



Quarterly Alert Summary

Fund Family:	Regions Morgan Keegan	Rating:	Buy
Fund:	Select Intermediate	Analyst:	Kim Escue
Style:	Non Traditional	Report Date:	2006 – 4th Quarter

Status: Mutual Fund Select List
Alert: Category Change

Category Change

The Regions Morgan Keegan Select Intermediate Bond fund will be found on the Select List under Non Traditional Mutual Funds. The decision to move the fund from the Core Plus section of the list to the Non-Traditional Funds section reflects the Investments Department's view of the product's appropriate use in the context of the diversified portfolio.

While the product purchases fixed income investments, the type of bonds, investment process, and the liquidity of the holdings has vast similarities to that of a Non-Traditional fixed income product. The risk return profile supports this as the fund offers investors half the volatility of the typical fixed income product, but that is at least partly due to the nature the liquidity of the fund's holdings.

The Investments Department has suggested for some time that the fund be used in lower allocations as a supplement around the Core Bond Fund holding to help reduce volatility. The product's lower correlation than most Core Bond Funds has proven beneficial when coupled with traditional bond holdings. To extend this, the product's use in reducing the volatility of the entire portfolio when paired with other lower correlation strategies has been established.

The Investments Department believes that the reclassification of the fund will lead to a better understanding of the product's benefits and suggested use in the asset allocation.