

For the first quarter of 2011, Barclays Capital municipal indices showed returns ranging from 0.51% for the shortest maturity municipal securities to -0.61% for the longest maturities. The strongest performance came in the intermediate part of the maturity spectrum, 12-17 years, which posted a 1.07% return. From a sector perspective, pre-refunded bonds outperformed for the quarter, returning 0.96% for five-year maturities compared to 0.26% for insured bonds.

The municipal market outperformed the Treasury market for the quarter, as much of the panic that negatively impacted municipal securities in December has waned and investors took advantage of the relative value that the municipal market offered. While concerns still remain over municipalities' ability to balance their budgets, we believe that the prediction of a spate of defaults in the municipal market was overblown. While an increase in municipal bond defaults would not be a surprise, they would be more likely to occur in the lower-rated and/or non-traditional sectors of the market, while highly rated, traditional municipal issuers should fare relatively well. The Fund's philosophy is to buy these high quality, traditional issuers and to make trades, over time, that are designed to maximize after-tax income. Maximizing the income dividend payout to the Fund's shareholders and preserving principle continue to be the Fund's top priorities.

On a gross and net of fees basis, the Munder Tax-Free Short & Intermediate Bond Fund outperformed its custom benchmark (50%/50% blend of the Barclays Capital Municipal Managed Money Short Term and Barclays Capital Municipal Managed Money Short/Intermediate Term Indices) for the quarter. The Fund's outperformance was a reversal from last quarter when the yield curve steepened (i.e. the gap between shorter-term and longer-term maturities widened), causing the Fund's exposure to securities with maturities greater than 10 years to detract from the Fund's relative performance. (The Fund's benchmark does not hold securities with maturities beyond 10 years.) This quarter, however, the yield curve remained essentially unchanged, although flattening slightly in some areas, which helped the Fund's relative performance. The Fund's exposure to securities with maturities exceeding 10 years is part of the strategy to maximize yield, while limiting the Fund's overall interest rate risk. As the yield curve remains near historically steep levels, we believe this strategy will continue to benefit the Fund going forward.

For the quarter, the Fund performed very well relative to both its Lipper and Morningstar peer groups of mutual funds, placing in the top quartile of both groups for the quarter, one-year, three-year and five-year time periods.*

Noteworthy News in the Municipal Market

State and local government units continue to grapple with their budgets, since, unlike the federal government, municipalities must balance their books. Whether through increasing revenues, cutting expenditures or a combination of the two, tough decisions are being made in addressing budgetary issues. We are also seeing some positive signs in the economy. The employment picture continues to improve. Twenty-eight states have increased net employment since the recession ended, and the national unemployment rate continues to fall. According to the U.S. Census Bureau, year-over-year state and local tax revenue in the fourth quarter of 2010 increased for the fifth consecutive quarter, and total tax revenue in 2010 was the second highest total on record, trailing only 2008. In spite of these positive signs, a struggling housing market, elevated unemployment and increasing pension and healthcare costs will continue to provide challenges to municipal issuers. The difficulty in balancing state and local budgets highlights the importance of a higher quality, traditional bias in constructing municipal portfolios.

* The Fund's Lipper peer group of mutual funds represents the universe of existing mutual funds that are categorized by Lipper, Inc. under the same investment objective as the Fund. The Fund's Morningstar peer group of mutual funds represents the universe of existing mutual funds that are categorized by Morningstar, Inc. under the same portfolio statistics and compositions over the past three years as the Fund. You cannot invest directly in a Lipper universe or Morningstar category.

Past performance does not guarantee future results. The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a prospectus and summary prospectus, call 800.468.6337, or visit the website www.munder.com.] Read the prospectus and summary prospectuses carefully before investing.

RISKS: *Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates. A portion of the Fund's income may be subject to state, local and/or federal alternative minimum taxes.*

The Barclays Capital Municipal Managed Money Short Bond Index and Barclays Capital Municipal Managed Money Short/Intermediate Bond Index are rules-based, market-value-weighted indexes that include fixed-rate, tax-exempt municipal bonds with at least \$7 million outstanding, other than alternative minimum tax (AMT) bonds and airline, hospital, housing and tobacco bonds, which were issued within the last five years in transactions of at least \$75 million, are rated at least Aa3/AA- or higher, and have at least one year until maturity. The Short Bond Index is limited to bonds with maturities between one and five years, while the Short/Intermediate Bond Index is limited to bonds with maturities between one and ten years. You cannot invest directly in an index, securities in the Fund will not match those in an index, and performance of the Fund will differ. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's returns.

Credit ratings are issued by credit rating agencies and reflect the agency's assessment of the risk of a bond based on the issuer's capacity to meet its financial commitment on the bond. Ratings range from AAA (highest credit quality) to D (in default).

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