketed preferred shares. As a result, dividends to the remarketed preferred shares have been paid at the "maximum dividend rate," pursuant to the fund's by-laws, which, based on the current credit quality of the remarketed preferred shares, equals 110% of the higher of the 30-day "AA" composite commercial paper rate and the taxable equivalent of the short-term municipal bond rate. 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.

These differences include temporary and/or permanent differences from late year loss deferrals, from dividends payable and from a redesignation of taxable income. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations. At the close of the reporting period, the fund reclassified \$39,219 to decrease undistributed net investment income and \$39,219 to decrease accumulated net realized loss.

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

Unrealized appreciation	\$9,622,229
Unrealized depreciation	(30,348,593)
Net unrealized depreciation	(20,726,364)
Undistributed tax-exempt income	7,247,132
Post-October capital loss	(4,326,325)
Cost for federal income tax purposes	\$637,127,916

**Determination of net asset value** Net asset value of the common shares is determined by dividing the value of all assets of the fund, less all liabilities and the liquidation preference (redemption value of preferred shares, plus accumulated and unpaid dividends) of any outstanding remarketed preferred shares, by the total number of common shares outstanding as of period end.

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

The fund pays Putnam Management for management and investment advisory services quarterly based on the average net assets of the fund, including assets attributable to preferred shares. Such fee is based on the following annual rates based on the average weekly net assets attributable to common and preferred shares.

The lesser of (i) 0.550% of average net assets attributable to common and preferred shares outstanding, or(ii) the following rates:

0.650%	of the first \$500 million of average weekly net assets,	0.425%	of the next \$5 billion of average weekly net assets,
0.550%	of the next \$500 million of average weekly net assets,	0.405%	of the next \$5 billion of average weekly net assets,
0.500%	of the next \$500 million of average weekly net assets,	0.390%	of the next \$5 billion of average weekly net assets and
0.450%	of the next \$5 billion of average weekly net assets,	0.380%	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 0.549% of the fund's average net assets attributable to common and preferred shares outstanding.

If dividends payable on remarketed preferred shares during any dividend payment period plus any expenses attributable to remarketed preferred shares for that period exceed the fund's gross income attributable to the proceeds of the remarketed preferred shares during that period, then the fee payable to Putnam Management for that period will be reduced by the amount of the excess (but not more than the effective management fees rate under the contract multiplied by the liquidation preference of the remarketed preferred shares outstanding during the period). Any amount in excess of the fee payable to Putnam Management for a given period will be used to reduce any subsequent fee payable to Putnam Management, as may be necessary. For the reporting period, Putnam Management did not reimburse monies to the fund.

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

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

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

Putnam Investor Services, Inc., an affiliate of Putnam Management, provides investor servicing agent functions to the fund. Putnam Investor Services, Inc. was paid a monthly fee for investor servicing at an annual rate of 0.05% of the fund's average daily net assets. The amounts incurred for investor servicing agent functions during the reporting period are included in Investor servicing fees in the Statement of operations.

The fund has entered into expense offset arrangements with Putnam Investor Services, Inc. and State Street whereby Putnam Investor Services, Inc.'s and State Street's fees are reduced by credits allowed on cash balances. For the reporting period, the fund's expenses were reduced by \$74 under the expense offset arrangements.

Each Independent Trustee of the fund receives an annual Trustee fee, of which \$312, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees also are reimbursed for expenses they incur relating to their services as Trustees.

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

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

liability is included in Payable for Trustee compensation and expenses in the Statement of assets and liabilities. The Trustees have terminated the Pension Plan with respect to any Trustee first elected after 2003.

### 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)	\$209,691,049	\$201,596,362
U.S. government securities (Long-term)	—	—
<b>Total</b>	<b>\$209,691,049</b>	<b>\$201,596,362</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: Preferred Shares

The Series B (2,876) and C (2,673) Remarketed Preferred shares are redeemable at the option of the fund on any dividend payment date at a redemption price of \$25,000 per share, plus an amount equal to any dividends accumulated on a daily basis but unpaid through the redemption date (whether or not such dividends have been declared) and, in certain circumstances, a call premium.

It is anticipated that dividends paid to holders of remarketed preferred shares will be considered tax-exempt dividends under the Internal Revenue Code of 1986. To the extent that the fund earns taxable income and capital gains by the conclusion of a fiscal year, it may be required to apportion to the holders of the remarketed preferred shares throughout that year additional dividends as necessary to result in an after-tax equivalent to the applicable dividend rate for the period. Total additional dividends for the reporting period were \$12,230.

Under the Investment Company Act of 1940, the fund is required to maintain asset coverage of at least 200% with respect to the remarketed preferred shares. Additionally, the fund's bylaws impose more stringent asset coverage requirements and restrictions relating to the rating of the remarketed preferred shares by the shares' rating agencies. Should these requirements not be met, or should dividends accrued on the remarketed preferred shares not be paid, the fund may be restricted in its ability to declare dividends to common shareholders or may be required to redeem certain of the remarketed preferred shares. At year end, no such restrictions have been placed on the fund.

### Note 5: Shares repurchased

In September 2021, the Trustees approved the renewal of the repurchase program to allow the fund to repurchase up to 10% of its outstanding common shares over the 365 day period ending September 30, 2022 (based on shares outstanding as of September 30, 2021). Prior to this renewal, the Trustees had approved a repurchase program to allow the fund to repurchase up to 10% of its outstanding common shares over the 365 day period ending September 30, 2021 (based on shares outstanding as of September 30, 2020). Repurchases are made when the fund's shares are trading at less than net asset value and in accordance with procedures approved by the fund's Trustees. At Putnam's recommendation, the share repurchase program was temporarily suspended on March 24, 2020 and reinstated July 1, 2020.

For the reporting period, the fund repurchased 180,098 common shares for an aggregate purchase price of \$1,962,849, which reflects a weighted-average discount from net asset value per share of 7.55%. The weighted-average discount reflects the payment of commissions by the fund to execute repurchase trades.

For the previous fiscal year, the fund did not repurchase any of its outstanding common shares.

At the close of the reporting period, Putnam Investments, LLC owned approximately 1,545 shares of the fund (0.005% of the fund's shares outstanding), valued at \$17,969 based on net asset value.

## Note 6: 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 4/30/21	Purchase cost	Sale proceeds	Investment income	Shares outstanding and fair value as of 4/30/22
<b>Short-term investments</b>					
Putnam Short Term Investment Fund*	\$9,451,627	\$133,794,829	\$130,577,635	\$36,605	\$12,668,821
<b>Total Short-term investments</b>	<b>\$9,451,627</b>	<b>\$133,794,829</b>	<b>\$130,577,635</b>	<b>\$36,605</b>	<b>\$12,668,821</b>

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

## Note 7: 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 may invest in higher-yielding, lower-rated bonds that may have a higher rate of default.

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced its intention to cease compelling banks to provide the quotations needed to sustain LIBOR after 2021. ICE Benchmark Administration, the administrator of LIBOR, ceased publication of most LIBOR settings on a representative basis at the end of 2021 and is expected to cease publication of a majority of U.S. dollar LIBOR settings on a representative basis after June 30, 2023. In addition, global regulators have announced that, with limited exceptions, no new LIBOR-based contracts should be entered into after 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Actions by regulators have resulted in the establishment of alternative reference rates to LIBOR in most major currencies. Various financial industry groups have been planning for the transition away from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to new reference rates. Markets are developing slowly and questions around liquidity in these rates and how to appropriately adjust these rates to mitigate any economic value transfer at the time of transition remain a significant concern. Neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of related transactions, such as hedges. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur at any time.

Beginning in January 2020, global financial markets have experienced, and may continue to experience, significant volatility resulting from the spread of a virus known as Covid-19. The outbreak of Covid-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of Covid-19 have adversely affected, and may continue to adversely affect, the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the fund's performance.

**Note 8: Summary of derivative activity**

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

Futures contracts (number of contracts)	200
OTC total return swap contracts (notional)	\$27,800,000
Centrally cleared total return swap contracts (notional)	\$19,500,000

The following is a summary of the fair value of derivative instruments as of the close of the reporting period:

Fair value of derivative instruments as of the close of the reporting period				
Derivatives not accounted for as hedging instruments under ASC 815	ASSET DERIVATIVES		LIABILITY DERIVATIVES	
	Statement of assets and liabilities location	Fair value	Statement of assets and liabilities location	Fair value
Interest rate contracts	Receivables	\$1,200,959*	Payables	\$1,964,059
<b>Total</b>		<b>\$1,200,959</b>		<b>\$1,964,059</b>

\*Includes cumulative appreciation/depreciation of futures contracts as reported in the fund's portfolio. Only current day's variation margin is reported within the Statement of assets and liabilities.

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

Amount of realized gain or (loss) on derivatives recognized in net gain or (loss) on investments			
Derivatives not accounted for as hedging instruments under ASC 815	Futures	Swaps	Total
Interest rate contracts	\$1,423,456	\$(3,367,214)	\$(1,943,758)
<b>Total</b>	<b>\$1,423,456</b>	<b>\$(3,367,214)</b>	<b>\$(1,943,758)</b>

Change in unrealized appreciation or (depreciation) on derivatives recognized in net gain or (loss) on investments			
Derivatives not accounted for as hedging instruments under ASC 815	Futures	Swaps	Total
Interest rate contracts	\$34,710	\$(517,290)	\$(482,580)
<b>Total</b>	<b>\$34,710</b>	<b>\$(517,290)</b>	<b>\$(482,580)</b>



### Note 9: Offsetting of financial and derivative assets and liabilities

The following table summarizes any derivatives, repurchase agreements and reverse repurchase agreements, at the end of the reporting period, that are subject to an enforceable master netting agreement or similar agreement. For securities lending transactions or borrowing transactions associated with securities sold short, if any, see Note 1. For financial reporting purposes, the fund does not offset financial assets and financial liabilities that are subject to the master netting agreements in the Statement of assets and liabilities.

	Citibank, N.A.	JPMorgan Securities LLC	Morgan Stanley & Co. International PLC	Total
<b>Assets:</b>				
OTC Total return swap contracts*#	\$151,064	\$—	\$998,375	\$1,149,439
Futures contracts <sup>§</sup>	—	26,794	—	26,794
<b>Total Assets</b>	<b>\$151,064</b>	<b>\$26,794</b>	<b>\$998,375</b>	<b>\$1,176,233</b>
<b>Liabilities:</b>				
OTC Total return swap contracts*#	139,772	—	1,824,287	1,964,059
Futures contracts <sup>§</sup>	—	—	—	—
<b>Total Liabilities</b>	<b>\$139,772</b>	<b>\$—</b>	<b>\$1,824,287</b>	<b>\$1,964,059</b>
<b>Total Financial and Derivative Net Assets</b>	<b>\$11,292</b>	<b>\$26,794</b>	<b>\$(825,912)</b>	<b>\$(787,826)</b>
Total collateral received (pledged)†##	\$(594,609)	\$—	\$(747,647)	
Net amount	\$605,901	\$26,794	\$(78,265)	
<i>Controlled collateral received (including TBA commitments)**</i>	\$—	\$—	\$—	\$—
<i>Uncontrolled collateral received</i>	\$—	\$—	\$—	\$—
<i>Collateral (pledged) (including TBA commitments)**</i>	\$(594,609)	\$—	\$(747,647)	\$(1,342,256)

\* Excludes premiums, if any. Included in unrealized appreciation and depreciation on OTC swap contracts on the Statement of assets and liabilities.

\*\* Included with Investments in securities on the Statement of assets and liabilities.

† Additional collateral may be required from certain brokers based on individual agreements.

# Covered by master netting agreement (Note 1).

## Any over-collateralization of total financial and derivative net assets is not shown. Collateral may include amounts related to unsettled agreements.

§ Includes current day's variation margin only as reported on the Statement of assets and liabilities, which is not collateralized. Cumulative appreciation/(depreciation) for futures contracts and centrally cleared swap contracts is represented in the tables listed after the fund's portfolio. Collateral pledged for initial margin on futures contracts, which is not included in the table above, amounted to \$217,850.

### Note 10: New accounting pronouncements

In March 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-04, Reference Rate Reform (Topic 848) — *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in ASU 2020-04 provide optional temporary financial reporting relief from the effect of certain types of contract modifications due to the planned discontinuation of LIBOR and other interbank-offered based reference rates as of the end of 2021. The discontinuation of LIBOR was subsequently extended to June 30, 2023. ASU 2020-04 is effective for certain reference rate-related contract modifications that occur during the period March 12, 2020 through December 31, 2022. Management expects that the adoption of the guidance will not have a material impact on the fund's financial statements.

## Federal tax information (Unaudited)

The fund has designated 99.47% of dividends paid from net investment income during the reporting period as tax exempt for Federal income tax purposes.

Pursuant to §852 of the Internal Revenue Code, as amended, the fund hereby designates \$3,032,319 as a capital gain dividend with respect to the taxable year ended April 30, 2022, or, if subsequently determined to be different, the net capital gain of such year.

The Form 1099 that will be mailed to you in January 2023 will show the tax status of all distributions paid to your account in calendar 2022.

## Shareholder meeting results (Unaudited)

### April 22, 2022 annual meeting

At the meeting, a proposal to fix the number of Trustees at 11 was approved as follows:

Votes for	Votes against	Abstentions
27,064,611	638,588	417,037

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

	Votes for	Votes withheld
Liaquat Ahamed	27,106,516	1,013,728
Ravi Akhoury†	26,979,342	1,140,902
Barbara M. Baumann	27,011,771	1,108,472
Catharine Bond Hill	27,074,733	1,045,510
Paul L. Juskow†	26,892,309	1,227,934
Kenneth R. Leibler	26,962,067	1,158,176
Jennifer Williams Murphy††	27,125,597	994,646
Marie Pillai††	27,037,294	1,082,950
Robert L. Reynolds	27,196,558	923,686
Manoj P. Singh	27,006,907	1,113,336
Mona K. Sutphen	27,064,446	1,055,797

† Mr. Akhoury and Dr. Juskow will each serve until his retirement on June 30, 2022.

†† Mses. Murphy and Pillai have been elected to your fund's Board and will serve as Trustees beginning July 1, 2022.

A quorum was not present with respect to the matter of electing two Trustees to be voted on by the preferred shareholders voting as a separate class. As a result, in accordance with the fund's Declaration of Trust and Bylaws, independent Trustees Katinka Domotorffy and George Putnam III remain in office and continue to serve as Trustees

All tabulations are rounded to the nearest whole number.

# About the Trustees

## INDEPENDENT TRUSTEES



### Liaquat Ahamed

*Born 1952, Trustee since 2012*

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

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



### Ravi Akhoury

*Born 1947, Trustee since 2009*

**Principal occupations during past five years:** Private investor

**Other directorships:** Director of English Helper, Inc., a private software company; previously a Trustee of the Rubin Museum, serving on the Investment Committee; and previously a Director of RAGE Frameworks, Inc.



### Barbara M. Baumann

*Born 1955, Trustee since 2010*

**Principal occupations during past five years:** President of Cross Creek Energy Corporation, a strategic

consultant to domestic energy firms and direct investor in energy projects.

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



### Katinka Domotorffy

*Born 1975, Trustee since 2012*

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

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



### Catharine Bond Hill

*Born 1954, Trustee since 2017*

**Principal occupations during past five years:** Managing Director of Ithaka S+R, a not-for-profit service that helps

the academic community navigate economic and technological change. From 2006 to 2016, Dr. Hill served as the 10th president of Vassar College.

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



### Paul L. Joskow

*Born 1947, Trustee since 1997*

**Principal occupations during past five years:** The Elizabeth and James Killian

Professor of Economics, Emeritus at the Massachusetts Institute of Technology (MIT). From 2008 to 2017, the President of the Alfred P. Sloan Foundation, a philanthropic institution focused primarily on research and education on issues related to science, technology, and economic performance.

**Other directorships:** Vice Chair of the Board of Directors of the Whitehead Institute for Biomedical Research, a non-profit biomedical research institute; a Director of Exelon Corporation, an energy company focused on power services; and a member Emeritus of the Board of Advisors of the Boston Symphony Orchestra.



### Kenneth R. Leibler

*Born 1949, Trustee since 2006*

*Vice Chair from 2016 to 2018, and Chair since 2018*

**Principal occupations during past**

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

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



### George Putnam, III

*Born 1951, Trustee since 1984*

**Principal occupations during past**

**five years:** Chair of New Generation Research, Inc., a publisher of financial advisory and other research services, and President of New Generation Advisors, LLC, a registered investment adviser to private funds.

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



**Manoj P. Singh**

*Born 1952, Trustee since 2017*

**Principal occupations during past**

**five years:** Until 2015, Chief Operating

Officer and Global Managing Director at

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

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



**Mona K. Sutphen**

*Born 1967, Trustee since 2020*

**Principal occupations during past five**

**years:** Partner, Investment Strategies, at

The Vistria Group, a private investment

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

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

**INTERESTED TRUSTEE**



**Robert L. Reynolds\***

*Trustee since 2008 and President and*

*Chief Executive Officer of Putnam*

*Investments since 2008*

**Principal occupations during past five**

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

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

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

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

As of April 30, 2022, there were 100 Putnam funds. All Trustees serve as Trustees of all Putnam funds.

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

## Officers

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

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

Vice President and Chief Compliance Officer

*Since 2016*

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

**Nancy E. Florek** *(Born 1957)*

Vice President, Director of Proxy Voting and Corporate Governance, Assistant Clerk, and Assistant Treasurer

*Since 2000*

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

Vice President, Treasurer, and Clerk

*Since 2010*

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

Executive Vice President, Principal Executive Officer, and Compliance Liaison

*Since 2004*

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

Vice President and BSA Compliance Officer

*Since 2019*

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

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

Vice President and Derivatives Risk Manager

*Since 2022*

Risk Manager and Risk Analyst, Putnam Investments

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

Vice President and Assistant Treasurer

*Since 2007*

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

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

Vice President and Derivatives Risk Manager

*Since 2022*

Head of Quantitative Equities and Risk, Putnam Investments

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

Assistant Vice President, Assistant Clerk, and Assistant Treasurer

*Since 2004*

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

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

*Since 2007*

Head of Fund Administration Services, Putnam Investments and Putnam Management

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

Vice President and Chief Legal Officer

*Since 2021*

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

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

Vice President

*Since 2002*

Director of Operational Compliance, Putnam Investments and Putnam Retail Management

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

## Fund information

Founded over 80 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We manage funds across income, value, blend, growth, sustainable, asset allocation, absolute return, and global sector categories.

### Investment Manager

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

### Investment Sub-Advisor

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

### Marketing Services

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

### Custodian

State Street Bank and Trust Company

### Legal Counsel

Ropes & Gray LLP

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP

### Trustees

Kenneth R. Leibler, *Chair*  
Liaquat Ahamed  
Ravi Akhoury  
Barbara M. Baumann  
Katinka Domotorffy  
Catharine Bond Hill  
Paul L. Joskow  
George Putnam, III  
Robert L. Reynolds  
Manoj P. Singh  
Mona K. Sutphen

### Officers

Robert L. Reynolds  
*President*

James F. Clark  
*Vice President, Chief Compliance Officer, and Chief Risk Officer*

Nancy E. Florek  
*Vice President, Director of Proxy Voting and Corporate Governance, Assistant Clerk, and Assistant Treasurer*

Michael J. Higgins  
*Vice President, Treasurer, and Clerk*

Jonathan S. Horwitz  
*Executive Vice President, Principal Executive Officer, and Compliance Liaison*

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

Martin Lemaire  
*Vice President and Derivatives Risk Manager*

Susan G. Malloy  
*Vice President and Assistant Treasurer*

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

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

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

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

Mark C. Trenchard  
*Vice President*

Call 1-800-225-1581 Monday through Friday between 8:00 a.m. and 8:00 p.m. Eastern Time, or visit [putnam.com](http://putnam.com) anytime for up-to-date information about the fund's NAV.

