

IMPORTANT TAX INFORMATION

2009 U.S. GOVERNMENT PERCENTAGE OF INCOME

The table below summarizes the portion of the 2009 income dividends shown in **Box 1a** of Form 1099-DIV that can be attributed to direct U.S. Government obligations. Because state and local governments vary in their treatment of income from U.S. Government obligations, you should check with your state and local tax office to determine what portion, if any, of your total 2009 net income dividends is exempt from your state and/or local income tax.

Fund	U.S. Government Percentage	More than 50% U.S. Government Holdings at each Quarter End?
Managers AMG FQ Global Essentials Fund (formerly Managers Fremont Global)	11.36%	NO
Managers Fixed Income Fund	5.95	NO
Managers AMG Chicago Equity Partners Balanced Fund	2.07	NO
Managers Global Bond Fund	1.43	NO
Managers Fremont Bond Fund	0.73	NO
Managers Bond Fund	0.35	NO
Managers Short Duration Government Fund	0.23	NO
Managers Intermediate Duration Government Fund	0.08	NO

The U.S. Government percentage for Funds not listed is zero.

FOREIGN TAX CREDIT

For distributions made in the year ending December 31, 2009, the total amount of income received from various foreign sources, taxes paid and the foreign tax credit multiplier for ALL MANAGERS FUNDS that qualify for the foreign tax credit are as follows:

	Total Dollar Amount	Per Share
Managers International Equity Fund:		
Foreign source income	\$2,025,204	\$0.8236421
Foreign taxes paid	\$372,363	\$0.1514385
Foreign tax multiplier	5.43879	
Managers Emerging Markets Equity Fund:		
Foreign source income	\$409,897	\$0.0567226
Foreign taxes paid	\$174,725	\$0.0241789
Foreign tax multiplier	2.3459523	

By multiplying the foreign tax credit amount in **Box 6** of Form 1099-DIV by the foreign tax multiplier you can calculate the U.S. Dollar value of your foreign source income. The foreign taxes paid were to "various" countries. Individual country breakdowns are not available. Shareholders should consult with their own tax advisor as to applicability of foreign taxes on their tax returns. The foreign tax credit for Funds not listed is zero.

2009 U.S. GOVERNMENT PERCENTAGE OF CAPITAL GAINS

Short-Term Capital Gains:

For the year ended December 31, 2009, a portion of short-term capital gains was derived from direct U.S. Government obligations for shareholders of the Managers Fremont Bond Fund. This portion represents 11.29% of the total distribution shown in **Box 1a** of form 1099-DIV. The U.S. Government percentage of short-term capital gains for Funds not listed is zero.

QUALIFIED DIVIDEND INCOME

Qualified dividend income (subject to a reduced tax rate) paid out by certain mutual funds will be reported separately in **Box 1b** of Form 1099 -DIV.

Holding periods for Mutual Fund Income Distributions:

To qualify for the reduced tax rate on Qualifying Dividend Income paid out by a mutual fund (**Box 1b** of Form 1099-DIV), a **shareholder must determine** that they have held their mutual fund shares unhedged for more than 61 days within a 121-day period that includes the ex-dividend date of the income distribution. In determining the holding period, include the day of sale and exclude the day of purchase.

DIVIDENDS-RECEIVED DEDUCTION – Corporate Shareholders only

Corporate shareholders may take advantage of the 70% dividends-received deduction ("DRD") for dividends paid by certain Funds that hold equity securities. The portion, if any, of the ordinary dividends which qualifies as DRD for the year ended December 31, 2009 is as follows:

Fund	DRD Percentage
Managers AMG FQ Tax-Managed U.S. Equity Fund	100.00%
Managers AMG FQ U.S. Equity Fund	100.00
Systematic Value Fund	100.00
Systematic Mid Cap Value Fund	100.00
GW&K Small Cap Equity Fund (formerly GW&K Multi-Cap Equity)	100.00
Managers AMG Chicago Equity Partners Mid-Cap Fund	100.00
Managers AMG FQ Global Essentials Fund (formerly Managers Fremont Global)	96.45
Managers AMG Chicago Equity Partners Balanced Fund	83.23

The DRD percentage for Funds not listed is zero.

IMPORTANT TAX INFORMATION (Continued)

Tax-Exempt Income Distributions: Exemptions from Federal and State Taxes

Please note that tax-exempt income dividends paid by the Funds in 2009 are exempt from Federal Income Tax and will not be reported on Form 1099-DIV. However, these dividends will be reported as part of a new federal information reporting requirement on Form 1099-INT. While still exempt from Federal Income Tax, such amounts will be filed with the Internal Revenue Service for informational purposes only. **Box 8** of the Form 1099-INT shows your tax-exempt income dividends.

A portion of your 2009 income distributions may also be exempt from State Income Tax. You will need to utilize the state-specific percentages presented in the "Tax-Exempt Investment Income by State" table to determine this amount. Please consult your tax advisor regarding the tax status of fund distributions in your state.

In addition, check with your tax advisor to see if your state exempts interest earned on U.S. possessions, such as Puerto Rico.

Important Alternative Minimum Tax Information:

The percentage of your total 2009 income distributions subject to the Alternative Minimum Tax ("A.M.T.") is shown under "Amount Subject to A.M.T." at the bottom of the "Tax-Exempt Investment Income by State" table. In addition, any tax-exempt income distributions subject to the A.M.T. are shown in **Box 9** of your 1099-INT.

Important State Tax Information:

Depending on the state in which you reside, you may be able to deduct the interest earned on selected government securities from your state income tax return. (Government securities held in your fund in 2009 earned interest that was subsequently paid to you in the form of fund dividends.) If the tax law of your state of residence provides an exemption, multiply the total amount of dividend distributions you received in 2009 by the respective percentage shown in the "Taxable Investment Income" table.

To determine the tax status of distributions in your state, please consult your tax advisor.

It is up to each shareholder to determine what portions of this tax letter are applicable. Please consult your tax advisor concerning your particular situation.

For additional federal income tax information go to IRS.Gov and click on Publication 564 "Mutual Fund Distributions."

2009 Tax-Exempt Investment Income by State

	GW&K Municipal Enhanced Yield Fund	GW&K Municipal Bond Fund	California Intermediate Tax-Free
Alabama	2.17%	0.00%	0.00%
Alaska	0.00%	0.00%	0.00%
Arizona	2.76%	4.79%	0.00%
Arkansas	0.00%	0.00%	0.00%
California	13.45%	20.11%	99.79%
Colorado	1.98%	0.00%	0.00%
Connecticut	0.60%	1.98%	0.00%
Delaware	0.00%	0.00%	0.00%
District of Columbia	0.85%	1.16%	0.00%
Florida	5.18%	3.07%	0.00%
Georgia	0.10%	0.18%	0.00%
Hawaii	0.95%	0.00%	0.00%
Idaho	0.03%	0.00%	0.00%
Illinois	2.75%	2.26%	0.00%
Indiana	0.67%	0.00%	0.00%
Iowa	0.00%	2.87%	0.00%
Kansas	1.39%	4.29%	0.00%
Kentucky	2.18%	3.86%	0.00%
Louisiana	1.78%	0.00%	0.00%
Maine	0.00%	3.62%	0.00%
Maryland	0.79%	0.00%	0.00%
Massachusetts	13.40%	3.76%	0.00%
Michigan	2.80%	3.58%	0.00%
Minnesota	0.00%	0.00%	0.00%
Mississippi	0.00%	0.00%	0.00%
Missouri	0.00%	0.00%	0.00%
Montana	0.00%	0.00%	0.00%
Nebraska	0.00%	0.00%	0.00%
Nevada	0.00%	0.00%	0.00%
New Hampshire	0.48%	0.00%	0.00%
New Jersey	3.00%	1.42%	0.00%
New Mexico	0.08%	0.00%	0.00%
New York	3.87%	13.33%	0.00%
North Carolina	0.34%	1.10%	0.00%
North Dakota	0.60%	0.00%	0.00%
Ohio	2.98%	1.58%	0.00%
Oklahoma	0.13%	0.00%	0.00%
Oregon	1.12%	0.00%	0.00%
Pennsylvania	6.95%	2.83%	0.00%
Puerto Rico	5.03%	0.00%	0.21%
Rhode Island	0.00%	0.00%	0.00%
South Carolina	0.02%	0.00%	0.00%
South Dakota	0.00%	0.00%	0.00%
Tennessee	4.92%	2.76%	0.00%
Texas	8.70%	11.20%	0.00%
Utah	0.03%	0.00%	0.00%
Vermont	1.34%	3.36%	0.00%
Virgin Islands	2.09%	0.00%	0.00%
Virginia	1.19%	3.74%	0.00%
Washington	2.69%	3.15%	0.00%
West Virginia	0.00%	0.00%	0.00%
Wisconsin	0.61%	0.00%	0.00%
Wyoming	0.00%	0.00%	0.00%
TOTAL	100.00%	100.00%	100.00%
Amount Subject to A.M.T.	5.46%	0.00%	0.00%