

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

PUTNAM TAX FREE INCOME TRUST /MA/

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PUTNAM TAX-FREE HIGH YIELD FUND

Prospectus Supplement dated January 10, 1994 to
Prospectus dated December 1, 1993

On January 7, 1994, the Trustees approved a proposal to increase the fees payable to Putnam Management under the Fund's Management Contract. The proposed increase is subject to shareholder approval and will be submitted to shareholders at a meeting scheduled for May 5, 1994. If approved at that meeting, management fees would thereafter be paid at the annual rate of 0.65% of the first \$500 million of average net assets, 0.55% of the next \$500 million, 0.50% of the next \$500 million and 0.45% of any amount over \$1.5 billion. If the proposed increase is not approved by shareholders, this supplement will be revised.

As a result of the proposed change, the table and Examples on page 3 of the Prospectus, as well as the paragraph following the Example, are replaced by the following:

SHAREHOLDER TRANSACTION EXPENSES

CLASS A SHARES	CLASS B SHARES
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SHAREHOLDER TRANSACTION EXPENSES

Maximum Sales Charge Imposed on Purchases (as a percentage of offering price)	4.75%	NONE*
Deferred Sales Charge (as a percentage of the lower of original purchase price or redemption proceeds)	5.0% in the first year, NONE**	declining to 1.0% in the sixth year and eliminated thereafter

ANNUAL FUND OPERATING EXPENSES
(as a percentage of average net assets)

Management Fees	0.58%	0.58%
12b-1 Fees	0.20%	0.85%
Other Expenses	0.14%	0.14%
Total Fund Operating Expenses	0.92%	1.57%

EXAMPLES

Your investment of \$1,000 would incur the following expenses, assuming 5% annual return and redemption at the end of each period:

	1 year	3 years	5 years	10 years
CLASS A	\$56	\$75	\$96	\$155
CLASS B	\$66	\$80	\$106	\$169***

Your investment of \$1,000 would incur the following expenses, assuming 5% annual return but no redemption:

	1 year	3 years	5 years	10 years
CLASS A	\$56	\$75	\$96	\$155
CLASS B	\$16	\$50	\$86	\$169***

The table is provided to help you understand the expenses of investing in the Fund and your share of the operating expenses which the Fund incurs. The annual management fees shown in the table have been restated to reflect a proposed increase in the management fees payable to Putnam Management. The 12b-1 fees for Class B shares have been restated to reflect the amount to which the Trustees currently limit payments under the Class B Distribution Plan. Actual management fees, 12b-1 fees and total Fund operating expenses for Class B shares for the Fund's last fiscal year were 0.49%, 0.75 and 1.38%, respectively. For Class A shares, management fees and "Other expenses" are based on the operating expenses for the fund's Class B shares, and 12b-1 fees reflect the amount to which the Trustees currently limit payments under the Class A Distribution Plan. The Examples do not represent past or future expense levels. Actual Fund expenses may be greater or less than those shown. Federal regulations require the Examples to assume a 5% annual return, but actual annual return has varied.