


SECOND QUARTER 2010
OBJECTIVE: The Fund's investment objective is to achieve income free from Federal and California state income taxes, including the alternative minimum tax ("AMT").

ASSET CLASS	STYLE: MUNICIPAL BOND	BENCHMARK	ADVISOR	SUBADVISOR	PORTFOLIO MANAGER																
	<table border="1"> <tr> <td></td> <td>SHORT</td> <td>INT.</td> <td>LONG</td> </tr> <tr> <td>HIGH</td> <td></td> <td style="background-color: #f08080;">■</td> <td></td> </tr> <tr> <td>MED.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>LOW</td> <td></td> <td></td> <td></td> </tr> </table>		SHORT	INT.	LONG	HIGH		■		MED.				LOW				Barclays Capital 5-Year Municipal Bond Index	Managers Investment Group LLC	Miller Tabak Asset Management, LLC	Michael Pietronico
		SHORT	INT.	LONG																	
HIGH		■																			
MED.																					
LOW																					
Style box placement is based on Fund objective																					

FUND FACTS	Ticker	Cusip	Inception	Expense Ratio Gross/Net ¹	Minimum Investment	Maximum Sales Load	12b-1 Fees
Fund	MCATX	561717620	11/16/90	0.88%/0.57%	\$2,000 (\$1,000 IRA)	—	—

AVERAGE ANNUAL RETURNS (%) ² (as of 06/30/10)				
	YTD	1 Yr	5 Yr	10 Yr
MCATX	2.65	6.63	3.43	4.40
Barclays Capital 5-Year Municipal Bond Index	2.46	6.88	4.85	5.21

CALENDAR YEAR PERFORMANCE (%)							
	'09	'08	'07	'06	'05	'04	'03
MCATX	7.64	-1.36	3.58	4.54	2.79	4.32	5.03
Barclays Capital 5-Year Municipal Bond Index	7.40	5.78	5.15	3.34	0.95	2.72	4.12

INDUSTRY WEIGHTINGS (% of municipal bonds)		
%	INDUSTRY	Fund
	School District	43.1
	General Obligation	15.9
	Transportation	10.2
	General	7.4
	Facilities	5.5
	Development	4.5
	Water	4.3
	Airport	4.2
	Power	3.0
	Utilities	0.9
	Other	0.9

TOP TEN HOLDINGS (%) ³			
SECURITY	Coupon (%)	Maturity	% of Net Assets
Santa Ana Unified School District	5.3	Aug 2025	4.6
Los Angeles Municipal Improvement	5.0	Jan 2025	2.6
San Bernardino Community College District	6.3	Aug 2023	2.4
Puerto Rico Sales Tax Financing	4.4	Aug 2020	2.3
Val Verde Unified School District	5.5	Aug 2024	2.2
Los Angeles Municipal Improvement	5.0	Sep 2023	2.2
Port of Oakland California - B	5.0	Nov 2021	2.0
Fairfield-Suisun Unified School District	5.0	Aug 2024	1.9
San Bernardino Community College District	6.4	Aug 2026	1.8
Yosemite Community College	5.0	Aug 2022	1.8
TOTAL %			23.8

¹ Annual expense ratio as of 03/01/10. Managers Investment Group LLC (the "Investment Manager") has contractually agreed, until at least March 1, 2011, to waive fees and/or reimburse expenses in order to limit Total Annual Fund Operating Expenses After Fee Waiver and Expense Reimbursements (exclusive of taxes, interest, brokerage commissions, acquired fund fees and expenses, and extraordinary items) to 0.55% of the average daily net assets of the Fund, subject to later reimbursement by the Fund in certain circumstances.

² Returns for periods greater than one year are annualized.

The performance data shown represents past performance. Past performance is not a guarantee of future results. Current performance may be lower or higher than the performance data quoted. The investment return and the principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. For performance information through the most recent month end, please call 800.835.3879 or visit our Web site at www.managersinvest.com.

From time to time the Fund's advisor has waived fees or reimbursed expenses, which may have resulted in higher returns.

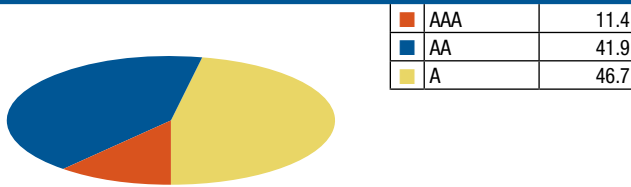
³ Mention of a specific security should not be considered a recommendation to buy or a solicitation to sell that security. Holdings are subject to change.

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CHARACTERISTICS	Net Assets (Mil.\$)	# Holdings	Average Effective Duration (years)	Average Maturity (years)	SEC 30-Day Yield (%) ¹
Fund	30.7	219	6.0	5.4	2.70
Barclays Capital 5-Year Municipal Bond Index	—	5,076	—	4.9	—

¹ SEC 30-Day Yield as of 06/30/10. The SEC 30-Day Yield would have been 2.28% without the fee limitation.

FUND CREDIT ALLOCATION (% of bonds)


The credit quality of securities in the Fund's portfolio is derived from Moody's and Standard and Poor's. In cases where the credit rating agencies have assigned different credit ratings to the same security, the higher rating is used. In cases where only one rating agency has assigned a credit rating to a security, that rating is used. Securities that receive no rating from either agency have been categorized as 'Non-Rated'. Data reflects the credit rating allocation among bonds and preferred stocks. Certain unrated securities (e.g., derivatives, common stocks, currencies and other cash equivalents) are not reflected in the data shown. The credit quality of securities in the Fund's portfolio does not apply to the stability or safety of the Fund.

Disclosures

Investors should carefully consider the Fund's investment objectives, risks, charges, and expenses before investing. For this and other information, please call 800.835.3879 or visit www.managersinvest.com for a free prospectus. Read it carefully before investing or sending money.

The Fund is subject to risks associated with economic, political, geographic, and demographic conditions of California that could adversely affect the value of the Fund's investment portfolio.

The Fund is subject to the risks associated with investments in debt securities, such as default risk and fluctuations in the perception of the

debtor's ability to pay its creditors. Changing interest rates may adversely affect the value of an investment. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall. Investment income may be subject to certain state and local taxes, and depending on your tax status, the federal alternative minimum tax. Capital gains are not exempt from federal income tax.

Issuer of bonds may not be able to meet interest or principal payments when the bonds come due.

Factors unique to the municipal bond market may negatively affect the value in municipal bonds.

The Barclays Capital 5-Year Municipal Bond Index provides a broad-based performance measure of the U.S. municipal bond market, consisting of securities with 4-6 year maturities. The Index tracks general obligation, revenue, insured, and prerefunded bonds with a minimum credit rating of Baa by Moody's. Unlike the Fund, the Barclays Capital 5-Year Municipal Bond Index is unmanaged, is not available for investment, and does not incur expenses.

Funds are distributed by Managers Distributors, Inc., a member of FINRA.