

PUTNAM MANAGED MUNICIPAL INCOME TRUST  
Form SC 13D  
July 06, 2009

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549 SCHEDULE 13D  
Under the Securities Exchange Act of 1934 Putnam Managed Municipal Income Trust (PMM)

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**(Name of Issuer)** Common Stocks

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**(Title of Class of Securities)** 746823103

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**(CUSIP Number)** George W. Karpus, President  
Karpus Management, Inc.,  
d/b/a Karpus Investment Management  
183 Sully's Trail  
Pittsford, New York 14534  
(585) 586-4680

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**(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)** July 2, 2009

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**(Date of Event which Requires Filing of this Statement)** If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.  127

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CUSIP No. 58 746823103

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**1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).** Karpus Management, Inc., d/b/a Karpus Investment Management I.D. #16-1290558

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**2. Check the Appropriate Box if a Member of a Group (See Instructions)**

- (a)  127  
(b)  32  32X
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**3. SEC Use Only**

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**4. Source of Funds (See Instructions)** AF

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**5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)** N/A

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**6. Citizenship or Place of Organization** New York

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**Number of Shares Beneficially Owned by Each reporting Person With:**

**7. Sole Voting Power** 1,715,591 **8. Shared Voting Power** N/A **9. Sole Dispositive Power** 1,715,591 **10. Shared Dispositive Power** N/A

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**11. Aggregate Amount Beneficially Owned by Each Reporting Person** 1,715,591

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**12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)** N/A

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**13. Percent of Class Represented by Amount in Row (11)** 2.99%

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**14. Type of Reporting Person (See Instructions)** IA

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**Item 1. Security and Issuer.**

Putnam Managed Municipal Income Trust

The Putnam Funds

One Post Office Square

Boston, MA 02109 **Item 2. Identity and Background.** (a) Karpus Management, Inc., d/b/a Karpus Investment Management (&#147;KIM&#148;), George W. Karpus, President, Director, and controlling stockholder, Jo Ann Van Degrieff, Vice-President and Director, and Sophie Karpus, Director. (b) The address of KIM&#146;s principal place of business and principal office is&#58; 183 Sully&#146;s Trail, Pittsford, New York 14534. (c) Principal business and occupation - Investment management for individuals, pension plans, profit sharing plans, corporations, endowments, trusts and others. (d) None of George W. Karpus, Jo Ann Van Degrieff or Sophie Karpus (the &#147;Principals&#148;) or KIM has been convicted in the past 5 years of any criminal proceeding (excluding traffic violations). (e) During the last 5 years none of the Principals or KIM has been a party to a civil proceeding as a result of which any of them is subject to a judgment, decree, or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. (f) Each of the Principals is a United States citizen. KIM is a New York corporation. **Item 3. Source and Amount of Funds or Other Considerations.** KIM, an independent investment advisor, has accumulated 1,715,591 shares of Putnam Managed Municipal Income Trust on behalf of accounts that are managed by KIM (the &#147;Accounts&#148;) under limited powers of attorney, which represents 2.99% of the outstanding shares. All funds that have been utilized in making such purchases are from such Accounts. **Item 4. Purpose of Transaction.** KIM has purchased Shares for the Accounts for investment purposes. However, KIM reserves the right to contact management with regard to concerns that they have with respect to the Fund. This may include letters to the Board and/or other communications with Fund management. Being an independent registered investment advisor, with a specialty focus in closed end funds, the profile of the Putnam Managed Municipal Income Trust fits the investment guidelines for various Accounts. Shares have been acquired since February 12, 2004. **Item 5. Interest in Securities of the Issuer.** (a) As of the date of this Report, KIM represents beneficial ownership of 1,715,591 shares or 2.99% of the outstanding shares. George W. Karpus presently owns 73,768 shares. Mr. Karpus purchased shares on August 18, 2005 at \$7.78 (1200 shares), December 6, 2005 at \$7.00 (4200 shares), December 7, 2005 at \$6.99 (650 shares), December 12, 2005 at \$6.98 (2400 shares), February 18, 2009 at \$5.37 (800 shares), March 4, 2009 at \$5.37 (1343 shares), March 5, 2009 at \$5.31 (9834 shares), March 6, 2009 at \$5.33 (7900 shares), April 1, 2009 at \$5.41 (4215 shares), May 14, 2009 at \$5.86 (13779 shares), June 3, 2009 at \$5.98 (20478 shares), June 4, 2009 at \$6.02 (3000 shares), June 5, 2009 at \$6.01 (600 shares), and on June 26, 2009 at \$5.96 (11819 shares). Mr. Karpus sold shares on NFebruary 21, 2006 at \$7.43 (550 shares), February 22, 2006 at \$7.43 (500 shares), February 23, 2006 at \$7.42 (500 shares), February 24, 2006 at \$7.45 (600 shares), February 27, 2006 at \$7.49 (500 shares), February 28, 2006 at \$7.48 (550 shares), March 1, 2006 at \$7.49 (250 shares), March 28, 2006 at \$7.43 (150 shares), March 29, 2006 at \$7.44 (200 shares), March 30, 2006 at \$7.40 (200 shares), March 31, 2006 at \$7.42 (400 shares), April 3, 2006 at \$7.44 (100 shares), April 4, 2006 at \$7.43 (150 shares), April 5, 2006 at \$7.42 (50 shares), August 14, 2006 at \$7.43 (200 shares), August 22, 2006 at \$7.44 (250 shares), August 23, 2006 at \$7.46 (200 shares), August 28, 2006 at \$7.48 (400 shares), August 29, 2006 at \$7.48 (300 shares), August 30, 2006 at \$7.48 (200 shares), August 31, 2006 at \$7.49 (150 shares), September 1, 2006 at \$7.49 (150 shares), September 18, 2006 at \$7.46 (750 shares), September 20, 2006 at \$7.49 (200 shares), September 22, 2006 at \$7.52 (250 shares), September 25, 2006 at \$7.55 (100 shares), September 26, 2006 at \$7.59 (100 shares), October 10, 2006 at \$7.58 (50 shares), October 11, 2006 at \$7.59 (100 shares), October 12, 2006 at \$7.53 (50 shares), October 16, 2006 at \$7.49 (50 shares), October 17, 2006 at \$7.54 (50 shares), and on October 18, 2006 at \$7.52 (200 shares). \*Dana R. Conlser presently owns 1,100 shares. Mr. Conlser purchased shares on December 18, 2008 at \$4.88 (900 shares), and on December 22, 2008 at \$4.88 (200 shares). \*JoAnn Van Degrieff presently owns 3,000 shares. Ms. Van Degrieff purchased shares on August 18, 2005 at \$7.78 (100 shares), December 8, 2005 at \$6.99 (200 shares), December 9, 2005 at \$6.97 (600 shares), December 13, 2005 at \$6.98 (300 shares), December 15, 2005 at \$7.04 (750 shares), December 16, 2005 at \$7.04 (50 shares), December 30, 2008 at \$4.94 (2000 shares), and on June 24, 2009 at \$5.94 (1000 shares). Ms. Van Degrieff had 153 shares transferred in on February 20, 2008. Ms. Van Degrieff sold shares on February 21, 2006 at \$7.43 (150 shares), February 22, 2006 at \$7.43 (100 shares), February 23, 2006 at \$7.42 (100 shares), February 24, 2006 at \$7.45 (100 shares), February 28, 2006 at \$7.48 (150 shares), March 1, 2006 at \$7.49 (50 shares), March 28, 2006 at \$7.43 (50 shares), March 29, 2006 at \$7.44 (50 shares), March 30, 2006 at \$7.40 (100 shares), March 31, 2006 at \$7.42 (100 shares), April 3, 2006 at \$7.44 (50 shares), April 4, 2006 at \$7.43 (50 shares), August 14, 2006 at \$7.43 (50 shares), August 22, 2006 at \$7.44 (50 shares), August 23, 2006 at \$7.46 (100 shares), August 28, 2006 at \$7.48 (100 shares), August 29, 2006 at \$7.48 (50 shares), August 30, 2006 at \$7.48 (50 shares), August 31, 2006 at \$7.49 (50 shares), September 1, 2006 at \$7.49 (50 shares), September 18, 2006 at \$7.46 (200 shares), September 20, 2006 at \$7.49 (50 shares), September 22, 2006 at \$7.52 (50 shares), September 26, 2006 at \$7.59 (50 shares), October 11, 2006 at \$7.59 (50 shares), October 18, 2006 at \$7.52 (50 shares), May 12, 2008 at \$7.13 (50 shares), and on July 7, 2008 at \$7.15 (103 shares). Karpus Management Management Defined Benefit Plan presently owns 3,200 shares. The Benefit Plan purchased shares on August 9, 2005 at \$7.72 (250 shares), August 10, 2005 at \$7.71 (50 shares), August 17, 2005 at \$7.74 (150 shares), August 18, 2005 at \$7.77 (150 shares), December 6, 2005 at \$7.00 (700 shares), December 7, 2005 at \$6.99 (100 shares), August 16, 2007 at \$6.87 (100 shares), September 15, 2008 at \$6.97 (1000 shares), September 16, 2008 at \$6.89 (400 shares), September 18, 2008 at \$6.64 (200 shares), September 29, 2008 at \$6.28 (500 shares), December 31, 2008 at \$4.97 (100 shares), February 24, 2009 at \$5.15 (200 shares), June 8, 2009 at \$6.02 (200 shares), June 12, 2009 at \$6.02 (200 shares), June 15, 2009 at \$5.97 (200 shares), and on June 16, 2009 at \$5.97 (200 shares). The Benefit Plan had 41 shares transferred in on February 20, 2008. The Benefit Plan sold shares on February 21, 2006 at \$7.43 (100 shares), February 22, 2006 at \$7.43 (100 shares), February 23, 2006 at \$7.42 (100 shares), February 24, 2006 at \$7.45 (100 shares), February 28, 2006 at \$7.48 (100 shares), March 1, 2006 at \$7.49 (50 shares), March 28, 2006 at \$7.43 (50 shares), March 29, 2006 at \$7.44 (50 shares), March 31, 2006 at \$7.42 (50 shares), April 4, 2006 at \$7.43 (50 shares), August 14, 2006 at \$7.43 (50 shares), August 22, 2006 at \$7.44 (50 shares), August 28, 2006 at \$7.48 (100 shares), August 29, 2006 at \$7.48 (50 shares), August 30, 2006 at \$7.48 (50 shares), September 1, 2006 at \$7.49 (50 shares), September 18, 2006 at \$7.46 (100 shares), September 20, 2006 at \$7.49 (50 shares), September 22, 2006 at \$7.52 (50 shares), October 12, 2006 at \$7.53 (50 shares), October 18, 2006 at \$7.52 (50 shares), October 19, 2007 at \$7.43 (50 shares), November 15, 2007 at \$7.01 (50 shares), and on July 7, 2008 at \$7.15 (41 shares). None of the other principals of KIM presently own shares of PMM. (b) KIM has the sole power to dispose of and to vote all of such Shares under limited powers of attorney. (c) Open market purchases for the last 60 days for the Accounts. There have been no dispositions and no acquisitions, other than by such open market purchases:

**Date Price Per Share**

5/12/09	4500	\$5.83
5/13/09	28200	\$5.85
5/14/09	24079	\$5.86
5/18/09	2500	\$5.85
5/19/09	16500	\$5.91
5/20/09	4300	\$5.94
5/21/09	54248	\$5.96
5/22/09	15600	\$5.95

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5/26/09	5200	\$5.90
5/28/09	4900	\$5.94
5/29/09	2801	\$5.93
6/1/09	10000	\$5.93
6/2/09	4400	\$5.93
6/3/09	121278	\$5.98
6/4/09	23629	\$6.03
6/5/09	5800	\$6.02
6/8/09	52556	\$6.02
6/12/09	20000	\$6.02
6/15/09	10000	\$5.97
6/15/09	(25)	\$5.97
6/16/09	6000	\$5.97
6/18/09	2225	\$5.99
6/18/09	(4500)	\$5.99
6/19/09	8775	\$5.99
6/22/09	5500	\$5.96
6/23/09	5000	\$5.93
6/24/09	19400	\$5.94
6/24/09	(4800)	\$5.95
6/25/09	10225	\$5.94
6/29/09	19519	\$5.96

The Accounts have the right to receive all dividends from, and any proceeds from the sale of the Shares. None of the Accounts has an interest in Shares constituting more than 5% of the Shares outstanding. **Item 6. Contracts, Arrangements, Understandings, or Relationships with Respect to Securities of the Issuer.** Except as described above, there are no contracts, arrangements, understandings or relationships of any kind among the Principals and KIM and between any of them and any other person with respect to any of the PMM securities. **Item 7. Materials to be Filed as Exhibits.** As is indicated in Item 4, above, KIM has purchased PMM for the Accounts for investment purposes. However, KIM has reserved the right to contact management with regard to concerns that they have with respect to the Fund, including letters to the Board and/or other communications with fund management. Accordingly, KIM sent a letter to the Fund on July 2, 2009. A copy of the letter is attached as Exhibit 1.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

**Karpus Management, Inc.**

By: /s/  
Name: Cody B. Bartlett Jr., CFA  
Title: Managing Director of Investments  
Date: July 6, 2009

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**EXHIBIT 1**

**Letter to the Fund  
Transmitted July 2, 2009**

Jonathan S. Horwitz, Senior Vice-President and Treasurer  
The Putnam Funds  
One Post Office Square  
Boston, MA 02109

July 2, 2009

Re: Putnam Municipal Opportunities Trust ("PMO") and  
Putnam Managed Municipal Income Trust ("PMM"), collectively the "Funds"

Mr. Horwitz:

Karpus Management, Inc., d/b/a Karpus Investment Management, represents beneficial ownership of 4,450,210 shares of PMO and 1,715,591 shares of PMM, representing 10.38% and 2.99% of each fund, respectively. On September 12, 2008, the Board of Trustees approved in principal a plan to merge PMO and PMM into open-end funds. Shareholders reacted positively, as discounts for PMO and PMM narrowed dramatically by 6.7% and 7.2%, respectively. On June 26, 2009, the Trustees reversed course and announced that the "proposed mergers in the near future would not be in the best interests of PMO and PMM's common shareholders." Further, the Trustees authorized Putnam to suspend further efforts to implement the proposed mergers. To say the least, we are extremely disappointed that after 9 months of indecision, the Board of Trustees has ultimately decided it is not in the best interests of shareholders to submit the mergers to shareholders for approval. We wholeheartedly disagree with the Trustees' decision and feel that both preferred and common shareholders have been harmed by the Trustees' indecisiveness. Further, clearly the markets agree with our sentiment about the Trustees' poor decision to suspend further efforts to implement the proposed mergers. In fact, through July 1, just three trading days after the Funds' announcement, the discount of PMO has widened 2.96% and the discount of PMM has widened 1.54% (Source: Bloomberg). In the Funds' original press release dated September 12, 2008, the Funds highlighted the following 4 specific benefits for shareholders if the proposed mergers were approved: (1) ability to invest in an open-end fund with similar investment objectives; (2) the elimination of the Funds' discounts; (3) ability to redeem shares at their net asset value on a daily basis; and (4) choice of timing any recognition of taxable gains or losses by the redemption of shares. Further, the Funds also acknowledged on October 30, 2008 that lowered overall expenses were expected as a result of the additional assets in connection with the mergers. ***All of these benefits are still applicable and desirable for shareholders today.*** In addition to completely reversing course, the Funds also have not filed proxy materials for this year's annual meeting of shareholders. In our opinion, the Board could have sought the necessary shareholder approval to conduct the mergers and then implemented the mergers as they saw appropriate, with the requisite shareholder approval already in place to implement the announced mergers. However, they chose not to do so. By not submitting the mergers to shareholders, it is our opinion that the Trustees potentially manipulated the price of both PMO and PMM by enticing shareholders to buy more shares. Further, it also appears that perhaps Putnam misled shareholders for the purpose of retaining assets under management in Funds where shareholders fully believed they would have liquidity at net asset value. Why did the Trustees not use the proxy process to let shareholders vote on the proposed mergers? After all, if the mergers were actually submitted to shareholders: (1) why would common shareholders vote against receiving net asset value for their shares; and (2) why would locked in preferred shareholders choose to not have their shares liquidated at par value? To add insult to injury, although the Board stated "completion of these mergers is subject to a number of conditions and other factors, including shareholder approval," the Board also misdirected shareholders as to the likelihood that the mergers would, in fact, occur. To this end, the Funds stated in a press release on October 30, 2008 that they "expected" to present shareholders with a prospectus/proxy statement, stated an anticipated record date and went so far as to say that the mergers should be concluded in April 2009. Contrary to the notion that the mergers were

highly likely to occur, the Funds recently stated in their April 30, 2009 annual report that they viewed the Lehman bankruptcy as the "proverbial 100-year flood" that triggered the uncertain economic conditions referenced in earlier press releases. However, **45 days** after Lehman filed for bankruptcy, our Funds found it necessary to state it expected to issue a proxy, issued an anticipated record date and an anticipated closing date for the proposed mergers. Why would the Funds provide such information *after* the event that they say so heavily influenced their decision later to delay the proposed mergers? Further, why did the Board also state on January 9, 2009 that: "[t]he Trustees continue to believe that the proposed mergers are in the best long-term interests of shareholders and will seek to move forward with these transactions as and when market conditions permit"? Lastly, if the Board did in fact believe that the proposed mergers were in the best interests of shareholders and was seeking to move forward with the transactions, why did our Funds act to the contrary by increasing dividends (for PMO in April and for PMM in February and, again, in June) and buying long-term municipal bonds? If the Board actually was interested in conducting the mergers, this would clearly not have been a prudent course of action. Did the Board come to a "formal" decision not to move forward with the proposed mergers before the June 26, 2009 press release? As the events have unfolded before us, we question whether the Trustees ever really considered submitting the proposed mergers to shareholders via the Funds' proxy statements. Further, we feel that the Trustees actions and "recommendations" appear to be more driven by the Putnam Funds rather than the shareholders who they purportedly have a fiduciary duty to represent. As shareholders, we feel that we have been provided with partial, inaccurate and/or misleading information by the very individuals who have a duty to represent our interests. Accordingly, Karpus reserves the right to exercise any and all options it has available to it as shareholders, including, but not limited to, seeking to replace the Board of Trustees, submitting a shareholder proposal, or other potential legal remedies it may deem appropriate.

Sincerely,

/s/

Brett D. Gardner  
Portfolio Manager/Analyst

cc: U.S. Securities and Exchange Commission