

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

**PUTNAM DAILY DIVIDEND TRUST**

CIK: **81248** | IRS No.: **046386436** | State of Incorporation: **MA** | Fiscal Year End: **1031**  
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Putnam  
Daily  
Dividend  
Trust

Annual  
Report  
October 31, 1993

For investors seeking  
current income consistent  
with capital preservation,  
stable principal and  
liquidity through a  
money market fund

A member  
of the Putnam  
Family of Funds

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How your  
fund performed

For periods ended October 31, 1993

<TABLE>  
<CAPTION>  
Total return\*

	Fund		Lipper
	Class	Class	Money Market
	A	B	Fund Average
<S>	<C>	<C>	<C>
1 year	2.49%	1.98%	2.62%
5 years annualized	32.42 5.78	-- --	32.52 5.79
10 years annualized	90.12 6.64	-- --	90.35 6.65
Life-of-class** annualized	-- --	3.53 2.32	4.20 2.78

</TABLE>

<TABLE>  
<CAPTION>

Distributions

12 months ended	Number	Investment income	Total
<S>	<C>	<C>	<C>
Class A	12	\$0.0246	\$0.0246
Class B	12	\$0.0195	\$0.0195

</TABLE>

<TABLE>  
<CAPTION>

Current returns  
at the end of the  
period

	Class	Class
	A	B
<S>	<C>	<C>
Current 30-day yield	2.64%	2.13%

Current 7-day yield 2.60 2.09

</TABLE>

<TABLE>  
<CAPTION>

Total return at end of most recent calendar quarter Periods ended September 30, 1993	Class	
	A	B
<S>	<C>	<C>
1 year	2.49%	1.98%
5 years	32.94	--
annualized	5.86	--
10 years	91.11	--
annualized	6.69	--
Life-of-class	--	3.34
annualized	--	2.32

</TABLE>

\*Performance data represent past results. Investment return will fluctuate.  
\*\*Effective April 27, 1992, the fund began offering class B shares.  
Performance for those shares will differ.

An investment in the fund is neither insured nor guaranteed by the U.S. government. There can be no assurance that the fund will be able to maintain a stable net asset value of \$1.00 per share. However, since the fund's inception on 12/31/76, no investor has ever lost a penny of principal. Please see the fund performance supplement on page 18 for additional information about performance comparisons.

Terms you need to know

Total return is the change in value of an investment from the beginning to the end of a period, assuming the reinvestment of all distributions.

Yield is the rate at which an investment earns interest income. The 7- and 30-day yields are the two most common gauges for measuring money market mutual fund performance. The yields are calculated in accordance with Securities and Exchange Commission guidelines.

Contingent deferred sales charge (CDSC) is a charge applied at the time of the redemption of shares rather than the time of purchase. It generally declines and eventually disappears over a stated period. The CDSC charge applied reflects the CDSC of the fund from which the shares were exchanged.

Class A shares generally refers to fund shares purchased with an initial sales charge. In the case of your fund, it refers to shares purchased or acquired through the exchange of class A shares from another Putnam fund, without a sales charge. Exchange of your fund's class A shares into another fund may involve a sales charge, however.

Class B shares generally refers to fund shares purchased with no initial sales charge but subject to a CDSC. However, class B shares of your fund can be acquired only through exchange of class B shares from another Putnam fund. They are subject to the same CDSC schedule as the fund from which they were exchanged.

From the  
Chairman

[George Putnam photo]

George Putnam  
Chairman of the Trustees  
(C) Karsh, Ottawa

Dear Shareholder:

During the fiscal year ended October 31, 1993, Putnam Daily Dividend Trust posted solid, competitive returns. Meeting its twin objectives of stability and income, your fund's total return was 2.49% for Class A shares and 1.98% for Class B Shares.

During a period of rising stock and bond markets, it's easy to overlook the virtues of money market funds, especially in comparison to other more aggressive investments. But it's important not to lose sight of the role a money market fund can play in your investment portfolio.

Money market funds can serve investors in several ways. By making regular investments in a money market fund, you can establish a stable, liquid account that earns current income. A money market fund can be the core account in your investment portfolio. It can be the account from which you

invest in other types of mutual funds or in individual securities and the place to which you reinvest proceeds from the redemption or sale of mutual fund shares or securities.

Because money market funds seek to maintain a stable \$1.00 share price, they are excellent vehicles for short-term cash. If you anticipate making a big purchase in the near future, such as a house or car; or if you expect to be paying a large bill, such as tuition, a money market fund is an excellent place to earn current market rates on your cash until you're ready to use it. You can also use a money market fund to balance an aggressive investment portfolio.

As the economy continues to improve and the financial markets reach historic highs, this might be an appropriate time to review your investment portfolio and the role your money market fund plays in your overall investment strategy.

Respectfully yours,

[George Putnam signature]

George Putnam  
December 15, 1993

Report from  
Putnam Management

For the fiscal year ended October 31, 1993, Putnam Daily Dividend Trust was managed against a backdrop of slow economic growth, low inflation and low interest rates. In this type of environment, there's a great deal of competition to obtain extra yield. Consequently, the market is under pressure to develop more sophisticated products than the normal bank CDs and commercial paper that are the staples of money market fund investments. While Putnam analysts survey the entire range of products in the marketplace, we avoid investments that fail our strict standards for quality and stability and those that do not fit the money market fund structure.

Investing in the money market Money market mutual funds invest in short-term securities sold in the market, where large companies, banks and other institutions invest their surplus cash for short periods of time. Money market securities include Treasury bills, certificates of deposit of large banks, and commercial paper; that is, the short-term debt of large U.S. and foreign corporations. In the investment spectrum, these are generally the safest, most stable securities available. All money market investments are U.S. dollar-denominated, so when we refer to foreign debt, we mean debt of domestic subsidiaries of foreign banks and/or corporations issued in the United States.

Sluggish economic growth and declining interest rates have been consistent themes for more than a year. During periods of declining interest rates, money market fund managers strive to lock in the highest yields for the longest amount of time by extending the average maturity of the portfolio.

Two years ago, for example, the average maturity of your fund's holdings was 70-90 days. As interest rates hit their lows during the past year, we began to shorten the maturity of the portfolio. In October 1992, the average maturity was 81 days; by the end of the fiscal year, it was 50 days. While this is not a dramatic change, we have positioned the portfolio to be flexible enough to take advantage of higher yields if interest rates begin to rise.

Cumulative total return on a \$10,000 investment since 11/1/83

<TABLE>

<CAPTION>

(date/year)	Lipper Money Market Average	Daily Dividend Trust Class A shares at NAV
<S>	<C>	<C>
11/1/83	10000	10000
10/31/84	11013	11020
10/31/85	11906	11921
10/31/86	12697	12709
10/31/87	13448	13450
10/31/88	14374	14358
10/31/89	15645	15631
10/31/90	16881	16868
10/31/91	17915	17908
10/31/92	18557	18549
10/31/93	19035	19009

</TABLE>

Past performance is no assurance of future results. Performance of Class B shares will vary from performance of Class A shares due to differences in sales charges and 12b-1 fees.

Changing the allocation Investing in floating rate commercial paper is another way we can take advantage of interest rates that may be headed upward. These short-term securities have fixed maturities (one year, for example), but their yields are tied to a certain market index or formula. If interest rates rise, yields on these securities will also go up. We have seen many floating-rate securities come to market recently. As with other investment vehicles, we are scrutinizing their credit risk and quality before making a decision on whether or not to invest in them.

Over the past year, we also changed our portfolio allocation between government securities and corporate bonds. Going into the fiscal year, 30% of the portfolio was in government securities, since the yield spreads between government and corporate debt were narrow and these investments carried less risk than corporate debt obligations. As the economy improved, however, yield spreads between government and corporate securities widened. Through our credit analysis process, we were able to identify companies with improving credit risk. Consequently, we progressively moved assets out of the government sector throughout the year, until about 90% of the portfolio's assets were invested in corporate debt and just over 10% in government securities.

Performance comparisons (10/31/93)\*

Passbook savings		2.00%
Taxable money market fund (7-day yield)		2.66%
3-month CD		2.55%
Putnam Daily Dividend Trust	Class A	2.60%
	(7-day yield) Class B	2.09%

Looking ahead In general, we believe the economy will continue its slow but steady recovery. We believe interest rates have reached their lows, and we're starting to hear some concern that inflation may increase. While the Federal Reserve Board had adopted a neutral stance toward interest rates over the past year or so, it has made clear that its primary focus is on keeping inflation down. If economic growth is moderate, the Fed can continue to sit on the sidelines. But if it appears that inflation will pick up to a significant degree, we believe the Fed will tighten credit, and interest rates will rise. In this event, your fund should be in a position to take advantage of the resulting opportunities.

\*The principal value of money market mutual funds is uninsured and designed to be fixed while distributions vary daily. The principal value on passbook savings and bank CDs are generally insured up to certain limits by state and federal agencies. Unlike money market mutual funds, substantial penalties may apply to early withdrawals of bank CDs. Performance data represent past performance. Investment returns will fluctuate. Sources: Bank of Boston (passbook savings). Bank Rate Monitor (3-month CDs). IBC/Donoghue's Money Fund Report (taxable money market fund 7-day yield).

Putnam  
Daily Dividend  
Trust

Annual Report  
For the Fiscal Year Ended October 31, 1993

Report of Independent Accountants

To the Trustees and Shareholders of  
Putnam Daily Dividend Trust

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments owned, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Putnam Daily Dividend Trust at October 31, 1993, and the results of its operations, the changes in its net assets and the financial highlights for the periods indicated, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Trust's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities owned at October 31, 1993 by correspondence with the custodian, provide a reasonable basis for the opinion expressed above.

Portfolio of  
 investments owned  
 October 31, 1993

<TABLE>  
 <CAPTION>  
 Commercial Paper (85.1%) (a)

Principal Amount		Maturity Date	Value
<S>	<C>	<C>	<C>
Domestic (49.2%)			
\$10,000,000	AT&T Capital Corp. 3.18s	1/18/94	\$ 9,930,216
10,000,000	Bankers Trust New York Corp. 3.2s	12/13/93	9,961,776
10,000,000	Bankers Trust New York Corp. 3.19s	2/16/94	9,904,300
24,380,000	Ciesco L.P. 3s	11/1/93	24,373,905
10,000,000	Corporate Receivables Corp. 3.15s	11/8/93	9,993,000
10,000,000	Corporate Receivables Corp. 3.1s	12/10/93	9,965,555
15,000,000	CS First Boston Group Inc. 3.12s	12/6/93	14,953,200
7,000,000	Delaware Funding Corp. 3.16s	11/4/93	6,997,542
15,000,000	Delaware Funding Corp. 3.1s	11/2/93	14,997,417
15,000,000	Ford Motor Credit Co. 3.16s	11/15/93	14,980,250
10,000,000	Ford Motor Credit Co. 3.08s	11/17/93	9,985,455
10,000,000	General Electric Capital Corp. 3.2s	11/19/93	9,983,111
10,000,000	General Electric Capital Corp. 3.16s	11/3/93	9,997,366
5,000,000	General Motors Acceptance Corp. 3.175s	11/29/93	4,987,211
7,000,000	General Motors Acceptance Corp. 3.175s	11/22/93	6,986,417
15,000,000	General Motors Acceptance Corp. 3.175s	11/8/93	14,989,417
10,000,000	Goldman Sachs Group LP 3.275s	2/15/94	9,902,659
5,000,000	Goldman Sachs Group LP 3 1/4s	12/14/93	4,980,139
10,000,000	Goldman Sachs Group LP 3.2s	2/25/94	9,895,999
10,000,000	Household Finance Corp. 3.15s	11/18/93	9,984,250
15,000,000	Household Finance Corp. 3.15s	11/10/93	14,986,875
5,000,000	Merrill Lynch & Co. Inc. 3.27s	2/22/94	4,948,224
5,000,000	Merrill Lynch & Co. Inc. 3.22s	3/16/94	4,939,177
15,000,000	Merrill Lynch & Co. Inc. 3.15s	11/29/93	14,961,937
10,000,000	Preferred Receivables Funding Corp. 3.12s	11/29/93	9,974,866
15,000,000	Preferred Receivables Funding Corp. 3.12s	11/22/93	14,971,400
10,000,000	Republic New York Corp. 3.2s	1/14/94	9,933,332
7,500,000	USAA Capital Corp. 3.09s	11/9/93	7,494,206
			\$299,959,202
Foreign (35.9%) (b)			
3,650,000	Abbey National PLC 3.22s	1/20/94	3,623,555
15,000,000	Abbey National PLC 3.21s	2/28/94	14,839,500
15,000,000	ABN-AMRO North America Finance Inc. 3.2s	1/21/94	14,890,666
9,500,000	AES Shady Point Inc. (Letter of Credit, Bank of Tokyo) 3.13s	11/22/93	9,481,828
12,600,000	Bombardier Capital Inc. (Letter of Credit, National West) 3.11s	11/2/93	12,597,823
20,000,000	BP Australia Finance 3.1s	11/16/93	19,972,444
3,000,000	Hartz 667 Commercial Paper Corp. (Letter of Credit, Mitsubishi Bank) 3.4s	2/7/94	2,971,950
5,000,000	Maguire/Thomas Partnership (Letter of Credit, Sumitomo Bank) 3.13s	12/2/93	4,986,088
8,000,000	Michelin Tire Corp. (Letter of Credit, Societe Generale) 3.24s	2/2/94	7,932,320
10,000,000	Mitsubishi Motor Credit of America (Letter of Credit, Bank of Tokyo) 3.15s	12/2/93	9,972,000
15,000,000	Mitsubishi Motor Credit of America (Letter of Credit, Bank of Tokyo) 3.15s	11/9/93	14,988,212
10,000,000	Orchard Funding Inc. (Letter of Credit, Sumitomo Bank) 3.16s	12/3/93	9,971,033
5,000,000	Pemex Capital Inc. (Letter of Credit, Swiss Bank) 3.12s	11/29/93	4,987,432
15,000,000	Pemex Capital Inc. (Letter of Credit, Swiss Bank) 3.12s	11/9/93	14,988,300
5,022,000	Queensland Alumina Ltd. (Letter of Credit, Credit Suisse) 3.12s	11/9/93	5,018,082
11,697,000	Queensland Alumina Ltd. (Letter of Credit, Credit Suisse) 3.1s	12/7/93	11,659,731
10,000,000	Rabobank Nederland 3.22s	3/16/94	9,878,355
15,000,000	Rabobank Nederland 3.2s	1/28/94	14,881,332
8,000,000	Rockefeller Center Properties (Letter of Credit, Credit Suisse) 3.12s	11/30/93	7,979,199
7,250,000	Societe General North America Inc. 3.1s	11/30/93	7,231,270
6,000,000	Southwest Gas Corp. (Letter of Credit, Union Bank of Switzerland) 3.1s	11/19/93	5,990,183
10,000,000	SRD Finance Inc. (Letter of Credit, Sumitomo Bank) 3.15s	11/2/93	9,998,250
			\$218,839,553
Total Commercial Paper (cost \$518,798,755)			\$518,798,755
U.S. Government and Agency Obligations (10.9%) (a)			
\$15,000,000	Federal National Mortgage Assn. Discount Notes, 3.24s	1/27/94	\$ 14,881,200
10,000,000	Federal National Mortgage Assn. Discount Notes, 3.22s	6/30/94	9,783,544
12,000,000	Federal National Mortgage Assn. Discount Notes, 3.14s	3/31/94	11,841,953
10,000,000	Federal National Mortgage Assn. Discount Notes, 3.14s	11/1/93	9,999,127
10,000,000	Federal National Mortgage Assn. Discount Notes, 3.12s	12/2/93	9,972,266
10,000,000	Student Loan Marketing Assn., 3.62s	6/30/94	9,996,663

Certificate of Deposit (3.3%) (a) (b)			
\$10,000,000	Societe Generale North America Inc. 3.27s	1/24/94	\$ 10,000,000
10,000,000	Union Bank of Switzerland 4.1s	12/2/93	10,002,931
-----			
Total Certificate of Deposit (cost \$20,002,931)			\$ 20,002,931
Floating Rates Notes (1.6%) (a) (cost \$9,998,000)			
\$10,000,000	Corporate Asset Funding Co. Inc. 3.128s	5/15/94	\$ 9,998,000
-----			
Total Investments (cost \$615,274,439) (c)			\$615,274,439
-----			

&lt;/TABLE&gt;

## Notes

(a) Percentages are based on total net assets of \$609,697,958 which correspond to a net asset value per share of \$1.00 for both Class A and Class B shares.

(b) U.S. dollar-denominated.

(c) The aggregate identified cost on a tax basis is the same.

Rates shown on Floating Rate Notes are the current interest rates on October 31, 1993, which are subject to change based on the terms of the security.

Percentage of total net assets invested in foreign countries at October 31, 1993:

Japan	10.2%
Switzerland	10.0
Netherlands	6.5
United Kingdom	5.1
France	4.1
Australia	3.3

Statement of  
assets and liabilities  
October 31, 1993

<S>		<C>	<C>
Assets	Investments in securities, at amortized cost (Note 1)		\$615,274,439
	Cash		6,025
	Interest and other receivables		296,881
	Receivable for shares of the Fund sold		2,461,575
-----			
	Total assets		618,038,920
Liabilities	Payable for shares of the Fund repurchased	\$6,746,926	
	Payable for compensation of Manager (Note 2)	600,773	
	Payable for administrative services (Note 2)	1,158	
	Payable for compensation of Trustees (Note 2)	133	
	Payable for investor servicing and custodian (Note 2)	772,614	
	Payable for distribution fees (Note 2)	8,141	
	Other accrued expenses	211,217	
-----			
	Total liabilities		8,340,962
-----			
	Net assets		\$609,697,958
-----			
Represented by	Paid-in capital (Note 4)		\$609,697,958
-----			
	Net asset value, offering and redemption price per Class A share ((\$586,920,462 divided by 586,920,462 shares)**		\$1.00
	Net asset value and offering price per Class B share ((\$22,777,496 divided by 22,777,496 shares)**		\$1.00
-----			

&lt;/TABLE&gt;

\*Class A shares are offered at net asset value.

\*\*Class B shares are available only by exchange from Class B shares of other Putnam Funds. The applicable contingent deferred sales charge applied upon redemption will depend upon the Fund from which you exchanged.

Statement of  
operations  
Year ended October 31, 1993

<S>		<C>	<C>
=====			
	Interest income		\$20,028,264

Expenses:	
Compensation of Manager (Note 2)	2,363,285
Investor servicing and custodian fees (Note 2)	1,677,616
Compensation of Trustees (Note 2)	21,083
Reports to shareholders	46,241
Auditing	37,213
Legal	13,956
Postage	54,196
Administrative services (Note 2)	20,098
Registration fees	92,044
Distribution fees--Class B (Note 2)	43,307
Other	30,599
-----	
Total expenses	4,399,638
-----	
Net investment income	15,628,626
-----	
Net realized gain on investments (Notes 1 and 3)	1,728
-----	
Net increase in net assets resulting from operations	\$15,630,354
-----	

</TABLE>

Statement of changes in net assets

<TABLE>  
<CAPTION>

<S>	<C>	Year ended October 31	
		1993	1992
-----			
Increase (decrease) in net assets	Operations:		
	Net investment income	\$ 15,628,626	\$ 24,052,787
	Net realized gain on investments	1,728	12,500
	-----		
	Net increase in net assets resulting from operations	15,630,354	24,065,287
	Distributions to shareholders from:		
	Net investment income		
	Class A	(15,452,211)	(24,043,261)
	Class B	(176,415)	(9,526)
	Net realized gain on investments		
	Class A	(1,713)	(12,498)
	Class B	(15)	(2)
	Increase (decrease) from capital share transactions (Note 4)	(232,350,806)	157,061,890
	-----		
	Total increase (decrease) in net assets	(232,350,806)	157,061,890
Net assets	Beginning of year	842,048,764	684,986,874
	-----		
	End of year	\$ 609,697,958	\$842,048,764
	-----		

</TABLE>

Financial Highlights\*  
(For a share outstanding throughout the period)

<TABLE>  
<CAPTION>

	Year ended October 31	April 27, 1992 (commencement of operations) to October 31	Year ended October 31							
			1993	1992	1993	1992	1991	1990	1989	1988
			Class B				Class A			
-----										
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Investment Operations										
Net Investment Income	\$ .0195	\$ .0151	\$ .0246	\$ .0353	\$ .0598	\$ .0764	\$ .0853	\$ .0655	\$ .0568	\$ .0642
Net Realized and Unrealized Gain on Investments	--	--	--	--	.0001	--	--	--	--	--



Total from Investment Operations	.0195	.0151	.0246	.0353	.0599	.0764	.0853	.0655	.0568	.0642
Total Distributions	\$(.0195)	\$(.0151)	\$(.0246)	\$(.0353)	\$(.0599)	\$(.0764)	\$(.0853)	\$(.0655)	\$(.0568)	\$(.0642)
Total Investment Return at Net Asset Value (%) (a)	1.98	2.98 (b)	2.49	3.58	6.16	7.92	8.87	6.75	5.83	6.61
Net Assets, End of Period (in thousands)	\$22,777	\$2,864	\$586,920	\$839,185	\$684,987	\$904,186	\$797,395	\$659,590	\$775,954	\$320,874
Ratio of Expenses to Average Net Assets (%)	1.20	1.37 (b)	.70	.86	.77	.74	.85	.91	1.01	.89
Ratio of Net Investment Income to Average Net Assets (%)	1.98	2.93 (b)	2.48	3.56	6.04	7.63	8.51	6.67	5.65	6.32

</TABLE>

<TABLE>  
<CAPTION>

	Ten months ended October 31	Year ended December 31	
	1985	1984	1983
Class A			
<S>	<C>	<C>	<C>
Investment Operations Net Investment Income	\$ .0633	\$ .0983	\$ .0837
Net Realized and Unrealized Gain on Investments	.0001	.0003	--
Total from Investment Operations	.0634	.0986	.0837
Total Distributions	\$(.0634)	\$(.0986)	\$(.0837)
Total Investment Return at Net Asset Value (%) (a)	7.86 (b)	10.32	8.70
Net Assets, End of Period (in thousands)	\$275,901	\$260,186	\$282,335
Ratio of Expenses to Average Net Assets (%)	.85 (b)	.85	.85
Ratio of Net Investment Income to Average Net Assets (%)	7.56 (b)	9.79	8.29

</TABLE>

\* Financial Highlights for periods ended through October 31, 1992 have been restated to conform with requirements issued by the SEC in April 1993.

(a) Total investment return assumes dividend reinvestment and does not reflect the effect of sales charges.

(b) Annualized.

Note 1  
Significant  
accounting  
policies

The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company. The Fund seeks current income consistent with preservation of capital and maintenance of liquidity. The Fund achieves its objective by investing in a portfolio of high-grade short-term obligations. The Fund may invest up to 100% of its assets in the banking industry and in commercial paper and short-term corporate obligations of issuers in the personal credit institution and business credit institution industries.

The Fund offers both Class A and Class B shares. The Fund commenced its public offering of Class B shares on April 27, 1992. Class A and Class B shares are sold without a front-end sales charge. Class B shares are offered only in exchanges for Class B shares of other Putnam funds. They pay an ongoing distribution fee, and are subject to a contingent deferred sales charge if the shares are redeemed within six years of purchase (including any holding period of the shares in the other Putnam fund). In addition, the Trustees declare separate dividends on each class of shares. Each class bears expenses unique to that class (including the distribution fees applicable to Class B shares) and votes as a class only with respect to its own distribution plan or other matters on which a class vote is required by law or determined by the Trustees. Shares of each class would receive their pro rata share of the net assets of the Fund if the Fund were liquidated.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with generally accepted accounting principles.

A) Security valuation The valuation of the Fund's portfolio instruments is determined by means of the amortized cost method as set forth in Rule 2a-7 under the Investment Company Act of 1940. The amortized cost of an instrument is determined by valuing it at cost originally and thereafter amortizing any discount or premium from its face value at a constant rate until maturity.

B) Joint trading account Pursuant to an exemptive order issued by the Securities and Exchange Commission the Fund may transfer uninvested cash balances into a joint trading account along with the cash of other registered investment companies managed by Putnam Investment Management, Inc. (formerly known as The Putnam Management Company, Inc.), the Fund's Manager, a wholly-owned subsidiary of Putnam Investments, Inc. (formerly, The Putnam Companies, Inc.) and certain other accounts. These balances may be invested in one or more repurchase agreements and/or short-term money market instruments.

C) Repurchase agreements The Fund, or any joint trading account, through its custodian, receives delivery of the underlying securities, the market value of which at the time of purchase is required to be in an amount at least equal to the resale price, including accrued interest. The Fund's Manager is responsible for determining that the value of these underlying securities is at all times at least equal to the resale price, including accrued interest.

D) Federal taxes It is the policy of the Fund to distribute all of its income within the prescribed time and otherwise comply with the provisions of the Internal Revenue 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 Internal Revenue Code of 1986. Therefore, no provision has been made for federal income and excise taxes on income and capital gains.

E) Interest income and dividends to shareholders Interest income is recorded on the accrual basis. Income dividends are declared daily by the Fund and are distributed monthly.

Note 2  
Management fee,  
administrative  
services, and  
other transactions

Compensation of Putnam Management for management and investment advisory services is paid quarterly based on the average net assets of the Fund for the quarter. Such fee is based on the following annual rates: 0.5% of the first \$100 million of average net assets, 0.4% of the next \$100 million, 0.35% of the next \$300 million, 0.325% of the next \$500 million, and 0.3% of any amount over \$1 billion, subject to reduction in any year to the extent that expenses (exclusive of brokerage, interest and taxes) of the Fund exceed

2.5% of the first \$30 million of average net assets, 2.0% of the next \$70 million and 1.5% of any amount over \$100 million and by the amount of certain brokerage commissions and fees (less expenses) received by affiliates of the Manager on the Fund's portfolio transactions.

The Fund also reimburses the Manager 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. For the year ended October 31, 1993, the Fund paid \$20,098 for these services.

Trustees of the Fund receive an annual Trustee's fee of \$1,340 and an additional fee for each Trustees' meeting attended. Trustees who are not interested persons of the Manager and who serve on committees of the Trustees receive additional fees for attendance at certain committee meetings.

Custodial functions are being provided to the Fund by Putnam Fiduciary Trust Company (PFTC), a wholly-owned subsidiary of Putnam Investments, Inc. Investor servicing agent functions are currently provided by Putnam Investor Services, a division of PFTC. Fees paid for these investor servicing and custodial functions for the year ended October 31, 1993 amounted to \$1,677,616.

Investor servicing and custodian fees reported in the Statement of operations for the year ended October 31, 1993 have been reduced by credits allowed by PFTC.

The Fund has adopted a distribution plan with respect to its Class B shares (the "Class B Plan") pursuant to Rule 12b-1 under the Investment Company Act of 1940. The purpose of the Class B Plan is to compensate Putnam Mutual Funds Corp., (formerly known as Putnam Financial Services, Inc.) a wholly-owned subsidiary of Putnam Investments, Inc. for services-provided and expenses incurred by it in distributing Class B shares. The Class B Plan provides payments currently limited by the Trustees to .50% of the Fund's average net assets attributable to Class B shares, but may increase with the Trustees approval to an amount not exceeding .75% of average net assets. For the year ended October 31, 1993, the Fund paid Putnam Mutual Funds Corp. distribution fees of \$43,307 for Class B shares.

A deferred sales charge of up to 1% is assessed on certain redemptions of Class A shares purchased as part of an investment of \$1 million or more and were acquired by an exchange from another Putnam fund. For the year ended October 31, 1993, Putnam Mutual Funds Corp., acting as underwriter, received \$83,377 on such redemptions.

Putnam Mutual Funds Corp. also receives the proceeds on the contingent deferred sales charges on its Class B share redemptions. The charge is based on declining rates, which begin at 5.00% of the net asset value of the redeemed shares. Putnam Mutual Funds Corp. has informed the fund that it received contingent deferred sales charges of \$86,763 from redemptions during the year ended October 31, 1993.

Note 3  
Purchases  
and sales  
of securities

During the year ended October 31, 1993, purchases and sales (including maturities) of investment securities (all short-term obligations) aggregated \$13,710,498,116 and \$13,958,502,096, respectively. In determining the net gain or loss on securities sold, the cost of securities has been determined on the identified cost basis.

Note 4  
Capital shares

At October 31, 1993, there was an unlimited number of shares of beneficial interest authorized, divided into two classes, designated Class A and Class B capital stock. Transactions in capital stock were as follows:

<TABLE>  
<CAPTION>

Class A	Year ended October 31	
	1993	1992
<S>	<C>	<C>
Shares sold	1,954,667,214	1,794,673,649
Shares issued in connection with reinvestment of distributions	16,002,778	23,561,701
	1,970,669,992	1,818,235,350

Shares repurchased	(2,222,934,715)	(1,664,037,039)
Net increase (decrease)	(252,264,723)	154,198,311

</TABLE>

<TABLE>  
<CAPTION>

Class B	Year ended October 31, 1993	April 27, 1992 (commencement of operations) to October 31, 1992
<S>	<C>	<C>
Shares sold	66,254,392	5,549,492
Shares issued in connection with reinvestment of distributions	156,162	8,847
Shares repurchased	66,410,554 (46,496,637)	5,558,339 (2,694,760)
Net increase	19,913,917	2,863,579

</TABLE>

Fund  
performance  
supplement

Putnam Daily Dividend Trust is a portfolio managed for current income consistent with capital preservation, stable principal and liquidity by investing primarily in a diversified portfolio of High Quality short-term securities.

The Lipper Money Market Fund Average, used for performance comparison purposes, is an arithmetic average of the total return of all money market mutual funds tracked by Lipper Analytical Services. Lipper is an independent rating organization for the mutual fund industry. Lipper rankings vary for other periods. The fund's holdings do not match those in the Lipper Average.

The fund performance supplement has been prepared by Putnam Management to provide additional information about the fund and the indexes used for performance comparisons. The information is not part of the portfolio of investments owned or the financial statements.

Federal  
tax information

For federal income tax purposes, the distributions from net investment income, totaling \$.0246 and \$.0195 per share for Class A and Class B shares, respectively, for the fiscal year ended October 31, 1993, constitute "dividend income." None of the investment income qualifies for the dividends-received deduction for corporations.

The Form 1099 you receive in January 1994 will show the tax status of all distributions paid to your account in calendar 1993. As required by law, your Fund reports to the Internal Revenue Service on a calendar year basis the amount of distributions paid to each shareholder.

Your  
Trustees

George Putnam  
Chairman  
Chairman and President,  
The Putnam Funds

William F. Pounds  
Vice Chairman  
Professor of Management,  
Alfred P. Sloan  
School of Management,  
Massachusetts Institute of  
Technology

Hans H. Estin  
Vice Chairman,  
North American  
Management Corporation

John A. Hill

Principal and  
Managing Director,  
First Reserve Corp.

Elizabeth T. Kennan  
President,  
Mount Holyoke College

Lawrence J. Lasser  
President and  
Chief Executive Officer,  
Putnam Investments, Inc.

Robert E. Patterson  
Executive Vice President,  
Cabot Partners  
Limited Partnership

Donald S. Perkins  
Director of various  
corporations

George Putnam, III  
President, New Generation  
Research, Inc.

A.J.C. Smith  
Chairman of the Board  
and Chief Executive Officer,  
Marsh & McLennan  
Companies, Inc.

W. Nicholas Thorndike  
Director of various  
corporations

Putnam  
Daily  
Dividend  
Trust

Fund information  
Investment manager  
Putnam Investment  
Management, Inc.  
One Post Office Square  
Boston, MA 02109

Marketing services  
Putnam Mutual Funds Corp.  
One Post Office Square  
Boston, MA 02109

Investor servicing agent  
Putnam Investor Services  
Mailing address:  
P.O. Box 41203  
Providence, RI 02940-1203  
1-800-225-1581

Custodian  
Putnam Fiduciary  
Trust Company

Legal counsel  
Ropes & Gray

Independent accountants  
Price Waterhouse

Putnam Investor Services has received the DALBAR award  
each year since the award's 1990 inception. In more than 10,000 tests  
of 38 shareholder service components,  
Putnam outperformed the industry standard in every category.

Officers  
George Putnam  
President

Charles E. Porter  
Executive Vice President

Patricia C. Flaherty  
Senior Vice President

Lawrence J. Lasser  
Vice President

Gordon H. Silver  
Vice President

John R. Verani  
Vice President

Gary N. Coburn  
Vice President

William McGue  
Vice President

Lindsey Callen  
Vice President and  
Fund Manager

William N. Shiebler  
Vice President

John D. Hughes  
Vice President  
and Treasurer

Paul O'Neil  
Vice President

Beverly Marcus  
Clerk and  
Assistant Treasurer

This report is for the information of shareholders of Putnam Daily Dividend Trust. It may also be used as sales literature when preceded or accompanied by the current prospectus, which gives details of sales charges, investment objectives and operating policies of the fund.

9678-A0A/A50

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The Putnam Funds  
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Boston, Massachusetts 02109

Bulk Rate  
U.S. Postage  
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- (2) Headers (e.g., the name of the fund) and footers (e.g., page numbers and "The accompanying notes are an integral part of these financial statements") are omitted.
- (3) Because the printed page breaks are not reflected, certain tabular and columnar headings and symbols are displayed differently in this filing.
- (4) Bullet points and similar graphic signals are omitted.
- (5) Page numbering is omitted.