

PUTNAM PREMIER INCOME TRUST
Form N-CSR
September 29, 2009

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

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number: (811-05452)

Exact name of registrant as specified in charter: Putnam Premier 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

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One International Place
Boston, Massachusetts 02110

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

Date of fiscal year end: July 31, 2009

Date of reporting period: August 1, 2008 - July 31, 2009

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:

A BALANCED APPROACH

Since 1937, when George Putnam created a diverse mix of stocks and bonds in a single, professionally managed portfolio, Putnam has championed the balanced approach.

A WORLD OF INVESTING

Today, we offer investors a world of equity, fixed-income, multi-asset, and absolute-return portfolios to suit a range of financial goals.

A COMMITMENT TO EXCELLENCE

Our portfolio managers seek superior results over time, backed by original, fundamental research on a global scale. We believe in the value of experienced financial advice, in providing exemplary service, and in putting clients first in all we do.

Putnam Premier Income Trust

Annual report 7 | 31 | 09

Message from the Trustees	1
About the fund	2
Performance and portfolio snapshots	4
Interview with your fund's Portfolio Manager	5
Your fund's performance	9
Terms and definitions	10
Trustee approval of management contract	11
Other information for shareholders	14
Financial statements	15
Federal tax information	55
Shareholder meeting results	55
Compliance certifications	55
About the Trustees	56
Officers	60

Message from the Trustees

Dear Fellow Shareholder:

The stock market has enjoyed a sharp rebound since late March, with the S&P 500 Index moving into positive territory for the year. Investors have also begun to return to bonds that carry some degree of credit risk, pushing prices of those securities up and prices of safe-haven U.S. Treasuries lower. While these are bullish trends, we caution investors that the recovery is still in its early stages. The markets may well pause in the coming months as they return to full health.

We are pleased to report that, in many instances, Putnam mutual funds have delivered improved results over the past year, reflecting the substantial efforts of an investment team infused with new talent and a singular focus. Leading that team today is industry veteran Walter C. Donovan, who joined Putnam in April of this year and oversees an investment organization strengthened by the recent arrival of several senior portfolio managers, research analysts, and traders.

In other developments, Ravi Akhouri has been elected to the Board of Trustees of the Putnam Funds, and W. Thomas Stephens has rejoined the Board. From 1992 to 2007, Mr. Akhouri was Chairman and CEO of MacKay Shields, a multi-product investment management firm with more than \$40 billion in assets under management. Mr. Stephens retired in December 2008 as Chairman and Chief Executive Officer of Boise Cascade, L.L.C., a paper, forest products, and timberland assets company.

Also, after several years of steady leadership, Charles E. [Ed] Haldeman, Jr. stepped down as President of the Putnam Funds and as a member of the Board of Trustees of the Funds. Effective July 2009, Robert L. Reynolds, President and Chief Executive Officer of Putnam Investments and a Trustee of the Putnam Funds, replaced Mr. Haldeman as President of the Putnam Funds.

About the fund

Seeking broad diversification across global bond markets

When Putnam Premier Income Trust was launched in 1988, its three-pronged focus on U.S. investment-grade bonds, high-yield corporate bonds, and non-U.S. bonds was considered innovative. Lower-rated, higher-yielding corporate bonds were relatively new, having just been established in the late 1970s. And, at the time of the fund's launch, few investors were venturing outside the United States for fixed-income opportunities.

The bond investment landscape has undergone a transformation in the two decades since the fund's launch. The U.S. investment-grade market added new sectors such as asset-backed securities, and the high-yield corporate bond sector has grown significantly. Outside the United States, the advent of the euro has resulted in a large market of European bonds. And there are also growing opportunities to invest in the debt of emerging-market countries.

The fund is designed to keep pace with this market expansion. To accommodate the market's increasing complexity, Putnam's fixed-income group aligns teams of specialists with the varied investment opportunities. Each group identifies what it considers to be compelling strategies within its area of expertise. Your fund's portfolio managers select from among these strategies, systematically building a diversified portfolio that seeks to carefully balance risk and return.

The fund's multi-strategy approach is designed to suit the expanding opportunities of today's global bond marketplace. As different factors drive the performance of the various fixed-income sectors, the fund's diversified strategy can take advantage of changing market leadership in pursuit of high current income.

Consider these risks before you invest: International investing involves certain risks, such as currency fluctuations, economic instability, and political developments. Additional risks may be associated with emerging-market securities, including illiquidity and volatility. 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. Mutual funds that invest in bonds are subject to certain risks, including interest-rate risk, credit risk, and inflation risk. As interest rates rise, the prices of bonds fall. Long-term bonds are more exposed to interest-rate risk than short-term bonds. Unlike bonds, bond funds have ongoing fees and expenses. The fund's shares trade on a stock exchange at market prices, which may be higher or lower than the fund's NAV.

How do closed-end funds differ from open-end funds?

More assets at work While open-end funds need to maintain a cash position to meet redemptions, closed-end funds are not subject to redemptions and can keep more of their assets invested in the market.

Traded like stocks Closed-end fund shares are traded on stock exchanges, and their market prices fluctuate in response to supply and demand, among other factors.

Net asset value vs. market price Like an open-end fund's net asset value (NAV) per share, the NAV of a closed-end fund share is equal to the current value of the fund's assets, minus its liabilities, divided by the number of shares outstanding. However, when buying or selling closed-end fund shares, the price you pay or receive is the market price. Market price reflects current market supply and demand and may be higher or lower than the NAV.

Putnam Premier Income Trust balances risk and return across multiple sectors.

Putnam believes that building a diversified portfolio with multiple income-generating strategies is the best way to pursue your fund's objectives. The fund's portfolio is composed of a broad spectrum of government, credit, and securitized debt instruments.

Weightings are shown as a percentage of the fund's net assets. Allocations and holdings in each sector will vary over time. For more information on current fund holdings, see pages 17-45.

2

3

Performance and portfolio snapshots

Average annual total return (%) comparison as of 7/31/09

Data is historical. Past performance does not guarantee future results. More recent returns may be less or more than those shown. Investment return and net asset value will fluctuate, and you may have a gain or a loss when you sell your shares. Performance assumes reinvestment of distributions and does not account for taxes. Fund returns in the bar chart are at NAV. See pages 5 and 9 for additional performance information, including fund returns at market price. Index and Lipper results should be compared to fund performance at NAV. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment NAV.

Our focus on credit quality began to pay off more recently as renewed market stability has prompted investors to become more discerning.

D. William Kohli, Portfolio Manager, Putnam Premier Income Trust

Credit qualities shown as a percentage of portfolio value as of 7/31/09. A bond rated Baa or higher (MIG3/VMIG3 or higher, for short-term debt) is considered investment grade. The chart reflects Moody's ratings; percentages may include bonds not rated by Moody's but considered by Putnam Management to be of comparable quality. Ratings will vary over time.

4

Interview with your fund's Portfolio Manager

D. William Kohli

Bill, how did Premier Income Trust perform during its most recent annual period?

The fund's return was slightly negative at -2.11% at net asset value. However, this figure masks a rebound of nearly 40% during the second half of the reporting period, a time in which the fixed-income market began to overcome the extraordinary turmoil that characterized most of 2008.

The fund underperformed its benchmark and its Lipper peers during the year. The Barclays Capital Government Bond Index returned 6.67% for the 12-month period, while the average fund in the Lipper Flexible Income Funds [closed-end] returned 0.43%.

The primary reason for the fund's underperformance was the sell-off in higher-grade credit securities that characterized the market meltdown of late 2008. Somewhat counterintuitively, investors were rewarded for holding a lower-quality bias during this time. The reason for this disconnect is that investors' efforts to raise cash quickly during the worst part of the sell-off led them to jettison the most liquid (i.e., most easily traded) securities in their portfolios. While the higher-grade securities we favored recovered in the second half of the period once investors' focus returned to fundamentals, this rebound was not enough to make up for the earlier shortfall.

What led to the disruptions in the credit markets during the autumn of 2008, and what sparked the improvements we've seen in recent months?

Lehman Brothers' failure caused prices in the non-Treasury segments of the bond market to decline sharply during late 2008. The markets were also pressured by a surge in home foreclosures, severe problems for the securitized loan markets, and the collapse of Bear Stearns. As investors gravitated to the safe haven of Treasuries and moved out of other segments of the bond market, the yields of non-Treasury securities spiked to never-before-seen levels relative to Treasuries. Neither the extremely problematic unwinding of the Long Term Capital Management hedge fund in 1998 nor the catastrophic events of September 11, 2001, prompted price declines anywhere near those

that occurred in 2008.

The result of these events was dramatically reduced access to credit in 2008 for both individuals and businesses, a trend that helped drive the United States and all major European countries into the worst economic downturn since the

Broad market index and fund performance

This comparison shows your fund's performance in the context of broad market indexes for the 12 months ended 7/31/09. See the previous page and page 9 for additional fund performance information. Index descriptions can be found on page 10.

5

Great Depression. In response, the Fed [U.S. Federal Reserve] cut short-term interest rates to zero in an effort to restart the economy, and the Fed and U.S. Treasury introduced a number of new credit facilities designed to spur lending by large financial institutions. Since the introduction of these facilities, there has been a significant improvement in the global credit markets. Despite these efforts — and notwithstanding Congress' approval of the Obama administration's \$800 billion stimulus package last February — U.S. economic data has only progressed to a level that indicates stabilization rather than renewed growth, and unemployment continues to inch toward 10%. We're not out of the woods yet.

IN THE NEWS

Is the Great Recession over? Federal Reserve Board Chairman Ben Bernanke observed recently that the economy appeared to be "leveling out," and a wealth of positive economic news corroborates that view. The stock market is up more than 45% since March, home sales have risen for three straight months, and many big companies are reporting higher profits. Certainly, dark clouds in some data continue to cast a shadow. The nation's unemployment rate remains high at 9.4% for the month of July and may rise further. And consumer spending is still weak. Nonetheless, upward revisions of GDP growth are streaming in. Moody's Economy.com, for example, has revised its third-quarter GDP outlook to 1.6% from 1.1%, and its fourth-quarter estimate to 2.1% from 0.2%.

Bill, what has been your portfolio strategy during the past 12 months?

We have maintained our strategy of focusing on high-quality credit instruments that we believe carry minimal fundamental credit risk. Though the performance of most credit instruments was highly correlated during the market downturn last fall — reflecting panic rather than a careful evaluation of fundamentals — our focus on credit quality began to pay off more recently as renewed market stability prompted investors to become more discerning.

The market downturn provided us with opportunities to add to securities that had been severely beaten down in the broader sell-off. For example, we began to find compelling opportunities among what we perceived to be severely undervalued securities among commercial mortgage-backed securities (CMBSs), collateralized mortgage obligations (CMOs) — particularly interest-only securities (IOs) — and inverse floating rate notes. We have purchased large amounts of these securities at various points over the past 18 months.

Several factors helped the fund to begin to bounce back from the tremendous market downdraft last fall. First, the fund's

Top holdings

HOLDING (percentage of fund's net assets)

COUPON(%) and MATURITY DATE

Securitized sector

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Government National Mortgage Association Pass-Through Certificates (4.76%)	4.5%, 2039
Credit Suisse Mortgage Capital Certificates (2.42%)	5.694%, 2040
Wells Fargo Alternative Loan Trust FRB Ser. 07-PA6, Class A1 (1.02%)	6.584%, 2037
Credit sector	
VTB Capital SA 144A sec. notes (Russia) (0.70%)	6.609%, 2012
Kinder Morgan, Inc. sr. notes (0.39%)	6.5%, 1012
Echostar DBS Corp. company guaranty (0.37%)	6.625%, 2014
Government sector	
Sweden (Government of) debs. Ser. 1041 (1.22%)	6.75%, 2014
Russia (Federation of) 144A unsec. unsub. bonds (0.69%)	5%, 2030
Argentina (Republic of) sr. unsec. unsub. bonds FRB (0.64%)	1.683%, 2012

This table shows the fund's top holdings and the percentage of the fund's net assets that each represented as of 7/31/09. Holdings will vary over time.

6

investments in IOs and inverse floating rate securities have benefited from the fact that mortgage-holders have largely stopped the practice of paying off their mortgage principals sooner than they have to. Second, because strategies among major central banks regarding how best to deal with the "Great Recession" have diverged somewhat over the past 12 months, the fund has strongly benefited from our calls regarding the direction of interest-rate movements among various countries. The fund also profited from our prior decision to position the portfolio for a steeper yield curve. A steeper yield curve occurs when long-term yields rise more than short-term yields, indicating underperformance for longer-term bonds. This strategy is based on our view that longer-term bonds will continue to underperform as central banks keep short-term rates low and concern grows over government budget deficits and longer-term inflation trends.

What additional strategy adjustments, if any, did you make during the year?

We reduced the overall level of commercial mortgage assets in the portfolio in order to reduce the fund's price volatility. Additionally, we shifted to commercial mortgages and residential mortgages with shorter durations; in other words, a lower level of sensitivity to prevailing interest-rate trends. Within the residential mortgage area, we have emphasized two specific types of securities that we felt were trading at very depressed prices: hybrid adjustable-rate mortgages, which combine features of both fixed-rate and adjustable-rate mortgages; and Alt-A mortgages, which are considered more risky than prime mortgages but of higher quality than subprime mortgages. We believe that both types of residential mortgages were unfairly punished during the market downturn of the past year.

Bill, what is your outlook for the economy, the credit markets, and the fund over the next several months?

The outlook for the economy and markets remains problematic. Bank lending is still constrained, the Fed and U.S. Treasury have limited policy options, and some analysts believe that unemployment could remain very high for the next several years. It seems likely that consumers lack the purchasing power to significantly jumpstart the economy any time soon. We are also skeptical of recent talk of economic "green shoots" — i.e., indicators that growth is gradually resuming — as well as the prospect of sizeable inventory rebuilding by businesses. On the other hand, the stock market has rallied through much of this year, and trillions of dollars in cash reportedly remains on the sidelines ready to be deployed in higher-yielding assets.

Reflecting our view that it is impossible to predict even the short-term outlook for the economy, we are looking to invest in bonds that are more likely to produce steady returns even if the U.S. economy recovers much more slowly

than many are now hoping. We are also emphasizing bonds with lower interest-rate sensitivity and/or higher credit quality. We believe the potential returns from this select mix of credit instruments remain attractive.

Thanks, Bill, for sharing your insights with us.

Comparison of top sector weightings*

This chart shows how the fund's top weightings have changed over the past six months. Weightings are shown as a percentage of net assets. Holdings will vary over time.

* May include exposure to derivative instruments.

7

The views expressed in this report are exclusively those of Putnam Management. They are not meant as investment advice.

Please note that the holdings discussed in this report may not have been held by the fund for the entire period. Portfolio composition is subject to review in accordance with the fund's investment strategy and may vary in the future. Current and future portfolio holdings are subject to risk.

Portfolio Manager **D. William Kohli** is Team Leader of Portfolio Construction at Putnam. He has an M.B.A. from the Haas School of Business at the University of California, Berkeley, and a B.A. from the University of California, San Diego. Bill joined Putnam in 1994 and has been in the investment industry since 1987.

In addition to D. William Kohli, your fund's Portfolio Managers are Michael Atkin, Rob Bloemker, Kevin Murphy, and Paul Scanlon.

8

Your fund's performance

This section shows your fund's performance for periods ended July 31, 2009, the end of its most recent fiscal year. In accordance with regulatory requirements for mutual funds, we also include performance as of the most recent calendar quarter-end. Performance should always be considered in light of a fund's investment strategy. Data represents 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 and comparative index results For periods ended 7/31/09

		Barclays Capital	Lipper Flexible Income
		Government Bond Index	Funds (closed-end)
NAV	Market price		category average*

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Annual average	7.17%	6.48%	7.12%	6.59%
Life of fund (since 2/29/88)				
10 years	68.99	67.90	81.30	69.56
Annual average	5.39	5.32	6.13	5.24
5 years	18.10	23.70	29.55	22.27
Annual average	3.38	4.35	5.31	4.06
3 years	3.30	12.89	22.59	8.05
Annual average	1.09	4.12	7.02	2.59
1 year	-2.11	0.65	6.67	0.43

Performance assumes reinvestment of distributions and does not account for taxes.

Index and Lipper results should be compared to fund performance at net asset value. Lipper calculates performance differently than the closed-end funds it ranks, due to varying methods for determining a fund's monthly reinvestment NAV.

* Over the 1-year, 3-year, 5-year, 10-year, and life-of-fund periods ended 7/31/09, there were 6, 6, 6, 5, and 1 fund(s), respectively, in this Lipper category.

Fund price and distribution information For the 12-month period ended 7/31/09

Distributions

Number	12
Income	\$0.516
Capital gains	□
Total	\$0.516

Share value	NAV	Market price
7/31/08	\$6.55	\$5.97
7/31/09	5.73	5.37

Current yield (end of period)

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Current dividend rate*	9.01%	9.61%
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The classification of distributions, if any, is an estimate. Final distribution information will appear on your year-end tax forms.

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

Fund performance as of most recent calendar quarter Total return for periods ended 6/30/09

	NAV	Market price
Annual average	6.79%	6.10%
Life of fund (since 2/29/88)		
10 years	55.41	44.75
Annual average	4.51	3.77
5 years	10.14	19.11
Annual average	1.95	3.56
3 years	□3.51	4.77
Annual average	□1.18	1.57
1 year	□10.50	□7.30

9

Terms and definitions

Important terms

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 New York Stock Exchange.

Current yield is the annual rate of return earned from dividends or interest of an investment. Current yield is expressed as a percentage of the price of a security, fund share, or principal investment.

Comparative indexes

Barclays Capital Aggregate Bond Index is an unmanaged index of U.S. investment-grade fixed-income securities.

Barclays Capital Government Bond Index is an unmanaged index of U.S. Treasury and agency securities.

Merrill Lynch U.S. 3-Month Treasury Bill Index is an unmanaged index that seeks to measure the performance of U.S. Treasury bills available in the marketplace.

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 mutual funds. Its rankings do not reflect sales charges. Lipper rankings are based on total return at net asset value relative to other funds that have similar current investment styles or objectives as determined by Lipper. Lipper may change a fund's category assignment at its discretion. Lipper category averages reflect performance trends for funds within a category.

10

Trustee approval of management contract

General conclusions

The Board of Trustees of the Putnam funds oversees the management of each fund and, as required by law, determines annually whether to approve the continuance of your fund's management contract with Putnam Investment Management ("Putnam Management") and the sub-management contract, with respect to your fund, between Putnam Management and its affiliate, Putnam Investments Limited ("PIL").

In this regard, the Board of Trustees, with the assistance of its Contract Committee consisting solely of Trustees who are not "interested persons" (as such term is defined in the Investment Company Act of 1940, as amended) of the Putnam funds (the "Independent Trustees"), requests and evaluates all information it deems reasonably necessary under the circumstances. Over the course of several months ending in June 2009, the Contract Committee met several times to consider the information provided by Putnam Management and other information developed with the assistance of the Board's independent counsel and independent staff. The Contract Committee reviewed and discussed key aspects of this information with all of the Independent Trustees. At the Trustees' June 12, 2009 meeting, the Contract Committee recommended, and the Independent Trustees approved, the continuance of your fund's management and sub-management contracts, effective July 1, 2009. (Because PIL is an affiliate of Putnam Management and Putnam Management remains fully responsible for all services provided by PIL, the Trustees have not evaluated PIL as a separate entity, except as otherwise indicated below, and all subsequent references to Putnam Management below should be deemed to include reference to PIL as necessary or appropriate in the context.)

The Independent Trustees' approval was based on the following conclusions:

That the fee schedule in effect for your fund represented reasonable compensation in light of the nature and quality of the services being provided to the fund, the fees paid by competitive funds and the costs incurred by Putnam Management in providing such services, and

That such fee schedule represented an appropriate sharing between fund shareholders and Putnam Management of such economies of scale as may exist in the management of the fund at current asset levels.

These conclusions were based on a comprehensive consideration of all information provided to the Trustees, and were not the result of any single factor. Some of the factors that figured particularly in the Trustees' deliberations and how the Trustees considered these factors are described below, although individual Trustees may have evaluated the information presented differently, giving different weights to various factors. It is also important to recognize that the fee arrangements for your fund and the other Putnam funds are the result of many years of review and discussion between the Independent Trustees and Putnam Management, that certain aspects of the arrangements may receive greater scrutiny in some years than others, and that the Trustees' conclusions may be based, in part, on their consideration of these same arrangements in prior years.

Management fee schedules and categories; total expenses

The Trustees reviewed the management fee schedules in effect for all Putnam funds, including fee levels and breakpoints, and the assignment of funds to particular fee categories. The general fee structure has been carefully developed over the years and re-examined on many occasions and adjusted where appropriate. In this regard, the Trustees noted that shareholders of all funds voted by overwhelming majorities in 2007 to approve new management contracts containing identical fee schedules.

In reviewing fees and expenses, the Trustees generally focused their attention on material changes in circumstances — for example, changes in a fund's size or investment style, changes in Putnam Management's operating costs, or changes in competitive practices in the mutual fund industry — that suggest that consideration of fee changes might be warranted. The Trustees concluded that the circumstances did not warrant changes to the management fee structure of your fund. The Trustees focused on two areas of particular interest, as discussed further below:

Competitiveness. The Trustees reviewed comparative fee and expense information for competitive funds, which indicated that, in a custom peer group of competitive funds selected by Lipper Inc., your fund ranked in the 67th percentile in management fees and in the 1st percentile in total expenses as of December 31, 2008 (the first percentile being the least expensive funds and the 100th percentile being the most expensive funds). The Trustees expressed their intention to monitor this information closely to ensure that fees and expenses of your fund continue to meet evolving competitive standards.

Economies of scale. Your fund currently has the benefit of breakpoints in its management fee that provide shareholders with significant economies of scale, which means that the effective management fee rate of the fund (as a percentage of fund assets) declines as the fund grows in size and crosses specified asset thresholds. Conversely, as the fund shrinks in size — as has been the case for many Putnam funds in recent years — these breakpoints result in increasing fee levels. In recent years, the Trustees have examined the operation of the existing breakpoint structure during periods of both growth and decline in asset levels. The Trustees concluded that the fee schedule in effect for your fund represented

an appropriate sharing of economies of scale at that time.

In connection with their review of the management fees and total expenses of the Putnam funds, the Trustees also reviewed the costs of the services provided and profits realized by Putnam Management and its affiliates from their contractual relationships with the funds. This information included trends in revenues, expenses and profitability of Putnam Management and its affiliates relating to the investment management and distribution services provided to the funds. In this regard, the Trustees also reviewed an analysis of Putnam Management's revenues, expenses and profitability with respect to the funds' management contracts, allocated on a fund-by-fund basis.

Investment performance

The quality of the investment process provided by Putnam Management represented a major factor in the Trustees' evaluation of the quality of services provided by Putnam Management under your fund's management contract. The Trustees were assisted in their review of the Putnam funds' investment process and performance by the work of the

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Investment Oversight Coordinating Committee of the Trustees and the Investment Oversight Committees of the Trustees, which had met on a regular monthly basis with the funds' portfolio teams throughout the year. The Trustees concluded that Putnam Management generally provides a high-quality investment process — as measured by the experience and skills of the individuals assigned to the management of fund portfolios, the resources made available to such personnel, and in general the ability of Putnam Management to attract and retain high-quality personnel — but also recognized that this does not guarantee favorable investment results for every fund in every time period. The Trustees considered the investment performance of each fund over multiple time periods and considered information comparing each fund's performance with various benchmarks and with the performance of competitive funds.

The Trustees noted the disappointing investment performance of many of the funds for periods ended March 31, 2009. They discussed with senior management of Putnam Management the factors contributing to such underperformance and the actions being taken to improve performance. The Trustees recognized that, in recent years, Putnam Management has taken steps to strengthen its investment personnel and processes to address areas of underperformance, including Putnam Management's continuing efforts to strengthen the equity research function, recent changes in portfolio managers including increased accountability of individual managers rather than teams, recent changes in Putnam Management's approach to incentive compensation, including emphasis on top quartile performance over a rolling three-year period, and the recent arrival of a new chief investment officer. The Trustees also recognized the substantial improvement in performance of many funds since the implementation of those changes. The Trustees indicated their intention to continue to monitor performance trends to assess the effectiveness of these efforts and to evaluate whether additional changes to address areas of underperformance are warranted.

In the case of your fund, the Trustees considered that your fund's common share cumulative total return performance at net asset value was in the following percentiles of its Lipper Inc. peer group (Lipper Flexible Income Funds (closed-end)) for the one-year, three-year and five-year periods ended March 31, 2009 (the first percentile being the best-performing funds and the 100th percentile being the worst-performing funds):

One-year period	72nd
<hr/>	
Three-year period	72nd
<hr/>	
Five-year period	72nd
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Over the one-year, three-year and five-year periods ended March 31, 2009, there were 6, 6 and 6 funds, respectively, in your fund's Lipper peer group. Past performance is no guarantee of future results.

As a general matter, the Trustees believe that cooperative efforts between the Trustees and Putnam Management represent the most effective way to address investment performance problems. The Trustees noted that investors in the Putnam funds have, in effect, placed their trust in the Putnam organization, under the oversight of the funds' Trustees, to make appropriate decisions regarding the management of the funds. Based on the responsiveness of Putnam Management in the recent past to Trustee concerns about investment performance, the Trustees concluded that it is preferable to seek change within Putnam Management to address performance shortcomings. In the Trustees' view, the alternative of engaging a new investment adviser for an underperforming fund would entail significant disruptions and would not provide any greater assurance of improved investment performance.

Brokerage and soft-dollar allocations; other benefits

The Trustees considered various potential benefits that Putnam Management may receive in connection with the services it provides under the management contract with your fund. These include benefits related to brokerage and soft-dollar allocations, whereby a portion of the commissions paid by a fund for brokerage may be used to acquire research services that may be useful to Putnam Management in managing the assets of the fund and of other clients. The Trustees considered a change made, at Putnam Management's request, to the Putnam funds'

brokerage allocation policy commencing in 2009, which increased the permitted soft dollar allocation to third-party services over what had been authorized in previous years. The Trustees noted that a portion of available soft dollars continue to be allocated to the payment of fund expenses, although the amount allocated for this purpose has declined in recent years. The Trustees indicated their continued intent to monitor regulatory developments in this area with the assistance of their Brokerage Committee and also indicated their continued intent to monitor the potential benefits associated with the allocation of fund brokerage and trends in industry

12

practice to ensure that the principle of seeking best price and execution remains paramount in the portfolio trading process.

The Trustees' annual review of your fund's management contract also included the review of the investor servicing agreement with Putnam Fiduciary Trust Company, which agreement provides benefits to an affiliate of Putnam Management.

Comparison of retail and institutional fee schedules

The information examined by the Trustees as part of their annual contract review has included for many years information regarding fees charged by Putnam Management and its affiliates to institutional clients such as defined benefit pension plans, college endowments, etc. This information included comparisons of such fees with fees charged to the funds, as well as a detailed assessment of the differences in the services provided to these two types of clients. The Trustees observed, in this regard, that the differences in fee rates between institutional clients and mutual funds are by no means uniform when examined by individual asset sectors, suggesting that differences in the pricing of investment management services to these types of clients reflect to a substantial degree historical competitive forces operating in separate market places. The Trustees considered the fact that fee rates across different asset classes are typically higher on average for mutual funds than for institutional clients, as well as the differences between the services that Putnam Management provides to the Putnam funds and those that it provides to institutional clients of the firm, but did not rely on such comparisons to any significant extent in concluding that the management fees paid by your fund are reasonable.

13

Other information for shareholders

Important notice regarding share repurchase program

In September 2008, the Trustees of your fund approved the renewal of a share repurchase program that had been in effect since 2005. This renewal will allow your fund to repurchase, in the 12 months beginning October 8, 2008, up to 10% of the fund's common shares outstanding as of October 7, 2008.

Putnam's policy on confidentiality

In order to conduct business with our shareholders, we must obtain certain personal information such as account holders' addresses, telephone numbers, Social Security numbers, and the names of their financial representatives. We use this information to assign an account number and to help us maintain accurate records of transactions and account balances. It is our policy to protect the confidentiality of your information, whether or not you currently own shares of our funds, and, in particular, not to sell information about you or your accounts to outside marketing firms. We have safeguards in place designed to prevent unauthorized access to our computer systems and procedures to protect personal information from unauthorized use. Under certain circumstances, we share this information with outside vendors who provide services to us, such as mailing and proxy solicitation. In those cases,

the service providers enter into confidentiality agreements with us, and we provide only the information necessary to process transactions and perform other services related to your account. We may also share this information with our Putnam affiliates to service your account or provide you with information about other Putnam products or services. It is also our policy to share account information with your financial representative, if you've listed one on your Putnam account. If you would like clarification about our confidentiality policies or have any questions or concerns, please don't hesitate to contact us at 1-800-225-1581, Monday through Friday, 8:30 a.m. to 8:00 p.m., or Saturdays from 9:00 a.m. to 5:00 p.m. Eastern Time.

Proxy voting

Putnam is committed to managing our mutual funds in the best interests of our shareholders. The Putnam funds' proxy voting guidelines and procedures, as well as information regarding how your fund voted proxies relating to portfolio securities during the 12-month period ended June 30, 2009, are available in the Individual Investors section at putnam.com, and on the SEC's Web site, www.sec.gov. If you have questions about finding forms on the SEC's Web site, you may call the SEC at 1-800-SEC-0330.

You may also obtain the Putnam funds' proxy voting guidelines and procedures at no charge by calling Putnam's Shareholder Services at 1-800-225-1581.

Fund portfolio holdings

The fund will file a complete schedule of its portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. Shareholders may obtain the fund's Forms N-Q on the SEC's Web site at www.sec.gov. In addition, the fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. You may call the SEC at 1-800-SEC-0330 for information about the SEC's Web site or the operation of the Public Reference Room.

Trustee and employee fund ownership

Putnam employees and members of the Board of Trustees place their faith, confidence, and, most importantly, investment dollars in Putnam mutual funds. As of July 31, 2009, Putnam employees had \$371,000,000 and the Trustees had \$33,000,000 invested in Putnam mutual funds. These amounts include investments by the Trustees' and employees' immediate family members as well as investments through retirement and deferred compensation plans.

14

Financial statements

These sections of the report, as well as the accompanying Notes, preceded by the Report of Independent Registered Public Accounting Firm, constitute the fund's financial statements.

The fund's portfolio lists all the fund's investments and their values as of the last day of the reporting period. Holdings are organized by asset type and industry sector, country, or state to show areas of concentration and diversification.

Statement of assets and liabilities shows how the fund's net assets and share price are determined. All investment and noninvestment assets are added together. Any unpaid expenses and other liabilities are subtracted from this total. The result is divided by the number of shares to determine the net asset value per share. (For funds with preferred shares, the amount subtracted from total assets includes the liquidation preference of preferred shares.)

Statement of operations shows the fund's net investment gain or loss. This is done by first adding up all the fund's earnings — from dividends and interest income — and subtracting its operating expenses to determine net

investment income (or loss). Then, any net gain or loss the fund realized on the sales of its holdings □ as well as any unrealized gains or losses over the period □ is added to or subtracted from the net investment result to determine the fund□s net gain or loss for the fiscal year.

Statement of changes in net assets shows how the fund□s net assets were affected by the fund□s net investment gain or loss, by distributions to shareholders, and by changes in the number of the fund□s shares. It lists distributions and their sources (net investment income or realized capital gains) over the current reporting period and the most recent fiscal year-end. The distributions listed here may not match the sources listed in the Statement of operations because the distributions are determined on a tax basis and may be paid in a different period from the one in which they were earned.

Financial highlights provide an overview of the fund□s investment results, per-share distributions, expense ratios, net investment income ratios, and portfolio turnover in one summary table, reflecting the five most recent reporting periods. In a semiannual report, the highlight table also includes the current reporting period.

15

Report of Independent Registered Public Accounting Firm

The Board of Trustees and Shareholders
Putnam Premier Income Trust:

We have audited the accompanying statement of assets and liabilities of Putnam Premier Income Trust, including the fund□s portfolio, as of July 31, 2009, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the years in the two year period then ended and the financial highlights for each of the years in the five year period then ended. These financial statements and financial highlights are the responsibility of the fund□s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of July 31, 2009 by correspondence with the custodian and brokers or by other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Putnam Premier Income Trust as of July 31, 2009, the results of its operations for the year then ended, the changes in its net assets for each of the years in the two year period then ended, and the financial highlights for each of the years in the five year period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts
September 16, 2009

16

The fund□s portfolio 7/31/09

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MORTGAGE-BACKED SECURITIES (47.1%)*	Principal amount	Value
<hr/>		
Banc of America Alternative Loan Trust		
Ser. 06-7, Class A2, 5.707s, 2036	\$8,951,000	\$6,265,700
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Banc of America Commercial Mortgage, Inc.		
FRB Ser. 07-3, Class A2, 5.658s, 2049	3,453,000	3,454,200
FRB Ser. 07-3, Class A3, 5.658s, 2049	343,000	295,702
Ser. 07-2, Class A2, 5.634s, 2049	977,000	956,514
Ser. 07-1, Class A4, 5.451s, 2049	1,964,000	1,743,522
Ser. 05-6, Class A2, 5.165s, 2047	2,118,000	2,121,442
Ser. 07-5, Class XW, IO, 0.439s, 2051	218,129,000	3,271,935
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Banc of America Commercial Mortgage, Inc. 144A		
Ser. 01-1, Class J, 6 1/8s, 2036	318,946	106,544
Ser. 01-1, Class K, 6 1/8s, 2036	718,000	335,941
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Banc of America Funding Corp. FRB		
Ser. 06-D, Class 6A1, 5.925s, 2036	6,152,964	3,568,719
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Banc of America Large Loan 144A FRB		
Ser. 05-MIB1, Class K, 2.288s, 2022	1,187,000	592,038
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Bayview Commercial Asset Trust 144A		
Ser. 07-1, Class S, IO, 2.477s, 2037	7,368,885	390,551
Ser. 07-5A, IO, 1.55s, 2037	1,913,426	139,106
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Bear Stearns Alternate Trust		
FRB Ser. 06-5, Class 2A2, 6 1/4s, 2036	4,531,322	2,130,724
FRB Ser. 06-6, Class 2A1, 5.862s, 2036	2,188,691	1,071,812
FRB Ser. 07-1, Class 21A1, 5.645s, 2047	3,060,875	1,561,046
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Bear Stearns Alternate Trust II FRB		
Ser. 07-1, Class 1A1, 6.074s, 2047	2,778,402	1,560,138
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Bear Stearns Commercial Mortgage Securities, Inc.		
FRB Ser. 00-WF2, Class F, 8.191s, 2032	481,000	283,184

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Ser. 07-PW17, Class A3, 5.736s, 2050	3,745,000	3,482,850
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Bear Stearns Commercial Mortgage Securities, Inc. 144A Ser. 07-PW18, Class X1, IO, 0.095s, 2050	121,015,632	699,168
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Citigroup Mortgage Loan Trust, Inc. FRB Ser. 06-AR5, Class 2A5A, 6.197s, 2036	2,837,481	1,467,538
FRB Ser. 05-10, Class 1A5A, 5.831s, 2035	280,041	162,424
FRB Ser. 05-10, Class 1A4A, 5.733s, 2035	2,955,425	1,655,038
FRB Ser. 06-AR7, Class 2A2A, 5 5/8s, 2036	1,774,041	1,046,684
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Citigroup/Deutsche Bank Commercial Mortgage Trust 144A Ser. 07-CD5, Class XS, IO, 0.077s, 2044	71,154,610	347,117
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Commercial Mortgage Acceptance Corp. Ser. 97-ML1, IO, 0.967s, 2017	1,022,534	27,832
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Commercial Mortgage Pass-Through Certificates 144A FRB Ser. 05-F10A, Class A1, 0.388s, 2017	481,627	473,049
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Countrywide Alternative Loan Trust Ser. 06-45T1, Class 2A2, 6s, 2037	6,273,747	3,751,505
Ser. 06-J8, Class A4, 6s, 2037	4,763,452	2,848,396
Ser. 05-80CB, Class 2A1, 6s, 2036	3,951,528	2,827,812
Ser. 07-HY5R, Class 2A1A, 5.544s, 2047	3,659,822	2,996,194
Ser. 07-8CB, Class A1, 5 1/2s, 2037	2,149,453	1,583,207
FRB Ser. 06-23CBC, Class 2A5, 0.685s, 2036	6,596,052	3,256,801
FRB Ser. 06-OC10, Class 2A2A, 0.465s, 2036	4,050,000	1,775,011
FRB Ser. 07-HY7C, Class A1, 0.425s, 2037	4,349,335	2,000,694
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Countrywide Home Loans FRB Ser. 05-HYB7, Class 6A1, 5.667s, 2035	4,318,538	2,461,567
FRB Ser. 05-HYB4 Class 2A1,		

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4.887s, 2035 10,081,034 5,947,810

MORTGAGE-BACKED

SECURITIES (47.1%)* cont.

	Principal amount	Value
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Countrywide Home Loans 144A		
IFB Ser. 05-R1, Class 1AS, IO, 5.576s, 2035	\$4,980,972	\$457,627
Ser. 06-R1, Class AS, IO, 5.565s, 2036	3,559,415	319,395
Ser. 05-R3, Class AS, IO, 5.514s, 2035	1,090,849	98,858
FRB Ser. 06-R2, Class AS, IO, 5.406s, 2036	5,774,100	440,275
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Credit Suisse Mortgage Capital Certificates		
Ser. 07-3, Class 1A1A, 5.837s, 2037	1,609,152	901,125
FRB Ser. 06-C3, Class A3, 5.826s, 2038	7,798,000	6,380,678
FRB Ser. 07-C4, Class A2, 5.81s, 2039	1,632,000	1,641,674
Ser. 07-C5, Class A3, 5.694s, 2040	21,660,000	19,463,340
Ser. 06-C4, Class A3, 5.467s, 2039	2,852,000	2,050,115
Ser. 07-C2, Class A2, 5.448s, 2049	5,040,000	4,902,430
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CRESI Finance Limited Partnership 144A		
FRB Ser. 06-A, Class D, 1.085s, 2017	167,000	75,150
FRB Ser. 06-A, Class C, 0.885s, 2017	495,000	272,250
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Criimi Mae Commercial Mortgage Trust		
144A Ser. 98-C1, Class B, 7s, 2033	1,475,186	1,331,945
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CS First Boston Mortgage Securities Corp. 144A		
Ser. 98-C2, Class F, 6 3/4s, 2030	3,176,400	2,264,780
Ser. 98-C1, Class F, 6s, 2040	1,880,000	1,560,400
Ser. 02-CP5, Class M, 5 1/4s, 2035	691,000	49,595
FRB Ser. 05-TFLA, Class L, 2.138s, 2020	1,356,000	678,000
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CWCapital Cobalt Ser. 06-C1, Class A2, 5.174s, 2048	3,038,000	3,047,176
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Deutsche Alternative Securities, Inc.		
FRB Ser. 06-AR3, Class A1, 0.475s, 2036	3,355,361	1,456,567
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Deutsche Mortgage & Asset			
Receiving Corp. Ser. 98-C1, Class X,			
IO, 0.634s, 2031		8,471,556	159,435
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DLJ Commercial Mortgage Corp.			
Ser. 98-CF2, Class B4, 6.04s, 2031		552,708	386,896
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European Loan Conduit 144A FRB			
Ser. 22A, Class D, 1.764s, 2014			
(United Kingdom)	GBP	995,000	249,039
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European Prime Real Estate PLC 144A			
FRB Ser. 1-A, Class D, 1.764s, 2014			
(United Kingdom)	GBP	541,855	45,207
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Fannie Mae			
IFB Ser. 06-70, Class SM, 52.403s, 2036		\$369,178	596,780
IFB Ser. 06-62, Class PS, 38.19s, 2036		1,112,217	1,628,348
IFB Ser. 05-74, Class CP, 23.705s, 2035		794,140	1,003,229
IFB Ser. 05-99, Class SA, 23.522s, 2035		919,616	1,150,265
IFB Ser. 05-95, Class OP, 19.475s, 2035		606,849	741,269
IFB Ser. 05-83, Class QP, 16.653s, 2034		330,320	390,948
IFB Ser. 03-44, Class SI, IO, 7.715s, 2033		3,644,585	489,180
IFB Ser. 07-W6, Class 6A2, IO,			
7.515s, 2037		1,737,035	208,861
IFB Ser. 06-90, Class SE, IO, 7.515s, 2036		4,202,141	622,942
IFB Ser. 08-7, Class SA, IO, 7.265s, 2038		7,924,118	1,064,051
IFB Ser. 07-W6, Class 5A2, IO,			
7.005s, 2037		2,645,601	296,519
IFB Ser. 07-W2, Class 3A2, IO,			
6.995s, 2037		2,254,339	252,306
IFB Ser. 05-113, Class AI, IO,			
6.945s, 2036		1,317,046	167,678
IFB Ser. 06-125, Class SM, IO,			
6.915s, 2037		1,974,492	217,747
IFB Ser. 06-43, Class SU, IO,			
6.915s, 2036		668,598	75,933
IFB Ser. 06-24, Class QS, IO,			
6.915s, 2036		1,475,432	220,651

MORTGAGE-BACKED SECURITIES (47.1%)* <i>cont.</i>	Principal amount	Value
Fannie Mae		
IFB Ser. 06-79, Class DI, IO, 6.865s, 2036	\$3,173,297	\$415,600
IFB Ser. 06-60, Class SI, IO, 6.865s, 2036	6,103,825	747,291
IFB Ser. 06-60, Class UI, IO, 6.865s, 2036	1,041,924	141,664
IFB Ser. 04-24, Class CS, IO, 6.865s, 2034	637,402	91,218
IFB Ser. 04-12, Class WS, IO, 6.865s, 2033	3,893,248	419,920
IFB Ser. 07-W7, Class 3A2, IO, 6.845s, 2037	2,895,995	317,169
IFB Ser. 03-130, Class BS, IO, 6.765s, 2033	4,534,726	486,095
IFB Ser. 03-34, Class WS, IO, 6.715s, 2029	4,289,829	