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PUTNAM MANAGED MUNICIPAL INCOME TRUST
Form SC 13D
August 24, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
Under the Securities Exchange Act of 1934

Putnam Managed Municipal Income Trust.
(PMM)
(Name of Issuer)

Common Stock
(Title of Class of Securities)

746823103
(CUSIP Number)

George W. Karpus, President
Karpus Management, Inc. d/b/a
Karpus Investment Management
183 Sullys Trail
Pittsford, New York 14534
(585) 586-4680

(Name, Address, and Telephone Number of Person Authorized to Receive Notices
and Communications)

August 24, 2005
(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 which is subject of this Schedule 13D, and if filing
this schedule because of Rule 13d-1(b) (3) or (4), check the following box. []

(Page 1 of 4 pages)

ITEM 1 Security and Issuer

Common Stock
Putnam Managed Municipal Income Trust
Putnam Investment Management
One Post Office Square
Boston, MA 02109

ITEM 2 Identity and Background

a) Karpus Management, Inc., d/b/a Karpus Investment Management
(?KIM?)

George W. Karpus, President, Director, and controlling stockholder
JoAnn Van Degriff, Vice President and Director
Sophie Karpus, Director

b) 183 Sullys Trail
Pittsford, New York 14534

c) Principal business and occupation - Investment Management for
individuals, pension, and profit sharing plans, corporations,
endowments, trust, and others, specializing in conservative asset
management (i.e. fixed income investments).

d) None of George W. Karpus, Jo Ann Van Degriff or Sophie Karpus
(?the Principals?) or KIM has been convicted in the past 5 years
of any criminal proceeding (excluding traffic violations).

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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 21,900 shares of PMM on behalf of accounts that are managed by KIM (?the Accounts?) under limited powers of attorney, which represents 0.05% 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 investment purposes. Being primarily a conservative, fixed income manager, with a specialty focus in the closed end fund sector, the profile of PMM fit the investment guidelines for various Accounts. Shares have been acquired since December 12, 2004

ITEM 5 Interest in Securities of the Issuer

a) As of the date of this Report, KIM owns 21,900 shares, which represent 0.05% of the outstanding shares. None of the Principals of KIM currently owns shares of PMM.

b) KIM has the sole power to dispose of and to vote all such Shares under limited powers of attorney.

c) Below are the open market purchases in the last 60 days for the Accounts. There have been no dispositions and no acquisition, other than by such open market purchases, during such period.

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, arrangement, 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

Not applicable

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.

August 24 2005

Date

By: _____

Signature

DANA R. CONSLER, SENIOR VICE PRESIDENT

Name /Title

AUGUST 24, 2005

EXHIBIT 1

THE ATTACHED LETTER HAS BEEN SENT TO ALL OF THE DIRECTORS LISTED BELOW.

I AM APPALLED AFTER READING THE PRE 14/A REGARDING PUTNAM MANAGED MUNICIPAL INCOME TRUST (PMM) AND PUTNAM HIGH YIELD MUNICIPAL TRUST (PYM) THAT THE BOARD OF DIRECTORS HAS FAILED TO RECOMMEND THE OPEN-ENDING OF THESE FUNDS.

BOTH FUNDS CLEARLY STATE ?IN RECOGNITION OF THE POSSIBILITY THAT THE FUND'S COMMON SHARES MIGHT TRADE AT A DISCOUNT, THE FUND MAY DETERMINE, FROM TIME TO TIME, THAT IT MAY BE IN THE INTEREST OF COMMON SHAREHOLDERS FOR THE FUND TO TAKE ACTION TO ATTEMPT TO REDUCE OR ELIMINATE A MARKET VALUE DISCOUNT FROM NET ASSET VALUE. TO THAT END, THE FUND COULD FROM TIME TO TIME TAKE ACTION TO REPURCHASE SHARES IN THE OPEN MARKET OR TO TENDER FOR ITS SHARES AT THEIR NET ASSET VALUE. IN THE FUND'S FISCAL YEAR COMMENCING IN CALENDAR 1994, AND IN EACH FISCAL YEAR THEREAFTER, IF THE FUND'S COMMON SHARES HAVE TRADED ON THE PRINCIPAL SECURITIES EXCHANGE WERE LISTED AT AN AVERAGE DISCOUNT FROM NET ASSET VALUE OF MORE THAN 10%, DETERMINED ON THE BASIS OF THE DISCOUNT AS OF THE END OF THE LAST TRADING DAY IN EACH WEEK DURING THE 12 CALENDAR WEEKS PRECEDING THE BEGINNING OF SUCH FISCAL YEAR, THE FUND WILL SUBMIT TO ITS SHAREHOLDERS AT THE NEXT SUCCEEDING ANNUAL MEETING OF SHAREHOLDERS A PROPOSAL TO CONVERT THE FUND TO AN OPEN-END INVESTMENT COMPANY ?. WERE THESE STATEMENTS MADE TO FACILITATE THE MARKETING THE FUNDS?

IN THE CASE OF PYM, THE BOARD OF DIRECTORS RECOMMENDED AGAINST THE PROPOSAL TO OPEN-END THE FUND AT THE OCTOBER 5, 2000 ANNUAL MEETING.

THE BOARD OF DIRECTORS SHOULD BE BOUND BY THEIR FIDUCIARY DUTIES TO THE SHAREHOLDERS OF THE FUNDS AND THE INTENT OF THE ORIGINAL PROSPECTUS OF THE FUND. THE ORIGINAL PROSPECTUS CLEARLY STATES THE INTENT OF ELIMINATING THE DISCOUNT TO NET ASSET VALUE AT WHICH THE FUNDS HAVE HISTORICALLY TRADED.

BY RECOMMENDING AGAINST THE OPEN-ENDING OF THE FUNDS, THE BOARD OF DIRECTORS WILL BE HARMING ANY SHAREHOLDER THAT SELLS SHARES OF THE FUNDS AT ANY PRICE LESS THAN NET ASSET VALUE AND SHOULD BE HELD ACCOUNTABLE FOR ANY LOSS INCURRED BY A SALE OF SHARES.

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IT IS THE OPINION OF KARPUS INVESTMENT MANAGEMENT THAT THE BOARD OF DIRECTORS IS SIMPLY TRYING TO INSURE THEIR OWN INCOME IN TERMS OF FEES PAID BY THE FUND TO ITS DIRECTORS AND FURTHER PROTECT THEIR RETIREMENT INCOME FROM THE FUND COMPLEX. WHOSE INTEREST IS BEING PUT FIRST HERE? IS IT THE DIRECTOR'S PERSONAL AGENDA OR THE ECONOMIC WELL BEING OF THE SHAREHOLDERS? IT WOULD APPEAR THAT THE BOARD IS PROTECTING THEIR POSITION (WHICH IS TO THEIR ECONOMIC BENEFIT) AND PROTECTING THE MANAGEMENT OF THE FUNDS BY RECOMMENDING AGAINST OPEN-ENDING AND IGNORING THE ECONOMIC ENRICHMENT OF THE SHAREHOLDERS. THIS RECOMMENDATION BENEFITS THE MANAGEMENT BY RETAINING ONGOING FEES.

THE TABLE BELOW IS DISCLOSED IN THE PRELIMINARY PROXY MATERIALS FOR THE PMM AND PYM.

PUTNAM TRUSTEES COMPENSATION

TOTAL COMPENSATION

FROM ALL PUTNAM FUNDS

JAMESON A.

BAXTER

\$ 218,950.00

CHARLES B. CURTIS

\$ 244,250.00

MYRA R. DRUCKER

\$ 33,780.00

JOHN A. HILL

\$ 458,626.00

PAUL L. JOSKOW

\$ 294,500.00

ELIZABETH T. KENNAN

\$ 221,500.00

JOHN H. MULLIN, III

\$ 221,500.00

ROBERT E. PATTERSON

\$ 217,750.00

W. THOMAS STEPHENS

\$ 228,250.00

RICHARD B. WORLEY

\$ 33,780.00

CHARLES E. HALDEMAN, JR.

\$ -

GEORGE PUTNAM, III

\$ 262,500.00

IT IS THE BELIEF OF KARPUS INVESTMENT MANAGEMENT THAT ANY DIRECTOR RECEIVING THE INCOME LISTED ABOVE FOR 1 YEAR'S SERVICE CAN NOT REMAIN INDEPENDENT. IT

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GOES BACK TO THE OLD SAYING "NICE WORK, IF YOU CAN GET IT." HOW MANY DAYS A YEAR DO THEY WORK TO RECEIVE THIS INCOME? HOW MANY YEARS WILL THEY CONTINUE TO RECEIVE THIS AMOUNT OF INCOME?

JAMESON BAXTER HAS BEEN A TRUSTEE SINCE 1994, CHARLES CURTIS SINCE 1991, MYRA DRUCKER SINCE 2004, JOHN HILL SINCE 2000, PAUL JOSKOW SINCE 1997, ELIZABETH KENNAN SINCE 1992, JOHN MULLIN SINCE 1997, ROBERT PATTERSON SINCE 1984, W. THOMAS STEPHENS SINCE 1997, AND RICHARD WORLEY SINCE 2004. SOME OF THE SAME DIRECTORS THAT PREVIOUSLY URGED SHAREHOLDERS TO VOTE AGAINST AN OPEN ENDING ARE STILL ON THE BOARD! WE QUESTION WHETHER ANYONE WHO HAS BEEN EMPLOYED AS A DIRECTOR FOR 21 YEARS CAN REMAIN INDEPENDENT! HOW MUCH HAVE THEY COLLECTED BY TAKING THE STANCE OF PROTECTING THE INTERESTS OF MANAGEMENT?

THE TRUSTEES ARGUMENT THAT THE EXPENSES OF THE FUNDS MAY INCREASE DUE TO OPEN-ENDING IS A WEAK AND INEFFECTUAL ARGUMENT. IS THE BOARD SAYING THAT PUTNAM DOES NOT HAVE THE POWER TO MARKET AN OPEN-END FUND? DOESN'T THE BOARD REALIZE THAT IT MAY BE A GREATER BENEFIT TO RECEIVE NET ASSET VALUE WHEN A SHAREHOLDER NEEDS TO REDEEM SHARES AND PAY A LITTLE MORE FOR THIS PRIVILEGE THAN TO SELL SHARES AT A SIGNIFICANT DISCOUNT TO NET ASSET VALUE?

BOTH FUNDS HAVE PRODUCED "SLIGHTLY BELOW AVERAGE" 10 YEAR NET ASSET VALUE PERFORMANCE ACCORDING TO THE LIPPER CLOSED-END MUNICIPAL FUND UNIVERSE. OVER THE PAST YEAR HOWEVER, THEY ARE UNDERPERFORMING BY 3.33%, IN THE CASE OF PYM AND BY 1.80%, IN THE CASE OF PMM, ACCORDING TO THE FUNDS PROXY. THE BOARD IS RECOMMENDING TO THE SHAREHOLDERS THAT THEY VOTE AGAINST OPEN-ENDING THE FUNDS. WHY? BECAUSE THE PERFORMANCE HAS BEEN SUBSTANDARD OVER THE PAST YEAR AND THEY MAY END UP WITH A FUND THAT IS TOO SMALL TO PROFITABLY MANAGE! THIS COULD RESULT IN THE FUNDS GOING AWAY ALL TOGETHER AND MANAGEMENT LOSING ALL THE MANAGEMENT FEES THAT COULD BE COLLECTED ON THE FUNDS.

THE ARGUMENT THAT FEES MAY HAVE TO BE INCREASED SHOULD THE FUNDS CONVERT TO AN OPEN-END FORMAT AND SHRINK ALSO IS WITHOUT MERIT. IS IT POSSIBLE, WITH ALL THE OPEN-END MUNICIPAL BOND FUNDS IN THE PUTNAM COMPLEX, THERE IS NOT A SUITABLE MATCH TO MERGE THESE FUNDS INTO SHOULD EXPENSES ESCALATE TO THE POINT THAT THEY BECOME HIGHER THAN THE INDUSTRY AVERAGE?

WE STRONGLY RECOMMEND TO THE TRUSTEES OF PMM AND PYM THAT THEY RE-THINK THEIR POSITION AND DO THE RIGHT THING FOR THE SHAREHOLDERS OF THE FUNDS. KARPUS INVESTMENT MANAGEMENT BELIEVES THAT THE RIGHT THING IS TO LIVE UP TO THE WORDING IN THE ORIGINAL PROSPECTUS OF THE FUNDS AND RECOMMEND OPEN-ENDING EVERY FUND WITHIN THE PUTNAM COMPLEX THAT HAS THE PROMISE OF PROTECTING THE INVESTORS FROM NOT BEING ABLE TO REALIZE THE FULL ECONOMIC BENEFIT OF THEIR INVESTMENT.

SINCERELY,

SHARON L. THORNTON
SENIOR FIXED INCOME ANALYST/PORTFOLIO MGR.