

ISI Managed Municipal Fund

Asset Class: Bond - National Municipal

Fund Description:

The investment objectives of the Fund are to provide a high level of total return with relative stability of principal and, secondarily, high current income exempt from federal income tax. The ISI Managed Municipal Fund is an actively managed fund that invests in a portfolio consisting primarily of tax-free municipal obligations.

Investor Benefits:

The Fund offers investors protection from at least some of the income tax burden that takes away from both capital gains and dividends. This fund works well combined with single state investments as an income diversifier. The income generated by the municipal bonds held by this Fund is exempt from the federal Alternative Minimum Tax (AMT).

Portfolio Management

Portfolio Manager:
R. Alan Medaugh

Senior Economic Advisor:
Edward S. Hyman

Fund Symbol and CUSIP
A MUNIX 561661109

Maximum Sales Charge
3.00% initial sales charge

Fund Benchmark
Barclays Capital Prerefunded Municipal Bond Index

Bond prices fluctuate based on changes in interest rates and bond prices can decline due to general market, political, regulatory and economic conditions. Fund shares are not guaranteed by the U.S. Government. An investor should consider the investment objectives, risk and charges and expenses of the fund carefully before investing. The Fund's prospectus contains this and other information about the fund and should be read before investing.

- NOT FDIC INSURED
- MAY LOSE VALUE
- NO BANK GUARANTEE

Portfolio Summary (as of 12/31/11):

The Fund's portfolio currently has 23% invested in AA rated bonds and 77% invested in AAA rated bonds. Because quality counts when investing in municipals, the Fund will only invest in securities rated at least A by Standard & Poors Ratings Group or Moody's Investor's Service Inc. Also, the Fund must invest at least 75% in securities rated above A.



All securities have been rated by at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), such as Standard & Poor's ("S&P"). For securities rated only by an NRSRO other than S&P, the Manager converts that rating to the equivalent S&P rating. If two or more NRSROs have assigned a rating to a security, the highest rating is used.

Sector Breakdown (as of 12/31/11)

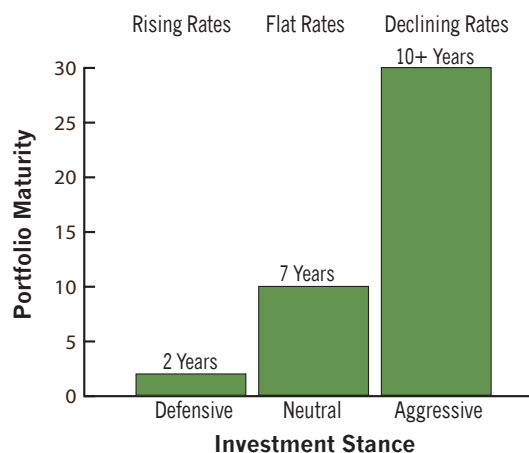
Reserves	2.3%
Prere's	17.0%
GO's	62.1%
E&G	0.0%
Water & Sewer	18.6%
AMT Exposure	0.0%

The Fund's holdings and credit rating breakdown are subject to change. The credit rating percentages are based on the Fund's securities as of the most recent quarter end; market value does not include cash. Holdings are dollar weighted based on assets.

Maturity Management:

The Fund's portfolio manager seeks to position the Fund to capture capital appreciation when lower rates are expected and to preserve capital when higher rates are expected.

Advisor's Strategy During Various Interest Rate Forecasts



About ISI

International Strategy & Investment (ISI) was founded in 1991 by former C.J. Lawrence colleagues Ed Hyman, Nancy Lazar, and Al Medaugh. ISI combines the talents of some of Wall Street's most respected market strategists within an environment centered on offering good economic and investing advice.

ISI is a well-known provider of in-depth economic research reports. The "Economy, Money and Markets" report is received by hundreds of institutions and used to help determine the direction of interest rates.

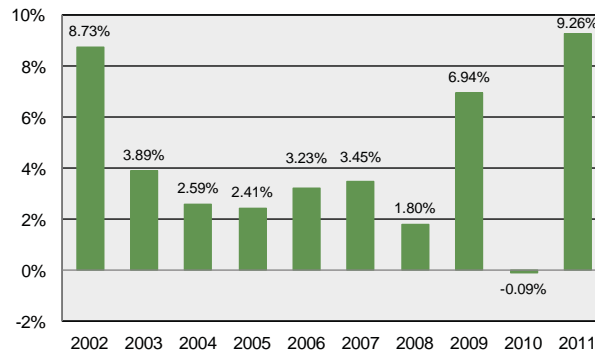
ISI Inc., a registered investment advisor, is the money management arm of ISI. It manages U.S. equities, fixed-income, and world bond portfolios. Its portfolio style is active management. ISI has a long-term record of using its extensive economic research to anticipate changes and investing portfolios to benefit from these changes.

The Senior Economic Advisor for the Fund and Chairman of ISI, **Ed Hyman**, has been rated Institutional Investor's "First Team" economist for 32 consecutive years.

The Fund Manager, **Al Medaugh**, has over 30 years experience in managing domestic and international fixed income portfolios and has managed this fund since its inception in 1990.

Performance

Class A Annual Total Returns



The bar chart shows changes in the Fund's performance from year to year for each of the past ten calendar years. The impact of taxes and sales charges is not reflected in the bar chart; if reflected, returns would be lower than those shown.

Average Annual Total Returns (%) as of 12/31/11

	YTD	1 yr.	3 yr.	5 yr.	10 yr.	Fund Lifetime
Class A (Incep: 2/26/90)						
Without sales charge	9.26	9.26	5.29	4.22	4.18	5.31
With 3% maximum sales charge	5.97	5.97	4.23	3.58	3.86	5.16
Barclays Capital Prerefunded Municipal Bond Index*	4.26	4.26	3.53	4.48	4.14	N/A

How the Fund has performed in the past (before and after taxes) is not necessarily an indication of how the Fund will perform in the future. Updated performance information, current through the most recent month end, is available by calling 800-955-7175 or by visiting the Fund's website at www.isifunds.com.

The investment return and principal value of an investment will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. All results assume the reinvestment of dividends and capital gains. Returns with sales charge for Class A shares reflect payment of the 3.00% maximum sales charge at the beginning for the stated periods. Investments are not FDIC insured, nor are they deposits of or guaranteed by a bank or any other entity.

**The Barclays Capital Prerefunded Municipal Bond Index is an unmanaged index reflecting prerefunded municipal bond market performance. Benchmark returns do not reflect expenses or sales charges that have been deducted from the Fund's returns.*

Fund Data (as of 12/31/11)

Inception Date	2/26/90
Net Assets	\$110.0 million
Gross Expense Ratio (as of 10/31/11)	1.01%
Dividend Frequency	Paid Monthly

Portfolio Data (as of 12/31/11)

Effective Duration	5.0 years
Effective Maturity	6.2 years

Important Considerations About Risk

The Fund may be suited for you if you are seeking a high level of total return including some income exempt from federal income taxes, but you also desire the value of your investment to remain relatively stable. As with any mutual fund investment, there is a risk that you could lose money by investing in the Fund. The Fund's share price will vary from day-to-day based upon changes in the price of the securities held by the Fund. The price of municipal securities will change in response to changes in general economic conditions, conditions within the municipal securities market, the financial condition of the issuer, political changes, interest rate changes and other factors. Fund shares are not guaranteed by the U.S. Government. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. An investor should consider the investment objectives, risk and charges and expenses of the fund carefully before investing. The Fund's prospectus contains this and other information about the fund and should be read before investing.



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For additional information, ask your Investment Representative or call the Fund directly at 800-955-7175.