

PUTNAM MASTER INTERMEDIATE INCOME TRUST  
Form N-Q  
February 27, 2014

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: (811-05498)

Exact name of registrant as specified in charter: Putnam Master Intermediate Income Trust

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

Name and address of agent for service: Robert T. Burns, Vice President  
One Post Office Square  
Boston, Massachusetts 02109

Copy to: 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: September 30, 2014

Date of reporting period: December 31, 2013

Item 1. Schedule of Investments:

# Putnam Master Intermediate Income Trust

The fund's portfolio  
12/31/13 (Unaudited)

## MORTGAGE-BACKED SECURITIES (48.4%)(a)

Principal  
amount      Value

## FORWARD CURRENCY CONTRACTS at 12/31/13 (aggregate face value \$121,761,100) (Unaudited)

Counterparty	Currency	Contract type	Delivery date	Value	Aggregate face value	Unrealized appreciation/ depreciation
<b>Bank of America N.A.</b>						
	Brazilian Real	Buy	1/3/14	\$1,036,728	\$1,102,100	\$(65,372)
	Brazilian Real	Sell	1/3/14	1,036,728	1,044,186	7,458
	Chilean Peso	Sell	1/16/14	364,834	299,488	(65,346)
	Singapore Dollar	Sell	2/19/14	375,454	383,351	7,897
	Swiss Franc	Sell	3/19/14	929,533	915,246	(14,287)
<b>Barclays Bank PLC</b>						
	Australian Dollar	Sell	1/16/14	853,510	820,702	(32,808)
	Brazilian Real	Buy	1/3/14	3,316,011	3,460,944	(144,933)
	Brazilian Real	Sell	1/3/14	3,316,011	3,393,100	77,089
	Brazilian Real	Sell	4/2/14	816,875	811,164	(5,711)
	British Pound	Buy	3/19/14	997,675	982,659	15,016
	Canadian Dollar	Sell	1/16/14	3,677,004	3,740,506	63,502
	Euro	Sell	3/19/14	792,248	785,862	(6,386)
	Japanese Yen	Sell	2/19/14	1,327,848	1,391,921	64,073
	Mexican Peso	Buy	1/16/14	19,510	(169)	19,679
	Norwegian Krone	Buy	3/19/14	39,787	39,545	242
	Polish Zloty	Buy	3/19/14	479,446	466,645	12,801
	Singapore Dollar	Sell	2/19/14	54,519	64,385	9,866
	Swiss Franc	Sell	3/19/14	517,878	509,845	(8,033)
	Turkish Lira	Buy	3/19/14	474,681	494,871	(20,190)
<b>Citibank, N.A.</b>						
	Australian Dollar	Buy	1/16/14	457,668	481,386	(23,718)

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Brazilian Real	Buy	1/3/14	2,549,793	2,685,864	(136,071)
Brazilian Real	Sell	1/3/14	2,549,793	2,571,907	22,114
Brazilian Real	Sell	4/2/14	78,613	78,102	(511)
Canadian Dollar	Buy	1/16/14	850,081	860,019	(9,938)
Canadian Dollar	Sell	1/16/14	850,081	863,113	13,032
Euro	Sell	3/19/14	60,392	45,995	(14,397)
Japanese Yen	Sell	2/19/14	843,742	867,724	23,982
New Taiwan Dollar	Buy	2/19/14	1,603,155	1,623,303	(20,148)
New Taiwan Dollar	Sell	2/19/14	1,603,155	1,628,091	24,936
New Zealand Dollar	Buy	1/16/14	854,365	843,140	11,225
New Zealand Dollar	Sell	1/16/14	854,365	843,012	(11,353)
Swiss Franc	Sell	3/19/14	1,710,781	1,684,355	(26,426)
<b>Credit Suisse International</b>					
British Pound	Buy	3/19/14	214,497	222,392	(7,895)
Canadian Dollar	Sell	1/16/14	195,181	215,911	20,730
Euro	Sell	3/19/14	1,163,128	1,152,042	(11,086)
Indian Rupee	Buy	2/19/14	513,447	512,847	600
Japanese Yen	Buy	2/19/14	401,446	394,367	7,079
Mexican Peso	Buy	1/16/14	1,082,062	1,054,030	28,032
New Zealand Dollar	Buy	1/16/14	1,423,394	1,441,767	(18,373)
New Zealand Dollar	Sell	1/16/14	1,423,394	1,411,780	(11,614)
Norwegian Krone	Sell	3/19/14	10,571	1,810	(8,761)
Singapore Dollar	Sell	2/19/14	437,978	452,812	14,834
South Korean Won	Buy	2/19/14	286,952	286,183	769
Swedish Krona	Sell	3/19/14	971,264	948,195	(23,069)
Swiss Franc	Sell	3/19/14	1,858,057	1,829,152	(28,905)
<b>Deutsche Bank AG</b>					
Australian Dollar	Buy	1/16/14	28,102	95,702	(67,600)
British Pound	Sell	3/19/14	243,461	240,413	(3,048)
Canadian Dollar	Sell	1/16/14	864,009	849,044	(14,965)
Euro	Sell	3/19/14	401,558	395,847	(5,711)
Japanese Yen	Sell	2/19/14	421,518	400,662	(20,856)
Polish Zloty	Buy	3/19/14	448,575	436,574	12,001
Swiss Franc	Sell	3/19/14	2,735,994	2,707,056	(28,938)
<b>Goldman Sachs International</b>					
Australian Dollar	Buy	1/16/14	153,537	160,969	(7,432)
British Pound	Buy	3/19/14	101,953	103,454	(1,501)
Canadian Dollar	Sell	1/16/14	863,821	849,083	(14,738)
Chilean Peso	Sell	1/16/14	75,050	744	(74,306)
Euro	Sell	3/19/14	1,152,398	1,135,084	(17,314)
Japanese Yen	Sell	2/19/14	838,870	868,312	29,442
<b>HSBC Bank USA, National Association</b>					
Canadian Dollar	Sell	1/16/14	864,009	853,619	(10,390)
Euro	Sell	3/19/14	152,561	146,407	(6,154)
New Taiwan Dollar	Buy	2/19/14	1,603,155	1,622,935	(19,780)
New Taiwan Dollar	Sell	2/19/14	1,603,155	1,627,414	24,259
<b>JPMorgan Chase Bank N.A.</b>					
Australian Dollar	Sell	1/16/14	833,883	841,010	7,127
Brazilian Real	Buy	1/3/14	2,492,826	2,630,246	(137,420)
Brazilian Real	Sell	1/3/14	2,492,826	2,522,888	30,062
British Pound	Buy	3/19/14	365,273	369,931	(4,658)
Canadian Dollar	Sell	1/16/14	861,280	867,311	6,031
Euro	Buy	3/19/14	610,384	600,584	9,800
Japanese Yen	Sell	2/19/14	631,060	675,530	44,470
Mexican Peso	Buy	1/16/14	447,161	433,901	13,260
New Taiwan Dollar	Buy	2/19/14	2,798,938	2,827,836	(28,898)
New Taiwan Dollar	Sell	2/19/14	2,798,938	2,845,698	46,760
New Zealand Dollar	Buy	1/16/14	842,613	868,839	(26,226)
New Zealand Dollar	Sell	1/16/14	842,613	838,295	(4,318)
Russian Ruble	Sell	3/19/14	83,319	82,155	(1,164)
Singapore Dollar	Sell	2/19/14	1,074,063	1,095,365	21,302
South Korean Won	Buy	2/19/14	1,218,203	1,211,740	6,463

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	Swiss Franc	Sell	3/19/14	886,349	885,840	(509)
<b>Royal Bank of Scotland PLC (The)</b>	Australian Dollar	Buy	1/16/14	21,679	2,966	18,713
	Brazilian Real	Buy	1/3/14	1,955,452	2,078,686	(123,234)
	Brazilian Real	Sell	1/3/14	1,955,452	1,979,814	24,362
	British Pound	Sell	3/19/14	847,395	836,941	(10,454)
	Canadian Dollar	Sell	1/16/14	866,832	880,308	13,476
	Euro	Sell	3/19/14	1,260,664	1,229,505	(31,159)
	Japanese Yen	Sell	2/19/14	1,666,882	1,732,867	65,985
	Mexican Peso	Buy	1/16/14	520,297	507,112	13,185
<b>State Street Bank and Trust Co.</b>	Australian Dollar	Buy	1/16/14	834,954	873,167	(38,213)
	Brazilian Real	Buy	1/3/14	2,154,880	2,293,594	(138,714)
	Brazilian Real	Sell	1/3/14	2,154,880	2,192,837	37,957
	British Pound	Buy	3/19/14	869,904	860,343	9,561
	Canadian Dollar	Sell	1/16/14	863,445	854,315	(9,130)
	Chilean Peso	Buy	1/16/14	289,785	297,726	(7,941)
	Chilean Peso	Sell	1/16/14	289,785	298,893	9,108
	Euro	Sell	3/19/14	1,346,505	1,344,267	(2,238)
	Japanese Yen	Sell	2/19/14	1,051,910	1,126,540	74,630
	Mexican Peso	Buy	1/16/14	654,403	642,721	11,682
	New Taiwan Dollar	Buy	2/19/14	2,798,938	2,829,457	(30,519)
	New Taiwan Dollar	Sell	2/19/14	2,798,938	2,842,009	43,071
	New Zealand Dollar	Buy	1/16/14	842,613	862,534	(19,921)
	New Zealand Dollar	Sell	1/16/14	842,613	837,894	(4,719)
	Norwegian Krone	Buy	3/19/14	437,611	434,684	2,927
	Polish Zloty	Buy	3/19/14	799,099	777,571	21,528
	Singapore Dollar	Sell	2/19/14	633,233	648,054	14,821
	South Korean Won	Buy	2/19/14	1,334,739	1,329,819	4,920
	Swedish Krona	Sell	3/19/14	9,969	9,817	(152)
	Swiss Franc	Sell	3/19/14	256,303	252,333	(3,970)
<b>UBS AG</b>	Australian Dollar	Sell	1/16/14	850,120	857,873	7,753
	British Pound	Sell	3/19/14	5,296	(5,659)	(10,955)
	Canadian Dollar	Sell	1/16/14	874,926	876,004	1,078
	Euro	Sell	3/19/14	763,359	749,739	(13,620)
	Japanese Yen	Sell	2/19/14	505,821	521,302	15,481
	Mexican Peso	Buy	1/16/14	627,387	595,783	31,604
	New Zealand Dollar	Buy	1/16/14	842,695	862,656	(19,961)
	New Zealand Dollar	Sell	1/16/14	842,695	831,095	(11,600)
	Norwegian Krone	Buy	3/19/14	195,566	194,282	1,284
	Russian Ruble	Sell	3/19/14	221,049	217,841	(3,208)
	Singapore Dollar	Sell	2/19/14	711,921	729,623	17,702
	Swedish Krona	Sell	3/19/14	818,271	806,180	(12,091)
	Swiss Franc	Sell	3/19/14	2,529,157	2,489,511	(39,646)
<b>WestPac Banking Corp.</b>	Australian Dollar	Buy	1/16/14	809,885	872,646	(62,761)
	Australian Dollar	Sell	1/16/14	809,885	855,520	45,635
	Canadian Dollar	Sell	1/16/14	863,068	861,507	(1,561)
	Euro	Buy	3/19/14	266,604	269,481	(2,877)
	Japanese Yen	Sell	2/19/14	503,681	522,804	19,123
<b>Total</b>						<b>\$(608,382)</b>

**FUTURES CONTRACTS OUTSTANDING at 12/31/13 (Unaudited)**

	<b>Number of contracts</b>	<b>Value</b>	<b>Expiration date</b>	<b>Unrealized appreciation/ (depreciation)</b>
Australian Government Treasury Bond 10 yr (Long)	3	\$307,149	Mar-14	\$2,454
Japanese Government Bond 10 yr (Short)	10	13,609,344	Mar-14	78,772
Japanese Government Bond 10 yr Mini (Long)	4	544,184	Mar-14	(3,168)
U.K. Gilt 10 yr (Short)	5	882,290	Mar-14	4,706
U.S. Treasury Bond 30 yr (Long)	14	1,796,375	Mar-14	(29,995)
U.S. Treasury Note 5 yr (Short)	66	7,874,625	Mar-14	100,937
U.S. Treasury Note 10 yr (Long)	152	\$18,703,125	Mar-14	(318,257)
<b>Total</b>				<b>\$(164,551)</b>

**FORWARD PREMIUM SWAP OPTION CONTRACTS OUTSTANDING at 12/31/13 (Unaudited)**

<b>Counterparty</b>	<b>Fixed right or obligation % to receive or (pay)/ Floating rate index/Maturity date</b>	<b>Expiration date/strike</b>	<b>Contract amount</b>	<b>Unrealized appreciation/ (depreciation)</b>
<b>Goldman Sachs International</b>				
(1.18)/3 month USD-LIBOR-BBA/May-17 (Purchased)		May-14/1.18	\$42,775,000	\$98,383
(1.1925)/3 month USD-LIBOR-BBA/May-17 (Purchased)		May-14/1.1925	42,775,000	96,672
1.035/6 month EUR-EURIBOR_Reuters/May-17 (Written)		May-14/1.035	EUR 34,197,000	(31,050)
1.029/6 month EUR-EURIBOR_Reuters/May-17 (Written)		May-14/1.029	EUR 34,197,000	(43,281)
<b>JPMorgan Chase Bank N.A.</b>				
(1.155)/3 month USD-LIBOR-BBA/May-17 (Purchased)		May-14/1.155	34,220,000	76,653

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2.777/3 month USD-LIBOR-BBA/May-24 (Purchased)	May-14/2.777		20,944,000	(168,391)
(1.60)/3 month USD-LIBOR-BBA/May-19 (Written)	May-14/1.60		41,888,000	173,416
1.004/6 month EUR-EURIBOR_Reuters/May-17 (Written)	May-14/1.004	EUR	25,648,000	(34,225)
<b>Total</b>				<b>\$168,177</b>

**WRITTEN SWAP OPTIONS OUTSTANDING at 12/31/13 (premiums \$230,384)  
(Unaudited)**

<b>Counterparty</b>	<b>Fixed Obligation % to receive or (pay)/ Floating rate index/Maturity date</b>	<b>Expiration date/strike</b>	<b>Contract amount</b>	<b>Value</b>
<b>Credit Suisse International</b>				
	(1.5775)/3 month USD-LIBOR-BBA/May-19	May-14/1.5775	\$41,888,000	\$56,549
<b>Total</b>				<b>\$56,549</b>

**OTC INTEREST RATE SWAP CONTRACTS OUTSTANDING at 12/31/13  
(Unaudited)**

**CENTRALLY CLEARED INTEREST RATE SWAP CONTRACTS  
OUTSTANDING at 12/31/13 (Unaudited)**

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**OTC TOTAL RETURN SWAP CONTRACTS OUTSTANDING at 12/31/13 (Unaudited)**

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**OTC CREDIT DEFAULT CONTRACTS OUTSTANDING at 12/31/13  
(Unaudited)**

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**CENTRALLY CLEARED CREDIT DEFAULT CONTRACTS OUTSTANDING at  
12/31/13 (Unaudited)**

**Key to holding's currency abbreviations**

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
EUR	Euro
GBP	British Pound
JPY	Japanese Yen
KRW	South Korean Won
RUB	Russian Ruble
SEK	Swedish Krona
ZAR	South African Rand

**Key to holding's abbreviations**

EMTN	Euro Medium Term Notes
FRB	Floating Rate Bonds: the rate shown is the current interest rate at the close of the reporting period
FRN	Floating Rate Notes: the rate shown is the current interest rate at the close of the reporting period
IFB	Inverse Floating Rate Bonds, which are securities that pay interest rates that vary inversely to changes in the market interest rates. As interest rates rise, inverse floaters produce less current income. The rate shown is the current interest rate at the close of the reporting period.
IO	Interest Only
JSC	Joint Stock Company
MTN	Medium Term Notes
OAO	Open Joint Stock Company
OJSC	Open Joint Stock Company
PO	Principal Only
TBA	To Be Announced Commitments

**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 October 1, 2013 through December 31, 2013 (the reporting period). Within the following notes to the portfolio, references to "ASC 820" represent Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*, references to "Putnam Management" represent Putnam Investment



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Management, LLC, the fund's manager, an indirect wholly-owned subsidiary of Putnam Investments, LLC and references to "OTC", if any, represent over-the-counter.

- (a) Percentages indicated are based on net assets of \$345,425,365.
- (b) The aggregate identified cost on a tax basis is \$379,088,770, resulting in gross unrealized appreciation and depreciation of \$15,675,217 and \$5,782,817, respectively, or net unrealized appreciation of \$9,892,400.
- (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.
- (PIK) Income may be received in cash or additional securities at the discretion of the issuer.
- (AFF) Affiliated company. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period. Transactions during the period with Putnam Short Term Investment Fund, which is under common ownership and control, were as follows:

Name of affiliate	Fair value at the beginning of the reporting period	Purchase cost	Sale proceeds	Investment income	Fair value at the end of the reporting period
Putnam Short Term Investment Fund *	\$8,442,892	\$40,449,565	\$36,849,840	\$2,305	\$12,042,617

\* Management fees charged to Putnam Short Term Investment Fund have been waived by Putnam Management.

- (SEG) This security, in part or in entirety, was pledged and segregated with the broker to cover margin requirements for futures contracts at the close of the reporting period.
- (SEGSF) This security, in part or in entirety, was pledged and segregated with the custodian for collateral on certain derivative contracts at the close of the reporting period.
- (SEGCCS) This security, in part or in entirety, was pledged and segregated with the custodian for collateral on the initial margin on certain centrally cleared derivative contracts at the close of the reporting period.
- (FWC) Forward commitment, in part or in entirety.
- (c) Senior loans are exempt from registration under the Securities Act of 1933, as amended, but contain certain restrictions on resale and cannot be sold publicly. These loans pay interest at rates which adjust periodically. The interest rates shown for senior loans are the current interest rates at the close of the reporting period. Senior loans are also subject to mandatory and/or optional prepayment which cannot be predicted. As a result, the remaining maturity may be substantially less than the stated maturity shown. Senior loans are purchased or sold on a when-issued or delayed delivery basis and may be settled a month or more after the trade date, which from time to time can delay the actual investment of available cash balances; interest income is accrued based on the terms of the securities.  
  
Senior loans can be acquired through an agent, by assignment from another holder of the loan, or as a participation interest in another holder's portion of the loan. When the fund invests in a loan or participation, the fund is subject to the risk that an intermediate participant between the fund and the borrower will fail to meet its obligations to the fund, in addition to the risk that the borrower under the loan may default on its obligations.
- (F) Is valued at fair value following procedures approved by the Trustees. Securities may be classified as Level 2 or Level 3 for ASC 820 based on the securities' valuation inputs.
- (P) Security was pledged, or purchased with cash that was pledged, to the fund for collateral on certain derivatives contracts. The rate quoted in the security description is the annualized 7-day yield of the fund at the close of the reporting period.
- (R) Real Estate Investment Trust.

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At the close of the reporting period, the fund maintained liquid assets totaling \$100,475,867 to cover certain derivatives contracts and delayed delivery securities.

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 dates shown on debt obligations are the original maturity dates.

### **DIVERSIFICATION BY COUNTRY**

Distribution of investments by country of risk at the close of the reporting period, excluding collateral received, if any (as a percentage of Portfolio Value):

United States	82.1%
Russia	3.3
Argentina	1.7
Venezuela	1.5
United Kingdom	1.3
Greece	1.2
Luxembourg	1.0
Brazil	1.0
Canada	0.8
Ireland	0.7
Ukraine	0.6
Indonesia	0.6
Germany	0.6
Mexico	0.5
Other	3.1

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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.

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

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>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments in securities:</b>			
<b>Common stocks *:</b>			
Consumer cyclicals	\$258,284	\$188	\$72,838
<b>Total common stocks</b>	<b>258,284</b>	<b>188</b>	<b>72,838</b>
Convertible bonds and notes	\$—	\$136,500	\$—
Convertible preferred stocks	137,487	—	—
Corporate bonds and notes	—	105,865,389	—
Foreign government and agency bonds and notes	—	30,667,498	—
Mortgage-backed securities	—	167,216,664	—
Preferred stocks	—	440,878	—
Purchased swap options outstanding	—	73,513	—
Senior loans	—	5,408,707	—
U.S. government and agency mortgage obligations	—	46,589,337	—
Warrants	—	1,835	—
Short-term investments	12,342,617	19,769,435	—
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<b>Totals by level</b>	<b>\$12,738,388</b>	<b>\$376,169,944</b>	<b>\$72,838</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: Not applicable

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.

Putnam Master Intermediate Income Trust

By (Signature and Title):

/s/ Janet C. Smith

Janet C. Smith

Principal Accounting Officer

Date: February 27, 2014

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: February 27, 2014

By (Signature and Title):

/s/ Steven D. Krichmar

Steven D. Krichmar

Principal Financial Officer

Date: February 27, 2014