

Managers Intermediate Duration Government Fund

OBJECTIVE: The Fund's investment objective is to provide investors with a total return in excess of the total return of the major market indices for mortgage-backed securities.

ASSET CLASS	STYLE	BENCHMARK	ADVISOR	SUBADVISOR	PORTFOLIO MANAGERS																
FIXED INCOME	<table border="1"> <tr> <td></td> <td>SHORT</td> <td>INT.</td> <td>LONG</td> </tr> <tr> <td>HIGH</td> <td></td> <td style="text-align: center;">■</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				Citigroup Mortgage Index	Managers Investment Group LLC	Smith Breeden Associates, Inc.	Daniel R. Adler Daniel C. Dektar
		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	MGIDX	561717786	03/31/92	1.00%/0.91%	\$2,000 (\$1,000 IRA)	—	—

AVERAGE ANNUAL RETURNS (%) ² (as of 06/30/10)				
	YTD	1 Yr	5 Yr	10 Yr
MGIDX	5.72	12.56	5.94	6.26
Citigroup Mortgage Index	4.71	7.83	6.33	6.60

CALENDAR YEAR PERFORMANCE (%)							
	'09	'08	'07	'06	'05	'04	'03
MGIDX	12.40	0.85	6.35	4.64	1.74	3.95	3.40
Citigroup Mortgage Index	5.76	8.49	6.99	5.17	2.72	4.81	3.07

SECTOR WEIGHTINGS (% of bonds)				
%	SECTOR	Fund	Index	
	Agency Fixed Rate MBS/CMO	75.2	100.0	
	Non Agency MBS/CMO	12.4	0.0	
	Agency Adjustable Rate MBS/CMO	11.5	0.0	
	U.S. Treasury	0.4	0.0	
	Other MBS	0.4	0.0	
	U.S. Agency	0.2	0.0	

TOP TEN HOLDINGS (%) ³			
SECURITY	Coupon (%)	Maturity	% of Net Assets
GNMA TBA 30 Yr	4.5	—	10.7
FNMA TBA 30 Yr	5.0	—	5.9
FHLMC TBA 30 Yr	5.0	—	4.1
FNMA TBA 30 Yr	6.0	—	3.6
FHLMC Pool 1K0014 Floater	—	Jan 2036	3.5
FNMA TBA 15 Yr	4.0	—	3.5
FHLMC Gold Pool G01841	5.5	Jun 2035	3.4
GNMA TBA 30 Yr	5.5	—	3.0
FHLMC TBA 30 Yr	5.5	—	2.8
GNMA Pool 710935	5.5	Oct 2039	2.3
TOTAL %			42.8

¹ Annual expense ratio as of 05/01/10. Managers Investment Group LLC (the "Investment Manager") has contractually agreed, through at least May 1, 2011, to waive management fees and/or reimburse Fund 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 0.89% of the Fund's average daily net assets, 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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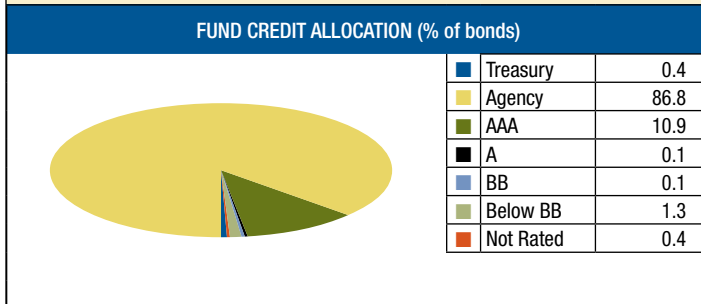
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CHARACTERISTICS	Net Assets (Mil.\$)	# Holdings	Interest Rate Sensitivity (%) ¹	Average Maturity (years)	SEC 30-Day Yield ² (%)
Fund	179.6	179	1.9	16.4	2.68
Citigroup Mortgage Index	—	231	2.0	3.4	—

¹ Interest Rate Sensitivity measures the portfolio's sensitivity to a 100-basis-point parallel shift in interest rates. One percent is approximately one year of effective duration.

² SEC 30-Day Yield as of 06/30/10. The SEC 30-Day Yield would have been 2.60% 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.

Fixed income funds are subject to the risks associated with investments in debt securities, such as default risk, fluctuations in the debtor's perceived ability to pay its creditors, and changing interest rate risk. An increase in interest rates typically causes the value of bonds and other fixed income securities to fall.

The Fund may use derivative instruments for hedging purposes or as part of its investment strategy. There is a risk that a deriva-

tive intended as a hedge may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative or that the counterparty may fail to honor its contract terms, causing a loss for the Fund. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so.

Many bonds have call provisions which allow the debtors to pay them back before maturity. This is especially true with mortgage securities, which can be paid back anytime. Typically debtors prepay their debt when it is to their advantage (when interest rates drop making

a new loan at current rates more attractive), and thus likely to the disadvantage of bondholders, who may have to reinvest prepayment proceeds in securities with lower yields. Prepayment risk will vary depending on the provisions of the security and current interest rates relative to the interest rate of the debt.

The Citigroup Mortgage Index includes all outstanding government sponsored fixed-rate mortgage-backed securities, weighted in proportion to their current market capitalization. The Index reflects no deductions for fees, expenses, or taxes. Unlike the Fund, the Citigroup Mortgage Index is unmanaged, is not available for investment, and does not incur expenses.

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