

RMK Multi-Sector High Income Fund, Inc.

Seeking a High Level of Current Income

A diversified portfolio of primarily high-yield debt securities from multiple asset categories.

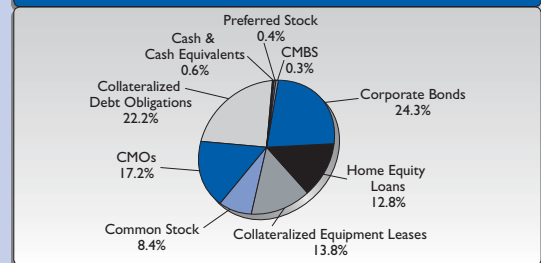
- Attractive monthly income plus capital appreciation potential
- Portfolio management by one of America's leading high-yield fund managers
- A value investing approach to the high-yield markets
- Exchange-traded liquidity (NYSE Listing: RHY)

Portfolio Statistics*

Portfolio Credit Rating	BB
Portfolio Current Yield	9.57%
Portfolio Yield to Maturity	12.15%
Portfolio Duration	4.47
Percentage of Levered Assets	27%
Total Number of Holdings	266

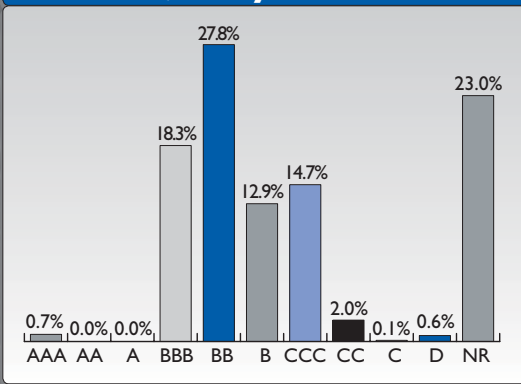
*Statistics as of 9/30/06.

Portfolio Allocation*



*Statistics as of 9/30/06.

Credit Quality Distribution*



*Statistics as of 9/30/06.

*Each rating category listed above includes all bonds within the broad rating category (i.e., BBB includes all bonds rated BBB+, BBB, and BBB-).

Fund Facts & Performance*

Performance	RHY
Quarter	11.05%
One Year	n/a
Three Year Annualized	n/a
Since Inception	23.91%
SEC Yield**	9.57%
Date of Inception	1/19/06
NYSE Symbol	RHY
Cusips	74963Q102
Portfolio Manager	James C. Kelsoe Jr., CFA
Asst. Portfolio Manager	David Tannehill, CFA

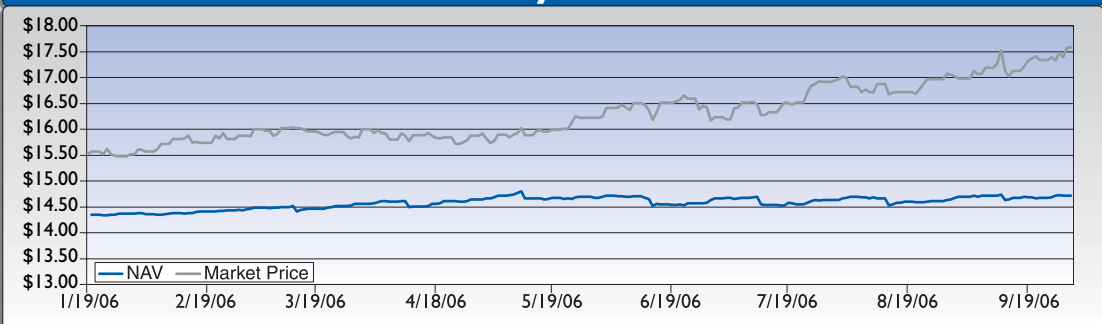
*Statistics as of 9/30/06; assumes dividends are reinvested.

**SEC Yield assumes purchase at market price and an annualized current month's dividend; it does not take into account any commissions paid to purchase shares of the fund.

Total return performance calculations assume an investment at the common share market price or net asset value at the beginning of the period, reinvestment of all distributions for the period in accordance with the Fund's dividend reinvestment plan, and sale of all shares at the closing common share market price (excluding any sales loads) or net asset value at the end of the period.

Past performance is not indicative of future results.

NAV & Market Price History



Net Asset Value is calculated after the close of the exchanges each day by taking the closing market value of all securities owned plus all other assets such as cash, subtracting all liabilities, then dividing the result (total net assets) by the total number of shares outstanding. The market price is the last reported price at which a security was sold on an exchange.

Securities offered through Morgan Keegan are:

Not FDIC Insured | May Lose Value | Not Bank Guaranteed

Past performance is not indicative of future results. An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information about the investment company can be found in the Fund's prospectus. To obtain a prospectus, call 1-800-564-2188. Please read the prospectus carefully before investing.

Call 1.800.564.2113 or contact your financial advisor for more information on RMK Multi-Sector High Income Fund, Inc.

General: Certain risks associated with investing in the Fund are summarized below. Before investing, please read the Fund's prospectus carefully, especially the sections on risk, and consult your financial advisor. You may lose money by investing in the Fund.

Newly Organized: The Fund is a newly organized, diversified closed-end management investment company and has no operating or trading history. It is designed primarily as a long-term investment and not as a trading tool.

Investment Risk: An investment in the Fund's common shares is subject to investment risk, including the possible loss of the entire principal that a stockholder invests. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably.

Stock Market and Equity Securities Risks: Because the Fund's shares are expected to be listed on the NYSE and the Fund may invest in stocks of U.S. and foreign companies, it will be subject to stock market risk. The value of such securities will be affected by changes in the stock markets, which may be the result of domestic or international political or economic news, changes in interest rates or changing investor sentiment. Factors that may have an adverse impact on a particular common stock's or preferred stock's price include poor earnings reports by an issuer, loss of major customers, major litigation against an issuer, or changes in governmental regulations affecting an industry. Adverse news affecting one company can sometimes depress the stock prices of all companies in the same industry. Stock prices typically fluctuate more than other securities.

Management Risk: The Fund is subject to management risk because it is an actively managed portfolio and there can be no guarantee that the investment techniques used and the investment decisions made will produce the desired results.

Leverage Risk: Unless the income and capital appreciation, if any, on securities acquired with borrowed funds or other leverage proceeds exceed the cost of the leverage, the use of leverage will diminish the Fund's investment performance. Fund stockholders will bear the cost of any leverage. Successful use of leverage depends on the ability of Morgan Asset Management (the "Advisor") to correctly predict interest rates and market movements, and there is no assurance that the use of a leveraging strategy will be successful during any period in which it is used.

Interest Rate Risk: Prices of debt obligations and other instruments in which the Fund may invest tend to fall as interest rates rise and rise as interest rates fall. Obligations with longer maturities tend to fluctuate more in price in response to such changes. In addition, the Fund's anticipated use of leverage will tend to increase interest rate risk.

Risks Associated with Below Investment Grade Debt Securities: The Fund may invest a significant portion of its assets in below investment grade debt securities, which are considered predominately speculative and may involve major risk or exposure to adverse conditions. The yields and prices of these securities may tend to fluctuate more than those for higher rated securities. Changes in economic conditions or developments regarding the individual below investment grade issuer are more likely to cause price volatility and weaken the capacity of such securities to make principal and interest payments than is the case for higher grade debt securities. The secondary market for below investment grade debt securities may not be as liquid compared to more highly rated securities, a factor that may have an adverse effect on the Fund's ability to dispose of a particular security when necessary to meet its liquidity needs. Factors having an adverse impact on the market value of below investment grade debt securities may have an adverse effect on the Fund's net asset value and the market value of its common shares.

Distressed Securities Risk: Distressed securities are generally rated CC or lower by S&P, comparably rated by another rating agency or are unrated but considered by the Advisor to be of comparable quality. Distressed securities frequently do not produce income while they are outstanding and may require the Fund to bear certain extraordinary expenses in order to protect and recover its investment. Therefore, to the extent the Fund seeks capital growth through investment in distressed securities, the Fund's ability to achieve current income for its stockholders may be diminished.

Value Investing Risk: The Fund's approach to value style investing involves risks that those securities may remain undervalued. Value securities as a group may be out of favor and underperform the

overall equity market for a long period of time, while the market concentrates on other managed investment vehicles that pursue growth style investments and/or flexible style mandates.

Asset-Backed Securities Risk: Payment of interest and repayment of principal on asset-backed securities may be largely dependent upon the cash flows generated by the assets backing the securities and, in some cases, by certain credit enhancements. The value of these securities may also be affected by the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities providing the credit enhancement.

Mortgage-Backed Securities Risk: The value of mortgage-backed securities may change due to shifts in the market perception of issuers, changes in interest rates and regulatory or tax changes. Mortgage-backed securities may have less potential for capital appreciation than comparable fixed income securities due to the likelihood of increased prepayments of mortgages as interest rates decline. In addition, mortgage-backed securities are subject to the credit risk associated with the performance of the underlying mortgage properties.

Convertible Securities Risk: Convertible securities generally have less potential for gain or loss than common stocks, are subject to credit risk and are often lower-quality securities. Convertible securities generally provide yields higher than the underlying common stocks, but generally lower than compatible nonconvertible securities.

Foreign Securities Risk: The Fund's investment in securities of foreign issuers involve special risks, including the risk that they may decline in value in response to unfavorable political and legal developments, unreliable or untimely information, or economic and financial instability. These risks may be particularly pronounced to the extent that the Fund invests in securities of developing or "emerging market" countries.

Illiquidity Risk: Illiquid securities may be difficult to dispose of at fair prices at the times when the Fund believes it is desirable to do so. The market price of illiquid securities generally is more volatile than that of more liquid securities, which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities. Illiquid securities, including those securities purchased through a private placement, are also more difficult to value and the Advisor's judgment may play a greater role in the valuation process.

Market Discount Risk: Shares of closed-end investment companies often trade at discounts from their net asset values, and the Fund's shares may trade at market prices that are less than their initial public offering price. This risk may be greater for investors who sell their shares in a relatively short period of time after completion of the public offering.

Market Disruption Risk: The terrorist attacks in the U.S. on September 11, 2001 and other related events, including the aftermath of the war in Iraq have led to increased short-term market volatility and may have long-term effects on U.S. and world economies and markets. Additional terrorist attacks may adversely impact the Fund's operations and service providers, as well as other factors relating to the common shares such as interest rate, credit risk, and inflation.

Anti-Takeover Provisions: The Fund's Articles of Incorporation and By-Laws include provisions that could limit the ability of others to: acquire control of the Fund, cause it to engage in certain transactions or modify its structure. Such provisions may limit the ability of stockholders to sell their shares at a premium over the then-current market prices.

Derivatives Risk: Even a small investment in derivatives can have a significant impact on the Fund's exposure to fluctuations in interest rates or currency exchange rates. If changes in a derivative's value do not correspond to changes in the value of the Fund's other investments, the Fund may not fully benefit from or could lose money on the derivative position.