Managers INVESTMENT GROUP

# Managers Micro-Cap Fund

## First Quarter 2013

| ASSET CLASS / OBJECTIVE | STYLE | BENCHMARKS | ADVISOR | SUBADVISORS |
|---|---|---|---|---|
| **EQUITY**<br>The Fund's investment objective is to achieve long-term capital appreciation. | VALUE / CORE / GROWTH; LARGE / MID / SMALL — ■ SMALL CORE | Style box placement is based on Fund objective | Russell Microcap® Index<br>Russell 2000® Index | Managers Investment Group LLC | Lord, Abbett & Co. LLC<br>Next Century Growth Investors LLC<br>WEDGE Capital Management LLP<br>RBC Global Asset Management (U.S.) Inc. |

### FUND FACTS

| Share Class | Ticker | Cusip | Inception | Expense Ratio Gross/Net[1] | Minimum Investment | Maximum Sales Load | 12b–1 Fees |
|---|---|---|---|---|---|---|---|
| Service Class | MMCFX | 561717661 | 06/30/94 | 1.71%/1.44% | $2,000 ($1,000 IRA) | — | — |
| Institutional Class | MIMFX | 56171L835 | 10/03/11 | 1.46%/1.19% | $1,000,000 ($50,000 IRA) | — | — |

### AVERAGE ANNUAL RETURNS (%)[2] (as of 03/31/13)

| | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incpt.[3] |
|---|---|---|---|---|---|---|---|
| MMCFX (Service Class) | 14.94 | 14.94 | 12.85 | 15.01 | 9.43 | 10.51 | — |
| MIMFX (Institutional Class) | 15.02 | 15.02 | 13.30 | — | — | — | 32.60 |
| Russell Microcap® Index | 12.58 | 12.58 | 16.93 | 12.80 | 6.68 | 9.99 | — |
| Russell 2000® Index | 12.39 | 12.39 | 16.30 | 13.45 | 8.24 | 11.52 | — |

### CALENDAR YEAR PERFORMANCE (%)

| | '12 | '11 | '10 | '09 | '08 | '07 | '06 |
|---|---|---|---|---|---|---|---|
| MMCFX (Service Class) | 13.95 | -3.75 | 29.76 | 28.59 | -38.18 | 9.21 | 12.26 |
| Russell Microcap® Index | 19.75 | -9.27 | 28.89 | 27.48 | -39.78 | -8.00 | 16.54 |
| Russell 2000® Index | 16.35 | -4.18 | 26.85 | 27.17 | -33.79 | -1.57 | 18.37 |

### SECTOR WEIGHTINGS (%) (as of 03/31/13)

| Sector | Fund | Russell Microcap® | Russell 2000® |
|---|---|---|---|
| Information Technology | 21.5 | 14.1 | 16.4 |
| Industrials | 19.5 | 13.7 | 15.3 |
| Consumer Discretionary | 18.0 | 12.3 | 13.8 |
| Health Care | 16.6 | 17.3 | 12.2 |
| Financials | 10.2 | 29.4 | 23.3 |
| Materials | 4.4 | 3.9 | 5.3 |
| Energy | 3.9 | 3.8 | 6.1 |
| Consumer Staples | 1.9 | 2.4 | 3.6 |
| Telecommunication Services | 1.4 | 1.7 | 0.6 |
| Utilities | 0.6 | 1.1 | 3.3 |
| Cash & Other | 2.1 | 0.3 | 0.1 |

### TOP TEN HOLDINGS (%)[4] (as of 01/31/13)

| Company | % of Net Assets |
|---|---|
| Columbus Mckinnon[5] | 1.3 |
| Geospace Technologies[5] | 1.2 |
| AZZ | 1.1 |
| Tyler Technologies | 1.1 |
| Universal Stainless & Alloy | 1.1 |
| Casual Male Retail Group | 1.0 |
| Steinway Musical Instruments[5] | 1.0 |
| Interactive Intelligence Group | 1.0 |
| Universal Electronics | 1.0 |
| Imperva[5] | 1.0 |
| TOTAL % | 10.8 |

[1] The Fund's Investment Manager has contractually agreed, through at least March 1, 2014, to limit Fund operating expenses. The net expense ratio reflects this limitation, while the gross expense ratio does not. Please refer to the Fund's Prospectus for additional information on the Fund's expenses.

[2] Returns for periods greater than one year are annualized.

[3] Since the inception of the Fund's Institutional Class shares on 10/03/11.

[4] 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.

[5] Held by more than one portfolio manager.

*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.



Not FDIC Insured | May Lose Value | Not Bank Guaranteed

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# Managers Micro-Cap Fund

## First Quarter 2013

### CHARACTERISTICS[1] (as of 03/31/13)

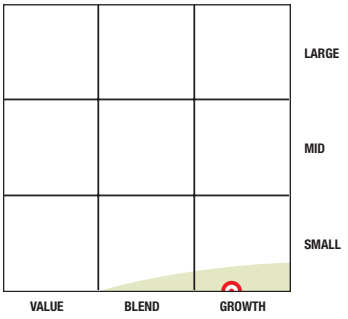
| | Net Assets (Mil.$) | # Holdings | Weighted Avg. Market Cap (Mil.$) | Weighted Avg. P/E[2] | Weighted Avg. P/B[2] | Trailing 5-yr EPS Growth (%) | Trailing 5-yr Revenue Growth (%) |
|---|---|---|---|---|---|---|---|
| Fund | 158.6 | 335 | 693.5 | 18.1 | 2.1 | 7.0 | 7.5 |
| Russell Microcap® Index | — | 1,433 | 425.2 | 13.5 | 1.5 | 1.4 | 4.7 |
| Russell 2000® Index | — | 1,952 | 1,542.7 | 16.7 | 1.8 | 5.5 | 6.5 |

### CHARACTERISTICS[1,3] (as of 03/31/13)

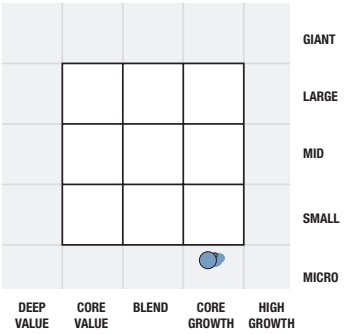
| Upside Capture Ratio[4] | Downside Capture Ratio[4] | Sortino Ratio | Standard Deviation[5] | Tracking Error[4] | Beta[4] | Information Ratio[4] | R-Squared[4] | Sharpe Ratio |
|---|---|---|---|---|---|---|---|---|
| 106.06 | 98.20 | 1.19 | 24.52 | 4.22 | 0.98 | 0.52 | 95.98 | 0.71 |

[1] Characteristics derived from FactSet. [2] Uses harmonic average and excludes negative value. [3] Calculated for a three-year period. [4] Relative to primary benchmark. [5] Annualized.

### MORNINGSTAR OWNERSHIP ZONE[1]




### MORNINGSTAR STYLE TRAIL[1]




[1] Chart reflects actual holdings of the Fund's Institutional Class shares (MIMFX) as of 10/31/12.

### DEFINITIONS

**Upside Capture Ratio:** A statistical measure used to evaluate how well a Fund has performed relative to an index during periods when that index has risen.

**Downside Capture Ratio:** A statistical measure used to evaluate how well or poorly a Fund has performed relative to an index during periods when that index has fallen.

**Sharpe Ratio:** A ratio that measures the total risk-adjusted return of a Fund.

**Sortino Ratio:** A ratio that measures the downside risk-adjusted return of a Fund.

**Standard Deviation:** A measure of the dispersion of a set of data from its mean.

**Beta:** A measure of the volatility or systematic risk of a Fund in comparison to the market as a whole.

**R-Squared:** A statistical measure that represents the percentage of a Fund's movements that can be explained by movements in a benchmark index.

**Information Ratio:** A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns.

**Tracking Error:** A divergence between the price behavior of a Fund and the price behavior of a benchmark.

### 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 the special risks associated with investments in micro-cap companies, such as relatively short earnings history, competitive conditions, less publicly available corporate information, and reliance on a limited number of products.

The Russell Microcap® Index tracks the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market and is represented by the smallest 1,000 securities in the small-cap Russell 2000® Index plus the next 1,000 securities.

The Russell 2000® Index is composed of the 2,000 smallest stocks in the Russell 3000® Index and is widely regarded in the industry as the premier measure of small-cap stock performance.

Unlike the Fund, the Russell Microcap® Index and the Russell 2000® Index are unmanaged, are not available for investment, and do not incur expenses.

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

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The Morningstar Ownership Zone™ provides detail about a portfolio's equity investment style by showing the range of stock sizes and styles. A portfolio's Ownership Zone™ is derived by plotting each stock in the fund's portfolio within the proprietary Morningstar Style Box™. The shaded area represents the center 75% of the fund's assets, and it provides an intuitive visual representation of the area of the market in which the fund invests. A "centroid" plot in the middle of the Ownership Zone represents the weighted average of all the fund's holdings. A fund that is concentrated will have a small ownership zone relative to the area of the style box, and a broadly diversifed fund will have an ownership zone that stretches across many sizes and styles. Over a period of time, the shape and location of a fund's ownership zone may vary.



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|---|---|---|