

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

**FORM N-Q**

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

Investment Company Act file number 811-22437

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Guggenheim Build America Bonds Managed Duration Trust  
(Exact name of registrant as specified in charter)

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227 West Monroe Street, Chicago, IL 60606  
(Address of principal executive offices) (Zip code)

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Amy J. Lee

227 West Monroe Street, Chicago, IL 60606  
(Name and address of agent for service)

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Registrant's telephone number, including area code: (312) 827-0100

Date of fiscal year end: May 31

Date of reporting period: December 1, 2015 – February 29, 2016

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Item 1. Schedule of Investments.

Attached hereto.

Guggenheim Build America Bonds Managed Duration Trust  
**SCHEDULE OF INVESTMENTS (Unaudited)**

February 29, 2016

	Shares	Value
<b>COMMON STOCKS - 0.0%**</b>		
<b>Communications - 0.0%**</b>		
Cengage Learning Acquisitions, Inc. <sup>††</sup>	3,457	\$ 64,819
<b>Basic Materials - 0.0%**</b>		
Mirabela Nickel Ltd. <sup>†††,1</sup>	335,401	24
<b>Total Common Stocks</b>		<u>64,843</u>
(Cost \$196,350)		
<b>PREFERRED STOCKS - 1.2%</b>		
<b>Industrial - 1.2%</b>		
Seaspan Corp. 9.50% <sup>††,2,3</sup>	200,000	4,866,000
<b>Financial - 0.0%**</b>		
GSC Partners CDO Fund V Ltd. 11/20/16 <sup>†††,1,4,5,6</sup>	475	-
<b>Total Preferred Stocks</b>		<u>4,866,000</u>
(Cost \$5,023,423)		
	<b>Face Amount</b>	<b>Value</b>
<b>MONEY MARKET FUND<sup>†</sup> - 1.4%</b>		
Dreyfus Treasury Prime Cash Management Institutional Shares, 0.00% <sup>7</sup>	5,342,855	5,342,855
<b>Total Money Market Fund</b>		<u>5,342,855</u>
(Cost \$5,342,855)		
	<b>Face Amount</b>	<b>Value</b>
<b>MUNICIPAL BONDS<sup>††</sup> - 113.9%</b>		
<b>California - 23.2%</b>		
Los Angeles, California, Department of Water & Power Revenue, Taxable Build America Bonds <sup>8</sup>		
7.00% due 07/01/41	10,000,000	11,806,100
7.00% due 07/01/41	10,000,000	11,776,200
Santa Ana Unified School District, California, General Obligation Bonds, Federal Taxable Build America Bonds <sup>8</sup>		
7.10% due 08/01/40	7,755,000	10,493,446
6.80% due 08/01/30	2,245,000	2,851,666
California, General Obligation Bonds, Various Purpose, Taxable Build America Bonds <sup>8</sup>		
7.70% due 11/01/30	10,000,000	12,461,199
Oakland Unified School District, County of Alameda, California, Taxable General Obligation Bonds, Election of 2006, Qualified School Construction Bonds, Series 2012B		
6.88% due 08/01/33 <sup>3</sup>	10,000,000	11,080,400
Long Beach Unified School District, California, Qualified School Construction Bonds, Federally Taxable, Election of 2008, General Obligation Bonds		
5.91% due 08/01/25	7,500,000	9,070,200
	<b>Face Amount</b>	<b>Value</b>
<b>MUNICIPAL BONDS<sup>††</sup> - 113.9% (continued)</b>		
<b>California - 23.2% (continued)</b>		
Metropolitan Water District, Southern California, Water Revenue Bonds, 2010 Authorization, Taxable Build America Bonds <sup>8</sup>		
6.95% due 07/01/40	\$ 5,000,000	\$ 5,934,350
Riverside Community College District, Riverside County, California, Election of 2004 General Obligation Bonds, Taxable Build America Bonds <sup>8</sup>	5,000,000	5,831,400
7.02% due 08/01/40		
Sonoma Valley Unified School District, General Obligation, Federally Taxable Bonds		
7.12% due 08/01/28 <sup>3</sup>	3,330,000	3,906,456
Culver City Redevelopment Agency, California, Taxable Tax Allocation Bonds, Culver City Redevelopment Project		
8.00% due 11/01/20	3,000,000	3,277,530
Monrovia Unified School District, Los Angeles County, California, Election of 2006 General Obligation Bonds, Build America Bonds, Federally Taxable <sup>9</sup>		
7.25% due 08/01/28 <sup>3</sup>	1,025,000	1,310,688
Cypress Elementary School District (Orange County, California), General Obligation Bonds, Direct Pay Qualified School Construction Bonds, 2008 Election		
6.65% due 08/01/25 <sup>3</sup>	660,000	797,465
6.05% due 08/01/21 <sup>3</sup>	340,000	385,186
Placentia-Yorba Linda Unified School District (Orange County, California), General Obligation Bonds, Federally Taxable Direct-Pay Qualified School Construction Bonds, Election of 2008		
5.40% due 02/01/26 <sup>3</sup>	1,000,000	1,180,370

Guggenheim Build America Bonds Managed Duration Trust  
**SCHEDULE OF INVESTMENTS (Unaudited)**

February 29, 2016

	Face Amount	Value
<b>MUNICIPAL BONDS†† - 113.9% (continued)</b>		
<b>California - 23.2% (continued)</b>		
Alhambra Unified School District, Elementary Schools Improvement District, Los Angeles County, California, Election of 2008 General Obligation Bonds, Federally Taxable		
6.70% due 02/01/26 <sup>3</sup>	\$ 500,000	\$ 637,260
<b>Total California</b>		<u>92,799,916</u>
<b>Illinois - 11.5%</b>		
Northern Illinois University, Auxiliary Facilities System Revenue Bonds, Build America Program, Taxable <sup>8</sup>		
8.15% due 04/01/41	5,000,000	5,760,400
7.95% due 04/01/35 <sup>3</sup>	4,500,000	5,172,075
Chicago, Illinois, Second Lien Wastewater Transmission Revenue Project Bonds, Taxable Build America Bonds <sup>8</sup>		
6.90% due 01/01/40	5,100,000	5,972,354
Illinois, General Obligation Bonds, Taxable Build America Bonds <sup>8</sup>		
7.35% due 07/01/35	5,000,000	5,498,050
City of Chicago Illinois General Obligation Unlimited		
6.26% due 01/01/40	3,575,000	3,232,229
5.43% due 01/01/42	1,870,000	1,546,135
County of Cook Illinois General Obligation Unlimited		
6.23% due 11/15/34 <sup>3</sup>	4,210,000	4,621,274
Chicago, Illinois, Board of Education, Unlimited Tax General Obligation Bonds, Dedicated Revenues, Taxable Build America Bonds <sup>8</sup>		
6.52% due 12/01/40 <sup>3</sup>	5,000,000	3,718,500
Chicago, Illinois, Second Lien Water Revenue Bonds, Taxable Build America Bonds <sup>8</sup>		
6.74% due 11/01/40 <sup>3</sup>	2,990,000	3,504,908
Southwestern Illinois, Development Authority, Taxable Local Government, Program Revenue Bonds, Flood Prevention District Council Project, Recovery Zone Economic Development Bonds		
7.23% due 10/15/35 <sup>3</sup>	3,000,000	3,375,480
Southwestern Illinois, Development Authority, Taxable Local Government, Program Revenue Bonds, Flood Prevention District Project, Build America Bonds <sup>8</sup>		
7.03% due 04/15/32 <sup>3</sup>	2,000,000	2,258,760
	<b>Face Amount</b>	<b>Value</b>
<b>MUNICIPAL BONDS†† - 113.9% (continued)</b>		
<b>Illinois - 11.5% (continued)</b>		
State of Illinois General Obligation Unlimited		
6.63% due 02/01/35	\$ 930,000	\$ 1,007,497
6.73% due 04/01/35	200,000	219,128
Chicago Board of Education General Obligation Unlimited		
6.14% due 12/01/39	195,000	148,477
<b>Total Illinois</b>		<u>46,035,267</u>
<b>Washington - 10.4%</b>		
Washington State University, Housing and Dining System Revenue Bonds, Taxable Build America Bonds <sup>8</sup>		
7.40% due 04/01/41	6,675,000	9,690,098
7.10% due 04/01/32	3,325,000	4,424,112
Public Hospital District No. 1, King County, Washington, Valley Medical Center, Hospital Facilities Revenue Bonds		
8.00% due 06/15/40 <sup>3</sup>	5,800,000	6,770,746
Washington State Convention Center Public Facilities District, Lodging Tax Bonds, Taxable Build America Bonds <sup>8</sup>		
6.79% due 07/01/40	5,000,000	6,482,050
Central Washington University, System Revenue Bonds, 2010, Taxable Build America Bonds <sup>8</sup>		
6.50% due 05/01/30 <sup>3</sup>	5,000,000	6,176,250
Anacortes, Washington, Utility System Improvement Revenue Bonds, Build America Bonds <sup>8</sup>		
6.48% due 12/01/30	5,000,000	5,755,050
Auburn, Washington, Utility System Revenue Bonds, Taxable Build America Bonds <sup>8</sup>		
6.40% due 12/01/30 <sup>3</sup>	2,000,000	2,215,360
<b>Total Washington</b>		<u>41,513,666</u>
<b>New Jersey - 6.5%</b>		
New Jersey Turnpike Authority Revenue Bonds		
7.10% due 01/01/41	10,000,000	14,239,400
Camden County Improvement Authority, Camden County, New Jersey, Lease Revenue Bonds, Cooper Medical School of Rowan University Project		
7.75% due 07/01/34 <sup>3</sup>	8,000,000	9,389,360
7.85% due 07/01/35 <sup>3</sup>	2,000,000	2,347,380
<b>Total New Jersey</b>		<u>25,976,140</u>
<b>Pennsylvania - 6.4%</b>		
School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2011A, Qualified School Construction Bonds - (Federally Taxable - Direct Subsidy)		
6.00% due 09/01/30	10,720,000	10,851,427

	Face Amount	Value
<b>MUNICIPAL BONDS†† - 113.9% (continued)</b>		
<b>Pennsylvania - 6.4% (continued)</b>		
Pittsburgh, Pennsylvania, School District, Taxable Qualified School Construction Bonds 6.85% due 09/01/29 <sup>3</sup>	\$ 6,870,000	\$ 9,046,416
Lebanon, Pennsylvania, Sewer Revenue Bonds, Taxable Build America Bonds <sup>8</sup> 7.14% due 12/15/35 <sup>3</sup>	4,865,000	5,494,434
<b>Total Pennsylvania</b>		<u>25,392,277</u>
<b>Indiana - 6.3%</b>		
Noblesville Multi-School Building Corporation, Hamilton County, Indiana, Taxable Unlimited Ad Valorem Property Tax First Mortgage Bonds, Build America Bonds <sup>8</sup> 6.50% due 07/15/30	10,000,000	11,842,100
Evansville-Vanderburgh Independent School Building Corporation, Unlimited Taxable Ad Valorem Property Tax First Mortgage Bonds 6.50% due 01/15/30 <sup>3</sup>	8,690,000	10,210,837
Knox County, Indiana, Good Samaritan Hospital Project, Taxable Economic Development Revenue Bonds, Qualified Energy Conservation Bonds - Direct Payment, Series 2012B 5.90% due 04/01/34 <sup>3</sup>	2,920,000	3,203,357
<b>Total Indiana</b>		<u>25,256,294</u>
<b>New York - 6.3%</b>		
Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Taxable Build America Bonds <sup>8</sup> 6.55% due 11/15/31	5,000,000	6,591,150
7.13% due 11/15/30	5,000,000	5,993,800
Westchester County Health Care Corporation, Revenue Bonds, Taxable Build America Bonds <sup>8</sup> 8.57% due 11/01/40	10,000,000	12,438,900
<b>Total New York</b>		<u>25,023,850</u>
<b>Texas - 6.2%</b>		
Dallas, Texas, Convention Center Hotel Development Corporation, Hotel Revenue Bonds, Taxable Build America Bonds <sup>8</sup> 7.09% due 01/01/42 <sup>3</sup>	10,000,000	13,389,200
	<b>Face Amount</b>	<b>Value</b>
<b>MUNICIPAL BONDS†† - 113.9% (continued)</b>		
<b>Texas - 6.2% (continued)</b>		
El Paso, Texas, Combination Tax and Revenue Certification of Obligation, Taxable Build America Bonds <sup>8</sup> 6.70% due 08/15/36 <sup>3</sup>	\$ 10,000,000	\$ 11,542,900
<b>Total Texas</b>		<u>24,932,100</u>
<b>Michigan - 5.7%</b>		
Detroit, Michigan, School District, School Building and Site Bonds, Unlimited Tax General Obligation Bonds, Taxable Build America Bonds, <sup>8</sup> 6.85% due 05/01/40 <sup>3</sup>	5,000,000	5,318,500
Whitehall District Schools, Muskegon County, Michigan, 2010 School Building and Site Bonds, General Obligation, Unlimited Tax Bonds, Taxable Qualified School Construction Bonds 6.10% due 05/01/26 <sup>3</sup>	2,500,000	2,722,525
6.50% due 05/01/29 <sup>3</sup>	2,000,000	2,164,100
Fraser Public School District, Macomb County, Michigan, General Obligation Federally Taxable School Construction Bonds, 2011 School Building and Site Bonds 6.05% due 05/01/26 <sup>3</sup>	3,000,000	3,386,850
Detroit City School District General Obligation Unlimited 7.75% due 05/01/39 <sup>3</sup>	2,640,000	3,284,820
Detroit, Michigan, School District, School Building and Site Bonds, Unlimited Tax General Obligation Bonds, Taxable Qualified School Construction Bonds 6.65% due 05/01/29 <sup>3</sup>	2,640,000	2,891,328
City of Detroit Michigan Water Supply System Revenue Revenue Bonds 5.00% due 07/01/41	1,555,000	1,680,209
Oakridge, Michigan, Public Schools, Unlimited Tax General Obligation Bonds 6.75% due 05/01/26 <sup>3</sup>	1,000,000	1,086,200

Guggenheim Build America Bonds Managed Duration Trust  
**SCHEDULE OF INVESTMENTS (Unaudited)**

February 29, 2016

	Face Amount	Value
<b>MUNICIPAL BONDS<sup>††</sup> - 113.9% (continued)</b>		
<b>Michigan - 5.7% (continued)</b>		
Comstock Park Public Schools, Kent County, Michigan, 2011 School Building and Site Bonds, General Obligation - Unlimited Tax, Federally Taxable - Qualified School Construction Bonds - Direct Payment		
6.30% due 05/01/26 <sup>3</sup>	\$ 415,000	\$ 467,950
<b>Total Michigan</b>		<b>23,002,482</b>
<b>Florida - 4.3%</b>		
County of Miami-Dade Florida Transit System Revenue Bonds		
6.91% due 07/01/39 <sup>3</sup>	10,000,000	11,390,700
Orlando, Florida, Community Redevelopment Agency, Taxable Tax Increment Revenue Build America Bonds <sup>8</sup>		
7.78% due 09/01/40	5,000,000	5,958,950
<b>Total Florida</b>		<b>17,349,650</b>
<b>West Virginia - 3.7%</b>		
State of West Virginia, Higher Education Policy Commission, Revenue Bonds, Federally Taxable Build America Bonds 2010 <sup>9</sup>		
7.65% due 04/01/40	10,000,000	14,694,800
<b>Ohio - 3.3%</b>		
American Municipal Power, Inc., Combined Hydroelectric Projects Revenue Bonds, New Clean Renewable Energy Bonds		
7.33% due 02/15/28	5,000,000	6,584,400
Madison Local School District, Richland County, Ohio, School Improvement, Taxable Qualified School Construction Bonds		
6.65% due 12/01/29 <sup>3</sup>	2,500,000	2,935,575
Cuyahoga County, Ohio, Hospital Revenue Bonds, The Metrohealth System, Build America Bonds, Taxable <sup>8</sup>		
8.22% due 02/15/40 <sup>3</sup>	1,950,000	2,468,076
Toronto City School District, Ohio, Qualified School Construction Bonds General Obligation Bonds		
7.00% due 12/01/28	1,230,000	1,343,062
<b>Total Ohio</b>		<b>13,331,113</b>
<b>Colorado - 3.1%</b>		
Colorado, Building Excellent Schools Today, Certificates of Participation, Taxable Build America Bonds <sup>8</sup>		
7.02% due 03/15/31 <sup>3</sup>	7,500,000	8,967,600
	<b>Face Amount</b>	<b>Value</b>
<b>MUNICIPAL BONDS<sup>††</sup> - 113.9% (continued)</b>		
<b>Colorado - 3.1% (continued)</b>		
Colorado, Building Excellent Schools Today, Certificates of Participation, Taxable Qualified School Construction		
6.82% due 03/15/28	\$ 2,500,000	\$ 3,377,225
<b>Total Colorado</b>		<b>12,344,825</b>
<b>Vermont - 2.7%</b>		
Vermont State Colleges, Revenue Bonds, Taxable Build America Bonds <sup>8</sup>		
7.21% due 07/01/40 <sup>3</sup>	7,500,000	8,523,900
6.10% due 07/01/25 <sup>3</sup>	2,155,000	2,439,848
<b>Total Vermont</b>		<b>10,963,748</b>
<b>Alabama - 2.7%</b>		
Alabama State University, General Tuition and Fee Revenue Bonds, Taxable Direct-Pay Build America Bonds <sup>8</sup>		
7.20% due 09/01/38 <sup>3</sup>	5,000,000	5,437,500
7.10% due 09/01/35 <sup>3</sup>	3,000,000	3,245,550
7.25% due 09/01/40 <sup>3</sup>	2,000,000	2,189,920
<b>Total Alabama</b>		<b>10,872,970</b>
<b>Nevada - 2.7%</b>		
Nevada System of Higher Education University, Revenue Bonds, Build America Bonds <sup>8</sup>		
7.90% due 07/01/40	5,050,000	5,999,450
7.60% due 07/01/30	1,500,000	1,777,350
Clark County, Nevada, Airport Revenue Bonds, Build America Bonds <sup>8</sup>		
6.88% due 07/01/42 <sup>3</sup>	1,425,000	1,607,030
Las Vegas Valley Water District, Nevada, Limited Tax General Obligation Water Bonds, Taxable Build America Bonds <sup>8</sup>		
7.10% due 06/01/39 <sup>3</sup>	1,200,000	1,379,676
<b>Total Nevada</b>		<b>10,763,506</b>
<b>Louisiana - 2.5%</b>		
Orleans Parish, School Board of the Parish of Orleans, Louisiana		
4.40% due 02/01/21 <sup>3</sup>	8,000,000	8,803,360
Tangipahoa Parish Hospital Service District No. 1, Louisiana, Taxable Hospital Revenue Bonds, North Oaks Health System Project, Build America Bonds <sup>8</sup>		
7.20% due 02/01/42 <sup>3</sup>	1,055,000	1,125,136
<b>Total Louisiana</b>		<b>9,928,496</b>
<b>Mississippi - 2.0%</b>		
Medical Center Educational Building Corporation, Taxable Build America Bonds, University of Mississippi Medical Center Facilities Expansion and Renovation Project <sup>8</sup>		
6.84% due 06/01/35 <sup>3</sup>	5,000,000	5,744,600

	Face Amount	Value
<b>MUNICIPAL BONDS<sup>††</sup> - 113.9% (continued)</b>		
<b>Mississippi - 2.0% (continued)</b>		
Mississippi, Hospital Equipment and Facilities Authority, Taxable Build America Revenue Bonds, Forrest County General Hospital Project <sup>6</sup>		
7.27% due 01/01/32	\$ 1,000,000	\$ 1,113,240
7.39% due 01/01/40	905,000	1,003,392
<b>Total Mississippi</b>		<b>7,861,232</b>
<b>South Carolina - 1.7%</b>		
Horry County, South Carolina, Taxable Airport Revenue Bonds, Recovery Zone Economic Development Bonds		
7.33% due 07/01/40 <sup>3</sup>	5,000,000	6,713,200
<b>Georgia - 1.4%</b>		
Georgia Municipal Association, Inc., Certificates of Participation, DeKalb County Public Schools Project		
5.21% due 12/01/22 <sup>3</sup>	5,000,000	5,696,050
<b>South Dakota - 0.9%</b>		
Pierre, South Dakota, Taxable Electric Revenue Bonds, Recovery Zone Economic Development Bonds		
7.50% due 12/15/40	3,490,000	3,766,687
<b>Puerto Rico - 0.4%</b>		
Puerto Rico Electric Power Authority Revenue Bonds		
5.25% due 07/01/32	1,000,000	1,010,440
0.93% due 07/01/29 <sup>4</sup>	400,000	291,720
<b>Total Puerto Rico</b>		<b>1,302,160</b>
<b>Total Municipal Bonds</b>		<b>455,520,429</b>
(Cost \$383,702,052)		
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0%</b>		
<b>Collateralized Loan Obligations - 6.5%</b>		
Churchill Financial Cayman Ltd.		
2007-1A, 1.87% due 07/10/19 <sup>3,4,5</sup>	2,000,000	1,962,297
2007-1A, 8.37% due 07/10/19 <sup>3,5</sup>	1,000,000	1,004,562
2007-1A, 3.22% due 07/10/19 <sup>3,4,5</sup>	1,000,000	982,645
KVK CLO Ltd.		
2014-3A, 2.72% due 10/15/26 <sup>4,5</sup>	2,000,000	1,792,212
2014-3A, 3.62% due 10/15/26 <sup>4,5</sup>	1,000,000	892,456
THL Credit Wind River 2014-2 CLO Ltd.		
2014-2A, 2.82% due 07/15/26 <sup>4,5</sup>	1,000,000	946,701
2014-2A, 3.82% due 07/15/26 <sup>4,5</sup>	750,000	695,505
	<b>Face Amount</b>	<b>Value</b>
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0% (continued)</b>		
<b>Collateralized Loan Obligations - 6.5% (continued)</b>		
KKR Financial CLO Ltd.		
2007-1A, 5.62% due 05/15/21 <sup>4,5</sup>	\$ 750,000	\$ 746,790
2007-1A, 2.87% due 05/15/21 <sup>3,4,5</sup>	500,000	491,405
CIFC Funding Ltd.		
2014-1A, 3.69% due 08/14/24 <sup>4,5</sup>	400,000	385,520
2014-2A, 3.47% due 05/24/26 <sup>4,5</sup>	250,000	231,674
2007-1A, 2.12% due 05/10/21 <sup>4,5</sup>	200,000	185,805
2013-2A, 4.22% due 04/21/25 <sup>4,5</sup>	200,000	162,739
Atlas Senior Loan Fund IV Ltd.		
2014-2A, 3.32% due 02/17/26 <sup>3,4,5</sup>	1,000,000	928,803
Anchorage Capital CLO 2012-1 Ltd.		
2012-1A, 3.42% due 01/13/25 <sup>3,4,5</sup>	1,000,000	919,905
Dryden XXXI Senior Loan Fund		
2014-31A, 4.12% due 04/18/26 <sup>4,5</sup>	900,000	694,381
Eastland CLO Ltd.		
2007-1A, 0.95% due 05/01/22 <sup>3,4,5</sup>	550,000	524,894
ACRE Commercial Mortgage Trust		
2014-FL2, 2.93% due 08/15/31 <sup>3,4,5</sup>	500,000	493,722
Marathon CLO VII Ltd.		
2014-7A, 4.12% due 10/28/25 <sup>4,5</sup>	500,000	471,945
Silver Spring CLO Ltd.		
2014-1A, 2.67% due 10/15/26 <sup>4,5</sup>	500,000	466,727
Neuberger Berman CLO XV		
2013-15A, 3.47% due 10/15/25 <sup>4,5</sup>	500,000	466,690
COA Summit CLO Limited		
2014-1A, 3.42% due 04/20/23 <sup>4,5</sup>	500,000	466,175
Shackleton I CLO Ltd.		
2012-1A, 5.37% due 08/14/23 <sup>4,5</sup>	500,000	455,728
MCF CLO I LLC		
2013-1A, 6.37% due 04/20/23 <sup>4,5</sup>	500,000	427,875
Galaxy XVI CLO Ltd.		
2013-16AD, 3.97% due 11/16/25 <sup>4,5</sup>	500,000	388,010

	Face Amount	Value
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0% (continued)</b>		
<b>Collateralized Loan Obligations - 6.5% (continued)</b>		
Gramercy Park CLO Ltd.		
2014-1A, 4.67% due 07/17/23 <sup>3,4,5</sup>	\$ 250,000	\$ 232,155
2012-1A, 0.00% due 07/17/23 <sup>5</sup>	250,000	133,306
TICP CLO II Ltd.		
2014-2A, 3.62% due 07/20/26 <sup>4,5</sup>	400,000	361,511
Cratos CLO Ltd.		
2007-1A, 1.72% due 05/19/21 <sup>3,4,5</sup>	300,000	291,898
DIVCORE CLO Ltd.		
2013-1A, 4.33% due 11/15/32 <sup>3,4,5</sup>	250,000	245,639
Regatta V Funding Ltd.		
2014-1A, 3.77% due 10/25/26 <sup>4,5</sup>	250,000	245,099
Black Diamond CLO Delaware Corp.		
2005-2A, 2.42% due 01/07/18 <sup>4,5</sup>	250,000	241,762
Monroe Capital CLO 2014-1 Ltd.		
2014-1A, 4.17% due 10/22/26 <sup>4,5</sup>	250,000	239,465
Venture XII CLO Ltd.		
2013-12A, 4.14% due 02/28/24 <sup>4,5</sup>	250,000	238,451
Race Point V CLO Ltd.		
2014-5A, 4.26% due 12/15/22 <sup>4,5</sup>	250,000	236,910
Battalion CLO Ltd.		
2007-1A, 2.77% due 07/14/22 <sup>4,5</sup>	250,000	236,466
ALM VII R-2 Ltd.		
2013-7R2A, 4.07% due 04/24/24 <sup>4,5</sup>	250,000	236,369
Golub Capital Partners CLO 21M Ltd.		
2014-21A, 3.92% due 10/25/26 <sup>4,5</sup>	250,000	236,085
Blue Hill CLO Ltd.		
2013-1A, 3.62% due 01/15/26 <sup>4,5</sup>	250,000	236,032
NewStar Arlington Senior Loan Program LLC		
2014-1A, 3.92% due 07/25/25 <sup>4,5</sup>	250,000	235,885
Greywolf CLO III Ltd.		
2014-1A, 3.47% due 04/22/26 <sup>4,5</sup>	250,000	234,683
Fortress Credit Opportunities V CLO Ltd.		
2014-5A, 4.17% due 10/15/26 <sup>4,5</sup>	250,000	234,479
Rockwall CDO Ltd.		
2007-1A, 1.17% due 08/01/24 <sup>4,5</sup>	250,000	233,375

	Face Amount	Value
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0% (continued)</b>		
<b>Collateralized Loan Obligations - 6.5% (continued)</b>		
Ocean Trails CLO IV		
2013-4A, 3.62% due 08/13/25 <sup>4,5</sup>	\$ 250,000	\$ 232,321
Oaktree EIF II Series Ltd.		
2014-A2, 3.82% due 11/15/25 <sup>4,5</sup>	250,000	232,310
Cerberus Onshore II CLO LLC		
2014-1A, 4.62% due 10/15/23 <sup>4,5</sup>	250,000	231,041
Newstar Commercial Loan Funding LLC		
2013-1A, 5.12% due 09/20/23 <sup>4,5</sup>	250,000	230,682
WhiteHorse VIII Ltd.		
2014-1A, 3.37% due 05/01/26 <sup>4,5</sup>	250,000	226,524
ALM VII R Ltd.		
2013-7RA, 4.07% due 04/24/24 <sup>4,5</sup>	250,000	225,654
Black Diamond CLO Ltd.		
2014-1A, 3.47% due 02/06/26 <sup>4,5</sup>	250,000	225,615
Golub Capital Partners CLO 18 Ltd.		
2014-18A, 4.62% due 04/25/26 <sup>3,4,5</sup>	250,000	224,848
GoldenTree Loan Opportunities III Ltd.		
2007-3A, 3.82% due 05/01/22 <sup>4,5</sup>	250,000	223,624
Mountain Hawk I CLO Ltd.		
2013-1A, 3.34% due 01/20/24 <sup>4,5</sup>	250,000	218,555
Regatta Funding Ltd.		
2007-1X, 3.81% due 06/15/20 <sup>4</sup>	200,000	193,227
OHA Credit Partners VIII Ltd.		
2013-8A, 4.12% due 04/20/25 <sup>4,5</sup>	250,000	191,555
Gallatin CLO VII Ltd.		
2014-1A, 4.38% due 07/15/23 <sup>3,4,5</sup>	200,000	185,073
Mountain Hawk II CLO Ltd.		
2013-2A, 3.77% due 07/22/24 <sup>4,5</sup>	250,000	184,543
Octagon Investment Partners XXI Ltd.		
2014-1A, 7.22% due 11/14/26 <sup>4,5</sup>	250,000	169,459
Longfellow Place CLO Ltd.		
2013-1A, 6.37% due 01/15/24 <sup>4,5</sup>	250,000	165,165
Octagon Investment Partners XV Ltd.		
2013-1A, 5.37% due 01/19/25 <sup>4,5</sup>	250,000	164,752

	Face Amount	Value
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0% (continued)</b>		
<b>Collateralized Loan Obligations - 6.5% (continued)</b>		
TICP CLO I Ltd.		
2014-1A, 5.12% due 04/26/26 <sup>4,5</sup>	\$ 300,000	\$ 163,500
Octagon Investment Partners XX Ltd.		
2014-1A, 5.87% due 08/12/26 <sup>4,5</sup>	250,000	150,729
Carlyle Global Market Strategies CLO Ltd.		
2012-3A, 10/04/24 <sup>3,5,6</sup>	250,000	127,331
Great Lakes CLO Ltd.		
2012-1A, 01/15/23 <sup>3,5,6</sup>	250,000	118,721
Atlas Senior Loan Fund II Ltd.		
2012-2A, 01/30/24 <sup>3,5,6</sup>	250,000	106,786
Finn Square CLO Ltd.		
2012-1A, 12/24/23 <sup>5,6</sup>	250,000	106,005
Ares XXVI CLO Ltd.		
2013-1A, 04/15/25 <sup>3,5,6</sup>	250,000	96,070
Ares XXV CLO Ltd.		
2013-3A, 01/17/24 <sup>3,5,6</sup>	250,000	74,205
West CLO Ltd.		
2013-1A, 11/07/25 <sup>5,6</sup>	250,000	66,388
BlackRock Senior Income Series Corp.		
2004-1A, 09/15/16 <sup>†††,1,3,5,6</sup>	99,289	-
<b>Total Collateralized Loan Obligations</b>		<b>26,069,419</b>
<b>Collateralized Debt Obligations - 1.5%</b>		
Gramercy Real Estate CDO Ltd.		
2007-1A, 0.90% due 08/15/56 <sup>4,5</sup>	1,704,365	1,520,866
N-Star REL CDO VIII Ltd.		
2006-8A, 0.80% due 02/01/41 <sup>3,4,5</sup>	1,500,000	1,429,867
Putnam Structured Product Funding		
2008-1A, 0.88% due 10/15/38 <sup>3,4,5</sup>	1,245,150	1,231,604
SRERS Funding Ltd.		
2011-RS, 0.68% due 05/09/46 <sup>4,5</sup>	606,656	576,810
Highland Park CDO I Ltd.		
2006-1A, 1.03% due 11/25/51 <sup>4,5</sup>	250,000	188,253
2006-1A, 0.96% due 11/25/51 <sup>†††,1,3,4,5</sup>	192,458	187,810
Putnam Structured Product CDO Ltd.		
2002-1A, 1.11% due 01/10/38 <sup>3,4,5</sup>	368,083	351,300
	<b>Face Amount</b>	<b>Value</b>
<b>ASSET BACKED SECURITIES<sup>††</sup> - 8.0% (continued)</b>		
<b>Collateralized Debt Obligations - 1.5% (continued)</b>		
Pasadena CDO Ltd.		
2002-1A, 1.42% due 06/19/37 <sup>4,5</sup>	\$ 257,184	\$ 250,311
Wrightwood Capital Real Estate CDO Ltd.		
2005-1A, 1.05% due 11/21/40 <sup>4,5</sup>	250,000	235,956
Diversified Asset Securitization Holdings II, LP		
2000-1X, 1.00% due 09/15/35 <sup>4</sup>	20,732	20,408
<b>Total Collateralized Debt Obligations</b>		<b>5,993,185</b>
<b>Transportation - 0.0%<sup>**</sup></b>		
Raspro Trust		
2005-1A, 0.97% due 03/23/24 <sup>3,4,5</sup>	61,190	58,503
Bush Truck Leasing LLC		
2011-AA, 5.00% due 09/25/18 <sup>3,9</sup>	16,044	15,782
<b>Total Transportation</b>		<b>74,285</b>
<b>Credit Cards - 0.0%<sup>**</sup></b>		
Credit Card Pass-Through Trust		
2012-BIZ, 0.00% <sup>2,3,5</sup>	73,401	58,717
<b>Total Asset Backed Securities</b>		<b>32,195,606</b>
(Cost \$33,089,513)		
<b>SENIOR FLOATING RATE INTERESTS<sup>††,4</sup> - 4.5%</b>		
<b>Industrial - 1.4%</b>		
NVA Holdings, Inc.		
4.75% due 08/14/21	1,092,516	1,064,479
Spring Industries, Inc.		
7.50% due 06/01/21 <sup>†††,1</sup>	500,000	488,054
LSF9 Cypress		
7.25% due 10/09/22	500,000	472,085
Transdigm, Inc.		
3.75% due 06/04/21	492,500	469,845
NaNa Development Corp.		
8.00% due 03/15/18	450,000	382,500
Hunter Defense Technologies		
8.00% due 08/04/19	375,000	356,250
Prolamina		
5.75% due 08/18/22	299,927	291,430
Data Device Corp.		
7.00% due 07/15/20	291,038	288,855
Multipian, Inc.		
3.75% due 03/19/21	289,283	281,872
Element Materials Technology		
5.00% due 08/06/21	270,185	269,509
Amber Bidco Foster + Partners		
4.28% due 06/30/21 <sup>†††,1</sup>	250,000	246,164



	Face Amount	Value
<b>SENIOR FLOATING RATE INTERESTS<sup>††,4</sup> - 4.5% (continued)</b>		
<b>Industrial - 1.4% (continued)</b>		
Quanex Building Products Corp. 5.00% due 11/01/22	\$ 250,000	\$ 243,958
SIRVA Worldwide, Inc. 7.50% due 03/27/19	237,282	224,231
Goodpack Ltd. 4.75% due 09/09/21	207,976	184,059
SI Organization 5.75% due 11/22/19	175,569	171,473
Hunter Fan Co. 6.50% due 12/20/17	74,839	73,342
<b>Total Industrial</b>		<b>5,508,106</b>
<b>Technology - 1.1%</b>		
TIBCO Software, Inc. 6.50% due 12/04/20	693,000	609,841
Greenway Medical Technologies 6.00% due 11/04/20	637,000	512,785
Aspect Software, Inc. 7.25% due 05/07/16	301,878	273,954
9.25% due 05/09/16	253,823	230,344
Avaya, Inc. 6.25% due 05/29/20	526,719	308,494
6.50% due 03/30/18	290,510	194,485
Advanced Computer Software 6.50% due 03/18/22	496,250	466,475
EIG Investors Corp. 6.23% due 11/09/19	437,063	405,376
First Data Corp. 3.70% due 03/23/18	350,000	345,275
GlobalLogic Holdings, Inc. 6.25% due 05/31/19	343,000	330,995
Sabre, Inc. 4.00% due 02/19/19	291,992	288,926
Quorum Business Solutions 5.75% due 08/07/21	217,800	214,533
Wall Street Systems 4.50% due 04/30/21	192,935	189,076
<b>Total Technology</b>		<b>4,370,559</b>
<b>Consumer, Non-cyclical - 0.7%</b>		
Albertson's (Safeway) Holdings LLC 5.50% due 08/25/21	794,000	774,810
5.50% due 12/21/22	465,905	452,654
Taxware Holdings 7.50% due 04/01/22 <sup>†††,1</sup>	497,500	503,077
American Seafoods Group LLC / American Seafoods Finance, Inc. 6.00% due 08/19/21	493,750	477,703
American Tire Distributors, Inc. 5.25% due 09/24/21	295,611	286,559
Targus Group International, Inc. 13.75% due 05/24/16	212,802	122,361
15.00% due 12/31/19 <sup>†††,1</sup>	55,245	55,245
ABG Intermediate Holdings 2 LLC 5.50% due 05/27/21	98,250	94,320
	<b>Face Amount</b>	<b>Value</b>
<b>SENIOR FLOATING RATE INTERESTS<sup>††,4</sup> - 4.5% (continued)</b>		
<b>Consumer, Non-cyclical - 0.7% (continued)</b>		
Targus International LLC 15.00% due 12/31/19 <sup>†††,1</sup>	\$ 18,415	\$ 18,415
<b>Total Consumer, Non-cyclical</b>		<b>2,785,144</b>
<b>Financial - 0.5%</b>		
Magic Newco, LLC 5.00% due 12/12/18	967,527	962,931
12.00% due 06/12/19	100,000	102,917
Safe-Guard 6.25% due 08/19/21	509,643	495,628
Integro Parent, Inc. 6.75% due 10/08/22	217,130	206,273
6.75% due 10/31/22	32,870	31,629
Expert Global Solutions, Inc. 8.50% due 04/03/18	102,371	100,153
Cunningham Lindsey U.S., Inc. 9.25% due 06/10/20	155,909	78,344
<b>Total Financial</b>		<b>1,977,875</b>
<b>Consumer, Cyclical - 0.5%</b>		
Ceridian Corp. 4.50% due 09/15/20	712,468	629,345
LA Fitness International LLC 5.50% due 07/01/20	492,500	461,103
Neiman Marcus Group, Inc. 4.25% due 10/25/20	245,614	205,498
BJ's Wholesale Club, Inc. 4.50% due 09/26/19	197,155	187,133
Minimax Viking 4.00% due 08/14/20	148,504	146,399
Sears Holdings Corp. 5.50% due 06/30/18	99,745	91,703

Navistar, Inc.		
6.50% due 08/07/20	99,750	85,952
J. Crew Group, Inc.		
4.00% due 03/05/21	98,496	65,948
Container Store, Inc.		
4.25% due 04/06/19	79,223	54,532
<b>Total Consumer, Cyclical</b>		<b>1,927,613</b>
<b>Communications - 0.3%</b>		
Cengage Learning Acquisitions, Inc.		
7.00% due 03/31/20	990,000	949,578
Univision Communications, Inc.		
4.00% due 03/01/20	98,434	95,522
<b>Total Communications</b>		<b>1,045,100</b>
<b>Energy - 0.0%**</b>		
PSS Companies		
5.50% due 01/28/20	196,431	137,502
<b>Total Senior Floating Rate Interests</b>		<b>17,751,899</b>
(Cost \$18,938,999)		

	Face Amount	Value
<b>CORPORATE BONDS†† - 3.2%</b>		
<b>Energy - 1.0%</b>		
EQT Corp.		
8.13% due 06/01/19	\$ 1,200,000	\$ 1,235,267
Hess Corp.		
8.13% due 02/15/19	650,000	675,518

	Face Amount	Value
<b>CORPORATE BONDS<sup>††</sup> - 3.2% (continued)</b>		
<b>Energy - 1.0% (continued)</b>		
Antero Resources Corp. 5.63% due 06/01/23 <sup>5</sup>	\$ 600,000	\$ 513,000
5.38% due 11/01/21	100,000	86,500
Husky Energy, Inc. 3.95% due 04/15/22	250,000	215,607
4.00% due 04/15/24	195,000	165,843
Equities Corp. 4.88% due 11/15/21	250,000	222,638
Buckeye Partners, LP 4.35% due 10/15/24	250,000	206,691
Halcon Resources Corp. 8.63% due 02/01/20 <sup>5</sup>	300,000	165,750
Summit Midstream Holdings LLC / Summit Midstream Finance Corp. 7.50% due 07/01/21	200,000	150,000
Comstock Resources, Inc. 10.00% due 03/15/20 <sup>5</sup>	350,000	126,875
Approach Resources, Inc. 7.00% due 06/15/21	500,000	100,000
Schahin II Finance Company SPV Ltd. 5.88% due 09/25/22 <sup>9,10</sup>	628,500	97,732
SandRidge Energy, Inc. 8.75% due 06/01/20 <sup>5</sup>	450,000	86,670
FTS International, Inc. 8.01% due 06/15/20 <sup>4,5</sup>	100,000	61,118
<b>Total Energy</b>		<b>4,109,209</b>
<b>Basic Materials - 0.7%</b>		
Yamana Gold, Inc. 4.95% due 07/15/24	3,150,000	2,440,903
TPC Group, Inc. 8.75% due 12/15/20 <sup>5</sup>	238,000	149,940
Mirabela Nickel Ltd. 9.50% due 06/24/19 <sup>†††.1</sup>	91,950	25,746
1.00% due 09/10/44 <sup>†††.1</sup>	1,918	-
<b>Total Basic Materials</b>		<b>2,616,589</b>
<b>Consumer, Non-cyclical - 0.6%</b>		
Tufts Medical Center, Inc. 7.00% due 01/01/38	1,500,000	1,757,660
ADT Corp. 6.25% due 10/15/21 <sup>3</sup>	200,000	195,000
Bumble Bee Holdings, Inc. 9.00% due 12/15/17 <sup>5</sup>	100,000	101,500
KeHE Distributors LLC / KeHE Finance Corp. 7.63% due 08/15/21 <sup>5</sup>	100,000	101,000
WEX, Inc. 4.75% due 02/01/23 <sup>5</sup>	100,000	87,500
<b>Total Consumer, Non-cyclical</b>		<b>2,242,660</b>
<b>Communications - 0.3%</b>		
McGraw-Hill Global Education Holdings LLC / McGraw-Hill Global Education Finance 9.75% due 04/01/21	600,000	652,500
DISH DBS Corp. 5.88% due 11/15/24	250,000	224,638
	<b>Face Amount</b>	<b>Value</b>
<b>CORPORATE BONDS<sup>††</sup> - 3.2% (continued)</b>		
<b>Communications - 0.3% (continued)</b>		
Avaya, Inc. 7.00% due 04/01/19 <sup>5</sup>	\$ 150,000	\$ 92,250
<b>Total Communications</b>		<b>969,388</b>
<b>Consumer, Cyclical - 0.2%</b>		
Hyatt Hotels Corp. 4.85% due 03/15/26	850,000	849,320
PF Chang's China Bistro, Inc. 10.25% due 06/30/20 <sup>3,5</sup>	125,000	106,563
<b>Total Consumer, Cyclical</b>		<b>955,883</b>
<b>Financial - 0.2%</b>		
Columbia Property Trust Operating Partnership LP 5.88% due 04/01/18	750,000	800,072
Jefferies Finance LLC / JFIN Company-Issuer Corp. 7.38% due 04/01/20 <sup>5</sup>	125,000	96,250
<b>Total Financial</b>		<b>896,322</b>
<b>Industrial - 0.2%</b>		
Dynagas LNG Partners Limited Partnership / Dynagas Finance, Inc. 6.25% due 10/30/19	800,000	524,000
Novelis, Inc. 8.75% due 12/15/20	200,000	185,500
CEVA Group plc 7.00% due 03/01/21 <sup>5</sup>	225,000	181,125
<b>Total Industrial</b>		<b>890,625</b>
<b>Technology - 0.0%**</b>		
Aspect Software, Inc. 10.63% due 05/15/17 <sup>†††.1,3</sup>	180,000	95,137
<b>Total Corporate Bonds</b> (Cost \$14,261,524)		<b>12,775,813</b>
<b>Collateralized Mortgage Obligations<sup>††</sup> - 1.0%</b>		
<b>Residential Mortgage Backed Securities - 1.0%</b>		

LSTAR Securities Investment Trust		
2015-4, 2.43% due 04/01/20 <sup>4,5</sup>	999,678	980,983
2014-1, 3.54% due 09/01/21 <sup>4,5</sup>	876,556	871,472
2015-10, 2.43% due 11/02/20 <sup>4,5</sup>	334,249	327,998
2015-2, 2.43% due 01/01/20 <sup>4,5</sup>	224,293	219,470
GSMSC Resecuritization Trust		
2015-7R, 0.58% due 09/26/37 <sup>††4,5</sup>	587,301	519,850

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	Face Amount	Value
<b>Collateralized Mortgage Obligations<sup>††</sup> - 1.0% (continued)</b>		
<b>Residential Mortgage Backed Securities - 1.0% (continued)</b>		
Banc of America Funding Trust 2015-R4, 0.61% due 01/27/35 <sup>†††4,5</sup>	\$ 446,190	\$ 404,677
Nomura Resecuritization Trust 2012-1R, 0.88% due 08/27/47 <sup>3,4,5</sup>	406,245	380,324
Soundview Home Loan Trust 2007-1, 0.61% due 03/25/37 <sup>4</sup>	205,808	183,791
	Face Amount	Value
<b>Collateralized Mortgage Obligations<sup>††</sup> - 1.0% (continued)</b>		
<b>Residential Mortgage Backed Securities - 1.0% (continued)</b>		
CSMC Series 2014-6R, 0.61% due 09/27/36 <sup>4,5</sup>	\$ 160,018	\$ 149,322
Structured Asset Mortgage Investments II Trust 2006-AR1 2006-AR1, 0.67% due 02/25/36 <sup>4</sup>	29,205	23,839
<b>Total Residential Mortgage Backed Securities</b>		<b>4,061,726</b>
<b>Total Collateralized Mortgage Obligations</b> (Cost \$4,090,701)		<b>4,061,726</b>
<b>Total Investments - 133.2%</b> (Cost \$464,645,417)		<b>\$ 532,579,171</b>
<b>Other Assets &amp; Liabilities, net - (33.2)%</b>		<b>(132,717,790)</b>
<b>Total Net Assets - 100.0%</b>		<b>\$ 399,861,381</b>

\* Non-income producing security.

\*\* Less than 0.1%

† Value determined based on Level 1 inputs, unless otherwise noted —See Note 2.

†† Value determined based on Level 2 inputs, unless otherwise noted —See Note 2.

††† Value determined based on Level 3 inputs —See Note 2.

1 Security was fair valued by the Valuation Committee at February 29, 2016. The total market value of fair valued securities amounts to \$1,619,672, (cost \$2,985,093) or 0.4% of total net assets.

2 Perpetual maturity.

3 All or a portion of these securities have been physically segregated or earmarked in connection with borrowings, reverse repurchase agreements and unfunded loan commitments. As of February 29, 2016, the total market value of the segregated or earmarked securities was \$217,489,947.

4 Variable rate security. Rate indicated is rate effective at February 29, 2016.

5 Security is a 144A or Section 4(a)(2) security. The total market value of 144A or Section 4(a)(2) securities is \$37,689,826 (cost \$39,539,448), or 9.4% of total net assets. These securities have been determined to be liquid under guidelines established by the Board of Trustees.

6 Security has no stated coupon. However, it is expected to receive residual cashflow payments on deal defined payment dates.

7 Rate indicated is the 7-day yield as of February 29, 2016.

8 Taxable municipal bond issued as part of the Build America Bond program.

9 Security is a 144A or Section 4(a)(2) security. These securities are considered illiquid and restricted under guidelines established by the Board of Trustees. The total market value of 144A or Section 4(a)(2) securities is \$113,514 (cost \$514,359), or less than 0.1% of total net assets.

10 Security is in default of interest and/or principal obligations.

plc **Public Limited Company**

See Sector Classification in Supplemental Information section.

The following table summarizes inputs used to value the Trust's investments at February 29, 2016 (See Note 2 in the Notes to Schedule of Investments):

	Level 1 Quoted Prices	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Total
<b>Assets</b>				
Municipal Bonds	\$ -	\$ 455,520,429	\$ -	\$ 455,520,429
Asset Backed Securities	-	32,007,796	187,810	32,195,606
Senior Floating Rate Interests	-	16,440,944	1,310,955	17,751,899
Corporate Bonds	-	12,654,930	120,883	12,775,813
Preferred Stocks	-	4,866,000	-*	4,866,000
Collateralized Mortgage Obligations	-	3,137,199	924,527	4,061,726
Common Stocks	-	64,819	24	64,843
Money Market Fund	5,342,855	-	-	5,342,855
<b>Total Assets</b>	\$ 5,342,855	\$ 524,692,117	\$ 2,544,199	\$ 532,579,171
<b>Liabilities</b>				
Swap Agreements	\$ -	\$ 2,139,919	\$ -	\$ 2,139,919
<b>Total Liabilities</b>	\$ -	\$ 2,139,919	\$ -	\$ 2,139,919

\* Market value is less than \$1.

\*\* Other financial instruments may include swap agreements, which are reported as unrealized gain/loss at period end.

The following is a summary of significant unobservable inputs used in the fair valuation of assets and liabilities categorized within Level 3 of the fair value hierarchy:

Category	Ending Balance at 2/29/2016	Valuation Technique	Unobservable Inputs
Senior Floating Rate Interests	\$ 1,310,955	Enterprise Value	Valuation Multiple*
Collateralized Mortgage Obligations	924,527	Option adjusted spread off the month end broker quote over the 3 month LIBOR	Indicative Quote
Asset Backed Securities	187,810	Broker Quote	Indicative Quote
Corporate Bonds	95,137	Enterprise Value	Valuation Multiple*
Corporate Bonds	25,746	Model Priced	Liquidation Value

\*Valuation multiples utilized ranged from 4.7 to 12.6.

Any remaining Level 3 securities held by the Trust and excluded from the table above were not considered material to the Trust.

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. Transfers between valuation levels, if any, are in comparison to the valuation levels at the end of the previous fiscal year, and are effective using the fair value as of the end of the current fiscal period.

The transfers in and out of the valuation levels as of November 30, 2015 compared to the valuation levels at then end of the previous fiscal year are detailed below:

Transfer from Level 1 to Level 2	\$ 4,866,000
Transfer from Level 1 to Level 3	24
Transfer from Level 2 to Level 3	282,947
Transfer from Level 3 to Level 2	58,717
<b>Totals</b>	<b>\$ 5,207,688</b>

The transfer from Level 1 to Level 2 and from Level 1 to Level 3 is the result of a lack of an active market. The transfer from Level 2 to Level 3 is the result of a lack of vendor price. The transfer from Level 3 to Level 2 is the result of availability of vendor price.

**Summary of Fair Value Level 3 Activity**

Following is a reconciliation of Level 3 assets for which significant unobservable inputs were used to determine fair value for the period ended February 29, 2016:

	Asset Backed Securities	Senior Floating Rate Interests	Corporate Bonds	Common Stocks	Preferred Stocks	Collateralized Mortgage Obligations	Warrants	Total
Assets:								
Beginning Balance	\$ 92,811	\$ 740,663	\$ 83,800	\$ -	\$ -	\$ -	\$ -	\$ 917,274
Paydowns Received	(35,386)	(2,500)	-	-	-	(46,075)	-	(83,961)
Realized Gain/Loss	1,705	-	-	-	-	-	6,271	7,976
Change in unrealized gain/loss	(413)	66,568	(66,224)	-	-	(5,430)	16	(5,483)
Purchases	-	506,224	-	-	-*	976,032	-	1,482,256
Sales	-	-	-	-	-	-	(6,287)	(6,287)
Corporate Actions	-	-	8,170	-	-	-	-	8,170
Transfers into Level 3	187,810	-	95,137	24	-	-	-	282,971
Transfers out of Level 3	(58,717)	-	-	-	-	-	-	(58,717)
Ending Balance	\$ 187,810	\$ 1,310,955	\$ 120,883	\$ 24	\$ -*	\$ 924,527	\$ -	\$ 2,544,199
Net change in unrealized appreciation (depreciation) for investments in securities still held at February 29, 2016								
	\$ 711	\$ 66,568	\$ (66,224)	\$ -	\$ -	\$ (5,430)	\$ -	\$ (4,375)

\*Market value is less than \$1.

As of February 29, 2016, the swap agreements outstanding were as follows:

Counterparty	Termination Date	Notional Amount (\$000)	Pay Fixed Rate	Receive Floating Rate	Unrealized Appreciation (Depreciation)
Bank of America	10/16/2019	\$ 57,000	1.6440%	3 Month LIBOR	\$ (1,614,416)
Bank of America	10/17/2019	\$ 25,000	1.4605%	3 Month LIBOR	(525,503)
					\$ (2,139,919)

The securities below are considered illiquid and restricted under guidelines established by the Board:

Restricted Securities	Acquisition Date	Cost	Value
Schahin II Finance Company SPV Ltd. 5.88% due 09/25/22	01/08/14	\$ 498,608	\$ 97,732
Bush Truck Leasing LLC 2011-AA, 5.00% due 09/25/18	03/04/11	15,751	15,782
Totals		\$ 514,359	\$ 113,514

## NOTES TO SCHEDULE OF INVESTMENTS (Unaudited)

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For information on the Guggenheim Build America Bonds Managed Duration Trust's (the "Trust") policy regarding valuation of investments and other significant accounting policies, please refer to the Trust's most recent semiannual or annual shareholder report.

### **I. Significant Accounting Policies**

The Trust operates as an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

The following is a summary of the significant accounting policies followed by the Trust.

The Board of Trustees of the Trust (the "Board") has adopted policies and procedures for the valuation of the Trust's investments (the "Valuation Procedures"). Pursuant to the Valuation Procedures, the Board has delegated to a valuation committee, consisting of representatives from Guggenheim's investment management, fund administration, legal and compliance departments (the "Valuation Committee"), the day-to-day responsibility for implementing the Valuation Procedures, including, under most circumstances, the responsibility for determining the fair value of the Trust's securities or other assets.

Valuations of the Trust's securities are supplied primarily by pricing services appointed pursuant to the processes set forth in the Valuation Procedures. The Valuation Committee convenes monthly, or more frequently as needed and will review the valuation of all assets which have been fair valued for reasonableness. The Trust's officers, through the Valuation Committee and consistent with the monitoring and review responsibilities set forth in the Valuation Procedures, regularly review procedures used by, and valuations provided by, the pricing services.

If the pricing service cannot or does not provide a valuation for a particular investment or such valuation is deemed unreliable, such investment is fair valued by the Valuation Committee.

Equity securities listed on an exchange (New York Stock Exchange ("NYSE") or American Stock Exchange) are valued at the last quoted sales price as of the close of business on the NYSE, usually 4:00 p.m. Eastern time on the valuation date. Equity securities listed on the NASDAQ market system are valued at the NASDAQ Official Closing Price on the valuation date, which may not necessarily represent the last sale price. If there has been no sale on such exchange or NASDAQ on such day, the security is valued at the mean between the last available bid and ask prices on such day.

Open-end investment companies ("Mutual Funds") are valued at their NAV as of the close of business on the valuation date. Exchange Traded Funds ("ETFs") and closed-end investment companies are valued at the last quoted sales price.

Debt securities with a maturity of greater than 60 days at acquisition are valued at prices that reflect broker/dealer supplied valuations or are obtained from independent pricing services, which may consider the trade activity, treasury spreads, yields or price of bonds of comparable quality, coupon, maturity, and type, as well as prices quoted by dealers who make markets in such securities. Short-term debt securities with a maturity of 60 days or less at acquisition and repurchase agreements are valued at amortized cost, provided such amount approximates market value.

Typically loans are valued using information provided by an independent third party pricing service which uses broker quotes in a non-active market.

The value of interest rate swap agreements are accounted for using the unrealized gain or loss on the agreements that is determined using the spread priced off the CME price.

Generally, trading in foreign securities markets is substantially completed each day at various times prior to the close of the NYSE. The values of foreign securities are determined as of the close of such foreign markets or the close of the NYSE, if earlier. All investments quoted in foreign currency are valued in U.S. dollars on the basis of the foreign currency exchange rates prevailing at the close of U.S. business at 4:00 p.m. Eastern time. Investments in foreign securities may involve risks not present in domestic investments. The Valuation Committee will determine the current value of such foreign securities by taking into consideration certain factors which may include those discussed above, as well as the following factors, among others: the value of the securities traded on other foreign markets, ADR trading, closed-end fund trading, foreign currency exchange activity, and the trading prices of financial products that are tied to foreign securities such as World Equity Benchmark Securities. In addition, under the Valuation Procedures, the Valuation Committee and Guggenheim Funds Investment Advisors, LLC ("GFIA" or the "Adviser") are authorized to use prices and other information supplied by a third party pricing vendor in valuing foreign securities.

Investments for which market quotations are not readily available (including restricted securities) are fair valued as determined in good faith by the Adviser, subject to review by the Valuation Committee, pursuant to methods established or ratified by the Board. Valuations in accordance with these methods are intended to reflect each security's (or asset's)

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“fair value.” Each such determination is based on a consideration of all relevant factors, which are likely to vary from one pricing context to another. Examples of such factors may include, but are not limited to: (i) the type of security, (ii) the initial cost of the security, (iii) the existence of any contractual restrictions on the security’s disposition, (iv) the price and extent of public trading in similar securities of the issuer or of comparable companies, (v) quotations or evaluated prices from broker-dealers and/or pricing services, (vi) information obtained from the issuer, analysts, and/or the appropriate stock exchange (for exchange traded securities), (vii) an analysis of the company’s financial statements, and (viii) an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold (e.g. the existence of pending merger activity, public offerings or tender offers that might affect the value of the security).

**2. Fair Value Measurement**

In accordance with GAAP, fair value is defined as the price that the Trust would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market, the most advantageous market for the investment or liability. GAAP establishes a three-tier fair value hierarchy based on the types of inputs used to value assets and liabilities and requires corresponding disclosure. The hierarchy and the corresponding inputs are summarized below:

Level 1 — quoted prices in active markets for identical assets or liabilities.

Level 2 — significant other observable inputs (for example quoted prices for securities that are similar based on characteristics such as interest rates, prepayment speeds, credit risk, etc.).

Level 3— significant unobservable inputs based on the best information available under the circumstances, to the extent observable inputs are not available, which may include assumptions.

The types of inputs available depend on a variety of factors, such as the type of security and the characteristics of the markets in which it trades, if any. Fair valuation determinations that rely on fewer or no observable inputs require greater judgment. Accordingly, fair value determinations for Level 3 securities require the greatest amount of judgment.

Independent pricing services are used to value a majority of the Trust’s investments. When values are not available from a pricing service, they will be determined under the valuation policies that have been reviewed and approved by the Board. In any event, values are determined using a variety of sources and techniques, including: market prices; broker quotes; and models which derive prices based on inputs such as prices of securities with comparable maturities and characteristics or based on inputs such as anticipated cash flows or collateral, spread over Treasuries, and other information and analysis. A significant portion of the Trust’s assets and liabilities are categorized as Level 2, or Level 3, as indicated in this report.

Indicative quotes from broker—dealers, adjusted for fluctuations in criteria such as credit spreads and interest rates, may also be used to value the Trust’s assets and liabilities, i.e. prices provided by a broker—dealer or other market participant who has not committed to trade at that price. Although indicative quotes are typically received from established market participants, the Trust may not have the transparency to view the underlying inputs which support the market quotations.

Certain fixed income securities are valued by obtaining a monthly indicative quote from a broker— dealer, adjusted for fluctuations in criteria such as credit spreads and interest rates.

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The suitability of the techniques and sources employed to determine fair valuation are regularly monitored and subject to change.

**3. Federal Income Taxes**

As of February 29, 2016, the cost of investments and accumulated unrealized appreciation/depreciation on investments for federal income tax purposes were as follows:

<b>Cost of Investments for Tax Purposes</b>	<b>Gross Tax Unrealized Appreciation</b>	<b>Gross Tax Unrealized Depreciation</b>	<b>Net Tax Unrealized Appreciation</b>
\$463,879,536	\$75,670,007	\$(6,970,372)	\$68,699,635

**SUPPLEMENTAL INFORMATION** *(Unaudited)*

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**Sector Classification**

Information in the "Schedule of Investments" is categorized by sectors using sector-level classifications used by Bloomberg Industry Classification System, a widely recognized industry classification system provider. In the Fund's registration statement, the Fund has investment policies relating to concentration in specific industries. For purposes of these investment policies, the Fund usually classifies industries based on industry-level classifications used by widely recognized industry classification system providers such as Bloomberg Industry Classification System, Global Industry Classification Standards and Barclays Global Classification Scheme.

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**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) as of a date within 90 days of the filing date of this report and have concluded, based on such evaluation, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant on this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act, as amended) that occurred during the registrant's last fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act, as amended (17 CFR 270.30a-2(a)) is attached hereto.

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**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.

Guggenheim Build America Bonds Managed Duration Trust

By: /s/ Donald C. Cacciapaglia  
Donald C. Cacciapaglia  
President and Chief Executive Officer

Date: April 28, 2016

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: /s/ Donald C. Cacciapaglia  
Donald C. Cacciapaglia  
President and Chief Executive Officer

Date: April 28, 2016

By: /s/ John L. Sullivan  
John L. Sullivan  
Chief Financial Officer, Chief Accounting Officer and Treasurer

Date: April 28, 2016

CERTIFICATIONS

I, Donald C. Cacciapaglia, certify that:

1. I have reviewed this report on Form N-Q of Guggenheim Build America Bonds Managed Duration Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedule of investments included in this report fairly presents in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

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/s/ Donald C. Cacciapaglia  
Donald C. Cacciapaglia  
President and Chief Executive Officer

CERTIFICATIONS

I, John L. Sullivan, certify that:

1. I have reviewed this report on Form N-Q of Guggenheim Build America Bonds Managed Duration Trust;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the schedule of investments included in this report fairly presents in all material respects the investments of the registrant as of the end of the fiscal quarter for which the report is filed;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report, based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 28, 2016

/s/ John L. Sullivan  
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John L. Sullivan  
Chief Financial Officer, Chief Accounting Officer  
and Treasurer