

DISTRIBUTION PLAN NOTICE TO MORGAN KEEGAN INVESTORS

TO: SHAREHOLDERS OF SEVEN REGIONS MORGAN KEEGAN MUTUAL FUNDS THAT HAD INVESTMENTS JANUARY 1, 2007 THROUGH AND INCLUDING MARCH 31, 2008; THE AFFECTED FUNDS (COLLECTIVELY, THE “FUNDS”) ARE:

- **Regions Morgan Keegan Select Intermediate Bond Fund (“Intermediate Bond Fund”);**
- **Regions Morgan Keegan Select High Income Fund (“Select High Income Fund”);**
- **Regions Morgan Keegan Advantage Income Fund (“Advantage Income Fund”);**
- **Regions Morgan Keegan High Income Fund (“High Income Fund”);**
- **Regions Morgan Keegan Multi-Sector High Income Fund (“Multi-Sector High Income Fund”);**
- **Regions Morgan Keegan Strategic Income Fund (“Strategic Income Fund”); and**
- **Regions Morgan Keegan Select Short Term Bond Fund (“Short Term Bond Fund”).**

If you satisfy the eligibility criteria described below and wish to receive proceeds of this settlement, you must submit a Proof of Claim Form to the fund administrator, A.B. Data, Ltd. (the “Fund Administrator”), postmarked no later than June 16, 2012 (banks, brokers, and other nominees, please see instructions on Page 4 herein).

BASIC INFORMATION

I. PURPOSE OF THIS NOTICE

The purpose of this Distribution Plan Notice¹ to Morgan Keegan Investors (“Notice”) is to inform you that you may be eligible to share in the proceeds of the \$100,000,000 fund (the “Distribution Fund”)² established by the states of Tennessee, Alabama, Mississippi, South Carolina, and Kentucky (“States”) that provides partial restitution resulting from the Consent Orders³ entered into by the States with Morgan Keegan & Company (“MKC”) and Morgan Asset Management (“MAM”) (the “States’ Fund”) and provides you with an opportunity to file a claim. You do not have to be a resident of one of the States listed to participate.

There is also a Securities and Exchange Commission (SEC or the “Commission”) Fair Fund that was established for \$100,300,000 pursuant to Commission Administrative Proceeding File No. 3-13847 (the “SEC Fair Fund”). Although the Commission’s proceeding related to the same Funds as those involved in the States’ case, the SEC case related to different allegations, so the period relating to the SEC Fair Fund loss period includes January 1, 2007 through and including July 31, 2007, which is a subset (smaller period of time) of the States’ Fund Loss Period of January 1, 2007 through and including March 31, 2008.

This Notice describes the steps you must take to file a Proof of Claim Form in order to determine if you are eligible to participate in the distribution of the States’ Fund and/or the SEC Fair Fund. Proof of Claim Forms and this Notice are being mailed to all identifiable, potentially eligible claimants who owned or purchased any of the seven Funds listed above as of January 1, 2007 through and including March 31, 2008.

Copies of this Notice and the Proof of Claim Form are also available from the website established to provide information regarding both the States’ Fund and SEC Fair Fund at MorganKeeganSettlement.com.

PLEASE NOTE: Receipt of this Notice does **not** mean you will automatically be eligible to receive a distribution payment from the States’ Fund and/or the SEC Fair Fund. You must file a Proof of Claim Form AND meet the eligibility criteria in order to receive a distribution from either or both of the settlement funds.

If you purchased directly from MKC or MAM: Please review the enclosed Proof of Claim Form carefully. Those potentially eligible claimants that purchased shares of the affected Funds directly from MKC or MAM will have values provided in the Proof of Claim Form for confirmation. You will be required to confirm the values provided for known purchases or, if you disagree, provide your holdings as of December 31, 2006, all

¹ All capitalized terms not defined herein shall have the defined meaning stated in the States’ Fund Final Plan of Distribution available for download from MorganKeeganSettlement.com.

² Distribution Fund shall mean States’ Fund as defined herein plus any interest earned thereon.

³ Copies of the Consent Orders are available on the case website, MorganKeeganSettlement.com.

purchases/acquisitions/free receipts, all interest and dividends received, all sales/free deliveries, and your holdings at the close of trading on March 31, 2008. All potentially eligible claimants must complete the Proof of Claim Form per the instructions and sign and return it to the Fund Administrator.

If you purchased from a bank, broker, or other nominee OR after purchasing from MKC or MAM, your account was moved to another bank, broker, or other nominee: Potentially eligible claimants that held/purchased shares of the affected Funds during the States' Fund Loss Period through a bank, broker, or other nominee will be required to submit information and documentation regarding their holdings as of December 31, 2006, all purchases/acquisitions/free receipts, all interest and dividends received, all sales/free deliveries, and their holdings at the close of trading on March 31, 2008 in addition to completing the balance of the Proof of Claim Form before signing and returning it. Unfortunately, information is not available in the same manner for these accounts as is available for direct purchasers from MKC and MAM.

If you made purchases through MKC or MAM and ALSO made purchases through another bank, broker, or other nominee, please contact the Fund Administrator before completing your Proof of Claim Form by calling toll free 888-208-9083 or emailing info@MorganKeeganSettlement.com.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ELIGIBLE TO PARTICIPATE IN A DISTRIBUTION FROM THE STATES' FUND AND/OR THE SEC FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

WHO IS ELIGIBLE?

II. CALCULATION OF DISBURSEMENT AMOUNTS FOR THE STATES' FUND

Generally

The Net Distribution Fund⁴ shall be distributed based on the acceptable and timely filed Proof of Claim Forms submitted by Eligible Claimants⁵ as calculated pursuant to the allocation methodology described below. Eligible Claimants are those potentially eligible claimants that the Fund Administrator determines to be eligible to receive disbursements from the Distribution Fund pursuant to the Plan of Distribution, available for download from the States' Fund page on the website MorganKeeganSettlement.com or by contacting the Fund Administrator to request a copy by U.S. Mail.

Allocation Methodology

Based on each Eligible Claimant's Eligible Loss,⁶ the Net Distribution Fund will be disbursed to Eligible Claimants based on a "rising tide" distribution. Once the pool of Eligible Claimants is established through the claims process, all Eligible Claims shall be allocated one dollar at a time with this allocation continuing until the calculated Eligible Loss Amount is satisfied for an Eligible Claim at which point no further funds will be distributed to that Eligible Claim and that Eligible Claim will be deemed to be fully satisfied. The process will continue for those Eligible Claims that have not been fully satisfied. This process will continue until the States' Fund is depleted of assets to the point that there are insufficient funds for equitable distribution of an additional dollar to each remaining Eligible Claim that is not already fully satisfied or all Eligible Claims are fully satisfied, whichever occurs first.

Any otherwise Eligible Claim that fails to have an estimated Eligible Loss Amount of at least \$10 shall be deemed *de minimis* and will not receive a payment.

⁴ "Net Distribution Fund" shall mean the Distribution Fund plus any interest earned thereon, less any taxes owed for interest earned on the Distribution Fund.

⁵ "Eligible Claimants" are those potentially eligible claimants the Fund Administrator determines to be eligible to receive disbursements from the Distribution Fund. An "Eligible Claimant" in no event shall include any excluded party as defined in the Proof of Claim Form.

⁶ "Eligible Loss," "Eligible Losses," and "Eligible Loss Amount" are defined as the amount invested as of January 1, 2007, plus all purchases/free receipts/acquisitions from January 1, 2007 through and including March 31, 2008, less all cash interest or dividends received from January 1, 2007 through and including March 31, 2008, less all sales/free deliveries from January 1, 2007 through and including March 31, 2008, and less the value of shares owned at the end of trading on March 31, 2008.

Any Eligible Claimant that has received payment by means of arbitration, mediation, or other awards paid by MKC or MAM as of the claims-filing deadline will have his/her/its Eligible Loss offset by the amount received prior to the allocation of funds occurring to avoid a windfall to any Eligible Claimant.

PLEASE NOTE: This allocation methodology applies ONLY to the States' Fund. The SEC Fair Fund will be allocated pursuant to the Commission's approved plan of distribution that is still in the process of being developed and approved. Check the SEC Fair Fund page at MorganKeeganSettlement.com for updates on the Commission's distribution plan.

III. CLAIM DETERMINATIONS AND DISTRIBUTION

Within forty-five (45) days after the close of the claims period, the Fund Administrator shall notify, in writing, all persons whose claims the Fund Administrator rejected for participation in the Distribution Fund. The Fund Administrator shall advise each person in writing of the basis for rejection of their claim.

Any person who seeks reconsideration of the denial must so advise the Fund Administrator within twenty (20) days of the postmark date of the initial denial of the claim. Following subsequent review, the Fund Administrator shall notify such person in writing of the Fund Administrator's decision, which shall be final.

Claimants will be able to utilize the toll-free phone number to contact the Fund Administrator and ask questions on how to correct their claims. Claimants will also be able to provide additional documentation or make inquiries using the email address or a dedicated fax number for the case that will be included on all correspondence or by sending correspondence via U.S. Mail. These contact options will be noted in all written correspondence exchanged with claimants in regard to their claims.

After all objections have been resolved and the determination of eligibility has been validated by the States' Fund Representative, disbursement checks will be mailed to Eligible Claimants.

HOW TO SUBMIT A PROOF OF CLAIM FORM FOR CONSIDERATION

IV. INSTRUCTIONS FOR SUBMITTING A PROOF OF CLAIM FORM

A Proof of Claim Form is enclosed with this Notice. If you require additional forms, you may download and print the Proof of Claim Form from the website MorganKeeganSettlement.com, call 888-208-9083, or write the Fund Administrator to request a Proof of Claim Form by mail; contact information is included below. Additional information regarding both the States' Fund and the SEC Fair Fund may be found on the website as well. All inquiries concerning this Notice and Proof of Claim Form should be made to the Fund Administrator.

Please be sure to provide your complete name and mailing address. **All claims must be sent to the Fund Administrator postmarked no later than June 16, 2012** and mailed to the following address:

**MORGAN KEEGAN SETTLEMENT
FUND ADMINISTRATOR
c/o A.B. DATA, LTD.
PO BOX 170500
MILWAUKEE, WI 53217-8091**

If you submit a Proof of Claim Form that fails to provide all required information or is otherwise deficient, your claim will be rejected unless you cure the deficiency in the time allotted in the rejection notice you will receive by mail. Rejection notices will be mailed on or about July 3, 2012 after initial processing of all claims is complete.

NOTE TO FILERS WITH MORE THAN 50 TRANSACTIONS: Claims with 50 or more transactions should be submitted electronically **and** in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit MorganKeeganSettlement.com or you may email the Fund Administrator at efiling@abdata.com. Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim Form on behalf of any managed accounts by an institutional filer or third-party filer must be submitted with any Proof of Claim Forms for such accounts. See the electronic claims filing guidelines posted at MorganKeeganSettlement.com for more information.

PLEASE NOTE: It is not necessary to hire an attorney to represent you in order to file a claim or in order to participate in the States' Fund or SEC Fair Fund settlements; however, you are free to do so if you choose. Submission of a claim will not affect other legal rights you may have under federal or state law to pursue a private action.

GETTING MORE INFORMATION

V. MORE DETAILS ABOUT THE ACTION

This Notice summarizes the distribution. You may obtain copies of the distribution plan and other relevant documents from MorganKeeganSettlement.com, or you may request copies by writing to Morgan Keegan Settlement, Fund Administrator, c/o A.B. Data, Ltd., PO Box 170500, Milwaukee, WI 53217-8091.

VI. SPECIAL NOTICE TO BANKS, SECURITIES BROKERS, AND OTHER NOMINEES

If you held shares of the Funds from January 1, 2007 through and including March 31, 2008 as a nominee for a beneficial owner, then within ten (10) calendar days after you receive this Notice, you must do one of the following:

- (a) Provide to the Fund Administrator the name and last-known address of each person or organization for whom you purchased or acquired Funds during such time period (preferably in an MS Excel data table), setting forth (i) title/registration, (ii) street address, (iii) city, (iv) state, (v) zip code, (vi) province, if applicable, and (vii) country, if other than the United States of America; or
- (b) Provide computer-generated mailing labels; or
- (c) Request additional copies of this Notice and the accompanying Proof of Claim Form, which will be provided to you free of charge, and within ten (10) calendar days, send by First-Class Mail the Notice and Proof of Claim Form directly to the beneficial owners of the Funds.

If you chose Option (c) above, after you mail the Notices and Proof of Claim Forms, you must confirm in writing to the Fund Administrator that you sent them. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of the States' Fund Representative and the SEC. All communications concerning this matter should be addressed to the Fund Administrator.

Additional copies of the Notice and Proof of Claim Form may be downloaded from abdataclassaction.com/Cases.aspx or requested by calling 866-561-6065 within the United States and Canada or 1-414-961-4888 from outside the United States and Canada, faxing your request to 1-414-961-6588, or emailing fulfillment@abdata.com. Mailing labels, data files, and written requests may also be sent to:

**MORGAN KEEGAN SETTLEMENT
FUND ADMINISTRATOR
ATTENTION: FULFILLMENT DEPARTMENT
c/o A.B. DATA, LTD.
3410 WEST HOPKINS STREET
PO BOX 170500
MILWAUKEE, WI 53217-8091
866-561-6065 within the United States and Canada
1-414-961-4888 outside the United States and Canada
1-414-961-6588 fax
fulfillment@abdata.com
abdataclassaction.com**

VII. ADDITIONAL INFORMATION

Additional information regarding the States' Fund and the SEC Fair Fund may be found at MorganKeeganSettlement.com. Additional Notices and Proof of Claims Forms may also be downloaded from the website. You may also obtain additional information or request copies of forms by calling the toll-free helpline at 888-208-9083 or by email at info@MorganKeeganSettlement.com.