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PUTNAM INVESTMENTS

February 28, 2008

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-1090

Re: Enhanced Disclosure and New Prospectus Delivery Option for Mutual Funds (File No. S7-28-07)

Dear Ms. Morris:

Putnam Investments appreciates the opportunity to comment on the Securities and Exchange Commission's proposal to allow key information concerning a mutual fund to be provided in the form of a summary prospectus. We support the proposal to allow funds the option of meeting prospectus delivery requirements by delivering a brief summary prospectus, which would be based on a revised summary section of the statutory prospectus. However, we believe that several changes in the proposal would serve to make the resulting disclosure approach more feasible for mutual fund firms to implement, while continuing to provide investors with all information needed for informed investment decisions. In particular, we endorse the views expressed in the separate comment letter submitted by the Investment Company Institute (ICI), which recommends several changes to the proposal relating to the quarterly updating requirement, technology requirements and modest changes to the order and content of summary prospectuses. In addition, we offer the following comments.

Quarterly updating. We especially emphasize our agreement with the view expressed by the ICI regarding the disproportionate costs and logistical difficulties that would result from a requirement to update the summary prospectus on a quarterly basis. Quarterly data with respect to portfolio holdings and performance are already available to investors and their financial representatives via the Internet and printed documents. In lieu of a requirement to issue summary prospectuses on a quarterly basis, we recommend that the summary prospectus direct investors to a fund's website for information regarding current performance and portfolio holdings.

Multiple fund presentations. The proposal prohibits the inclusion of more than one fund in a summary prospectus and requires the summary section of a statutory prospectus that covers multiple funds to present the required information for each fund separately. We believe that investor interests would be served by allowing more flexibility in the final rule, at least with



respect to a set of funds, such as target-date funds (a set of funds with dates corresponding to a year in which an investor expects to reach retirement) or lifestyle funds (a set of funds with asset allocations geared to different risk profiles), that are presented as a single investment product composed of several funds that are managed in a similar fashion, but with different gradations of risk and return.

Typically, the investor would seek to identify the one fund in the set that most closely corresponds to the investor's risk profile. We believe that investor understanding of each fund in the set is enhanced by an integrated discussion of the overall investment approach for the entire set, including a comparison of the funds' asset allocations. The investment policies of each fund in the set are typically expressed in comparative terms to the investment policies of the other funds in the set. For instance, a table in the summary of investment policies for Putnam's three asset allocation (lifestyle) funds shows the varying ranges of exposure to equity and fixed income investments in a manner that clearly and simply conveys the differences among the funds. In addition, an integrated discussion of investment risks enables commentary on which risks apply more significantly to particular funds. For example, the summary of investment risks for Putnam's series of ten target-date funds specifies the funds for which interest rate risk, foreign investing risk or equity investing risk is greater. Further, an integrated presentation of performance allows the investor easily to see how the differences in asset allocations may correspond to positive or negative differences in performance.

The ability to structure this disclosure in integrated fashion, as opposed to separate presentations for each fund, enables the information to be provided in fewer pages, with attendant cost savings for the funds. For instance, we estimate that a single summary prospectus for a set of ten target-date funds with six share classes would be approximately 22 pages of about five by eight inches in size, while ten separate summary prospectuses of about 12 pages each would total 120 pages. Similarly, the single statutory prospectus for the ten target-date funds would be lengthened by about 98 pages, if the description of investment policies, risks and other required topics in the summary section were required to be repeated for each fund.

Thus, we believe that the goals of clear communication with investors will be furthered by the Commission's adopting final rules that, at least in the instance of target-date and lifestyle funds, allow the inclusion of more than one fund in a summary prospectus and allow the summary section of a statutory prospectus that covers multiple funds to present the required information in integrated fashion.

Heading of expense table. The summary of expenses currently has the heading: "Annual Fund Operating Expenses" and the subheading: "expenses that are deducted from Fund assets." The Commission proposes to revise the subheading to read: "ongoing expenses that you pay each year as a percentage of the value of your investment." Since investors do not directly pay these expenses, we recommend an alternative phrase: "deducted before fund returns are calculated." We believe that this explanatory phrase concisely addresses the key point that performance is net of expenses.



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Compliance date. We recommend that compliance with any new requirements not be required until at least one year from the date the requirement is effective. The significant systems and quality control mechanisms needed to comply with the new requirements warrant at least this length of time, rather than the proposed six-month period.

If you should have any questions about these comments, please contact me at (617) 760-1105.

Very truly yours,

Karen R. Kay

