

A Message about the Status of Regulatory Issues

July 27, 2010

As a valued client of our firm, we wanted to share with you an update on the inquiries by the Securities & Exchange Commission (SEC), FINRA, and various state securities commissioners related to funds previously administered by Morgan Keegan. Morgan Keegan divested the funds in 2008.

On July 27, 2010, in its quarterly earnings release, our parent company, Regions Financial Corp., announced that Morgan Keegan had recorded a non-tax deductible \$200 million charge at June 30, 2010, representing the estimated probable loss from a potential resolution of this matter. While we are striving to resolve all pending regulatory issues, there is no assurance that a settlement will be reached. Regions recorded the charge because the company believes a loss of this amount is both probable and estimable based on the current status of settlement negotiations.

What does this development mean for you? It means that we are making progress in putting this matter behind us and are focused on what we do best: providing our clients with exemplary service regarding their financial needs. We do not anticipate any interruptions to business as usual as we move forward. We can also assure you that Regions and Morgan Keegan have more than adequate resources to meet the obligations that may arise in the normal course of our business.

We are proud to have earned the confidence of our clients over the years. Needless to say, retaining your loyalty and trust remains a top priority for Morgan Keegan.

Today, every area of Morgan Keegan's core business is strong and stable. In fact, over the past three years, we have experienced an influx of net new assets under management totaling \$13.8 billion. Our history of market leadership and conservative fiscal management is the bedrock of our operations today – which will enable us to provide you with exemplary service into the future. We will keep you informed of developments as they occur, and we look forward to our continued partnership.

Morgan Keegan & Company