

# Managed Duration Investment Grade Municipal Fund

**MZF**  
**LISTED**  
**NYSE**

AS OF 4/30/2012

**FUND OVERVIEW**

Market Price	\$15.84
NAV	\$15.15
Premium/(Discount)	4.55%
Average 30-Day Volume	20,285
Current Distribution Rate <sup>3</sup>	6.25%
Dividend Per Share <sup>2</sup>	\$0.08250
Leverage <sup>4</sup>	40.35%
Expense Ratio (Common Shares) <sup>5</sup>	1.46%
Inception <sup>1</sup>	8/26/2003
Inception NAV	\$14.33
Inception Price	\$15.00
NYSE Ticker	MZF
CUSIP	56165R103
Email	mzf@guggenheimfunds.com
Taxable Equivalent Distribution Rate <sup>6</sup>	9.62%
NAV Ticker	XMZFX
Website	guggenheimfunds.com/mzf

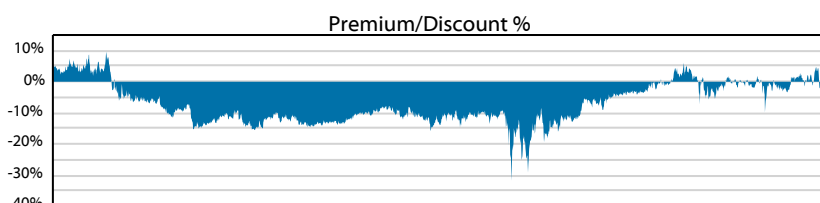
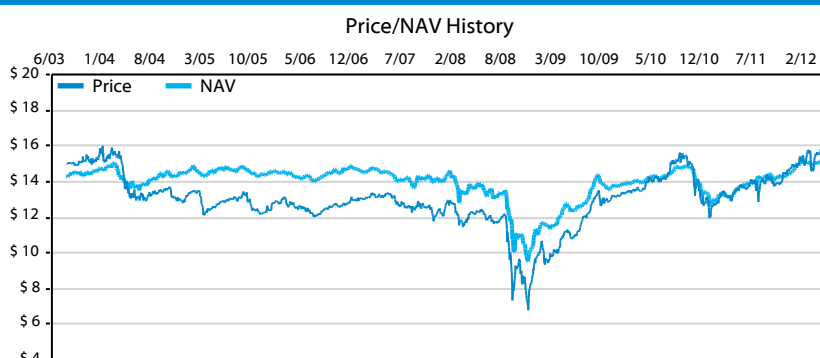
**PERFORMANCE HISTORY as of 4/30/2012**

	Market Price	NAV
2012 YTD	8.65%	6.06%
1 Year	26.12%	21.05%
3 Year	22.26%	15.39%
5 Year	10.52%	7.21%
10 Year	N/A	N/A
Since Inception	6.80%	6.39%
2011	22.12%	17.28%
2010	6.54%	4.38%
2009	66.45%	41.74%
2008	-27.21%	-22.73%
2007	0.93%	0.19%
2006	9.14%	5.17%
2005	1.36%	5.45%
2004	-9.80%	5.10%
2003 (Partial Year)	2.65%	3.01%

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Since Inception returns assume a purchase of common shares at the initial offering price of \$15.00 per share for market price returns or initial net asset value (NAV) of \$14.33 per share for NAV returns. Returns for periods of less than one year are not annualized. All distributions are assumed to be reinvested either in accordance with the dividend reinvestment plan (DRIP) for market price returns or NAV for NAV returns. Until the DRIP price is available from the Plan Agent, the market price returns reflect the reinvestment at the closing market price on the last business day of the month. Once the DRIP is available around mid-month, the market price returns are updated to reflect reinvestment at the DRIP price.

**INVESTMENT OBJECTIVE**

The Fund's objective is high current income exempt from regular Federal income tax while seeking to protect the value of the Fund's assets during periods of interest rate volatility.

**PRICE HISTORY as of 4/30/2012**

Since Inception of fund (8/26/2003). Past performance is not indicative of future results

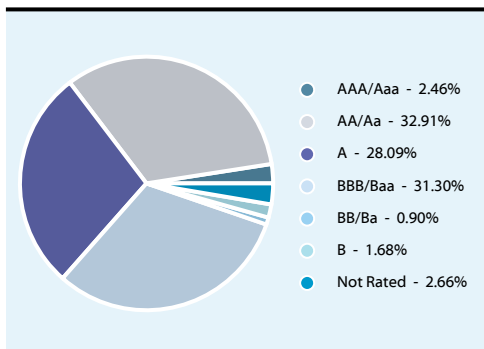
**SECTOR CONCENTRATION**

Medical	19.16%
Development	13.61%
General Obligation	9.59%
Housing	9.04%
Higher Education	7.36%
Water/Sewer	5.56%
Power	5.26%
Transportation	4.27%
Utilities	4.10%
Airport	3.94%
Pre-Refunded	3.80%
Lease	3.70%
School District	2.56%
Other	8.05%

**TOP 10 HOLDINGS**

California State, General Obligation	3.76%
Henderson, NV Hlth Care Fac, Cath. Hlthcare West	3.53%
California State, Department of Mental Health	3.06%
South Dakota Housing Development Authority	2.84%
Sweetwater Cnty WY - FMC Corp	2.43%
Metropolitan Transportation Authority	2.38%
Lorain Co Ohio Hospital, Catholic Healthcare	2.15%
Louisiana Environmental, Westlake Chemical Corp	1.95%
Highlands Co Florida, Adventist Health System	1.91%
Tobacco Settlement Finance Corp	1.87%

## CREDIT QUALITY



Ratings shown are assigned by one or more Nationally Recognized Statistical Credit Rating Organizations ("NRSRO"), such as Standard & Poor's, Moody's and Fitch. The ratings are an indication of an issuer's creditworthiness and typically range from AAA or Aaa (highest) to D (lowest). When two or more ratings are available, the lower rating is used; and when only one is available, that rating is used. The Non-Rated category consists of securities that have not been rated by an NRSRO. U.S. Treasury securities and U.S. Government Agency securities are not rated but deemed to be equivalent to securities rated AAA/Aaa. Credit quality, as rated by S&P, Moody's or Fitch, is an assessment of the credit worthiness of an issuer of the underlying security and not the Fund or its shares. Ratings are subject to change.

## STATE/TERRITORY CONCENTRATION

New York	11.76%
California	11.71%
Texas	8.87%
Illinois	6.91%
Ohio	5.31%
Louisiana	4.80%
Florida	4.75%
Nevada	4.47%
Wyoming	4.31%
Pennsylvania	4.15%
Other	32.96%

## CONTACT INFORMATION

For questions, contact:

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### Investment Adviser

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**Cutwater Asset Management Corp.** ("Cutwater") serves as the Fund's investment adviser. Based in Armonk, New York, Cutwater, formerly known as MBIA Capital Asset Management Corporation, was created in 1991 to provide fixed-income investment products and services to institutional and retail clients. The firm specializes in the management of fixed-income securities and provides expertise in investment-grade municipal bond investing. Cutwater is a wholly owned subsidiary of MBIA, Inc., which is listed on the New York Stock Exchange and is a component stock of the S&P 500 Index.

<sup>1</sup> Based on prospectus information. <sup>2</sup> Monthly dividend per share is subject to change. The distribution amount may include net investment income, capital gains and/or return of capital. The distribution amount alone is not indicative of Fund performance. <sup>3</sup> Latest declared monthly dividend per share annualized and divided by the current share price. To the extent any portion of the current distribution is estimated to be sourced from something other than income, such as return of capital, the source would be disclosed on a Section 19a-1 letter located under the "Fund News" section of the "News & Literature" section of the Fund's website. The distribution rate may include net investment income, capital gains and/or return of capital. The distribution rate alone is not indicative of Fund performance. <sup>4</sup> As a percentage of total assets. This figure is calculated on a weekly basis. <sup>5</sup> Expense ratio is annualized; Common Share Expense Ratio includes fee waiver of 0.26%. <sup>6</sup> The taxable equivalent rate is calculated by taking the current distribution rate and dividing it by one minus the highest federal marginal tax bracket. Our example uses the federal marginal tax rate of 35%.

All data as of 4/30/2012 or otherwise noted. Data is subject to change on a daily basis and represents a percentage of the Fund's total holdings, excluding cash. The securities mentioned are provided for informational purposes only and should not be deemed as a recommendation to buy or sell.

**Risks and Other Considerations** There can be no assurance that the Fund will achieve its investment objective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value. The Fund is subject to investment risk, including the possible loss of the entire amount that you invest. **Municipal Bond Market Risk.** The amount of public information available about the Municipal Bonds in the Fund's portfolio is generally less than that for corporate equities or bonds, and the investment performance of the Fund may therefore be more dependent on the analytical abilities of Cutwater than that of an equity fund or taxable bond fund. The secondary market for Municipal Bonds also tends to be less well-developed, or liquid, than many other securities markets, which may adversely affect the Fund's ability to sell its bonds at attractive prices or at prices approximating those at which the Fund currently values them. The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns and as governmental cost burdens are reallocated among federal, state and local governments. In addition, laws enacted in the future by Congress or state legislatures or referenda could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations, or on the ability of municipalities to levy taxes. In the event of bankruptcy of an issuer, the Fund could experience delays in collecting principal and interest and the Fund may not, in all circumstances, be able to collect all principal and interest to which it is entitled. **Portfolio Strategies.** The Fund may engage in various portfolio strategies both to seek to hedge its portfolio against adverse effects from movements in interest rates and in the securities markets generally and to seek to increase the return of the Fund. These strategies include the use of derivatives such as exchange traded financial futures and option contracts, options on futures contracts, or over-the-counter dealer transactions in caps, swap agreements or swaptions, the risks of which are summarized below. Such strategies subject the Fund to the risk that, if Cutwater incorrectly forecasts market values, interest rates or other applicable factors, the Fund's performance could suffer. Certain of these strategies may provide investment leverage to the Fund's portfolio and result in many of the same risks of leverage to the holders of the Fund's common shares. The Fund is not required to use derivatives or other portfolio strategies and may not do so. Distributions by the Fund of any income or gain realized on the Fund's hedging transactions generally will not be exempt from regular Federal income tax. There can be no assurance that the Fund's portfolio strategies will be effective. **Interest Rate and Credit Risk.** The Fund invests in Municipal Bonds which are subject to interest rate and credit risk. Interest rate risk is the risk that prices of Municipal Bonds generally increase when interest rates decline and decrease when interest rates increase. Prices of longer term securities generally change more in response to interest rate changes than prices of shorter term securities. Credit risk is the risk that the issuer will be unable to pay the interest or principal when due. The degree of credit risk depends on both the financial condition of the issuer and the terms of the obligation. The Fund intends to invest in Municipal Bonds that are rated investment grade by S&P, Moody's or Fitch. It may also invest in unrated Municipal Bonds that Cutwater believes are of comparable quality. Obligations rated in the lowest investment grade category may have certain speculative characteristics. **In addition to the risks described above, the Fund is also subject to:** Market Risk and Selection Risk, Call and Redemption Risk, Private Activity Bonds, Risks of Tobacco-Related Municipal Bonds, Leverage, Inflation Risk, Derivatives Risk, Affiliated Insurers, and Anti-takeover Provisions, Market Disruption. Please see [www.guggenheimfunds.com/mzf](http://www.guggenheimfunds.com/mzf) for a more detailed discussion about Fund risks and considerations. The federal tax advice contained herein was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer; the advice was written to support the promotion or marketing of the matters addressed; and the taxpayers should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

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