



## **SCHEDULE C DISCLOSURE**

Schedule C of Form 5500 requires plans to include certain information regarding any mutual funds that are part of the plan's available investment options. We are providing the following written disclosures regarding the compensation received by Putnam Investments to assist you with the Schedule C requirements for one or more Putnam Investments mutual funds (each a "Fund"). This disclosure statement is intended to be used in combination with your Fund's existing prospectuses, annual reports, and statements of additional information (SAI), as applicable to satisfy the alternative reporting option for "eligible indirect compensation" as described in the instructions for Schedule C of Form 5500.

### **Investment management fees**

The Fund's Board of Trustees has retained Putnam Investment Management, LLC ("Putnam Management") located at One Post Office Square, Boston, MA 02109 (employer identification number 04-3542621) to be the Fund's investment manager responsible for making portfolio investment decisions for the Fund. The Fund pays Putnam Management a management fee for these services based on the Fund's average net assets. For detailed information regarding Putnam Management's compensation, please see the "Fees and Expenses" section of the Fund's statutory prospectus as well as the "Charges and Expenses" Section of the Fund's SAI. For additional information regarding the management of the Funds and the fees, please see the section titled "Who oversees and manages the fund" of the Fund's statutory prospectus and the section in Part I titled "Portfolio Managers" and the section in Part II titled "Management" of the Fund's SAI.

### **Fees related to purchases and sale/commissions for purchase**

A plan may pay a sales charge or a contingent deferred sales charge for purchases of shares of the Fund, depending on the plan's arrangement with Putnam and/or the intermediary through which the plan invested in the Fund. Sales charges are generally used to compensate financial representatives for asset allocation and other services. In many instances, however, sales charges are waived for employer-sponsored retirement plans. For questions about whether or not the plan paid a sales charge, please contact the plan's financial advisor or other intermediary. For detailed information regarding the payment of sales charges, please see the Fund's statutory prospectus (including the sections titled "Fund summary" and "How do I buy fund shares"), as well as the Fund's Statement of Additional Information (including the section in Part I titled "Charges and expenses" and the section in Part II titled "How to buy shares").

### **Distribution fees (12b-1)**

Putnam Funds are distributed primarily through dealers (including any broker, dealer, bank, bank trust department, registered investment advisor, financial planner, retirement plan administrator, and any other institution having a selling, services, or any similar agreement with Putnam Investments or one of its affiliates). If a Fund, or a class of shares of a Fund, has adopted a distribution plan, the Fund's statutory prospectus will describe the principal features of the plan. The Fund's distributor, Putnam Retail Management (EIN 04-1223767), whose place of business is located at One Post Office Square, Boston, MA 02109, receives these payments from the Fund to compensate qualifying dealers (as described above) for sales of shares and the maintenance of shareholder accounts. For detailed information regarding these payments, please refer to the Fund's statutory prospectus (including the section titled "Distribution plans and payments to dealers") and the Fund's SAI (including the section in Part I titled "Charges and Expenses" and the section in Part II titled "Distribution plans"). For specific dealer information regarding broker compensation, please contact your plan's financial advisor.

### **Soft dollar arrangements**

Putnam, consistent with the safe harbor provisions of Section 28(e) under the Securities Exchange Act of 1934, obtains "research" from broker-dealers ("proprietary research") or third parties paid by broker-dealers ("third-party research")

using commissions generated by security trades on behalf of clients. At present, Putnam generally does not use “soft dollars” to obtain “brokerage services.” The research so obtained includes: economic analysis, investment research, industry and company reviews, statistical information, market data, evaluations of investments, recommendations as to the purchase and sale of investments, access to company management, attendance at industry seminars, and performance measurement services. Any given broker-dealer or third-party research firm may provide Putnam with one or more of the above categories of research, and Putnam may acquire different research services from a firm over different periods. With the exception of market data, which is generally obtained as third-party research, there generally is no categorical distinction between third-party research and proprietary research. Third-party research may be provided by firms that are registered broker-dealers but with whom Putnam does not trade. For additional information regarding soft dollars and/or brokerage and research services, please refer to the Fund’s SAI (including the section in Part II titled “Management”).

<b>Top 50 third-party research providers (for 2011)</b>		<b>Top 50 proprietary research providers (for 2011)</b>	
13D Research	Institute of International Finance	Barclays	Leerink Swann & Co
Access 342	Intex Solutions	BMO Capital Markets	Macquarie
Autonomous Research	InvestorTools - Creditscope/Perform	BofA Merrill Lynch	Mizuho Securities
Axioma (Portfolio)	IPD Analytics	Canaccord Adams	MKM Partners
B. Riley & Co.	Macro Mavens	China International Capital	Morgan Stanley
BCA Research	Medley Global Advisors	Citigroup	Needham & Co
Bloomberg	Ned Davis	CL King	Nomura
Buckingham Research	OTR Global	CLSA Securities	Oppenheimer
Capital Economics	Redburn Partners	Cowen & Co.	Pacific Crest Securities
Capitol Analysts Network	RHM Global	Credit Suisse	Piper Jaffray
Capitol Street	Risk Metrics (CFRA)	Dahlman Rose	Raymond James & Associates
Capstone	S.P. Kothari (Joe Joseph project)	Daiwa Securities	RBC Capital Markets
Cleveland Research	SG Americas	Deutsche Bank	Robert W Baird
Coleman Research	Sidoti	Evercore Partners	Robinson Humphrey/Sun Trust
Consumer Edge Research	SNL Financial LC	Freidman Billings	Samsung Securities
Empirical	Strategas	Goldman Sachs	Sandler O'Neill & Partners LP
Farmhouse Equity Research	Telsey Advisors	Howard Weill	Sanford Bernstein & Co
FT Interactive - IDC MuniView (2UBM)	The Retail Tracker	HSBC	Simmons & Company
Galaxy Consultancy Limited (DSG Asia)	Thomson Reuters	ISI Group	Sterne Agee
GaveKal	Vertical Research Partners	ITG/Majestic/Ross Smith	Stifel Nicolaus/Thomas Weisel
Gerson Lehrman	Washington Analysis	Janney Montgomery Scott	Susquehana
Green Street Advisors	Wolfe Trahan & Co.	Jefferies & Co	UBS
Guidepoint Global	Yardeni Research	JPMorgan	Wells/Wachovia
Hedgeye Risk Management	Zacks Investment Research	Keefe Bruyette & Woods	Wunderlich Securities
Holt (Datafeed)	Zelman Associates	Key Bank (McDonald)	
		Lazard Capital Markets	

### **Additional fund information**

For additional fund-specific information related to fiscal year-end and fund assets, please refer to the “Statement of assets and liabilities” section of the Fund’s annual report. Total expense information, exclusive of fee waivers, can be located under “Total Annual Fund Operating Expenses” in the chart in the “Fees and Expenses” section of the Fund’s statutory prospectus. For further information or questions pertaining to the information provided, please refer to Putnam’s website [putnam.com](http://putnam.com) or contact your dedicated Putnam representative at 1-800-648-7410.



## UPDATE ON ERISA FEE DISCLOSURE REGULATIONS

As you know, the Department of Labor (DOL) has issued final regulations under ERISA Section 408(b)(2) that require many retirement plan service providers to disclose additional information on their services and compensation. A second set of new DOL regulations under ERISA Section 404(a)(5) requires plan sponsors to provide participants with additional disclosures on their participant-directed plan's features and investment options. On May 8, the DOL published answers to "frequently asked questions" on the new rules, and we are writing to let you know how these changes apply to your investment at Putnam.

### **New Information on the Putnam Collective Trusts**

As part of the new regulations, Putnam will make additional information about the Putnam collective trusts available to plan sponsors and our business partners. Our trusts are Putnam Stable Value Fund, Putnam Bond Index Fund, Putnam S&P 500 Index Fund, and Putnam Retirement Advantage Funds.

The key new disclosure elements for our trusts include:

- Annual portfolio turnover numbers (for all funds except Putnam Stable Value Fund).
- Revised fund operating expense information. In the past, clients and business partners could obtain collective trust expense information by reviewing the annual financial statements and their plan's specific investment documents. Going forward, this expense information will generally be made available through the Putnam website and the trusts' fact sheets.

### **Wrap Fees for Putnam Stable Value Fund**

The DOL's May 8 FAQs clarified the treatment of stable value fund wrap fees under the new rules. Wrap fees are the fees paid for synthetic wrap contracts, which are essentially a type of insurance that permits book value accounting. Wrap fees, like other fees, impact a stable value fund's return, and they have been reflected in Putnam's performance reporting for years. Like brokerage commissions, however, wrap fees are treated for accounting purposes as part of the cost of a fund's investments (instead of as a separate fee).

In its FAQs, the DOL stated that wrap fees must be included in the expense ratio that plan sponsors provide to their participants under the new regulations. As a result, Putnam will begin publishing new annual expense ratios for Putnam Stable Value Fund, as follows (based on 12/31/11 fiscal year information):

	PSVF 0*	PSVF 10**	PSVF 15**	PSVF 20**	PSVF 25
CUSIP	74686Q108	74686Q579	74686Q801	74686Q876	74686Q207
Management Fee	0.00%	0.10%	0.15%	0.20%	0.25%
Administrative Fees <sup>1</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Original Total Expense Ratio</b>	0.00%	0.10%	0.15%	0.20%	0.25%
Management Fee	0.00%	0.10%	0.15%	0.20%	0.25%
Wrap Fees <sup>2</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
Administrative Fees <sup>1</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>New Total Expense Ratio</b>	<b>0.10%</b>	<b>0.20%</b>	<b>0.25%</b>	<b>0.30%</b>	<b>0.35%</b>

	PSVF 35	PSVF 45	PSVF 50	PSVF 75	PSVF 100
CUSIP	74686Q306	74686Q868	74686Q405	74686Q504	74686Q603
Management Fee	0.35%	0.45%	0.50%	0.75%	1.00%
Administrative Fees <sup>1</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Original Total Expense Ratio</b>	0.35%	0.45%	0.50%	0.75%	1.00%
Management Fee	0.35%	0.45%	0.50%	0.75%	1.00%
Wrap Fees <sup>2</sup>	0.10%	0.10%	0.10%	0.10%	0.10%
Administrative Fees <sup>1</sup>	0.00%	0.00%	0.00%	0.00%	0.00%
<b>New Total Expense Ratio</b>	<b>0.45%</b>	<b>0.55%</b>	<b>0.60%</b>	<b>0.85%</b>	<b>1.10%</b>

\*Management fees for this class are paid by the plan sponsor, not the plan.

\*\* Certain Putnam share classes have minimum asset thresholds.

<sup>1</sup> Administrative fees (which include legal, audit, and any other miscellaneous fees) are less than 0.01% (or 1 bp).

<sup>2</sup> Wrap fees are calculated based on total synthetic wrap fees (in dollars) divided by the Fund's average assets.

Synthetic wraps account for only a portion of the overall portfolio; as a result, the average fee, reported on a contract basis, is higher than 0.10% of assets, but the Fund's blended expense is 0.10% for the 2011 fiscal year.

**In reviewing the new information, please keep in mind that the Fund's fees have not changed.** Instead, as a result of the DOL's new rules, wrap fees are now presented as an explicit part of the expense ratio. Historical performance information already reflected wrap fees; as a result, there is no change in the crediting rate or performance information for the Fund as a result of the new presentation. Please note that gross crediting rates for the Fund already reflect the impact of wrap fees, but are gross of management fees and administrative fees. Net crediting rates reflect all the fees described in the table.

The Fund's annual expenses will be calculated and published once a year, and will vary over time. Keep in mind that wrap fees have generally been trending up across the industry (currently averaging approximately 0.25% to 0.35% at the contract level).

### **Plan Sponsor Disclosure Regulation — Putnam’s Approach**

ERISA Section 408(b)(2) requires that “Covered Service Providers” provide additional disclosures on their services and compensation as well as various investment information. Putnam Fiduciary Trust Company (“Putnam”) is a Covered Service Provider as trustee and manager of each of the Putnam collective trusts listed previously. Putnam will provide all plans invested in our collective trusts with the required disclosure information by July 1. New information on the collective trusts will also be made available on our website.

### **Participant Fee Disclosure Regulation — Putnam’s Approach**

ERISA Section 404(a)(5) requires plan sponsors to disclose investment-related information such as fee and expense information to participants in participant-directed retirement plans such as 401(k) plans. The first disclosure must be provided on or before August 30, 2012. To assist plan sponsors and their service providers, Putnam will generally make the required mutual fund and collective trust information available on our website by July 1. We will notify you when the enhanced disclosures are available.

\* \* \*

We hope this update is helpful. If you have any questions, please feel free to call Peter Whitman, National Sales Manager for DCIO, or Investment Only Operations at 1-800-648-7410 or email Putnam at [plan\\_provider\\_services@putnam.com](mailto:plan_provider_services@putnam.com).

***Important Legal Information:*** Each Putnam collective trust fund listed above is a collective trust managed and distributed by Putnam Fiduciary Trust Company, a non-depository New Hampshire trust company. The trusts are not FDIC insured and are not a deposit or other obligation of, and are not guaranteed by, Putnam Fiduciary Trust Company or any of its affiliates. A collective trust is not a mutual fund registered under the Investment Company Act of 1940, and its units are not registered under the Securities Act of 1933. The trusts are only available for investment by eligible, qualified retirement plan trusts, as defined in the declaration of trust and participation agreement.