Guggenheim Taxable Municipal Managed Duration Trust
Form N-CSR
August 09, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-22437
Guggenheim Taxable Municipal Managed Duration Trust
(Exact name of registrant as specified in charter)
227 West Monroe, Chicago, IL, 60606
(Address of principal executive offices) (Zip code)
Amy J. Lee
227 West Monroe, Chicago, IL 60606
(Name and address of agent for service)
Registrant’s telephone number, including area code: (312) 827-0100
Date of fiscal year end: May 31
Date of reporting period: June 1, 2017 - May 31, 2018

Item 1. Reports to Stockholders.

The registrant's annual report transmitted to shareholders pursuant to Rule 30e-1 under the Investment Company Act of 1940, as amended (the "Investment Company Act"), is as follows:

GUGGENHEIMINVESTMENTS.COM/GBAB

... YOUR LINK TO THE LATEST, MOST UP-TO-DATE INFORMATION ABOUT THE GUGGENHEIM TAXABLE MUNICIPAL MANAGED DURATION TRUST

The shareholder report you are reading right now is just the beginning of the story.

Online at guggenheiminvestments.com/gbab, you will find:

- Daily, weekly and monthly data on share prices, net asset values, distributions and more
- Monthly portfolio overviews and performance analyses
- Announcements, press releases and special notices
- Trust and adviser contact information

Guggenheim Partners Investment Management, LLC and Guggenheim Funds Investment Advisors, LLC are continually updating and expanding shareholder information services on the Trust's website in an ongoing effort to provide you with the most current information about how your Trust's assets are managed and the results of our efforts. It is just one more small way we are working to keep you better informed about your investment in the Trust.

(Unaudited) May 31, 2018

DEAR SHAREHOLDER

We thank you for your investment in the Guggenheim Taxable Municipal Managed Duration Trust (the “Trust”). This report covers the Trust’s performance for the 12-month period ended May 31, 2018.

The Trust’s primary investment objective is to provide current income with a secondary objective of long-term capital appreciation. Under normal market conditions, the Trust invests at least 80% of its net assets plus the amount of any borrowings for investment purposes (“Managed Assets”) in a diversified portfolio of taxable municipal securities, and may invest up to 20% of Managed Assets in securities other than taxable municipal securities.

All Trust returns cited—whether based on net asset value (“NAV”) or market price—assume the reinvestment of all distributions. For the 12-month period ended May 31, 2018, the Trust provided a total return based on market price of -1.23% and a total return based on NAV of 3.93%. As of May 31, 2018, the Trust’s market price of $21.44 per share represented a discount of 5.51% to its NAV of $22.69 per share.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Trust expenses. The market price of the Trust’s shares fluctuates from time to time, and may be higher or lower than the Trust’s NAV.

The Trust paid a monthly distribution of $0.12573. The most recent distribution represents an annualized rate of 7.04% based on the Trust’s closing market price of $21.44 on May 31, 2018. There is no guarantee of future distributions or that the current returns and distribution rate will be maintained. The Trust’s distribution rate is not constant and the amount of distributions, when declared by the Trust’s Board of Trustees, is subject to change based on the performance of the Trust. Please see Note 2(e) on page 41 for more information on distributions for the period.

Guggenheim Funds Investment Advisors, LLC (“GFIA” or the “Adviser”) serves as the investment adviser to the Trust. Guggenheim Partners Investment Management, LLC (“GPIM” or the “Sub-Adviser”) serves as the Trust’s investment sub-adviser and is responsible for the management of the Trust’s portfolio of investments. Each of the Adviser and the Sub-Adviser is an affiliate of Guggenheim Partners, LLC (“Guggenheim”), a global diversified financial services firm.

We encourage shareholders to consider the opportunity to reinvest their distributions from the Trust through the Dividend Reinvestment Plan (“DRIP”), which is described in detail on page 68 of this report. When shares trade at a discount to NAV, the DRIP takes advantage of the discount by reinvesting the monthly distribution in common shares of the Trust purchased in the market at a price less than NAV. Conversely, when the market price of the Trust’s common shares is at a premium above NAV, the DRIP reinvests participants’ distributions in newly-issued common shares at the greater of NAV per share or 95% of the market price per share. The DRIP provides a cost effective means to accumulate additional shares and enjoy the benefits of compounding returns over time. Since the Trust endeavors to maintain a steady monthly distribution rate, the DRIP effectively provides an income averaging technique, which causes shareholders to accumulate a larger number of Trust shares when the share price is lower than when the price is higher.

DEAR SHAREHOLDER (Unaudited) continued May 31, 2018

To learn more about the Trust's performance and investment strategy for the annual period ended May 31, 2018, we encourage you to read the Questions & Answers section of this report, which begins on page 5.

We are honored that you have chosen the Guggenheim Taxable Municipal Managed Duration Trust as part of your investment portfolio. For the most up-to-date information regarding your investment, please visit the Trust's website at guggenheiminvestments.com/gbab.

Sincerely,

Guggenheim Funds Investment Advisors, LLC

June 30, 2018

QUESTIONS & ANSWERS (Unaudited) May 31, 2018

Guggenheim Taxable Municipal Managed Duration Trust (the "Trust") is managed by a team of seasoned professionals at Guggenheim Partners Investment Management, LLC ("GPIM" or the "Sub-Adviser"). This team includes B. Scott Minerd, Chairman of Investments and Global Chief Investment Officer; Anne B. Walsh, CFA, JD, Senior Managing Director and Chief Investment Officer, Fixed Income; Jeffrey S. Carefoot, CFA, Senior Managing Director and Portfolio Manager; and Allen Li, CFA, Managing Director and Portfolio Manager. In the following interview, the investment team discusses the market environment and the Trust's strategy and performance for the 12-month period ended May 31, 2018.

What is the Trust's investment objective and how is it pursued?

The Trust's primary investment objective is to provide current income with a secondary objective of long-term capital appreciation. The Trust seeks to achieve its investment objectives by investing primarily in a diversified portfolio of taxable municipal securities. Under normal market conditions, the Trust will invest at least 80% of its net assets plus the amount of any borrowings for investment purposes ("Managed Assets") in taxable municipal securities, including Build America Bonds ("BABs"), which qualify for federal subsidy payments under the American Recovery and Reinvestment Act of 2009 (the "Act").

Under normal market conditions, the Trust may invest up to 20% of its Managed Assets in securities other than taxable municipal securities, including tax-exempt municipal securities, from which interest income is exempt from regular federal income tax (sometimes referred to as "tax-exempt municipal securities"), asset-backed securities ("ABS"), senior loans, and other income-producing securities.

At least 80% of the Trust's Managed Assets are invested in securities that, at the time of investment, are investment grade quality. The Trust may invest up to 20% of its Managed Assets in securities that, at the time of investment, are below investment grade quality. Securities of below investment grade quality are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. The Trust does not invest more than 25% of its Managed Assets in municipal securities in any one state of origin or more than 15% of its Managed Assets in municipal securities that, at the time of investment, are illiquid.

Most of the portfolio is invested in Build America Bonds. Has anything changed in that market?

Following the 2009 financial crisis, BABs were created to support job-creating projects funded by the public finance market. Proceeds were commonly used to finance capital projects such as public schools, roads, transportation infrastructure, bridges, ports, and public buildings. Although interest received on BABs are subject to federal income tax, issuers of these securities are eligible to receive a subsidy from the U.S. Treasury of up to 35% of the interest paid on the bonds. As a result of this tax provision, interest rates on BABs were relatively competitive from the perspectives of both investors and issuers.

Because the relevant provisions of the Act were not extended, bonds issued after December 31, 2010 cannot qualify as BABs. Therefore, the number of BABs available in the market is limited. Nearly $200 billion in BABs were issued before the program ended in 2010.

BABs have a feature that provides issuers the option to redeem the BABs if the U.S. government reduces the subsidy to the municipality. In 2013, the U.S. Congress mandated sequestration, which included a reduction to BABs' federal subsidy. Each year since 2013, federal subsidy payments were cut by 6-9%. The subsidy cuts effectively increased borrowing costs for issuers and caused BABs to become callable. Nevertheless, the subsidy still in effect remains attractive to issuers, so relatively few BABs have been called.

Since the BABs program concluded, proposals to reauthorize BABs or enact similar legislation have not been successful. Domestic infrastructure spending could result in some sort of qualified infrastructure bonds, including a program similar to Build America Bonds as a supplement to other programs involving other taxable or tax-exempt municipal bonds.

What were the significant events affecting the economy and market environment over the 12-month period ended May 31, 2018?

The U.S. economy is firing on all cylinders. Real Gross Domestic Product ("GDP") growth came in at a robust 4.1% in the second quarter of 2018. Significant tax cuts and federal spending increases are still in the pipeline, which should help the economy grow well above potential in coming months. The good news is that this will support corporate earnings in the near term.

The problem is that above-potential economic growth drives above-potential job creation, which may push the unemployment rate below its sustainable rate. Payroll growth has averaged 202,000 over the last six months and 197,000 over the last year, roughly double the rate that would be necessary to maintain a stable unemployment rate given U.S. demographics. The unemployment rate could fall below 3.5%—at least a full percentage point below its estimated natural rate—before the cycle ends.

Alongside a tighter labor market comes faster wage and price inflation. Inflation has rebounded from last year's slump, with the U.S. Federal Reserve's (the "Fed") preferred core inflation measure having accelerated from 0.9% in August to 2.0% in April on a six-month annualized basis. Twelve-month inflation numbers turned higher in March thanks to favorable base effects, bringing core inflation to 1.8%, slightly below the Fed's target. Because inflation lags GDP growth by 18 months, inflation could begin to speed up, with added tailwinds coming from import tariffs and higher energy prices.

With lawmakers having doubled down on fiscal stimulus at a time when the labor market is already beyond full employment, the Fed continues to tighten monetary policy. With the market expecting up to two more rate hikes in 2018, the Fed is attempting to engineer a soft landing by taking policy into restrictive territory. However, history suggests that its odds of success may be low. A recession becomes possible when a fading fiscal impulse collides with tight monetary policy and an overextended economy.

The combination of rate hikes and Treasury supply congestion in the front end of the yield curve underpins our expectation for further bear flattening (when short-term rates increase at a faster rate than long-term rates), which itself is a harbinger of rising recession risk. We maintain an up-in-quality bias in fixed income, as we believe the Fed's determination to avoid overheating by tightening policy may ultimately spell trouble for credit markets.

How did the Trust perform for the 12-month period ended May 31, 2018?

All Trust returns cited—whether based on net asset value ("NAV") or market price—assume the reinvestment of all distributions. For the 12-month period ended May 31, 2018, the Trust provided a total return based on market price of -1.23% and a total return based on NAV of 3.93%. As of May 31, 2018, the Trust's market price of $21.44 per share represented a discount of 5.51% to its NAV of $22.69 per share. As of May 31, 2017, the Trust's market price of $23.23 per share represented a discount of 0.30% to its NAV of $23.30 per share.

Past performance is not a guarantee of future results. All NAV returns include the deduction of management fees, operating expenses, and all other Trust expenses. The market price of the Trust's shares fluctuates from time to time, and may be higher or lower than the Trust's NAV.

The Trust paid a monthly distribution of $0.12573. The most recent distribution represents an annualized rate of 7.04% based on the Trust's closing market price of $21.44 on May 31, 2018.

There is no guarantee of future distributions or that the current returns and distribution rate will be maintained. The Trust's distribution rate is not constant and the amount of distributions, when declared by the Trust's Board of Trustees, is subject to change based on the performance of the Trust. Please see Note 2(e) on page 41 for more information on distributions for the period.

Why did the Trust accrue excise tax during the 12-month period ended May 31, 2018?

As a registered investment company, the Trust is subject to a 4% excise tax that is imposed if the Trust does not distribute by the end of any calendar year at least the sum of (i) 98% of its ordinary income (not taking into account any capital gain or loss) for the calendar year and (ii) 98.2% of its capital gain in excess of its capital loss (adjusted for certain ordinary losses) for a one-year period generally ending on October 31 of the calendar year (unless an election is made to use the trust's fiscal year). The Trust generally intends to distribute income and capital gains in the manner necessary to minimize (but not necessarily eliminate) the imposition of such excise tax. While the Trust's income and capital gains can vary significantly from year to year, the Trust seeks to maintain more stable monthly distributions over time. The Trust may retain income or capital gains and pay excise tax when it is determined that doing so is in the best interest of shareholders. Management, in consultation with the Trust's Board of Trustees, evaluates the costs of the excise tax relative to the benefits of retaining income and capital gains, including that such undistributed amounts (net of the excise tax paid) remain available for investment by the Trust and are available to supplement future distributions, which may facilitate the payment of more stable monthly distributions year over year.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

How did other markets perform in this environment for the 12-month period ended May 31, 2018?

Index	Total Return
ICE BofA ML Build America Bond Index	2.88%
Bloomberg Barclays Taxable Municipal Index	2.96%
Bloomberg Barclays Municipal Bond Index	1.11%
Bloomberg Barclays U.S. Aggregate Bond Index	-0.37%
Bloomberg Barclays U.S. Corporate High Yield Index	2.35%
Credit Suisse Leveraged Loan Index	4.49%
ICE BofA/ML ABS Master BBB-AA Index	2.40%
S&P 500 Index	14.38%

What was notable in the municipal market for the 12-month period ended May 31, 2018?

For much of the period, the best performing segments of the municipal market were bonds with long duration and lower ratings, specifically the Single-A and BBB quality tranches of the broader ICE BofA/ML Build America Bond Index, which returned 5.0% and 8.8%, respectively, over the period.

For 2018 to date, gross municipal issuance totaled $125.6 billion. After slipping earlier in the year, issuance began to rebound toward the end of the period. Since February 2017, monthly issuance has failed to increase year-over-year, with the exception of November and December 2017. Supply declines reflect the elimination of advanced refunding bonds, policy uncertainties, and fewer refinancing opportunities.

Despite several weeks of outflows prevalent during the April tax season, municipal funds experienced net inflows of $4.8 billion for the first five months of 2018 according to Lipper.

Similar to other U.S. dollar-denominated bonds, loss of municipal bond value was driven by rising interest rates. Rates peaked for the period in mid-May, with the 10 year U.S. Treasury yield climbing above 3% for the first time since 2011. Rates then promptly began to fall with the uncertainty around trade and geopolitics. However, the broad municipal bond index was modestly positive for the 12 months ended May 31, 2018.

Over the last 12 months, the municipal market had to digest the progress of a wide range of federal policies, tax reform in particular. Finalized in December, the new tax bill included a provision to eliminate the federal income tax exemption on advanced refunding bonds, which municipal issuers used to refinance debt more than 90 days prior to bonds' respective maturity dates. Provisions of the tax reform bill may limit potential new issue supply and increase the relative benefit of tax-exemption for high-income taxpayers.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

What is attractive about taxable municipal bonds?

Taxable municipal issuance has accounted for roughly 10% of the annual new-issue municipal supply, and in 2018 may total more than $30 billion. Taxable supply is expected to increase as refunding activity shifts from the tax-exempt space.

As record-low interest rates globally spurred a demand for yield, the percentage of taxable municipal bonds held by non-U.S. investors has doubled since 2009. These investors have been drawn by yields that are generally higher than comparable Treasury securities and have default rates and volatility lower than corporate bonds. Taxable municipals also have low correlation to other fixed income sectors as well as equities. For these reasons, among others, the index of taxable municipals outpaced that of the broader municipal market for the 12-month period ended May 31, 2018.

Discuss Trust asset allocation and respective performance for the 12-month period ended May 31, 2018.

The Trust's asset allocation changed little over the 12-month period. The percentage of the Trust's long-term investments (excluding cash) that was invested in taxable municipal bonds, Qualified School Construction Bonds (QSCBs), and other taxable municipal securities remained at approximately 90%.

The balance of the Trust's Managed Assets, equal to approximately 10% of the Trust's long-term investments, was invested in ABS, bank loans, and high yield corporate bonds, as well as non-taxable municipal securities, such as tax-exempt municipal bonds. This exposure to leveraged credit, including senior floating rate interests and high yield bonds, and to ABS, contributed to Trust performance, as these sectors had good returns over the period with low correlation to the Trust's core holdings.

Positively influencing the Trust's return for the period were duration and yield curve positioning, sector allocation, the use of derivatives, and the use of leverage to enhance the Trust's returns. Performance was driven by favorable security selection and lower interest rate sensitivity than the benchmark. Trust duration and credit quality remained stable over the period, helping manage risk. The Trust continued to focus on A-rated taxable municipals in credit selection. Given increased market volatility and idiosyncratic weakness, the Trust continues to seek attractive risk-adjusted investment opportunities.

The Trust used interest rate swaps during the period primarily as a buffer against potential increases in the Trust's funding costs. The benefit from the swaps was incidental to the Trust's performance for the period.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

Discuss the Trust's duration.

The Sub-Adviser employs investment and trading strategies that seek to maintain the leverage-adjusted duration of the Trust's portfolio to generally less than 10 years. At May 31, 2018, the Trust's duration was approximately seven years. (Duration is a measure of a bond's price sensitivity to changes in interest rates, expressed in years, and reflects the weighted average term to maturity of discounted bond cash flow.)

The Sub-Adviser may seek to manage the Trust's duration in a flexible and opportunistic manner based primarily on then-current market conditions and interest rate levels.

Discuss the Trust's use of leverage.

Since leverage adds to performance when the cost of leverage is less than the total return generated by investments, the use of leverage contributed to the Trust's total return based on NAV during the period. The Trust utilizes leverage as part of its investment strategy, to finance the purchase of additional securities that provide increased income and potentially greater appreciation potential to common shareholders than could be achieved from a portfolio that is not leveraged. Leverage will not exceed 33.33% of the Trust's Managed Assets.

As of May 31, 2018, the Trust's leverage was approximately 19% of Managed Assets (including the proceeds of leverage), compared with about 22% a year ago. The Trust currently employs leverage through reverse repurchase agreements with three counterparties and a credit facility with a major bank.

There is no guarantee that the Trust's leverage strategy will be successful. The Trust's use of leverage may cause the Trust's NAV and market price of common shares to be more volatile and could magnify the effect of any losses.

Index Definitions

Indices are unmanaged and reflect no expenses. It is not possible to invest directly in an index.

The ICE BofA/ML Build America Bond Index is designed to track the performance of U.S. dollar-denominated Build America Bonds publicly issued by U.S. states and territories, and their political subdivisions, in the U.S. market.

Bloomberg Barclays Taxable Municipal Index tracks performance of investment-grade fixed income securities issued by state and local governments whose income is not exempt from tax, issued generally to finance a project or activity that does not meet certain "public purpose/ use" requirements.

The Bloomberg Barclays Municipal Bond Index is considered representative of the broad market for investment grade, tax-exempt bonds with a maturity of at least one year.

QUESTIONS & ANSWERS (Unaudited) continued May 31, 2018

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including U.S. Treasuries, government-related and corporate securities, mortgage-backed securities or "MBS" (agency fixed-rate and hybrid adjustable-rate mortgage, or "ARM", pass-throughs), asset-backed securities ("ABS"), and commercial mortgage-backed securities ("CMBS") (agency and non-agency).

The Bloomberg Barclays U.S. Corporate High Yield Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB +/BB + or below.

The Credit Suisse Leveraged Loan Index is an index designed to mirror the investable universe of the U.S.-dollar-denominated leveraged loan market.

The ICE BofA/ML ABS Master BBB-AA Index is a subset of The BofA/ML U.S. Fixed Rate Asset Backed Securities Index including all securities rated AA1 through BBB3, inclusive.

The Standard & Poor's ("S&P 500") Index is a capitalization-weighted index of 500 stocks designed to measure the performance of the broad economy, representing all major industries and is considered a representation of U.S. stock market.

Risks and Other Considerations

Investing involves risk, including the possible loss of principal and fluctuation of value.

The views expressed in this report reflect those of the portfolio managers only through the report period as stated on the cover. These views are expressed for informational purposes only and are subject to change at any time, based on market and other conditions, and may not come to pass. These views may differ from views of other investment professionals at Guggenheim and should not be construed as research, investment advice, or a recommendation of any kind regarding the Trust or any issuer or security, do not constitute a solicitation to buy or sell any security and should not be considered specific legal, investment, or tax advice. The information provided does not take into account the specific objectives, financial situation, or particular needs of any specific investor.

The views expressed in this report may also include forward looking statements that involve risk and uncertainty, and there is no guarantee that any predictions will come to pass. Actual results or events may differ materially from those projected, estimated, assumed, or anticipated in any such forward-looking statements. Important factors that could result in such differences, in addition to the other factors noted with such forward-looking statements, include general economic conditions such as inflation, recession, and interest rates.

There can be no assurance that the Fund will achieve its investment objectives or that any investment strategies or techniques discussed herein will be effective. The value of the Fund will fluctuate with the value of the underlying securities. Historically, closed-end funds often trade at a discount to their net asset value.

Performance data quoted represents past performance, which is no guarantee of future results and current performance may be lower or higher than the figures shown.

Please see guggenheiminvestments.com/gbab for a detailed discussion of the Trust's risks and considerations.

This material is not intended as a recommendation or as investment advice of any kind, including in connection with rollovers, transfers, and distributions. Such material is not provided in a fiduciary capacity, may not be relied upon for, or in connection with, the making of investment decisions, and does not constitute a solicitation of an offer to buy or sell securities. All content has been provided for informational or educational purposes only and is not intended to be and should not be construed as legal or tax advice and/or a legal opinion. Always consult a financial, tax, and/or legal professional regarding your specific situation.

TRUST SUMMARY (Unaudited) May 31, 2018

Trust Statistics	
Share Price	$21.44
Net Asset Value	$22.69
Discount to NAV	-5.51%
Net Assets ($000)	$395,221

AVERAGE ANNUAL TOTAL RETURNS FOR
THE PERIOD ENDED MAY 31, 2018

	One Year	Three Year	Five Year	Since Inception (10/28/10)
Guggenheim Taxable Municipal Managed Duration Trust				
NAV	3.93%	5.98%	6.35%	9.42%
Market	(1.23%)	6.94%	6.37%	8.31%

Performance data quoted represents past performance, which is no guarantee of future results and current performance may be lower or higher than the figures shown. All NAV returns include the deduction of management fees, operating expenses, and all other Trust expenses. The deduction of taxes that a shareholder would pay on Trust distributions or the sale of Trust shares is not reflected in the total returns. For the most recent month-end performance figures, please visit guggenheiminvestments.com/gbab. The investment return and principal value of an investment will fluctuate with changes in market conditions and other factors so that an investor's shares, when sold, may be worth more or less than their original cost.

Portfolio Breakdown	% of Net Assets
Municipal Bonds	107.8%
Corporate Bonds	7.1%
Senior Floating Rate Interests	2.7%
Asset-Backed Securities	2.5%
Money Market Fund	1.7%
Common Stocks	0.1%
Total Investments	121.9%
Other Assets & Liabilities, net	(21.9)%
Net Assets	100.0%

Portfolio breakdown and holdings are subject to change daily. For more information, please visit guggenheiminvestments.com/gbab. The above summaries are provided for informational purposes only and should not be viewed as recommendations. Past performance does not guarantee future results.

TRUST SUMMARY (Unaudited) continued May 31, 2018

Ten Largest Holdings	% of Total Net Assets
State of West Virginia, Higher Education Policy Commission, Revenue Bonds, Federally Taxable Build America Bonds 2010, 7.65%	3.6%
New Jersey Turnpike Authority Revenue Bonds, Build America Bonds, 7.10%	3.6%
Dallas, Texas, Convention Center Hotel Development Corporation, Hotel Revenue Bonds, Taxable Build America Bonds, 7.09%	3.3%
Westchester County Health Care Corporation, Revenue Bonds, Taxable Build America Bonds, 8.57%	3.3%
School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2011A, Qualified School Construction Bonds - (Federally Taxable – Direct Subsidy), 6.00%	3.0%
Oakland Unified School District, County of Alameda, California, Taxable General Obligation Bonds, Election of 2006, Qualified School Construction Bonds, Series 2012B, 6.88%	2.9%
Los Angeles Department of Water & Power Power System Revenue Revenue Bonds, Build America Bonds, 7.00%	2.8%
California, General Obligation Bonds, Various Purpose, Taxable Build America Bonds, 7.70%	2.8%
Noblesville Multi-School Building Corporation, Hamilton County, Indiana, Taxable Unlimited Ad Valorem Property Tax First Mortgage Bonds, Build America Bonds, 6.50%	2.8%
Los Angeles Department of Water & Power Power System Revenue Revenue Bonds, Build America Bonds, 7.00%	2.7%
Top Ten Total	30.8%

"Ten Largest Holdings" excludes any temporary cash or derivative investments.

TRUST SUMMARY (Unaudited) continued May 31, 2018

Portfolio Composition by Quality Rating*

Rating	% of Total Investments
Fixed Income Instruments	
AAA	1.1%
AA	60.9%
A	22.5%
BBB	8.8%
BB	3.4%
B	2.6%
CCC	0.2%
NR**	0.4%
Other Instruments	
Money Market Fund	0.1%
Common Stocks	0.0%***
Total Investments	100.0%

* Source: Factset. Credit quality ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). All rated securities have been rated by Moody's, Standard & Poor's ("S&P"), or Fitch, which are all a Nationally Recognized Statistical Rating Organization ("NRSRO "). For purposes of this presentation, when ratings are available from more than one agency, the highest rating is used. Guggenheim Investments has converted Moody's and Fitch ratings to the equivalent S&P rating. Unrated securities do not necessarily indicate low credit quality. Security ratings are determined at the time of purchase and may change thereafter.

** NR securities do not necessarily indicate low credit quality.

*** Less than 0.1%.

TRUST SUMMARY (Unaudited) continued May 31, 2018

SCHEDULE OF INVESTMENTS May 31, 2018

Shares