

Guggenheim Build America Bonds Managed Duration Trust
Form N-Q
April 27, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-22437

Guggenheim Build America Bonds Managed Duration Trust
(Exact name of registrant as specified in charter)

2455 Corporate West Drive Lisle, IL 60532
(Address of principal executive offices) (Zip code)

Kevin M. Robinson

2455 Corporate West Drive Lisle, IL 60532
(Name and address of agent for service)

Registrant's telephone number, including area code: (630) 505-3700

Date of fiscal year end: May 31

Date of reporting period: December 31, 2011 – February 29, 2012

Item 1. Schedule of Investments.
Attached hereto.

GBAB Guggenheim Build America Bonds
Managed Duration Trust
Portfolio of Investments
February 29, 2012 (unaudited)

| Principal Amount | Description | Rating * | Coupon | Maturity | Optional Call Provisions** | Value |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|------------|----------------------------|------------|
| | Long-Term Investments - 129.6% | | | | | |
| | Municipal Bonds - 108.3% | | | | | |
| | Alabama - 2.9% | | | | | |
| 3,000,000 | Alabama State University, General Tuition and Fee Revenue Bonds, Taxable Direct-Pay Build America Bonds, (Assured GTY)(a)(i) | AA- | 7.10% | 09/01/2035 | 09/01/20 @ 100 \$ | 3,410,670 |
| 5,000,000 | Alabama State University, General Tuition and Fee Revenue Bonds, Taxable Direct-Pay Build America Bonds, (Assured GTY)(a)(i) | AA- | 7.20% | 09/01/2038 | 09/01/20 @ 100 | 5,711,150 |
| 2,000,000 | Alabama State University, General Tuition and Fee Revenue Bonds, Taxable Direct-Pay Build America Bonds, (Assured GTY)(a)(i) | AA- | 7.25% | 09/01/2040 | 09/01/20 @ 100 | 2,288,320 |
| | | | | | | 11,410,140 |
| | California - 19.9% | | | | | |
| 500,000 | Alhambra Unified School District, Elementary Schools Improvement District, Los Angeles County, California, Election of 2008 General Obligation Bonds, Federally Taxable, Series B-1 | A+ | 6.70% | 02/01/2026 | N/A | 583,920 |

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|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------|------------|----------------|------------|
| 10,000,000 | California, General Obligation Bonds, Various Purpose, Taxable Build America Bonds(a) | A- | 7.70% | 11/01/2030 | 11/01/20 @ 100 | 11,790,200 |
| 3,000,000 | Culver City Redevelopment Agency, California, Taxable Tax Allocation Bonds, Culver City Redevelopment Project, Series 2011B | A | 8.00% | 11/01/2020 | N/A | 3,247,050 |
| 340,000 | Cypress Elementary School District (Orange County, California), General Obligation Bonds, Direct Pay Qualified School Construction Bonds, 2008 Election, Series B-2(i) | A+ | 6.05% | 08/01/2021 | N/A | 375,914 |
| 660,000 | Cypress Elementary School District (Orange County, California), General Obligation Bonds, Direct Pay Qualified School Construction Bonds, 2008 Election, Series B-2(i) | A+ | 6.65% | 08/01/2025 | N/A | 741,437 |
| 7,500,000 | Long Beach Unified School District, California, Qualified School Construction Bonds, Federally Taxable, Election of 2008, General Obligation Bonds, Series B-1 | AA- | 5.91% | 08/01/2025 | N/A | 8,657,625 |
| 10,000,000 | Los Angeles, California, Department of Water & Power Revenue, Taxable Build America Bonds(a) | AA- | 7.00% | 07/01/2041 | 07/01/21 @ 100 | 11,733,900 |
| 10,000,000 | Los Angeles, California, Department of Water & Power Revenue, Taxable Build America Bonds(a) | AA | 7.00% | 07/01/2041 | 07/01/20 @ 100 | 11,657,700 |
| 5,000,000 | Metropolitan Water District, Southern California, Water Revenue Bonds, 2010 Authorization, Taxable Build America Bonds, Series A(a) | AAA | 6.95% | 07/01/2040 | 07/01/20 @ 100 | 5,885,500 |
| 1,025,000 | Monrovia Unified School District, Los Angeles | A+ | 7.25% | 08/01/2028 | N/A | 1,166,911 |

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|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------|------------|-------------------|------------|
| | County, California, Election of 2006 General Obligation Bonds, Build America Bonds, Federally Taxable, Series C-1(a)(i) | | | | | |
| 1,000,000 | Placentia-Yorba Linda Unified School District (Orange County, California), General Obligation Bonds, Federally Taxable Direct-Pay Qualified School Construction Bonds, Election of 2008, Series E(a) | AA- | 5.40% | 02/01/2026 | N/A | 1,078,330 |
| 5,000,000 | Riverside Community College District, Riverside County, California, Election of 2004 General Obligation Bonds, Taxable Build America Bonds, Series 2010 D-1(a) | AA | 7.02% | 08/01/2040 | 08/01/20 @ 100 | 5,681,250 |
| 2,245,000 | Santa Ana Unified School District, California, General Obligation Bonds, Federal Taxable Build America Bonds(a) | Aa2 | 6.80% | 08/01/2030 | N/A | 2,764,067 |
| 7,755,000 | Santa Ana Unified School District, California, General Obligation Bonds, Federal Taxable Build America Bonds(a) | Aa2 | 7.10% | 08/01/2040 | N/A | 10,042,803 |
| 3,330,000 | Sonoma Valley Unified School District, General Obligation, Federally Taxable Bonds | AA- | 7.12% | 08/01/2028 | 08/01/20 @ 100 | 3,625,504 |
| | | | | | | 79,032,111 |
| | Colorado - 3.0% | | | | | |
| 7,500,000 | Colorado, Building Excellent Schools Today, Certificates of Participation, Taxable Build America Bonds, Series 2010E(a) | AA- | 7.02% | 03/15/2031 | 03/15/21 @ 100 | 8,843,625 |
| 2,500,000 | Colorado, Building Excellent Schools Today, Certificates of Participation, Taxable Qualified School Construction, Series | AA- | 6.82% | 03/15/2028 | N/A | 3,203,925 |

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| 2010-D | | | | | | |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------|------------|----------------|------------|
| | | | | | | 12,047,550 |
| | Florida - 4.2% | | | | | |
| 10,000,000 | Miami-Dade County, Florida, Transit Sales Surtax Revenue, Taxable Build America Bonds, Series B(a)(i) | AA | 6.91% | 07/01/2039 | 07/01/19 @ 100 | 11,161,200 |
| 5,000,000 | Orlando, Florida, Community Redevelopment Agency, Taxable Tax Increment Revenue Build America Bonds, Series 2010B(a) (i) | A | 7.78% | 09/01/2040 | 09/01/20 @ 100 | 5,674,150 |
| | | | | | | 16,835,350 |
| | Georgia - 1.3% | | | | | |
| 5,000,000 | Georgia Municipal Association, Inc., Certificates of Participation, DeKalb County Public Schools Project, (AGM) | AA- | 5.21% | 12/01/2022 | N/A | 5,289,950 |
| | Illinois - 13.1% | | | | | |
| 5,000,000 | Chicago, Illinois, Board of Education, Unlimited Tax General Obligation Bonds, Dedicated Revenues, Taxable Build America Bonds, Series 2010D (a) | AA- | 6.52% | 12/01/2040 | N/A | 5,875,850 |
| 5,100,000 | Chicago, Illinois, Second Lien Wastewater Transmission Revenue Project Bonds, Taxable Build America Bonds, Series 2010B(a) | A+ | 6.90% | 01/01/2040 | N/A | 6,536,007 |
| 2,990,000 | Chicago, Illinois, Second Lien Water Revenue Bonds, Taxable Build America Bonds, Series 2010B(a) | AA- | 6.74% | 11/01/2040 | N/A | 3,906,435 |
| 5,000,000 | Illinois, General Obligation Bonds, Taxable Build America Bonds, Series 2010-5(a) | A+ | 7.35% | 07/01/2035 | N/A | 5,891,500 |
| 7,140,000 | Northern Illinois Municipal Power Agency, | A2 | 7.62% | 01/01/2030 | N/A | 8,935,281 |

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| | Power Project Taxable Revenue Bonds, Prairie State Project Build America Bonds(a) | | | | | |
| 2,860,000 | Northern Illinois Municipal Power Agency, Power Project Taxable Revenue Bonds, Prairie State Project Build America Bonds(a) | A2 | 7.82% | 01/01/2040 | N/A | 3,927,667 |
| 4,500,000 | Northern Illinois University, Auxiliary Facilities System Revenue Bonds, Build America Program, Taxable, Series 2010, (AGM)(a)(i) | Aa3 | 7.95% | 04/01/2035 | 04/01/20 @ 100 | 5,324,535 |
| 5,000,000 | Northern Illinois University, Auxiliary Facilities System Revenue Bonds, Build America Program, Taxable, Series 2010, (AGM)(a) | Aa3 | 8.15% | 04/01/2041 | 04/01/20 @ 100 | 5,952,400 |
| 3,000,000 | Southwestern Illinois, Development Authority, Taxable Local Government, Program Revenue Bonds, Flood Prevention District Council Project, Recovery Zone Economic Development Bonds, Series 2010C(i) | AA | 7.23% | 10/15/2035 | 04/15/20 @ 100 | 3,363,990 |
| 2,000,000 | Southwestern Illinois, Development Authority, Taxable Local Government, Program Revenue Bonds, Flood Prevention District Project, Build America Bonds, Series 2010-B(a)(i) | AA | 7.03% | 04/15/2032 | 04/15/20 @ 100 | 2,140,520 |
| | | | | | | 51,854,185 |
| | Indiana - 5.4% | | | | | |
| 8,690,000 | Evansville-Vanderburgh Independent School Building Corporation, Unlimited Taxable Ad Valorem Property Tax First Mortgage Bonds, Series 2010E(a) | AA+ | 6.50% | 01/15/2030 | 07/15/20 @ 100 | 10,051,202 |

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| 10,000,000 | Noblesville Multi-School Building Corporation, Hamilton County, Indiana, Taxable Unlimited Ad Valorem Property Tax First Mortgage Bonds, Build America Bonds, Series 2010(a) (i) | AA+ | 6.50% | 07/15/2030 | 01/15/21 @ 100 | 11,508,600 |
| | | | | | | 21,559,802 |
| Louisiana - 2.5% | | | | | | |
| 8,000,000 | Orleans Parish, School Board of the Parish of Orleans, Louisiana, (AGM) | AA- | 4.40% | 02/01/2021 | N/A | 8,627,600 |
| 1,055,000 | Tangipahoa Parish Hospital Service District No. 1, Louisiana, Taxable Hospital Revenue Bonds, North Oaks Health System Project, Build America Bonds, Series 2009A, (Assured GTY)(a) | AA- | 7.20% | 02/01/2042 | 02/01/20 @ 100 | 1,130,580 |
| | | | | | | 9,758,180 |
| Michigan - 4.4% | | | | | | |
| 415,000 | Comstock Park Public Schools, Kent County, Michigan, 2011 School Building and Site Bonds, General Obligation - Unlimited Tax, Federally Taxable - Qualified School Construction Bonds - Direct Payment, Series A | AA- | 6.30% | 05/01/2026 | 05/01/21 @ 100 | 454,118 |
| 690,000 | Detroit, Michigan, School District, Build America Bonds(a)(i) | AA- | 7.75% | 05/01/2039 | N/A | 875,582 |
| 5,000,000 | Detroit, Michigan, School District, School Building and Site Bonds, Unlimited Tax General Obligation Bonds, Taxable Build America Bonds, Series, Series 2010B(a)(i) | AA- | 6.85% | 05/01/2040 | 05/01/20 @ 100 | 5,270,400 |
| 1,640,000 | Detroit, Michigan, School District, School Building and Site Bonds, Unlimited Tax General Obligation | AA- | 6.65% | 05/01/2029 | N/A | 1,789,404 |

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| | Bonds, Taxable Qualified School Construction Bonds, Series 2010A(i) | | | | | |
| 3,000,000 | Fraser Public School District, Macomb County, Michigan, General Obligation Federally Taxable School Construction Bonds, 2011 School Building and Site Bonds, Series B | AA- | 6.05% | 05/01/2026 | 05/01/21 @ 100 | 3,278,970 |
| 1,000,000 | Oakridge, Michigan, Public Schools, Unlimited Tax General Obligation Bonds(i) | AA- | 6.75% | 05/01/2026 | 05/01/20 @ 100 | 1,090,460 |
| 2,500,000 | Whitehall District Schools, Muskegon County, Michigan, 2010 School Building and Site Bonds, General Obligation, Unlimited Tax Bonds, Taxable Qualified School Construction Bonds, Series A | AA- | 6.10% | 05/01/2026 | 05/01/20 @ 100 | 2,697,000 |
| 2,000,000 | Whitehall District Schools, Muskegon County, Michigan, 2010 School Building and Site Bonds, General Obligation, Unlimited Tax Bonds, Taxable Qualified School Construction Bonds, Series A | AA- | 6.50% | 05/01/2029 | 05/01/20 @ 100 | 2,159,200 |
| | | | | | | 17,615,134 |
| | Minnesota - 0.9% | | | | | |
| 1,660,000 | St. Paul Housing & Redevelopment Authority, Federally Taxable Revenue Bonds | AA | 7.25% | 02/01/2035 | 02/01/21 @ 100 | 1,827,444 |
| 1,540,000 | St. Paul Housing & Redevelopment Authority, Federally Taxable Revenue Bonds | AA | 7.50% | 02/01/2040 | 02/01/21 @ 100 | 1,692,568 |
| | | | | | | 3,520,012 |
| | Mississippi - 1.9% | | | | | |
| 5,000,000 | Medical Center Educational Building Corporation, Taxable Build America Bonds, | AA- | 6.84% | 06/01/2035 | 06/01/20 @ 100 | 5,493,250 |

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| | University of Mississippi Medical Center Facilities Expansion and Renovation Project, Series 2010A(a)(i) | | | | | |
| 1,000,000 | Mississippi, Hospital Equipment and Facilities Authority, Taxable Build America Revenue Bonds, Forrest County General Hospital Project, Series 2010(a)(i) | A2 | 7.27% | 01/01/2032 | 01/01/20 @ 100 | 1,069,190 |
| 905,000 | Mississippi, Hospital Equipment and Facilities Authority, Taxable Build America Revenue Bonds, Forrest County General Hospital Project, Series 2010(a)(i) | A2 | 7.39% | 01/01/2040 | 01/01/20 @ 100 | 960,078 |
| | | | | | | 7,522,518 |
| | Nevada - 2.7% | | | | | |
| 1,425,000 | Clark County, Nevada, Airport Revenue Bonds, Build America Bonds, Series B(a) | AA- | 6.88% | 07/01/2042 | 07/01/19 @ 100 | 1,606,588 |
| 1,200,000 | Las Vegas Valley Water District, Nevada, Limited Tax General Obligation Water Bonds, Taxable Build America Bonds, Series 2009A(a) | AA+ | 7.10% | 06/01/2039 | 06/01/19 @ 100 | 1,373,676 |
| 1,500,000 | Nevada System of Higher Education University, Revenue Bonds, Build America Bonds(a) | AA- | 7.60% | 07/01/2030 | 07/01/20 @ 100 | 1,770,165 |
| 5,050,000 | Nevada System of Higher Education University, Revenue Bonds, Build America Bonds(a) | AA- | 7.90% | 07/01/2040 | 07/01/20 @ 100 | 6,008,742 |
| | | | | | | 10,759,171 |
| | New Jersey - 6.3% | | | | | |
| 8,000,000 | Camden County Improvement Authority, Camden County, New Jersey, Lease Revenue Bonds, Cooper Medical School of Rowan University Project, Series 2010A(a)(i) | A+ | 7.75% | 07/01/2034 | 07/01/20 @ 100 | 9,007,760 |

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| 2,000,000 | Camden County Improvement Authority, Camden County, New Jersey, Lease Revenue Bonds, Cooper Medical School of Rowan University Project, Series 2010A(a)(i) | A+ | 7.85% | 07/01/2035 | 07/01/20 @ 100 | 2,260,760 |
| 10,000,000 | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Federally Taxable Issuer Subsidy, Build America Bonds, Series 2010A(a) | A+ | 7.10% | 01/01/2041 | N/A | 13,910,000 |
| | | | | | | 25,178,520 |
| | New York - 6.0% | | | | | |
| 5,000,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Taxable Build America Bonds, Series 2010E(a) | A | 7.13% | 11/15/2030 | 11/15/20 @ 100 | 5,882,300 |
| 5,000,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Taxable Build America Bonds, Series 2010B-1(a) | A | 6.55% | 11/15/2031 | N/A | 6,182,150 |
| 10,000,000 | Westchester County Health Care Corporation, Revenue Bonds, Taxable Build America Bonds, Series 2010(a) (i) | BBB | 8.57% | 11/01/2040 | N/A | 11,785,400 |
| | | | | | | 23,849,850 |
| | Ohio - 5.3% | | | | | |
| 5,000,000 | American Municipal Power, Inc., Combined Hydroelectric Projects Revenue Bonds, New Clean Renewable Energy Bonds, Series 2010C(i) | A | 7.33% | 02/15/2028 | N/A | 6,302,150 |
| 1,950,000 | Cuyahoga County, Ohio, Hospital Revenue Bonds, The Metrohealth System, Build America Bonds, Taxable, Series 2009B(a)(i) | A- | 8.22% | 02/15/2040 | N/A | 2,346,494 |
| 2,500,000 | Madison Local School District, Richland County, | AA | 6.90% | 12/01/2034 | 12/01/20 @ 100 | 2,703,225 |

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| | Ohio, School Improvement, Taxable Build America Bonds, Series 2010A(a) | | | | | |
| 2,500,000 | Madison Local School District, Richland County, Ohio, School Improvement, Taxable Build America Bonds, Series 2010A(a) | AA | 7.15% 12/01/2039 | 12/01/20 @ 100 | | 2,697,550 |
| 2,500,000 | Madison Local School District, Richland County, Ohio, School Improvement, Taxable Build America Bonds, Series 2010A(a) | AA | 7.30% 12/01/2043 | 12/01/20 @ 100 | | 2,696,300 |
| 2,500,000 | Madison Local School District, Richland County, Ohio, School Improvement, Taxable Qualified School Construction Bonds, Series 2010B | AA | 6.65% 12/01/2029 | 12/01/20 @ 100 | | 2,844,850 |
| 1,230,000 | Toronto City School District, Ohio, Qualified School Construction Bonds General Obligation Bonds(i) | AA | 7.00% 12/01/2028 | 12/01/20 @ 100 | | 1,352,594 |
| | | | | | | 20,943,163 |
| | Pennsylvania - 4.3% | | | | | |
| 4,865,000 | Lebanon, Pennsylvania, Sewer Revenue Bonds, Taxable Build America Bonds, Series B of 2010(a) | A+ | 7.14% 12/15/2035 | 06/15/20 @ 100 | | 5,381,031 |
| 7,500,000 | Pittsburgh, Pennsylvania, School District, Taxable Qualified School Construction Bonds, Series D | A | 6.85% 09/01/2029 | N/A | | 8,835,675 |
| 2,500,000 | School District of Philadelphia, Pennsylvania, General Obligation Bonds, Series 2011A, Qualified School Construction Bonds - Federally Taxable- Direct Subsidy) | A+ | 6.00% 09/01/2030 | N/A | | 2,645,950 |
| | | | | | | 16,862,656 |

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| South Carolina - 1.5% | | | | | | |
| 5,000,000 | Horry County, South Carolina, Taxable Airport Revenue Bonds, Recovery Zone Economic Development Bonds, Series 2010B(a)(i) | A- | 7.33% | 07/01/2040 | N/A | 5,736,900 |
| South Dakota - 1.0% | | | | | | |
| 3,490,000 | Pierre, South Dakota, Taxable Electric Revenue Bonds, Recovery Zone Economic Development Bonds, Series 2010C(a)(i) | A2 | 7.50% | 12/15/2040 | 12/15/19 @ 100 | 3,862,453 |
| Texas - 5.8% | | | | | | |
| 10,000,000 | Dallas, Texas, Convention Center Hotel Development Corporation, Hotel Revenue Bonds, Taxable Build America Bonds, Series 2009B(a)(i) | A+ | 7.09% | 01/01/2042 | N/A | 11,697,100 |
| 10,000,000 | El Paso, Texas, Combination Tax and Revenue Certification of Obligation, Taxable Build America Bonds, Series 2010B(a) | AA | 6.70% | 08/15/2036 | 08/15/20 @ 100 | 11,355,500 |
| | | | | | | 23,052,600 |
| Vermont - 2.7% | | | | | | |
| 2,155,000 | Vermont State Colleges, Revenue Bonds, Taxable Build America Bonds, Series 2010B(a)(i) | A+ | 6.10% | 07/01/2025 | 07/01/20 @ 100 | 2,318,651 |
| 7,500,000 | Vermont State Colleges, Revenue Bonds, Taxable Build America Bonds, Series 2010B(a)(i) | A+ | 7.21% | 07/01/2040 | 07/01/20 @ 100 | 8,413,950 |
| | | | | | | 10,732,601 |
| Washington - 9.7% | | | | | | |
| 5,000,000 | Anacortes, Washington, Utility System Improvement Revenue Bonds, Build America Bonds, Series 2010B(a)(i) | AA- | 6.48% | 12/01/2030 | 12/01/20 @ 100 | 5,580,450 |
| 2,000,000 | Auburn, Washington, Utility System Revenue Bonds, Taxable Build | AA | 6.40% | 12/01/2030 | 12/01/20 @ 100 | 2,273,980 |

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| | America Bonds, Series 2010B(a)(i) | | | | | |
| 5,000,000 | Central Washington University, System Revenue Bonds, 2010, Taxable Build America Bonds, Series B(a) | A1 | 6.50% | 05/01/2030 | N/A | 5,570,300 |
| 5,800,000 | Public Hospital District No. 1, King County, Washington, Valley Medical Center, Hospital Facilities Revenue Bonds, Series 2010B (a)(i) | BBB+ | 8.00% | 06/15/2040 | 06/15/20 @ 100 | 6,493,332 |
| 5,000,000 | Washington State Convention Center Public Facilities District, Lodging Tax Bonds, Taxable Build America Bonds, Series 2010B(a) | A+ | 6.79% | 07/01/2040 | N/A | 6,083,000 |
| 3,325,000 | Washington State University, Housing and Dining System Revenue Bonds, Taxable Build America Bonds, Series 2010B(a) (i) | A+ | 7.10% | 04/01/2032 | N/A | 4,099,758 |
| 6,675,000 | Washington State University, Housing and Dining System Revenue Bonds, Taxable Build America Bonds, Series 2010B(a) (i) | A+ | 7.40% | 04/01/2041 | N/A | 8,477,851 |
| | | | | | | 38,578,671 |
| | West Virginia - 3.5% | | | | | |
| 10,000,000 | State of West Virginia, Higher Education Policy Commission, Revenue Bonds, Federally Taxable Build America Bonds 2010, Series B(a) | A+ | 7.65% | 04/01/2040 | N/A | 13,677,800 |
| | Total Municipal Bonds - 108.3% | | | | | |
| | (Cost \$367,906,853) | | | | | 429,679,317 |
| | Corporate Bonds - 9.8% | | | | | |
| | Advertising - 0.0%*** | | | | | |
| 150,000 | inVentiv Health, Inc.(b) | CCC+ | 10.00% | 08/15/2018 | 08/15/14 @ 105 | 136,500 |
| | Airlines - 1.1% | | | | | |

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| 152,333 | Atlas Air 1999-1 Pass-Through Trust, Series 1991-1, Class A-1 | NR | 7.20% | 07/02/2020 | N/A | 152,333 |
| 2,291,098 | Atlas Air 2000-1 Class A Pass Through Trust, Series 2000-1, Class A | NR | 8.71% | 07/02/2021 | N/A | 2,291,098 |
| 91,467 | Atlas Air 99-1 Class A-2 Pass Through Trust, Series 991A, Class A-2 | NR | 6.88% | 04/02/2014 | N/A | 91,467 |
| 2,000,000 | Delta Air Lines 2011-1 Class B Pass-Through Trust, Series 2011-1, Class B(b) | BB | 7.13% | 10/15/2014 | N/A | 1,979,420 |
| 160,000 | Global Aviation Holdings, D Inc.(c) | | 14.00% | 08/15/2013 | 08/15/12 @ 111 | 44,800 |
| | | | | | | 4,559,118 |
| | Building Materials - 0.5% | | | | | |
| 2,000,000 | Cemex SAB de CV (Mexico)(b) (i) | B- | 9.00% | 01/11/2018 | 01/11/15 @ 105 | 1,850,000 |
| | Commercial Services - 0.8% | | | | | |
| 2,200,000 | DynCorp International, Inc. (i) | B- | 10.38% | 07/01/2017 | 07/01/14 @ 105 | 1,947,000 |
| 1,140,000 | NCO Group, Inc. (i) | CCC- | 11.88% | 11/15/2014 | 11/15/12 @ 100 | 1,134,300 |
| | | | | | | 3,081,300 |
| | Computers - 0.5% | | | | | |
| 548,000 | Compucom Systems, Inc.(b) (i) | B | 12.50% | 10/01/2015 | 10/01/12 @ 103 | 567,180 |
| 1,260,000 | iGate Corp. (i) | B+ | 9.00% | 05/01/2016 | 05/01/14 @ 105 | 1,370,250 |
| 150,000 | Stream Global Services, Inc. | B+ | 11.25% | 10/01/2014 | 10/01/12 @ 106 | 154,688 |
| | | | | | | 2,092,118 |
| | Distribution & Wholesale - 0.1% | | | | | |
| 550,000 | Baker & Taylor, Inc.(b) | CCC+ | 11.50% | 07/01/2013 | 07/01/12 @ 100 | 308,000 |
| 275,000 | INTCOMEX, Inc. | B- | 13.25% | 12/15/2014 | 12/15/12 @ 107 | 261,250 |
| | | | | | | 569,250 |
| | Diversified Financial Services - 0.1% | | | | | |
| 100,000 | LCP Dakota Fund, Series AI | NR | 10.75% | 01/16/2014 | N/A | 99,987 |
| 500,000 | | AA- | 5.61% | 09/15/2051 | N/A | 463,610 |

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| | | | | | | |
|-----------|------------------------------------------------------------------------|------|--------|------------|----------------|-----------|
| | McGuire Air Force Base/Fort Dix Privatized Military Housing Project(b) | | | | | 563,597 |
| | Engineering & Construction - 0.7% | | | | | |
| 2,222,005 | Alion Science and Technology Corp.(i) (j) | B- | 12.00% | 11/01/2014 | 04/01/13 @ 105 | 2,055,355 |
| 1,000,000 | Alion Science and Technology Corp. | CCC- | 10.25% | 02/01/2015 | 02/01/13 @ 100 | 540,000 |
| | | | | | | 2,595,355 |
| | Entertainment - 1.2% | | | | | |
| 1,600,000 | Diamond Resorts Corp. | B- | 12.00% | 08/15/2018 | 08/15/14 @ 106 | 1,688,000 |
| 1,810,000 | Lions Gate Entertainment, Inc.(b) (i) | B | 10.25% | 11/01/2016 | 11/01/13 @ 105 | 1,941,225 |
| 1,000,000 | WMG Acquisition Corp.(b) (i) | B- | 11.50% | 10/01/2018 | 10/01/14 @ 109 | 1,062,500 |
| | | | | | | 4,691,725 |
| | Food - 0.5% | | | | | |
| 2,009,000 | Bumble Bee Acquisition Corp.(b) (i) | B | 9.00% | 12/15/2017 | 12/15/14 @ 105 | 2,109,450 |
| | Health Care Services - 0.4% | | | | | |
| 750,000 | Apria Healthcare Group, Inc. | BB+ | 11.25% | 11/01/2014 | 11/01/12 @ 103 | 791,250 |
| 325,000 | OnCure Holdings, Inc. | B | 11.75% | 05/15/2017 | 05/15/14 @ 106 | 253,500 |
| 423,503 | Symbion, Inc.(d) | CCC+ | 11.00% | 08/23/2015 | 08/23/12 @ 103 | 400,210 |
| | | | | | | 1,444,960 |
| | Internet - 1.1% | | | | | |
| 4,250,000 | GXS Worldwide, Inc. (i) | B | 9.75% | 06/15/2015 | 06/15/12 @ 105 | 4,239,375 |
| | Lodging - 0.0%*** | | | | | |
| 100,000 | Caesars Operating Escrow, LLC / Caesars Escrow Corp.(b) | B | 8.50% | 02/15/2020 | 02/15/16 @ 104 | 102,000 |
| | Machinery-Diversified - 0.1% | | | | | |
| 250,000 | Tempel Steel Co.(b) | B | 12.00% | 08/15/2016 | 02/15/14 @ 109 | 246,875 |

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| | | | | | | |
|--------------------------------------|-----------------------------------------------------------------------------|------|--------|------------|----------------|-----------|
| Mining - 0.1% | | | | | | |
| 400,000 | Midwest Vanadium Pty Ltd. (Australia)(b) | CCC+ | 11.50% | 02/15/2018 | 02/15/15 @ 106 | 274,000 |
| Packaging & Containers - 0.6% | | | | | | |
| 1,950,000 | Pregis Corp. (i) | CCC | 12.38% | 10/15/2013 | 10/15/11 @ 100 | 1,896,375 |
| 300,000 | Pretium Packaging, LLC / Pretium Finance, Inc. | B | 11.50% | 04/01/2016 | 04/01/14 @ 106 | 312,000 |
| | | | | | | 2,208,375 |
| Real Estate Investment Trusts - 0.2% | | | | | | |
| 750,000 | Wells Operating Partnership II, LP | BBB- | 5.88% | 04/01/2018 | N/A | 765,285 |
| Retail - 0.6% | | | | | | |
| 244,000 | CKE Restaurants, Inc. | B- | 11.38% | 07/15/2018 | 07/15/14 @ 106 | 278,160 |
| 1,150,000 | Liz Claiborne, Inc.(b) (i) | B | 10.50% | 04/15/2019 | 04/15/14 @ 105 | 1,267,875 |
| 850,000 | Logan's Roadhouse, Inc. | B- | 10.75% | 10/15/2017 | 10/15/13 @ 108 | 811,750 |
| | | | | | | 2,357,785 |
| Software - 0.1% | | | | | | |
| 400,000 | Lawson Software, Inc.(b) | B- | 11.50% | 07/15/2018 | 07/15/15 @ 106 | 418,000 |
| Textiles - 0.0%*** | | | | | | |
| 150,000 | Empire Today, LLC / Empire Today Finance Corp.(b) | B- | 11.38% | 02/01/2017 | 02/01/14 @ 106 | 144,750 |
| Transportation - 0.6% | | | | | | |
| 54,911 | Atlas Air, Inc.(b) | NR | 8.71% | 07/02/2021 | N/A | 54,911 |
| 200,000 | CEVA Group PLC (United Kingdom)(b) | B+ | 8.38% | 12/01/2017 | 12/01/13 @ 106 | 199,500 |
| 1,450,000 | Marquette Transportation Company/Marquette Transportation Finance Corp. (i) | B- | 10.88% | 01/15/2017 | 01/15/13 @ 108 | 1,515,250 |
| 600,000 | United Maritime Group, LLC/United Maritime Group Finance Corp. (i) | B | 11.75% | 06/15/2015 | 12/15/12 @ 106 | 612,750 |
| | | | | | | 2,382,411 |
| Trucking & Leasing - 0.5% | | | | | | |
| 1,808,000 | | BBB- | 7.00% | 10/15/2016 | | 1,889,360 |

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AWAS Aviation Capital Ltd. (Ireland)(b) (i) 10/18/13 @ 104

| | | | | | | |
|---------------------------------------|-------------------------------------------------------------------------------------------|------|-------|------------|-----|-----------|
| Total Corporate Bonds - 9.8% | | | | | | |
| (Cost \$39,059,015) 38,721,589 | | | | | | |
| Asset Backed Securities - 6.0% | | | | | | |
| Automobile - 0.0%*** | | | | | | |
| 65,689 | Bush Truck Leasing, LLC, Series 2011-AA, Class C(b) | NR | 5.00% | 09/25/2018 | N/A | 65,526 |
| Collateralized Debt Obligation - 2.3% | | | | | | |
| 305,999 | Commodore CDO I Ltd., Series 2005-3A, Class A1A (Cayman Islands)(b) (e) (i) | CCC- | 0.78% | 03/06/2040 | N/A | 97,920 |
| 221,211 | Diversified Asset Securitization Holdings II LP, Series 1X, Class A1L (Cayman Islands)(e) | A | 0.96% | 09/15/2035 | N/A | 197,156 |
| 106,455 | G-Star Ltd., Series 2003-A, Class A1 (Cayman Islands)(b) (e) (i) | A+ | 1.04% | 03/13/2038 | N/A | 99,700 |
| 472,391 | Independence I CDO Ltd., Series 1A, Class A (Cayman Islands)(b) (e) (i) | BB+ | 0.74% | 12/30/2030 | N/A | 423,905 |
| 8,560,312 | Putnam Structured Product, Series 2003-1A, Class A1LB (Cayman Islands)(b) (e) | B | 0.69% | 10/15/2038 | N/A | 7,170,803 |
| 727,766 | Putnam Structured Product CDO, Series 2002-1A, Class A2 (Cayman Islands)(b) (e) | B+ | 0.92% | 01/10/2038 | N/A | 586,237 |
| 75,453 | Saturn Ventures Ltd., Series 2003-1A, Class A1 (Cayman Islands)(b) (e) | AA | 1.04% | 11/03/2038 | N/A | 69,118 |
| 500,000 | TIAA Real Estate Ltd., Series 2002-1A, Class III(b) (f) | BBB+ | 7.60% | 05/22/2037 | N/A | 469,500 |
| 9,114,339 | | | | | | |
| Collateralized Loan Obligation - 2.3% | | | | | | |
| 500,000 | | BBB | 4.49% | 11/20/2020 | N/A | 449,090 |

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| | | | | | | |
|-----------|---------------------------------------------------------------------------------------------------|------|------------------|-----|-----------|--|
| | Alm Loan Funding, Series 2010-3A, Class C(b) (e) (i) | | | | | |
| 1,000,000 | CapitalSource Commercial Loan Trust, Series 2006-2A, Class D(b) (e) | B+ | 1.76% 09/20/2022 | N/A | 939,385 | |
| 2,000,000 | Churchill Financial Cayman Ltd., Series 2007-1A, Class C (Cayman Islands)(b) (e) (i) | A+ | 1.83% 07/10/2019 | N/A | 1,566,480 | |
| 1,000,000 | Churchill Financial Cayman Ltd., Series 2007-1A, Class D1 (Cayman Islands)(b) (e) (i) | BBB+ | 3.18% 07/10/2019 | N/A | 723,750 | |
| 1,000,000 | Churchill Financial Cayman Ltd., Series 2007-1A, Class D2 (Cayman Islands)(b) (i) | BBB+ | 8.37% 07/10/2019 | N/A | 951,950 | |
| 250,000 | Colts Trust, Series 2005-2A, Class C (Cayman Islands)(b) (e) | BB+ | 1.32% 12/20/2018 | N/A | 239,093 | |
| 250,000 | Colts Trust, Series 2007-1A, Class C (Cayman Islands)(b) (e) | AA- | 1.27% 03/20/2021 | N/A | 184,138 | |
| 300,000 | Cratos CLO Ltd., Series 2007-1A, Class C (Cayman Islands)(b) (e) (i) | AA- | 1.59% 05/19/2021 | N/A | 224,532 | |
| 500,000 | DFR Middle Market CLO Ltd., Series 2007-1A, Class C(b) (e) (i) | A | 2.86% 07/20/2019 | N/A | 457,720 | |
| 550,000 | Eastland CLO Ltd., Series 2007-1A, Class A2B(b) (e) (i) | A+ | 0.88% 05/01/2022 | N/A | 407,517 | |
| 250,000 | Emporia Preferred Funding (Cayman Islands)(b) (e) (i) | A- | 1.53% 10/12/2018 | N/A | 192,608 | |
| 250,000 | Genesis CLO Ltd., Series 2007-2A, Class D (Cayman Islands)(b) (e) (i) | BBB | 4.58% 01/10/2016 | N/A | 226,630 | |
| 200,000 | Katonah Ltd., Series 2006-9A, Class A3L (Cayman Islands)(b) (e) | BBB+ | 1.28% 01/25/2019 | N/A | 152,962 | |
| 1,992,806 | Newstar Trust, Series 2005-1A, Class C(b) (e) | B+ | 1.41% 07/25/2018 | N/A | 1,762,637 | |
| 514,262 | Sargas CLO II Ltd., Series 2006-1A, Class E | B+ | 4.56% 10/20/2018 | N/A | 456,294 | |

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| | | | | | | |
|-----------|-----------------------------------------------------------------------------------------------------------------|------|--------|------------|-------------------|------------|
| | (Cayman Islands)(b) (e) | | | | | 8,934,786 |
| | Commercial Receivables - 0.1% | | | | | |
| 400,000 | Leaf II Receivables Funding, LLC, Series 2010-4, Class D(b) | NR | 5.00% | 01/20/2019 | 02/20/13 @ 100 | 364,360 |
| | Insurance - 0.0%*** | | | | | |
| 100,000 | Insurance Note Capital Term, Series 1005-1R1A(b) (e) | A | 0.56% | 06/09/2033 | N/A | 85,448 |
| | Other ABS - 0.0%*** | | | | | |
| 32,614 | Aircraft Certificate Owner Trust(b) | BB | 6.46% | 09/20/2022 | N/A | 32,124 |
| | Timeshare - 0.1% | | | | | |
| 513,505 | Silverleaf Finance LLC, Series 2011-A, Class A(b) | NR | 9.00% | 06/15/2023 | N/A | 501,756 |
| | Transportation - 0.4% | | | | | |
| 1,805,337 | Vega Containervessel PLC, Series 2006-1A, Class A(b) | Ba3 | 5.56% | 02/10/2021 | N/A | 1,615,777 |
| | Whole Business - 0.8% | | | | | |
| 1,300,000 | Adams Outdoor Advertising, LP, Series 2010-1, Class B(b) | Ba2 | 8.84% | 12/20/2040 | N/A | 1,368,942 |
| 1,825,000 | Adams Outdoor Advertising, LP, Series 2010-1, Class C(b) | B3 | 10.76% | 12/20/2040 | N/A | 1,936,414 |
| | | | | | | 3,305,356 |
| | Total Asset Backed Securities - 6.0% (Cost \$24,201,267) | | | | | 24,019,472 |
| | Collateralized Mortgage Obligations - 0.5% Commercial Mortgage Backed Security - Traditional - 0.5% | | | | | |
| 2,000,000 | GS Mortgage Securities Corp. II, Series 2007-EOP, Class H(b) (e) (i) (Cost \$1,802,903) | BBB- | 3.30% | 03/06/2020 | N/A | 1,912,400 |

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| | | | | | | |
|---------------------------------------|----------------------------------------------|------|--------|------------|-----|------------|
| Term Loans - 3.1%(g) | | | | | | |
| Consumer Products - 0.1% | | | | | | |
| 348,250 | Targus Group International, Inc. | B | 11.00% | 5/25/2016 | N/A | 339,544 |
| Consumer Services - 0.2% | | | | | | |
| 929,202 | NCO Group, Inc. | CCC+ | 8.00% | 11/12/2013 | N/A | 926,010 |
| Entertainment - 0.0%*** | | | | | | |
| 175,000 | CKX Entertainment | B+ | 9.00% | 06/21/2017 | N/A | 148,750 |
| Gaming - 0.8% | | | | | | |
| 3,001,245 | MGM Mirage, Inc | Ba3 | 7.17% | 02/23/2015 | N/A | 2,991,881 |
| 300,000 | Rock Ohio Caesar LLC | BB- | 8.50% | 08/11/2017 | N/A | 303,375 |
| 3,295,256 | | | | | | |
| Oil Field Services - 0.8% | | | | | | |
| 2,970,000 | Southern Pacific Resources 2nd Lien (Canada) | CCC | 10.75% | 12/22/2016 | N/A | 2,994,502 |
| Other Industrials - 0.1% | | | | | | |
| 500,000 | Sirva Worldwide, Inc. | B | 10.75% | 03/31/2016 | N/A | 502,500 |
| Retail - 0.4% | | | | | | |
| 250,000 | Eastman Kodak Co. | B- | 8.50% | 07/26/2013 | N/A | 254,062 |
| 1,481,250 | Garden Ridge | B+ | 8.75% | 10/04/2017 | N/A | 1,355,344 |
| 1,609,406 | | | | | | |
| Technology - 0.7% | | | | | | |
| 99,206 | API Technologies Corp. | BB- | 7.75% | 06/27/2016 | N/A | 93,750 |
| 60,000 | Infor Enterprise Solutions Holdings, Inc. | Caa2 | 6.52% | 03/02/2014 | N/A | 54,733 |
| 940,000 | Infor Global Solutions 2nd Lien | Caa2 | 6.52% | 03/02/2014 | N/A | 857,492 |
| 1,701,450 | Lawson Software | B+ | 6.75% | 07/05/2017 | N/A | 1,716,159 |
| 2,722,134 | | | | | | |
| Total Term Loans - 3.1% | | | | | | |
| (Cost \$12,213,146) | | | | | | |
| | | | | | | 12,538,102 |
| Number of Shares | | | | | | |
| Description | | | | | | |
| Value | | | | | | |
| Preferred Stocks - 1.9% | | | | | | |
| Diversified Financial Services - 0.5% | | | | | | |
| 1,900 | Falcons Funding Trust I(b) (e) | NR | 8.88% | - | | 1,979,681 |
| Transportation - 1.4% | | | | | | |

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| | | | | | |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|-----------------|---------------|
| 200,000 | Seaspan Corp., Series C (Marshall Islands) | NR | 9.50% | - | 5,450,000 |
| | Total Preferred Stocks - 1.9% (Cost \$6,928,500) | | | | 7,429,681 |
| | Warrants - 0.0%*** | | | | |
| 1,550 | Alion Science and Technology Corp.(h) (k) (Cost \$16) | | | 03/15/2017 | - |
| | Total Long-Term Investments - 129.6% (Cost \$452,111,700) | | | | 514,300,561 |
| | Short-Term Investments - 0.7% | | | | |
| Principal Amount | Description | Rating* | Coupon | Maturity | Value |
| | Municipal Bond - 0.6% Michigan - 0.6% | | | | |
| \$2,400,000 | Michigan Finance Authority, State Aid Revenue Notes, School District of the City of Detroit, Series 2011A-2 (i) (Cost \$2,400,000) | SP-1 | 6.65% | 03/20/2012 | 2,405,592 |
| Number of Shares | Description | | | | Value |
| | Money Market - 0.1% | | | | |
| 506,867 | Dreyfus Treasury Prime Cash Management Institutional Shares (Cost \$506,867) | | | | 506,867 |
| | Total Short-Term Investments - 0.7% (Cost \$2,906,867) | | | | 2,912,459 |
| | Total Investments - 130.3% (Cost \$455,018,567) | | | | 517,213,020 |
| | Other Assets in excess of Liabilities - 1.7% | | | | 6,658,131 |
| | Borrowings - (32.0% of Net Assets or 24.6% of Total Investments) | | | | (127,077,532) |

| | | |
|---------------------|----|-------------|
| Net Assets - 100.0% | \$ | 396,793,619 |
|---------------------|----|-------------|

AGM – Insured by Assured Guaranty Municipal Corporation

Assured GTY - Insured by Assured Guaranty Corporation

CDO - Collateralized Debt Obligation

CLO - Collateralized Loan Obligation

LLC - Limited Liability Company

LP - Limited Partnership

N/A- Not Applicable

PLC - Public Limited Company

Pty - Propriety

SAB de CV - Publicly Traded Company

- * Ratings shown are per Standard & Poor's, Moody's or Fitch. Securities classified as NR are not rated. (For securities not rated by Standard & Poor's Rating Group, the rating by Moody's Investor Services, Inc. is provided. Likewise, for securities not rated by Standard & Poor's Rating Group and Moody's Investor Services, Inc., the rating by Fitch Ratings is provided.) All ratings are unaudited. The ratings apply to the credit worthiness of the issuers of the underlying securities and not to the Trust or its shares.
- ** Date and price of the earliest optional call or put provision. There may be other call provisions at varying prices at later dates.
- *** Less than 0.1%
- (a) Taxable municipal bond issued as part of the Build America Bond program.
- (b) Securities are exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At February 29, 2012 these securities amounted to \$42,729,553, which represents 10.8% of net assets applicable to common shares.
- (c) Non-income producing as security is in default.
- (d) The issuer of this security may elect to pay interest entirely in cash, entirely by issuing payment-in-kind shares, or pay 50% of the interest in cash and 50% of the interest by issuing payment-in-kind shares.
- (e) Floating or variable rate coupon. The rate shown is as of February 29, 2012.
- (f) Security is a "Step-up" bond where the coupon increases or steps up at a predetermined date. The rate shown reflects the rate in effect at the end of the reporting period.
- (g) Term loans held by the Trust have a variable interest rate feature which is periodically adjusted based on an underlying interest rate benchmark. In addition, term loans may include mandatory and/or optional prepayment terms. As a result, the actual maturity dates of the loan may be different than the amounts disclosed in the portfolios of investments. Term loans may be considered restricted in that the Trust may be contractually obligated to secure approval from the Agent Bank and/or Borrower prior to the sale or disposition of loan.
- (h) Non-income producing security.
- (i) All or a portion of these securities have been physically segregated in connection with borrowings, reverse repurchase agreements, and unfunded loan commitments. As of February 29, 2012, the total amount segregated was \$162,928,562.
- (j) The issuer of this security will accrue interest on the secured note at a rate of 12% per annum and will make interest payments as follows: (1) 10% in cash and (2) 2% payment-in-kind shares of the secured note.
- (k) Security is valued in accordance with Fair Valuation procedures established in good faith by the Board of Trustees and is based, in part on significant unobservable inputs. The total market value of such securities is \$0 which represents 0.0% of net assets.

See previously submitted notes to financial statements for the period ended November 30, 2011.

At February 29, 2012, the Trust had the following unfunded loan commitment which could be extended at the option of the borrower:

| Borrower | Expiration Date | Principal Amount | Unrealized Appreciation |
|----------------|-----------------|------------------|-------------------------|
| United Rentals | 09/15/2012 | \$ 750,000 | \$ - |

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At February 29, 2012 (unaudited), the cost and related gross unrealized appreciation and depreciation on investments for tax purposes are as follows:

| Cost of Investments for Tax Purposes | Gross Tax Unrealized Appreciation | Gross Tax Unrealized Depreciation | Net Tax Unrealized Appreciation on Investments |
|--------------------------------------|-----------------------------------|-----------------------------------|------------------------------------------------|
| \$455,018,567 | \$ 64,162,262 | \$ (1,967,809) | \$62,194,453 |

Fair value is defined as the price that the Trust would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. There are three different categories for valuations. Level 1 valuations are those based upon quoted prices in active markets. Level 2 valuations are those based upon quoted prices in inactive markets or based upon significant observable inputs (e.g. yield curves; benchmark interest rates; indices). Level 3 valuations are those based upon unobservable inputs (e.g. discounted cash flow analysis; non-market based methods used to determine fair valuation).

The Trust values Level 1 securities using readily available market quotations in active markets. The Trust values Level 2 fixed income securities using independent pricing providers who employ matrix pricing models utilizing market prices, broker quotes and prices of securities with comparable maturities and qualities. The Trust values Level 2 equity securities using various observable market inputs in accordance with procedures established in good faith by management and approved by the Board of Trustees. There were no transfers between Level 1 and Level 2 during the period ended February 29, 2012.

The following table represents the Trust's investments by caption and by level within the fair value hierarchy as of February 29, 2012:

| Description (value in \$000s) | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------------|---------|-----------|---------|-----------|
| Assets: | | | | |
| Municipal Bonds | \$- | \$432,085 | \$- | \$432,085 |
| Corporate Bonds | - | 38,722 | - | 38,722 |
| Asset Backed Securities | - | 24,019 | - | 24,019 |
| Collateralized Mortgage Obligations | - | 1,912 | - | 1,912 |
| Preferred Stock | 7,430 | - | - | 7,430 |
| Term Loans | - | 12,538 | - | 12,538 |
| Warrants | - | - | - | * |
| Money Market Fund | 507 | - | - | 507 |
| Total | \$7,937 | \$509,276 | \$- | \$517,213 |

There were no transfers between levels.

The Trust values the warrants for Alion Science and Technology Corp. at \$0 due to the security being an unlisted security.

The following table presents the activity for the Fund's investments measured at fair value using significant unobservable inputs (Level 3 valuations) for the period ended February 29, 2012.

| | | |
|---------------------------------------|----|----|
| Level 3 holdings (value in \$000s) | | |
| Beginning Balance at May 31, 2011 | \$ | - |
| Total Realized Gain/Loss | | - |
| Total Realized Gain/Loss | | - |
| Change in Unrealized Gain/Loss | | - |
| Return of Capital | | - |
| Net Purchases: | | - |
| Warrants | | _* |
| Transfers In | | - |
| Transfers Out | | - |
| Ending Balance at February 29, 2012 | \$ | _* |

* Market value is less than minimum amount disclosed.

Item 2. Controls and Procedures.

- (a) The registrant's principal executive officer and principal financial officer have evaluated the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended) as of a date within 90 days of the filing date of this report and have concluded, based on such evaluation, that the registrant's disclosure controls and procedures were effective, as of that date, in ensuring that information required to be disclosed by the registrant on this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There was no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act, as amended) that occurred during the registrant's last fiscal quarter that has materially affected or is reasonably likely to materially affect the registrant's internal control over financial reporting.

Item 3. Exhibits.

A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Investment Company Act, as amended (17 CFR 270.30a-2(a)) is attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Guggenheim Build America Bonds Managed Duration Trust

By: /s/ Kevin M. Robinson
Kevin M. Robinson
Chief Executive Officer and Chief Legal Officer

Date: April 27, 2012

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Kevin M. Robinson
Kevin M. Robinson
Chief Executive Officer and Chief Legal Officer

Date: April 27, 2012

By: /s/ John Sullivan
John Sullivan
Chief Financial Officer, Chief Accounting Officer and Treasurer

Date: April 27, 2012