PUTNAM MANAGED MUNICIPAL INCOME TRUST
Form N-CSRS
June 28, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: (811- 05740)

Exact name of registrant as specified in charter: Putnam Managed Municipal Income Trust

Address of principal executive offices: One Post Office Square, Boston, Massachusetts 02109

Name and address of agent for service: Beth S. Mazor, Vice President
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Boston, Massachusetts 02109

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Registrants telephone number, including area code: (617) 292-1000

Date of fiscal year end: October 31, 2011

Date of reporting period November 1, 2010 April 30 2011

Item 1. Report to Stockholders:
The following is a copy of the report transmitted to stockholders pursuant to Rule 30e-1 under the Investment Company Act of 1940:

Putnam Managed Municipal Income Trust

Semiannual report 4 | 30 | 11

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Message from the Trustees

Dear Fellow Shareholder:

Financial markets and economies around the world continue to show improvement and resilience in the face of many headwinds. While energy and commodity prices have been volatile, suggesting inflationary pressures, corporate profits are strong, merger-and-acquisition activity is recovering, and stock values and dividends are rising.

Putnam believes that markets will remain unsettled over the next several months, roiled by civil unrest in the Middle East and North Africa, sovereign debt issues in Europe, and the lingering economic impact of the disasters in Japan.

Putnam's active, research-intensive investment approach is well suited to uncovering opportunities in this environment. We also believe this is an important time to talk to your financial advisor to determine if your investments are in line with your individual goals and appetite for risk.

In developments affecting oversight of your fund, we wish to thank Richard B. Worley and Myra R. Drucker, who have retired from the Board of Trustees, for their many years of dedicated and thoughtful leadership.

Lastly, we would like to take this opportunity to welcome new shareholders to the fund and to thank all of our investors for your continued confidence in Putnam.

About the fund

Potential for income exempt from federal income tax

Municipal bonds can help investors keep more of their investment income while also financing important public projects such as schools, roads, and hospitals. The bonds are typically issued by states and local municipalities to raise funds for building and maintaining public facilities, and they offer income that is generally exempt from federal, state, and local income tax.

Putnam Managed Municipal Income Trust has the flexibility to invest in municipal bonds issued by any state in the country. The bonds are backed by the issuing city or town or by revenues collected from usage fees, and have varying degrees of credit risk the risk that the issuer would not be able to repay the bond.

The fund also combines bonds of differing credit quality. In addition to investing in high-quality bonds, the fund s managers allocate a portion of the portfolio to lower-rated bonds, which may offer higher income in return for more risk. When deciding whether to invest in a bond, the managers consider factors such as credit risk, interest-rate risk, and the risk that the bond will be prepaid.

The managers are backed by Putnam s fixed-income organization, where municipal bond analysts are grouped into sector teams and conduct ongoing research. Once a bond has been purchased, the managers continue to monitor developments that affect the bond market, the sector, and the issuer of the bond.

The goal of this research and active management is to stay a step ahead of the industry and pinpoint opportunities for investors.

Consider these risks before investing: Lower-rated bonds may offer higher yields in return for more risk. Funds that invest in bonds are subject to certain risks including interest-rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. The fund uses leverage, which involves risk and may increase the volatility of the fund s net asset value. The fund s shares trade on a stock exchange at market prices, which may be lower than the fund s net asset value.

How do closed-end funds differ from open-end funds?

More assets at work While open-end funds need to maintain a cash position to meet redemptions, closed-end funds are not subject to redemptions and can keep more of their assets invested in the market.

Traded like stocks Closed-end fund shares are traded on stock exchanges, and their market prices fluctuate in response to supply and demand, among other factors.

Net asset value vs. market price Like an open-end fund s net asset value (NAV) per share, the NAV of a closed-end fund share is equal to the current value of the fund s assets, minus its liabilities, divided by the number of shares outstanding. However, when buying or selling closed-end fund shares, the price you pay or receive is the market price. Market price reflects current market supply and demand and may be higher or lower than the NAV.

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Data are historical. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and net asset value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See pages 5 and 11–12 for additional performance information, including fund returns at market price. Index and Lipper results should be compared with fund performance at NAV. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment NAV.

**** Returns for the six-month period are not annualized, but cumulative.***

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Interview with your fund's portfolio manager

Paul M. Drury, CFA

The final months of 2010 were an unusually turbulent period for the bond markets. How did that volatility affect Putnam Managed Municipal Income Trust's performance over the first half of its fiscal year?

It was a volatile period for the fixed-income markets, especially for municipal bonds. In early November, the Federal Reserve announced it would purchase $600 billion in Treasury bonds over the next several months in a second round of quantitative easing measures, designed in part to keep yields low and encourage investor risk taking. Around this time, data also began to suggest that the U.S. economic recovery was gathering strength. Treasury market yields jumped higher, which in turn put pressure on interest rates in the municipal bond market.

In addition, the media's coverage of state budget challenges took on a more dire tone during the final months of 2010, with predictions of widespread defaults becoming increasingly common. As a result, sentiment turned sharply negative, and investors pulled money out of municipal bond holdings at a rapid pace. In the first quarter of 2011, the municipal bond market was far more stable, but there was still a significant amount of investor uncertainty surrounding a number of issues — from interest rates to the potential for tax reform.

Although the fund trailed its benchmark during this period, I am pleased to report that it did outperform the average return of its Lipper peer group for the six months ended April 30, 2011.

You mentioned the recent increase in Treasury rates. How has that affected the municipal bond market?

By way of background, when interest rates increase, the prices of existing bonds

This comparison shows your fund's performance in the context of broad market indexes for the six months ended 4/30/11. See pages 4 and 11–12 for additional fund performance information. Index descriptions can be found on page 13.

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generally decline as the fixed interest rates they offer become less attractive to investors. So when interest rates in the Treasury market change, the rest of the taxable fixed-income market generally moves with them.

Municipal bonds' relation to Treasuries is a little more complex. Because municipal bonds offer tax-exempt income, their yields generally are lower than those of comparable Treasuries, whose interest is taxed as ordinary income. Over the long term, municipal bonds have offered yields between 85% and 100% of comparable Treasuries, broadly speaking. Since 2008, however, amid forced selling and some unusual supply-and-demand characteristics, yields in the municipal market have often been at 100% or more of Treasuries. That ratio continues to hover at or above the 100% threshold today for 30-year maturities. We believe that if interest rates continue to rise, municipal bonds won't necessarily decline to the same degree as taxable bonds given the positive supply technicals in the municipal market.

What effect has recent legislation — both enacted and proposed — had on the tax-exempt bond market?

It has been a very busy period from a policy perspective. First, at the end of 2010, the popular Build America Bonds — or "BABs" — program expired. The program was authorized by the 2009 stimulus bill that allowed states and municipalities to issue bonds in the taxable market by offering an accompanying subsidy payment to the municipal issuer from the federal government. Issuers in all 50 states participated in the BABs program, and, despite some speculation that the program might be extended, it was allowed to expire on December 31, 2010.

The expiration of the BABs program caused a significant spike in supply at the end of 2010. To lock in the federal subsidy BABs offered,

Credit qualities are shown as a percentage of portfolio value as of 4/30/11. A bond rated Baa or higher (MIG3/VMIG3 or higher, for short-term debt) is considered investment grade. The chart reflects Moody's ratings; percentages may include bonds or derivatives not rated by Moody's but rated by Standard & Poor's or, if unrated by S&P, by Fitch, and then included in the closest equivalent Moody's rating. Ratings will vary over time. Credit qualities are included for portfolio securities and are not included for derivative instruments and cash. The fund itself has not been rated by an independent rating agency.

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many states pushed up new issuance into the fourth quarter of 2010 — issuance that was originally slated for 2011. Because excess supply can lead to lower prices when demand fails to keep pace, some investors worried that the expiration of BABs would translate into significantly higher tax-free issuance in 2011, undermining price stability. We believed the first few months of 2011 would bring lighter issuance, and, in fact, issuance year to date has been even lower than expected, which has helped price stability recently.

Speculation about changes to tax policy also has affected the market. Given the ongoing struggle to reduce the federal deficit, a number of proposals are now on the table. Simplification of the tax code is one possibility, with changes to a number of the existing marginal rates. In a market dominated by individual investors, the relative attractiveness of municipal bonds is driven in large part by income tax rates, and any changes to those rates could affect investors' decisions as they reexamine their portfolios.

Investors also should be aware that there are a number of proposals under consideration in Washington, D.C., that could affect the way that municipal bonds are issued in the future. For example, one proposal suggests replacing traditional tax-exempt bonds with tax credit bonds. It is very important to note that no current proposal would affect the tax-exempt nature of currently outstanding bonds, which is to say they would be grandfathered. It is

Top ten state allocations are shown as a percentage of the fund's portfolio value as of 4/30/11. Investments in Puerto Rico represented 2.2% of portfolio value. Holdings will vary over time. State concentrations listed after the portfolio schedule in the Financial Statements section of this shareholder report are inclusive of tender option bonds and exclusive of insured status and any interest accruals and may differ from the summary information above.

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difficult to say how these proposals will fare as part of the overall attempts to reduce the federal deficit, but the debate could add to investor uncertainty.

How did you position the portfolio during the past six months?

Adhering to a strategy we have held for some time, we continued to position the portfolio to benefit from improving fundamentals in the municipal bond market. We believed that lower-rated bonds generally appeared undervalued, and we held an overweight position in Baa- and Ba-rated securities relative to the fund's benchmark and peer group. This detracted from performance relative to the benchmark, as the higher-yielding segments of the municipal bond market were among the harder hit in the downturn at the end of 2010.

From a sector perspective, our positions in airlines and industrials contributed to our performance relative to other high-yield municipal bond funds, as did our underweight position in non-rated bonds. We reduced the fund's exposure to tobacco bonds during the reporting period, a sector which ultimately detracted from total returns.

Lastly, I should also note that we have been maintaining a modestly larger cash position than is usual. We believe that given the heightened uncertainty in the market and the potential for ongoing volatility, adopting a slightly more defensive stance is prudent. This positioning also gives us greater flexibility to purchase attractive bonds without necessarily having to sell an existing position to raise cash.

How does the fund use leverage?

Leverage generally involves borrowing funds and investing the proceeds with the expectation of producing a return that exceeds the cost of borrowing. Unlike open-end funds, closed-end funds are permitted to engage

This chart shows how the fund's top weightings have changed over the past six months. Weightings are shown as a percentage of net assets. Summary information may differ from the portfolio schedule included in the financial statements due to the inclusion of derivative securities and the exclusion of as-of trades, if any, and the use of different classifications of securities for presentation purposes. Holdings will vary over time. Sector concentrations listed after the portfolio schedule in the Financial Statements section of this shareholder report are exclusive of insured status and any interest accruals, and may differ from the summary information above.

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in investment leverage by issuing preferred shares. We employ this form of investment leverage, which offers opportunities for increased investment yield and also effectively amplifies common shareholders' exposure to the effects of investment gains and losses.

What is your outlook for the municipal bond market?

We believe that while the financial challenges faced by many states remain significant, the likelihood of a default at the state level is quite remote. Debt service for states is normally a small part of their budgets. Nonetheless, debt service payments generally are one of the first expenses states pay. For example, debt service payments in California are second only to education expenses. While some states will continue to wrestle with large pension deficits, we believe that the fiscal condition of most state governments gradually will continue to improve along with the broader U.S. economy.

Still, various factors will continue to affect the municipal bond market's supply-and-demand balance. Although we expect overall supply to contract in 2011 compared with last year — and although it has been lighter than expected year to date — an uptick in issuance could put pressure on yield levels.

Moreover, there is increased uncertainty surrounding the future of tax rates. Although the Bush-era tax rates were extended in December 2010 for another two years, legislators are now discussing a tax code overhaul, and it's unclear what future rates will be, particularly for top income earners. In addition to the uncertainty at the federal level, state budget shortfalls and pension liabilities could increase pressure to raise state income taxes. Additionally, government policymakers are showing increased interest in states' financial conditions, which could spur more media attention and add volatility to the municipal bond market.

All in all, we anticipate that price volatility in the municipal bond market could continue over the short term, but for investors with longer time horizons, we believe that our actively managed approach remains a prudent way to generate attractive total returns in the tax-free bond market.

Thank you, Paul, for your time and insights today.

The views expressed in this report are exclusively those of Putnam Management. They are not meant as investment advice.

Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

Portfolio Manager **Paul M. Drury** is a Tax Exempt Specialist at Putnam. He has a B.A. from Suffolk University. A CFA charterholder, Paul has been in the investment industry since he joined Putnam in 1989.

In addition to Paul, your fund is managed by Susan McCormack and Thalia Meehan.

IN THE NEWS

Citing the United States's burgeoning federal deficit, Standard & Poor's (S&P) recently lowered its long-term outlook for U.S. Treasuries from "stable" to "negative." While maintaining its AAA rating for U.S. debt, S&P said the change to a negative outlook means that there is a one-in-three chance for a ratings downgrade over the next 24 months. If a downgrade were to take place, it could raise borrowing costs for both the U.S. government and American consumers. S&P's negative outlook will likely put increased pressure on Washington lawmakers to reach a bipartisan solution to reduce the federal deficit and restore fiscal discipline. While the U.S. downgrade is unprecedented, it is important to note that S&P downgraded the outlook for the United Kingdom, another AAA-rated country, to "negative" in May 2009, and restored the "stable" outlook in 2010 once the country addressed its deficit.

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Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended April 30, 2011, the end of the first half of its current fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance as of the most recent calendar quarter-end. Performance should always be considered in light of a fund's investment strategy. Data represent past performance. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return, net asset value, and market price will fluctuate, and you may have a gain or a loss when you sell your shares.

Fund performance Total return for periods ended 4/30/11

	NAV	Market price	Barclays Capital Municipal Bond Index	Lipper High Yield Municipal Debt Funds (closed-end) category average*
Annual average				
Life of fund (since 2/24/89)	6.16%	5.72%	6.35%	5.18%
10 years	61.21	57.10	62.23	58.69
Annual average	4.89	4.62	4.96	4.66
5 years	18.40	32.14	24.72	13.41
Annual average	3.44	5.73	4.52	2.49
3 years	14.44	22.44	14.71	10.36
Annual average	4.60	6.98	4.68	3.30
1 year	2.45	1.10	2.20	1.40
6 months	4.46	7.57	1.68	5.21

Performance assumes reinvestment of distributions and does not account for taxes.

Index and Lipper results should be compared to fund performance at net asset value. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment NAV.

* Over the 6-month, 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 4/30/11, there were 14, 14, 14, 13, 10, and 6 funds, respectively, in this Lipper category.

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Fund price and distribution information For the six-month period ended 4/30/11

Distributions	
Number	6
Income [1]	$0.264
Capital gains [2]	—
Total	**$0.264**

Distributions — Preferred shares*	**Series A (245 shares)**	**Series C (1,980 shares)**
Income [1]	$118.07	$58.40
Capital gains [2]	—	—
Total	**$118.07**	**$58.40**

Share value	**NAV**	**Market price**
10/31/10	$7.62	$7.73
4/30/11	7.01	6.88
Current yield (end of period)		
Current dividend rate [3]	7.53%	7.67%
Taxable equivalent [4]	11.58%	11.80%

The classification of distributions, if any, is an estimate. Final distribution information will appear on your year-end tax forms.

* For further information on the preferred shares outstanding during the period, please refer to Note 4: Preferred shares on page 42.

[1] For some investors, investment income may be subject to the federal alternative minimum tax. Income from federally exempt funds may be subject to state and local taxes.

2 Capital gains, if any, are taxable for federal and, in most cases, state purposes.

3 Most recent distribution, excluding capital gains, annualized and divided by NAV or market price at end of period.

4 Assumes maximum 35% federal tax rate for 2011. Results for investors subject to lower tax rates would not be as advantageous.

Fund performance as of most recent calendar quarter
Total return for periods ended 3/31/11

	NAV	**Market price**
Annual average		
Life of fund (since 2/24/89)	6.11%	5.73%
10 years	56.75	57.82
Annual average	4.60	4.67
5 years	16.92	29.27
Annual average	3.18	5.27
3 years	13.90	22.98
Annual average	4.43	7.14
1 year	2.80	3.05
6 months	–5.33	–8.18

Terms and definitions

Important terms

Total return shows how the value of the fund’s shares changed over time, assuming you held the shares through the entire period and reinvested all distributions in the fund.

Net asset value (NAV) is the value of all your fund’s assets, minus any liabilities and the net assets allocated to any outstanding preferred shares, divided by the number of outstanding common shares.

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

Current yield is the annual rate of return earned from dividends or interest of an investment. Current yield is expressed as a percentage of the price of a security, fund share, or principal investment.

Comparative indexes

Barclays Capital U.S. Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

Barclays Capital Municipal Bond Index is an unmanaged index of long-term fixed-rate investment-grade tax-exempt bonds.

BofA (Bank of America) Merrill Lynch U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

S&P 500 Index is an unmanaged index of common stock performance.

Indexes assume reinvestment of all distributions and do not account for fees. Securities and performance of a fund and an index will differ. You cannot invest directly in an index.

Lipper is a third-party industry-ranking entity that ranks mutual funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund's category assignment at its discretion. Lipper category averages reflect performance trends for funds within a category.

Other information for shareholders

Important notice regarding share repurchase program

In September 2010, the Trustees of your fund approved the renewal of a share repurchase program that had been in effect since 2005. This renewal will allow your fund to repurchase, in the 12 months beginning October 8, 2010, up to 10% of the fund's common shares outstanding as of October 7, 2010.

Important notice regarding delivery of shareholder documents

In accordance with SEC regulations, Putnam sends a single copy of annual and semiannual shareholder reports, prospectuses, and proxy statements to Putnam shareholders who share the same address, unless a shareholder requests otherwise. If you prefer to receive your own copy of these documents, please call Putnam at 1-800-225-1581, and Putnam will begin sending individual copies within 30 days.

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2010, are available in the Individual Investors section of putnam.com, and on the SEC's website, www.sec.gov. If you have questions about finding forms on the SEC's website, you may call the SEC at 1-800-SEC-0330. You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain the fund's Forms N-Q on the SEC's website at www.sec.gov. In addition, the fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the SEC's website or the operation of the Public Reference Room.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam mutual funds. As of April 30, 2011, Putnam employees had approximately $382,000,000 and the Trustees had approximately $71,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

Financial statements

A guide to financial statements

These sections of the report, as well as the accompanying Notes, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and non-investment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings — as well as any unrealized gains or losses over the period — is added to or subtracted from the net investment result to determine the fund's net gain or loss for the fiscal period.

Statement of changes in net assets shows how the fund's net assets were affected by the fund's net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund's shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned. Dividend sources are estimated at the time of declaration. Actual results may vary. Any non-taxable return of capital cannot be determined until final tax calculations are completed after the end of the fund's fiscal year.

Financial highlights provide an overview of the fund's investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlights table also includes the current reporting period.

The fund's portfolio 4/30/11 (Unaudited)

Key to holdings abbreviations

AGM Assured Guaranty Municipal Corporation

AMBAC AMBAC Indemnity Corporation

COP Certificates of Participation

FGIC Financial Guaranty Insurance Company

FHLMC Coll. Federal Home Loan Mortgage Corporation Collateralized

FNMA Coll. Federal National Mortgage Association Collateralized

FRB Floating Rate Bonds

G.O. Bonds General Obligation Bonds

GNMA Coll. Government National Mortgage Association Collateralized

NATL National Public Finance Guarantee Corp.

Radian Insd. Radian Group Insured

U.S. Govt. Coll. U.S. Government Collateralized

VRDN Variable Rate Demand Notes

MUNICIPAL BONDS AND NOTES (128.5%)*	Rating**	Principal amount	Value
Alabama (1.9%)			
Butler, Indl. Dev. Board Solid Waste Disp. Rev. Bonds (GA. Pacific Corp.), 5 3/4s, 9/1/28	BBB	$1,500,000	$1,404,600
Courtland, Indl. Dev. Board Env. Impt. Rev. Bonds (Intl. Paper Co.), Ser. A, 5s, 11/1/13	BBB	1,500,000	1,593,030
Cullman Cnty., Hlth. Care Auth. Rev. Bonds (Cullman Regl. Med. Ctr.), Ser. A, 6 3/4s, 2/1/29	Ba1	3,000,000	2,772,510
Selma, Indl. Dev. Board Rev. Bonds (Gulf Opportunity Zone Intl. Paper Co.), Ser. A, 6 1/4s, 11/1/33	BBB	1,000,000	1,015,110
Sylacauga, Hlth. Care Auth. Rev. Bonds (Coosa Valley Med. Ctr.), Ser. A			
6s, 8/1/35	B/P	250,000	204,078
6s, 8/1/25	B/P	650,000	570,109
			7,559,437

Arizona (3.9%)			
Apache Cnty., Indl. Dev. Auth. Poll. Control Rev.			
Bonds (Tucson Elec. Pwr. Co.)			
Ser. B, 5 7/8s, 3/1/33	Baa3	1,000,000	999,930
Ser. A, 5.85s, 3/1/28	Baa3	250,000	250,023
Calhoun Cnty., Sales & Use Tax Rev. Bonds			
(Georgia-Pacific Corp.), 6 3/8s, 11/1/26	Ba2	830,000	830,166
Casa Grande, Indl. Dev. Auth. Rev. Bonds (Casa			
Grande Regl. Med. Ctr.), Ser. A			
7 5/8s, 12/1/29	BB/P	1,800,000	1,697,076
7 1/4s, 12/1/19	BB/P	1,000,000	984,310
Cochise Cnty., Indl. Dev. Auth. Rev. Bonds (Sierra			
Vista Regl. Hlth. Ctr.), Ser. A, 6.2s, 12/1/21	BBB+/P	425,000	433,895
Coconino Cnty., Poll. Control Rev. Bonds (Tucson			
Elec. Pwr. Co. Navajo), Ser. A, 5 1/8s, 10/1/32	Baa3	2,000,000	1,801,620
Maricopa Cnty., Poll. Control Rev. Bonds (El Paso			
Elec. Co.), Ser. A, 7 1/4s, 2/1/40	Baa2	2,200,000	2,385,020
Navajo Cnty., Poll. Control Corp. Mandatory Put			
Bonds (6/1/16), Ser. E, 5 3/4s, 6/1/34	Baa2	1,950,000	2,094,164
Phoenix, Indl. Dev. Auth. Ed. Rev. Bonds (Career			
Success Schools), 7 1/8s, 1/1/45	BB+	500,000	454,490

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MUNICIPAL BONDS AND NOTES (128.5%)* *cont.*	**Rating****	**Principal amount**	**Value**
Arizona *cont.*			
Pima Cnty., Indl. Dev. Auth. Rev. Bonds			
(Tucson Elec. Pwr.), Ser. A, 6 3/8s, 9/1/29	Baa3	$500,000	$505,895
(Horizon Cmnty. Learning Ctr.), 5.05s, 6/1/25	BBB	1,140,000	959,195

Salt Verde, Fin. Corp. Gas Rev. Bonds, 5 1/2s, 12/1/29	A	2,000,000	1,874,120
Tempe, Indl. Dev. Auth. Sr. Living Rev. Bonds (Friendship Village), Ser. A, 5 3/8s, 12/1/13	BB-/P	393,000	389,192
			15,659,096
Arkansas (0.2%)			
Arkadelphia, Pub. Ed. Fac. Board Rev. Bonds (Ouachita Baptist U.), 6s, 3/1/33	BBB-/P	840,000	815,086
			815,086
California (10.9%)			
CA Edl. Fac. Auth. Rev. Bonds (U. of La Verne), Ser. A, 5s, 6/1/35	Baa2	500,000	405,175
CA Hlth. Fac. Fin. Auth. Rev. Bonds, AMBAC, 5.293s, 7/1/17	A2	3,400,000	3,407,276
CA Muni. Fin. Auth. COP (Cmnty. Hosp. Central CA), 5 1/4s, 2/1/37	Baa2	1,105,000	884,497
CA Muni. Fin. Auth. Rev. Bonds (U. of La Verne), Ser. A, 6 1/8s, 6/1/30	Baa2	1,000,000	980,670
CA Poll. Control Fin. Auth. Rev. Bonds (Pacific Gas & Electric Corp.), Class D, FGIC, 4 3/4s, 12/1/23	A3	2,500,000	2,497,575
CA Poll. Control Fin. Auth. Solid Waste Disp. FRB (Waste Management, Inc.), Ser. C, 5 1/8s, 11/1/23	A-2	2,150,000	2,125,597
CA Poll. Control Fin. Auth. Solid Waste Disp. Rev. Bonds (Waste Management, Inc.), Ser. A-2, 5.4s, 4/1/25	BBB	1,760,000	1,760,651
CA State G.O. Bonds, 6 1/2s, 4/1/33	A1	5,000,000	5,488,100
CA State Pub. Wks. Board Rev. Bonds, Ser. I-1, 6 5/8s, 11/1/34	A2	5,595,000	5,935,680

CA Statewide Cmnty. Dev. Auth. COP (The Internext Group), 5 3/8s, 4/1/30	BBB	3,950,000	3,318,790
CA Statewide Cmnty. Dev. Auth. Rev. Bonds			
(Thomas Jefferson School of Law), Ser. A, 7 1/4s, 10/1/38	BB+	560,000	564,402
(American Baptist Homes West), 5 3/4s, 10/1/25	BBB	3,000,000	2,845,050
Cathedral City, Impt. Board Act of 1915 Special Assmt. Bonds (Cove Impt. Dist.), Ser. 04-02			
5.05s, 9/2/35	BBB-/P	1,015,000	819,379
5s, 9/2/30	BBB-/P	245,000	208,693
Chula Vista, Cmnty. Fac. Dist. Special Tax Rev. Bonds			
(No. 06-1 Eastlake Woods Area), 6.1s, 9/1/21	BBB/P	1,000,000	1,022,240
(No. 07-1 Otay Ranch Village Eleven), 5.8s, 9/1/28	BB+/P	275,000	260,876
Foothill/Eastern Corridor Agcy. Rev. Bonds			
(Toll Road), 5.85s, 1/15/23	Baa3	500,000	474,390
(CA Toll Roads), 5 3/4s, 1/15/40	Baa3	2,745,000	2,293,227
M-S-R Energy Auth. Rev. Bonds, Ser. A, 6 1/2s, 11/1/39	A	750,000	766,725

MUNICIPAL BONDS AND NOTES (128.5%)* *cont.*	**Rating****	**Principal amount**	**Value**
California *cont.*			
Orange Cnty., Cmnty. Fac. Dist. Special Tax Rev. Bonds (Ladera Ranch No. 02-1), Ser. A, 5.55s, 8/15/33	BBB-/P	$900,000	$823,680
Poway, Unified School Dist. Cmnty. Facs. Special Tax Bonds (Dist. No. 14- Area A), 5 1/8s, 9/1/26	B+/P	850,000	712,827

Sacramento, Special Tax (North Natomas Cmnty.			
Fac.), Ser. 4-C, 6s, 9/1/33	BBB/P	1,245,000	1,180,472
San Francisco, City & Cnty. Redev. Fin. Auth. Tax			
Alloc. Bonds (Mission Bay South), Ser. D,			
6 5/8s, 8/1/39	BBB	250,000	240,568
Santaluz, Cmnty. Facs. Dist. No. 2 Special Tax			
Rev. Bonds (Impt. Area No. 1), Ser. B, 6 3/8s,			
9/1/30	BBB/P	2,810,000	2,810,590
Sunnyvale, Special Tax Rev. Bonds (Cmnty. Fac.			
Dist. No. 1), 7 3/4s, 8/1/32	B+/P	835,000	788,073
Thousand Oaks, Cmnty. Fac. Dist. Special Tax Rev.			
Bonds (Marketplace 94-1), zero %, 9/1/14	B+/P	1,720,000	1,330,436
			43,945,639
Colorado (2.0%)			
CO Hlth. Fac. Auth. Rev. Bonds			
(Christian Living Cmntys.), Ser. A, 5 3/4s, 1/1/26	BB/P	425,000	383,227
(Christian Living Cmntys.), Ser. A, 8 1/4s, 1/1/24	BB/P	375,000	394,928
(Evangelical Lutheran), Ser. A, 6 1/8s, 6/1/38	A3	2,045,000	1,952,771
(Total Longterm Care National), Ser. A, 6 1/4s,			
11/15/40	BBB/F	300,000	280,173
(Valley View Assn.), 5 1/4s, 5/15/42	BBB	3,495,000	2,832,557
CO Pub. Hwy. Auth. Rev. Bonds			
(E-470), Ser. C1, NATL, 5 1/2s, 9/1/24	Baa1	1,000,000	944,840
(E-470), Ser. C, 5 3/8s, 9/1/26	Baa2	500,000	456,290
Denver, City & Cnty. Special Fac. Arpt. Rev.			
Bonds (United Airlines), Ser. A, 5 1/4s, 10/1/32	B	325,000	269,552
Regl. Trans. Dist. Rev. Bonds (Denver Trans.			
Partners), 6s, 1/15/41	Baa3	750,000	682,620
			8,196,958
Connecticut (0.4%)			
CT State Dev. Auth. 1st. Mtg. Gross Rev. Hlth.			
Care Rev. Bonds (Elim Street Park			

Baptist, Inc.), 5.85s, 12/1/33	BBB+	650,000	595,992
Hamden, Fac. Rev. Bonds (Whitney Ctr.), Ser. A, 7 3/4s, 1/1/43	BB/P	1,050,000	1,066,748
			1,662,740
Delaware (0.7%)			
DE St. Econ. Dev. Auth. Rev. Bonds			
(Delmarva Pwr.), 5.4s, 2/1/31	BBB+	500,000	491,025
(Indian River Pwr.), 5 3/8s, 10/1/45	Baa3	2,600,000	2,240,653
			2,731,678
District of Columbia (1.1%)			
DC Rev. Bonds (Howard U.), Ser. A, 6 1/2s, 10/1/41	A3	2,500,000	2,480,150
DC Tobacco Settlement Fin. Corp. Rev. Bonds, Ser. A, zero %, 6/15/46	BB□/F	17,500,000	610,225
Metro. Washington, Arpt. Auth. Dulles Toll Rd. Rev. Bonds (2nd Sr. Lien), Ser. B, zero %, 10/1/40	Baa1	10,000,000	1,299,700
			4,390,075

MUNICIPAL BONDS AND NOTES (128.5%)* *cont.*	**Rating****	**Principal amount**	**Value**
Florida (6.5%)			
Double Branch Cmnty. Dev. Dist. Rev. Bonds, Ser. A, 6.7s, 5/1/34 Δ	A□	$915,000	$926,072
Escambia Cnty., Env. Impt. Rev. Bonds (Intl. Paper Co.), Ser. A, 5s, 8/1/26	BBB	2,000,000	1,770,760
Fishhawk, Cmnty. Dev. Dist. II Rev. Bonds			
Ser. B, 7.04s, 11/1/14 Δ	B□/P	20,000	19,555
Ser. A, 6 1/8s, 5/1/34 Δ	B□/P	435,000	409,257

FL Hsg. Fin. Corp. Rev. Bonds, Ser. G, GNMA Coll., FNMA Coll., FHLMC Coll., 5 3/4s, 1/1/37	Aa1	890,000	931,376
Halifax, Hosp. Med. Ctr. Rev. Bonds, Ser. A, 5 3/8s, 6/1/46	A	4,380,000	3,815,198
Heritage Harbour Marketplace Cmnty., Dev. Dist. Special Assmt. Bonds, 5.6s, 5/1/36 Δ	B/P	370,000	279,102
Heritage Harbour, South Cmnty. Dev. Distr. Rev. Bonds, Ser. A, 6 1/2s, 5/1/34 Δ	BB+/P	450,000	432,392
Hillsborough Cnty., Indl. Dev. Auth. Poll. Control Mandatory Put Bonds (9/1/13) (Tampa Elec. Co.), Ser. B, 5.15s, 9/1/25	Baa1	400,000	424,624
Jacksonville, Econ. Dev. Comm. Hlth. Care Fac. Rev. Bonds (Proton Therapy Inst.), Class A, 6s, 9/1/17	B/P	450,000	453,245
Jacksonville, Econ. Dev. Comm. Indl. Dev. Rev. Bonds (Gerdau Ameristeel US, Inc.), 5.3s, 5/1/37	BBB		