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PUTNAM INVESTMENTS

Protecting your interests

At Putnam Investments, we are committed to safeguarding your interests as a long-term investor. One of the ways we strive to do that is by monitoring and restricting the trading activities of short-term investors. Short-term trading fees are designed to discourage excessive short-term flows of money into or out of funds, which can increase your fund's transaction expenses and interfere with the long-term investment strategies you rely on to meet your goals.

To protect your interests, Putnam and its administrative partner, Mercer HR Services, adhere to the following policies designed to curb different types of short-term trading.

Fees for short-term trading

Short-term trading fees are designed to offset brokerage commissions, market impact, and other costs associated with short-term trading. The fees are paid directly to the fund; they are not paid to the mutual fund companies or administrative partners.

Although your plan rules may permit exchanges on a daily basis, mutual fund companies reserve the right to limit or prohibit short-term or excessive trading in their funds to protect the long-term interests of all shareholders in the funds.

Effective October 20, 2006, the Putnam funds' short-term trading fees are as follows:

In summary:

Fund	Fee structure
International funds	1% fee if exchanged within 90 days of purchase
Global funds	1% within 90 days
High-yield funds	1% within 90 days
Putnam Small Cap Growth Fund	1% within 90 days
Putnam Small Cap Value Fund	1% within 90 days
Putnam Capital Opportunities Fund	1% within 90 days
All other Putnam funds, including Putnam S&P 500 Index Fund and Putnam Bond Index Fund	1% within 7 days
Putnam Money Market Fund and Putnam Stable Value Fund	N/A

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Putnam's fee does not apply to share redemptions that are:

- Made to pay distributions or loans
- Of shares purchased directly with contributions by a plan participant or sponsor
- Of shares purchased in connection with loan repayments
- Made by a participant who became disabled after purchasing the shares
- Made in the event of the death of a participant
- Result from automatic rebalancing transactions

Mercer HR Services also monitors trading activity for certain non-Putnam funds that are held in retirement plans administered by Mercer HR Services. If a transaction for a non-Putnam fund in your plan is subject to a short-term trading fee, Mercer HR Services will inform you before the transaction occurs. Please note a different fee methodology may be used by non-Putnam funds.

Trading restrictions for excessive exchange activity

What is excessive exchange activity?

Putnam defines excessive exchange activity as two "round-trip" exchanges involving the same investment option within a 90-day period. A round trip is an exchange into and an exchange out of a single investment option within 90 days, unless the investment is a money market fund, a stable value fund, or a company stock fund. Such activity is considered a round trip regardless of:

- Dollar amount of the initial exchange
- Whether dollar amounts of the two exchanges are equal
- Order of the transactions (exchange in and exchange out, or vice versa)
- Number or types of other investment options through which money is exchanged between two exchanges involving the same fund

Example: A plan participant exchanges from Fund A to Fund B on June 10, from Fund B to Fund C on June 25, and from Fund C back to Fund A on July 15. This constitutes a round trip (an exchange out of Fund A and back into it within 90 days). If the participant then exchanges out of and back into Fund A again before September 8 (which is 90 days after June 10), this would constitute a second round trip within a 90-day period and would be considered excessive exchange activity.

This policy applies only to participant-initiated exchanges, and not to:

- Share purchases that are not considered exchanges into a fund, such as employer contributions, member contributions, and loan repayments
- Transactions that are not considered exchanges out of a fund, such as redemption of shares for distributions, withdrawals, and participant loans

In addition, exchanges that result from automatic rebalancing are not considered participant-initiated exchanges. However, the initial election of funds to be included in automatic rebalancing is subject to this policy because the participant controls the timing of that initial election.

How does Mercer seek to curb excessive exchanges?

On behalf of long-term investors, Mercer monitors transactions in the plans it administers and will take the following steps to curb excessive exchange activity.

- The first time Mercer observes such activity, it will send the participant a letter reminding him/her of these excessive trading policies.
- If the activity occurs again within the one-year period after the initial letter, Mercer will end the participant's access to all electronic exchanges through *ibenefitcenter.com*, automated phone lines, and phone representatives. Instead, exchanges may only be performed by instructions sent via U.S. mail. This restriction will last for one year.
- If the activity continues, Mercer will work with the plan sponsor to further limit the participant's exchange privileges.

Once again, these policies are designed to protect your interests as a long-term investor. If you have any questions about the policies or investing through your plan, please call your plan's toll-free number between 8:00 a.m. and 10:00 p.m. Eastern Time, any business day, to speak with a customer service representative.