

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3600 / May 3, 2013

INVESTMENT COMPANY ACT OF 1940
Release No. 30504 / May 3, 2013

ADMINISTRATIVE PROCEEDING
File No. 3-11317

In the Matter of

**PUTNAM INVESTMENT
MANAGEMENT, LLC,**

Respondent.

**ORDER MODIFYING
ORDER MAKING FINDINGS AND
IMPOSING PARTIAL RELIEF,
INCLUDING A FINAL CENSURE,
REMEDIAL UNDERTAKINGS
AND A CEASE-AND-DESIST
ORDER PURSUANT TO
SECTIONS 203(e) AND 203(k) OF
THE INVESTMENT ADVISERS
ACT OF 1940 AND SECTIONS 9(b)
AND 9(f) OF THE INVESTMENT
COMPANY ACT OF 1940**

I.

On October 28, 2003, the United States Securities and Exchange Commission (“Commission”) instituted administrative and cease-and desist proceedings pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Investment Company Act”) against Putnam Investment Management, LLC (“Putnam” or “Respondent”). On November 13, 2003, the Commission entered an order making findings and imposing partial relief, including a final censure, remedial undertakings and a cease-and-desist order pursuant to Sections 203(e) and 203(k) of the Advisers Act and Sections 9(b) and 9(f) of the Investment Company Act (“2003 Order”).¹

¹ See Advisers Act Rel. No. 2192, Admin. Proc. File No. 3-11317 (November 13, 2003).

II.

Putnam consented to the issuance of the 2003 Order. Among other things, the 2003 Order required Putnam to cease and desist from further violations of the federal securities laws and directed Putnam to comply with various undertakings.

III.

Putnam has submitted an Amended Offer of Settlement (“Offer”) proposing to relieve it of the obligations, as of the various dates set forth in the Offer, to continue to: (1) require each Putnam fund to hold a meeting of shareholders not less than every fifth calendar year to elect a Board of Trustees in accordance with paragraph III.36.d of the 2003 Order; (2) require all Putnam employees to hold any investments they may make in Putnam funds for a minimum of 90 calendar days in accordance with paragraph IV.C.2 of the 2003 Order; (3) require all Putnam investment employees to hold any investments they may make in Putnam funds for a minimum of one year in accordance with paragraph IV.C.3 of the 2003 Order; (4) maintain an Internal Compliance Controls Committee in accordance with paragraph IV.D.6.b of the 2003 Order; and (5) undergo a compliance review by a third party at least once every other year in accordance with paragraph IV.G of the 2003 Order. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over it and the subject matter of these proceedings, which are admitted, Putnam consents to the entry of this Order Modifying Order Making Findings and Imposing Partial Relief, Including a Final Censure, Remedial Undertakings and a Cease-and-Desist Order Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Order”), as set forth below.

IV.

The Commission deems it appropriate and in the public interest to modify the 2003 Order as agreed to in Putnam’s Offer.

Accordingly, IT IS HEREBY ORDERED that:

- A. Paragraph III.36.d of the 2003 Order is modified as follows:

Commencing in 2004 and not less than every fifth calendar year thereafter until at least March 31, 2013, each Putnam fund will hold a meeting of shareholders at which the board of Trustees will be elected.

- B. Paragraph IV.C.2 of the 2003 Order is modified as follows:

Until at least March 31, 2013, Putnam shall require all Putnam employees to hold any investments they may make in Putnam funds, excluding taxable and tax-

exempt money market funds and other short term domestic fixed income funds designed to permit short term investment, for a minimum of 90 calendar days. Putnam's Code of Ethics Oversight Committee may grant exceptions to this 90-day holding period as a result of death, disability or other special circumstances (such as automatic investment and withdrawal programs and periodic rebalancing), all as determined from time to time by such Committee. Putnam shall ensure that any exceptions from the 90-day holding period granted by Putnam's Code of Ethics Oversight Committee are reported to the independent Trustees of the Putnam funds with such frequency as such Trustees request. Putnam shall add the foregoing holding period requirement to the Code of Ethics maintained by Putnam pursuant to Rule 17j-1 under the Investment Company Act.

C. Paragraph IV.C.3 of the 2003 Order is modified as follows:

Until at least March 31, 2013, Putnam shall require all Putnam investment employees to hold any investments they may make in Putnam funds or in other registered funds for which Putnam acts as an investment adviser for which they have sole or shared supervisory or portfolio management responsibility, excluding taxable and tax-exempt money market funds and other short term domestic fixed income funds designed to permit short term investment, for a minimum of one year. Putnam's Code of Ethics Oversight Committee may grant exceptions to this one-year holding period as a result of death, disability or other special circumstances (such as automatic investment and withdrawal programs and periodic rebalancing), all as determined from time to time by such Committee. Putnam shall ensure that any exceptions from the one-year holding period granted by Putnam's Code of Ethics Oversight Committee are reported to the independent Trustees of the Putnam funds with such frequency as such Trustees request. Putnam shall add the foregoing holding period requirement to the Code of Ethics maintained by Putnam pursuant to Rule 17j-1 under the Investment Company Act.

For purposes of the foregoing undertaking, "Putnam investment employee" includes all employees of Putnam's Investment Division, all other employees who, in connection with their regular duties, have access to information regarding portfolio holdings, valuations and transactions, and members of the immediate family of all such employees who share the same household as the Putnam investment employee or for whom the Putnam investment employee has investment discretion ("family member"), any trust in which a Putnam investment employee or family member is a trustee with investment discretion and in which such Putnam investment employee or any family member are collectively beneficiaries, any closely-held entity (such as a partnership, limited liability company or corporation) in which a Putnam investment employee and his or her family members hold a controlling interest and with respect to which they have investment discretion, and any account (including any retirement, pension, deferred compensation or similar account) in which a Putnam investment employee or family member has a substantial economic interest and over which

said Putnam investment employee or family member exercise investment discretion.

D. Paragraph IV.D.6.b of the 2003 Order is modified as follows:

Putnam shall establish and, until at least December 31, 2013, maintain an Internal Compliance Controls Committee to be chaired by Putnam's Chief Compliance Officer, which Committee shall have as its members senior executives of Putnam's operating businesses. Notice of all meetings of the Internal Compliance Controls Committee shall be given to the independent staff of the Trustees of the Putnam funds, who shall be invited to attend and participate in such meetings. The Internal Compliance Controls Committee shall review compliance issues throughout the business of Putnam, endeavor to develop solutions to those issues as they may arise from time to time, and oversee implementation of those solutions. The Internal Compliance Controls Committee shall provide reports on internal compliance matters to the Audit Committee of the Trustees of the Putnam funds with such frequency as the independent Trustees of such funds may instruct, and in any event at least quarterly. Putnam shall also provide to the Audit Committee of Marsh & McLennan Companies, Inc. the same reports of the Code of Ethics Oversight Committee and the Internal Compliance Controls Committee that it provides to the Audit Committee of the Putnam funds.

E. Paragraph IV.G of the 2003 Order is modified as follows:

Periodic Compliance Review. Commencing in 2005, and at least once every other year thereafter until at least December 31, 2013, Putnam shall undergo a compliance review by a third party, who is not an interested person, as defined in the Investment Company Act, of Putnam. At the conclusion of the review, the third party shall issue a report of its findings and recommendations concerning Putnam's supervisory, compliance, and other policies and procedures designed to prevent and detect breaches of fiduciary duty, breaches of the Code of Ethics and federal securities law violations by Putnam and its employees in connection with their duties and activities on behalf of and related to the Putnam funds. Each such report shall be promptly delivered to Putnam's Internal Compliance Controls Committee and to the Audit Committee of the board of Trustees of each Putnam fund.

F. All other provisions of the 2003 Order remain in effect.

By the Commission.

Elizabeth M. Murphy
Secretary