

PUTNAM MASTER INTERMEDIATE INCOME TRUST
Form PRE 14A
April 11, 2006

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant / X /

Filed by a party other than the Registrant / /

Check the appropriate box:

/ X / Preliminary Proxy Statement

/ / Confidential, for Use of the Commission Only (as permitted by Rule
14a-6(e) (2))

/ / Definitive Proxy Statement

/ / Definitive Additional Materials

/ / Soliciting Material Pursuant to Sec. 240.14a-11(c) or Sec. 240.14a-12

**PUTNAM HIGH INCOME SECURITIES FUND
PUTNAM INVESTMENT GRADE MUNICIPAL TRUST
PUTNAM MANAGED MUNICIPAL INCOME TRUST
PUTNAM MASTER INTERMEDIATE INCOME TRUST
PUTNAM PREMIER INCOME TRUST**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement,
if other than Registrant)

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Payment of Filing Fee (Check the appropriate box):

/ X / No fee required

/ / Fee computed on table below per Exchange Act Rule 14a 6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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The proxy statement

PUTNAM HIGH INCOME SECURITIES FUND
PUTNAM INVESTMENT GRADE MUNICIPAL TRUST
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PUTNAM PREMIER INCOME TRUST

This proxy statement can help you decide how you want to vote on important issues relating to your Putnam fund. When you complete and sign your proxy ballot, the Trustees of the funds will vote on your behalf exactly as you have indicated. If you simply sign the proxy ballot, it will be voted in accordance with the Trustees' recommendations on pages __ and __ of the proxy statement.

Please take a few moments and decide how you want to vote. When shareholders don't return their proxies in sufficient numbers, follow-up solicitations are required, which cost your fund money.

You can vote by returning your proxy ballots in the envelope provided. Or you can call our toll-free number, or go to the Internet. See your proxy ballot for the phone number and Internet address. If you have proxy related questions, please call 1-800-225-1581 or contact your financial advisor.

[PUTNAM INVESTMENTS LOGO]

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PROXY CARD[S] ENCLOSED

If you have any questions, please contact us at 1-800-225-1581 or call your financial advisor.

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A Message from the Chairman

Dear Fellow Shareholder:

[photo of John A. Hill]

I am writing to ask for your vote on important matters affecting your investment in the Putnam funds. While you are, of course, welcome to join us at your fund's meeting, most shareholders cast their vote by filling out and signing the enclosed proxy card(s), by calling or by voting via the Internet. We are asking for your vote on the following matters:

Fixing the number of Trustees at 12 and electing your fund's nominees for Trustees

Although Trustees do not manage fund portfolios, they play an important role in protecting fund shareholders, and are responsible for approving the fees paid to the fund's investment adviser and its affiliates, reviewing overall fund expenses, selecting the fund's auditors, monitoring conflicts of interest, overseeing the fund's compliance with federal securities laws and voting proxies for the fund's portfolio securities.

Consistent with the Investment Company Act of 1940 and SEC rules, more than three-quarters of your fund's Trustees currently are independent of the fund and Putnam Investments. Your fund's Trustees have also in the past three years been at the forefront of reform efforts affecting the mutual fund industry, including ending the practice

of directing fund brokerage commissions to brokers in connection with sales of fund shares, instituting measures to discourage excessive short-term trading in open-end funds and other initiatives to reduce shareholder expenses and improve fund disclosures.

Converting your fund to an open-end investment company

(Putnam Investment Grade Municipal Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust only)

Your fund's governing documents require the fund to submit for shareholder vote a proposal to convert the fund to an open-end investment company if the fund's shares trade at a discount from net asset value over a specified time period. The Trustees recommend that shareholders vote against converting your fund. As discussed in this Proxy Statement, the Trustees believe that your fund's status as a closed-end fund offers potential investment benefits, including the ability to remain more fully invested in longer-term, higher-yielding securities. The Trustees do not believe that recent discount levels are currently a sufficient justification for abandoning the advantages of the closed-end structure through conversion to open-end status. Retaining the closed-end status would furthermore allow shareholders to continue to benefit from recent measures to improve shareholder value, such as the authorization of a share repurchase program.

Approving or disapproving the elimination of your fund's fundamental investment restriction concerning investments in restricted securities *(Putnam High Income Securities Fund only)*

Your fund's Trustees are recommending that shareholders approve the elimination of your fund's fundamental investment restriction regarding restricted securities. This restriction, which is not required, limits your fund's ability to invest in certain categories of securities that can be sold only to eligible purchasers. The Trustees believe that eliminating the restriction would benefit your fund by increasing the flexibility available to the fund's portfolio managers in pursuing the fund's investment objectives.

Shareholder proposal regarding cumulative voting for the election of Trustees *(Putnam High Income Securities Fund only)*

A shareholder of your fund has submitted a shareholder proposal that would authorize the Trustees to amend your Fund's governing documents to permit cumulative voting for the election of Trustees, which would give each holder

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a number of votes per share equal to the number of Trustees to be elected and allow the holder to concentrate those votes on one or more nominees. The Trustees recommend that shareholders vote against this proposal. As discussed in this Proxy Statement, the Trustees believe that the present system of voting weights each shareholder's votes equally with respect to each nominee and provides the best assurance that no Trustee will owe allegiance to any particular group of minority shareholders. Furthermore, the Trustees believe that the adoption of a cumulative voting mechanism that allowed minority shareholders to elect one or more Trustees could result in the loss or compromise of at least some of the efficiencies under the board structure that your Board currently shares with the other Putnam Funds.

Shareholder proposal to reduce the Board of Trustees by one-third *(Putnam Premier Income Trust only)*

A shareholder of your fund has submitted a shareholder proposal that would reduce the size of your fund's board by one-third, from twelve Trustees to eight. The Trustees recommend that shareholders vote against the proposal. As discussed in this Proxy Statement, the Trustees believe that reducing the size of your Fund's board could result in the loss or compromise of at least some of the efficiencies under the current board structure, which is common to all Putnam Funds. Furthermore, the Trustees believe that the cost savings in reducing the number of Trustees would likely be offset in whole or in part by increased administrative and legal costs associated with having to restructure the Trustees' meeting process.

I'm sure that you, like most people, lead a busy life and are tempted to put this proxy aside for another day. Please don't. When shareholders do not vote their proxies, their fund may have to incur the expense of follow-up solicitations. All shareholders benefit from the speedy return of proxies.

Your vote is important to us. We appreciate the time and consideration I am sure you will give these important matters. If you have questions about any of these proposals, please call a Putnam customer services representative at 1-800-225-1581 or contact your financial advisor.

Sincerely yours,

/s/ John A. Hill

John A. Hill, Chairman

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**PUTNAM HIGH INCOME SECURITIES FUND
PUTNAM INVESTMENT GRADE MUNICIPAL TRUST
PUTNAM MANAGED MUNICIPAL INCOME TRUST
PUTNAM MASTER INTERMEDIATE INCOME TRUST
PUTNAM PREMIER INCOME TRUST**

Notice of Annual Meeting of Shareholders

This is the formal agenda for your fund's shareholder meeting. It tells you what proposals will be voted on and the time and place of the meeting, in the event you attend in person.

To the Shareholders of Putnam High Income Securities Fund, Putnam Investment Grade Municipal Trust, Putnam Managed Municipal Income Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust:

The Annual Meeting of Shareholders of your fund will be held on June 29, 2006 at 11:00 a.m., Boston time, at the principal offices of the fund on the 8th floor of One Post Office Square, Boston, Massachusetts 02109, to consider the following:

- 1. Fixing the number of Trustees at 12 and electing your fund's nominees for Trustees. See page[__].**
- 2. A proposal to convert your fund into an open-end investment company. (Putnam Investment Grade Municipal Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust only). See page __.**
- 3. Approval or disapproval of the elimination of your fund's fundamental investment restriction concerning investments in restricted securities. (Putnam High Income Securities Fund only). See page __.**
- 4. Shareholder proposal regarding cumulative voting for the election of Trustees. (Putnam High Income Securities Fund only). See page __.**
- 5. Shareholder proposal to reduce the Board of Trustees by one-third. (Putnam Premier Income Trust only). See page __.**

By Judith Cohen, Clerk, on behalf of the Trustees
John A. Hill, Chairman
Jameson A. Baxter, Vice Chairman
George Putnam, III, President

Charles B. Curtis
Myra R. Drucker
Charles E. Haldeman, Jr.
Paul L. Joskow
Elizabeth T. Kennan
John H. Mullin, III
Robert E. Patterson
W. Thomas Stephens
Richard B. Worley

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We urge you to mark, sign, date, and mail the enclosed proxy in the postage-paid envelope provided or record your voting instructions by telephone or via the Internet so that you will be represented at the meeting.

May __, 2006

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Proxy Statement

This document will give you the information you need to vote on the proposals. Much of the information is required under rules of the Securities and Exchange Commission ("SEC"); some of it is technical. If there is anything you don't understand, please contact us at our toll-free number, 1-800-225-1581, or call your financial advisor.

Who is asking for your vote?

The enclosed proxy is solicited by the Trustees of Putnam High Income Securities Fund, Putnam Investment Grade Municipal Trust, Putnam Managed Municipal Income Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust for use at the Annual Meeting of Shareholders of each fund to be held on June 29, 2006, and, if your fund's meeting is adjourned, at any later meetings, for the purposes stated in the Notice of Annual Meeting (see pages __). The Notice of Annual Meeting, the proxy and the Proxy Statement are being mailed on or about May __, 2006.

How do your fund's Trustees recommend that shareholders vote on these proposals?

The Trustees recommend that you vote

- 1. FOR fixing the number of Trustees as proposed by the Board Policy and Nominating Committee and electing your fund's nominees for Trustees;**
- 2. AGAINST converting your fund to an open-end investment company and authorizing certain related amendments to your fund's Agreement and Declaration of Trust (Putnam Investment Grade Municipal Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust only);**
- 3. FOR approving of the elimination of the fund's fundamental investment restriction concerning investments in restricted securities (Putnam High Income Securities Fund only);**
- 4. AGAINST the shareholder proposal regarding cumulative voting for the election of Trustees (Putnam High Income Securities Fund only); and**

5. AGAINST the shareholder proposal to reduce the number of Trustees by one-third (Putnam Premier Income Trust only).

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Who is eligible to vote?

Shareholders of record at the close of business on April 3, 2006 are entitled to be present and to vote at the meeting or any adjourned meeting.

Each share is entitled to one vote. Unless otherwise noted, the holders of your fund's preferred shares and holders of your fund's common shares will vote as separate classes. Shares represented by your duly executed proxy will be voted in accordance with your instructions. If you sign the proxy card, but don't fill in a vote, your shares will be voted in accordance with the Trustees' recommendations. If any other business is brought before your fund's meeting, your shares will be voted at the discretion of the persons designated on the proxy card.

Shareholders of each fund vote separately with respect to each proposal. The outcome of a vote affecting one fund does not affect any other fund.

The Proposals

I. ELECTION OF TRUSTEES

Who are the nominees for Trustees?

The Board Policy and Nominating Committee of the Trustees of each fund makes recommendations concerning the nominees for Trustees of that fund. The Board Policy and Nominating Committee consists solely of Trustees who are not "interested persons" (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of your fund or of Putnam Investment Management, LLC, your fund's investment manager ("Putnam Management"). Those Trustees who are not "interested persons" of your fund or Putnam Management are referred to as "Independent Trustees" throughout this Proxy Statement.

The Board Policy and Nominating Committee of the Trustees of each fund recommends that the number of Trustees be fixed at 12 and that you vote for the election of the nominees described in the following pages. Each nominee is currently a Trustee of your fund and of the other Putnam funds.

For Putnam Investment Grade Municipal Trust and Putnam Managed Municipal Income Trust only: Pursuant to the bylaws of your fund and the 1940 Act, holders of the preferred shares of your fund, voting as a class, are entitled to elect two nominees for Trustees. The holders of the preferred shares and the common shares of your fund, voting together as a single class, are entitled to vote for the remaining 10 of the 12 nominees. Therefore, Messrs. Hill and Patterson have been nominated as Trustees to be elected by the holders of the preferred shares, while the other 10 Trustees have been nominated to be elected by the holders of the preferred shares and common shares voting together as a single class.

The nominees for Trustees and their backgrounds are shown in the following pages. This information includes each nominee's name, year of birth, principal occupation(s) during the past 5 years, and other information about the nominee's professional background, including other directorships the nominee holds. Each Trustee oversees all of the Putnam funds and serves until the election and qualification of his or her successor, or until he or she sooner dies, resigns or is removed. The address of all of the Trustees is One Post Office Square, Boston, Massachusetts 02109. At December 31, 2005, there were 108 Putnam funds.

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[Photo]

Jameson A. Baxter (Born 1943), Trustee since 1994 and Vice Chairman since 2005

Ms. Baxter is the President of Baxter Associates, Inc., a private investment firm that she founded in 1986.

Ms. Baxter serves as a Director of ASHTA Chemicals, Inc., Banta Corporation (a printing and digital imaging firm), Ryerson Tull, Inc. (a steel service corporation), the Mutual Fund Directors Forum, Advocate Health Care and BoardSource, formerly the National Center for Nonprofit Boards. She is Chairman Emeritus of the Board of Trustees, Mount Holyoke College, having served as Chairman for five years and as a board member for thirteen years. Until 2002, Ms. Baxter was a Director of Intermatic Corporation (a manufacturer of energy control products).

Ms. Baxter has held various positions in investment banking and corporate finance, including Vice President and Principal of the Regency Group, and Vice President of and Consultant to First Boston Corporation. She is a graduate of Mount Holyoke College.

[Photo]

Charles B. Curtis (Born 1940), Trustee since 2001

Mr. Curtis is President and Chief Operating Officer of the Nuclear Threat Initiative (a private foundation dealing with national security issues) and serves as Senior Advisor to the United Nations Foundation.

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Mr. Curtis is a member of the Council on Foreign Relations and the Trustee Advisory Council of the Applied Physics Laboratory, Johns Hopkins University. Until 2003, Mr. Curtis was a member of the Electric Power Research Institute Advisory Council and the University of Chicago Board of Governors for Argonne National Laboratory. Prior to 2002, Mr. Curtis was a Member of the Board of Directors of the Gas Technology Institute and the Board of Directors of the Environment and Natural Resources Program Steering Committee, John F. Kennedy School of Government, Harvard University. Until 2001, Mr. Curtis was a member of the Department of Defense Policy Board and Director of EG&G Technical Services, Inc. (a fossil energy research and development support company).

From August 1997 to December 1999, Mr. Curtis was a Partner at Hogan & Hartson L.L.P., a Washington, D.C. law firm. Prior to May 1997, Mr. Curtis was Deputy Secretary and Under Secretary of the U.S. Department of Energy. He served as Chairman of the Federal Energy Regulatory Commission from 1977 to 1981 and has held positions on the staff of the U.S. House of Representatives, the U.S. Treasury Department, and the SEC.

[Photo]

Myra R. Drucker (Born 1948),
Trustee since 2004

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Ms. Drucker is a Vice Chair of the Board of Trustees of Sarah Lawrence College, Vice Chair of the Board of Trustees of Commonfund (a not-for-profit firm specializing in asset management for educational endowments and foundations) and a member of the Investment Committee of the Kresge Foundation (a charitable trust).

Ms. Drucker is an ex-officio member of the New York Stock Exchange (NYSE) Pension Managers Advisory Committee, having served as Chair for seven years and a member of the Executive Committee of the Committee on Investment of Employee Benefit Assets. She is Chair of the Advisory Board of Hamilton Lane Advisors (an investment management firm) and a member of the Advisory Board of RCM (an investment management firm). Until August 31, 2004, Ms. Drucker was Managing Director and a member of the Board of Directors of General Motors Asset Management and Chief Investment Officer of General Motors Trust Bank. Ms. Drucker also served as a member of the NYSE Corporate Accountability and Listing Standards Committee and the NYSE/NASD IPO Advisory Committee.

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Prior to joining General Motors Asset Management in 2001, Ms. Drucker held various executive positions in the investment management industry. Ms. Drucker served as Chief Investment Officer of Xerox Corporation (a technology and service company in the document industry), where she was responsible for the investment of the company's pension assets. Ms. Drucker was also Staff Vice President and Director of Trust Investments for International Paper (a paper, paper distribution, packaging and forest products company) and previously served as Manager of Trust Investments for Xerox Corporation. Ms. Drucker received a B.A. degree in Literature and Psychology from Sarah Lawrence College and pursued graduate studies in economics, statistics and portfolio theory at Temple University.

[Photo]

John A. Hill (Born 1942),
Trustee since 1985 and Chairman since 2000

Mr. Hill is Vice Chairman of First Reserve Corporation, a private equity buyout firm that specializes in energy investments in the diversified worldwide energy industry.

Mr. Hill is a Director of Devon Energy Corporation, TransMontaigne Oil Company and various private companies controlled by First Reserve Corporation, as well as Chairman of TH Lee, Putnam Investment Trust (a closed-end investment company advised by an affiliate of Putnam Management). He is also a Trustee of Sarah Lawrence College. Until 2005, he was a Director of Continuum Health Partners of New York.

Prior to acquiring First Reserve Corporation in 1983, Mr. Hill held executive positions in investment banking and investment management with several firms and with the federal government, including Deputy Associate Director of the Office of Management and Budget, and Deputy Director of the Federal Energy Administration. He is active in various business associations, including the Economic Club of New York, and lectures on energy issues in the United States and Europe. Mr. Hill holds a B.A. degree in Economics from Southern Methodist University and pursued graduate studies there as a Woodrow Wilson Fellow.

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[Photo]

Paul L. Joskow (Born 1947), Trustee since 1997

Dr. Joskow is the Elizabeth and James Killian Professor of Economics and Management, and Director of the Center for Energy and Environmental Policy Research at the Massachusetts Institute of Technology.

Dr. Joskow serves as a Director of National Grid plc (a UK-based holding company with interests in electric and gas transmission and distribution and telecommunications infrastructure) and TransCanada Corporation (an energy company focused on natural gas transmission and power services). He also serves on the Board of Overseers of the Boston Symphony Orchestra. Prior to February 2005, he served on the board of the Whitehead Institute for Biomedical Research (a non-profit research institution) and has been President of the Yale University Council since 1993. Prior to February 2002, he was a Director of State Farm Indemnity Company (an automobile insurance company), and prior to March 2000, he was a Director of New England Electric System (a public utility holding company).

Dr. Joskow has published five books and numerous articles on topics in industrial organization, government regulation of industry, and competition policy. He is active in industry restructuring, environmental, energy, competition and privatization policies — serving as an advisor to governments and corporations worldwide. Dr. Joskow holds a Ph.D. and M. Phil from Yale University and B.A. from Cornell University.

[Photo]

Elizabeth T. Kennan (Born 1938), Trustee since 1992

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Dr. Kennan is a Partner of Cambus-Kenneth Farm (thoroughbred horse and cattle breeding). She is President Emeritus of Mount Holyoke College.

Dr. Kennan served as Chairman and is now Lead Director of Northeast Utilities. Until 2005, she was a Director of Talbots, Inc. She has served as Director on a number of other boards, including Bell Atlantic, Chastain Real Estate, Shawmut Bank, Berkshire Life Insurance and Kentucky Home Life Insurance. She is a Trustee of the National Trust for Historic Preservation, of Centre College and of Midway College in Midway, Kentucky. Until 2006, she was a member of The Trustees of Reservations. Dr. Kennan has served on the oversight committee of the Folger Shakespeare Library, as President of Five Colleges Incorporated, as a Trustee of Notre Dame University, and is active in various educational and civic associations.

As a member of the faculty of Catholic University for twelve years, until 1978, Dr. Kennan directed the post-doctoral program in Patristic and Medieval Studies, taught history and published numerous articles. Dr. Kennan holds a Ph.D. from the University of Washington in Seattle, an M.S. from St. Hilda's College at Oxford University and an A.B. from Mount Holyoke College. She holds several honorary doctorates.

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[Photo]

John H. Mullin, III (Born 1941), Trustee since 1997

Mr. Mullin is the Chairman and CEO of Ridgeway Farm (a limited liability company engaged in timber and farming).

Mr. Mullin serves as a Director of Progress Energy, Inc. (a utility company, formerly known as Carolina Power & Light) and Sonoco Products, Inc. (a packaging company). Mr. Mullin is Trustee Emeritus of The National Humanities Center and Washington & Lee University, where he served as Chairman of the Investment Committee. Prior to February 2006, he was a Director of The Liberty Corporation. Prior to February 2004, he was a Director of Alex Brown Realty, Inc. Prior to May 2001, he was a Director of Graphic Packaging International Corp.

Mr. Mullin is also a past Director of Adolph Coors Company; ACX Technologies, Inc.; Crystal Brands, Inc.; Dillon, Read & Co., Inc.; Fisher-Price, Inc.; and The Ryland Group, Inc. Mr. Mullin is a graduate of Washington & Lee University and The Wharton Graduate School, University of Pennsylvania.

[Photo]

Robert E. Patterson (Born 1945), Trustee since 1984

Mr. Patterson is Senior Partner of Cabot Properties, L.P. and Chairman of Cabot Properties, Inc. (a private equity firm investing in commercial real estate)

Mr. Patterson serves as Chairman Emeritus and Trustee of the Joslin Diabetes Center and as a Director of Brandywine Trust Group, LLC. Prior to June 2003, he was a Trustee of Sea Education Association. Prior to December 2001, he was President and Trustee of Cabot Industrial Trust (a publicly traded real estate investment trust). Prior to February 1998, he was Executive Vice President and Director of Acquisitions of Cabot Partners Limited Partnership (a registered investment adviser involved in institutional real estate investments). Prior to 1990, he served as Executive Vice President of Cabot, Cabot & Forbes Realty Advisors, Inc. (the predecessor company of Cabot Partners).

Mr. Patterson practiced law and held various positions in state government and was the founding Executive Director of the Massachusetts Industrial Finance Agency. Mr. Patterson is a graduate of Harvard College and Harvard Law School.

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[Photo]

W. Thomas Stephens (Born 1942), Trustee since 1997

Mr. Stephens is Chairman and Chief Executive Officer of Boise Cascade, L.L.C. (a paper, forest products and timberland assets company).

Until 2005, Mr. Stephens was a director of TransCanadaPipelines, Ltd. Until 2004, Mr. Stephens was a Director of Xcel Energy Incorporated (a public utility company), Quest Communications, and Norske Canada, Inc. (a paper manufacturer). Until 2003, Mr. Stephens was a Director of Mail-Well, Inc. (a diversified printing company). He served as Chairman of Mail-Well until 2001 and as CEO of MacMillan-Bloedel, Ltd. (a forest products company) until 1999.

Prior to 1996, Mr. Stephens was Chairman and Chief Executive Officer of Johns Manville Corporation. He holds B.S. and M.S. degrees from the University of Arkansas.

[Photo]

Richard B. Worley (Born 1945), Trustee since 2004

Mr. Worley is Managing Partner of Permit Capital LLC, an investment management firm.

Mr. Worley serves on the Executive Committee of the University of Pennsylvania Medical Center, is a Trustee of The Robert Wood Johnson Foundation (a philanthropic organization devoted to health care issues) and is a Director of The Colonial Williamsburg Foundation (a historical preservation organization). Mr. Worley also serves on the investment committees of Mount Holyoke College and World Wildlife Fund (a wildlife conservation organization).

Prior to joining Permit Capital LLC in 2002, Mr. Worley served as Chief Strategic Officer of Morgan Stanley Investment Management. He previously served as President, Chief Executive Officer and Chief Investment Officer of Morgan Stanley Dean Witter Investment Management and as a Managing Director of Morgan Stanley, a financial services firm. Mr. Worley also was the Chairman of Miller Anderson & Sherrerd, an investment management firm. Mr. Worley holds a B.S. degree from University of Tennessee and pursued graduate studies in economics at the University of Texas.

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Interested Trustees

[Photo]

Charles E. Haldeman, Jr.* (Born 1948), Trustee since 2004

Mr. Haldeman is President and Chief Executive Officer of Putnam, LLC (Putnam Investments). He is a member of Putnam Investments Executive Board of Directors and Advisory Council.

Prior to November 2003, Mr. Haldeman served as Co-Head of Putnam Investments Investment Division. Prior to joining Putnam Investments in 2002, Mr. Haldeman held executive positions in the investment management industry. He previously served as Chief Executive Officer of Delaware Investments and President & Chief Operating Officer of United Asset Management. Mr. Haldeman was also a partner and director of Cooke & Bieler, Inc. (an investment management firm).

Mr. Haldeman currently serves as a Trustee of Dartmouth College and is a member of the Partners HealthCare Systems Investment Committee. He is a graduate of Dartmouth College, Harvard Law School and Harvard Business School. Mr. Haldeman is also a Chartered Financial Analyst (CFA) charterholder.

[Photo]

George Putnam, III* (Born 1951), Trustee since 1984 and President since 2000

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Mr. Putnam is Chairman of New Generation Research, Inc. (a publisher of financial advisory and other research services), and President of New Generation Advisers, Inc. (a registered investment advisor to private funds). Mr. Putnam founded the New Generation companies in 1986.

Mr. Putnam is a Director of The Boston Family Office, LLC (a registered investment adviser). He is a Trustee of St. Mark's School and Shore Country Day School, and until 2002 was a Trustee of the Sea Education Association.

Mr. Putnam previously worked as an attorney with the law firm of Dechert LLP (formerly known as Dechert Price & Rhoads) in Philadelphia. He is a graduate of Harvard College, Harvard Business School, and Harvard Law School.

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*Nominees who are or may be deemed to be "interested persons" (as defined in the 1940 Act) of the fund, Putnam Management, Putnam Retail Management Limited Partnership (Putnam Retail Management) or Marsh & McLennan Companies, Inc., the parent company of Putnam Investments and its affiliated companies. Messrs. Putnam, III and Haldeman are deemed interested persons by virtue of their positions as officers of the funds, Putnam Management or Putnam Retail Management and as shareholders of Marsh & McLennan Companies, Inc. Mr. Haldeman is the President and Chief Executive Officer of Putnam Investments. Mr. Putnam, III is the President of your fund and each of the other Putnam funds. The balance of the nominees are not "interested persons."

All the nominees were elected by the shareholders of each fund on the dates listed below:

July 14, 2005

Putnam High Income Securities Fund
Putnam Master Intermediate Income Trust
Putnam Premier Income Trust

October 28, 2005

Putnam Investment Grade Municipal Trust
Putnam Managed Municipal Income Trust

For all funds other than Putnam Investment Grade Municipal Trust and Putnam Managed Municipal Trust:

The 12 nominees for election as Trustees who receive the greatest number of votes will be elected as Trustees of your fund.

For Putnam Investment Grade Municipal Trust and Putnam Managed Municipal Income Trust only:

The 10 nominees for election as Trustees by the holders of common and preferred shares, voting as a single class, who receive the greatest number of votes from the preferred and common shareholders will be elected as Trustees of your fund. In addition, the 2 nominees for election as Trustees by the preferred shareholders, voting as a class, who receive the greatest number of votes from the preferred shareholders will be elected as Trustees of your fund.

The Trustees serve until their successors are elected and qualified. Each of the nominees has agreed to serve as a Trustee, if elected. If any of the nominees is unavailable for election at the time of the meeting, which is not anticipated, the Trustees may vote for other nominees at their discretion, or the Trustees may fix the number of Trustees at fewer than 12 for your fund. In the case of Putnam Investment Grade Municipal Trust and Putnam Managed Municipal Income Trust, the Trustees may fix the number of Trustees to be elected by the holders of common and preferred shares voting as a single class at fewer than 10.

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What are the Trustees' responsibilities?

Your fund's Trustees are responsible for the general oversight of your fund's affairs and for assuring that your fund is managed in the best interests of its shareholders. The Trustees regularly review your fund's investment performance as well as the quality of other services provided to your fund and its shareholders by Putnam Management and its affiliates, including administration, custody, and shareholder servicing. At least annually, the Trustees review and evaluate the fees and operating expenses paid by your fund for these services and negotiate changes that they deem appropriate. In carrying out these responsibilities, the Trustees are assisted by an independent administrative staff and by your fund's auditors, independent counsel and other experts as appropriate, selected by and responsible to the Trustees.

Consistent with the 1940 Act and SEC rules, at least 75% of the trustees of your fund are required not be "interested persons" (as defined in the 1940 Act) of your fund or your fund's investment manager. These independent trustees, who are referred to in this proxy statement as "Independent Trustees," must vote separately to approve all financial arrangements and other agreements with your fund's investment manager and other affiliated parties. The role of independent trustees has been characterized as that of a "watchdog" charged with oversight to protect shareholders' interests against overreaching and abuse by those who are in a position to control or influence a fund. Your fund's Independent Trustees meet regularly as a group in executive session. Ten of the 12 nominees for election as Trustee would be Independent Trustees.

Board committees. Your fund's Trustees have determined that the efficient conduct of your fund's affairs makes it desirable to delegate responsibility for certain specific matters to committees of the board. Certain committees (the Executive Committee, Distributions Committee, and Audit and Compliance Committee) are authorized to act for the Trustees as specified in their charters. The other committees review and evaluate matters specified in their charters and make recommendations to the Trustees as they deem appropriate. Each committee may utilize the resources of your fund's independent staff, counsel and auditors as well as other experts. The committees meet as often as necessary, either in conjunction with regular meetings of the Trustees or otherwise. The membership and chairperson of each committee are appointed by the Trustees upon recommendation of the Board Policy and Nominating Committee.

Audit and Compliance Committee. The Audit and Compliance Committee provides oversight on matters relating to the preparation of the fund's financial statements, compliance matters and Code of Ethics issues. This oversight is discharged by regularly meeting with management and the fund's independent registered public accounting firms and keeping current on industry developments. Duties of this Committee also include the review and evaluation of all matters and relationships pertaining to the funds' independent registered public accounting firms, including their independence. The members of your Committee include only Independent Trustees. Each member of the Committee is "independent" as defined in Sections 303.01(B)(2)(a) and (3) of the listing standards of the New York Stock Exchange and as defined in Section 121(A) of the listing standards of the American Stock Exchange. The Trustees have adopted a written charter for the Committee. The Audit and Compliance Committee's charter, which is included in this proxy statement as Exhibit A, is also available on the fund's web site at https://content.putnam.com/individual_investor/pdf/committee_charter.pdf. Print copies of the charter are available free of charge upon request by calling 1-800-225-1581. The Committee currently consists of Messrs. Patterson (Chairperson), Hill and Stephens.

Board Policy and Nominating Committee. The Board Policy and Nominating Committee reviews policy matters pertaining to the operations of the Board of Trustees and its Committees, the compensation of the Trustees and their staff and the conduct of legal affairs for the funds. The Committee also oversees the voting of proxies associated with portfolio investments of the Putnam funds, with the goal of ensuring that these proxies are voted in the best interest of the fund's shareholders.

The Committee evaluates and recommends all candidates for election as Trustees and recommends the appointment of members and chairs of each board committee. The Committee also identifies prospective nominees for election

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as trustee by considering individuals that come to its attention through current Trustees, Putnam Management or shareholders. Candidates properly submitted by shareholders (as described below) will be considered and evaluated on the same basis as candidates recommended by other sources. The Committee may, but is not required to, engage a third-party professional search firm to assist it in identifying and evaluating potential nominees.

When evaluating a potential candidate for membership on the Board of Trustees, the Committee considers the skills and characteristics that it feels would most benefit the Putnam funds at the time the evaluation is made. The Committee may take into account a wide variety of attributes in considering potential trustee candidates, including, but not limited to: (i) availability and commitment of a candidate to attend meetings, (ii) other board experience, (iii) relevant industry and related experience, (iv) educational background, (v) financial expertise, (vi) an assessment of the candidate's ability, judgment and expertise, (vii) an assessment of the perceived needs of the Board of Trustees and its committees at that point in time and (viii) overall Board of Trustees composition. In connection with this evaluation, the Committee will determine whether to interview prospective nominees, and, if warranted, one or more members of the Committee, and other Trustees and representatives of the funds, as appropriate, will interview prospective nominees in person or by telephone. Once this evaluation is completed, the Committee recommends such candidates as it determines appropriate to the Independent Trustees for nomination, and the Independent Trustees select the nominees after considering the recommendation of the Committee.

The Committee will consider nominees for trustee recommended by shareholders of a fund provided shareholders submit their recommendations by the date disclosed in the paragraph entitled "Date for receipt of shareholders' proposals for the next annual meeting," and provided the shareholders' recommendations otherwise comply with applicable securities laws, including Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "1934 Act").

The Committee consists only of Independent Trustees. The Committee currently consists of Dr. Kennan (Chairperson), Ms. Baxter and Messrs. Hill, Mullin and Patterson.

Brokerage Committee. The Brokerage Committee reviews the policies and procedures of the funds regarding the execution of portfolio transactions for the funds, including policies regarding: the selection of brokers and dealers to execute portfolio transactions; the establishment of brokerage commissions rates; and the generation and use of soft dollar credits. The Committee also oversees the implementation by Putnam Management of such policies and procedures. The Committee reviews periodic reports regarding payments made, the quality of execution obtained by the funds, and the value of research obtained by Putnam Management in connection with their portfolio transactions on behalf of the funds. The Committee currently consists of Dr. Joskow (Chairperson), Ms. Drucker and Messrs. Putnam, III, and Worley.

Contract Committee. The Contract Committee reviews and evaluates, at least annually, all arrangements pertaining to (i) the engagement of Putnam Management and its affiliates to provide services to the funds, (ii) the expenditure of the funds' assets for distribution purposes pursuant to the distribution plans of the open-end funds and (iii) the engagement of other persons to provide material services to the funds, including in particular those instances where the cost of services is shared between the funds and Putnam Management and its affiliates or where Putnam Management or its affiliates have a material interest. The Committee recommends to the Trustees such changes in arrangements as it deems appropriate. After review and evaluation, the Committee recommends to the Trustees the proposed organization of new fund products and proposed structural changes to existing funds. Its oversight of the closed-end funds includes (i) investment performance, (ii) trading activity, (iii) determinations with respect to conversion of a closed-end fund to an open-end fund and (iv) other measures that might be considered to address trading discounts, including share repurchase programs. The Committee consists only of Independent Trustees. The Committee currently consists of Ms. Baxter (Chairperson), Messrs. Curtis and Mullin and Dr. Kennan.

Distributions Committee. The Distributions Committee oversees all fund distributions. The Committee makes recommendations to the Trustees of the funds regarding the amount and timing of distributions paid by the funds, and approves such matters when the Trustees are not in session. The Committee also oversees the policies and procedures pursuant to which Putnam Management prepares recommended distributions, and meets regularly with representatives of Putnam Management to review the implementation of such policies and procedures. The Committee currently consists of Messrs. Putnam, III, (Chairperson) and Worley, Ms. Drucker and Dr. Joskow.

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Executive Committee. The functions of the Executive Committee are twofold. The first is to ensure that the funds' business may be conducted at times when it is not feasible to convene a meeting of the Trustees or for the Trustees to act by written consent. The Committee may exercise any or all of the power and authority of the Trustees when the Trustees are not in session. The second is to establish annual and ongoing goals, objectives and priorities for the Board of Trustees and to ensure coordination of all efforts between the Trustees and Putnam

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Management on behalf of the shareholders of the Putnam funds. The Committee currently consists of Messrs. Hill (Chairperson), Curtis, Patterson and Putnam, III, (ex officio), Dr. Joskow and Ms. Baxter.

Investment Oversight Committees. These Committees regularly meet with investment personnel of Putnam Management to review the investment performance and strategies of the funds in light of their stated investment objectives and policies. Investment Oversight Committee A currently consists of Meses. Drucker (Chairperson) and Baxter and Mr. Curtis. Investment Oversight Committee B currently consists of Drs. Joskow (Chairperson) and Kennan and Mr. Stephens. Investment Committee C currently consists of Messrs. Mullin (Chairperson), Putnam, III, and Patterson. Investment Oversight Committee D currently consists of Messrs. Worley (Chairperson), Haldeman and Hill.

Investment Process Committee. The Investment Process Committee complements the work of the Investment Oversight Committees by monitoring Putnam Management's investment philosophies, investment processes and investment personnel. The Committee reviews Putnam Management's research capabilities; risk management processes; recruiting, training and compensation of investment personnel; performance measurement; and portfolio construction. The Committee currently consists of Ms. Drucker (Chairperson), Dr. Joskow and Messrs. Putnam, III, and Worley.

Marketing Committee. The Marketing Committee oversees the marketing and sale of fund shares by Putnam Retail Management. The Committee reviews (i) services provided by Putnam Retail Management under its Distributor's Contracts with the funds, (ii) sales charges imposed in connection with the sale of fund shares, (iii) expenditure of the funds' assets for distribution and shareholder services pursuant to distribution plans of the open-end funds, (iv) financial arrangements between Putnam Retail Management and financial intermediaries related to the sale of fund shares and (v) compliance by Putnam Retail Management with applicable federal and state laws and regulations governing the sale of fund shares. The Committee also exercises general oversight of marketing and sales communications used by Putnam Retail Management in connection with the sale of fund shares. The Committee currently consists of Messrs. Curtis (Chairperson) and Mullin, Ms. Baxter and Dr. Kennan.

Pricing Committee. The Pricing Committee oversees the implementation of your fund's policies and procedures for achieving accurate and timely pricing of the funds' shares, including oversight of fair value determinations of individual securities made by Putnam Management or other designated agents of your fund. The Committee oversees compliance by money market funds with Rule 2a-7 under the 1940 Act, interfund transactions pursuant to Rule 17a-7 under the 1940 Act, and the correction of occasional pricing errors. The Committee also receives reports on various matters including reports on the liquidity of portfolio securities. The Committee currently consists of Messrs. Stephens (Chairperson), Hill and Patterson.

Shareholder Communications and Relations Committee. The Shareholder Communications and Relations Committee reviews certain communications sent to fund shareholders, including shareholder reports, prospectuses, proxy statements and other materials. The Committee oversees the policies and procedures pursuant to which such shareholder communications are prepared, and the implementation by Putnam Management of such policies and procedures. The Committee reviews periodic reports regarding the costs to the funds of preparing and distributing such communications. The Committee also reviews periodic reports regarding comments and suggestions received with respect to such communications. The Committee currently consists of Mr. Worley (Chairperson), Ms. Drucker, Dr. Joskow and Mr. Putnam, III.

How large a stake do the Trustees and nominees have in the Putnam family of funds?

The Trustees allocate their investments among the Putnam funds based on their own investment needs. The table below shows the number of shares beneficially owned by each nominee for Trustee and the value of each nominee's holdings in each fund and in all of the Putnam funds as of March 31, 2006. As a group, the Trustees owned shares of the Putnam funds valued at approximately \$80 million as of March 31, 2006.

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Putnam High Income Securities Fund

Name of Nominee	Dollar Range of Putnam	Shares	Aggregate Dollar
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	High Income Securities Fund Shares Owned	Beneficially Owned	Range of Shares Held in all of the Putnam Funds
Jameson A. Baxter	\$10,001 - \$50,000	1,619.792	over \$100,000
Charles B. Curtis	\$1-\$10,000	391.785	over \$100,000
Myra R. Drucker	\$1-\$10,000	339.790	over \$100,000
Charles E. Haldeman, Jr.	\$1-\$10,000	841	over \$100,000
John A. Hill	Over \$100,000	71,014.018	over \$100,000
Paul L. Joskow	\$1-\$10,000	334.178	over \$100,000
Elizabeth T. Kennan	\$1-\$10,000	451.380	over \$100,000
John H. Mullin, III	\$1-\$10,000	409.004	over \$100,000
Robert E. Patterson	\$1-\$10,000	1,084.356	over \$100,000
George Putnam, III	\$10,001 - \$50,000	1,670	over \$100,000
W. Thomas Stephens	\$1-\$10,000	334.178	over \$100,000
Richard B. Worley	\$1-\$10,000	334	over \$100,000

Putnam Investment Grade Municipal Trust

Name of Nominee	Dollar Range of Putnam Investment Grade Municipal Trust Shares Owned	Shares Beneficially Owned	Aggregate Dollar Range of Shares Held in all of the Putnam Funds
Jameson A. Baxter	\$1-\$10,000	212.401	over \$100,000
Charles B. Curtis	\$1-\$10,000	118.508	over \$100,000
Myra R. Drucker	\$1-\$10,000	101.297	over \$100,000
Charles E. Haldeman, Jr.	\$1-\$10,000	330	over \$100,000
John A. Hill	\$1-\$10,000	219.607	over \$100,000

Paul L. Joskow	\$1-\$10,000	100	over \$100,000
Elizabeth T. Kennan	\$1-\$10,000	109.015	over \$100,000
John H. Mullin, III	\$1-\$10,000	120.369	over \$100,000
Robert E. Patterson	\$1-\$10,000	300	over \$100,000
George Putnam, III	\$10,001 - \$50,000	1,500	over \$100,000
W. Thomas Stephens	\$1-\$10,000	170.281	over \$100,000
Richard B. Worley	\$1-\$10,000	100	over \$100,000

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Putnam Managed Municipal Income Trust

Name of Nominee	Dollar Range of Putnam Managed Municipal Income Trust Shares Owned	Shares Beneficially Owned	Aggregate Dollar Range of Shares Held in all of the Putnam Funds
Jameson A. Baxter	\$1-\$10,000	212.250	over \$100,000
Charles B. Curtis	\$1-\$10,000	116.336	over \$100,000
Myra R. Drucker	\$1-\$10,000	101.434	over \$100,000
Charles E. Haldeman, Jr.	\$1-\$10,000	450	over \$100,000
John A. Hill	\$1-\$10,000	219.565	over \$100,000
Paul L. Joskow	\$1-\$10,000	100	over \$100,000
Elizabeth T. Kennan	\$1-\$10,000	108.920	over \$100,000
John H. Mullin, III	\$1-\$10,000	120.281	over \$100,000
Robert E. Patterson	\$1-\$10,000	300	over \$100,000
George Putnam, III	\$10,001 - \$50,000	1,800	over \$100,000

W. Thomas Stephens	\$1-\$10,000	100	over \$100,000
Richard B. Worley	\$1-\$10,000	100	over \$100,000

Putnam Master Intermediate Income Trust

Name of Nominee	Dollar Range of Putnam Master Intermediate Income Trust Shares Owned	Shares Beneficially Owned	Aggregate Dollar Range of Shares Held in all of the Putnam Funds
Jameson A. Baxter	\$1-\$10,000	461.972	over \$100,000
Charles B. Curtis	\$1-\$10,000	118.184	over \$100,000
Myra R. Drucker	\$1-\$10,000	101.387	over \$100,000
Charles E. Haldeman, Jr.	\$1-\$10,000	510	over \$100,000
John A. Hill	\$1-\$10,000	430.286	over \$100,000
Paul L. Joskow	\$1-\$10,000	100	over \$100,000
Elizabeth T. Kennan	\$1-\$10,000	270.436	over \$100,000
John H. Mullin, III	\$1-\$10,000	120.981	over \$100,000
Robert E. Patterson	\$1-\$10,000	587	over \$100,000
George Putnam, III	\$10,001 - \$50,000	2,178	over \$100,000
W. Thomas Stephens	\$1-\$10,000	100	over \$100,000
Richard B. Worley	\$1-\$10,000	100	over \$100,000

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Putnam Premier Income Trust

Name of Nominee	Dollar Range of Putnam Premier Income Trust	Shares Beneficially	Aggregate Dollar Range of Shares
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	Shares Owned	Owned	Held in all of the Putnam Funds
Jameson A. Baxter	\$1-\$10,000	496.412	over \$100,000
Charles B. Curtis	\$1-\$10,000	240.467	over \$100,000
Myra R. Drucker	\$1-\$10,000	203.961	over \$100,000
Charles E. Haldeman, Jr.	\$1-\$10,000	1,005	over \$100,000
John A. Hill	\$10,001 - \$50,000	3,587.10	over \$100,000
Paul L. Joskow	\$1-\$10,000	201.176	over \$100,000
Elizabeth T. Kennan	\$1-\$10,000	292.060	over \$100,000
John H. Mullin, III	\$1-\$10,000	246.2	over \$100,000
Robert E. Patterson	\$1-\$10,000	803.529	over \$100,000
George Putnam, III	\$10,001 - \$50,000	2,505	over \$100,000
W. Thomas Stephens	\$1-\$10,000	201.176	over \$100,000
Richard B. Worley	\$1-\$10,000	201	over \$100,000

None of the Trustees owns any preferred shares of Putnam Investment Grade Municipal Trust or Putnam Managed Municipal Income Trust.

At March 31, 2006, the Trustees and officers of each fund, as a group, owned less than 1% of the outstanding shares of each fund.

What are some of the ways in which the Trustees represent shareholder interests?

Among other ways, the Trustees seek to represent shareholder interests:

* by carefully reviewing your fund's investment performance on an individual basis with your fund's investment team;

* by carefully reviewing the quality of the various other services provided to the funds and their shareholders by Putnam Management and its affiliates;

* by discussing with senior management of Putnam Management steps being taken to address any performance deficiencies;

* by reviewing in depth the fees paid by each fund and by negotiating with Putnam Management to ensure that such fees remain reasonable and competitive with those of comparable funds, while at the same time providing

Putnam Management sufficient resources to continue to provide high quality services in the future;

* by reviewing brokerage costs and fees, allocations among brokers, soft dollar expenditures and similar expenses of the fund;

* by monitoring potential conflicts of interest between the funds and Putnam Management and its affiliates to ensure that the funds continue to be managed in the best interests of their shareholders; and

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* by monitoring potential conflicts among funds managed by Putnam to ensure that shareholders continue to realize the benefits of participation in a large and diverse family of funds.

How can shareholders communicate with the Trustees?

The Board of Trustees provides a process for shareholders to send communications to the Trustees. Shareholders may direct communications to the Board of Trustees as a whole or to specified individual Trustees by submitting them in writing to the following address:

The Putnam Funds
Attention: Board of Trustees or any specified Trustee(s)
One Post Office Square
Boston, Massachusetts 02109

The written communication must include the shareholder's name, be signed by the shareholder, refer to the Putnam fund(s) in which the shareholder holds shares and include the class and number of shares held by the shareholder as of a recent date.

The Office of the Trustees will respond to all correspondence sent to Trustees; however, due to the volume of correspondence, all communications are not sent directly to the Trustees. The correspondence is reviewed, summarized and presented to Trustees on a periodic basis.

How often do the Trustees meet?

The Trustees meet each month (except August) over a two-day period to review the operations of your fund and of the other Putnam funds. A portion of these meetings is devoted to meetings of various committees of the board that focus on particular matters. Each Trustee generally attends at least two formal committee meetings during each regular meeting of the Trustees. In addition, the Trustees meet in small groups with Chief Investment Officers, Portfolio Leaders and Portfolio Members to review recent performance and the current investment climate for selected funds. These meetings ensure that each fund's performance is reviewed in detail at least twice a year. The Contract Committee typically meets on several additional occasions during the year to carry out its responsibilities. Other committees, including the Executive Committee, may also meet on special occasions as the need arises. During calendar year 2005, the average Trustee participated in approximately 55 committee and board meetings. With respect to each Fund, Mr. Stephens attended fewer than 75% of the total number of meetings of the full board and of the committees on which he served during such Fund's last fiscal year.

The number of times each committee met during your fund's last fiscal year is shown in the table below:

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Putnam High Income Securities Fund

Fiscal year ended August 31, 2005

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Audit and Compliance Committee*	23
Board Policy and Nominating Committee	11
Brokerage Committee **	7
Contract Committee	17
Distributions Committee	9
Executive Committee	1
Investment Oversight Committees	38
Marketing Committee***	16
Pricing Committee*	23
Shareholder Communications and Relations Committee***	16
Investment Process Committee****	-

Putnam Investment Grade Municipal Trust

Fiscal year ended November 30, 2005

Audit and Compliance Committee*	19
Board Policy and Nominating Committee	12
Brokerage Committee**	6
Contract Committee	15
Distributions Committee	11
Executive Committee	1
Investment Oversight Committees	38
Marketing Committee***	14
Pricing Committee*	19
Shareholder Communications and Relations Committee***	14

Investment Process Committee****

-

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Putnam Managed Municipal Income Trust

Fiscal year ended October 31, 2005

Audit and Compliance Committee*

20

Board Policy and Nominating Committee

12

Brokerage Committee**

7

Contract Committee

16

Distributions Committee

11

Executive Committee

1

Investment Oversight Committees

38

Marketing Committee***

15

Pricing Committee*

20

Shareholder Communications and Relations Committee***

15

Investment Process Committee****

-

Putnam Master Intermediate Income Trust

Fiscal year ended September 30, 2005

Audit and Compliance Committee*

21

Board Policy and Nominating Committee

11

Brokerage Committee**

7

Contract Committee

16

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Distributions Committee	10
Executive Committee	1
Investment Oversight Committees	38
Marketing Committee***	16
Pricing Committee*	21
Shareholder Communications and Relations Committee***	16
Investment Process Committee****	-

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Putnam Premier Income Trust

Fiscal year ended July 31, 2005

Audit and Compliance Committee*	24
Board Policy and Nominating Committee	11
Brokerage Committee**	7
Contract Committee	17
Distributions Committee	9
Executive Committee	1
Investment Oversight Committees	38
Marketing Committee***	16
Pricing Committee*	24
Shareholder Communications and Relations Committee***	16
Investment Process Committee****	-

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* Effective January 2006, the responsibilities of the Audit and Pricing Committee were divided between two separate committees, the Audit and Compliance Committee and the Pricing Committee. The number of meetings shown represents the number of meetings held during your fund's last fiscal year by the Audit and Pricing Committee prior to the formation of the new committees.

** Effective January 2006, the Brokerage and Custody Committee was renamed the Brokerage Committee.

*** Effective January 2006, the responsibilities of the Communication, Service and Marketing Committee were divided between two separate committees, the Marketing Committee and the Shareholder Communications and Relations Committee. The number of meetings shown represents the number of meetings held during your fund's last fiscal year by the Communication, Service and Marketing Committee prior to the formation of the new committees.

****The Investment Process Committee began meeting in January 2006.

Your fund does not have a policy with respect to Trustee attendance at shareholder meetings. Although your fund's Trustees did not attend the last annual meeting of your fund, they were represented at the meeting by their staff.

What are the Trustees paid for their services?

Each independent Trustee of the fund receives an annual retainer fee and additional fees for each Trustees' meeting attended, for attendance at industry seminars and for certain compliance-related services. Independent Trustees who serve on board committees receive additional fees for attendance at certain committee meetings and for special services rendered in that connection. Independent Trustees also are reimbursed for costs incurred in connection with their services, including costs of travel, seminars and educational materials. All of the current independent Trustees of the fund are Trustees of all the Putnam funds and receive fees for their services. Mr. Putnam, III also receives the foregoing fees for his services as Trustee.

The Trustees periodically review their fees to ensure that such fees continue to be appropriate in light of their responsibilities as well as in relation to fees paid to trustees of other mutual fund complexes. The Board Policy and Nominating Committee, which consists solely of independent Trustees of the fund, estimates that committee and Trustee meeting time, together with the appropriate preparation, requires the equivalent of at least three business days per Trustee meeting. The following table shows the year each Trustee was first elected a Trustee of the Putnam funds and the fees paid to each Trustee by your fund for its most recent fiscal year and the fees paid to each Trustee by all of the Putnam funds during calendar year 2005:

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Putnam High Income Securities Fund

Compensation Table

Trustees/Year	Aggregate compensation from the fund	Retirement benefits accrued as part of fund expenses	Estimated annual benefits from all Putnam funds upon retirement(1)	Total compensation from all Putnam funds(2)(3)
Jameson A. Baxter/1994(4)	\$1,125	\$393	\$110,500	\$237,250
Charles B. Curtis/2001	1,069	724	113,900	231,500
Myra R. Drucker/2004	1,051	N/A	N/A	224,250
Charles E. Haldeman, Jr./2004	0	N/A	N/A	0

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John A. Hill/1985(4)(5)	1,652	511	161,700	422,813
Ronald J. Jackson/1996(4)(6)	751	436	107,400	107,333
Paul L. Joskow/1997(4)	1,057	414	113,400	228,500
Elizabeth T. Kennan/1992	1,074	505	108,000	229,250
John H. Mullin, III/1997(4)	1,099	451	107,400	220,000
Robert E. Patterson/1984	1,041	273	106,500	222,000
George Putnam, III/1984(5)	1,260	245	130,300	262,750
W. Thomas Stephens/1997(4)	997	449	107,100	211,250
Richard B. Worley/2004	1,046	N/A	N/A	218,750

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Putnam Investment Grade Municipal Trust

Compensation Table

Trustees/Year	Aggregate compensation from the fund	Retirement benefits accrued as part of fund expenses	Estimated annual benefits from all Putnam funds upon retirement(1)	Total compensation from all Putnam funds(2)(3)
Jameson A. Baxter/1994(4)	\$1,255	\$402	\$110,500	\$237,250
Charles B. Curtis/2001	1,189	778	113,900	231,500
Myra R. Drucker/2004	1,367	N/A	N/A	224,250
Charles E. Haldeman, Jr./2004	0	N/A	N/A	0
John A. Hill/1985(4)(5)	1,745	524	161,700	422,813
Ronald J. Jackson/1996(4)(6)	537	450	107,400	107,333
Paul L. Joskow/1997(4)	1,166	448	113,400	228,500
Elizabeth T. Kennan/1992	1,181	512	108,000	229,250

John H. Mullin, III/1997(4)	1,209	460	107,400	220,000
Robert E. Patterson/1984	1,151	278	106,500	222,000
George Putnam, III/1984(5)	1,398	253	130,300	262,750
W. Thomas Stephens/1997(4)	1,078	467	107,100	211,250
Richard B. Worley/2004	1,355	N/A	N/A	218,750

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Putnam Managed Municipal Income Trust

Compensation Table

Trustees/Year	Aggregate compensation from the fund	Retirement benefits accrued as part of fund expenses	Estimated annual benefits from all Putnam funds upon retirement(1)	Total compensation from all Putnam funds(2)(3)
Jameson A. Baxter/1994(4)	\$1,368	\$417	\$110,500	\$237,250
Charles B. Curtis/2001	1,297	794	113,900	231,500
Myra R. Drucker/2004	1,487	N/A	N/A	224,250
Charles E. Haldeman, Jr./2004	0	N/A	N/A	0
John A. Hill/1985(4)(5)	1,938	543	161,700	422,813
Ronald J. Jackson/1996(4)(6)	582	465	107,400	107,333
Paul L. Joskow/1997(4)	1,272	456	113,400	228,500
Elizabeth T. Kennan/1992	1,288	533	108,000	229,250
John H. Mullin, III/1997(4)	1,089	478	107,400	220,000
Robert E. Patterson/1984	1,256	289	106,500	222,000
George Putnam, III/1984(5)	1,526	261	130,300	262,750

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W. Thomas Stephens/1997(4)	1,175	482	107,100	211,250
Richard B. Worley/2004	1,474	N/A	N/A	218,750

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Putnam Master Intermediate Income Trust

Compensation Table

Trustees/Year	Aggregate compensation from the fund	Retirement benefits accrued as part of fund expenses	Estimated annual benefits from all Putnam funds upon retirement(1)	Total compensation from all Putnam funds(2)(3)
Jameson A. Baxter/1994(4)	\$1,619	\$524	\$110,500	\$237,250
Charles B. Curtis/2001	1,538	972	113,900	231,500
Myra R. Drucker/2004	1,505	N/A	N/A	224,250
Charles E. Haldeman, Jr./2004	0	N/A	N/A	0
John A. Hill/1985(4)(5)	2,358	682	161,700	422,813
Ronald J. Jackson/1996(4)(6)	1,114	582	107,400	107,333
Paul L. Joskow/1997(4)	1,522	556	113,400	228,500
Elizabeth T. Kennan/1992	1,545	672	108,000	229,250
John H. Mullin, III/1997(4)	1,583	601	107,400	220,000
Robert E. Patterson/1984	1,498	364	106,500	222,000
George Putnam, III/1984(5)	1,820	327	130,300	262,750
W. Thomas Stephens/1997(4)	1,440	600	107,100	211,250
Richard B. Worley/2004	1,498	N/A	N/A	218,750

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Putnam Premier Income Trust**Compensation Table**

Trustees/Year	Aggregate compensation from the fund	Retirement benefits accrued as part of fund expenses	Estimated annual benefits from all Putnam funds upon retirement(1)	Total compensation from all Putnam funds(2)(3)
Jameson A. Baxter/1994(4)	\$2,432	\$674	\$110,500	\$237,250
Charles B. Curtis/2001	2,309	1,223	113,900	231,500
Myra R. Drucker/2004	2,184	N/A	N/A	224,250
Charles E. Haldeman, Jr./2004	0	N/A	N/A	0
John A. Hill/1985(4)(5)	3,535	877	161,700	422,813
Ronald J. Jackson/1996(4)(6)	1,743	745	107,400	107,333
Paul L. Joskow/1997(4)	2,276	698	113,400	228,500
Elizabeth T. Kennan/1992	2,325	868	108,000	229,250
John H. Mullin, III/1997(4)	2,379	773	107,400	220,000
Robert E. Patterson/1984	2,235	470	106,500	222,000
George Putnam, III/1984(5)	2,717	419	130,300	262,750
W. Thomas Stephens/1997(4)	2,162	767	107,100	211,250
Richard B. Worley/2004	2,184	N/A	N/A	218,750

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(1) Estimated benefits for each Trustee are based on Trustee fee rates for calendar years 2003, 2004 and 2005. For Mr. Jackson, the annual benefits equal the actual benefits he is currently receiving under the Retirement Plan for Trustees of the Putnam funds.

(2) As of December 31, 2005, there were 108 funds in the Putnam family. For Mr. Hill, amounts shown also include compensation for service as Chairman of TH Lee, Putnam Emerging Opportunities Portfolio, a closed-end fund

advised by an affiliate of Putnam Management.

(3) Includes amounts (ranging from approximately \$1,500 to \$15,250 per Trustee) for which the Putnam funds were reimbursed by Putnam Management for special Board and committee meetings and additional time spent on behalf of the Putnam funds in connection with certain regulatory and investigatory matters.

(4) Certain Trustees are also owed compensation deferred pursuant to a Trustee Compensation Deferral Plan. As of the dates identified below, the total amounts of deferred compensation payable by the fund, including income earned on such amounts, to certain Trustees were:

Putnam High Income Securities Fund (August 31, 2005) Ms. Baxter - \$1,740, Mr. Hill - \$6,712, Mr. Jackson - \$3,336, Mr. Joskow, - \$2,055, Mr. Mullin - \$1,985, and Mr. Stephens - \$381.

Putnam Investment Grade Municipal Trust (November 30, 2005) Ms. Baxter - \$1,160, Mr. Hill - \$4,663, Mr. Jackson - \$2,420, Mr. Joskow, - \$1,384, Mr. Mullin - \$1,324, and Mr. Stephens - \$255.

Putnam Managed Municipal Income Trust (October 31, 2005) Ms. Baxter - \$3,628, Mr. Hill - \$14,352, Mr. Jackson - \$7,584, Mr. Joskow, - \$4,289, Mr. Mullin - \$4,135, and Mr. Stephens - \$798.

Putnam Master Intermediate Income Trust (September 30, 2005) Ms. Baxter - \$4,998, Mr. Hill - \$19,278, Mr. Jackson - \$9,588, Mr. Joskow, - \$5,906, Mr. Mullin - \$5,700, and Mr. Stephens - \$1,098.

Putnam Premier Income Trust (July 31, 2005) Ms. Baxter - \$7,691, Mr. Hill - \$29,674, Mr. Jackson - \$14,755, Mr. Joskow, - \$9,078, Mr. Mullin - \$8,778 and Mr. Stephens - \$1,684.

(5) Includes additional compensation to Messrs. Hill and Putnam, III, for service as Chairman of the Trustees and President of the Funds, respectively.

(6) Mr. Jackson retired from the Board of Trustees of the Putnam funds on June 10, 2005.

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Under a Retirement Plan for Trustees of the Putnam funds (the "Plan"), each Trustee who retires with at least five years of service as a Trustee of the funds is entitled to receive an annual retirement benefit equal to one-half of the average annual attendance and retainer fees paid to such Trustee for calendar years 2003, 2004 and 2005. This retirement benefit is payable during a Trustee's lifetime, beginning the year following retirement, for the number of years of service through December 31, 2006. A death benefit, also available under the Plan, ensures that the Trustee and his or her beneficiaries will receive benefit payments for the lesser of an aggregate period of (i) ten years or (ii) such Trustee's total years of service.

The Plan Administrator (currently the Board Policy and Nominating Committee) may terminate or amend the Plan at any time, but no termination or amendment will result in a reduction in the amount of benefits (i) currently being paid to a Trustee at the time of such termination or amendment, or (ii) to which a current Trustee would have been entitled had he or she retired immediately prior to such termination or amendment. The Trustees have terminated the Plan with respect to any Trustee first elected to the board after 2003.

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2. APPROVAL OR DISAPPROVAL OF THE CONVERSION OF YOUR FUND FROM CLOSED-END TO OPEN-END STATUS AND CERTAIN RELATED AMENDMENTS TO YOUR FUND'S AGREEMENT AND DECLARATION OF TRUST (For Putnam Investment Grade Municipal Trust, Putnam Master Intermediate Income Trust and Putnam Premier Income Trust only)

What is this proposal?

Shareholders will have the opportunity to vote at the meeting on the question of whether your fund should be converted from a closed-end fund to an open-end fund. If the conversion is approved, your fund's shares would become redeemable directly from your fund at net asset value, eliminating any discount of market price to net asset value. In order to address the organizational changes necessitated by any conversion from closed-end to open-end status, approval of this proposal would also authorize the Trustees to make such amendments to your fund's Agreement and Declaration of Trust (the "Declaration of Trust") as they may deem necessary.

Why is this question being submitted to shareholders?

Your fund's Declaration of Trust requires that shareholders of your fund be given the opportunity to vote on a proposal to convert your fund from closed-end to open-end status if the fund's common shares have traded at an average discount of more than 10% from its net asset value per share during the last twelve calendar weeks of the preceding fiscal year (measured as of the last trading day in each such week). The following table shows the average discount from net asset value per share at which your fund's shares traded for the relevant period, in each case requiring that this proposal be submitted to shareholders.

Fund	12 Weeks Ended	Avg. Discount
Putnam Investment Grade Municipal Trust	November 25, 2005	-13.1%
Putnam Master Intermediate Income Trust	September 30, 2005	-10.2%
Putnam Premier Income Trust	July 29, 2005	-10.8%

What do the Trustees recommend?

The Trustees of your fund have concluded that the conversion of your fund to open-end status would not be in the best long-term interests of your fund's shareholders. Accordingly, the Trustees of your fund unanimously recommend that shareholders vote "AGAINST" this proposal.

Why are the Trustees recommending a vote against a conversion?

In recommending a vote against converting your fund to open-end status, the Trustees considered the following factors:

* *Potential investment advantages.* The Trustees believe that your fund's closed-end status provides potential investment advantages not available to open-end fund investors. Because your fund's shares are not redeemable, your fund is not required to maintain short-term, lower-yielding investments in anticipation of possible redemptions, and generally can be more fully invested in higher-yielding securities. As a closed-end fund, your fund does not experience the cash flows associated with sales and redemptions of open-end fund shares, which create transaction costs that are borne by long-term shareholders. Such cash flows may at times also require temporary investment in short-term, lower-yielding securities, pending investment in longer-term, higher-yielding securities.

* *Advantages of leverage through preferred shares (Putnam Investment Grade Municipal Trust only).* The Trustees considered the fact that Putnam Investment Grade Municipal Trust has engaged in investment leverage by issuing preferred shares, a strategy that is not available to open-end funds. This form of investment leverage offers your fund opportunities for increased

investment yield. If the fund were to convert to open-end status, the fund would be required to redeem its preferred shares.

* *Effects of discounts.* In reviewing the trading information for your fund, the Trustees have observed that discounts fluctuate and that, for many periods, fund shares have traded at premiums or substantially lower discounts. As discussed in more detail below, the Trustees do not believe that recent discount levels are currently a sufficient justification for abandoning the advantages of the closed-end structure by converting your fund to open-end status.

* *Recent Measures in Response to Discounts.* In response to recent discounts, the Trustees have reviewed and approved measures, such as the recent authorization of a share repurchase program discussed below, that are likely to enhance your fund's total return and may have temporary effects with respect to trading discounts.

* *Possible changes in fund size and expenses.* Redemptions by shareholders could cause your fund to shrink, in the near term, following conversion to open-end status, resulting in an increased expense ratio for remaining shareholders. Putnam Retail Management has advised the Trustees that your fund may experience significant net redemptions shortly following a conversion to open-end status, thereby shrinking the fund's size. If shareholders approve a conversion to open-end status, the Trustees would intend to institute a redemption fee for a period of time following conversion, with the purpose of at least partly offsetting the transaction costs that may result from significant redemptions of shares. While the amount and duration of any redemption fee have not been determined, the Trustees do not expect that the fee would exceed 2% or be imposed on redemptions for a period of longer than one year following conversion.

Since open-end funds may continuously offer new shares to the public, they also have the ability to increase in size in the long term, and growth in your fund's size could result in efficiencies and the ability to spread fixed costs over a larger pool of assets. In order to increase assets in the face of redemptions following a conversion, the Trustees would likely consider commencing a continuous offering of shares of your fund. In that instance, to support the marketing of fund shares, the Trustees might also propose that your fund adopt a distribution plan under Rule 12b-1 under the 1940 Act similar to the plans of other open-end Putnam funds, under which Putnam Retail Management, those funds' principal underwriter, currently receives annual distribution fees of 0.25% of net assets, though the applicable plans permit fees of up to 0.35% .

If, following a conversion, your fund were to experience a significant loss of assets and corresponding increase in expenses, the Trustees might alternatively consider initiating a merger of your fund into another open-end Putnam fund with a comparable investment strategy.

What does it mean when fund shares trade at a discount?

Since closed-end funds are not required to redeem their shares, investors in closed-end funds who wish to liquidate their investment must sell their shares in the secondary markets. To promote the availability of active secondary markets for shareholders who wish to sell their shares, the closed-end Putnam Funds have listed their shares for trading on the New York Stock Exchange or the American Stock Exchange. Prices in these secondary markets are determined by market forces and will fluctuate over time. They will also fluctuate in relation to a fund's net asset value. Closed-end fund shares generally trade at discounts to their net asset value but at times may trade at a premium to net asset value.

Putnam Management has advised the Trustees that discount levels for closed-end funds investing primarily in fixed-income securities — which includes all of the closed-end Putnam Funds — appear to fluctuate in relation to conditions in the broader fixed-income markets, generally increasing during periods of rising interest rates and declining during periods of falling interest rates. Accordingly, these funds may be more suitable for investors who have a longer investment horizon and who will less likely face the need to liquidate their investments under unfavorable market conditions. The existence of discounts at times may

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also provide attractive opportunities to investors seeking potential additional returns from reductions in discount levels between the time of their purchase and their sale.

As indicated in the tables below, while your fund's common shares have traded at a discount to their net asset value over more recent periods, the discount has fluctuated over time, and at times your fund's shares have traded at a premium to net asset value. In order to show the range of discounts and premiums at which your fund's shares

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have historically traded, the tables present both the highest market price and the lowest market price at which your fund's shares closed on any trading day over the course each calendar year since 1995, in each case expressed as a percentage discount from, or premium to, NAV. Thus, the "Highest Market Price" column presents the narrowest discount or, if the fund traded above NAV during the year, the broadest premium achieved in a given year; conversely, the "Lowest Market Price" column presents the broadest discount or, if the fund only traded below NAV during the year, the narrowest discount.

Putnam Investment Grade Municipal Trust

Calendar Year	Highest Market Price (relative to NAV)	Lowest Market Price (relative to NAV)
2005	-10.88%	-15.24%
2004	+3.39%	-14.09%
2003	+8.33%	-0.85%
2002	+10.81%	-4.25%
2001	+3.70%	-6.90%
2000	+20.93%	-10.55%
1999	+29.82%	+0.19%
1998	+27.30%	+9.84%
1997	+26.98%	+13.06%
1996	+19.97%	+7.96%
1995	+12.10%	+3.54%

Putnam Master Intermediate Income Trust

Calendar Year	Highest Market Price (relative to NAV)	Lowest Market Price (relative to NAV)
2005	-7.44%	-15.19%
2004	-4.15%	-12.41%
2003	+2.47%	-10.97%
2002	+2.72%	-8.94%

2001	-1.75%	-11.45%
2000	-7.88%	-23.33%
1999	+1.56%	-21.98%
1998	+0.78%	-10.51%
1997	-3.07%	-13.49%
1996	-8.11%	-14.40%
1995	-7.58%	-15.75%

Putnam Premier Income Trust

Calendar Year	Highest Market Price (relative to NAV)	Lowest Market Price (relative to NAV)
2005	-7.82%	-15.20%
2004	-5.83%	-13.54%
2003	+3.72%	-10.90%
2002	+3.25%	-9.95%
2001	-0.29%	-11.69%
2000	-8.43%	-23.25%
1999	+3.52%	-21.25%
1998	+5.99%	-10.21%
1997	-1.13%	-13.25%
1996	-8.78%	-13.65%
1995	-5.90%	-14.26%

How do the Trustees monitor and address trading discounts?

The Trustees regularly review the overall performance and trading information for your fund and all of the Putnam closed-end funds. The Trustees of your fund carefully evaluate the fund's investment performance, the trading history of its common shares relative to that of other funds in the same peer group, and analyses of the effects on the fund of its shares, trading at a discount to net asset value.

The Trustees carefully monitor the trading prices of your fund's shares, recognizing that trading prices and discounts will fluctuate over time. At times when the fund trades at a material discount for an extended period of time, the Trustees may examine possible factors contributing to the situation and consider a broad range of possible actions in an effort to reduce or eliminate the discount. Such actions that could be implemented consistent with your fund's closed-end structure might include:

- * Communications with the marketplace regarding the benefits of investing in the fund in an effort to increase investor demand for the fund's shares;
- * Repurchases by the fund of its shares at prevailing market prices; and
- * Tender offers by the fund to repurchase its shares at net asset value (or at a price above market and below net asset value).

It is possible that these actions may have a temporary effect on a fund's trading discount, but industry experience suggests that they generally have little, if any, long term impact. Repurchases of shares, whether in the market or in tender offers, reduce the fund's size and may result in an increase in the fund's expense ratio. To the extent that shares are repurchased at prices below net asset value, such repurchases would also enhance the net asset value of the fund's shares and the total return of the remaining shareholders. The Trustees have authorized share repurchases by certain Putnam closed-end funds on past occasions. More recently, in October 2005, the Trustees authorized all of the Putnam closed-end funds, including your fund, to repurchase up to 5% of their outstanding shares at market prices through October 2006. In March 2006, the Trustees expanded this repurchase program to permit the funds to repurchase up to 10% of their outstanding shares over the same time period. The Trustees continue to study the results of the repurchase program to determine its impact, if any, on trading discounts and its impact on investment performance. To date, the Trustees have not authorized tender offers but may consider that alternative in the future.

In considering these actions and the current proposal, the Trustees have considered the fact that all shareholders who purchased your fund's shares presumably made their choice from among a broad array of available investment products available in the marketplace, with an understanding of the potential advantages and disadvantages of closed-end funds. Thus, in considering whether to recommend a fundamental change in the structure of the fund and its investment characteristics, the Trustees consider whether the closed-end structure of the fund continues to offer the investment advantages contemplated when the fund was originally offered to the marketplace.

How has your fund performed?

The following table summarizes the annualized total return of your fund for the periods shown based on the net asset value and the market price of its shares. The table also shows the performance of your fund's primary benchmark index and the average performance of funds in your fund's peer group of closed-end funds as determined by Lipper Inc., an independent fund rating agency. Of course, past performance is no guarantee of future performance. Benchmark index and Lipper peer group results should be compared to your fund's performance at net asset value.

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Total Return (Annualized) for Periods Ending March 31, 2006*

1 year	3 years	5 years	10 years
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Putnam Investment Grade Municipal Trust

Net Asset Value	5.47%	7.78%	6.25%	6.23%
Market Price	8.95	2.23	4.11	3.77
Lehman Municipal Bond Index	3.80	4.10	5.18	5.87
Lipper General Muni Debt (Leveraged) Funds Average	6.28	7.10	6.89	6.60

Total Return (Annualized) for Periods Ending March 31, 2006

	1 year	3 years	5 years	10 years
Putnam Master Intermediate Income Trust				
Net Asset Value	3.85%	8.93%	7.72%	6.43%
Market Price	-0.02	5.26	5.74	6.34
Lehman Municipal Bond Index	3.80	4.10	5.18	5.87
Lipper Flexible Income Funds Average	5.07	8.95	7.41	6.33

Total Return (Annualized) for Periods Ending March 31, 2006

	1 year	3 years	5 years	10 years
Putnam Premier Income Trust				
Net Asset Value	4.65%	9.93%	8.41%	6.68%
Market Price	2.86	5.62	6.27	6.26
Lehman Municipal Bond Index	3.80	4.10	5.18	5.87
Lipper Flexible Income Funds Average	5.07	8.95	7.41	6.33

*Returns for periods ended March 31, 2006 only partially reflect the impact of a reduction by 0.10% (of average assets) in the fund's management fees that went into effect on January 1, 2006, of an amended management contract. This fee reduction had a corresponding effect of reducing the fund's total expenses (measured as a percentage of average assets) by 0.10% .

What are additional differences between a closed-end and open-end fund?

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In addition to the differences outlined above, shareholders evaluating this proposal may wish to consider the following:

* *Investment flexibility.* Because they are required to maintain the ability to honor redemption requests, open-funds are prohibited by the 1940 Act from investing more than 15% of their assets in securities that are deemed illiquid. Closed-end funds are not subject to this restriction.

* *Annual shareholder meetings*