

PUTNAM HIGH INCOME SECURITIES FUND  
Form N-CSRS  
April 28, 2010

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- 05133)

Exact name of registrant as specified in charter: Putnam High Income Securities  
Fund

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

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

Copy to: John W. Gerstmayr, Esq.  
Ropes & Gray LLP  
One International Place  
Boston, Massachusetts 02110

Registrant's telephone number, including area code: (617) 292-1000

Date of fiscal year end: August 31, 2010

Date of reporting period September 1, 2009 - February 28, 2010

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:

---

---

## **A BALANCED APPROACH**

Since 1937, when George Putnam created a diverse mix of stocks and bonds in a single, professionally managed portfolio, Putnam has championed the balanced approach.

## **A WORLD OF INVESTING**

Today, we offer investors a world of equity, fixed-income, multi-asset, and absolute-return portfolios to suit a range of financial goals.

## **A COMMITMENT TO EXCELLENCE**

Our portfolio managers seek superior results over time, backed by original, fundamental research on a global scale. We believe in the value of experienced financial advice, in providing exemplary service, and in putting clients first in all we do.

---

# **Putnam High Income Securities Fund**

## **Semiannual report**

**2 | 28 | 10**

<b>Message from the Trustees</b>	<b>2</b>
<b>About the fund</b>	<b>4</b>
<b>Performance snapshot</b>	<b>6</b>
<b>Interview with your fund's portfolio managers</b>	<b>7</b>
<b>Your fund's performance</b>	<b>11</b>
<b>Terms and definitions</b>	<b>13</b>
<b>Trustee approval of management contract</b>	<b>14</b>
<b>Other information for shareholders</b>	<b>18</b>

---

<b>Financial statements</b>	<b>19</b>
-----------------------------	-----------

---

<b>Shareholder meeting results</b>	<b>52</b>
------------------------------------	-----------

---

---

## Message from the Trustees

Dear Fellow Shareholder:

What a difference a year makes. The rebound that followed the market lows in early March 2009 turned out to be one of the strongest in generations. After a slow start, the markets have continued to rise during the first few months of 2010.

It is unlikely that this year will be a repeat performance of 2009. Still, based on an encouraging earnings outlook and evidence of an improving but fragile global economic recovery, today's markets offer opportunities for active money management, which is Putnam's core strength.

If there is any lesson to be learned from the extraordinary volatility of the past two years, it is the importance of positioning one's portfolio to limit downside risk. It is our belief that the best way to achieve this is by diversifying across all asset classes and investment strategies, and by adhering to your plan in every type of market environment.

Diversification and downside protection are worthwhile endeavors — and not just from a psychological standpoint. A portfolio diversified across all asset classes has been shown in the past to conserve wealth better during downturns and to benefit in a rising market environment.

2

---

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

---

## About the fund

### Seeking opportunities from high-yield bonds and convertibles

The average investor may think of bonds as government-sponsored securities that offer relatively low risk and less volatility than the stock market. However, high-yield corporate bonds and convertible securities, the types of investments primarily held by Putnam High Income Securities Fund, are different. Both are issued by companies rather than the government. Moreover, high-yield corporates and convertibles can offer greater returns than other bonds — but also carry a greater potential for risk, such as the risk of corporate default or periodic illiquidity.

High-yield bonds are deemed to be less than investment-grade status (rated below Baa), which means their issuing companies are considered more likely to default on their loans than more creditworthy counterparts. High-yield

bond prices tend to follow individual companies' fundamentals as well as interest-rate levels. While lower-rated corporate bonds may carry higher risk, they provide potentially higher levels of yield to compensate investors for that risk. That is why extensive research based on credit analysis is vital to identifying better high-yield issuers with a lower risk of default.

What sets convertible securities apart is a unique built-in option that allows the investor to exchange or convert the bond for a fixed number of shares of stock of the issuer. Like most bonds, convertible securities pay interest, although frequently at a lower rate, and the amount of interest does not change as the price of the underlying stock(s) increases or decreases. Issuers range from large, well-known S&P 500 corporations to small, rapidly growing companies to those in cyclically depressed areas such as the automotive industry in 2009.

Building a portfolio of high-yield bonds and convertible securities with the appropriate balance of risk and return potential requires intensive research and analysis. In the case of Putnam High Income Securities Fund, Putnam's global equity and credit research analysts conduct rigorous research in an effort to determine the true worth of the issuing company's business. The fund's portfolio managers then construct a portfolio that they believe offers the best return potential without undue risk.

#### **Consider these risks before investing:**

Lower-rated bonds may offer higher yields in return for more risk. Mutual 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's shares trade on a stock exchange at market prices, which may be lower than the fund's net asset value. The use of derivatives involves special risks and may result in losses. A fund that engages in short sales of securities may incur losses if the securities appreciate in value, and may experience higher volatility due to leverage resulting from investing the proceeds of securities sold short.

#### **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.

#### **Putnam High Income Securities Fund**

#### **Putnam High Income Securities Fund has held securities from a variety of sectors and industries.**

## Performance snapshot

### Annualized total return (%) comparison as of 2/28/10

*Data is historical. 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. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See pages 7 and 11-12 for additional performance information, including fund returns at market price. Index and Lipper results should be compared to 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.*

*The fund's benchmarks, the BofA Merrill Lynch All-Convertibles Speculative Quality Index and the JPMorgan Developed High Yield Index, were introduced on 12/31/92 and 12/31/94, respectively, which post-date the inception date of the fund.*

6

---

## Interview with your fund's portfolio managers

Eric Harthun and Robert Salvin

### How did Putnam High Income Securities Fund perform for the six months ended February 28, 2010?

**Eric:** The fund returned 13.31% at net asset value, trailing both its primary benchmark, the BofA Merrill Lynch All-Convertibles Speculative Quality Index, which advanced 17.10%, and the average return of its peer group, Lipper Convertible Securities Funds [closed-end], which finished at 13.76%. During the same period, the fund's secondary benchmark, the JPMorgan Developed High Yield Index gained 14.51%.

### How would you characterize the market environment during this period?

**Rob:** Amid clearer signs of economic recovery and improving business fundamentals, the high-yield convertible and bond markets continued the resurgence that began in March 2009, as investors continued to embrace risk and drive up the prices of previously distressed securities. Yield spreads on high-yield securities — or the yield advantage they offer over U.S. Treasuries — tightened significantly as bond prices rose.

Favorable supply-and-demand dynamics also aided both market sectors. Convertibles attracted "crossover" equity and corporate bond investors seeking higher yields, while also benefiting from strong demand on the part of traditional investors in the sector. Robust demand drove sizeable new issuance in the high-yield bond market, allowing

### Broad market index and fund performance

This comparison shows your fund's performance in the context of broad market indexes for the six months ended 2/28/10. See pages 6 and 11-12 for additional fund performance information. Index descriptions can be found on

page 13.

7

issuers to refinance debt and repair their balance sheets, thereby reducing default risk.

#### **What factors dampened the fund's relative performance?**

**Eric:** A key tenet in our investment strategy is to seek to control the fund's risk by keeping the portfolio broadly diversified. This approach typically prevents us from taking index-sized positions in many of the primary benchmark's largest constituents, which hurt relative results during this period. For example, we held a significantly underweighted stake in the convertibles of auto-maker **Ford Motor**. Ford's convertibles — whose prices advanced dramatically during the period — are heavily represented in the index, and therefore our underweighted exposure detracted from performance. A similar scenario unfolded with the convertibles of leading generic drug producer **Mylan**, another outsized index component and one that we did not hold. The company had taken on substantial debt to acquire the generic drug division of German pharmaceutical company Merck KGaA in the fall of 2007. The prices for Mylan's convertibles trended downward from that point until bottoming in late 2008 and rebounding sharply in 2009.

#### **What were some of the holdings that helped the most versus the benchmark?**

**Eric:** Many of the fund's top contributors were securities whose prices fell to levels reflecting high degrees of bankruptcy risk and then rebounded strongly when investors concluded that the companies would avoid bankruptcy. These investments included convertibles issued by off-price retailer **Retail Ventures**, which operates DSW, Filene's Basement, and Value City retail stores, and television broadcaster **Sinclair Broadcast Group**. Retail Ventures is a relatively small retailer with significant debt on its balance

#### **Credit quality overview**

Credit qualities are shown as a percentage of portfolio value as of 2/28/10. A bond rated Baa/BBB or higher (Prime-3 or higher, for short-term debt) is considered investment grade. The calculation of portfolio credit quality is performed by Putnam, using the highest security rating provided by one or more of Standard & Poor's, Moody's, and Fitch. Portfolio quality figures include cash bonds and cash, and represent only the fixed-income portion of the portfolio. Securities that do not have agency ratings are assigned the lowest rating. Derivative instruments, including currency forwards, are only included in the calculation to the extent of any unrealized gain or loss on such instruments, which is added to, or subtracted from, the rating totals for the highest rating category. Ratings and portfolio credit quality may change over time. The fund itself has not been rated by an independent rating agency.

8

#### **□The high-yield convertible and bond markets continued the resurgence that began in March 2009.□**

Robert Salvin

sheet. Its securities were punished during the credit crisis and general economic downturn before bouncing back as the equity and convertibles markets recovered. In the case of Sinclair Broadcast, in July 2009, the company outlined details of a potential bankruptcy filing by one of its key local-marketing-agreement partners, which could have negatively impacted Sinclair. The situation was resolved without any effect on Sinclair, and the firm's securities rallied briskly from that point through the end of the period.

**What changes did you make to the portfolio during the period?**

**Rob:** We took profits on some of the fund's best-performing high-yield bonds and deployed a portion of those proceeds into newly issued securities. We also added modestly to our convertible preferred stock and foreign bond holdings.

**What is your outlook for the economy, the high-yield convertible and bond markets, and the fund over the coming months?**

**Rob:** The U.S. economy is now growing at a moderate pace. However, while the short-term outlook is more favorable than it has been in a long time, we are not yet, in our view, at the threshold of robust economic growth. The economy is facing significant headwinds, especially from private sector deleveraging, a constrained banking system, and some concern about the possibility for deflation in 2010. Although monetary policy likely will remain accommodative for some time, economic stimulus from fiscal policy is unlikely to extend beyond 2010. All told, we believe the U.S. economy may expand this

**Portfolio composition comparison**

This chart shows how the fund's top weightings have changed over the past six months. Weightings are shown as a percentage of portfolio value. Holdings will vary over time.

9

---

year, but more rapidly during the first half of the year than the second.

At period-end, yield spreads for both high-yield convertibles and bonds were still attractive versus Treasuries on a loss-adjusted basis relative to historical averages. Although spreads have compressed as a result of substantial price appreciation, we believe high-yield default rates are likely to drop considerably during 2010, perhaps to as low as 3% to 4%, which is below historical norms. Unlike 2009, high-yield investors are now more focused on issuer business fundamentals and not merely on whether a company is likely to file for bankruptcy or survive as a going concern. Consequently, while high-yield valuations are not as compelling as they were a year ago, we are still finding attractive investment opportunities through our fundamental, bottom-up research process.

**IN THE NEWS**

**After two straight years of stagnation, the global economy is recovering faster than previously thought.** In its *World Economic Outlook*, the International Monetary Fund (IMF) upgraded its view on global growth predicting that world economies will expand 3.9% in 2010, up from 0.8% last year. The recovery, according to the IMF, will not be consistent across the board, with emerging markets leading more advanced economies, which continue to remain dependent on government stimulus for growth. Asia, in particular, is expected to lead the pack, with strong growth coming from China and India. Meanwhile, the United States is already showing signs of growth, with gross domestic product (GDP) increasing by 5.6% in the fourth quarter of 2009, up from 2.2% in the third quarter.

**Thanks for updating us, gentlemen.**

*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 **Eric Harthun** has an M.B.A. from The University of Chicago Booth School of Business and a B.S. from San Diego State University. A CFA charterholder, Eric joined Putnam in 2000 and has been in the investment industry since 1994.

Portfolio Manager **Robert Salvin** has an M.B.A. from The University of Chicago Booth School of Business and a B.S. from the Wharton School of the University of Pennsylvania. He joined Putnam in 2000 and has been in the investment industry since 1986.

10

## Your fund's performance

This section shows your fund's performance, price, and distribution information for periods ended February 28, 2010, 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 represents 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 2/28/10

	NAV	Market price
Life of fund (since 7/9/87)		
Annual average	9.17%	8.86%
10 years	105.62	153.95
Annual average	7.47	9.77
5 years	28.54	43.59
Annual average	5.15	7.50
3 years	5.01	14.29
Annual average	1.64	4.55
1 year	56.67	62.31
6 months	13.31	18.96



Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

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

**Comparative index returns** For periods ended 2/28/10

	<b>BofA Merrill Lynch All-Convertibles Speculative Quality Index</b>	<b>JPMorgan Developed High Yield Index</b>	<b>Lipper Convertible Securities Funds (closed- end) category average</b>
Life of fund (since 7/9/87)			
Annual average	□*	□*	8.18%
<hr/>			
10 years	23.23%	99.23%	44.09
Annual average	2.11	7.14	3.51
<hr/>			
5 years	25.77	37.00	14.39
Annual average	4.69	6.50	2.66
<hr/>			
3 years	1.53	18.10	□4.39
Annual average	0.51	5.70	□1.57
<hr/>			
1 year	79.21	55.37	66.62
<hr/>			
6 months	17.10	14.51	13.76
<hr/>			

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.

\* The fund's benchmarks, the BofA Merrill Lynch All-Convertibles Speculative Quality Index and the JPMorgan Developed High Yield Index, were introduced on 12/31/92 and 12/31/94, respectively, which post-date the inception date of the fund.

□ Over the 6-month, 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 2/28/10, there were 11, 11, 10, 9, 4, and 2 funds, respectively, in this Lipper category.

11

**Fund price and distribution information** For the six-month period ended 2/28/10

**Distributions**

Number	6
Income	\$0.2634

Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

---

Capital gains	□
---------------	---

---

Total	\$0.2634
-------	----------

---

Share value	NAV	Market price
8/31/09	\$7.13	\$6.80
2/28/10	7.79	7.80

---

**Current yield (end of period)**

---

Current dividend rate*	6.76%	6.75%
------------------------	-------	-------

---

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

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

**Fund performance as of most recent calendar quarter**

Total return for periods ended 3/31/10

	NAV	Market price
Life of fund (since 7/9/87)		
Annual average	9.31%	9.00%
10 years	117.94	153.98
Annual average	8.10	9.77
5 years	36.77	56.63
Annual average	6.46	9.39
3 years	8.30	16.62
Annual average	2.69	5.26
1 year	57.93	63.89
6 months	11.96	17.64

---

## 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, divided by the number of outstanding 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 Aggregate Bond Index** is an unmanaged index of U.S. investment-grade fixed-income securities.

**BofA Merrill Lynch All-Convertibles Speculative Quality Index** is an unmanaged index of U.S. convertible securities.

**BofA 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.

**JPMorgan Developed High Yield Index** is an unmanaged index of high-yield fixed-income securities issued in developed countries.

**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.

## Trustee approval of management contract

### General conclusions

The Board of Trustees of the Putnam funds oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of your fund's management contract with Putnam Investment Management ("Putnam Management") and the sub-management contract, with respect to your fund, between Putnam Management and its affiliate, Putnam Investments Limited ("PIL").

In this regard, the Board of Trustees, with the assistance of its Contract Committee consisting solely of Trustees who are not "interested persons" (as such term is defined in the Investment Company Act of 1940, as amended) of the Putnam funds (the "Independent Trustees"), requests and evaluates all information it deems reasonably necessary under the circumstances. Over the course of several months ending in June 2009, the Contract Committee met several times to consider the information provided by Putnam Management and other information developed with the assistance of the Board's independent counsel and independent staff. The Contract Committee reviewed and discussed key aspects of this information with all of the Independent Trustees. At the Trustees' June 12, 2009 meeting, the Contract Committee recommended, and the Independent Trustees approved, the continuance of your fund's management and sub-management contracts, effective July 1, 2009. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees have not evaluated PIL as a separate entity, and all subsequent references to Putnam Management below should be deemed to include reference to PIL as necessary or appropriate in the context.)

The Independent Trustees' approval was based on the following conclusions:

That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds and the costs incurred by Putnam Management in providing such services, and

That such fee schedule represented an appropriate sharing between fund shareholders and Putnam Management of such economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. It is also important to recognize that the fee arrangements for your fund and the other Putnam funds are the result of many years of review and discussion between the Independent Trustees and Putnam Management, that certain aspects of the arrangements may receive greater scrutiny in some years than others, and that the Trustees' conclusions may be based, in part, on their consideration of these same arrangements in prior years.

#### **Management fee schedules and categories; total expenses**

The Trustees reviewed the management fee schedules in effect for all Putnam funds, including fee levels and breakpoints, and the assignment of funds to particular fee categories. The general fee structure has been carefully developed over the years and

14

---

re-examined on many occasions and adjusted where appropriate. In this regard, the Trustees noted that shareholders of all funds voted by overwhelming majorities in 2007 to approve new management contracts containing identical fee schedules.

In reviewing fees and expenses, the Trustees generally focused their attention on material changes in circumstances — for example, changes in a fund's size or investment style, changes in Putnam Management's operating costs, or changes in competitive practices in the mutual fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not warrant changes to the management fee structure of your fund. The Trustees focused on two areas of particular interest, as discussed further below:

**Competitiveness.** The Trustees reviewed comparative fee and expense information for competitive funds, which indicated that, in a custom peer group of competitive funds selected by Lipper Inc., your fund ranked in the 1st percentile in management fees and in the 1st percentile in total expenses as of December 31, 2008 (the first percentile being the least expensive funds and the 100th percentile being the most expensive funds).

The Trustees noted that expense ratios for a number of Putnam funds, which show the percentage of fund assets used to pay for management and administrative services, distribution (12b-1) fees (as applicable) and other expenses, had been increasing recently as a result of declining net assets and the natural operation of fee breakpoints. The Trustees expressed their intention to monitor the fund's percentile rankings for management fees and total expenses to ensure that its fees and expenses continue to meet evolving competitive standards.

**Economies of scale.** Your fund currently has the benefit of breakpoints in its management fee that provide shareholders with significant economies of scale, which means that the effective management fee rate of the fund (as a percentage of fund assets) declines as the fund grows in size and crosses specified asset thresholds. Conversely, as the fund shrinks in size — as has been the case for many Putnam funds in recent years — these breakpoints result in increasing fee levels. In recent years, the Trustees have examined the operation of the existing breakpoint structure during periods of both growth and decline in asset levels. The Trustees concluded that the fee schedule in effect for your fund represented an appropriate sharing of economies of scale at that time.

In connection with their review of the management fees and total expenses of the Putnam funds, the Trustees also reviewed the costs of the services provided and profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included trends in revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management and distribution services provided to the funds. In this regard, the Trustees also reviewed an analysis of Putnam Management's revenues, expenses and profitability with respect to the funds' management contracts, allocated on a fund-by-fund basis.

### **Investment performance**

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees' evaluation of the quality of services provided by Putnam Management under your fund's management contract. The Trustees were assisted in their review of the Putnam funds' investment process and performance by the work of the Investment Oversight Coordinating Committee of the Trustees and the Investment Oversight Committees of the Trustees, which had met on a regular

15

---

monthly basis with the funds' portfolio teams throughout the year. The Trustees concluded that Putnam Management generally provides a high-quality investment process — as measured by the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to such personnel, and in general the ability of Putnam Management to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period. The Trustees considered the investment performance of each fund over multiple time periods and considered information comparing each fund's performance with various benchmarks and with the performance of competitive funds.

The Trustees noted the disappointing investment performance of many of the funds for periods ended March 31, 2009. They discussed with senior management of Putnam Management the factors contributing to such underperformance and the actions being taken to improve performance. The Trustees recognized that, in recent years, Putnam Management has taken steps to strengthen its investment personnel and processes to address areas of underperformance, including Putnam Management's continuing efforts to strengthen the equity research function, recent changes in portfolio managers including increased accountability of individual managers rather than teams, recent changes in Putnam Management's approach to incentive compensation, including emphasis on top quartile performance over a rolling three-year period, and the recent arrival of a new chief investment officer. The Trustees also recognized the substantial improvement in performance of many funds since the implementation of those changes. The Trustees indicated their intention to continue to monitor performance trends to assess the effectiveness of these efforts and to evaluate whether additional changes to address areas of underperformance are warranted.

## Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

In the case of your fund, the Trustees considered that your fund's common share cumulative total return performance at net asset value was in the following percentiles of its Lipper Inc. peer group (Lipper Convertible Securities Funds (closed-end)) for the one-year, three-year and five-year periods ended March 31, 2009 (the first percentile being the best-performing funds and the 100th percentile being the worst-performing funds):

One-year period	25th
<hr/>	
Three-year period	30th
<hr/>	
Five-year period	30th
<hr/>	

Over the one-year, three-year and five-year periods ended March 31, 2009, there were 11, 9 and 9 funds, respectively, in your fund's Lipper peer group. Past performance is no guarantee of future results.

As a general matter, the Trustees believe that cooperative efforts between the Trustees and Putnam Management represent the most effective way to address investment performance problems. The Trustees noted that investors in the Putnam funds have, in effect, placed their trust in the Putnam organization, under the oversight of the funds' Trustees, to make appropriate decisions regarding the management of the funds. Based on the responsiveness of Putnam Management in the recent past to Trustee concerns about investment performance, the Trustees concluded that it is preferable to seek change within Putnam Management to address performance shortcomings. In the Trustees' view, the alternative of engaging a new investment adviser for an underperforming fund would entail significant disruptions and would not provide any greater assurance of improved investment performance.

16

---

### **Brokerage and soft-dollar allocations; other benefits**

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage and soft-dollar allocations, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that may be useful to Putnam Management in managing the assets of the fund and of other clients. The Trustees considered a change made, at Putnam Management's request, to the Putnam funds' brokerage allocation policy commencing in 2009, which increased the permitted soft dollar allocation to third-party services over what had been authorized in previous years. The Trustees noted that a portion of available soft dollars continue to be allocated to the payment of fund expenses, although the amount allocated for this purpose has declined in recent years. The Trustees indicated their continued intent to monitor regulatory developments in this area with the assistance of their Brokerage Committee and also indicated their continued intent to monitor the potential benefits associated with the allocation of fund brokerage and trends in industry practice to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

The Trustees' annual review of your fund's management contract also included the review of the investor servicing agreement with Putnam Fiduciary Trust Company, which agreement provides benefits to an affiliate of Putnam Management.

### **Comparison of retail and institutional fee schedules**

The information examined by the Trustees as part of their annual contract review has included for many years information regarding fees charged by Putnam Management and its affiliates to institutional clients such as defined benefit pension plans, college endowments, etc. This information included comparisons of such fees with fees charged to the funds, as well as a detailed assessment of the differences in the services provided to these two

types of clients. The Trustees observed, in this regard, that the differences in fee rates between institutional clients and mutual funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients reflect to a substantial degree historical competitive forces operating in separate market places. The Trustees considered the fact that fee rates across different asset classes are typically higher on average for mutual funds than for institutional clients, as well as the differences between the services that Putnam Management provides to the Putnam funds and those that it provides to institutional clients of the firm, but did not rely on such comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

17

---

## Other information for shareholders

### Important notice regarding share repurchase program

In September 2009, 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, 2009, up to 10% of the fund's common shares outstanding as of October 7, 2009.

### 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, 2009, are available in the Individual Investors section of putnam.com, and on the SEC's Web site, www.sec.gov. If you have questions about finding forms on the SEC's Web site, 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 Web site 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 Web site 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 February 28, 2010, Putnam employees had approximately \$323,000,000 and the Trustees had approximately \$46,000,000 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.

### Exclusion under Commodity Exchange Act

The fund has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodity Exchange Act ("CEA"), and therefore is not subject to registration or regulation as a pool operator under the CEA.

18

## 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 noninvestment 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.

19

### The fund's portfolio 2/28/10 (Unaudited)

CORPORATE BONDS AND NOTES (41.7%)*	Principal amount	Value
<b>Advertising and marketing services (0.1%)</b>		
Lamar Media Corp. company guaranty 7 1/4s, 2013	\$100,000	\$100,000



Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

Lamar Media Corp. company guaranty sr. notes 9 3/4s, 2014	10,000	10,850
		<b>110,850</b>
<b>Automotive (0.9%)</b>		
Affinia Group, Inc. 144A sr. notes 10 3/4s, 2016	15,000	16,275
Allison Transmission, Inc. 144A company guaranty sr. unsec. notes 11 1/4s, 2015 ☐☐	167,500	173,363
American Axle & Manufacturing, Inc. company guaranty sr. unsec. unsub. notes 7 7/8s, 2017	40,000	34,800
Ford Motor Credit Co., LLC sr. notes 9 7/8s, 2011	150,000	157,125
Ford Motor Credit Co., LLC sr. notes 7 1/4s, 2011	280,000	283,846
Navistar International Corp. sr. notes 8 1/4s, 2021	250,000	254,375
Oshkosh Corp. 144A company guaranty sr. unsec. notes 8 1/2s, 2020	40,000	40,000
TRW Automotive, Inc. company guaranty sr. unsec. unsub. notes Ser. REGS, 6 3/8s, 2014	EUR 60,000	75,271
TRW Automotive, Inc. 144A company guaranty sr. unsec. unsub. notes 6 3/8s, 2014	\$80,000	100,361
		<b>1,135,416</b>
<b>Basic materials (3.8%)</b>		
Aleris International, Inc. company guaranty sr. unsec. notes 9s, 2014 (In default) ☐☐☐	230,000	1,700
Aleris International, Inc. company guaranty sr. unsec. sub. notes 10s, 2016 (In default) ☐	45,000	956
AMH Holdings, Inc. sr. disc. unsec. notes 11 1/4s, 2014	55,000	54,450
Associated Materials, LLC/Associated Materials Finance, Inc. company guaranty sr. notes 9 7/8s, 2016	140,000	148,400

Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

Builders FirstSource, Inc. 144A company guaranty sr. notes FRN 13s, 2016		109,000	110,635
Catalyst Paper Corp. company guaranty sr. unsec. unsub. notes 7 3/8s, 2014 (Canada)		60,000	38,400
Clondalkin Acquisition BV 144A company guaranty sr. notes FRN 2.254s, 2013 (Netherlands)		75,000	66,938
Compass Minerals International, Inc. 144A sr. notes 8s, 2019		150,000	155,625
FMG Finance Pty Ltd. 144A sr. sec. notes 10 5/8s, 2016 (Australia)		195,000	217,425
Freeport-McMoRan Copper & Gold, Inc. sr. unsec. notes 8 3/8s, 2017		590,000	638,675
Georgia-Pacific, LLC sr. unsec. unsub. notes 9 1/2s, 2011		205,000	222,938
HeidelbergCement AG company guaranty sr. unsec. unsub. notes 8s, 2017 (Germany)	EUR	40,000	56,015
HeidelbergCement AG company guaranty sr. unsec. unsub. notes 7 1/2s, 2014 (Germany)	EUR	25,000	35,200
HeidelbergCement AG company guaranty unsec. unsub. notes 8 1/2s, 2019 (Germany)	EUR	25,000	35,299
Hexion Finance Escrow LLC/Hexion Escrow Corp. 144A sr. notes 8 7/8s, 2018		\$55,000	51,425

20

<b>CORPORATE BONDS AND NOTES (41.7%)* cont.</b>	<b>Principal amount</b>	<b>Value</b>
---	-------------------------	--------------

**Basic materials cont.**

Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

Hexion U.S. Finance Corp./Hexion Nova Scotia Finance, ULC company guaranty 9 3/4s, 2014		\$100,000	\$94,500
Huntsman International, LLC company guaranty sr. unsec. sub. notes Ser. REGS, 6 7/8s, 2013	EUR	150,000	189,985
Jefferson Smurfit Corp. company guaranty 8 1/4s, 2012 (In default) □		\$49,000	40,425
Kerling PLC 144A sr. notes 10 5/8s, 2017 (United Kingdom)	EUR	50,000	69,123
Momentive Performance Materials, Inc. company guaranty sr. unsec. notes 9 3/4s, 2014		\$160,000	150,800
NewPage Corp. company guaranty sr. notes 11 3/8s, 2014		125,000	119,375
NewPage Holding Corp. sr. unsec. unsub. notes FRN 7.564s, 2013 □□		66,675	10,001
Novelis, Inc. company guaranty sr. unsec. notes 11 1/2s, 2015		80,000	85,000
Novelis, Inc. company guaranty sr. unsec. notes 7 1/4s, 2015		205,000	190,138
PE Paper Escrow GmbH sr. notes Ser. REGS, 11 3/4s, 2014 (Austria)	EUR	55,000	81,417
PE Paper Escrow GmbH 144A sr. notes 12s, 2014 (Austria)		\$140,000	151,900
Rhodia SA sr. unsec. notes FRN Ser. REGS, 3.434s, 2013 (France)	EUR	160,000	203,195
Smurfit Kappa Acquisition 144A company guaranty sr. notes 7 3/4s, 2019 (Ireland)	EUR	50,000	69,740
Smurfit Kappa Funding PLC sr. unsec.			

Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

sub. notes 7 3/4s, 2015 (Ireland)	\$240,000	232,800
<hr/>		
Smurfit-Stone Container Corp. sr. notes unsec. unsub. notes 8 3/8s, 2012 (In default) □	95,000	78,613
<hr/>		
Solutia, Inc. company guaranty sr. unsec. notes 8 3/4s, 2017	40,000	41,800
<hr/>		
Steel Dynamics, Inc. company guaranty sr. unsec. unsub. notes 7 3/8s, 2012	305,000	310,338
<hr/>		
Steel Dynamics, Inc. sr. unsec. unsub. notes 7 3/4s, 2016	65,000	65,163
<hr/>		
Teck Resources, Ltd. sr. notes 10 3/4s, 2019 (Canada)	105,000	129,150
<hr/>		
Teck Resources, Ltd. sr. notes 10 1/4s, 2016 (Canada)	185,000	220,613
<hr/>		
Teck Resources, Ltd. sr. notes 9 3/4s, 2014 (Canada)	200,000	236,000
<hr/>		
Terra Capital, Inc. 144A sr. notes 7 3/4s, 2019	90,000	100,350
<hr/>		
Tube City IMS Corp. company guaranty sr. unsec. sub. notes 9 3/4s, 2015	160,000	153,200
<hr/>		
Verso Paper Holdings, LLC/Verso Paper, Inc. company guaranty sr. sec. notes FRN Ser. B, 3.999s, 2014	155,000	125,163
<hr/>		
Verso Paper Holdings, LLC/Verso Paper, Inc. 144A sr. notes 11 1/2s, 2014	115,000	120,750
<hr/>		
		<b>5,103,620</b>
<hr/>		
<b>Broadcasting (1.0%)</b>		
Clear Channel Communications, Inc. sr. unsec. notes 7.65s, 2010	55,000	54,175
<hr/>		
Clear Channel Worldwide Holdings, Inc. 144A company guaranty sr. unsec. unsub. notes Ser. B, 9 1/4s, 2017	160,000	164,400
<hr/>		

<b>CORPORATE BONDS AND NOTES (41.7%)* cont.</b>	<b>Principal amount</b>	<b>Value</b>
<b>Broadcasting cont.</b>		
Clear Channel Worldwide Holdings, Inc. 144A company guaranty sr. unsec. unsub. notes Ser. A, 9 1/4s, 2017	\$50,000	\$51,000
DIRECTV Holdings, LLC company guaranty sr. unsec. notes 6 3/8s, 2015	165,000	170,569
DISH DBS Corp. company guaranty sr. unsec. notes 7 7/8s, 2019	135,000	139,050
Echostar DBS Corp. company guaranty 7 1/8s, 2016	110,000	110,275
Sirius XM Radio, Inc. 144A sr. notes 9 3/4s, 2015	65,000	67,925
Umbrella Acquisition, Inc. 144A company guaranty sr. unsec. unsub. notes 9 3/4s, 2015 ☐☐	194,712	172,320
Univision Communications, Inc. 144A sr. sec. notes 12s, 2014	105,000	113,663
XM Satellite Radio, Inc. 144A company guaranty sr. unsec. notes 13s, 2013	215,000	235,425
XM Satellite Radio, Inc. 144A sr. notes 11 1/4s, 2013	30,000	31,950
		<b>1,310,752</b>
<b>Building materials (0.8%)</b>		
Building Materials Corp. company guaranty notes 7 3/4s, 2014	235,000	244,400
Building Materials Corp. 144A sr. notes 7s, 2020	175,000	175,000
Goodman Global Group, Inc. 144A sr. disc. notes zero %, 2014	150,000	87,000
Goodman Global, Inc. company guaranty sr. unsec. sub. notes 13 1/2s, 2016	155,000	170,500

Edgar Filing: PUTNAM HIGH INCOME SECURITIES FUND - Form N-CSRS

---

Owens Corning, Inc. company guaranty unsec. unsub. notes 9s, 2019	280,000	319,900
--	---------	---------

---

THL Buildco, Inc. (Nortek Holdings, Inc.) sr. notes 11s, 2013	35,155	36,913
--	--------	--------

---

**1,033,713**

**Capital goods (2.2%)**

ACCO Brands Corp. 144A company guaranty sr. sec. notes 10 5/8s, 2015	80,000	86,960
---	--------	--------

---

Alliant Techsystems, Inc. sr. sub. notes 6 3/4s, 2016	85,000	83,725
---	--------	--------

---

Altra Holdings, Inc. 144A sr. notes 8 1/8s, 2016	140,000	143,500
--	---------	---------

---

Baldor Electric Co. company guaranty 8 5/8s, 2017	85,000	87,338
---	--------	--------

---

BBC Holding Corp. sr. notes 8 7/8s, 2014	240,000	231,000
--	---------	---------

---

BE Aerospace, Inc. sr. unsec. unsub. notes 8 1/2s, 2018	95,000	99,513
---	--------	--------

---

Berry Plastics Corp. company guaranty sr. notes FRN 5.001s, 2015	65,000	60,775
---	--------	--------

---

Crosstex Energy/Crosstex Energy Finance Corp. 144A sr. notes 8 7/8s, 2018		
--	--	--