

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

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PUTNAM MANAGED MUNICIPAL INCOME TRUST

CIK: **844790** | IRS No.: **046608976** | State of Incorporation: **MA** | Fiscal Year End: **1031**
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[PUTNAM BALANCE SCALES LOGO]

Putnam
Managed
Municipal
Income
Trust

Annual
Report
October 31, 1993

For investors seeking
high current income
exempt from federal
income tax through
a diversified portfolio
of tax-exempt municipal
securities

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<CAPTION>
<S> <C>
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A member
of the Putnam
Family of Funds

How your
fund performed
For periods ended October 31, 1993

<TABLE>
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	Total return*		Lehman
	Fund	Market	Brothers
	NAV	price	Municipal
<S>	<C>		Bond Index
			<C>
1 year	20.20%	24.84%	14.10%
3 years	54.75	62.98	38.70
annualized	15.67	17.68	11.52
Life-of-fund			
(since 2/24/89)	70.20	65.48	59.48
annualized	12.01	11.34	10.46

</TABLE>

<TABLE>
<CAPTION>
Share data (common shares)

	NAV	Market
<S>	<C>	price
		<C>
October 31, 1992	\$ 9.81	\$ 9.875
October 31, 1993	\$ 10.88	\$11.375

</TABLE>

<TABLE>
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Distributions

(common shares)	Number	Investment income	Capital gains	Total
12 months ended	<C>	<C>	<C>	<C>
<S>	<C>	<C>	<C>	<C>
October 31, 1993	12	\$0.762	\$0.079	\$0.841

<TABLE>
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(preferred shares)
12 months ended
October 31,

1993	Number	Series	Total
<S>	<C>	<C>	<C>
	550	A	\$2,585.73
	550	B	\$2,567.72
	650	C	\$2,532.88

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<CAPTION>

Current returns (common shares) at the end of the period	NAV	Market price	Taxable equivalents+ NAV	Market price
<S>	<C>	<C>	<C>	<C>
Current dividend rate	7.00%	6.70%	11.59%	11.09%

* Performance data represent past results. Investment return and principal value will fluctuate so that an investor's shares, when sold, may be worth more or less than their original cost.

(a) Capital gains, if any, are taxable, and income from this fund may be subject to state and local taxes. For some investors, investment income may also be subject to the alternative minimum tax.

+ Assumes maximum 39.6% federal tax rate. Results for investors subject to lower tax rates would not be as advantageous, although many such investors would have the opportunity to receive attractive tax benefits from a fund investment. Consult your tax adviser for guidance.

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. It may be shown at net asset value or at market price.

Net asset value (NAV) is the value of all your fund's assets, minus any liabilities, the liquidation preference and cumulative unpaid dividends on the remarketed preferred shares, divided by the number of outstanding common shares (see note 1B on page 18).

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

Current dividend rate is calculated by annualizing the income portion of the fund's most recent distribution and dividing by the NAV or market price on the last day of the period.

Taxable equivalent return is the rate at which a taxable investment would have to generate income to equal the fund's current dividend rate or yield.

Please see the fund performance supplement on page 23 for additional information about performance comparisons.

From the
Chairman

[George Putnam photo]
George Putnam
Chairman
of the Trustees

Dear Shareholder:

I'm pleased to report that for the 12 months ended October 31, 1993, Putnam Managed Municipal Income Trust continued to provide a strong total return and a steady stream of tax-free income, while leading its competitive universe.

Once again, the fund outdistanced its peers in the closed-end high-yield municipal bond fund category, as tracked by Lipper Analytical Services. According to Lipper, your fund ranked first in the high-yield municipal bond fund category for calendar year-to-date performance as of October 31, 1993. It also ranked first out of 12 funds for one- and two-year periods, and first out of 11 funds for the three-year period ended October 31, 1993. (Lipper rankings vary over time and do not reflect sales charges.)

In addition, based on risk-adjusted performance through October 31, 1993, your fund received a five-star rating from Morningstar's Mutual Fund Values, the independent mutual fund research firm that rates a fund relative to funds with similar objectives. Based on risk-adjusted 3-, 5- and 10-year total returns, as applicable, and adjusted for sales charges, the ratings range from one to five stars, with five being the highest. While past performance is no guarantee of future results, accolades such as these reflect the experience and skill Putnam Management brings to the job of managing your money.

A year ago, when discussing the tax-exempt markets, we reported that "the volume of new issues broke all records. . . ." In the forthcoming year, we expect the reverse. Going into 1994, we see a reduced number of municipal securities coming to market, but a limited supply of bonds could enhance the value of existing securities in the portfolio, adding to your fund's total return.

In the months ahead, Fund Manager James Erickson and his team will be analyzing the municipal market to determine if any changes to the fund's leveraging strategies are needed, and we will continue to be diligent in researching securities that offer value that might go unnoticed by others and exploiting inefficiencies in the bond market to realize capital gains.

Respectfully yours,

[Signature of George Putnam]

George Putnam
December 15, 1993

Report from
Putnam Management

Top 10 holdings (10/31/93)*

OH State Air Quality Dev. Auth. Poll. Control Rev. Bonds
Metro. Wtr. dist. Southern CA Waterworks RIBS
Tamp, Cap. Impt. Program Rev. Bonds
U. of CA Rev. Bonds
Burke Cnty., Dev. Auth. Poll. Control Rev. Bonds
Dallas-Fort Worth, Intl. Arpt. fac. Impt. Corp. Rev. Bonds
NY City, General Obligation Bonds
Burke Cnty., Dev. Auth. Poll Control Rev. Bonds (GA Pwr. Co.-Vogtle Project)
WA State Pub. Pwr. Supply Syst. Rev. Bonds
Tulsa, Muni. Arpt. Trust Rev. Bonds

*Reflects a % of the total portfolio based on net assets.

For the fiscal year ended October 31, 1993, Putnam Managed Municipal Income Trust posted a total return of 20.20% at net asset value. In addition, your fund's 7.00% dividend rate at net asset value at fiscal year's end was equivalent to a 11.59% taxable rate for investors in the 39.6% maximum federal income tax bracket. Although most taxpayers do not pay taxes at that rate we encourage you to evaluate your fund's income on this tax-equivalent basis.

Some of your fund's income is generated by the selective use of leveraging strategies. With this approach, the fund issues preferred shares which pay dividends at prevailing short-term rates. These shares are sold to corporate and institutional investors; the resulting assets are then invested in longer-term bonds with higher yields. The difference between the rates paid to holders of preferred shares and the rates earned by the fund augment the flow of income to holders of common shares.

Staying the course Although your fund balances portfolio holdings between investment-grade and lower-rated, higher-yielding bonds, the macroeconomic factors that prompted us to focus primarily on higher-quality bonds with relatively long maturities prevailed throughout the fiscal year.

In general, the period was marked by slow economic growth, low inflation and declining interest rates. Some of the factors that contributed to this environment were reductions in defense spending, cutbacks or only marginal increases in federal fiscal spending, and the paying down of debt on the part of the government, corporations and consumers. Consumers' concerns about unemployment further dampened prospects for a strong economic recovery. In addition, recessions in many foreign countries and an increase in global competition reduced the demand for U.S. goods and services.

The economy was also affected by a demographic element. Baby-boomers, who were the big spenders a few years ago, are now moving into a different era--one where college tuitions and, in some cases, retirement loom large in the not-too-distant future. Typically, people who fuel a recovery are younger, new entrants to the workforce, but demographically, the numbers for this younger group are flat to declining.

A favorable outlook for munis Against this backdrop, prospects for the municipal bond market remain positive. The tax increases on high income earners voted into law last summer are retroactive to January 1, 1993. When these new taxes are added to state and local taxes, higher-income investors in some states have a combined tax rate of nearly 50%. As investors pursue the few remaining avenues of tax relief, tax-free bonds currently present attractive value relative to taxable bonds.

A changing supply/demand balance Over the past couple of years, the supply of municipal bonds has been relatively plentiful. This is because, as interest rates declined, municipalities refinanced most of their debt (in the same way many home owners refinanced their mortgages at lower interest rates). Well over 50% of new municipal bonds issued in the past couple of years have been for the purposes of refunding old bonds, rather than for new projects. Going into 1994, we expect that the bulk of new municipal issuance will be for new projects, but this means that relatively few municipal bonds will come to market. The total market value of new issues could be as little as \$150 billion--25%-50% lower than new issuance in 1993. If this occurs, it will create a large imbalance between supply and demand; and if demand for municipal bonds rises, the prices of existing bonds will also increase. Both events, if they transpire, could have a positive effect on your fund's total return, although, of course there can be no assurance of this.

Looking to the new year Going into 1994, we believe the economic climate will be largely unchanged. We feel the economic recovery will continue to be slow but steady; and while interest rates and inflation may edge up somewhat, we do not anticipate any steep upward climb. These conditions create a positive environment for tax-free investing, and with our extensive research capabilities, we should be able to keep your fund's portfolio well supplied with securities that offer both genuine value and attractive yields.

Putnam
Managed
Municipal
Income
Trust

Report of Independent Accountants

To the Trustees and Shareholders of
Putnam Managed Municipal Income Trust

We have audited the accompanying statement of assets and liabilities of Putnam Managed Municipal Income Trust ("The Fund"), including the portfolio of investments owned, as of October 31, 1993, the related statement of operations for the year then ended, the statement of changes in net assets for each of the two years in the period then ended and the "Financial Highlights" for each of the four years in the period then ended, and for the period February 24, 1989 (commencement of operations) to October 31, 1989. These financial statements and "Financial Highlights" are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and "Financial Highlights" based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to

obtain reasonable assurance about whether the financial statements and "Financial Highlights" are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 1993 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and "Financial Highlights" referred to above present fairly, in all material respects, the financial position of Putnam Managed Municipal Income Trust as of October 31, 1993, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the "Financial Highlights" for each of the four years in the period then ended and for the period February 24, 1989 (commencement of operations) to October 31, 1989, in conformity with generally accepted accounting principles.

Coopers & Lybrand

Boston, Massachusetts
December 14, 1993

Portfolio of
investments owned
October 31, 1993

Municipal Bonds and Notes (100.4%) (a)

<TABLE>			
<CAPTION>			
Principal Amount		Ratings (b)	Value
<C>	<C>	<C>	<C>
Alabama (1.0%)			
\$ 1,825,000	Columbia, Indl. Dev. Board Poll. Control Rev. Bonds (AL Pwr. Co.--Farley Plant), Ser. B, 10-7/8s, 11/1/14	A	\$ 1,993,812
4,450,000	Cullman, Med. Park South Med. Clinic Board Rev. Bonds 6-1/2s, 2/15/13	Baa	4,572,375
			6,566,187
Arizona (1.1%)			
3,000,000	AZ Hlth. Fac. Auth. Hosp. Syst. Rev. Bonds (St. Luke's Hosp. Syst.), Ser. A, 10-1/8s, 11/1/15	Ba	3,247,500
1,880,000	Flagstaff, Street & Highway User Rev. Bonds Municipal Bond Insurance Assn. (MBIA), 4-3/4s, 7/1/07	AAA	1,835,350
2,000,000	Gila Cnty., Indl. Dev. Auth. Poll. Control Rev. Bonds Ser. 85, 8.9s, 7/1/06	Baa	2,317,500
			7,400,350
California (17.4%)			
6,800,000	CA Statewide Cmnty. Dev. Auth. Certif. of Participation (Sutter Hlth. Obligation Group), MBIA, 5-1/2s, 8/15/23	Aaa	6,825,500
6,000,000	Central Valey, Fin. Auth. Rev. Bonds (Cogeneration Project), 6.1s, 7/1/13	BBB	6,120,000
2,775,000	Corona, Certif. of Participation (Vista Hosp. Syst.), Ser. B, 9-1/2s, 7/1/20	BB/P	3,087,187
2,760,000	Glendale, Hosp. Rev. Bonds (Verdugo Hills Hosp.), Ser. A, 10-1/8s, 1/1/15	A	2,991,150
4,900,000	Irvine Ranch, Wtr. Dist. Certif. of Participation Variable Rate Demand Note (VRDN) 2.45s, 8/1/16	VMIG1	4,900,000

\$ 3,500,000	Irvine, Apt. Dev. VRDN 2.55s, 4/1/22	VMIG1	\$ 3,500,000
5,000,000	Los Angeles Cnty., Metro. Trans. Auth. Sales Tax Rev. Bonds Ser. A, Federal Guaranty Insurance Corporation (FGIC), 5s, 7/1/21	Aaa	4,750,000
7,500,000	Los Angeles, Waste Wtr. Syst. Residual Interest Bonds (RIBS) Ser. 91-5, American Municipal Bond Assurance Corp. (AMBAC), 11.001s, 6/1/21 (acquired 12/17/91, cost \$7,837,500) (c)	Aaa	9,815,625
18,000,000	Metro. Wtr. Dist. Southern CA Waterworks RIBS 10.393s, 7/1/18 (acquired 8/5/91, cost \$17,640,000) (c)	Aa	23,692,500
7,440,000	Redding, Joint Pwrs. Fin. Auth. Solidwaste & Corp. Yard Rev. Bonds Ser. A, 5s, 1/1/18 (d)	A	6,751,800
15,000,000	U. of CA Rev. Bonds (UCSD Med. Ctr. Satellite Med. Fac.), 7.9s, 12/1/19 (acquired 3/2/92, cost \$15,687,450) (c)	BBB	16,968,750
10,000,000	(Multi. Purpose Project), Ser. C, AMBAC, 5.2s, 9/1/10	Aaa	9,900,000
9,000,000	(Multi. Purpose Project), Ser. C, AMBAC, 5s, 9/1/23	Aaa	8,561,250
6,070,000	Washington TWP. Hosp. Dist. Rev. Bonds 5-1/4s, 7/1/23	A	5,774,088
			113,637,850
Colorado (3.2%)			
	Denver, City & Cnty. Arpt. Rev. Bonds		
8,050,000	Ser. D, 7-3/4s, 11/15/21	Baa	8,985,812
6,250,000	Ser. A, 7-1/4s, 11/15/25	Baa	6,859,375
\$ 5,000,000	Ser. C, 6-3/4s, 11/15/13	Baa	\$ 5,300,000
			21,145,187
Florida (6.9%)			
8,065,000	Dade Cnty., Hlth. Fac. Auth. Rev. Bonds (St. Francis Hosp.--Miami Beach), 5s, 7/1/16	Ba	8,065,000
2,000,000	Hillsborough Cnty., Aviation Auth. Special Fac. Rev. Bonds (USAir Project), 8.6s, 1/15/22	Ba	2,282,500
7,900,000	Lee Cnty., Board of Directors Hosp. RIBS (Lee Memorial Hosp.), MBIA, 9.524s, 3/26/20	Aaa	9,272,625
3,000,000	Miami, Hlth. Fac. Auth. Rev. Bonds (Cedars Med. Ctr.), Ser. A, 8.3s, 10/1/07	AAA/P	3,536,250
3,000,000	Palm Beach Cnty., Hlth. Fac. Auth. Rev. Bonds (JFK Med. Ctr. Inc. Project), 8-7/8s, 12/1/18	BBB	3,595,763
16,350,000	Tampa, Cap. Impt. Program Rev. Bonds Ser. B, 8-3/8s, 10/1/18	BBB	18,107,625
			44,859,763
Georgia (6.0%)			
13,450,000	Burke Cnty., Dev. Auth. Poll. Control Rev. Bonds (GA Pwr. Co.--Vogtle Project), Ser. 84, Bond Investors Guaranty Insurance, 12s, 10/1/14	Aaa	14,795,000
5,125,000	(GA Pwr. Co.--Vogtle Project), Ser. 2, 11-5/8s,	A	5,567,030

1,650,000	9/1/14 (Oglethorpe Pwr. Co.--Vogtle Project), 10s, 1/1/10	A	1,683,000
\$12,400,000	(GA Pwr. Co.--Vogtle Project), Ser. 84, FGIC 113/4s, 11/1/14	Aaa	\$ 13,702,000
3,250,000	Gwinnett Cnty., Incl. Dev. Auth. Rev. Bonds (Kawneer Co. Inc. Project), Ser. 84, 9-1/2s, 6/1/15	BBB/P	3,603,438
			39,350,468
Illinois (3.0%)			
5,000,000	Chicago, O'Hare Intl. Arpt. Rev. Bonds Ser. B, 10-3/8s, 1/1/09	A	5,537,500
5,608,000	Chicago, O'Hare Intl. Arpt. Special Fac. Rev. Bonds (United Airlines Inc.), Ser. B, 8.95s, 5/1/18	Baa	6,519,300
3,375,000	(United Airlines Inc.), Ser. 84A, 8.85s, 5/1/18	Baa	3,944,530
1,925,000	(United Airlines Inc.), Ser. 84B, 8.85s, 5/1/18	Baa	2,249,844
2,500,000	IL Dev. Fin. Auth. Retirement Hsg. Rev. Bonds (Regency Park--Lincolnwood), Ser. A, 10-1/4s, 4/15/19	B/P	1,550,000
			19,801,174
Iowa (0.9%)			
	IA Fin. Auth. Hlth. Care Fac. Rev. Bonds		
3,000,000	(Mercy Hlth. Initiatives Project), 9.95s, 7/1/19	BB/P	3,183,750
2,350,000	(Mercy Hlth. Initiatives Project), 9.85s, 7/1/09	BB/P	2,491,000
			5,674,750
Kansas (1.5%)			
7,500,000	Burlington, Poll. Control RIBS Ser. 91-4, MBIA, 10.919s, 6/1/31 (acquired 12/17/91, cost \$7,800,000) (c)	Aaa	9,590,625
Kentucky (0.5%)			
\$3,290,000	Kenton Cnty., Arpt. Special Fac. Rev. Bonds (Delta Airlines Project), Ser. A, 6-1/8s, 2/1/22	Ba	\$ 3,150,175
Louisiana (4.5%)			
5,000,000	Hodge, Combined Util. Rev. Bonds (Stone Container Corp.), 9s, 3/1/10	B/P	4,981,250
6,000,000	Lake Charles, Harbor & Term. Dist. Port Fac. Rev. Bonds (Trunkline Co. Project), 7-3/4s, 8/15/22	Ba	6,937,500
4,000,000	Port of New Orleans, Incl. Dev. Rev. Bonds (Continental Grain Co. Project), Ser. A, 14-1/2s, 2/1/02	BB	4,855,000
3,500,000	(Continental Grain Co. Project), 14-1/2s, 1/1/02	BB	4,243,750
2,000,000	West Feliciana Parish, Poll. Control Rev. Bonds (Gulf States Util. Co. Project)	Baa	2,215,000
5,500,000	Ser. C, 12s, 5/1/14 West Feliciana Parish, Poll. Control Rev. Bonds (Gulf States Util. Co. Project)	Aa	6,084,375
	Ser. A, 10-5/8s, 5/1/14		29,316,875
Maine (0.5%)			
3,000,000	ME Fin. Auth. Solid Waste Recycling Fac. Rev. Bonds (Great Northern Paper Project), 7-3/4s, 10/1/22	Baa	3,393,750

Maryland (0.8%)				
4,000,000	MD State Hlth. & Higher Edl. Fac. Auth. Rev. Bonds (Doctors Cmnty. Hosp.), 8-3/4s, 7/1/12	BBB		5,105,000
Massachusetts (3.1%)				
\$7,000,000	MA State G.O. Bonds Ser. B, VRDN, 2.6s, 12/1/97	VMIG1	\$	7,000,000
5,000,000	MA State Indl. Fin. Agcy. Resource Recvy. Rev. Bonds (Southeastern MA Project), Ser. B, 9-1/4s, 7/1/15	B/P		5,725,000
2,000,000	MA State Indl. Fin. Agcy. Rev. Bonds (Pioneer Valley Living Ctr.), 10s, 10/1/20	B/P		1,982,500
2,000,000	(Orchard Cove Inc.), 9s, 5/1/22	BB/P		2,227,500
2,925,000	MA State Indl. Fin. Agcy. Tunnel Rev. Bonds (MA Tpk.), 9s, 10/1/20	Baa/P		3,096,844
				20,031,844
Michigan (5.9%)				
5,000,000	Detroit, Dev. Fin. Auth. Tax Increment Rev. Bonds ser. A, 9-1/2s, 5/1/21	BBB/P		6,256,250
1,500,000	Greater Detroit Resource Recvy. Auth. Rev. Bonds Ser. G, 9-1/4s, 12/13/08	BBB		1,648,125
4,780,000	Highland Park, Hosp. Fin. Auth. Fac. Rev. Bonds (MI Hlth. Care Corp. Project), Ser. A, 9-7/8s, 12/1/19	B		5,114,600
3,000,000	MI State Hosp. Fin. Auth. Rev. Bonds (Detroit--Macomb Hosp. Corp.) Ser. A, 7.4s, 6/1/13	B		3,011,250
4,800,000	Ser. A, 7.3s, 6/1/01	B		4,842,000
9,300,000	MI State Strategic Fund Rev. Bonds (Environmental Research Project), 8-1/8s, 10/1/14	A/P		10,648,500
4,000,000	Midland Cnty., Econ. Dev. Corp. Poll. Control Rev. Bonds Ser. B, 9-1/2s, 7/23/09	B/P		4,655,000
\$ 2,150,000	Wayne Charter Cnty., Special Arpt. Fac. Rev. Bonds (Republic Airlines Inc. Project), Ser. C, 10-3/8s, 12/1/15	B/P	\$	2,340,813
				38,516,538
Minnesota (0.4%)				
2,000,000	Chaska, Indl. Dev. Rev. Bonds (Lifecore Biomedical Inc. Project), 10-1/4s, 9/1/20	BB/P		2,382,500
Mississippi (1.2%)				
2,500,000	Claiborne Cnty., Poll. Control Rev. Bonds (Middle South Energy Inc.), Ser. C, 9-7/8s, 12/1/14	BBB/P		3,112,500
4,100,000	(Middle South Energy Inc.), Ser. A, 9-1/2s, 12/1/13	BBB/P		5,032,750
				8,145,250
Missouri (0.8%)				
4,000,000	Kansas City, Indl. Dev. Auth. Hlth. Fac. Rev. Bonds (Park Lane Med. Ctr. Project), 8-3/4s, 1/1/15	BBB/P		4,505,000
1,000,000	MO State Hlth. & Ed. Auth. VRDN 2.35s, 6/1/14	VMIG1		1,000,000
				5,505,000
Nebraska (2.0%)				
	NE Investment Fin. Auth. Single Fam. Mtge. RIBS			

1,800,000	Ser. B, Government National Mortgage Association (GNMA) Coll., 11.895s, 3/15/22	Aaa	2,164,500
10,150,000	Ser. 1, MBIA, 8-1/8s, 8/15/38	Aaa	10,809,750
			12,974,250
Nevada (1.5%)			
\$ 4,000,000	Clark Cnty., Indl. Dev. Rev. Bonds (NV Pwr. Co. Project), 7.8s, 6/1/20	Baa	\$ 4,540,000
4,850,000	(Southwest Gas Corp.), Ser. B, 7-1/2s, 9/1/32	Ba	5,389,562
			9,929,562
New Hampshire (0.9%)			
2,275,000	NH Higher Edl. & Hlth. Fac. Auth. Rev. Bonds (Alice Peck Day Memorial Hosp. Project), 9-3/8s, 11/1/20	BAA/P	2,465,531
2,800,000	NH State Indl. Dev. Auth. Poll. Control Rev. Bonds (United Illuminating Co.), Ser. B, 10-3/4s, 10/1/12	Baa	3,454,500
			5,920,031
New Jersey (3.4%)			
3,000,000	NJ Econ. Dev. Auth. Elec. Energy Fac. Rev. Bonds (Vineland Cogeneration L.P. Project), 7-7/8s, 6/1/19	BB/P	3,390,000
2,000,000	NJ Econ. Dev. Auth. Rev. Bonds (Tevco Inc. Project), 8-1/8s, 10/1/09	A/P	2,287,500
4,680,000	NJ Hlth. Care Fac. Fin. Auth. Rev. Bonds (Mountainside Hosp.), Ser. A, Federal Housing Administration Insd. 9s, 8/1/25	Aa	5,206,500
5,000,000	(St. Elizabeth Hosp.), Ser. B, 8-1/4s, 7/1/20	Baa	5,618,750
5,000,000	Union Cnty., Util. Auth. Solid Waste Rev. Bonds Ser. A, 7.2s, 6/15/14	A	5,512,500
			22,015,250
New York (7.0%)			
NY City, General Obligation Bonds			
\$ 7,000,000	Ser. F, 8-1/4s, 11/15/10	Baa	\$ 8,452,500
4,925,000	(Group C), Ser. D, 8s, 8/1/18	Aaa	6,187,031
12,000,000	Ser. B, 7-1/2s, 2/1/04	Baa	13,785,000
5,000,000	Ser. C, 7s, 2/1/12	Baa	5,350,000
6,000,000	Ser. D, 7s, 2/1/07	Baa	6,630,000
4,970,000	NY State Dorm. Auth. Rev. Bonds (City U.), Ser. E, 5.7s, 7/1/05	Baa	5,094,250
			45,498,781
North Dakota (0.5%)			
2,950,000	ND State Hsg. Fin. Agcy. Single Fam. Mtge. Rev. Bonds Ser. A, 8-3/8s, 7/1/21	Aa	3,167,563
Ohio (4.5%)			
1,950,000	Dayton, Special Fac. Rev. Bonds (Emery Air Freight Corp.), Ser. A, 12-1/2s, 10/1/09	B/P	2,340,000
965,000	Hamilton Cnty., Indl. Dev. Rev. Bonds (Provident Assn.), 9s, 12/1/08(e)	D/P	482,500
1,500,000	Hudson, Fac. Rev. Bonds (Laurel Lake Project), Ser. A, 10-3/4s, 2/1/18	B/P	1,545,000
20,000,000	OH State Air Quality Dev. Auth. Poll. Control Rev. Bonds (Cleveland Co. Project), FGIC, 8s, 12/1/13	Aaa	24,750,000
			29,117,500
Oklahoma (2.2%)			

3,000,000	Oklahoma Cnty., Inndl. Auth. Rev. Bonds (Epworth Villa Project), Ser. A, 10-1/4s, 4/1/19	BB/P	3,262,500
10,000,000	Tulsa, Muni. Arpt. Trust Rev. Bonds (AMR Corp.), 7.6s, 12/1/30	Baa	10,875,000
			14,137,500
Pennsylvania (3.4%)			
\$ 4,000,000	Allegheny Cnty., Inndl. Dev. Auth. Arpt. Special Facility Rev. Bonds (USAir Inc. Project), Ser. B, 8-1/2s, 3/1/21	Ba	\$ 4,505,000
4,000,000	Geisinger, Hlth. Syst. Rev. Bonds Ser. A, 5.45s, 7/1/22	Aa	4,325,000
6,000,000	PA State Higher Edl. Assistance Agcy. Student Loan RIBS Ser. B, MBIA, 12.079s, 3/1/20	Aaa	7,237,500
4,000,000	Philadelphia Wtr. & Swr. Rev. Bonds 5.2s, 6/15/05	Aaa	4,110,000
4,000,000	4.8s, 6/15/05	Aaa	1,725,000
			21,902,500
Puerto Rico (0.3%)			
1,900,000	Cmnlwth. of Puerto Rico, Hwy. & Trans. Auth. VRDN Ser. X, 2.2s, 7/1/99	VMIG1	1,900,000
South Carolina (0.8%)			
5,000,000	SC State Hsg. Fin. & Dev. Auth. Multi-Fam. Mtge. Rev. Bonds 8-1/2s, 10/1/21	BBB	5,450,000
Tennessee (1.5%)			
8,840,000	Metro. Nashville & Davidson Cntys., Hlth. & Edl. Fac. Rev. Bonds (Vanderbilt U.), Ser. A, 10-1/2s, 12/1/14	A	9,712,950
Texas (9.1%)			
3,225,000	Bexar Cnty., Hlth. Fac. Dev. Corp. Rev. Bonds (Heartway Corp.), Ser. A-1, 10-1/4s, 3/1/19	BB	3,220,968
7,250,000	Brazos River, Poll. Control Auth. Rev. Bonds (TX Utils. Elec. Co. Project), Ser. A, 7-7/8s, 3/1/21	Baa	8,301,250
\$ 5,840,000	Conroe, Independent School Dist. Rev. Bonds 4-3/4s, 2/1/08(d)	Aaa	\$ 5,642,900
	Dallas-Fort Worth, Intl. Arpt. Fac. Impt. Corp. Rev. Bonds		
3,000,000	(Delta Airlines, Inc.), 7.6s, 11/1/11	Ba	3,247,500
13,000,000	(American Airlines, Inc.), 7-1/2s, 11/1/25	Baa	14,023,750
1,154,831	Harris Cnty., Inndl. Dev. Corp. Arpt. Fac. Rev. Bonds (Continental Airlines Project), 7.95s, 7/1/19	B/P	1,163,492
	Houston, Hsg. Fin. Corp. Single Fam. Mtge. Rev. Bonds		
3,061,000	Ser. 84A, 10-7/8s, 2/15/16	Baa	3,175,788
2,430,000	(Lomas & Nettleton Administration Co.), Ser. B, 10-3/8s, 12/15/13	Baa	2,505,938
3,825,000	North Central TX Hlth. Fac. Dev. Corp. Rev. Bonds (U. Med. Ctr. Inc. Project), 7-3/4s, 4/1/17	BBB/P	4,044,938
	Southeast TX Hsg. Fin. Corp. Multi-Fam. Rev. Bonds		
3,000,000	(Bayou Park Village Apt. Project), Ser. B, 10.175s, 8/1/16	B/P	3,082,500
2,500,000	(Promenade Place Apts. Project), Ser. B, 9-1/2s,	B/P	2,543,750

5,000,000	8/1/16 (Pavilion Place Apts. Project), Ser. A, 7.6s, 7/1/16	BBB/P	5,243,750
\$ 3,000,000	Tarrant Cnty., Hlth. Fac. Dev. Corp. Hosp. Rev. Bonds (Cmnty. Hlth. Care Foundation Inc. Project), 10-1/8s, 4/1/21	B/P	\$ 3,288,750
			59,485,274
Virginia (1.8%)			
5,400,000	Fredericksburg, Indl. Dev. Auth. Hosp. Fac. RIBS FGIC, 10.239s, 8/15/23	Aaa	6,480,000
5,000,000	Winchester Indl. Dev. Auth. Hosp. VRDN AMBAC, 5.39s, 1/1/15	Aaa	5,187,500
			11,667,500
Washington (2.8%)			
5,005,000	WA State Hosp. Dist. Rev. Bonds 7-1/2s, 7/1/15	Aa	5,918,413
10,995,000	WA State Pub. Pwr. Supply Syst. Rev. Bonds (Nuclear Project No. 1), Ser. A, 7-1/2s, 7/1/15	Aa	12,671,738
			18,590,151
	Total Investments		\$655,042,098
	(cost \$600,642,528) (f)		

<FN>

(a) Percentages indicated are based on net assets of \$652,821,870. Net assets available to common shareholders are \$477,660,049, which corresponds to a net asset value per common share of \$10.88.

(b) The Moody's or Standard & Poor's ratings indicated are believed to be the most recent ratings available at October 31, 1993 for the securities listed. Ratings are generally ascribed to securities at the time of issuance. While the rating agencies may from time to time revise such ratings, they undertake no obligation to do so, and the ratings indicated do not necessarily represent ratings which the rating agencies would ascribe to these securities at October 31, 1993. Securities rated by Putnam are indicated by a "/P" and are not publicly rated. Ratings are not covered by the Report of Independent Accountants.

(c) Restricted, excluding 144A securities, as to public resale. At the date of acquisition, these securities were valued at cost. There were no outstanding unrestricted securities of the same class as that held. Total market value of restricted securities owned at October 31, 1993 was \$60,067,500 or 9.2% of net assets.

(d) These securities, valued at \$12,394,700 or 1.9% of the Fund's net assets, have been purchased on a "forward commitment" basis--that is, the Fund has agreed to take delivery of and make payment for these securities beyond the settlement time of five business days after the trade date and subsequent to the date of this report. The purchase price and interest rate of these securities are fixed at the trade date, although the Fund does not earn any interest on these securities until the settlement date.

(e) Non-income-producing security

(f) The aggregate identified cost for federal tax purposes is \$600,682,671, resulting in gross unrealized appreciation and depreciation of \$61,644,541 and \$7,285,114, respectively, or net unrealized appreciation of \$54,359,427. The rates shown on Variable Rate Demand Notes (VRDN) and Residual Interest Bonds (RIBS) are the current interest rates at October 31, 1993, which are subject to change based on the terms of the security.

</TABLE>

The Fund had the following industry group concentrations greater than 10% on October 31, 1993 (as a percentage of net assets):

Utilities	31.5%
Hospitals/Health Care	19.8
Transportation	14.5

The table below shows the percentage of the Fund's investments at October 31, 1993 assigned to the various rating categories by Moody's and Standard and Poor's and in unrated securities determined by Putnam Management to be of

comparable quality.

Rating	Rated securities as percentage of Fund's net assets	Unrated securities of comparable quality, as percentage of Fund's net assets
"AAA"/"Aaa"	25.0%	0.5%
"AA"/"Aa"	9.4	--
"A"/"A"	7.0	2.0
"BBB"/"Baa"	29.9	5.7
"BB"/"Ba"	7.5	3.1
"B"/"B"	2.0	5.4
"CCC"/"Caa"	--	--
"D"	--	0.1
"VMIG1"	2.8	--
	83.6%	16.8%

Statement of
assets and liabilities
October 31, 1993

	<C>	<C>	<C>
Assets	Investments in securities, at value (identified cost \$600,642,528) (Note 1)		\$655,042,098
	Cash		15,073
	Interest receivable		14,470,073
	Receivable for securities sold		15,519
	Unamortized organization expenses (Note 1)		2,705
	Total assets		669,545,468
Liabilities	Distributions payable to shareholders	\$ 2,788,795	
	Payable for securities purchased	12,662,400	
	Payable for compensation of Manager (Note 3)	1,141,210	
	Payable for administrative services (Note 3)	1,198	
	Payable for compensation of Trustees (Note 3)	141	
	Payable for investor servicing and custodian fees (Note 3)	73,833	
	Other accrued expenses	56,021	
	Total liabilities		16,723,598
	Net assets		\$652,821,870
Represented by	Series A, B, and C remarketed preferred shares, without par value; 8,000 shares authorized (1,750 shares issued at \$100,000 per share liquidation preference) (Note 2)		\$175,000,000
	Common shares, without par value; unlimited shares authorized; 43,918,097 shares outstanding		404,319,474
	Undistributed net investment income		15,145,211
	Accumulated net realized gain on investments		3,957,615
	Net unrealized appreciation of investments		54,399,570
	Net assets		\$652,821,870
Computation of net asset value	Remarketed preferred shares at liquidation preference		\$175,000,000
	Cumulative undeclared dividends on remarketed preferred shares		161,821
	Net assets allocated to remarketed preferred shares at liquidation preference		175,161,821
	Net assets available to common shares: Net asset value per share \$10.88 (\$477,660,049 divided by 43,918,097 shares)		477,660,049
	Net assets		\$652,821,870

Statement of
operations
Year ended October 31, 1993

<TABLE>

<CAPTION>

<S>	<C>	<C>
Tax exempt interest income		\$48,536,014
Expenses:		
Compensation of Manager (Note 3)	\$4,394,619	
Investor servicing and custodian fees (Note 3)	382,251	
Compensation of Trustees (Note 3)	20,644	
Auditing	52,473	
Reports to shareholders	15,987	
Legal	15,256	
Postage	122,954	
Administrative services (Note 3)	21,260	
Registration fees	682	
Exchange listing fees	38,084	
Amortization of organization expenses (Note 1)	8,999	
Preferred share remarketing agent fees	452,314	
Other	15,226	
Total expenses		5,540,749
Net investment income		42,995,265
Net realized gain on investments (Notes 1 and 4)		4,171,187
Net realized loss on futures contracts (Notes 1 and 4)		(80,733)
Net unrealized appreciation of investments during the year		40,690,659
Net gain on investments		44,781,113
Net increase in net assets resulting from operations		\$87,776,378

</TABLE>

Statement of
changes in net assets

<TABLE>

<CAPTION>

<S>	<C>	Year ended October 31	
		<C>	<C>
		1993	1992
Increase in net assets	Operations:		
	Net investment income	\$ 42,995,265	\$ 43,518,200
	Net realized gain on investments	4,171,187	3,985,728
	Net realized loss on futures contracts	(80,733)	--
	Net unrealized appreciation of investments	40,690,659	7,303,142
	Net increase in assets resulting from operations	87,776,378	54,807,070
	Distributions to remarketed preferred shareholders from net investment income	(4,480,767)	(5,886,047)
	Net increase in assets resulting from operations applicable to common shareholders (excluding cumulative undeclared dividends on remarketed preferred shares of \$161,821 and \$154,739, respectively)	83,295,611	48,921,023
	Distributions to common shareholders from net investment income	(33,293,276)	(32,911,962)
	Net realized gain on investments	(3,434,385)	--
	Increase from capital share transactions, common shares	5,405,135	4,347,253
	Offering costs on remarketed preferred shares	--	(3,000)
Net assets	Total increase in net assets	51,973,085	20,353,314
	Beginning of year	600,848,785	580,495,471
	End of year (including undistributed net investment income of \$15,145,211 and \$9,923,989, respectively)	\$652,821,870	\$600,848,785
Number of fund shares	Common shares outstanding at beginning of year	43,395,575	42,951,118
	Common shares issued in connection with reinvestment of distributions	522,522	444,457

Common shares outstanding at end of year

43,918,097

43,395,575

Remarketed preferred shares outstanding at end of year

1,750

1,750

</TABLE>

Financial Highlights*

(For a share outstanding throughout the period)

<TABLE>

<CAPTION>

	Year ended October 31				For the period February 24, 1989 (commencement of operations) to October 31 1989
	1993	1992	1991	1990	
<S>	<C>	<C>	<C>	<C>	<C>
Common Shares					
Net Asset Value, Beginning of Period	\$ 9.81	\$ 9.44	\$ 8.94	\$ 9.31	\$ 9.30
Investment Operations:					
Net Investment Income	.98	1.01	1.02	1.02	.54
Net Realized and Unrealized Gain (Loss) on Investments	1.04	.26	.44	(.35)	--**
Total from Investment Operations	2.02	1.27	1.46	.67	.54
Less Distributions from:					
Net Investment Income					
to Preferred Shareholders	(.11)	(.14)	(.20)	(.25)	(.02)
to Common Shareholders	(.76)	(.76)	(.76)	(.76)	(.47)
Net Realized Gain on Investments	(.08)	--	--	(.02)	--
to Common Shareholders					
Total Distributions	(.95)	(.90)	(.96)	(1.03)	(.49)
Change in Cumulative Undeclared Dividends on Remarketed Preferred Shares	--	--	--	--	(.01)
Initial Preferred Offering Expenses	--	--	--	(.01)	(.03)
Net Asset Value, End of Period	\$ 10.88	\$ 9.81	\$ 9.44	\$ 8.94	\$ 9.31
Market Value, End of Period (common shares)	\$ 11.38	\$ 9.88	\$ 10.00	\$ 8.88	\$ 9.50
Total Investment Return at Market Value (common shares) (%)	24.84	6.72	22.33	1.72	(.25) (a)
Net Assets, End of Period (Total Fund) (in thousands)	\$652,660	\$600,849	\$580,495	\$555,583	\$567,749
Ratio of Expenses to Average Net Assets (%) (b)	1.22	1.24	1.33	1.29	.91 (a)
Ratio of Net Investment Income to Average Net Assets (%) (b)	8.44	8.94	8.92	8.39	8.72 (a)
Portfolio Turnover Rate (%)	35.16	67.72	49.62	41.48	107.11 (c)

<FN>

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

**The amount shown in this caption, while mathematically determinable by the summation of amounts computed daily is also the balancing figure derived from the other figures in the statement and has been so computed.

(a) Annualized.

(b) Ratios reflect net assets available to common shares only; net investment income ratio also reflects reduction for dividend payments to preferred shareholders.

(c) Not annualized

</TABLE>

Notes to
financial statements
October 31, 1993Note 1
Significant
accounting
policies

The Fund is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The Fund's investment objective is to seek a high level of current income exempt from

federal income tax. The Fund intends to achieve its objective by investing in a diversified portfolio of tax-exempt municipal securities which Putnam believes does not involve undue risk to income or principal. Up to 50% of the Fund's assets may consist of high-yield tax-exempt municipal securities that are below investment grade and involve special risk considerations. The Fund also uses leverage by issuing preferred shares in an effort to increase the income to the common shares.

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 Tax-exempt bonds and notes are stated on the basis of valuations provided by a pricing service, approved by the Trustees, which uses information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining value. The fair value of restricted securities is determined by the Manager following procedures approved by the Trustees, and such valuations and procedures are reviewed periodically by Trustees.

B) Determination of net asset value Net asset value of the common shares is determined by dividing the value of all assets of the Fund (including accrued interest and dividends), less all liabilities (including accrued expenses), and the liquidation value of any outstanding remarketed preferred shares, by the total number of common shares outstanding.

C) Futures contracts A futures contract is an agreement between two parties to buy or sell a security at a set price on a future date. Upon entering into such a contract the Fund is required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as "variation margin," and are recorded by the Fund as unrealized gains or losses. 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. The potential risk to the Fund is that the change in value of the underlying securities may not correspond to the change in value of the futures contracts.

D) Security transactions and related investment income Security transactions are accounted for on the trade date (date the order to buy or sell is executed). Interest income is recorded on the accrual basis.

E) 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 taxes on income, capital gains or unrealized appreciation of securities held and excise tax on income and capital gains.

F) Distributions to shareholders Distributions to common and preferred shareholders are recorded by the Fund on the ex-dividend date. Dividends on each share of remarketed preferred shares will accumulate from its Date of Original Issue and will be payable, when, as and if declared by the Board of Trustees, on the applicable Dividend Payment Dates. The dividend period for Series A and B is a 28-day period, and the dividend period for Series C is a 7-day period. The applicable dividend rates for the remarketed preferred shares on October 31, 1993 were: Series A 2.363%; Series B 2.50%; Series C 2.375%.

G) Amortization of bond premium and discount Any premium resulting from the purchase of securities in excess of maturity value is amortized on a yield-to-maturity basis. Discount on zero-coupon bonds, original issued discount bonds and step-up bonds is accreted according to the effective yield method.

H) Unamortized organization expenses Expenses incurred by the Fund in connection with its organization aggregated \$44,495. These expenses are being amortized on a straight-line basis over a five-year period.

Note 2
Remarketed
Preferred Shares

On September 28, 1989 the Fund issued 550 shares Series A Remarketed

Preferred (RP), 550 shares Series B RP and 650 shares Series C RP (collectively, the "Original RP"). The Original RP Shares are redeemable at the option of the Fund on any dividend payment date at a redemption price of \$100,000 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. Undeclared dividends on preferred shares on October 31, 1993 amounted to \$161,821.

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, as amended. To the extent that the Fund earns taxable income and capital gains by the conclusion of a fiscal year, it will 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 yield equivalent to the applicable dividend rate for the period. For the year ended October 31, 1993, the Fund has earned no such taxable income or gains.

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 as of the last business day of each month in which any such shares are outstanding. Additionally, the Fund is required to meet more stringent asset coverage requirements under the terms of the remarketed preferred shares and 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 October 31, 1993, no such restrictions have been placed on the Fund.

Note 3
Management fee,
administrative
services, and
other transactions

Compensation of Putnam Investment Management (formerly known as "Putnam Management"), for management and investment advisory services, is paid quarterly based on the average net assets of the Fund, including proceeds from the remarketed preferred offering. Such fee is based on the annual rate of 0.70% of the first \$500 million, 0.60% of the next \$500 million, 0.55% of the next \$500 million and 0.50% of any amount over \$1.5 billion. Prior to September 9, 1993 the fee was based on the annual rate of 0.70% of the average weekly net assets.

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 net income attributable to the proceeds of the remarketed preferred shares during that period, then the fee payable to Putnam for that period will be reduced by the amount of the excess (but not more than .70% of the liquidation preference of the remarketed preferred shares outstanding during the period).

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 \$21,260 for these services.

Trustees of the Fund receive an annual Trustee's fee of \$1,370 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 for the Fund are provided by Putnam Fiduciary Trust Company (PFTC), a subsidiary of Putnam Investments, Inc. Investor servicing agent functions for the Fund's common shares 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 \$382,251.

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.

Note 4
Purchases
and sales of
securities

During the year ended October 31, 1993, purchases and sales of investment securities other than short-term investments aggregated \$221,098,521 and \$212,977,162, respectively. Purchases and sales of short-term obligations aggregated \$133,038,635 and \$135,892,560, respectively. In determining the net gain or loss on securities sold, the cost of securities has been determined on the identified cost basis. Transactions in U.S. Treasury Bond futures contracts during the period are summarized as follows.

<TABLE>
<CAPTION>

	Sales of Futures Contracts	
	Number of Contracts	Aggregate Face Value
<S>	<C>	<C>
Contracts opened	300	\$ 33,359,539
Contracts closed	(300)	(33,359,539)
Open at end of year	--	\$ --

Fund
performance
supplement

Putnam Managed Municipal Income Trust is a portfolio managed for high current income exempt from federal income tax through a diversified portfolio of tax-exempt municipal securities. The fund invests in lower-rated, high-yielding securities, which pose a greater risk to principal than higher-rated securities. High-yield securities are rated lower than investment-grade securities because there is a greater possibility that negative changes in the issuer's financial condition, or in general economic conditions, may hinder the issuer's ability to pay principal and interest on securities.

Fund performance data do not take into account any adjustment made for taxes payable on reinvested distributions.

The Lehman Brothers Municipal Bond Index is an unmanaged list of approximately 8,000 investment-grade, fixed rate, long-term maturity tax-exempt bonds, which are selected to be representative of the market in terms of price movement and sector distribution. The average quality of bonds held in the index may differ from the average quality of those bonds in which the fund invests. The index does not include bonds in certain of the lower rating classifications in which the fund may invest. The index does not take into account brokerage commissions or other costs and may pose different risks from the fund. Total return performance for the index reflects mathematically derived changes of market price and reinvestment of interest payments, as computed by Lehman Brothers. The fund's portfolio contains securities that do not match those in the index.

The Consumer Price Index is a commonly used measure of inflation; it does not represent an investment return.

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

The Fund has designated all net investment income dividends paid during the fiscal year as exempt-interest dividends. The Fund has also distributed \$0.0560 and \$0.0230 per share as short term and long term capital gains, respectively.

The Form 1099 you will receive in January 1994 will show the tax status of any taxable distributions paid to your account in calendar 1993, if any. The income distributions from each state will also be reported to you at this time.

Selected
Quarterly
Data
(Unaudited)

<TABLE>
<CAPTION>

	Three months ended			
	October 31 1993	July 31 1993	April 30 1993	January 31 1993
<S>	<C>	<C>	<C>	<C>
Total investment income				
Total	\$ 12,131,634	\$ 12,114,324	\$ 12,113,227	\$ 12,176,829
Per share	\$.28	\$.28	\$.28	\$.27
Net investment income available to common shareholders				
Total	\$ 9,644,213	\$ 9,601,179	\$ 9,772,176	\$ 9,496,930
Per Share	\$.21	\$.22	\$.23	\$.21
Net realized and unrealized gain (loss) on investments				
Total	\$ 12,792,002	\$ 8,635,842	\$ 7,911,957	\$ 15,441,312
Per Share	\$.30	\$.20	\$.18	\$.36
Net increase (decrease) in net assets available to common shareholders resulting from operations				
Total	\$ 22,436,215	\$ 18,237,021	\$ 17,684,133	\$ 24,938,242
Per Share	\$.51	\$.42	\$.41	\$.57
Net assets available to common shareholders at the end of the period				
Total	\$477,660,049	\$462,370,289	\$451,177,789	\$440,618,960
Per Share	\$ 10.88	\$ 10.56	\$ 10.33	\$ 10.11

<TABLE>
<CAPTION>

	Three months ended			
	October 31 1992	July 31 1992	April 30 1992	January 31 1992
<S>	<C>	<C>	<C>	<C>
Total investment income				
Total	\$ 12,077,608	\$ 12,062,083	\$ 12,190,166	\$ 12,398,032
Per share	\$.28	\$.28	\$.29	\$.28
Net investment income available to common shareholders				
Total	\$ 9,622,505	\$ 9,279,368	\$ 9,552,718	\$ 9,177,562
Per Share	\$.22	\$.22	\$.22	\$.21
Net realized and unrealized gain (loss) on investments				
Total	\$(22,383,227)	\$ 26,611,672	\$(1,170,558)	\$ 5,230,983
Per Share	\$(.52)	\$.68	\$(.02)	\$.12
Net increase (decrease) in net assets available to common shareholders resulting from operations				
Total	\$(12,760,722)	\$ 38,891,040	\$ 8,382,160	\$ 14,408,545
Per Share	\$(.30)	\$.90	\$.20	\$.33
Net assets available to common shareholders at the end of the period				
Total	\$425,694,046	\$445,652,126	\$413,804,418	\$412,632,107
Per Share	\$ 9.81	\$ 10.30	\$ 9.59	\$ 9.58

</TABLE>

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
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Hans H. Estlin
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
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Robert E. Patterson
Executive Vice President,
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Research, Inc.

A.J.C. Smith
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and Chief Executive Officer,
Marsh & McLennan
Companies, Inc.

W. Nicholas Thorndike
Director of various
corporations

Putnam
Managed
Municipal
Income
Trust

Fund information

Investment manager
Putnam Investment
Management
One Post Office Square
Boston, MA 02109

Marketing services
Putnam Mutual Funds
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
Coopers & Lybrand

[DALBAR LOGO]

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
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MMM-9684

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Beverly Marcus
Vice President
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Elizabeth T. Kennan, Lawrence J. Lasser,
Robert E. Patterson, Donald S. Perkins,
George Putnam, III, A.J.C. Smith,
W. Nicholas Thorndike

This report is for the information of shareholders of Putnam Managed
Municipal Income 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.

Call 1-800-634-1587 weekdays from 9 a.m. to 5 p.m. Eastern time for up-to-date information about the fund's NAV or to request Putnam's quarterly Closed-End Fund Commentary

PUTNAM INVESTMENTS
The Putnam Funds
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Boston, Massachusetts 02109

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