

NYSE LISTED

**MZF**

Closed-End Fund

8.31.2016

# Managed Duration Investment Grade Municipal Fund

## Fund Overview

|   |                                |
|---|--------------------------------|
| Inception   | 8.26.2003                      |
| Market Price  | \$14.48                        |
| NAV   | \$15.54                        |
| Premium/(Discount)                                  | (6.82%)                        |
| Average 30-Day Volume                               | 12,718                         |
| Distribution Per Share <sup>1</sup>                 | \$0.05350                      |
| Current Market Price Distribution Rate <sup>2</sup> | 4.43%                          |
| Leverage <sup>3</sup>                               | 39.66%                         |
| Expense Ratio (Common Shares) <sup>4</sup>          | 1.33%                          |
| Inception NAV                                       | \$14.33                        |
| Inception Price                                     | \$15.00                        |
| NYSE Ticker   | MZF                            |
| CUSIP   | 56165R103                      |
| Email   | cefs@guggenheiminvestments.com |
| Taxable Equivalent Distribution Rate <sup>5</sup>   | 6.82%                          |
| NAV Ticker  | XMZFX                          |
| Website   | guggenheiminvestments.com/mzf  |

## Performance History As of 8.31.2016

|                 | Market Price | NAV    |
|-----------------|--------------|--------|
| 2016 YTD        | 8.80%        | 6.94%  |
| 1 Year          | 13.44%       | 10.27% |
| 3 Year          | 12.87%       | 11.30% |
| 5 Year          | 6.96%        | 7.87%  |
| 10 Year         | 7.90%        | 6.65%  |
| Since Inception | 5.83%        | 6.36%  |
| 2015            | 7.56%        | 3.31%  |
| 2014            | 15.69%       | 19.96% |
| 2013            | -13.39%      | -7.08% |
| 2012            | 9.47%        | 12.33% |
| 2011            | 22.12%       | 17.28% |

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 each Fund's initial offering price for market price returns or the Fund's initial net asset value (NAV) 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. All returns include the deduction of management fees, operating expenses and all other fund expenses, and do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.

Distributions are not guaranteed and are subject to change.

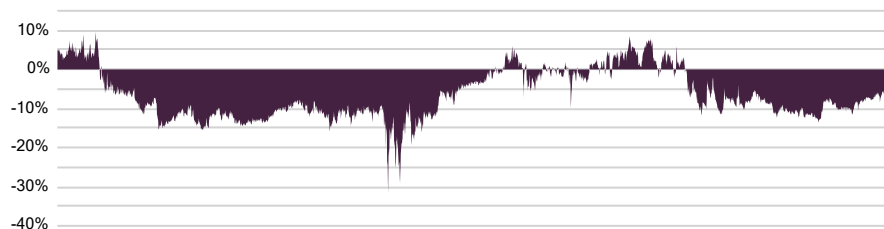
## Investment Objective

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.

## MARKET PRICE/NAV HISTORY As of 8.31.2016



## PREMIUM/DISCOUNT % As of 8.31.2016



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

## SECTOR CONCENTRATION As of 8.31.2016

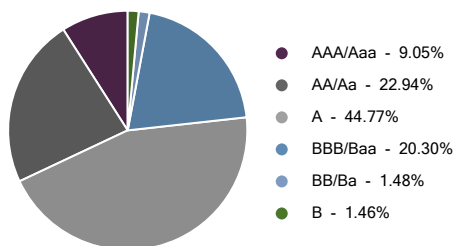
|                    |        |
|--------------------|--------|
| Medical            | 17.88% |
| Transportation     | 11.57% |
| General Obligation | 9.97%  |
| Power              | 9.56%  |
| Higher Education   | 9.21%  |
| Development        | 8.38%  |
| Pre-Refunded       | 7.68%  |
| Water/Sewer        | 5.02%  |
| Education          | 4.35%  |
| Facilities         | 3.75%  |
| Airport            | 3.24%  |
| Lease              | 2.93%  |
| School District    | 2.29%  |
| Tobacco            | 1.85%  |
| Housing            | 1.72%  |
| Other              | 0.60%  |

## TOP 10 HOLDINGS As of 8.31.2016

|   |       |
|---|-------|
| Hartnell CA Community College District          | 2.51% |
| Sweetwater Cnty WY - FMC Corp                   | 2.32% |
| Northern California Gas - Morgan Stanley        | 1.96% |
| Sacramento Sanitation District                  | 1.88% |
| Louisiana Environmental, Westlake Chemical Corp | 1.86% |
| Matagorda Co Texas, Centerpoint Energy Inc      | 1.85% |
| Arizona Health Facilities - Banner Health       | 1.84% |
| City of Bridgeport CT                           | 1.80% |
| Michigan State Building Authority               | 1.75% |
| Vermont Student Assistance Corp                 | 1.73% |

<sup>1</sup>Distributions may be paid from sources of income other than ordinary income, such as short term capital gains, long term capital gains or return of capital. Based on our current estimates as of August 2016, we anticipate that the current distribution has been paid from the following source(s): ordinary income and return of capital. If a distribution consists of something other than ordinary income, Shareholders of record, as of the applicable record date, will be sent a Section 19(a) notice with the anticipated source(s) of the distribution. Section 19(a) notices are provided for informational purposes only and not for tax reporting purposes. Please note the final determination of the source and tax characteristics of all distributions in a particular year will be made after the end of the year. This information is not legal or tax advice. Consult a professional regarding your specific legal or tax matters.

## CREDIT QUALITY As of 8.31.2016



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.

## GUGGENHEIM FUNDS DISTRIBUTORS, LLC

Guggenheim Investments represents the investment management businesses of Guggenheim Partners, LLC ("Guggenheim"), which includes Guggenheim Funds Distributors, LLC ("GFD"), the Servicing Agent to the referenced fund. Collectively Guggenheim Investments has a long, distinguished history of serving institutional investors, ultra-high-net-worth individuals, family offices and financial intermediaries. Guggenheim Investments offers clients a wide range of differentiated capabilities built on a proven commitment to investment excellence.

## CUTWATER INVESTOR SERVICES CORP

Cutwater Investor Services Corp. Investment advisory services for the Fund are provided by Insight Investment, through Cutwater Investor Services Corp. (CISC), Cutwater is one of four SEC-registered investment advisers using the brand Insight Investment (Cutwater Asset Management Corp. (CAMC), Cutwater Investor Services Corp. (CISC), Pareto New York LLC (PNY) and Pareto Investment Management Limited (PIML)) and it is associated with a broader group of global investment managers that also (individually and collectively) use the corporate brand Insight Investment and may be referred to as "Insight", "Insight Group" or "Insight Investment". CISC and CAMC may also be referred to, collectively, as Cutwater Asset Management.

<sup>2</sup> Latest declared distribution per share annualized and divided by the current share price. <sup>3</sup> Represents the amount of financial leverage the Fund currently employs as a percentage of total Fund assets. <sup>4</sup> Expense ratios are annualized and reflect the funds operating expense, including interest expense and net of fee waivers, as of the most recent annual or semi-annual report. The expense ratio, including interest expense and excluding fee waivers was 1.58%. <sup>5</sup> The taxable equivalent rate is calculated by taking the current distribution rate and dividing it by one minus the the highest federal marginal tax bracket. Our example uses the federal marginal tax rate of 35%.

All data as of 8/31/2016 or otherwise noted. Data is subject to change on a daily basis. The securities mentioned are provided for informational purposes only and should not be deemed as a recommendation to buy or sell. **Net asset value (NAV)** is the value of all fund assets (less liabilities) divided by the number of common shares outstanding. **Market price** is the price at which a fund trades on an exchange. Shareholders purchase and sell closed-end funds at the market price, not NAV. A closed-end fund's **premium/discount** valuation is calculated as market price minus NAV, divided by NAV.

**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. The Fund's use of leverage by the issuance of Auction Market Preferred Shares ("AMPS") and any investment in inverse floating obligations may increase interest rate risk. 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. **Risks of Investing in AMPS.** The AMPS market continues to remain illiquid as auctions for nearly all AMPS continue to fail. A failed auction is not a default, nor does it require the redemption of a fund's auction-rate preferred shares. Provisions in the Fund's offering documents provide a mechanism to set a maximum rate in the event of a failed auction, and, thus, investors will continue to be entitled to receive payment for holding these AMPS. **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. **Investors should consider the investment objectives, risks, and expenses before investing. Please refer to the most recent annual or semi-annual report and visit [www.guggenheiminvestments.com](http://www.guggenheiminvestments.com) for this and more information (or call Guggenheim Funds Distributors, LLC at 800.345.7999).** Member FINRA/SIPC (08/16) #24893

## STATE/TERRITORY CONCENTRATION As of 8.31.2016

|               |        |
|---------------|--------|
| California    | 14.41% |
| Texas         | 8.64%  |
| Florida       | 6.27%  |
| Louisiana     | 5.54%  |
| Illinois      | 5.45%  |
| Pennsylvania  | 4.81%  |
| Massachusetts | 4.68%  |
| New York      | 4.58%  |
| Arizona       | 4.52%  |
| Michigan      | 4.12%  |
| Other         | 36.98% |

## CONTACT INFORMATION

## TRANSFER AGENT

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Chicago, IL 60606 --- 866-819-5301

## INVESTMENT ADVISER

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New York, NY 10166