

PUTNAM MASTER INCOME TRUST

Form N-CSR

June 28, 2004

Putnam
Master Income
Trust

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:

SEMIANNUAL REPORT ON PERFORMANCE AND OUTLOOK

4-30-04

[GRAPHIC OMITTED: WATCH]

[SCALE LOGO OMITTED]

From the Trustees

[GRAPHIC OMITTED: PHOTO OF JOHN A. HILL AND GEORGE PUTNAM, III]

John A. Hill and
George Putnam, III

Dear Fellow Shareholder:

Looking back on the past six months in financial markets, stocks and bonds had generally steady and satisfying results for most of the period. Markets were lifted by the resurgence of the economy, prompted in part by the 2003 tax cuts and the Federal Reserve Board's low interest-rate policy. Corporate earnings rose to their most impressive levels in years and many states even experienced a minor improvement in tax revenues. However, since March 2004, uncertainty and volatility have returned to the markets. Bonds in particular experienced broad setbacks in April because of concerns that inflation could be sparked by vigorous job creation and rising energy prices. Markets continue to show vulnerability to these concerns and to the situation in Iraq.

As observers of financial markets for many years, we have gained the perspective that periods of uncertainty and transition like the one we are witnessing today usually reflect an effort by investors to incorporate new facts into their thinking, a process that takes time. The resulting volatility is uncomfortable, but over time, it allows investors to set more realistic expectations for future investment performance. Uncertainty on its own is no reason to alter a well-planned investment strategy.

Putnam's portfolio management teams have vigilantly monitored these conditions. While the retreat in financial markets has been broad, the teams have relied on their research and analysis to manage risks and identify opportunities. During the period ended April 30, 2004, your fund's managers have maintained a strategy of keeping the fund well diversified in a wide array of sectors and holdings, while taking advantage of those parts of the market that have outperformed, such as corporate high-yield bonds. As a result, your fund outperformed both its benchmark index and its Lipper average based on results at net asset value. In the following report, your fund's management teams discuss

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

their approach to the market environment that prevailed during the period, as well as their outlook for the remainder of 2004.

Respectfully yours,

/S/ JOHN A. HILL

/S/ GEORGE PUTNAM, III

John A. Hill
Chairman of the Trustees

George Putnam, III
President of the Funds

June 16, 2004

Report from Fund Management

Fund highlights

- * For the semiannual period ended April 30, 2004, Putnam Master Income Trust had a total return at net asset value (NAV) of 5.26%. The fund's return at market price was 0.41%.
- * Due to its emphasis on high-yield bonds, investments in emerging-market securities, and a beneficial currency strategy, the fund's results at NAV outperformed the 1.17% return of its primary benchmark, the Lehman Government/Credit Bond Index.
- * The fund's return at NAV outperformed the 4.09% average return of the Lipper Flexible Income Funds (closed end) category -- also as a result of its emphasis on higher-yielding securities. This Lipper category is relatively small, however, so comparisons can be difficult and may change quickly.
- * In January 2004, the fund's dividend for class A shares was reduced to \$0.037 per share. Please see page 5 for details.
- * See the Performance Summary beginning on page 7 for complete fund performance, comparative performance, and Lipper data.

Performance commentary

In the first half of its fiscal year, Putnam Master Income Trust generally benefited from a variety of positive factors. The U.S. economy continued to show solid growth, which was especially helpful for corporate high-yield bonds, the largest portion of your fund's portfolio. In February 2004, bonds rallied on weak jobs data; however, stronger-than-expected job growth in March and April renewed inflation fears and caused bond prices to decline. In fact, management believes that the fund's lower return at market price may have been a reflection of investors' concerns about a Federal Reserve interest rate hike in June, which dampened enthusiasm for bonds. Overseas, emerging markets performed well until the latter part of the period, while slower growth in Europe generally helped bond performance in that region. Amid these changing conditions, the fund's focus on a variety of fixed-income sources proved beneficial for both its absolute and relative performance.

FUND PROFILE

Putnam Master Income Trust seeks high current income, consistent with preservation of capital, by investing in a portfolio that consists of U.S. investment-grade, corporate high-yield, and international

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

fixed-income securities. The fund may be appropriate for investors seeking high current income, asset class diversification, or both.

Market overview

For most of the period, global bond markets generally benefited from a downward trend in interest rates brought on by a change in the outlook for economic growth. During the first two months of the period, interest rates were volatile, rising and falling within a broad range with each bit of news that either challenged or supported the possibility of a sustained economic recovery. As the new calendar year began, low inflation, an accommodative Federal Reserve monetary policy, and weak jobs data in February 2004 all helped bond yields to continue trending downward. In the final month of the period, however, there was strong evidence that the U.S. recovery was steaming along and that the lackluster jobs market was finally springing to life. Strong employment gains in the U.S. caused a sharp sell-off in bonds in April, as investors factored in a 100% chance of a Federal Reserve rate hike in June, with others to follow in subsequent months.

In Europe, low inflation reduced the likelihood of a rate increase by the European Central Bank, and European government bonds and securities produced solid returns that were similarly enhanced by a flight to quality. When the U.S. bond market declined in April, however, European bond markets generally followed suit.

High-yield corporate bonds in both the United States and Europe continued to benefit from declining default rates, an attractive yield advantage over Treasuries, and improved credit quality. High-yield bond prices declined in April, though to a lesser extent than Treasuries. Emerging-market bonds initially benefited from increased commodity exports but sold off sharply in the second half of the period.

MARKET SECTOR PERFORMANCE 6 MONTHS ENDED 4/30/04

Bonds

Lehman Government/Credit Bond Index (U.S. Treasury and agency securities)	1.17%
---	-------

Lehman Aggregate Bond Index (broad bond market)	1.25%
---	-------

Citigroup Non-U.S. World Government Bond Index (international government bonds)	3.68%
---	-------

JP Morgan Chase Global High Yield Index (global high-yield corporate bonds)	6.39%
---	-------

Equities

S&P 500 Index (broad stock market)	6.27%
------------------------------------	-------

S&P/Citigroup World Ex-U.S. Primary Markets Growth Index (international growth stocks)	11.03%
--	--------

Russell 2000 Index (stocks of small and midsize companies)	6.54%
--	-------

These indexes provide an overview of performance in different market sectors for the six months ended 4/30/04.

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Strategy overview

During the past six months, we continued to seek out a diverse variety of sectors and securities in our efforts to enhance the fund's performance while managing its risk exposure. High-yield corporate bonds continued to provide strong performance for most of the semiannual period and remained the fund's largest weighting. However, after one of the best periods ever for this sector, which began in October 2002, well before the start of this period, and continued through December 2003, we felt that returns going forward would probably not be as strong and reduced the weighting. Similarly, we sharply reduced the fund's emerging-market holdings in January 2004, near the peak of their performance. Traditional mortgage-backed securities experienced greater volatility later in the period because, with home mortgage rates at such low levels, prepayments increased as borrowers refinanced their mortgages. Fortunately, we were able to find alternative securities within this sector that performed well. The fund's holdings of U.S. Treasuries benefited from a rally in the second half of the period, while European government agency securities benefited from their attractive risk/reward characteristics amid a forecast for slower growth in Europe in 2004.

We continued to use currency strategies to enhance returns. We maintained the fund's exposure to the yen in the second half, which helped performance because the yen continued to appreciate throughout the period. We also emphasized the euro, which generally appreciated during the period.

[GRAPHIC OMITTED: horizontal bar chart TOP SECTOR WEIGHTINGS COMPARED]

TOP SECTOR WEIGHTINGS COMPARED

	as of 10/31/03	as of 4/30/04
High yield	48.7%	45.8%
U.S. investment grade	25.6%	36.5%
International	25.7%	17.7%

Footnote reads:

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

How fund holdings affected performance

While the mortgage-backed securities (MBS) sector generally underperformed due to prepayment concerns associated with low mortgage rates, we found two types of securities within this sector that performed well -- home equity loans and manufactured housing bonds. Unlike mortgages, home equity loans are not as susceptible to prepayments when interest rates decline, which helps boost the performance of securities that are backed by these loans. Similarly, holdings backed by manufactured housing companies benefited from a significant turnaround in this industry over the past few years accompanied by an increase in demand for low-income housing.

From a geographic standpoint, the fund continued to invest in Colombia,

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Mexico, and Russia, which performed well because of higher prices of oil and other commodities, although we reduced these weightings near the end of the period. We also invested in Australia and Canada (some Canadian holdings were sold near the end of the period, as we took advantage of strong performance to reduce the position). As demand for oil and basic materials has increased from high-growth regions such as China, these countries have seen significant increases in exports of oil, metals, and other commodities used for building infrastructure. We reduced the fund's holdings in Brazil, which tended to be much more volatile and performed poorly near the end of the period when emerging-market securities sold off.

[GRAPHIC OMITTED: TOP HOLDINGS]

TOP HOLDINGS

High Yield Sector

- 1 PSF Group Holdings, Inc.
144A, Class A
- 2 Consec Finance Securitizations Corp.
Series 00-4, Class A6, 8.31%, 2032
- 3 Consec Finance Securitizations Corp.
Series 02-1, Class A, 6.681%, 2032

International Sector

- 1 United Kingdom
Treasury bonds, 5%, 2004
- 2 United Kingdom
Treasury bonds, 7.5%, 2006
- 3 Germany (Federal Republic of)
Bonds, Ser. 97 6%, 2007

U.S. Investment-Grade Sector

- 1 U.S. government Treasury bonds
6.25%, May 15, 2030
- 2 Federal National
Mortgage Association
Pass-through certificates, 5%, TBA,
May 1, 2019
- 3 U.S. government Treasury notes
3.25%, August 15, 2008

Footnote reads:

These holdings represent 13.4% of the fund's net assets as of 4/30/04. The fund's holdings will change over time.

The fund's corporate high-yield bond holdings, which were reduced during the period, remained the largest weighting and performed well, with nearly every holding contributing positively to returns. Among the fund's larger positions, bonds issued by cable television company Charter Communications were key contributors. While the firm faced

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

competitive and financial pressures, the company met expectations and management's moves to refinance debt eased investor concerns about the company's liquidity. In addition, bonds issued by finance company Finova Group provided solid returns. The company encountered significant difficulties a few years ago, particularly in its airplane-leasing business. The firm has worked to liquidate assets and manage its sizeable portfolio of loans and was helped by a significant loan in 2001 from noted investor Warren Buffett through a joint venture. The company repaid the loan earlier this year, ahead of schedule, and prospects for the airline sector have improved more than expected.

The fund's sizeable stake in the chemicals sector also boosted returns, including investments in Huntsman International, a major producer of basic chemicals and petrochemicals like ethylene and propylene, and Millennium America (a subsidiary of Millennium Chemicals), which owns three specialty chemical businesses. Although energy prices were high, leading to skepticism about the sector's prospects, this cyclical sector benefited from the improving economy. Among the few detractors to performance during the period were high-yield bonds issued by Solutia, a diversified specialty chemical company. The firm made news when it settled a high-profile PCB contamination lawsuit in Alabama and appeared to be on its way to working out balance sheet problems. However, the company surprised the market by filing for bankruptcy. We eliminated the bonds from the portfolio, although we still hold a small warrant position, which gives the fund's management the option to purchase the company's stock in the future.

Please note that all holdings discussed in this report are subject to review in accordance with the fund's investment strategy and may vary in the future.

OF SPECIAL INTEREST

Approximately half of your fund's portfolio is invested in corporate high-yield securities, which have seen dramatic yield declines, as well as significant narrowing in the spread, or difference, over Treasury yields. Since the beginning of the high-yield market's rebound in October 2002, the spread over Treasuries has narrowed by more than 600 basis points, or six percentage points. As a result, in January 2004, your fund's distribution rate was reduced to \$0.037 per share from \$0.042 per share.

The fund's management team

The fund is managed by the Putnam Core Fixed-Income Team. The members of the team are D. William Kohli (Portfolio Leader), David Waldman (Portfolio Member), Carl Bell, Rob Bloemker, Andrea Burke, Kevin Cronin, Steve Horner, Michael Salm, and John Van Tassel.

The outlook for your fund

The following commentary reflects anticipated developments that could affect your fund over the next six months, as well as your management team's plans for responding to them.

The fund's returns over this six-month period continued to be higher than the historical average for global fixed-income securities because of the optimal conditions that existed until the final month of the period. In the United States, there has been tremendous stimulus in the form of tax cuts, a weaker dollar, increased government spending, and interest rates that have been at historically low levels for some time.

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

The greater willingness among investors to accept risk has helped boost the capital markets, which has also provided economic stimulus. Abroad, moderate growth and low inflation in Europe has kept rates low and government bonds have had solid performance, while high-yield bonds have seen strong returns similar to their U.S. counterparts.

The strengthening global economy and, in particular, evidence of strong job growth in the United States, have changed the equation. Historically, a tighter job market causes concerns that companies may raise wages and pass along these higher labor costs to consumers in the form of higher prices, leading to higher inflation. Inflation is bad for bond investors because interest payments are fixed and lose purchasing power when prices rise. As a result, higher inflation typically leads to higher interest rates, and in the bond market, when rates rise, bond prices decline.

While we cannot predict the future, the prospect of a tighter monetary policy for the remainder of 2004 has caused our management team to seek ways to mitigate the effects that rising rates can have on the fund's performance. These strategies include keeping the portfolio well diversified across a variety of geographic regions, sectors, and holdings and reducing its interest-rate sensitivity. As always, we will continue seeking opportunities for positive returns, while monitoring economic and market developments and making necessary adjustments as we see fit.

The views expressed in this report are exclusively those of Putnam Management. They are not meant as investment advice. International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Lower-rated bonds may offer higher yields in return for more risk. Mutual funds that invest in government securities are not guaranteed. Mortgage-backed securities are subject to prepayment risk.

Performance summary

This section shows your fund's performance during the first half of its fiscal year, which ended April 30, 2004. In accordance with regulatory requirements, we also include performance for the most current calendar quarter-end. Performance should always be considered in light of a fund's investment strategy. Data represent 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.

TOTAL RETURN FOR PERIODS ENDED 4/30/04

	NAV	Market price
6 months	5.26%	0.41%
1 year	12.97	6.11
5 years	36.30	31.20
Annual average	6.39	5.58
10 years	97.65	85.20
Annual average	7.05	6.36

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Annual average		
Life of fund (since 12/28/87)	8.72	7.34

Performance does not reflect taxes on reinvested distributions.

COMPARATIVE INDEX RETURNS FOR PERIODS ENDED 4/30/04

	Lehman Government/ Credit Bond Index	Citigroup Non-U.S. World Government Bond Index	JP Morgan Chase Global High Yield Index*	Lipper FI Income F (closed catego averag
6 months	1.17%	3.68%	6.39%	4.09
1 year	1.80	9.22	16.61	11.24
5 years	39.23	31.51	30.94	30.66
Annual average	6.84	5.63	5.54	5.30
10 years	104.21	81.12	112.58	109.29
Annual average	7.40	6.12	7.83	7.49
Annual average Life of fund (since 12/28/87)	8.20	6.89	--	8.53

Index and Lipper results should be compared to fund performance at net asset value.

* The JP Morgan Chase Global High Yield Index's inception date was 12/31/93.

+ Over the 6-month and 1-, 5-, and 10-year periods ended 4/30/04, there were 12, 12, 12, and 11 funds, respectively, in this Lipper category.

PRICE AND DISTRIBUTION INFORMATION 6 MONTHS ENDED 4/30/04

Putnam Master Income Trust

Distributions (number)	6
Income	\$0.369
Capital gains	--
Total	\$0.369

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Share value:	NAV	Market price
10/31/03	\$7.18	\$6.57
4/30/04	7.16	6.25
Current return (end of period)		
Current dividend rate 1	6.20%	7.10%

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

TOTAL RETURN FOR PERIODS ENDED 3/31/04 (MOST RECENT CALENDER QUARTER)

	NAV	Market price
6 months	7.98%	4.52%
1 year	18.96	14.50
5 years	40.73	40.25
Annual average	7.07	7.00
10 years	98.16	107.26
Annual average	7.08	7.56
Annual average Life of fund (since 12/28/87)	8.86	7.77

Terms and definitions

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 American Stock Exchange and the New York Stock Exchange.

Comparative indexes

Citigroup Non-U.S. World Government Bond Index is an unmanaged index of government bonds from 10 countries.

JP Morgan Chase Global High Yield Index is an unmanaged index used to mirror the investable universe of the U.S. dollar global high-yield corporate debt market of both developed and emerging markets.

Lehman Aggregate Bond Index is an unmanaged index used as a general measure of U.S. fixed-income securities.

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Lehman Government/Credit Bond Index is an unmanaged index of U.S. Treasury and agency securities and corporate bonds.

Russell 2000 Index is an unmanaged index of common stocks that generally measure performance of small to midsize companies within the Russell 3000 Index.

S&P/Citigroup World Ex-U.S. Primary Markets Growth Index is an unmanaged index of mostly large- and some small-capitalization stocks from developed countries excluding the United States chosen for their growth orientation.

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 funds (without sales charges) with similar current investment styles or objectives as determined by Lipper. Lipper category averages reflect performance trends for funds within a category and are based on results at net asset value.

A note about duplicate mailings

In response to investors' requests, the SEC has modified mailing regulations for proxy statements, semiannual and annual reports, and prospectuses. Putnam is now able to send a single copy of these materials to customers who share the same address. This change will automatically apply to all shareholders except those who notify us. If you would prefer to receive your own copy, please call Putnam at 1-800-225-1581.

Putnam is committed to managing our mutual funds in the best interests of our shareholders. Our proxy voting guidelines and policies are available on the Putnam Individual Investor Web site, www.putnaminvestments.com, by calling Putnam's Shareholder Services at 1-800-225-1581, or on the SEC's Web site, www.sec.gov.

The fund's portfolio
April 30, 2004 (Unaudited)

Corporate bonds and notes (46.2%) (a)	Value
Principal amount	
 Advertising and Marketing Services (0.1%)	

\$81,481 Lamar Media Corp. bank term loan FRN 3.188s, 2010 (acquired 2/27/03, cost \$81,481) (RES)	\$82,398
305,000 Lamar Media Corp. company guaranty 7 1/4s, 2013	327,875

	410,273
 Automotive (1.2%)	

155,000 ArvinMeritor, Inc. notes 8 3/4s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	2012	168,950
540,000	Collins & Aikman Products company guaranty 10 3/4s, 2011	558,900
90,000	Dana Corp. notes 10 1/8s, 2010	103,050
310,000	Dana Corp. notes 9s, 2011	365,800
50,000	Dana Corp. notes 7s, 2029	48,000
155,000	Dana Corp. notes 6 1/2s, 2009	162,750
85,000	Delco Remy International, Inc. company guaranty 11s, 2009	89,888
285,000	Delco Remy International, Inc. 144A sr. sub. notes 9 3/8s, 2012	282,150
100,000	Dura Operating Corp. company guaranty Ser. B, 8 5/8s, 2012	104,500
330,000	Dura Operating Corp. company guaranty Ser. D, 9s, 2009	328,350
93,302	Hayes Lemmerz International, Inc. bank term loan FRN 4.956s, 2009 (acquired 6/3/03, cost \$92,369) (RES)	95,090
345,000	Lear Corp. company guaranty Ser. B, 8.11s, 2009	396,319
EUR 110,000	Lear Corp. sr. notes 8 1/8s, 2008	150,317
\$215,000	Meritor Automotive, Inc. notes 6.8s, 2009	219,300
340,000	Metaldyne Corp. 144A sr. notes 10s, 2013	329,800
20,000	Plastech 2nd. lien bank term loan FRN 5.62s, 2011 (acquired 2/9/04, cost \$20,000) (RES)	20,313
46,174	SPX Corp. bank term loan FRN Ser. B, 3 1/8s, 2009 (acquired various dates from 7/23/02 to 8/26/03, cost \$46,174) (RES)	46,742
EUR 200,000	Teksid Aluminum 144A company guaranty 11 3/8s, 2011 (Luxembourg)	242,137
\$260,000	Tenneco Automotive, Inc. company guaranty Ser. B, 11 5/8s, 2009	284,700
410,000	Tenneco Automotive, Inc. sec. notes Ser. B, 10 1/4s, 2013	472,525
70,000	TRW Automotive bank term loan FRN 3.438s, 2011 (acquired 1/7/04, cost \$69,947) (RES)	70,975
	-----	4,540,556
Basic Materials (5.1%)		

325,000	Acetex Corp. sr. notes 10 7/8s, 2009 (Canada)	357,500
280,000	AK Steel Corp. company guaranty 7 7/8s, 2009	257,600
345,000	AK Steel Corp. company guaranty 7 3/4s, 2012	310,500
72,457	Appleton Papers, Inc. bank term loan FRN 3.6s, 2006 (acquired 6/4/02, cost \$72,729) (RES)	72,910
295,000	Appleton Papers, Inc. company guaranty Ser. B, 12 1/2s, 2008	331,875
435,000	Avecia Group PLC company guaranty 11s, 2009 (United Kingdom)	345,825
315,000	Better Minerals & Aggregates Co. company guaranty 13s, 2009	242,550

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Corporate bonds and notes (46.2%) (a)

Principal amount	Value
\$390,000	
Compass Minerals Group, Inc. company guaranty 10s, 2011	\$444,600
155,000	
Compass Minerals International, Inc. sr. disc. notes stepped-coupon zero % (12s, 6/1/08), 2013 (STP)	117,800
420,000	
Compass Minerals International, Inc. sr. notes stepped-coupon zero % (12 3/4s, 12/15/07), 2012 (STP)	340,200
617,759	
Doe Run Resources Corp. company guaranty Ser. A1, 11 3/4s, 2008 (acquired various dates from 7/27/01 to 11/26/03, cost \$326,820) (RES) (PIK)	358,300
415,000	
Dow Chemical Co. (The) notes 5 3/4s, 2009	438,236
910,000	
Equistar Chemicals LP/Equistar Funding Corp. company guaranty 10 1/8s, 2008	1,012,375
210,000	
Equistar Chemicals LP/Equistar Funding Corp. sr. notes 10 5/8s, 2011	235,200
200,000	
Four M Corp. sr. notes Ser. B, 12s, 2006	202,500
230,000	
Georgia-Pacific Corp. bonds 7 3/4s, 2029	232,300
500,000	
Georgia-Pacific Corp. debs. 7.7s, 2015	546,250
365,000	
Gerdau Ameristeel Corp. sr. notes 10 3/8s, 2011 (Canada)	410,625
74,625	
Graphics Packaging bank term loan FRN 3.86s, 2010 (acquired 8/6/03, cost \$74,625) (RES)	75,667
175,000	
Hercules, Inc. bank term loan FRN 3.61s, 2010 (acquired 4/7/04, cost \$175,000) (RES)	177,188
550,000	
Hercules, Inc. company guaranty 11 1/8s, 2007	660,000
410,000	
Hercules, Inc. 144A sr. sub. notes 6 3/4s, 2029	405,900
105,000	
Huntsman Advanced Materials, LLC 144A sec. FRN 10s, 2008	109,200
130,000	
Huntsman Advanced Materials, LLC 144A sec. notes 11s, 2010	147,550
426,000	
Huntsman Co., LLC 144A sr. disc. notes zero %, 2008	251,340
147,724	
Huntsman Corp. bank term loan FRN Ser. A, 5.938s, 2007 (acquired various dates from 5/1/03 to 9/24/03, cost \$136,709) (RES)	147,016
95,088	
Huntsman Corp. bank term loan FRN Ser. B, 10.188s, 2007 (acquired various dates from 5/1/03 to 9/24/03, cost \$87,638) (RES)	94,633
435,000	
Huntsman ICI Chemicals, Inc. company guaranty 10 1/8s, 2009	456,750
845,000	
Huntsman ICI Holdings sr. disc. notes zero %, 2009	424,613
EUR	
225,000	
Huntsman International, LLC sr. sub.	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	notes Ser. EXCH, 10 1/8s, 2009	270,921
\$215,000	Huntsman LLC company guaranty 11 5/8s, 2010	236,500
50,000	International Steel Group, Inc. 144A sr. notes 6 1/2s, 2014	48,000
765,000	ISP Chemco, Inc. company guaranty Ser. B, 10 1/4s, 2011	864,450
30,000	Kaiser Aluminum & Chemical Corp. sr. notes Ser. B, 10 7/8s, 2006 (In default) (NON)	29,100
345,000	Kaiser Aluminum & Chemical Corp. sr. sub. notes 12 3/4s, 2003 (In default) (NON) (DEF)	34,931
40,000	Lyondell Chemical Co. bonds 11 1/8s, 2012	44,400
400,000	Lyondell Chemical Co. company guaranty 9 1/2s, 2008	418,000
490,000	Lyondell Chemical Co. notes Ser. A, 9 5/8s, 2007	518,175
EUR	235,000 MDP Acquisitions PLC sr. notes 10 1/8s, 2012 (Ireland)	313,244
\$45,000	MDP Acquisitions PLC sr. notes 9 5/8s, 2012 (Ireland)	50,625
188,351	MDP Acquisitions PLC sub. notes 15 1/2s, 2013 (Ireland) (PIK)	220,371
660,000	Millennium America, Inc. company guaranty 9 1/4s, 2008	719,400
80,000	Millennium America, Inc. 144A sr. notes 9 1/4s, 2008	87,200
66,198	Nalco Co. bank term loan FRN Ser. B, 3.629s, 2010 (acquired 11/6/03, cost \$66,198) (RES)	66,704
150,000	Nalco Co. 144A sr. notes 7 3/4s, 2011	157,875
EUR	40,000 Nalco Co. 144A sr. notes 7 3/4s, 2011	48,763
EUR	40,000 Nalco Co. 144A sr. sub. notes 9s, 2013	48,284
\$585,000	Nalco Co. 144A sr. sub. notes 8 7/8s, 2013	617,175
310,000	Norske Skog Canada 144A sr. notes 7 3/8s, 2014 (Canada)	318,162
306,241	Noveon International bonds 13s, 2011	324,615
80,000	Noveon International company guaranty Ser. B, 11s, 2011	93,200
233,383	PCI Chemicals Canada sec. sr. notes 10s, 2008 (Canada)	219,380
73,902	Pioneer Companies, Inc. sec. FRN 4.61s, 2006	69,837
430,000	Potlatch Corp. company guaranty 10s, 2011	483,750
225,000	Resolution Performance Products, LLC sec. notes 8s, 2009	232,875
70,000	Resolution Performance Products, LLC sr. notes 9 1/2s, 2010	71,400
EUR	5,000 Rhodia SA unsub. Ser. EMTN, 6 1/4s, 2005 (France)	6,098
\$280,000	Rhodia SA 144A sr. notes 7 5/8s, 2010 (France)	253,400
EUR	235,000 SGL Carbon SA 144A sr. notes 8 1/2s, 2012 (Luxembourg)	290,286
\$120,000	SGL Carbon, LLC bank term loan FRN	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	4.22s, 2009 (acquired 2/26/04, cost \$120,600) (RES)	119,700
105,000	Smurfit-Stone Container Corp. company guaranty 8 1/4s, 2012	112,350
20,000	Smurfit-Stone Container Corp. company guaranty 7 1/2s, 2013	20,700
370,000	Steel Dynamics, Inc. company guaranty 9 1/2s, 2009	412,550
81,826	Sterling Chemicals, Inc. sec. notes 10s, 2007 (PIK)	78,962
450,000	Stone Container Corp. sr. notes 9 3/4s, 2011	495,000
120,000	Stone Container Corp. sr. notes 8 3/8s, 2012	129,000
475,000	Ucar Finance, Inc. company guaranty 10 1/4s, 2012	542,688
215,000	United Agri Products 144A sr. notes 8 1/4s, 2011	238,650
274,000	United States Steel Corp. sr. notes 9 3/4s, 2010	310,305
280,000	WCI Steel, Inc. sr. notes Ser. B, 10s, 2004 (In default) (NON)	134,400
160,000	Wellman 1st. lien bank term loan FRN 6s, 2009 (acquired 2/4/04, cost \$160,000) (RES)	162,000
145,000	Wellman 2nd. lien bank term loan FRN 8 3/4s, 2010 (acquired 2/4/04, cost \$142,100) (RES)	141,617
21,772	Wheeling-Pittsburgh Steel Corp. sr. notes 6s, 2010	13,499
43,545	Wheeling-Pittsburgh Steel Corp. sr. notes 5s, 2011	26,998
230,000	WHX Corp. sr. notes 10 1/2s, 2005	207,000

		19,509,543

Building Materials (0.4%)

	180,000 Building Materials Corp. company guaranty 8s, 2008	179,550
305,000	Dayton Superior Corp. sec. notes 10 3/4s, 2008	305,000
120,000	Interface, Inc. 144A sr. sub. notes 9 1/2s, 2014	120,600
77,100	NCI Building Systems, Inc. bank term loan FRN Ser. B, 4.108s, 2008 (acquired 9/4/02, cost \$77,100) (RES)	77,710
300,000	Nortek Holdings, Inc. 144A sr. notes stepped-coupon zero % (10s, 11/15/07), 2011 (STP)	224,250
220,000	Nortek, Inc. sr. sub. notes Ser. B, 9 7/8s, 2011	246,400
115,000	Owens Corning bonds 7 1/2s, 2018 (In default) (NON)	47,725
460,000	Owens Corning notes 7 1/2s, 2005 (In default) (NON)	190,900

		1,392,135

Capital Goods (4.4%)

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	425,000	AEP Industries, Inc. sr. sub. notes 9 7/8s, 2007	437,750
	520,612	Air2 US 144A sinking fund Ser. D, 12.266s, 2020 (In default) (NON)	5
	82,526	Allied Waste Industries, Inc. bank term loan FRN 3.866s, 2010 (acquired 4/25/03, cost \$82,526) (RES)	83,801
	13,929	Allied Waste Industries, Inc. bank term loan FRN Ser. C, 1.09s, 2010 (acquired 4/25/03, cost \$13,929) (RES)	14,125
	645,000	Allied Waste North America, Inc. company guaranty Ser. B, 8 1/2s, 2008	719,175
	295,000	Allied Waste North America, Inc. 144A sec. notes 6 1/2s, 2010	295,738
	99,250	Amsted Industries bank term loan FRN 5.102s, 2010 (acquired 8/12/03, cost \$98,754) (RES)	100,801
	615,000	Argo-Tech Corp. company guaranty 8 5/8s, 2007	618,075
	335,000	BE Aerospace, Inc. sr. sub. notes 9 1/2s, 2008	335,000
	110,000	BE Aerospace, Inc. sr. sub. notes Ser. B, 8 7/8s, 2011	106,150
	245,000	BE Aerospace, Inc. sr. sub. notes Ser. B, 8s, 2008	233,975
	70,000	Berry Plastics Corp. company guaranty 10 3/4s, 2012	79,450
	465,000	Blount, Inc. company guaranty 13s, 2009	502,200
	105,000	Blount, Inc. company guaranty 7s, 2005	109,200
	825,000	Browning-Ferris Industries, Inc. debs. 7.4s, 2035	771,375
	290,000	Browning-Ferris Industries, Inc. sr. notes 6 3/8s, 2008	295,800
	95,000	Crown Cork & Seal Company, Inc. bank term loan FRN Ser. B, 4.1s, 2008 (acquired 2/21/03, cost \$94,050) (RES)	96,544
	290,000	Crown Holdings SA notes 10 7/8s, 2013 (France)	337,850
	845,000	Crown Holdings SA notes 9 1/2s, 2011 (France)	947,456
	500,000	Decrane Aircraft Holdings Co. company guaranty Ser. B, 12s, 2008	327,500
	71,772	EaglePicher bank term loan FRN 4.11s, 2009 (acquired 8/6/03, cost \$72,209) (RES)	72,175
	380,000	Earle M. Jorgensen Co. sec. notes 9 3/4s, 2012	426,550
	345,000	FIMEP SA sr. notes 10 1/2s, 2013 (France)	401,925
EUR	195,000	Flender Holdings 144A sr. notes 11s, 2010 (Denmark)	271,380
	\$102,340	Flowserve Corp. bank term loan FRN Ser. C, 3 7/8s, 2009 (acquired various dates from 4/30/02 to 2/26/04, cost \$103,040) (RES)	103,543
	297,000	Flowserve Corp. company guaranty 12 1/4s, 2010	341,550

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	99,474	Graham Packaging bank term loan FRN 3 7/8s, 2010 (acquired 2/18/03, cost \$98,976) (RES)	100,748
	365,000	Hexcel Corp. sr. sub. notes 9 3/4s, 2009	384,163
EUR	405,000	Impress Metal Packaging Holding NV sr. sub. notes 9 7/8s, 2007 (Netherlands)	231,092
	\$80,000	Invensys, PLC bank term loan FRN 4.611s, 2009 (acquired 3/11/04, cost \$79,800) (RES)	80,200
	390,000	Invensys, PLC notes 9 7/8s, 2011 (United Kingdom)	411,450
	161,000	JII Holdings, LLC 144A sec. notes 13s, 2007	144,900
	275,000	K&F Industries, Inc. sr. sub. notes Ser. B, 9 5/8s, 2010	308,000
	129,000	K&F Industries, Inc. sr. sub. notes Ser. B, 9 1/4s, 2007	134,160
	120,000	L-3 Communications Corp. company guaranty 7 5/8s, 2012	129,300
	220,000	L-3 Communications Corp. company guaranty 6 1/8s, 2013	218,900
	385,000	Legrand SA debs. 8 1/2s, 2025 (France)	405,694
	40,000	Manitowoc Co., Inc. (The) company guaranty 10 1/2s, 2012	45,600
EUR	100,000	Manitowoc Co., Inc. (The) company guaranty 10 3/8s, 2011	131,977
	\$120,000	Manitowoc Co., Inc. (The) sr. notes 7 1/8s, 2013	125,400
	105,000	Motors and Gears, Inc. sr. notes Ser. D, 10 3/4s, 2006	89,250
	100,000	Mueller Group bank term loan FRN 4.35s, 2011 (acquired 4/22/04, cost \$100,000) (RES)	100,500
	100,000	Mueller Group Inc. 144A sec. FRN 5.919s, 2011	102,500
	140,000	Mueller Group Inc. 144A sr. sub. notes 10s, 2012	147,000
	300,000	Owens-Brockway Glass company guaranty 8 1/4s, 2013	309,750
	280,000	Owens-Brockway Glass company guaranty 7 3/4s, 2011	293,300
	370,000	Owens-Brockway Glass sr. sec. notes 8 3/4s, 2012	404,225
	103,613	Pike Electric bank term loan FRN 4 3/8s, 2010 (acquired 2/27/04, cost \$105,010) (RES)	104,229
	275,000	Pliant Corp. sec. notes 11 1/8s, 2009	292,875
	205,000	Roller Bearing Company of America company guaranty Ser. B, 9 5/8s, 2007	199,875
	98,750	Roper bank term loan FRN 3.127s, 2008 (acquired 12/22/03, cost \$98,750) (RES)	99,984
	630,000	Sequa Corp. sr. notes 9s, 2009	702,450
	110,000	Sequa Corp. sr. notes Ser. B, 8 7/8s, 2008	121,550
	110,000	Siebe PLC 144A sr. unsub. 6 1/2s, 2010 (United Kingdom)	102,300

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	100,000 Solo Cup Co. bank guaranty FRN 3.61s, 2011 (acquired 2/19/04, cost \$100,569) (RES)	101,588
	290,000 Solo Cup Co. 144A sr. sub. notes 8 1/2s, 2014	298,700
	275,000 TD Funding Corp. company guaranty 8 3/8s, 2011	290,813
	675,000 Tekni-Plex, Inc. company guaranty Ser. B, 12 3/4s, 2010	696,938
	245,000 Tekni-Plex, Inc. 144A sr. sec. notes 8 3/4s, 2013	241,325
	100,000 Terex Corp. company guaranty 9 1/4s, 2011	111,500
	380,000 Terex Corp. company guaranty Ser. B, 10 3/8s, 2011	433,200
	24,938 Transdigm, Inc. bank term loan FRN 3.34s, 2010 (acquired 4/19/04, cost \$24,938) (RES)	25,156
	315,000 Trimas Corp. company guaranty 9 7/8s, 2012	340,200
	200,000 Vought Aircraft Industries, Inc. 144A sr. notes 8s, 2011	203,000
		16,692,885
Commercial and Consumer Services (0.6%)		
	87,949 Coinmach Corp. bank term loan FRN Ser. B, 3 7/8s, 2009 (acquired 1/31/02, cost \$87,839) (RES)	88,608
	650,000 Coinmach Corp. sr. notes 9s, 2010	690,625
	24,619 Corrections Corporation of America bank term loan FRN 3.871s, 2008 (acquired 8/5/03, cost \$24,619) (RES)	24,912
	240,472 Derby Cycle Corp. (The) sr. notes 10s, 2008 (In default) (NON)	24
EUR	688,142 Derby Cycle Corp. (The) sr. notes 9 3/8s, 2008 (In default) (NON)	42
	\$49,750 IESI Corp. bank term loan FRN 4.147s, 2010 (acquired various dates from 10/20/03 to 10/21/03, cost \$50,021) (RES)	50,434
	345,000 IESI Corp. company guaranty 10 1/4s, 2012	374,325
	93,600 Laidlaw International, Inc. bank term loan FRN 5 1/2s, 2009 (acquired 6/18/03, cost \$91,728) (RES)	95,160
	720,000 Laidlaw International, Inc. 144A sr. notes 10 3/4s, 2011	808,200
		2,132,330
Communication Services (4.1%)		
	318,000 Alamosa Delaware, Inc. company guaranty 11s, 2010	344,235
	285,000 Alamosa Delaware, Inc. 144A sr. notes 8 1/2s, 2012	275,738
	105,000 American Cellular Corp. company	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	guaranty 9 1/2s, 2009 (In default) (NON)	97,650
430,000	American Cellular Corp. sr. notes Ser. B, 10s, 2011	414,950
155,000	American Tower Corp. sr. notes 9 3/8s, 2009	166,238
195,000	American Tower Corp. 144A sr. notes 7 1/2s, 2012	188,175
405,000	American Towers, Inc. 144A sr. sub. notes 7 1/4s, 2011	414,113
300,000	Asia Global Crossing, Ltd. sr. notes 13 3/8s, 2010 (Bermuda) (In default) (NON)	33,000
805,000	Centennial Cellular Operating Co. company guaranty 10 1/8s, 2013	829,150
80,000	Cincinnati Bell Telephone Co. company guaranty 6.3s, 2028	72,000
200,000	Cincinnati Bell, Inc. company guaranty 7 1/4s, 2013	194,000
215,000	Cincinnati Bell, Inc. notes 7 1/4s, 2023	203,175
440,000	Cincinnati Bell, Inc. sr. sub. notes 8 3/8s, 2014	415,800
191,573	Colo.com, Inc. 144A sr. notes 13 7/8s, 2010 (In default) (NON)	19
50,000	Consolidated Communications bank term loan FRN 3.85s, 2012 (acquired 4/7/04, cost \$50,000) (RES)	50,438
49,750	Crown Castle International Corp. bank term loan FRN 4.61s, 2010 (acquired 10/3/03, cost \$49,750) (RES)	50,502
410,000	Crown Castle International Corp. sr. notes 9 3/8s, 2011	448,950
49,750	Dobson Communications Corp. bank term loan FRN 4.366s, 2010 (acquired 10/20/03, cost \$49,750) (RES)	49,661
590,000	Dobson Communications Corp. sr. notes 8 7/8s, 2013	463,150
140,000	Eircom Funding notes 8 1/4s, 2013 (Ireland)	151,200
210,000	Fairpoint Communications, Inc. sr. sub. notes 12 1/2s, 2010	231,000
187,182	Firstworld Communication Corp. sr. disc. notes zero %, 2008 (In default) (NON)	19
106,256	Globix Corp. company guaranty 11s, 2008 (PIK)	95,630
455,000	Inmarsat Finance PLC 144A company guaranty 7 5/8s, 2012 (United Kingdom)	464,100
160,000	iPCS, Inc. 144A sr. notes 11 1/2s, 2012	163,200
540,000	iPCS, Inc. sr. disc. notes stepped-coupon zero % (14s, 7/15/05), 2010 (In default) (NON) (STP)	221,400
405,000	Level 3 Financing Inc. 144A sr. notes 10 3/4s, 2011	358,425
390,000	Madison River Capital Corp. sr. notes 13 1/4s, 2010	423,150

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

492,000	MCI Inc. sr. notes 7.735s, 2014	456,330
138,000	MCI Inc. sr. notes 6.688s, 2009	131,100
116,375	Nextel bank term loan FRN Ser. E, 3 3/8s, 2010 (acquired 12/19/02, cost \$107,647) (RES)	117,570
220,000	Nextel Communications, Inc. sr. notes 9 1/2s, 2011	249,700
15,000	Nextel Communications, Inc. sr. notes 9 3/8s, 2009	16,219
795,000	Nextel Communications, Inc. sr. notes 7 3/8s, 2015	825,806
20,000	Nextel Partners, Inc. sr. notes 12 1/2s, 2009	23,550
290,000	Nextel Partners, Inc. sr. notes 11s, 2010	327,700
700,000	Nextel Partners, Inc. sr. notes 8 1/8s, 2011	710,500
94,264	PanAmSat Corp. bank term loan FRN 3.6s, 2010 (acquired 10/29/03, cost \$94,264) (RES)	94,382
450,000	PanAmSat Corp. company guaranty 8 1/2s, 2012	508,500
105,625	Qwest Communications International, Inc. bank term loan FRN 6 1/2s, 2007 (acquired 6/5/03, cost \$104,569) (RES)	109,775
675,000	Qwest Communications International, Inc. 144A sr. notes 7 1/2s, 2014	619,313
120,000	Qwest Communications International, Inc. 144A sr. notes FRN 4.63s, 2009	111,000
1,300,000	Qwest Corp. 144A notes 9 1/8s, 2012	1,381,250
195,000	Qwest Services Corp. 144A notes 14s, 2014	232,538
145,000	Rogers Wireless, Inc. sec. notes 9 5/8s, 2011 (Canada)	168,200
170,000	Rural Cellular Corp. sr. sub. notes Ser. B, 9 5/8s, 2008	160,650
50,000	SBA bank term loan FRN 4.65s, 2008 (acquired 2/3/04, cost \$50,000) (RES)	50,266
90,000	SBA Communications Corp. sr. notes 10 1/4s, 2009	90,000
175,000	SBA Telecommunications Inc. 144A sr. disc. notes stepped- coupon zero % (9 3/4s, 12/15/07), 2011 (STP)	129,500
150,000	Time Warner Telecom, Inc. 144A sec. notes FRN 5.12s, 2011	142,500
195,000	Time Warner Telecom, Inc. 144A sr. notes 9 1/4s, 2014	181,350
205,000	Triton PCS, Inc. company guaranty 8 3/4s, 2011	189,113
365,000	TSI Telecommunication Services, Inc. company guaranty Ser. B, 12 3/4s, 2009	397,850
220,000	U S West, Inc. notes 5 5/8s, 2008	213,400
225,000	UbiquiTel Operating Co. bonds stepped-coupon zero % (14s, 4/15/05), 2010 (STP)	220,500
195,000	UbiquiTel Operating Co. 144A sr. notes 9 7/8s, 2011	195,000
210,000	US UnWired, Inc. company guaranty stepped-coupon Ser. B, zero %	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	(13 3/8s, 11/1/04), 2009 (STP)	208,950
390,000	Western Wireless Corp. sr. notes 9 1/4s, 2013	400,725

		15,482,305
Conglomerates (0.3%)		

175,000	Tyco International Group SA company guaranty 7s, 2028 (Luxembourg)	178,475
160,000	Tyco International Group SA company guaranty 6 7/8s, 2029 (Luxembourg)	161,404
90,000	Tyco International Group SA company guaranty 6 3/4s, 2011 (Luxembourg)	97,059
665,000	Tyco International Group SA notes 6 3/8s, 2011 (Luxembourg)	700,256
140,000	Tyco International Group SA 144A sr. notes 6s, 2013 (Luxembourg)	141,922

		1,279,116
Consumer (0.6%)		

470,000	Icon Health & Fitness company guaranty 11 1/4s, 2012	528,750
510,000	Jostens Holding Corp. sr. disc. notes stepped-coupon zero % (10 1/4s, 12/1/08), 2013 (STP)	342,975
94,778	Jostens, Inc. bank term loan FRN Ser. B, 3.72s, 2010 (acquired 7/28/03, cost \$94,778) (RES)	95,512
285,000	Jostens, Inc. sr. sub. notes 12 3/4s, 2010	320,625
900,000	Samsonite Corp. sr. sub. notes 10 3/4s, 2008	936,000

		2,223,862
Consumer Staples (6.8%)		

50,000	Adelphia Communications Corp. notes Ser. B, 9 7/8s, 2005 (In default) (NON)	54,000
250,000	Adelphia Communications Corp. sr. notes 10 7/8s, 2010 (In default) (NON)	272,500
30,000	Adelphia Communications Corp. sr. notes 9 3/8s, 2009 (In default) (NON)	32,700
110,000	Adelphia Communications Corp. sr. notes Ser. B, 9 7/8s, 2007 (In default) (NON)	118,800
405,000	Adelphia Communications Corp. sr. notes Ser. B, 7 3/4s, 2009 (In default) (NON)	421,200
18,836	Affinity Group Holdings bank term loan FRN Ser. B1, 5.12s, 2009 (acquired 5/27/03, cost \$18,789) (RES)	18,978
47,092	Affinity Group Holdings bank term loan FRN Ser. B2, 5.16s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	2009 (acquired 5/27/03, cost \$46,974) (RES)	47,445
290,000	Affinity Group, Inc. 144A sr. sub. notes 9s, 2012	305,950
350,000	AMC Entertainment, Inc. sr. sub. notes 9 7/8s, 2012	378,000
180,000	AMC Entertainment, Inc. sr. sub. notes 9 1/2s, 2011	188,100
295,000	AMC Entertainment, Inc. 144A sr. sub. notes 8s, 2014	289,100
441,690	American Seafood Group, LLC bank term loan FRN Ser. B, 4.35s, 2009 (acquired 4/11/02, cost \$441,248) (RES)	442,886
120,000	AMF Bowling Worldwide bank term loan FRN 4.152s, 2009 (acquired 2/25/04, cost \$120,000) (RES)	120,900
179,185	Archibald Candy Corp. company guaranty 10s, 2007 (In default) (NON) (PIK)	123,638
350,000	Armkel, LLC/Armkel Finance sr. sub. notes 9 1/2s, 2009	383,250
90,000	Atlantic Broadband Finance, LLC 144A sr. sub. notes 9 3/8s, 2014	87,300
300,000	Brand Services, Inc. company guaranty 12s, 2012	348,000
980,000	Cablevision Systems Corp. 144A sr. notes 8s, 2012	982,450
265,000	Capital Records, Inc. 144A company guaranty 8 3/8s, 2009	294,150
100,000	Century Cable Holdings bank term loan FRN 6s, 2009 (acquired 6/11/02, cost \$80,500) (RES)	97,792
160,000	Charter bank term loan FRN 4.36s, 2011 (acquired 4/21/04, cost \$160,000) (RES)	159,378
225,000	Charter Communications Holdings, LLC/Capital Corp. sr. disc. notes stepped-coupon zero % (12 1/8s, 1/15/07), 2012 (STP)	134,438
285,000	Charter Communications Holdings, LLC/Capital Corp. sr. disc. notes stepped-coupon zero % (11 3/4s, 5/15/06), 2011 (STP)	185,963
240,000	Charter Communications Holdings, LLC/Capital Corp. sr. disc. notes stepped-coupon zero % (11 3/4s, 1/15/05), 2010 (STP)	198,600
300,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 11 1/8s, 2011	264,000
440,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 10 3/4s, 2009	386,100
225,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 10 1/4s, 2010	192,375
955,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 10s, 2011	797,425
495,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 9 5/8s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	2009	420,750
50,000	Charter Communications Holdings, LLC/Capital Corp. sr. notes 8 5/8s, 2009	41,500
350,000	Cinemark USA, Inc. sr. sub. notes 9s, 2013	383,250
530,000	Cinemark, Inc. 144A sr. disc. notes stepped-coupon zero % (9 3/4s, 3/15/09), 2014 (STP)	331,913
60,935	Constellation Brands, Inc. bank term loan FRN 3.213s, 2008 (acquired 11/3/03, cost \$60,935) (RES)	61,805
210,000	Constellation Brands, Inc. sr. sub. notes Ser. B, 8 1/8s, 2012	227,850
90,000	Dean Foods Co. sr. notes 6 5/8s, 2009	96,075
120,000	Del Monte Corp. company guaranty Ser. B, 9 1/4s, 2011	133,200
305,000	Del Monte Corp. sr. sub. notes 8 5/8s, 2012	337,025
79,897	Del Monte Foods Co. bank term loan FRN Ser. B, 3.408s, 2010 (acquired 12/16/02, cost \$79,498) (RES)	81,121
82,592	DirectTV bank term loan FRN Ser. B, 3.399s, 2010 (acquired various dates from 3/4/03 to 8/5/03, cost \$82,592) (RES)	83,851
695,000	DirectTV Holdings, LLC sr. notes 8 3/8s, 2013	776,663
1,162,000	Diva Systems Corp. sr. disc. notes Ser. B, 12 5/8s, 2008 (In default) (NON)	116
430,000	Doane Pet Care Co. sr. sub. debs. 9 3/4s, 2007	395,600
12,315	Dole Food Co. bank term loan FRN 4.34s, 2009 (acquired 12/8/03, cost \$12,315) (RES)	12,490
145,000	Dole Food Co. sr. notes 8 7/8s, 2011	154,425
105,000	Dole Food Co. sr. notes 8 5/8s, 2009	112,350
365,000	Domino's, Inc. sr. sub. notes 8 1/4s, 2011	394,200
30,000	Eagle Family Foods company guaranty Ser. B, 8 3/4s, 2008	24,000
890,000	Echostar DBS Corp. 144A sr. notes 6 3/8s, 2011	900,013
62,500	Echostar DBS Corp. 144A sr. notes FRN 4.36s, 2008	65,000
135,000	Elizabeth Arden, Inc. 144A company guaranty 7 3/4s, 2014	139,556
98,505	Emmis Communications Corp. bank term loan FRN Ser. C, 3 3/8s, 2009 (acquired 6/20/02, cost \$98,382) (RES)	98,505
130,000	Emmis Communications Corp. company guaranty Ser. B, 8 1/8s, 2009	135,688
790,000	Granite Broadcasting Corp. 144A sec. notes 9 3/4s, 2010	774,200
220,000	Gray Television, Inc. company guaranty 9 1/4s, 2011	244,750
34,913	Insight Midwest LP/Insight Capital, Inc. bank term loan FRN 3.937s, 2009	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	(acquired 11/5/01, cost \$34,847)	
	(RES)	35,144
19,444	Knology, Inc. 144A sr. notes 12s, 2009 (PIK)	19,395
305,000	Land O'Lakes, Inc. sr. notes 8 3/4s, 2011	291,275
325,000	Mediacom LLC/Mediacom Capital Corp. sr. notes 9 1/2s, 2013	323,375
120,000	MGM bank term loan FRN 3.61s, 2011 (acquired 4/21/04, cost \$120,000) (RES)	120,300
490,000	News America Holdings, Inc. company guaranty 9 1/4s, 2013	622,010
195,000	North Atlantic Trading Co. 144A sr. notes 9 1/4s, 2012	197,438
270,000	Olympus Cable bank term loan FRN Ser. B, 6s, 2010 (acquired 6/20/02, cost \$235,305) (RES)	263,057
EUR	40,000 ONO Finance PLC company guaranty 13s, 2009 (United Kingdom)	51,065
\$125,000	ONO Finance PLC sr. notes 14s, 2011 (United Kingdom)	144,844
	15,000 ONO Finance PLC sr. notes 13s, 2009 (United Kingdom)	16,031
EUR	80,000 ONO Finance PLC sr. notes Ser. REGS, 14s, 2011 (United Kingdom)	110,280
\$60,000	Pegasus Communications Corp. sr. notes Ser. B, 9 3/4s, 2006	45,000
210,000	Pegasus Satellite sr. notes 12 3/8s, 2006	147,000
210,000	Pinnacle Foods Holding Corp. 144A sr. sub. notes 8 1/4s, 2013	219,188
660,000	Playtex Products, Inc. company guaranty 9 3/8s, 2011	653,400
415,000	Playtex Products, Inc. 144A secd. notes 8s, 2011	435,750
350,000	Premier International Foods PLC sr. notes 12s, 2009 (United Kingdom)	378,000
395,000	Prestige Brands, Inc. 144A sr. sub. notes 9 1/4s, 2012	382,163
10,000	Quebecor Media, Inc. sr. disc. notes stepped-coupon zero % (13 3/4s, 7/15/06), 2011 (Canada) (STP)	9,200
445,000	Quebecor Media, Inc. sr. notes 11 1/8s, 2011 (Canada)	511,750
72,155	Rayovac Corp. bank term loan FRN Ser. B, 3.623s, 2009 (acquired 9/26/02, cost \$72,082) (RES)	72,696
210,000	RCN Corp. sr. disc. notes Ser. B, zero %, 2008 (In default) (NON)	107,625
215,000	Regal Cinemas, Inc. company guaranty Ser. B, 9 3/8s, 2012	255,313
405,000	Remington Arms Co., Inc. company guaranty 10 1/2s, 2011	402,975
65,000	Rite Aid Corp. bank term loan FRN 4.1s, 2008 (acquired 5/16/03, cost \$64,919) (RES)	66,463
305,000	Rite Aid Corp. company guaranty 9 1/2s, 2011	342,363
20,000	Rite Aid Corp. debs. 6 7/8s, 2013	18,800

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

40,000	Rite Aid Corp. notes 7 1/8s, 2007	40,600
205,000	Rite Aid Corp. sec. notes 8 1/8s, 2010	221,400
270,000	Rite Aid Corp. sr. notes 9 1/4s, 2013	286,200
20,000	Rite Aid Corp. 144A notes 6s, 2005	19,925
435,000	Sbarro, Inc. company guaranty 11s, 2009	371,925
49,950	Scotts Co. (The) bank term loan FRN 3 1/8s, 2010 (acquired 10/16/03, cost \$49,950) (RES)	50,613
140,000	Scotts Co. (The) 144A sr. sub. notes 6 5/8s, 2013	144,200
205,000	Sinclair Broadcast Group, Inc. company guaranty 8s, 2012	217,813
42,443	Six Flags, Inc. bank term loan FRN Ser. B, 3.594s, 2009 (acquired 1/15/03, cost \$42,390) (RES)	42,796
1,105,000	Six Flags, Inc. sr. notes 8 7/8s, 2010	1,124,338
475,000	Six Flags, Inc. 144A sr. notes 9 5/8s, 2014	497,563
83,363	Sum Media bank term loan FRN Ser. B, 3.418s, 2009 (acquired 2/4/03, cost \$83,363) (RES)	84,092
590,000	TeleWest Communications PLC debs. 11s, 2007 (United Kingdom) (In default) (NON)	371,700
190,000	TeleWest Communications PLC debs. 9 5/8s, 2006 (United Kingdom) (In default) (NON)	116,375
130,000	TeleWest Communications PLC sr. notes Ser. S, 9 7/8s, 2010 (United Kingdom) (In default) (NON)	79,300
50,000	TeleWest Communications PLC 144A sr. notes 11 1/4s, 2008 (United Kingdom) (In default) (NON)	31,250
155,000	Videotron Ltee company guaranty 6 7/8s, 2014 (Canada)	156,550
65,000	Vivendi Universal SA bank term loan FRN Ser. B, 3.85s, 2008 (acquired 6/23/03, cost \$65,000) (France) (RES)	65,386
540,000	Vivendi Universal SA sr. notes 6 1/4s, 2008 (France)	563,625
200,000	Warner Music bank term loan FRN 3.894s, 2011 (acquired 4/8/04, cost \$200,908) (RES)	202,600
390,000	Williams Scotsman, Inc. company guaranty 9 7/8s, 2007	388,050
754,000	Young Broadcasting, Inc. company guaranty 10s, 2011	795,470
200,000	Young Broadcasting, Inc. 144A sr. sub. notes 8 3/4s, 2014	202,000

		26,066,985
Energy (4.1%)		

430,000	Arch Western Finance, LLC 144A sr. notes 6 3/4s, 2013	442,900

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

455,000	Belden & Blake Corp. company guaranty Ser. B, 9 7/8s, 2007	453,863
350,000	BRL Universal Equipment sec. notes 8 7/8s, 2008	377,563
300,000	CHC Helicopter Corp. 144A sr. sub. notes 7 3/8s, 2014 (Canada)	303,750
180,000	Chesapeake Energy Corp. company guaranty 9s, 2012	205,650
142,000	Chesapeake Energy Corp. company guaranty 7 3/4s, 2015	153,360
685,000	Chesapeake Energy Corp. sr. notes 7 1/2s, 2013	739,800
275,000	Comstock Resources, Inc. sr. notes 6 7/8s, 2012	269,500
120,000	Dresser, Inc. bank term loan FRN 4.61s, 2010 (acquired 2/27/04, cost \$120,900) (RES)	121,838
380,000	Dresser, Inc. company guaranty 9 3/8s, 2011	410,400
77,000	El Paso Energy Partners LP company guaranty Ser. B, 8 1/2s, 2011	86,048
295,000	Encore Acquisition Co. company guaranty 8 3/8s, 2012	321,550
140,000	Encore Acquisition Co. 144A sr. sub. notes 6 1/4s, 2014	137,900
390,000	Exco Resources, Inc. 144A company guaranty 7 1/4s, 2011	393,900
330,000	Forest Oil Corp. company guaranty 7 3/4s, 2014	353,100
560,000	Forest Oil Corp. sr. notes 8s, 2011	616,000
115,000	Forest Oil Corp. sr. notes 8s, 2008	125,350
200,000	Gazprom OAO notes Ser. REGS, 9 5/8s, 2013 (Russia)	205,500
560,000	Gazprom OAO 144A notes 9 5/8s, 2013 (Russia)	575,400
195,000	Hanover Compressor Co. sr. notes 8 5/8s, 2010	206,700
290,000	Hanover Compressor Co. sub. notes zero %, 2007	223,300
190,000	Hanover Equipment Trust sec. notes Ser. A, 8 1/2s, 2008	201,400
265,000	Hornbeck Offshore Services, Inc. sr. notes 10 5/8s, 2008	290,838
195,000	KCS Energy, Inc. 144A sr. notes 7 1/8s, 2012	195,000
160,000	Key Energy Services, Inc. sr. notes 6 3/8s, 2013	158,000
40,000	Leviathan Gas Corp. company guaranty Ser. B, 10 3/8s, 2009	41,800
46,389	Magellan Midstream Holdings bank term loan FRN 4.67s, 2008 (acquired 6/13/03, cost \$45,925) (RES)	47,085
295,000	Massey Energy Co. sr. notes 6 5/8s, 2010	296,475
380,000	Newfield Exploration Co. sr. notes 7 5/8s, 2011	418,000
255,000	Offshore Logistics, Inc. company guaranty 6 1/8s, 2013	242,250
325,977	Oslo Seismic Services, Inc. 1st mtge. 8.28s, 2011	329,237
50,000	Parker Drilling Co. bank term loan FRN 5.35s, 2007 (acquired	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	10/22/03, cost \$49,500) (RES)	50,531
290,000	Parker Drilling Co. company guaranty Ser. B, 10 1/8s, 2009	311,025
48,263	Peabody Energy Corp. bank term loan FRN Ser. B, 2.859s, 2010 (acquired 3/20/03, cost \$48,263) (RES)	48,574
405,000	Peabody Energy Corp. sr. notes 5 7/8s, 2016	387,788
335,000	Pemex Project Funding Master Trust company guaranty 8 5/8s, 2022	385,250
300,000	Petro Geo-Services notes 10s, 2010 (Norway)	327,000
630,000	Petroleos Mexicanos company guaranty 9 1/2s, 2027 (Mexico)	748,125
550,000	Petronas Capital, Ltd. company guaranty 7 7/8s, 2022 (Malaysia)	608,465
125,000	Petronas Capital, Ltd. company guaranty 7s, 2012 (Malaysia)	136,725
205,000	Plains All American Pipeline LP/Plains All American Finance Corp. company guaranty 7 3/4s, 2012	234,014
310,000	Plains Exploration & Production Co. company guaranty Ser. B, 8 3/4s, 2012	341,000
260,000	Plains Exploration & Production Co. sr. sub. notes 8 3/4s, 2012	286,000
350,000	Pogo Producing Co. sr. sub. notes Ser. B, 8 1/4s, 2011	392,875
209,000	Pride Petroleum Services, Inc. sr. notes 9 3/8s, 2007	212,658
320,000	Seabulk International, Inc. company guaranty 9 1/2s, 2013	332,800
170,000	Seven Seas Petroleum, Inc. sr. notes Ser. B, 12 1/2s, 2005 (In default) (NON)	2
400,000	Star Gas Partners LP/Star Gas Finance Co. sr. notes 10 1/4s, 2013	438,000
95,000	Star Gas Partners LP/Star Gas Finance Co. 144A sr. notes 10 1/4s, 2013	104,025
181,923	Star Gas Propane 1st Mtge. 8.04s, 2009 (acquired 5/7/03, cost \$178,285) (RES)	198,296
500,000	Trico Marine Services, Inc. company guaranty 8 7/8s, 2012	230,000
80,000	Universal Compression, Inc. sr. notes 7 1/4s, 2010	85,800
170,000	Vintage Petroleum, Inc. sr. notes 8 1/4s, 2012	186,575
80,000	Vintage Petroleum, Inc. sr. sub. notes 7 7/8s, 2011	85,000
650,000	Westport Resources Corp. company guaranty 8 1/4s, 2011	729,625

		15,803,610

Financial (0.6%)

	165,000 Crescent Real Estate Equities LP notes 7 1/2s, 2007 (R)	173,250
420,000	Crescent Real Estate Equities LP sr. notes 9 1/4s, 2009 (R)	464,100

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

1,102,000	Finova Group, Inc. notes 7 1/2s, 2009	658,445
109,250	Hilb, Rogal & Hamilton Co. bank term loan FRN Ser. B, 3 3/8s, 2007 (acquired 6/20/02, cost \$109,250) (RES)	110,616
305,000	iStar Financial, Inc. sr. notes 8 3/4s, 2008 (R)	341,600
70,000	iStar Financial, Inc. sr. notes 7s, 2008 (R)	73,150
230,000	iStar Financial, Inc. sr. notes 6s, 2010 (R)	230,000
290,000	Western Financial Bank sub. debs. 9 5/8s, 2012	327,700

		2,378,861
Gaming & Lottery (2.9%)		

265,000	Ameristar Casinos, Inc. company guaranty 10 3/4s, 2009	307,400
90,000	Argosy Gaming Co. sr. sub. notes 9s, 2011	101,250
350,000	Argosy Gaming Co. 144A sr. sub. notes 7s, 2014	358,313
69,650	Borgata Resorts bank term loan FRN Ser. B, 5.192s, 2007 (acquired 6/5/02, cost \$69,476) (RES)	70,555
400,000	Boyd Gaming Corp. sr. sub. notes 8 3/4s, 2012	441,500
190,000	Chumash Casino & Resort Enterprise 144A sr. notes 9s, 2010	211,375
480,000	Herbst Gaming, Inc. sec. notes Ser. B, 10 3/4s, 2008	541,200
530,000	Hollywood Park, Inc. company guaranty Ser. B, 9 1/4s, 2007	543,250
490,000	Horseshoe Gaming Holdings company guaranty 8 5/8s, 2009	512,050
150,000	Inn of the Mountain Gods 144A sr. notes 12s, 2010	164,250
235,000	Mandalay Resort Group sr. notes 6 1/2s, 2009	245,575
605,000	MGM Mirage, Inc. company guaranty 8 1/2s, 2010	682,138
260,000	MGM Mirage, Inc. company guaranty 6s, 2009	263,250
30,000	Mohegan Tribal Gaming Authority sr. notes 8 1/8s, 2006	31,950
100,000	Mohegan Tribal Gaming Authority sr. sub. notes 8 3/8s, 2011	109,000
685,000	Mohegan Tribal Gaming Authority sr. sub. notes 6 3/8s, 2009	698,700
490,000	Park Place Entertainment Corp. sr. notes 7 1/2s, 2009	539,000
265,000	Park Place Entertainment Corp. sr. notes 7s, 2013	278,250
200,000	Park Place Entertainment Corp. sr. sub. notes 8 7/8s, 2008	223,000
63,198	Penn National Gaming, Inc. bank term loan FRN 3.609s, 2010 (acquired 2/19/03, cost \$63,119)	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	(RES)	63,988
255,000	Penn National Gaming, Inc. company guaranty Ser. B, 11 1/8s, 2008	284,963
500,000	Penn National Gaming, Inc. sr. sub. notes 8 7/8s, 2010	543,750
61,976	Pinnacle Entertainment, Inc. bank term loan FRN 4.6s, 2009 (acquired 12/15/03, cost \$61,976) (RES)	62,648
300,000	Pinnacle Entertainment, Inc. sr. sub. notes 8 3/4s, 2013	303,000
135,000	Pinnacle Entertainment, Inc. 144A sr. sub. notes 8 1/4s, 2012	129,938
375,000	Resorts International Hotel and Casino, Inc. company guaranty 11 1/2s, 2009	418,125
305,000	Riviera Holdings Corp. company guaranty 11s, 2010	324,825
123,752	Scientific Games Holdings bank term loan FRN 4.673s, 2008 (acquired 12/11/02, cost \$123,134) (RES)	125,402
245,000	Station Casinos, Inc. 144A sr. notes 6s, 2012	246,531
275,000	Station Casinos, Inc. 144A sr. sub. notes 6 7/8s, 2016	273,625
655,000	Trump Atlantic City Associates company guaranty 11 1/4s, 2006	560,025
830,000	Trump Casino Holdings, LLC company guaranty 12 5/8s, 2010	840,375
515,000	Venetian Casino Resort, LLC company guaranty 11s, 2010	602,550

		11,101,751

Health Care (3.4%)

21,644	ALARIS Medical Systems, Inc. bank term loan FRN 3.36s, 2009 (acquired 6/30/03, cost \$21,644) (RES)	21,894
43,337	Alderwoods Group, Inc. bank term loan FRN 3.9292s, 2008 (acquired 9/9/03, cost \$43,337) (RES)	43,905
460,100	Alderwoods Group, Inc. company guaranty 12 1/4s, 2009	513,012
95,000	Alliance Imaging, Inc. sr. sub. notes 10 3/8s, 2011	95,000
315,000	AmerisourceBergen Corp. company guaranty 7 1/4s, 2012	335,475
310,000	AmerisourceBergen Corp. sr. notes 8 1/8s, 2008	342,550
535,000	Ardent Health Services, Inc. sr. sub. notes 10s, 2013	585,825
62,188	Beverly Enterprises, Inc. bank term loan FRN 4.457s, 2008 (acquired 10/20/03, cost \$62,032) (RES)	62,848
70,000	Biovail Corp. sr. sub. notes 7 7/8s, 2010 (Canada)	68,600
147,750	Community Health Systems, Inc. bank term loan FRN Ser. B, 3.62s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	2010 (acquired 7/11/02, cost \$147,750) (RES)	150,151
99,250	Concentra bank term loan FRN 4.941s, 2009 (acquired 8/12/03, cost \$99,250) (RES)	100,573
92,795	Dade Behring, Inc. company guaranty 11.91s, 2010	107,178
198,921	DaVita, Inc. bank term loan FRN Ser. B, 3.164s, 2009 (acquired various dates from 7/17/03 to 1/30/04, cost \$200,077) (RES)	200,910
185,000	Extendicare Health Services, Inc. company guaranty 9 1/2s, 2010	205,350
285,000	Extendicare Health Services, Inc. 144A sr. sub. notes 6 7/8s, 2014	277,163
55,331	Fisher Scientific International, Inc. bank term loan FRN 3.11s, 2010 (acquired 2/13/03, cost \$55,331) (RES)	55,654
49,750	Hanger Orthopedic Group, Inc. bank term loan FRN 3.86s, 2009 (acquired 9/29/03, cost \$49,750) (RES)	50,372
325,000	Hanger Orthopedic Group, Inc. company guaranty 10 3/8s, 2009	363,188
115,000	HCA, Inc. debs. 7.19s, 2015	119,660
640,000	HCA, Inc. notes 8.36s, 2024	689,494
150,000	HCA, Inc. notes 7.69s, 2025	151,390
445,000	HCA, Inc. notes 7s, 2007	478,158
540,000	Healthsouth Corp. notes 7 5/8s, 2012	542,700
255,000	Healthsouth Corp. sr. notes 8 1/2s, 2008	258,825
130,000	Healthsouth Corp. sr. notes 8 3/8s, 2011	131,300
110,000	Healthsouth Corp. sr. notes 7s, 2008	108,900
215,000	IASIS Healthcare Corp. company guaranty 13s, 2009	238,113
45,000	IASIS Healthcare Corp. company guaranty 8 1/2s, 2009	48,150
195,000	Insight Health Services Corp. 144A company guaranty 9 7/8s, 2011	196,950
66,813	Kinetic Concepts, Inc. bank term loan FRN 3.36s, 2011 (acquired 8/5/03, cost \$66,984) (RES)	67,481
130,735	Magellan Health Services, Inc. sr. notes Ser. A, 9 3/8s, 2008	141,357
80,641	Medex, Inc. bank term loan FRN 4.135s, 2009 (acquired various dates from 5/16/03 to 6/16/03, cost \$80,602) (RES)	81,195
380,000	Mediq, Inc. debs. 13s, 2009 (In default) (NON)	38
495,000	MedQuest, Inc. company guaranty Ser. B, 11 7/8s, 2012	559,350
195,000	NeighborCare, Inc. 144A sr. sub. notes 6 7/8s, 2013	198,900
100,000	Omega Health Care Investors 144A sr. notes 7s, 2014	101,500
405,000	Omnicare, Inc. sr. sub. notes 6 1/8s, 2013	409,050
396,000	PacifiCare Health Systems, Inc. company guaranty 10 3/4s, 2009	462,330

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

410,000	Province Healthcare Co. sr. sub. notes 7 1/2s, 2013	401,800
70,000	Service Corp. International debs. 7 7/8s, 2013	73,150
40,000	Service Corp. International notes 7.2s, 2006	42,500
15,000	Service Corp. International notes 6 7/8s, 2007	15,825
60,000	Service Corp. International notes 6 1/2s, 2008	61,950
65,000	Service Corp. International notes 6s, 2005	67,925
145,000	Service Corp. International notes Ser. (a), 7.7s, 2009	154,788
415,000	Service Corp. International 144A sr. notes 6 3/4s, 2016	411,888
390,000	Stewart Enterprises, Inc. notes 10 3/4s, 2008	439,238
220,000	Tenet Healthcare Corp. notes 7 3/8s, 2013	199,100
10,000	Tenet Healthcare Corp. sr. notes 6 1/2s, 2012	8,675
265,000	Tenet Healthcare Corp. sr. notes 6 3/8s, 2011	231,213
360,000	Tenet Healthcare Corp. sr. notes 5 3/8s, 2006	341,100
725,000	Triad Hospitals, Inc. sr. notes 7s, 2012	726,813
590,000	Triad Hospitals, Inc. sr. sub. notes 7s, 2013	570,825
285,000	Universal Hospital Services, Inc. 144A sr. notes 10 1/8s, 2011	303,525
165,000	Ventas Realty LP/Capital Corp. company guaranty 9s, 2012	186,450
40,000	VWR International, Inc. bank term loan FRN 3.6s, 2011 (acquired 4/5/04, cost \$40,000) (RES)	40,560
185,000	VWR International, Inc. 144A sr. notes 6 7/8s, 2012	191,475
95,000	VWR International, Inc. 144A sr. sub. notes 8s, 2014	99,038

		13,132,327

Homebuilding (0.8%)

80,000	Beazer Homes USA, Inc. company guaranty 8 3/8s, 2012	86,600
350,000	D.R. Horton, Inc. sr. notes 7 7/8s, 2011	389,375
80,000	D.R. Horton, Inc. sr. notes 6 7/8s, 2013	83,600
220,000	D.R. Horton, Inc. sr. notes 5 7/8s, 2013	216,150
250,000	K. Hovnanian Enterprises, Inc. company guaranty 10 1/2s, 2007	287,500
310,000	K. Hovnanian Enterprises, Inc. company guaranty 8 7/8s, 2012	337,125
160,000	K. Hovnanian Enterprises, Inc. sr. notes 6 1/2s, 2014	152,800
205,000	K. Hovnanian Enterprises, Inc. 144A	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	sr. notes 6 3/8s, 2014	192,700
50,000	Landsource bank term loan FRN 3.688s, 2010 (acquired 1/12/04, cost \$50,000) (RES)	50,750
160,000	Meritage Corp. company guaranty 9 3/4s, 2011	178,200
120,000	Meritage Corp. 144A sr. notes 7s, 2014	117,000
210,000	Schuler Homes, Inc. company guaranty 10 1/2s, 2011	241,500
180,000	Technical Olympic USA, Inc. company guaranty 10 3/8s, 2012	198,000
120,000	Technical Olympic USA, Inc. company guaranty 9s, 2010	126,000
100,000	Technical Olympic USA, Inc. 144A sub. notes 7 1/2s, 2011	95,500
435,000	WCI Communities, Inc. company guaranty 9 1/8s, 2012	474,150
	-----	3,226,950
 Household Furniture and Appliances (0.2%)		

80,000	Sealy bank term loan FRN 3.86s, 2012 (acquired 4/2/04, cost \$80,000) (RES)	81,000
585,000	Sealy Mattress Co. 144A sr. sub. notes 8 1/4s, 2014	570,375
	-----	651,375
 Lodging/Tourism (1.1%)		

250,000	FelCor Lodging LP company guaranty 10s, 2008 (R)	266,875
375,000	Gaylord Entertainment Co. 144A sr. notes 8s, 2013	390,000
455,000	Hilton Hotels Corp. notes 7 5/8s, 2012	511,875
324,000	HMH Properties, Inc. company guaranty Ser. B, 7 7/8s, 2008	334,530
140,000	Host Marriott LP sr. notes 7 1/8s, 2013 (R)	142,100
151,000	Host Marriott LP sr. notes Ser. E, 8 3/8s, 2006 (R)	161,004
250,000	ITT Corp. debs. 7 3/8s, 2015	260,625
320,000	ITT Corp. notes 6 3/4s, 2005	336,000
870,000	John Q. Hammons Hotels LP/John Q. Hammons Hotels Finance Corp. III 1st mtge. Ser. B, 8 7/8s, 2012	959,175
280,000	Meristar Hospitality Corp. company guaranty 9 1/8s, 2011 (R)	291,200
305,000	Meristar Hospitality Corp. company guaranty 9s, 2008 (R)	314,150
50,000	Starwood Hotels & Resorts Worldwide, Inc. company guaranty 7 7/8s, 2012	54,688
210,000	Starwood Hotels & Resorts Worldwide, Inc. company guaranty 7 3/8s, 2007	225,750
	-----	4,247,972
 Publishing (1.8%)		

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

91,806	Dex Media West, LLC bank term loan FRN 3.869s, 2010 (acquired 9/9/03, cost \$91,806) (RES)	93,215
600,000	Dex Media West, LLC 144A sr. notes 8 1/2s, 2010	651,000
275,000	Dex Media, Inc. 144A disc. notes stepped-coupon zero % (9s, 11/15/08), 2013 (STP)	167,750
310,000	Dex Media, Inc. 144A notes 8s, 2013	300,700
870,734	Hollinger Participation Trust 144A sr. notes 12 1/8s, 2010 (Canada) (PIK)	1,012,174
93,758	PRIMEDIA, Inc. bank term loan FRN Ser. B, 3.887s, 2009 (acquired 2/10/03, cost \$89,774) (RES)	92,657
590,000	PRIMEDIA, Inc. company guaranty 8 7/8s, 2011	600,325
435,000	PRIMEDIA, Inc. 144A sr. notes 8s, 2013	429,563
195,000	Reader's Digest Association, Inc. (The) 144A sr. notes 6 1/2s, 2011	196,950
123,456	RH Donnelley Finance Corp. I bank term loan FRN Ser. B, 3.369s, 2010 (acquired 12/4/02, cost \$123,456) (RES)	125,138
70,000	RH Donnelley Finance Corp. I company guaranty 8 7/8s, 2010	78,050
500,000	RH Donnelley Finance Corp. I 144A sr. notes 8 7/8s, 2010	557,500
250,000	RH Donnelley Finance Corp. I 144A sr. sub. notes 10 7/8s, 2012	297,500
470,000	Vertis, Inc. company guaranty Ser. B, 10 7/8s, 2009	495,850
245,000	Vertis, Inc. sec. notes 9 3/4s, 2009	266,438
390,000	Vertis, Inc. sub. notes 13 1/2s, 2009	397,800
170,000	Von Hoffman Press, Inc. company guaranty 10 3/8s, 2007	170,425
370,000	Von Hoffman Press, Inc. company guaranty 10 1/4s, 2009	384,800
206,939	Von Hoffman Press, Inc. debs. 13s, 2009 (PIK)	190,901
110,000	WRC Media Corp. bank term loan FRN 6.761s, 2009 (acquired 3/25/04, cost \$110,000) (RES)	110,275
295,000	WRC Media Corp. sr. sub. notes 12 3/4s, 2009	295,000
36,000	Yell Finance BV sr. notes 10 3/4s, 2011 (Netherlands)	41,760

		6,955,771

Retail (0.8%)

37,592	Advance Stores bank term loan FRN Ser. C, 3.157s, 2007 (acquired 3/4/03, cost \$37,592) (RES)	37,920
240,000	Asbury Automotive Group, Inc. 144A sr. sub. notes 8s, 2014	235,200

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

475,000	Autonation, Inc. company guaranty 9s, 2008	541,500
180,000	Gap, Inc. (The) notes 6.9s, 2007	198,000
515,000	JC Penney Co., Inc. debs. 7.95s, 2017	589,675
95,000	JC Penney Co., Inc. debs. 7.65s, 2016	106,875
235,000	JC Penney Co., Inc. debs. 7 1/8s, 2023	253,800
15,000	JC Penney Co., Inc. notes 8s, 2010	17,100
108,863	PETCO Animal Supplies, Inc. bank term loan FRN 3.61s, 2009 (acquired 8/6/03, cost \$108,863) (RES)	110,496
597,000	Saks, Inc. 144A company guaranty 7s, 2013	608,940
270,000	United Auto Group, Inc. company guaranty 9 5/8s, 2012	301,725
		3,001,231

Technology (1.1%)

242,000	AMI Semiconductor, Inc. company guaranty 10 3/4s, 2013	283,745
69,000	Avaya, Inc. sec. sr. notes 11 1/8s, 2009	80,903
60,000	Caci International bank term loan FRN 3.11s, 2011 (acquired 4/23/04, cost \$60,000) (RES)	60,525
269,000	DigitalNet Holdings, Inc. sr. notes 9s, 2010	289,175
130,000	Iron Mountain, Inc. company guaranty 8 5/8s, 2013	139,100
295,000	Iron Mountain, Inc. sr. sub. notes 8 1/4s, 2011	306,800
40,000	Lucent Technologies, Inc. debs. 6 1/2s, 2028	31,700
555,000	Lucent Technologies, Inc. debs. 6.45s, 2029	439,838
30,000	Lucent Technologies, Inc. notes 5 1/2s, 2008	28,500
275,000	ON Semiconductor Corp. company guaranty 13s, 2008	331,375
175,000	SCG Holding Corp. 144A notes zero %, 2011	246,750
235,000	Seagate Technology Hdd Holdings company guaranty 8s, 2009 (Cayman Islands)	253,800
420,000	Xerox Capital Trust I company guaranty 8s, 2027	401,100
110,000	Xerox Corp. company guaranty 9 3/4s, 2009	124,850
215,000	Xerox Corp. notes Ser. MTN, 7.2s, 2016	215,000
615,000	Xerox Corp. sr. notes 7 5/8s, 2013	627,300
290,000	Xerox Corp. sr. notes 7 1/8s, 2010	294,350
		4,154,811

Textiles (0.4%)

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

505,000	Levi Strauss & Co. sr. notes 12 1/4s, 2012	451,975
245,000	Oxford Industries, Inc. 144A sr. notes 8 7/8s, 2011	261,538
120,000	Phillips-Van Heusen Corp. 144A sr. notes 7 1/4s, 2011	120,600
360,000	Russell Corp. company guaranty 9 1/4s, 2010	378,900
214,000	William Carter Holdings Co. (The) company guaranty Ser. B, 10 7/8s, 2011	245,030

		1,458,043
Tire & Rubber (0.2%)		

80,000	Goodyear Tire & Rubber Co. (The) bank term loan FRN 5.61s, 2006 (acquired 2/19/04, cost \$80,000) (RES)	80,460
100,000	Goodyear Tire & Rubber Co. (The) notes 8 1/2s, 2007	96,500
770,000	Goodyear Tire & Rubber Co. (The) notes 7.857s, 2011	646,800
110,000	Goodyear Tire & Rubber Co. (The) notes 6 3/8s, 2008	95,150

		918,910
Transportation (0.8%)		

240,000	Allied Holdings, Inc. company guaranty Ser. B, 8 5/8s, 2007	231,600
295,000	American Airlines, Inc. pass-through certificates Ser. 01-1, 6.817s, 2011	271,400
530,000	Calair, LLC/Calair Capital Corp. company guaranty 8 1/8s, 2008	447,850
510,000	CSX Corp. notes 6 1/4s, 2008	550,043
210,000	Delta Air Lines, Inc. pass-through certificates Ser. 00-1, 7.779s, 2005	176,461
125,226	Delta Air Lines, Inc. pass-through certificates Ser. 02-1, 7.779s, 2012	93,920
500,000	Kansas City Southern Railway Co. company guaranty 9 1/2s, 2008	550,000
100,000	Kansas City Southern Railway Co. company guaranty 7 1/2s, 2009	103,000
310,000	Northwest Airlines, Inc. company guaranty 7 5/8s, 2005	303,800
131,262	NWA Trust sr. notes Ser. A, 9 1/4s, 2012	133,230
86,539	Pacer International, Inc. bank term loan FRN 4.044s, 2010 (acquired 6/10/03, cost \$87,021) (RES)	87,405
100,000	Travel Centers of America, Inc. company guaranty 12 3/4s, 2009	116,250

		3,064,959
Utilities & Power (4.4%)		

30,000	AES Corp. (The) sr. notes 8 7/8s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	2011	31,650
17,000	AES Corp. (The) sr. notes 8 3/4s, 2008	17,723
420,000	AES Corp. (The) 144A sec. notes 9s, 2015	458,850
595,000	AES Corp. (The) 144A sec. notes 8 3/4s, 2013	648,550
505,000	Allegheny Energy Supply 144A bonds 8 1/4s, 2012	506,263
180,000	Allegheny Energy Supply 144A sec. notes 10 1/4s, 2007	198,900
150,000	Allegheny Energy, Inc. bank term loan FRB 7 1/4s, 2011 (acquired 3/5/04, cost \$150,000) (RES)	150,975
490,000	Calpine Canada Energy Finance company guaranty 8 1/2s, 2008 (Canada)	344,225
1,050,000	Calpine Corp. 144A sec. notes 8 1/2s, 2010	929,250
150,000	CenterPoint Energy Resources Corp. debs. 6 1/2s, 2008	159,759
120,000	CenterPoint Energy Resources Corp. sr. notes Ser. B, 7 7/8s, 2013	135,330
50,000	CMS Energy Corp. pass-through certificates 7s, 2005	50,500
500,000	CMS Energy Corp. sr. notes 8.9s, 2008	530,000
120,000	CMS Energy Corp. sr. notes 8 1/2s, 2011	125,700
100,000	CMS Energy Corp. 144A sr. notes 7 3/4s, 2010	101,750
340,000	DPL, Inc. sr. notes 6 7/8s, 2011	334,900
160,000	Dynegy Holdings, Inc. sr. notes 6 7/8s, 2011	136,800
780,000	Dynegy Holdings, Inc. 144A sec. notes 10 1/8s, 2013	854,100
200,000	Dynegy-Roseton Danskamme company guaranty Ser. A, 7.27s, 2010	189,000
310,000	Dynegy-Roseton Danskamme company guaranty Ser. B, 7.67s, 2016	275,900
145,000	Edison Mission Energy sr. notes 10s, 2008	152,250
5,000	Edison Mission Energy sr. notes 9 7/8s, 2011	5,150
70,000	Edison Mission Energy sr. notes 7.73s, 2009	66,150
210,000	El Paso Corp. sr. notes 7 3/8s, 2012	179,550
505,000	El Paso Corp. sr. notes Ser. MTN, 7 3/4s, 2032	393,900
105,000	El Paso Natural Gas Co. debs. 8 5/8s, 2022	104,475
90,000	El Paso Natural Gas Co. sr. notes Ser. A, 7 5/8s, 2010	92,250
645,000	El Paso Production Holding Co. company guaranty 7 3/4s, 2013	612,750
240,000	Ferrellgas Partners LP/Ferrellgas Partners Finance 144A sr. notes 6 3/4s, 2014	240,000
115,000	Kansas Gas & Electric debs. 8.29s, 2016	117,875
91,644	Midland Funding II Corp. debs.	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	Ser. A, 11 3/4s, 2005	96,226
610,000	Midwest Generation LLC 144A sec. notes 8 3/4s, 2034	606,950
150,000	Mirant Americas Generation, Inc. sr. notes 8.3s, 2011 (In default) (NON)	108,000
150,000	Mirant Americas Generation, Inc. sr. notes 7.2s, 2008 (In default) (NON)	109,500
450,000	Mission Energy Holding Co. sec. notes 13 1/2s, 2008	493,875
360,000	Nevada Power Co. 144A 2nd mtge. 9s, 2013	397,800
545,000	Northwest Pipeline Corp. company guaranty 8 1/8s, 2010	591,325
185,000	Northwestern Corp. notes 7 7/8s, 2007 (In default) (NON)	153,550
136,208	NRG bank term loan FRN 5 1/2s, 2010 (acquired 12/19/03, cost \$135,526) (RES)	140,055
76,562	NRG bank term loan FRN Ser. B, 1.07s, 2010 (acquired 12/19/03, cost \$76,179) (RES)	78,725
970,000	NRG Energy, Inc. 144A sr. sec. notes 8s, 2013	977,275
310,000	Orion Power Holdings, Inc. sr. notes 12s, 2010	381,300
460,000	PG&E Corp. 144A sec. notes 6 7/8s, 2008	489,900
85,000	PG&E Gas Transmission Northwest sr. notes 7.1s, 2005	87,550
330,000	PSEG Energy Holdings, Inc. notes 7 3/4s, 2007	344,850
260,000	SEMCO Energy, Inc. sr. notes 7 3/4s, 2013	273,000
80,000	Sierra Pacific Power Co. 144A general ref. mtge. 6 1/4s, 2012	78,600
490,000	Sierra Pacific Resources 144A sr. notes 8 5/8s, 2014	494,900
50,000	Southern California Edison Co. notes 6 3/8s, 2006	52,876
170,000	Teco Energy, Inc. notes 10 1/2s, 2007	191,250
100,000	Teco Energy, Inc. notes 7.2s, 2011	100,000
150,000	Teco Energy, Inc. notes 7s, 2012	148,125
40,000	Tennessee Gas Pipeline Co. debs. 7s, 2028	36,200
100,000	Teton Power Funding bank term loan FRN 4.36s, 2011 (acquired 2/4/04, cost \$100,000) (RES)	100,750
50,000	Transcontinental Gas Pipeline Corp. debs. 7 1/4s, 2026	50,750
80,000	Unisource Energy bank term loan FRN 5.652s, 2011 (acquired 3/25/04, cost \$79,200) (RES)	78,800
470,000	Utilicorp Canada Finance Corp. company guaranty 7 3/4s, 2011 (Canada)	453,550
100,000	Utilicorp United, Inc. sr. notes 9.95s, 2011	106,000
215,000	Western Resources, Inc. sr. notes 9 3/4s, 2007	248,978
80,000	Williams Cos., Inc. (The) notes 8 3/4s, 2032	81,600

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

80,000	Williams Cos., Inc. (The) notes 8 1/8s, 2012	87,000
290,000	Williams Cos., Inc. (The) notes 7 5/8s, 2019	282,750
380,000	Williams Cos., Inc. (The) sr. notes 8 5/8s, 2010	417,050
200,000	Williams Holdings Of Delaware notes 6 1/2s, 2008	208,000
64,513	Williams Products bank term loan FRN 3.6s, 2007 (acquired 6/4/03, cost \$64,513) (RES)	65,118
131,272	York Power Funding 144A notes 12s, 2007 (Cayman Islands) (In default) (NON)	13
		16,756,666
	Total Corporate bonds and notes (cost \$171,003,433)	\$176,583,227
U.S. government agency mortgage obligations (5.9%) (a)		
Principal amount		Value
\$23,502	Federal Home Loan Mortgage Corporation Pass-Through Certificates 7 1/2s, May 1, 2027 Federal National Mortgage Association Pass-Through Certificates	\$25,246
12,468	8s, July 1, 2024	13,608
99,980	7 1/2s, with due dates from January 1, 2030 to August 1, 2030	107,035
8,897,342	6 1/2s, with due dates from June 1, 2028 to May 1, 2033	9,273,387
12,990,000	5s, TBA, May 1, 2019	13,063,069
	Total U.S. government agency mortgage obligations (cost \$22,534,947)	\$22,482,345
U.S. treasury obligations (13.5%) (a)		
Principal amount		Value
	U.S. Treasury Bonds	
\$5,440,000	7 1/2s, November 15, 2016	\$6,763,236
12,789,000	6 1/4s, May 15, 2030	14,372,138
5,965,000	6 1/4s, August 15, 2023	6,628,141
7,289,000	4 1/4s, August 15, 2013	7,167,135
3,000	4s, November 15, 2012	2,922
	U.S. Treasury Notes	
8,046,000	3 1/4s, August 15, 2008	7,996,340
6,087,000	1 1/8s, June 30, 2005	6,045,864
7,990,000	U.S. Treasury Strip zero %, November 15, 2024	2,509,707
	Total U.S. treasury obligations (cost \$51,765,384)	\$51,485,483
Foreign government bonds and notes (11.9%) (a)		
Principal amount		Value
AUD 1,759,000	Australia (Government of) bonds	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

		6 1/4s, 2015	\$1,295,398
EUR	2,000,000	Austria (Republic of) notes Ser. E MTN, 3.8s, 2013	2,323,057
USD	360,000	Brazil (Federal Republic of) bonds 10 1/8s, 2027	316,440
USD	330,000	Brazil (Federal Republic of) unsub. notes 11s, 2040	307,395
USD	646,000	Bulgaria (Republic of) 144A bonds 8 1/4s, 2015	742,254
CAD	1,005,000	Canada (Government of) bonds 5 1/2s, 2010	783,039
CAD	410,000	Canada (Government of) bonds Ser. WL43, 5 3/4s, 2029	318,733
USD	500,000	Chile (Republic of) bonds 5 1/2s, 2013	503,500
USD	105,000	Colombia (Republic of) bonds 10 3/8s, 2033	105,210
USD	140,000	Colombia (Republic of) bonds Ser. NOV, 9 3/4s, 2009	150,850
USD	1,150,000	Colombia (Republic of) notes 10 3/4s, 2013	1,265,000
USD	105,000	Colombia (Republic of) unsub. 9 3/4s, 2009	113,820
EUR	155,000	Colombia (Republic of) unsub. bonds Ser. 15A, 11 3/8s, 2008	213,390
USD	875,000	Ecuador (Republic of) bonds stepped-coupon Ser. REGS, 7s (8s, 8/15/04), 2030 (STP)	607,250
USD	150,000	El Salvador (Republic of) 144A bonds 8 1/4s, 2032	149,625
EUR	760,000	France (Government of) bonds 5 3/4s, 2032	1,027,622
EUR	1,470,000	France (Government of) bonds 5 1/2s, 2010	1,937,417
EUR	440,000	France (Government of) deb. 4s, 2009	539,295
EUR	2,480,000	Germany (Federal Republic of) bonds Ser. 97, 6s, 2007	3,218,030
EUR	730,000	Hellenic Greece (Republic of) bonds 3 1/2s, 2008	883,451
USD	100,000	Indonesia (Republic of) FRN 2.005s, 2006	92,500
USD	250,000	Indonesia (Republic of) FRN 2.005s, 2005	238,750
USD	855,000	Indonesia (Republic of) 144A sr. notes 6 3/4s, 2014	778,050
EUR	655,000	Italy (Government of) treasury bonds 4 3/4s, 2006	817,183
NZD	2,970,000	New Zealand (Government of) bonds 8s, 2006	1,952,784
NZD	3,152,000	New Zealand (Government of) bonds Ser. 709, 7s, 2009	2,053,725
USD	550,000	Peru (Republic of) bonds 8 3/4s, 2033	486,750
USD	290,000	Philippines (Republic of) bonds 9 7/8s, 2019	297,250
USD	325,000	Philippines (Republic of) sr. notes 8 7/8s, 2015	323,375
USD	2,391,250	Russia (Federation of) 144A unsub. stepped-coupon 5s (7 1/2s, 3/31/07), 2030 (STP)	2,191,581
USD	520,000	Russia (Ministry of Finance) deb. Ser. V, 3s, 2008	453,700

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

EUR	165,000	South Africa (Republic of) bonds 5 1/4s, 2013	192,940
USD	1,030,000	South Africa (Republic of) notes 7 3/8s, 2012	1,136,090
SEK	16,800,000	Sweden (Government of) bonds 6 3/4s, 2014	2,565,497
SEK	14,640,000	Sweden (Government of) bonds Ser. 3101, 4s, 2008	2,369,529
USD	184,803	Ukraine (Government of) sr. notes Ser. REGS, 11s, 2007	201,436
USD	400,000	Ukraine (Government of) 144A bonds 7.65s, 2013	384,000
USD	575,000	Ukraine (Government of) 144A unsub. notes 6 7/8s, 2011	554,875
GBP	425,000	United Kingdom treasury bonds 8 3/4s, 2017	1,027,547
GBP	490,000	United Kingdom treasury bonds 5s, 2012	870,606
GBP	2,765,000	United Kingdom treasury bonds 5s, 2004	4,905,348
GBP	1,745,000	United Kingdom treasury bonds 7 1/2s, 2006	3,303,095
USD	725,000	United Mexican States bonds Ser. MTN, 8.3s, 2031	777,563
USD	215,000	Venezuela (Republic of) bonds 9 3/8s, 2034	176,838
USD	255,000	Venezuela (Republic of) notes 10 3/4s, 2013	248,625
USD	415,000	Venezuela (Republic of) unsub. bonds 5 3/8s, 2010	322,663

		Total Foreign government bonds and notes (cost \$41,451,267)	\$45,523,076

Collateralized mortgage obligations (5.5%) (a)
Principal amount

	Value

\$2,575,128 Commercial Mortgage Acceptance Corp. Ser. 97-ML1, Interest Only (IO), 0.935s, 2017	\$65,988
757,000 Criimi Mae Commercial Mortgage Trust Ser. 98-C1, Class A2, 7s, 2011	811,883
1,143,000 Criimi Mae Commercial Mortgage Trust 144A Ser. 98-C1, Class B, 7s, 2033	1,186,296
192,000 CS First Boston Mortgage Securities Corp. 144A FRB Ser. 03-TF2A, Class L, 5.1s, 2014	190,491
22,457,171 Deutsche Mortgage & Asset Receiving Corp. Ser. 98-C1, Class X, IO, 1.149s, 2023 Fannie Mae	682,030
90,542 Ser. 98-51, Class SG, IO, 24.4s, 2022	36,604
421,421 Ser. 02-36, Class SJ, 17 3/8s, 2029	464,180
584 Ser. 92-15, Class L, IO, 10.376s, 2022	8,019
306,733 Ser. 03-W3, Class 1A3, 7 1/2s, 2042	330,416
6,601 Ser. 03-W2, Class 1A3, 7 1/2s, 2042	7,111
721 Ser. 02-W1, Class 2A, 7 1/2s, 2042	776
2,779 Ser. 02-14, Class A2, 7 1/2s, 2042	2,994
372,329 Ser. 01-T10, Class A2, 7 1/2s, 2041	401,078
1,663 Ser. 02-T4, Class A3, 7 1/2s, 2041	1,792

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

4,409 Ser. 01-T8, Class A1, 7 1/2s, 2041	4,749
1,443,804 Ser. 01-T7, Class A1, 7 1/2s, 2041	1,555,285
212,750 Ser. 01-T3, Class A1, 7 1/2s, 2040	229,177
649,509 Ser. 01-T1, Class A1, 7 1/2s, 2040	699,660
259,181 Ser. 99-T2, Class A1, 7 1/2s, 2039	279,193
137,059 Ser. 00-T6, Class A1, 7 1/2s, 2030	147,642
639,479 Ser. 01-T4, Class A1, 7 1/2s, 2028	688,855
1,435 Ser. 02-W3, Class A5, 7 1/2s, 2028	1,546
873,590 Ser. 03-118, Class SF, IO, 7s, 2033	129,128
913,085 Ser. 02-36, Class QH, IO, 6.95s, 2029	59,309
90,742 Ser. 02-29, Class SL, IO, 6.95s, 2029	626
379,105 Ser. 03-7, Class SM, IO, 6.65s, 2023	4,146
2,109,105 Ser. 03-49, Class TS, IO, 6.6s, 2018	271,218
864,163 Ser. 03-14, Class KS, IO, 6 1/2s, 2017	68,458
483,902 Ser. 03-23, Class SC, IO, 6.45s, 2033	18,449
1,839,400 Ser. 03-41, Class SP, IO, 6.1s, 2015	137,380
686,557 Ser. 03-58, Class ID, IO, 6s, 2033	162,092
826,902 Ser. 03-26, Class IG, IO, 6s, 2033	160,083
544,833 Ser. 322, Class 2, IO, 6s, 2032	126,163
5,979,867 Ser. 03-34, Class SP, IO, 6s, 2032	530,713
683,336 Ser. 318, Class 2, IO, 6s, 2032	158,502
240,398 Ser. 01-74, Class MI, IO, 6s, 2015	16,648
4,878,449 Ser. 03-34, Class ES, IO, 5.9s, 2033	444,396
1,964,361 Ser. 03-34, Class SG, IO, 5.9s, 2033	180,169
857,147 Ser. 343, Class 14, IO, 5 1/2s, 2033	208,528
895,923 Ser. 343, Class 15, IO, 5 1/2s, 2033	218,801
413,715 Ser. 343, Class 17, IO, 5 1/2s, 2033	102,847
1,285,525 Ser. 338, Class 2, 5 1/2s, 2033	353,720
1,298,232 Ser. 329, Class 2, IO, 5 1/2s, 2033	339,974
1,279,127 Ser. 03-45, Class PI, IO, 5 1/2s, 2029	176,280
1,710,334 Ser. 03-37, Class IC, IO, 5 1/2s, 2027	186,768
243,000 Ser. 03-6, Class IB, IO, 5 1/2s, 2022	19,176
681,715 Ser. 345, Class 1, IO, 5s, 2033	182,890
1,670,421 Ser. 343, Class 5, IO, 5s, 2033	415,517
1,880,953 Ser. 343, Class 9, IO, 5s, 2033	481,994
2,749,358 Ser. 03-23, Class AI, IO, 5s, 2017	329,923
1,043,600 Ser. 03-24, Class IC, IO, 5s, 2015	198,131
5,351,773 Ser. 03-W10, Class 1A, IO, 2.052s, 2043	187,312
6,387,277 Ser. 03-W10, Class 3A, IO, 2.05s, 2043	229,543
3,405,628 Ser. 03-W17, Class 12, IO, 1.164s, 2033	114,287
5,808,273 Ser. 00-T6, IO, 0.74s, 2030	104,367
9,983,388 Ser. 02-T18, IO, 0.52s, 2042	146,102
2,358 Ser. 02-97, Principal Only (PO), zero %, 2033	2,352
110,794 Ser. 99-51, Class N, PO, zero %, 2029	93,084
69,489 Ser. 99-52, Class MO, PO, zero %, 2026	67,879
5,103 Ser. 96-5, Class PB, PO, zero %, 2024	5,017
Federal Home Loan Mortgage Corp. Structured Pass-Through Securities	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

8,651	Ser. T-58, Class 4A, 7 1/2s, 2043	9,319
3,121,295	Ser. T-57, Class 1AX, IO, 0.004s, 2043	34,017
8,053,231	FFCA Secured Lending Corp. Ser. 00-1, Class X, IO, 1.626s, 2020	531,005
230,000	First Chicago Lennar Trust 144A Ser. 97-CHL1, Class E, 7.929s, 2039 Freddie Mac	211,025
304,679	Ser. 2763, Class SC, 24.2s, 2032	372,506
723,300	Ser. 2412, Class GS, FRN, 18.07s, 2032	788,397
182,995	Ser. 2478, Class SY, IO, 7.05s, 2021	8,692
20,657	Ser. 2448, Class SE, IO, 7s, 2029	45
1,428,718	Ser. 2448, Class SM, IO, 6.9s, 2032	137,514
1,429,765	Ser. 2579, Class GS, IO, 6.55s, 2017	127,419
2,233,300	Ser. 216, IO, 6s, 2032	506,854
786,800	Ser. 2515, Class IG, IO, 5 1/2s, 2032	261,720
404,800	Ser. 2590, Class IH, IO, 5 1/2s, 2028	106,867
1,048,000	Ser. 2596, Class IQ, IO, 5 1/2s, 2026	127,527
260,818	Ser. 215, Class PO, PO, zero %, 2031	229,662
232,761	Ser. 2235, PO, zero %, 2030	184,184
2	Ser. 2078, Class KC, PO, zero %, 2023 Government National Mortgage Association	2
14,858	Ser. 02-36, Class SD, IO, 7.05s, 2029	60
240,778	Ser. 02-51, Class SA, IO, 7s, 2032	5,167
100,925	Ser. 02-29, Class SX, IO, 6.95s, 2029	303
615,173	Ser. 01-43, Class SJ, IO, 6 1/2s, 2029	18,578
1,333,099	Ser. 01-19, Class S, IO, 6.4s, 2031	124,978
2,570,741	Ser. 03-83, Class SI, IO, 5.4s, 2032	202,044
1,107,038	Ser. 02-47, Class SM, IO, 4.87s, 2032	56,736
117,142	Ser. 98-2, Class EA, PO, zero %, 2028	99,717
117,000	GS Mortgage Securities Corp. II 144A FRB Ser. 03-FL6A, Class L, 4.35s, 2015	117,146
718,260	Hermione (European Loan Conduit No. 14) 144A FRB Class A, 4.489s, 2011 (Ireland)	1,280,114
4,051,721	Merrill Lynch Mortgage Investors, Inc. Ser. 96-C2, Class JS, IO, 2.544s, 2028	276,026
3,338,239	Mortgage Capital Funding, Inc. Ser. 97-MC2, Class X, IO, 1.523s, 2012 Starwood Asset Receivables Trust 144A	106,259
95,279	FRB Ser. 03-1A, Class F, 2.2s, 2022	95,460
122,502	FRB Ser. 03-1A, Class E, 2.15s, 2022 STRIPS 144A	122,734
87,000	Ser. 03-1A, Class M, 5s, 2018	71,201
104,000	Ser. 03-1A, Class N, 5s, 2018	76,336
100,000	Ser. 04-1A, Class M, 5s, 2018	81,890
90,000	Ser. 04-1A, Class N, 5s, 2018	66,267
100,000	Trizechahn Office Properties Trust 144A Ser. 01-TZHA, Class D3, 6.943s,	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

2013	105,985

Total Collateralized mortgage obligations (cost \$21,920,900)	\$20,971,493

Asset-backed securities (6.3%) (a)
Principal amount

	Value
ABSC NIMS Trust 144A	
\$210,525 Ser. 03-HE5, Class A, 7s, 2033	\$211,578
139,304 Ser. 03-HE7, Class A, 7s, 2033	140,001
147,000 Ser. 04-HE2, Class A1, 6 3/4s, 2034	147,735
Aegis Asset Backed Securities Trust 144A	
93,499 Ser. 04-1N, Class NOTE, 5s, 2034	93,499
191,530 Ser. 04-2N, Class N1, 4 1/2s, 2034	191,530
3,503,636 Amortizing Residential Collateral Trust Ser. 02-BC1, Class A, IO, 6s, 2005	118,356
50,810 AQ Finance NIM Trust Ser. 03-N1, Class NOTE, 9.37s, 2033	50,699
AQ Finance NIM Trust 144A	
180,744 Ser. 03-N2, Class NOTE, 9.3s, 2033	182,100
66,890 Ser. 03-N9A, Class NOTE, 7.385s, 2033	67,308
Arc Net Interest Margin Trust 144A	
13,770 Ser. 02-1A, Class A, 7 3/4s, 2032	13,768
39,191 Ser. 02-8A, Class A1, 7 3/4s, 2032	38,868
Arcap REIT, Inc. 144A	
208,000 Ser. 03-1A, Class E, 7.11s, 2038	210,178
116,000 Ser. 04-1A, Class E, 6.42s, 2039	114,822
Argent NIM Trust 144A	
141,551 Ser. 03-N6, Class A, 6.4s, 2034	141,551
62,000 Ser. 04-WN2, Class A, 4.55s, 2034	62,000
84,000 Asset Backed Funding Corp. NIM Trust 144A Ser. 04-0PT1, Class N2, 6.9s, 2033	84,000
177,522 Aviation Capital Group Trust 144A FRB Ser. 03-2A, Class G1, 1.8s, 2033	177,966
Bayview Financial Acquisition Trust	
269,996 Ser. 02-CA, Class A, IO, 5.1s, 2004	6,412
13,734,984 Ser. 03-X, Class A, IO, 1.36s, 2006 CARSSX Finance, Ltd. 144A	197,440
100,000 FRN Ser. 04-A, Class B3, 4.7s, 2011	100,000
100,000 FRN Ser. 04-A, Class B4, 6.7s, 2011 Chase Funding Net Interest Margin 144A	100,000
5,876 Ser. 02-4A, Class NOTE, 8 1/2s, 2035	5,876
8,835 Ser. 03-1A, Class NOTE, 8 3/4s, 2004	8,835
61,996 Ser. 03-2A, Class NOTE, 8 3/4s, 2035	62,306
198,205 Ser. 03-4A, Class NOTE, 6 3/4s, 2036	199,196
Conseco Finance Securitizations Corp.	
135,000 Ser. 00-2, Class A4, 8.48s, 2021	139,500
1,673,000 Ser. 00-4, Class A6, 8.31s, 2032	1,422,874
600,000 Ser. 00-6, Class M2, 8.2s, 2032	90,000
12,000 Ser. 01-04, Class A4, 7.36s, 2019	11,708
782,000 Ser. 01-1, Class A5, 6.99s, 2032	709,816
9,000 Ser. 01-3, Class A3, 5.79s, 2024	8,907
1,290,000 Ser. 01-3, Class A4, 6.91s, 2033	1,184,713
200,000 Ser. 01-3, Class M2, 7.44s, 2033	40,000
561,000 Ser. 01-4, Class B1, 9.4s, 2010	56,100

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	1,380,580 Ser. 02-1, Class A, 6.681s, 2032	1,421,526
	394,000 Consumer Credit Reference IDX Securities FRB Ser. 02-1A, Class A, 3.11s, 2007	399,509
	193,000 Countrywide Asset Backed Certificates 144A Ser. 04-BC1N, Class NOTE, 5 1/2s, 2035	192,337
	235,000 Crest, Ltd. 144A Ser. 03-2A, Class E2, 8s, 2038	212,730
	186,200 First Franklin NIM Trust 144A Ser. 03-FF3A, Class A, 6 3/4s, 2033 Fremont NIM Trust 144A	185,477
	76,686 Ser. 03-B, Class NOTE, 5.65s, 2033	76,495
	343,330 Ser. 04-A, Class NOTE, 4 3/4s, 2034 Granite Mortgages PLC	342,987
GBP	585,000 Ser. 03-2, Class 3C, 5.578s, 2043 (United Kingdom)	1,066,160
EUR	780,000 FRB Ser. 03-2, Class 2C1, 5.2s, 2043 (United Kingdom)	956,023
	\$190,000 FRB Ser. 02-1, Class 1C, 2.45s, 2042 (United Kingdom) Green Tree Financial Corp.	193,236
	107,320 Ser. 95-F, Class B2, 7.1s, 2021	95,113
	70,330 Ser. 99-3, Class A5, 6.16s, 2031	71,166
	678,000 Ser. 99-5, Class A5, 7.86s, 2030	592,593
	1,057,553 Greenpoint Manufactured Housing Ser. 00-3, Class IA, 8.45s, 2031	906,280
	635,000 GS Auto Loan Trust 144A Ser. 04-1, Class D, 5s, 2011	625,376
	243 GSAMP Trust Ser. 02-HE2N, Class NOTE, 8 1/4s, 2032 GSAMP Trust 144A	243
	90,699 Ser. 03-HE1N, Class NOTE, 7 1/4s, 2033	90,608
	200,947 Ser. 04-FM1N, Class NOTE, 5 1/4s, 2033 Holmes Financing PLC FRB	200,947
	190,000 Ser. 5, Class 2C, 2.59s, 2005 (United Kingdom)	191,366
	110,000 Ser. 4, Class 3C, 2.44s, 2040 (United Kingdom)	111,575
	127,000 Ser. 8, Class 2C, 1.834s, 2040 (United Kingdom)	127,000
	4,502 Home Equity Asset Trust Ser. 02-1N, Class A, 8s, 2032	4,502
	Home Equity Asset Trust 144A	
	211,351 Ser. 02-5N, Class A, 8s, 2033	211,351
	91,259 Ser. 03-4N, Class A, 8s, 2033	105,085
	155,000 Ser. 03-7N, Class A, 5 1/4s, 2034	154,613
	685,000 LNR CDO, Ltd. FRB Ser. 02-1A, Class FFL, 3.85s, 2037 (Cayman Islands)	667,738
	415,000 LNR CDO, Ltd. 144A FRB Ser. 03-1A, Class EFL, 4.1s, 2036 (Cayman Islands)	438,821
	155,130 Long Beach Asset Holdings Corp. 144A Ser. 2003-2, Class N1, 7.627s, 2033	155,348
	90,387 Long Beach Asset Holdings Corp. NIM Trust 144A Ser. 03-4, Class N1, 6.535s, 2033	90,387
	568,528 Madison Avenue Manufactured Housing Contract FRB Ser. 02-A, Class B1, 4.35s, 2032	312,690

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

105,173	Merrill Lynch Mortgage Investors, Inc. Ser. 03-WM3N, Class N1, 8s, 2005	106,368
102,954	Mid-State Trust Ser. 11, Class B, 8.221s, 2038	102,064
50,296	Morgan Stanley ABS Capital I 144A Ser. 03-NC9N, Class NOTE, 7.6s, 2033	50,727
210,000	Morgan Stanley Dean Witter Capital I FRN Ser. 01-NC3, Class B1, 3.55s, 2031	209,303
195,000	FRN Ser. 01-NC4, Class B1, 3.6s, 2032	194,370
100,565	New Century Mortgage Corp. NIM Trust 144A Ser. 03-B, Class NOTE, 6 1/2s, 2033	101,068
229,475	Oakwood Mortgage Investors, Inc. Ser. 01-C, Class A2, 5.92s, 2017	156,423
1,140,443	Ser. 02-C, Class A1, 5.41s, 2032	1,015,884
61,254	Option One Mortgage Securities Corp. 144A Ser. 03-5, Class NOTE, 6.9s, 2033	61,560
53,497	Option One Mortgage Securities Corp. NIM Trust 144A Ser. 2003-2B, Class N1, 7.63s, 2033 (Cayman Islands)	53,447
302,884	Pass-Through Amortizing Credit Card Trust Ser. 02-1A, Class A4FL, 6.6s, 2012	303,891
150,000	Permanent Financing PLC FRB Ser. 1, Class 3C, 2.31s, 2042 (United Kingdom)	151,664
190,000	Ser. 3, Class 3C, 2.26s, 2042 (United Kingdom)	193,266
1,764,959	Residential Asset Mortgage Products, Inc. Ser. 03-RZ1, Class A, IO, 5 3/4s, 2005	86,042
187,684	Rural Housing Trust Ser. 87-1, Class D, 6.33s, 2026	195,187
52,068	SAIL Net Interest Margin Notes Ser. 03-4, Class A, 7 1/2s, 2033 (Cayman Islands)	52,010
297,971	SAIL Net Interest Margin Notes 144A Ser. 03-10A, Class A, 7 1/2s, 2033	297,955
120,344	Ser. 03-12A, Class A, 7.35s, 2033	120,308
76,067	Ser. 03-6A, Class A, 7s, 2033	75,501
154,068	Ser. 03-7A, Class A, 7s, 2033	152,925
47,280	Ser. 03-8A, Class A, 7s, 2033	47,042
219,735	Ser. 03-BC2A, Class A, 7 3/4s, 2033	219,097
281,096	Ser. 04-2A, Class A, 5 1/2s, 2034	281,096
32,423	Sasco Arc Net Interest Margin Notes Ser. 02-BC10, Class A, 7 3/4s, 2033	32,128
135,776	Sasco Arc Net Interest Margin Notes 144A Ser. 03-3, Class A, 7 3/4s, 2033	135,095
269,098	Ser. 03-5, Class A, 7.35s, 2033 (Cayman Islands)	269,020
220,896	Ser. 03-AM1, Class A, 7 3/4s, 2033	240,825
148,926	Sasco Arc Net Interest Margin Trust 144A Ser. 03-BC1, Class B, zero %, 2033	106,645
121,375	Saxon Net Interest Margin Trust 144A Ser. 03-A, Class A, 6.656s, 2033	121,280

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

171,915 SHARP SP I, LLC Net Interest Margin Trust Ser. 03-NC1N, Class N, 7 1/4s, 2033	172,881
SHARP SP I, LLC Net Interest Margin Trust 144A	
108,587 Ser. 03-0P1N, Class NA, 4.45s, 2033	108,576
86,698 Ser. 03-HS1N, Class N, 7.48s, 2033	86,915
42,447 Ser. 03-TC1N, 7.45s, 2033	42,447
62,411 Ser. 04-FM1N, Class N, 6.16s, 2034	62,723
44,082 Ser. 04-HS1N, Class NOTE, 5.92s, 2034	44,082
Structured Asset Investment Loan Trust	
216,695 Ser. 03-BC1A, Class A, 7 3/4s, 2033	215,642
3,863,371 Ser. 03-BC2, Class A, IO, 6s, 2005	157,563
1,310,001 Ser. 03-BC8, Class A, IO, 6s, 2005	71,039
7,873,000 Ser. 04-1, Class A, IO, 6s, 2005	428,551
212,000 TIAA Commercial Real Estate Securitization Ser. 02-1A, Class IV, 6.84s, 2037	163,563
254,000 TIAA Commercial Real Estate Securitization 144A Ser. 03-1A, Class E, 8s, 2038	226,774
1,597,000 Washington Mutual Ser. 03-S1, Class All, IO, 5 1/2s, 2033	144,728
492,000 Whole Auto Loan Trust 144A Ser. 03-1, Class D, 6s, 2010	488,464

Total Asset-backed securities (cost \$26,128,377)	\$24,135,063

Common stocks (0.7%) (a)

Number of shares	Value
1,083 AboveNet, Inc. (NON)	\$43,320
1,153 Alderwoods Group, Inc. (NON)	14,159
350,000 AMRESKO Creditor Trust (acquired 6/17/99, cost \$62,787) (RES) (NON) (R)	350
6 Arch Wireless, Inc. Class A (NON)	205
958 Archibald Candy Corp. (NON)	48
605 Birch Telecom, Inc. (acquired 9/30/02, cost \$--) (RES) (NON)	6
244 Comdisco Holding Co., Inc. (NON)	8,406
1,883,299 Contifinancial Corp. Liquidating Trust Units	32,958
8,378 Covad Communications Group, Inc. (NON)	16,756
663 Crown Castle International Corp. (NON)	9,249
614 Genesis HealthCare Corp. (NON)	14,361
25,179 Globix Corp. (NON)	81,832
99 Knology, Inc. (NON)	788
58 Leucadia National Corp.	2,858
3,473 Lodgian, Inc. (NON)	57,305
60,000 Loewen Group International, Inc. (NON)	6
603 Mariner Health Care, Inc. (NON)	10,890
810 Mediq, Inc. (NON)	3,256
16 Microcell Telecommunications, Inc. Class A (Canada) (NON)	285
4,563 Microcell Telecommunications, Inc.	

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Class B (Canada) (NON)	82,294
4,203 Pioneer Cos., Inc. (NON)	19,964
1,004 PSF Group Holdings, Inc. 144A Class A (NON)	1,505,790
28,727 Regal Entertainment Group (acquired 5/9/02, cost \$228,945) (RES) (NON)	625,961
129 Sterling Chemicals, Inc. (NON)	3,290
467 Sun Healthcare Group, Inc. (NON)	4,675
503,131 VFB LLC (acquired various dates from 10/27/00 to 12/8/03, cost \$355,888) (RES) (NON)	95,595
1,568 Washington Group International, Inc. (NON)	56,636

Total Common stocks (cost \$8,823,452)	\$2,691,243
Brady bonds (0.7%) (a)	
Principal amount	Value

\$1,745,000 Argentina (Government of) FRB Ser. L-GL, 2.063s, 2023	\$907,400
367,059 Brazil (Federal Republic of) FRB 2.063s, 2012	306,494
588,238 Brazil (Federal Republic of) govt. guaranty FRB Ser. RG, 2.125s, 2012	491,178
505,000 Bulgaria (Republic of) coll. FRB Ser. A, 2s, 2024	503,738
336,700 Peru (Republic of) FRB Ser. PDI, 5s, 2017	295,050

Total Brady bonds (cost \$2,241,024)	\$2,503,860
Preferred stocks (0.6%) (a)	
Number of shares	Value

14,956 Avecia Group PLC \$4.00 pfd. (United Kingdom) (PIK)	\$269,208
5,858 Doane Pet Care Co. \$7.125 pfd.	281,184
210 First Republic Capital Corp. 144A 10.50% pfd.	217,350
6,895 iStar Financial, Inc. \$1.95 cum. pfd.	174,099
9,872 Lodgian, Inc. Ser. A, \$7.06 cum. pfd. (PIK)	264,076
8 Metrocall Holdings, Inc. Ser. A, 15.00% cum. pfd.	92
47 Paxson Communications Corp. 13.25% cum. pfd. (PIK)	441,800
106 Rural Cellular Corp. Ser. B, 11.375% cum. pfd.	94,870
717 Rural Cellular Corp. 12.25% pfd. (PIK)	516,240

Total Preferred stocks (cost \$2,202,864)	\$2,258,919
Convertible preferred stocks (0.3%) (a)	
Number of shares	Value

4,915 Crown Castle International Corp. \$3.125 cv. pfd.	\$227,933

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

2,910 Omnicare, Inc. zero % cv. pfd.	180,420
34 Paxson Communications Corp. 144A 9.75% cv. pfd. (PIK)	266,900
3,294 Pegasus Communications Corp. Ser. C, 6.50% cum. cv. pfd.	89,762
3,690 Williams Cos., Inc. (The) 144A \$2.75 cv. pfd.	245,846

Total Convertible preferred stocks (cost \$977,019)	\$1,010,861

Convertible bonds and notes (0.2%) (a)

Principal amount	Value
\$60,000 AES Corp. (The) cv. sub. notes 4 1/2s, 2005	\$58,800
280,000 Amkor Technologies, Inc. cv. notes 5 3/4s, 2006	278,250
1,210,000 Cybernet Internet Services International, Inc. 144A cv. sr. disc. notes stepped-coupon zero % (13s, 8/15/04) 2009 (Denmark) (In default) (NON) (STP)	12
420,000 Nextel Communications, Inc. cv. sr. notes 6s, 2011	449,400
20,000 Tower Automotive, Inc. cv. sub. notes 5s, 2004	19,800
90,000 WCI Communities, Inc. cv. sr. sub. notes 4s, 2023	106,538

Total Convertible bonds and notes (cost \$1,885,602)	\$912,800

Units (0.1%) (a)

Number of units	Value
470,000 Morrison Knudsen Corp. zero %, 2032	\$68,150
376 XCL Equity Units zero %	167,075

Total Units (cost \$1,197,327)	\$235,225

Warrants (0.1%) (a) (NON)

Number of warrants	Expiration date	Value
460 AboveNet, Inc.	9/8/10	\$8,165
391 AboveNet, Inc.	9/8/08	7,585
560 Dayton Superior Corp. 144A	6/15/09	6
2 Doe Run Resources Corp. 144A	12/31/12	1
641 Huntsman Co., LLC 144A	5/15/11	115,380
266 MDP Acquisitions PLC 144A (Ireland)	10/1/13	13,034
1,173 Microcell Telecommunications (Canada)	5/1/08	6,227
704 Microcell Telecommunications (Canada)	5/1/05	2,821
210 Mikohn Gaming Corp. 144A	8/15/08	84
220 ONO Finance PLC 144A (United Kingdom)	2/15/11	2
230 Pliant Corp. 144A	6/1/10	2
261 Solutia, Inc. 144A	7/15/09	3
570 Travel Centers of America, Inc. 144A	5/1/09	2,850
900 Ubiquitel, Inc. 144A	4/15/10	1
967 Washington Group International, Inc.		

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

	Ser. A	1/25/06	11,121
1,105	Washington Group International, Inc.		
	Ser. B	1/25/06	10,608
597	Washington Group International, Inc.		
	Ser. C	1/25/06	5,373
320	XM Satellite Radio Holdings, Inc.		
	144A	3/15/10	18,560

	Total Warrants (cost \$412,768)		\$201,823
Short-term investments (9.5%) (a)			
Principal amount			Value

\$19,153,000	Short-term investments held in Putnam commingled cash account with yields ranging from 1.025% to 1.05% and due dates ranging from May 3, 2004 to May 21, 2004 (d)		\$19,153,000
6,000,000	Morgan Stanley Dean Witter, 1.03%, May 12, 2004		5,998,112
5,000,000	Household Finance Corp., 1.03%, May 17, 2004		4,997,711
4,000,000	GE Capital International Funding, 1.04%, May 18, 2004		3,998,054
1,975,000	U.S. Treasury Bill zero %, May 6, 2004 (SEG)		1,974,751

	Total Short-term investments (cost \$36,121,628)		\$36,121,628

	Total Investments (cost \$388,665,992)		\$387,117,046

(a) Percentages indicated are based on net assets of \$382,023,697.

(NON) Non-income-producing security.

(STP) The interest or dividend rate and date shown parenthetically represent the new interest or dividend rate to be paid and the date the fund will begin accruing interest or dividend income at this rate.

(RES) Restricted, excluding 144A securities, as to public resale. The total market value of restricted securities held at April 30, 2004 was \$10,039,127 or 2.6% of net assets.

(PIK) Income may be received in cash or additional securities at the discretion of the issuer.

(SEG) This security was pledged and segregated with the custodian to cover margin requirements for futures contracts at April 30, 2004.

(R) Real Estate Investment Trust.

(d) See Note 1 to the financial statements.

144A after the name of a security represents those exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

TBA after the name of a security represents to be announced securities (Note 1).

The rates shown on Floating Rate Bonds (FRB) and Floating Rate Notes (FRN) are the current interest rates shown at April 30, 2004.

Forward currency contracts to buy at April 30, 2004 (Unaudited)
(aggregate face value \$29,829,208)

	Value	Aggregate face value	Delivery date	Unrealized appreciation/ (depreciation)
Australian Dollar	\$6,964,923	\$7,270,207	6/16/04	\$ (305,284)
British Pound	1,330,726	1,346,356	6/16/04	(15,630)
Danish Krone	625,657	647,651	6/16/04	(21,994)
Euro	2,034,235	2,095,568	6/16/04	(61,333)
Japanese Yen	16,005,947	16,343,521	6/16/04	(337,574)
Norwegian Krone	182,173	179,154	6/16/04	3,019
Polish Zloty	219,354	223,008	6/16/04	(3,654)
Swiss Franc	247,092	250,534	6/16/04	(3,442)
Taiwan Dollar	1,472,097	1,473,209	6/16/04	(1,112)
				\$ (747,004)

Forward currency contracts to sell at April 30, 2004 (Unaudited)
(aggregate face value \$35,564,277)

	Value	Aggregate face value	Delivery date	Unrealized appreciation
Australian Dollar	\$1,068,900	\$1,079,384	6/16/04	\$10,484
British Pound	6,460,706	6,594,889	6/16/04	134,183
Canadian Dollar	432,502	445,113	6/16/04	12,611
Euro	17,538,253	18,110,213	6/16/04	571,960
Japanese Yen	473,462	481,412	6/16/04	7,950
New Zealand Dollar	3,852,872	4,197,627	6/16/04	344,755
Swedish Krona	4,557,089	4,655,639	6/16/04	98,550
				\$1,180,493

Futures contracts outstanding at April 30, 2004 (Unaudited)

	Value	Aggregate face value	Expiration date	Unreal appreci (depreci
Euro-Bobl 5 yr (Long)	\$7,749,908	\$7,740,445	Jun-04	\$9
Euro-Bund 10 yr (Long)	8,889,380	8,978,014	Jun-04	(88
Interest Rate Swap 10 yr (Long)	859,250	914,034	Jun-04	(54

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Japanese Government Bond-TSE 10 yr (Long)	2,489,352	2,498,082	Jun-04	(8)
Japanese Government Bond-mini 10 yr (Long)	4,105,936	4,127,004	Jun-04	(21)
U.K. Gilt 10 yr (Long)	8,911,592	9,025,986	Jun-04	(114)
U.S. Treasury Bond 10 yr (Long)	7,389,469	7,739,908	Jun-04	(350)
U.S. Treasury Note 10 yr (Long)	46,299,500	47,508,620	Jun-04	(1,209)
U.S. Treasury Note 10 yr (Short)	884,000	906,778	Jun-04	22
U.S. Treasury Note 5 yr (Short)	61,565,000	62,765,746	Jun-04	1,200
				\$ (614)

Interest rate swap contracts outstanding at April 30, 2004 (Unaudited)

	Notional amount	Termination date	Unrealized appreciation (depreciation)
Agreement with Bank of America, N.A. dated December 2, 2003 to pay semi-annually the notional amount multiplied by 2.444% and receive quarterly the notional amount multiplied by the three month USD-LIBOR.	\$3,496,000	12/5/05	\$ (34)
Agreement with Bank of America, N.A. dated January 22, 2004 to pay semiannually the notional amount multiplied by 1.97375% and receive quarterly the notional amount multiplied by the three month USD-LIBOR.	4,500,000	1/26/06	13
Agreement with Bank of America, N.A. dated March 25, 2004 to pay semiannually the notional amount multiplied by 3.075% and receive quarterly the notional amount multiplied by the three month USD-LIBOR.	9,000,000	3/30/09	371
Agreement with Bank of America, N.A. dated January 22, 2004 to pay semiannually the notional amount multiplied by 4.35% and receive quarterly the notional amount multiplied by the three month USD-LIBOR.	1,400,000	1/27/14	49
Agreement with Lehman Brothers Special Financing, Inc. dated January 22, 2004 to pay semiannually the notional amount multiplied by 1.955% and receive quarterly the notional amount multiplied by the three month USD-LIBOR-BBA.	4,500,000	1/26/06	15
Agreement with Lehman Brothers Special Financing, Inc. dated December 9, 2003 to receive semiannually the notional amount multiplied by 4.641% and pay quarterly the notional amount multiplied by the three month USD-LIBOR-BBA.	5,068,000	12/15/13	(32)

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

<p>Agreement with Lehman Brothers Special Financing, Inc. dated January 22, 2004 to pay semiannually the notional amount multiplied by 4.3375% and receive quarterly the notional amount multiplied by the three month USD-LIBOR-BBA.</p>	1,400,000	1/26/14	51
<p>Agreement with Merrill Lynch Capital Services, Inc. dated November 17, 2000 to pay semi-annually the notional amount multiplied by the three month USD-LIBOR-BBA and receive the notional amount multiplied by 6.68%.</p>	3,500,000	11/21/05	328
<p>Agreement with Merrill Lynch Capital Services, Inc. dated September 27, 2002 to semiannually the notional amount multiplied by the six month JPY-LIBOR-BBA and pay semiannually the notional amount multiplied by 0.399%.</p>	JPY 1,334,000,000	10/1/07	25
<p>Agreement with UBS, AG dated February 12, 2004 to pay semiannually the notional amount multiplied by 2.56% and receive quarterly the notional amount multiplied by the three month CAD-BA-CDOR.</p>	CAD 26,100,000	2/16/06	34
<p>Agreement with UBS, AG dated March 8, 2004 to pay semiannually the notional amount multiplied by 2.47% and receive quarterly the notional amount multiplied by the three month CAD-BA-CDOR.</p>	CAD 10,900,000	3/8/06	31
<p>Agreement with UBS, AG dated April 23, 2004 to receive annually the notional amount multiplied by 3.49% and pay quarterly the notional amount multiplied by the three month SEK-STIBOR-SIDE.</p>	SEK 212,000,000	4/27/06	\$ (18
			\$836

The accompanying notes are an integral part of these financial statements.

Statement of assets and liabilities
April 30, 2004 (Unaudited)

Assets

Investments in securities, at value (identified cost \$388,665,992) (Note 1)	\$387,117,046
Cash	176,714
Foreign currency (cost \$823,713) (Note 1)	798,576
Dividends, interest and other receivables	6,552,700
Receivable for securities sold	5,135,265

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Receivable for variation margin (Note 1)	91,762
Receivable for open swap contracts (Note 1)	921,454
Receivable for open forward currency contracts (Note 1)	1,212,430
Receivable for closed forward currency contracts (Note 1)	309,071
Total assets	402,315,018
Liabilities	
Distributions payable to shareholders	1,971,829
Payable for securities purchased	16,336,532
Payable for compensation of Manager (Note 2)	724,702
Payable for investor servicing and custodian fees (Note 2)	64,349
Payable for Trustee compensation and expenses (Note 2)	33,874
Payable for administrative services (Note 2)	806
Payable for open swap contracts (Note 1)	85,104
Payable for open forward currency contracts (Note 1)	778,941
Payable for closed forward currency contracts (Note 1)	260,557
Other accrued expenses	34,627
Total liabilities	20,291,321
Net assets	\$382,023,697
Represented by	
Paid-in capital (Note 1)	\$467,264,687
Distributions in excess of net investment income (Note 1)	(2,840,749)
Accumulated net realized loss on investments and foreign currency transactions (Note 1)	(81,508,374)
Net unrealized depreciation of investments and assets and liabilities in foreign currencies	(891,867)
Total -- Representing net assets applicable to capital shares outstanding	\$382,023,697
Computation of net asset value	
Net asset value per share (\$382,023,697 divided by 53,329,917 shares)	\$7.16

The accompanying notes are an integral part of these financial statements.

Statement of operations

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Six months ended April 30, 2004 (Unaudited)

Investment income:

Interest	\$13,295,750
Dividends	272,639
Total investment income	13,568,389

Expenses:

Compensation of Manager (Note 2)	1,428,902
Investor servicing and custodian fees (Note 2)	261,923
Trustee compensation and expenses (Note 2)	8,008
Administrative services (Note 2)	4,377
Other	108,892
Total expenses	1,812,102
Expense reduction (Note 2)	(10,774)
Net expenses	1,801,328
Net investment income	11,767,061
Net realized gain on investments (Notes 1 and 3)	8,818,757
Net realized gain on futures contracts (Note 1)	1,275,897
Net realized gain on credit default contracts (Note 1)	28,475
Net realized gain on swap contracts (Note 1)	443,961
Net realized loss on foreign currency transactions (Note 1)	(1,535,620)
Net unrealized appreciation of assets and liabilities in foreign currencies during the period	725,481
Net unrealized depreciation of investments, futures contracts, swap contracts and credit default contracts during the period	(2,640,896)
Net gain on investments	7,116,055
Net increase in net assets resulting from operations	\$18,883,116

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets

	Six months ended April 30 2004*	Year ended October 31 2003
Increase (decrease) in net assets		

Operations:

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Net investment income	\$11,767,061	\$26,930,803
Net realized gain on investments and foreign currency transactions	9,031,470	6,949,606
Net unrealized appreciation (depreciation) of investments and assets and liabilities in foreign currencies	(1,915,415)	37,071,168
Net increase in net assets resulting from operations	18,883,116	70,951,577
Distributions to shareholders: (Note 1)		
From net investment income	(19,677,749)	(27,721,585)
Increase from issuance of common shares in connection with reinvestment of dividends	--	360,652
Total increase (decrease) in net assets	(794,633)	43,590,644
Net assets		
Beginning of period	382,818,330	339,227,686
End of period (including distributions in excess of net investment income of \$2,840,749 and undistributed net investment income of \$5,069,939, respectively)	\$382,023,697	\$382,818,330
Number of fund shares		
Shares outstanding at beginning of period	53,329,917	53,275,878
Shares issued in connection with reinvestment of distributions	--	54,039
Shares outstanding at end of period	53,329,917	53,329,917

* Unaudited

The accompanying notes are an integral part of these financial statements.

Financial highlights

(For a common share outstanding throughout the period)

Per-share operating performance	Six months ended April 30 (Unaudited)			Year ended Oct 2001
	2004	2003	2002	
Net asset value, beginning of period	\$7.18	\$6.37	\$6.80	\$7.13

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Investment operations:

Net investment income (a)	.22	.50	.55	.61
Net realized and unrealized gain (loss) on investments	.13	.83	(.40)	(.31)
Total from investment operations	.35	1.33	.15	.30
Less distributions:				
From net investment income	(.37)	(.52)	(.58)	(.58)
Return of capital	--	--	--	(.05)
Total distributions	(.37)	(.52)	(.58)	(.63)
Net asset value, end of period	\$7.16	\$7.18	\$6.37	\$6.80
Market value, end of period	\$6.250	\$6.570	\$6.150	\$6.530
Total return at market value (%) (b)	0.41*	15.48	2.71	11.27

Ratios and supplemental data

Net assets, end of period (in thousands)	\$382,024	\$382,818	\$339,228	\$361,297
Ratio of expenses to average net assets (%) (c)	.47*	.94	.98	.94
Ratio of net investment income to average net assets (%)	3.03*	7.36	8.22	8.63
Portfolio turnover rate (%)	45.20*	118.17 (d)	205.33 (d)	131.14

* Not annualized.

(a) Per share net investment income has been determined on the basis of the weighted number of shares outstanding during the period.

(b) Total return assumes dividend reinvestment and does not reflect the effect of sales charges.

(c) Includes amounts paid through expense offset arrangements. (Note 2).

(d) Portfolio turnover excludes certain treasury note transactions executed in connection with a short-term trading strategy.

The accompanying notes are an integral part of these financial statements.

Notes to financial statements

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

April 30, 2004 (Unaudited)

Note 1

Significant accounting policies

Putnam Master Income Trust (the "fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, closed-end management investment company. The investment objective of the fund is to seek high current income consistent with the preservation of capital. The fund intends to diversify its investments among the following three sectors of the fixed-income securities market: a U.S. investment-grade sector, consisting of debt obligations of the U.S. government and investment-grade U.S. corporate bonds, a high-yield sector, consisting of high yielding, lower-rated U.S. corporate fixed income securities and an international sector, consisting of obligations of foreign governments, their agencies and instrumentalities and other fixed-income securities denominated in foreign currencies.

The following is a summary of significant accounting policies consistently followed by the fund in the preparation of its financial statements. The preparation of financial statements is in conformity with accounting principles generally accepted in the United States of America and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

A) Security valuation Investments for which market quotations are readily available are valued at the last reported sales price on their principal exchange, or official closing price for certain markets. If no sales are reported -- as in the case of some securities traded over-the-counter -- a security is valued at its last reported bid price. Market quotations are not considered to be readily available for certain debt obligations; such investments are valued at fair value on the basis of valuations furnished by an independent pricing service or dealers, approved by the Trustees. Such services or dealers determine valuations for normal institutional-size trading units of such securities using methods based on market transactions for comparable securities and various relationships, generally recognized by institutional traders, between securities. Many securities markets and exchanges outside the U.S. close prior to the close of the New York Stock Exchange and therefore the closing prices for securities in such markets or on such exchanges may not fully reflect events that occur after such close but before the close of the New York Stock Exchange. Accordingly, on certain days, the fund will fair value foreign securities taking into account multiple factors, including movements in the U.S. securities markets. The number of days on which fair value prices will be used will depend on market activity and it is possible that fair value prices will be used by the fund to a significant extent. Securities quoted in foreign currencies are translated into U.S. dollars at the current exchange rate. Short-term investments having remaining maturities of 60 days or less are valued at amortized cost, which approximates fair value. Other investments, including restricted securities, are valued at fair value following procedures approved by the Trustees. Such valuations and procedures are reviewed periodically by the Trustees.

B) Joint trading account The fund may transfer uninvested cash balances, including cash collateral received under security lending arrangements, into a joint trading account along with the cash of other registered investment companies and certain other accounts managed by Putnam Investment Management, LLC ("Putnam Management"), the fund's manager, an

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

indirect wholly-owned subsidiary of Putnam, LLC. These balances may be invested in issuers of high-grade short-term investments having maturities of up to 397 days for collateral received under security lending arrangements and up to 90 days for other cash investments.

C) Repurchase agreements The fund, or any joint trading account, through its custodian, receives delivery of the underlying securities, the market value of which at the time of purchase is required to be an amount at least equal to the resale price, including accrued interest. Collateral for certain tri-party repurchase agreements is held at the counterparty's custodian in a segregated account for the benefit of the fund and the counterparty. Putnam Management is responsible for determining that the value of these underlying securities is at all times at least equal to the resale price, including accrued interest.

D) Security transactions and related investment income Security transactions are recorded on the trade date (date the order to buy or sell is executed). Gains or losses on securities sold are determined on the identified cost basis. Interest income is recorded on the accrual basis. Dividend income, net of applicable withholding taxes, is recognized on the ex-dividend date except that certain dividends from foreign securities are recognized as soon as the fund is informed of the ex-dividend date. Non-cash dividends, if any, are recorded at the fair market value of the securities received. All premiums/discounts are amortized/ accreted on a yield-to-maturity basis.

E) Foreign currency translation The accounting records of the fund are maintained in U.S. dollars. The market value of foreign securities, currency holdings, and other assets and liabilities are recorded in the books and records of the fund after translation to U.S. dollars based on the exchange rates on that day. The cost of each security is determined using historical exchange rates. Income and withholding taxes are translated at prevailing exchange rates when earned or incurred. The fund does not isolate that portion of realized or unrealized gains or losses resulting from changes in the foreign exchange rate on investments from fluctuations arising from changes in the market prices of the securities. Such gains and losses are included with the net realized and unrealized gain or loss on investments. Net realized gains and losses on foreign currency transactions represent net realized exchange gains or losses on closed forward currency contracts, disposition of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions and the difference between the amount of investment income and foreign withholding taxes recorded on the fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized appreciation and depreciation of assets and liabilities in foreign currencies arise from changes in the value of open forward currency contracts and assets and liabilities other than investments at the period end, resulting from changes in the exchange rate. Investments in foreign securities involve certain risks, including those related to economic instability, unfavorable political developments, and currency fluctuations, not present with domestic investments.

F) Forward currency contracts The fund may buy and sell forward currency contracts, which are agreements between two parties to buy and sell currencies at a set price on a future date. These contracts are used to protect against a decline in value relative to the U.S. dollar of the currencies in which its portfolio securities are denominated or quoted (or an increase in the value of a currency in which securities a fund intends to buy are denominated, when a fund holds cash reserves and short term investments). The U.S. dollar value of forward currency contracts is determined using current forward currency exchange rates

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

supplied by a quotation service. The market value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in market value is recorded as an unrealized gain or loss. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The fund could be exposed to risk if the value of the currency changes unfavorably, if the counterparties to the contracts are unable to meet the terms of their contracts or if the fund is unable to enter into a closing position. Forward currency contracts outstanding at period end, if any, are listed after the fund's portfolio.

G) Futures and options contracts The fund may use futures and options contracts to hedge against changes in the values of securities the fund owns or expects to purchase. The fund may also write options on securities it owns or in which it may invest to increase its current returns.

The potential risk to the fund is that the change in value of futures and options contracts may not correspond to the change in value of the hedged instruments. In addition, losses may arise from changes in the value of the underlying instruments, if there is an illiquid secondary market for the contracts, or if the counterparty to the contract is unable to perform. Risks may exceed amounts recognized on the statement of assets and liabilities. When the contract is closed, the fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. Realized gains and losses on purchased options are included in realized gains and losses on investment securities.

Futures contracts are valued at the quoted daily settlement prices established by the exchange on which they trade. The fund and the broker agree to exchange an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin." Exchange traded options are valued at the last sale price, or if no sales are reported, the last bid price for purchased options and the last ask price for written options. Options traded over-the-counter are valued using prices supplied by dealers. Futures and written option contracts outstanding at period end, if any, are listed after the fund's portfolio.

H) Interest rate swap contracts The fund may enter into interest rate swap contracts, which are arrangements between two parties to exchange cash flows based on a notional principal amount, to manage the fund's exposure to interest rates. Interest rate swap contracts are marked to market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gain or loss. Payments received or made are recorded as realized gains or loss. The fund could be exposed to credit or market risk due to unfavorable changes in the fluctuation of interest rates or if the counterparty defaults on its obligation to perform. Risks may exceed amounts recognized on the statement of assets and liabilities. Interest rate swap contracts outstanding at period end, if any, are listed after the fund's portfolio.

I) Credit default contracts The fund may enter into credit default contracts where one party, the protection buyer, makes an upfront payment to a counter party, the protection seller, in exchange for the right to receive a contingent payment. The maximum amount of the payment may equal the notional amount, at par, of the underlying index or security as a result of a related credit event. An upfront payment received by the fund, as the protection seller, is recorded as a liability on the fund's books. An upfront payment made by the fund, as

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

the protection buyer, is recorded as an asset on the fund's books. The credit default contracts are marked to market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gain or loss. Payments received or made as a result of a credit event or termination of the contract are recognized, net of a proportional amount of the upfront payment, as realized gains or losses. In addition to bearing the risk that the credit event will occur, the fund could be exposed to market risk due to unfavorable changes in interest rates or in the price of the underlying security or index, the possibility that the fund may be unable to close out its position at the same time or at the same price as if it had purchased comparable publicly traded securities or that the counterparty may default on its obligation to perform. The risk of loss may exceed the fair value of these contracts recognized on the statement of assets and liabilities. Credit default contracts outstanding at period end, if any, are listed after the fund's portfolio.

J) TBA purchase commitments The fund may enter into "TBA" (to be announced) commitments to purchase securities for a fixed unit price at a future date beyond customary settlement time. Although the unit price has been established, the principal value has not been finalized. However, the amount of the commitments will not significantly differ from the principal amount. The fund holds, and maintains until settlement date, cash or high-grade debt obligations in an amount sufficient to meet the purchase price, or the fund may enter into offsetting contracts for the forward sale of other securities it owns. Income on the securities will not be earned until settlement date. TBA purchase commitments may be considered securities themselves, and involve a risk of loss if the value of the security to be purchased declines prior to the settlement date, which risk is in addition to the risk of decline in the value of the fund's other assets. Unsettled TBA purchase commitments are valued at fair value of the underlying securities, according to the procedures described under "Security valuation" above. The contract is "marked-to-market" daily and the change in market value is recorded by the fund as an unrealized gain or loss.

Although the fund will generally enter into TBA purchase commitments with the intention of acquiring securities for its portfolio or for delivery pursuant to options contracts it has entered into, the fund may dispose of a commitment prior to settlement if Putnam Management deems it appropriate to do so.

K) Federal taxes It is the policy of the fund to distribute all of its taxable income within the prescribed time and otherwise comply with the provisions of the Internal Revenue Code applicable to regulated investment companies. It is also the intention of the fund to distribute an amount sufficient to avoid imposition of any excise tax under Section 4982 of the Internal Revenue Code of 1986 (the "Code"), as amended. Therefore, no provision has been made for federal taxes on income, capital gains or unrealized appreciation on securities held nor for excise tax on income and capital gains.

At October 31, 2003, the fund had a capital loss carryover of \$88,941,607 available to the extent allowed by tax law to offset future net capital gain, if any. The amount of the carryover and the expiration dates are:

Loss Carryover	Expiration
\$3,536,796	October 31, 2006
23,414,014	October 31, 2007

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

11,528,221	October 31, 2008
15,951,444	October 31, 2009
34,511,132	October 31, 2010

The aggregate identified cost on a tax basis is \$390,208,259, resulting in gross unrealized appreciation and depreciation of \$18,589,423 and \$21,680,636, respectively, or net unrealized depreciation of \$3,091,213.

L) Distributions to shareholders Distributions to shareholders from net investment income are recorded by the fund on the ex-dividend date. Distributions from capital gains, if any, are recorded on the ex-dividend date and paid at least annually. The amount and character of income and gains to be distributed are determined in accordance with income tax regulations, which may differ from generally accepted accounting principles. Reclassifications are made to the fund's capital accounts to reflect income and gains available for distribution (or available capital loss carryovers) under income tax regulations.

Note 2

Management fee, administrative services and other transactions

Compensation of Putnam Management, for management and investment advisory services is paid quarterly based on the average net assets of the fund. Such fee is based on the following annual rates: 0.75% of the first \$500 million of average weekly net assets.

The fund reimburses Putnam Management an allocated amount for the compensation and related expenses of certain officers of the fund and their staff who provide administrative services to the fund. The aggregate amount of all such reimbursements is determined annually by the Trustees.

Custodial functions for the fund's assets are provided by Putnam Fiduciary Trust Company ("PFTC"), a subsidiary of Putnam, LLC. Putnam Investor Services, a division of PFTC, provides investor servicing agent functions to the fund. During the six months ended April 30, 2004, the fund paid PFTC \$261,923 for these services.

The fund has entered into an arrangement with PFTC whereby credits realized as a result of uninvested cash balances are used to reduce a portion of the fund's expenses. For the six months ended April 30, 2004, the fund's expenses were reduced by \$10,774 under these arrangements.

Each independent Trustee of the fund receives an annual Trustee fee, of which \$820, as a quarterly retainer, has been allocated to the fund, and an additional fee for each Trustees meeting attended. Trustees receive additional fees for attendance at certain committee meetings.

The fund has adopted a Trustee Fee Deferral Plan (the "Deferral Plan") which allows the Trustees to defer the receipt of all or a portion of Trustees fees payable on or after July 1, 1995. The deferred fees remain invested in certain Putnam funds until distribution in accordance with the Deferral Plan.

The fund has adopted an unfunded noncontributory defined benefit pension plan (the "Pension Plan") covering all Trustees of the fund who have served as a Trustee for at least five years. Benefits under the Pension Plan are equal to 50% of the Trustee's average total retainer and meeting fees for the three years preceding retirement. Pension expense for the fund is included in Trustee compensation and expenses in the

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

statement of operations. Accrued pension liability is included in Payable for Trustee compensation and expenses in the statement of assets and liabilities.

Note 3

Purchases and sales of securities

During the six months ended April 30, 2004, cost of purchases and proceeds from sales of investment securities other than U.S. government securities and short-term investments aggregated \$129,046,034 and \$191,570,860, respectively. Purchases and sales of U.S. government securities aggregated \$32,692,197 and \$6,067,575, respectively.

Note 4

Regulatory matters and litigation

On April 8, 2004, Putnam Management entered into agreements with the Securities and Exchange Commission and the Massachusetts Securities Division representing a final settlement of all charges brought against Putnam Management by those agencies on October 28, 2003 in connection with excessive short-term trading by Putnam employees and, in the case of the charges brought by the Massachusetts Securities Division, by participants in some Putnam-administered 401(k) plans. The settlement with the SEC requires Putnam Management to pay \$5 million in disgorgement plus a civil monetary penalty of \$50 million, and the settlement with the Massachusetts Securities Division requires Putnam Management to pay \$5 million in restitution and an administrative fine of \$50 million. The settlements also leave intact the process established under an earlier partial settlement with the SEC under which Putnam Management agreed to pay the amount of restitution determined by an independent consultant, which may exceed the disgorgement and restitution amounts specified above, pursuant to a plan to be developed by the independent consultant.

Putnam Management, and not the investors in any Putnam fund, will bear all costs, including restitution, civil penalties and associated legal fees stemming from both of these proceedings. The SEC's and Massachusetts Securities Division's allegations and related matters also serve as the general basis for numerous lawsuits, including purported class action lawsuits filed against Putnam Management and certain related parties, including certain Putnam funds. Putnam Management has agreed to bear any costs incurred by Putnam funds in connection with these lawsuits. Based on currently available information, Putnam Management believes that the likelihood that the pending private lawsuits and purported class action lawsuits will have a material adverse financial impact on the fund is remote, and the pending actions are not likely to materially affect its ability to provide investment management services to its clients, including the Putnam funds.

Review of these matters by counsel for Putnam Management and by separate independent counsel for the Putnam funds and their independent Trustees is continuing.

Fund information

About Putnam Investments

One of the largest mutual fund families in the United States, Putnam Investments has a heritage of investment leadership dating back to Judge

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Samuel Putnam, whose Prudent Man Rule has defined fiduciary tradition and practice since 1830. Founded over 65 years ago, Putnam Investments was built around the concept that a balance between risk and reward is the hallmark of a well-rounded financial program. We presently manage over 100 mutual funds in growth, value, blend, fixed income, and international.

Investment Manager

Putnam Investment
Management, LLC
One Post Office Square
Boston, MA 02109

Marketing Services

Putnam Retail Management
One Post Office Square
Boston, MA 02109

Custodian

Putnam Fiduciary
Trust Company

Legal Counsel

Ropes & Gray LLP

Trustees

John A. Hill, Chairman
Jameson Adkins Baxter
Charles B. Curtis
Ronald J. Jackson
Paul L. Joskow
Elizabeth T. Kennan
John H. Mullin, III
Robert E. Patterson
George Putnam, III
A.J.C. Smith
W. Thomas Stephens
W. Nicholas Thorndike

Officers

George Putnam, III
President

Charles E. Porter
Executive Vice President,
Associate Treasurer and Principal Executive
Officer

Jonathan S. Horwitz
Senior Vice President
and Treasurer

Patricia C. Flaherty
Senior Vice President

Steven D. Krichmar

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Vice President and
Principal Financial Officer

Michael T. Healy
Assistant Treasurer and
Principal Accounting Officer

Beth S. Mazor
Vice President

James P. Pappas
Vice President

Richard S. Robie, III
Vice President

Mark C. Trenchard
Vice President and
BSA Compliance Officer

Francis J. McNamara, III
Vice President and
Chief Legal Officer

Judith Cohen
Clerk and Assistant Treasurer

Call 1-800-225-1581 weekdays from 9 a.m. to 5 p.m. Eastern Time, or
visit our Web site (www.putnaminvestments.com) any time for up-to-date
information about the fund's NAV.

[LOGO OMITTED]

PUTNAM INVESTMENTS

The Putnam Funds
One Post Office Square
Boston, Massachusetts 02109

PRSRT STD
U.S. POSTAGE PAID
PUTNAM
INVESTMENTS

Do you want to save paper and receive this document faster?
Shareholders can sign up for email delivery of shareholder reports on
www.putnaminvestments.com.

214212 072 6/04

Item 2. Code of Ethics:

Not applicable

Item 3. Audit Committee Financial Expert:

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

Not applicable

Item 4. Principal Accountant Fees and Services:

Not applicable

Items 5-6. [Reserved]

Item 7. Disclosure of Proxy Voting Policies and Procedures For Closed End

Management Investment Companies: Not applicable

Item 8. [Reserved]

Item 9. Submission of Matters to a Vote of Security Holders:

Not applicable

Item 10. Controls and Procedures:

(a) The registrant's principal executive officer and principal financial officer have concluded, based on their evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of a date within 90 days of the filing date of this report on Form N-CSR, that the design and operation of such procedures are generally effective to provide reasonable assurance that information required to be disclosed by the investment company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.

Although such officers reached the conclusion expressed in the preceding paragraph, they are aware of matters that raise concerns with respect to controls, each of which arose in connection with the administration of 401(k) plans by Putnam Fiduciary Trust Company. The first matter, which occurred in early 2001, involved the willful circumvention of controls by certain Putnam employees in connection with the correction of operational errors with respect to a 401(k) client's investment in certain Putnam Funds, which led to losses in five Putnam Funds (not including the registrant). Such officers became aware of this matter in February 2004. The second matter, which occurred in 2002, involved the willful circumvention by certain Putnam employees of policies and procedures in connection with the payment of Putnam corporate expenses. Such officers did not learn that this matter involved a Putnam Fund until January 2004. Putnam has made restitution to the affected Funds, implemented a number of personnel changes, including senior personnel, begun to implement changes in procedures to address these items and informed the SEC, the Funds' Trustees and independent auditors. An internal investigation and review of procedures and controls are currently ongoing.

In reaching the conclusion expressed herein, the registrant's principal executive officer and principal financial officer considered a number of factors, including the nature of the matters described above, when the matters occurred, the individuals

Edgar Filing: PUTNAM MASTER INCOME TRUST - Form N-CSR

involved, personnel changes that have occurred since these matters occurred, the results to date of the current ongoing investigation and the overall quality of controls at Putnam at this time.

(b) Changes in internal control over financial reporting:
Not applicable

Item 11. Exhibits:

(a) Not applicable

(b) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Investment Company Act of 1940, as amended, and the officer certifications as required by Section 906 of the Sarbanes-Oxley Act of 2002 are filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 an the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NAME OF REGISTRANT

By (Signature and Title): /s/Michael T. Healy

Michael T. Healy
Principal Accounting Officer

Date: June 28, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 an the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title): /s/Charles E. Porter

Charles E. Porter
Principal Executive Officer

Date: June 28, 2004

By (Signature and Title): /s/Steven D. Krichmar

Steven D. Krichmar
Principal Financial Officer

Date: June 28, 2004