

PUTNAM MANAGED MUNICIPAL INCOME TRUST  
Form N-Q  
September 29, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF  
REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number: (811-05740)

Exact name of registrant as specified in charter: Putnam Managed Municipal Income Trust

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

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

Copy to: &nbsp;&nbsp;  John W. Gerstmayr, Esq.  
Ropes & Gray LLP  
800 Boylston Street  
Boston, Massachusetts 02199-3600

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

Date of fiscal year end: October 31, 2011

Date of reporting period: July 31, 2011

Item 1. Schedule of Investments:

## Putnam Managed Municipal Income Trust

### The fund's portfolio 7/31/11 (Unaudited)

#### Key to holding's abbreviations

AGM — Assured Guaranty Municipal Corporation  
 AMBAC — AMBAC Indemnity Corporation  
 COP — Certificates of Participation  
 FGIC — Financial Guaranty Insurance Company  
 FHLMC Coll. — Federal Home Loan Mortgage Corporation Collateralized  
 FNMA Coll. — Federal National Mortgage Association Collateralized  
 FRB — Floating Rate Bonds  
 G.O. Bonds — General Obligation Bonds  
 GNMA Coll. — Government National Mortgage Association Collateralized  
 NATL — National Public Finance Guarantee Corp.  
 Radian Insd. — Radian Group Insured  
 U.S. Govt. Coll. — U.S. Government Collateralized  
 VRDN — Variable Rate Demand Notes

#### **MUNICIPAL BONDS AND NOTES (130.2%)(a)**

	Rating <sup>(RAT)</sup>	Principal amount	Value
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Key to holding's currency abbreviations

CAD Canadian Dollar

#### Notes to the fund's portfolio

Unless noted otherwise, the notes to the fund's portfolio are for the close of the fund's reporting period, which ran from November 1, 2010 through July 31, 2011 (the reporting period).

<sup>(a)</sup> Percentages indicated are based on net assets of \$418,755,779.

<sup>(RAT)</sup> The Moody's, Standard & Poor's or Fitch ratings indicated are believed to be the most recent ratings available at the close of the reporting period for the securities listed. Ratings are generally ascribed to securities at the time of issuance. While the agencies may from time to time revise such ratings, they

undertake no obligation to do so, and the ratings do not necessarily represent what the agencies would ascribe to these securities at the close of the reporting period. Securities rated by Putnam are indicated by "/P." Securities rated by Fitch are indicated by "/F." The rating of an insured security represents what is believed to be the most recent rating of the insurer's claims-paying ability available at the close of the reporting period and does not reflect any subsequent changes.

(b) The aggregate identified cost on a tax basis is \$552,788,237, resulting in gross unrealized appreciation and depreciation of \$19,934,576 and \$22,494,172, respectively, or net unrealized depreciation of \$2,559,596.

(NON) Non-income-producing security.

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

(FWC) Forward commitment, in part or in entirety.

(T) Underlying security in a tender option bond transaction. The security has been segregated as collateral for financing transactions.

Debt obligations are considered secured unless otherwise indicated.

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

The rates shown on FRB, Mandatory Put Bonds and VRDN are the current interest rates at the close of the reporting period.

The dates shown parenthetically on Mandatory Put Bonds represent the next mandatory put dates.

The dates shown parenthetically on prerefunded bonds represent the next prerefunding dates.

The dates shown on debt obligations are the original maturity dates.

The fund had the following sector concentrations greater than 10% at the close of the reporting period (as a percentage of net assets):

Healthcare	48.8%
Utilities	22.4
Transportation	14.2

**Security valuation:** Tax-exempt bonds and notes are generally valued on the basis of valuations provided by an independent pricing service approved by the Trustees. Such services use information with respect to transactions in bonds, quotations from bond dealers, market transactions in comparable securities and various relationships between securities in determining value. These securities will generally be categorized as Level 2.

Certain investments, including certain restricted and illiquid securities and derivatives are also valued at fair value following procedures approved by the Trustees. Such valuations and

procedures are reviewed periodically by the Trustees. These valuations consider such factors as significant market or specific security events such as interest rate or credit quality changes, various relationships with other securities, discount rates, U.S. Treasury, U.S. swap and credit yields, index levels, convexity exposures and recovery rates. These securities are classified as Level 2 or as Level 3 depending on the priority of the significant inputs. The fair value of securities is generally determined as the amount that the fund could reasonably expect to realize from an orderly disposition of such securities over a reasonable period of time. By its nature, a fair value price is a good faith estimate of the value of a security in a current sale and does not reflect an actual market price, which may be different by a material amount.

**Tender option bond transactions:** The fund may participate in transactions whereby a fixed-rate bond is transferred to a tender option bond trust (TOB trust) sponsored by a broker. The TOB trust funds the purchase of the fixed rate bonds by issuing floating-rate bonds issued to third parties and allowing the fund to retain the residual interest in the TOB trust's assets and cash flows, which are in the form of inverse floating rate bonds. The inverse floating rate bonds held by the fund give the fund the right to (1) cause the holders of the floating rate bonds to tender their notes at par, and (2) to have the fixed-rate bond held by the TOB trust transferred to the fund, causing the TOB trust to collapse. The fund accounts for the transfer of the fixed-rate bond to the TOB trust as a secured borrowing by including the fixed-rate bond in The fund's portfolio and including the floating rate bond as a liability in the Statement of assets and liabilities. At the close of the reporting period, the fund's investments with a value of \$20,872,823 were held by the TOB trust and served as collateral for \$10,008,723 in floating-rate bonds outstanding. During the reporting period, the fund incurred interest expense of \$12,244 for these investments based on an average interest rate of 0.21%.

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Accounting Standards Codification ASC 820 *Fair Value Measurements and Disclosures* (ASC 820) establishes a three-level hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fund's investments. The three levels are defined as follows:

Level 1 – Valuations based on quoted prices for identical securities in active markets.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the fair value measurement.

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The following is a summary of the inputs used to value the fund's net assets as of the close of the reporting period:

	<b>Valuation inputs</b>		
<b>Investments in securities:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Common stocks:</b>			
Basic materials	\$6,778	\$—	\$—
<b>Total common stocks</b>	<b>6,778</b>	<b>—</b>	<b>—</b>
Municipal bonds and notes	\$—	\$545,167,475	\$—
Preferred stocks	—	5,053,981	—
Warrants	407	—	—
<b>Totals by level</b>	<b>\$7,185</b>	<b>\$550,221,456</b>	<b>\$—</b>

Item 2. 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, that the design and operation of such procedures are generally effective to provide reasonable assurance that information required to be disclosed by the registrant in this report is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms.

(b) Changes in internal control over financial reporting: During the period, State Street Bank and Trust Company, which provides certain administrative, pricing and bookkeeping services for the Putnam funds pursuant to an agreement with Putnam Investment Management, LLC, began utilizing different accounting systems and systems support in providing services for the fund.

Item 3. Exhibits:

Separate certifications for the principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and 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.

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By (Signature and Title):

/s/ Janet C. Smith

Janet C. Smith

Principal Accounting Officer

Date: September 29, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and 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/ Jonathan S. Horwitz

Jonathan S. Horwitz

Principal Executive Officer

Date: September 29, 2011

By (Signature and Title):

/s/ Steven D. Krichmar

Steven D. Krichmar

Principal Financial Officer

Date: September 29, 2011