

Reflecting the negative tone of the stock market, both the Munder Healthcare Fund and its S&P North American Health Care SectorTM benchmark posted a double-digit negative return for the second quarter of 2010, with the Fund lagging its S&P benchmark. The timing of the passage of health care legislation gave management teams a very narrow window to digest the provisions of the bill before their earnings releases. Many companies, especially pharmaceutical manufacturers and profitable biotech companies, were caught off guard by the lower drug prices they will receive from Medicaid, which resulted in reduced growth estimates.

The Fund benefited from being underweighted in managed care stocks, especially WellPoint, Inc. (1.6% of the Fund) and Aetna, Inc. (0.7%). In addition, there were a number of stocks that had a positive impact on relative performance. AmerisourceBergen Corp. (1.8%) posted continued strong earnings based on new business wins and increased generic utilization. Watson Pharmaceuticals, Inc. (1.5%) also posted strong earnings and its Arrow acquisition remained on track. Ev3, Inc. (0.7%) announced that it was being acquired by Covidien Ltd. Vivus, Inc. (0.1%) reported some positive phase three data on a key drug development.

Relative weakness was more or less company specific. In addition to the lower drug prices that it will receive from Medicaid, Gilead Sciences, Inc. (2.8%) suffered from concerns over decelerating growth as its key HIV drugs mature. Kinetic Concepts, Inc. (1.2%) declined on fears that its key wound therapy business was not stabilizing. Despite strong earnings, Teva Pharmaceutical Industries Ltd. (1.3%), Medco Health Solutions, Inc. (2.4%) and McKesson Corp. (1.9%) all lagged the benchmark on general fears over the impact of health reform.

During the quarter, the Fund's industry weights were changed as a result of the analysis of reported earnings. Specifically, branded pharmaceutical exposure was reduced due to the impact of health reform and the expectation of reduced earnings over the next few years due to increased Medicaid discounts and a new excise tax. We continue to favor generic drug companies within the pharmaceutical sector. An overweight in health care providers and services, which largely reflected increased positions in hospitals and drug distributors, was continued. The Fund remained underweighted in equipment and supply companies as we continued to believe that the potential for relative earnings growth in this segment is not as powerful as in other health care industries at the present time, especially in cardiac and orthopedic industries.

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: *The Fund concentrates its investments in health care-related securities, particularly within the pharmaceuticals industries, and is therefore subject to higher market risk and price volatility than funds with more broadly diversified investments. Investors should also note that the Fund may invest up to 25% of its assets in foreign securities, which involve additional risks due to currency fluctuations, economic and political conditions, and differences in financial reporting standards.*

Fund holdings mentioned in the Quarterly Commentary are as of 5.31.10 and the percentages shown are based on net assets as of that date. Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. [The Fund's top ten holdings as of 5.31.10 were: Johnson & Johnson (4.9%), Merck & Co., Inc. (4.7%), Amgen, Inc. (4.5%), Abbott Laboratories (4.5%), Medtronic, Inc. (3.8%), Express Scripts, Inc. (3.4%), Pfizer, Inc. (3.1%), Celgene Corp. (3.0%), Bristol-Myers Squibb Co. (2.9%) and Stryker Corporation (2.8%). Top holdings do not reflect cash, money market instruments or options/futures contracts holdings. The most currently available data regarding portfolio holdings can be found on our website, www.munder.com.

The S&P North American Health Care Sector IndexTM is a modified capitalization-weighted index designed to measure the performance of U.S. publicly-traded securities in the health care sector. The S&P 500[®] Index is a widely recognized capitalization-weighted index that measures the performance of the large-capitalization sector of the U.S. stock market. You cannot invest directly in an index, securities in the Fund will not match those in the 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.

Munder Funds are distributed by Funds Distributor, LLC 07/10

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