

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

IN RE REGIONS MORGAN KEEGAN SECURITIES,
DERIVATIVE & ERISA LITIGATION

No. 09-md-02009-SHM

This Document Relates to:

*In re Regions Morgan Keegan Closed-End
Fund Litigation,*

No. 07-cv-02830 SHM dkv

**NOTICE OF PENDENCY OF CLASS ACTION AND
PROPOSED SETTLEMENT AND MOTION FOR
ATTORNEYS' FEES AND EXPENSES**

If you purchased or otherwise acquired the publicly traded shares of: (i) RMK High Income Fund, Inc. ("RMH") between June 24, 2003 and July 14, 2009, inclusive; (ii) RMK Strategic Income Fund, Inc. ("RSF") between March 18, 2004 and July 14, 2009, inclusive; (iii) RMK Advantage Income Fund, Inc. ("RMA") between November 8, 2004 and July 14, 2009, inclusive; and (iv) RMK Multi-Sector High Income Fund, Inc. ("RHY") between January 19, 2006 and July 14, 2009, inclusive, or pursuant or traceable to the Registration Statement, Prospectus, and Statement of Additional Information filed by RHY on or about January 19, 2006 with the SEC, you may be entitled to a payment from a class action settlement.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- If approved by the Court, the settlement will create a \$62 million cash settlement fund for the benefit of eligible investors (the "Settlement").¹
- The Settlement resolves claims by Lead Plaintiffs Lion Fund, L.P., Dr. J. Samir Sulieman, and Larry Lattimore ("Lead Plaintiffs"), and C. Fred Daniels, in his capacity as Court-appointed Trustee *Ad Litem* ("TAL") for the Leroy McAbee, Sr. Family Foundation Trust (the "McAbee Foundation Trust") (the McAbee Foundation Trust together with the Lead Plaintiffs, "Plaintiffs") that Defendants (defined below) allegedly misled investors about the types of assets and the true value of the assets in which RMH, RSF, RMA, and RHY (the "Closed-End Funds") invested, avoids the costs and risks of continuing the litigation, pays money to investors like you, and releases Defendants from liability.
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.
- The Court will review the Settlement at the Settlement Hearing to be held on April 12, 2013.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A PROOF OF CLAIM BY MAY 20, 2013	The only way to get a payment.
EXCLUDE YOURSELF BY MARCH 22, 2013	Get no payment. This is the only option that allows you to ever bring or be part of any <u>other</u> lawsuit about the Released Claims (defined below) against Defendants and the other Released Defendant Parties (defined below).
OBJECT BY MARCH 22, 2013	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation and/or the request for attorneys' fees and expenses. You will still be a member of the Class (defined below).
GO TO A HEARING ON APRIL 12, 2013	Ask to speak in Court about the Settlement at the Settlement Hearing.
DO NOTHING	Get no payment. Give up rights.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement and whether to finally certify this case as a class action. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

COVER PAGE

(as required by the Private Securities Litigation Reform Act of 1995 ("PSLRA"))

¹ All capitalized terms used in this Notice are defined in the Stipulation and Agreement of Settlement (the "Settlement Agreement"), dated as of October 12, 2012.

(a) Statement of Plaintiffs' Recovery

Pursuant to this proposed Settlement, a Settlement Fund consisting of \$62 million in cash, plus any accrued interest, has been established. Based on Lead Plaintiffs' estimate of the number of shares entitled to participate in the Settlement, and assuming that all such shares entitled to participate do so, Lead Plaintiffs estimate that the average recovery per damaged share would be approximately: (i) \$0.62 per damaged share if you purchased shares of RMH; (ii) \$0.58 per damaged share if you purchased shares of RSF; (iii) \$0.63 per damaged share if you purchased shares of RMA; or (iv) \$0.86 per damaged share if you purchased shares of RHY.² Each of these estimates is calculated before deduction of Court-approved expenses, such as attorneys' fees and expenses and administrative costs.

A Class Member's actual recovery will be a portion of the Net Settlement Fund, determined by comparing his, her, or its "Recognized Claim" to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. An individual Class Member's actual recovery will depend on, for example: (1) the total number of claims submitted; (2) when the Class Member purchased or acquired shares; (3) the purchase price paid; (4) which Closed-End Fund was purchased or acquired; and (5) whether the shares were held at the end of the Class Period (defined below) or sold during the Class Period (and, if sold, when they were sold and the amount received). See the Plan of Allocation beginning on page 10 for information on your Recognized Claim.

(b) Statement of Potential Outcome if the Action Continued to Be Litigated

The Parties disagree on both liability and damages and do not agree on the average amount of damages, if any, that would be recoverable if Lead Plaintiffs were to prevail on each claim alleged. The issues on which the Parties disagree include, but are not limited to: (1) whether Defendants made any material misstatements or omissions; (2) whether Defendants acted with the required state of mind; (3) the amount by which shares of the Closed-End Funds were artificially inflated (if at all) during the Class Period; (4) the extent to which the various matters that Lead Plaintiffs alleged were false and misleading influenced (if at all) the trading price of shares of the Closed-End Funds at various times during the Class Period; (5) whether any purchasers/acquirers of shares of the Closed-End Funds have suffered damages as a result of the alleged misstatements and omissions in Defendants' public statements; (6) the extent of such damages, and whether any damages exist; (7) the appropriate economic model for measuring damages; and (8) the extent to which external factors, such as general market and industry conditions, influenced the trading price of shares of the Closed-End Funds at various times during the Class Period.

Defendants deny that they did anything wrong, deny any liability to Plaintiffs, and deny that Plaintiffs and the Class have suffered any losses attributable to Defendants' actions. While Lead Plaintiffs believe that they have meritorious claims, they recognize that there are significant obstacles in the way to recovery.

(c) Statement of Attorneys' Fees and Litigation Expenses Sought

Labaton Sucharow LLP ("Lead Counsel"), on behalf of certain other Plaintiffs' counsel, intends to make a motion asking the Court to award attorneys' fees not to exceed 30% of the Settlement Fund and approve payment of litigation expenses incurred in prosecuting this Action in an amount not to exceed \$550,000, plus any interest on such amounts at the same rate and for the same periods as earned by the Settlement Fund ("Fee and Expense Application"). If the Court approves the Fee and Expense Application, the average cost per damaged share for such fees and expenses will be approximately \$0.22 per damaged share. The average cost per damaged share will vary depending on the number of acceptable claims submitted. Lead Counsel have expended considerable time and effort in the prosecution of this litigation without receiving any payment, and have advanced the expenses of the litigation, such as the cost of experts, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovered as attorneys' fees.

(d) Further Information

Further information regarding this Action and this Notice may be obtained by contacting the Claims Administrator: In re Regions Morgan Keegan Closed-End Fund Litigation, c/o GCG, PO Box 9939, Dublin, Ohio 43017-5939, 1 (888) 895-9227, www.rmkclosedendfundsettlement.com, questions@rmkclosedendfundsettlement.com; or Lead Counsel: Joel H. Bernstein, Esq., Labaton Sucharow LLP, 140 Broadway, New York, New York 10005, (888) 219-6877, www.labaton.com, settlementquestions@labaton.com.

Do Not Call the Court with Questions About the Settlement

(e) Reasons for the Settlement

For Lead Plaintiffs, the principal reason for the Settlement is the immediate benefit to the Class. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

For Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the expense, risks, and uncertain outcome of the litigation.

[END OF PSLRA COVER PAGE]

² An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the estimated average for each share that allegedly incurred damages. Throughout this Notice, all calculations, prices per share, and share quantities are quoted in units that existed prior to the 1-for-5 reverse split that occurred on September 1, 2009.

A. BASIC INFORMATION

1. Why did I get this Notice Package?

You or someone in your family may have purchased or otherwise acquired shares of the Closed-End Funds, or you may be a trust or custodial account managed by Regions Bank d/b/a Regions Morgan Keegan Trust ("Regions Bank") that purchased or acquired such shares, during the period from June 24, 2003 through July 14, 2009, inclusive (the "Class Period").

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed settlement of a class action lawsuit, and about all of their options, before the Court decides whether to approve the Settlement. The Court will review the Settlement at a Settlement Hearing on **April 12, 2013**, at the United States District Court for the Western District of Tennessee, Western Division, in the Clifford Davis/Odell Horton Federal Building, 167 North Main Street, 11th Floor, Courtroom 2, Memphis, Tennessee 38103, at **9:30 a.m.** If the Court approves the Settlement, and after all objections and appeals are resolved, a claims administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the lawsuit, the Settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Western District of Tennessee, Western Division. The lawsuit is known as *In re Regions Morgan Keegan Closed-End Fund Litigation*, No. 07-cv-02830 SHM dkv (W.D. Tenn.) (the "Action") and is assigned to the Honorable Samuel H. Mays, Jr., United States District Judge. The people who sued are called plaintiffs, and the companies and the persons they sued are called defendants.

Lead Plaintiffs in the Action, representing the Class, are Lion Fund, L.P., Dr. J. Samir Sulieman, and Larry Lattimore. Plaintiffs include the Lead Plaintiffs as well as the TAL, in his capacity as Trustee *Ad Litem* for the McAbee Foundation Trust.

Defendants in the Action are Morgan Keegan & Company, Inc., Morgan Asset Management, Inc., and MK Holding, Inc. (the "Morgan Keegan Defendants"); Regions Financial Corporation ("RFC"); RHY, n/k/a Helios Multi-Sector High Income Fund, Inc., RMA, n/k/a Helios Advantage Income Fund, Inc., RMH, n/k/a Helios High Income Fund, Inc., and RSF, n/k/a Helios Strategic Income Fund, Inc. (the "Closed-End Funds"); James C. Kelsoe, Jr. ("Kelsoe"), Carter E. Anthony, Brian B. Sullivan, and Joseph Thompson Weller (the "Officer Defendants"); and Allen B. Morgan, Jr. and J. Kenneth Alderman (the "Director Defendants").

2. What is this lawsuit about and what has happened so far?

The main complaint in the Action is the Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Complaint"), filed on February 22, 2011. The Complaint asserts five claims for relief, alleging that Defendants misrepresented the types of assets and the true value of the assets in which the Closed-End Funds invested. Count I asserts claims under Section 11 of the Securities Act of 1933 (the "Securities Act") against Defendants RHY, Morgan Keegan, and the Director Defendants in connection with allegedly materially false and misleading statements in the Registration Statement filed publicly with the U.S. Securities and Exchange Commission (the "SEC") for the public offering of RHY shares. Count II asserts claims under Section 12(a)(2) of the Securities Act against RHY and Morgan Keegan in connection with allegedly materially false and misleading statements in the Prospectus filed publicly with the SEC for the RHY offering. Count III asserts claims under Section 15 of the Securities Act against the Director Defendants as controlling persons of RHY. Count IV asserts claims under Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 10b-5 promulgated thereunder against the Closed-End Funds and Kelsoe for allegedly material misstatements of fact in various reports of the Closed-End Funds filed publicly with the SEC. Count V asserts claims under Section 20(a) of the Exchange Act against the Morgan Keegan Defendants, the Officer Defendants, the Director Defendants, and RFC as alleged controlling persons of the Closed-End Funds. The Complaint further alleges that Lead Plaintiffs and other Class Members purchased or acquired shares in the Closed-End Funds during the Class Period at artificially inflated prices and were damaged thereby.

On April 13, 2011, Defendants filed five motions to dismiss, which Plaintiffs opposed. Thereafter, the Parties engaged Professor Eric D. Green, a respected and experienced mediator in securities class actions, to assist them in exploring a potential negotiated resolution of the claims asserted in the Action. On October 27 and 28, 2011, the Parties met with Professor Green for two days of intensive settlement negotiations. The mediation sessions were preceded by an exchange of comprehensive mediation statements and supporting evidence and expert reports. While these discussions narrowed the Parties' differences and clarified the merits and value of the Parties' claims and defenses, no agreement was reached.

In January 2012, the Parties agreed to reconvene before Professor Green for resumed mediation efforts to proceed on April 26, 2012. On March 30, 2012, the Court issued an Order Granting in Part and Denying in Part Defendants' Motions to Dismiss. The Court dismissed Count IV as against Officer Defendants Weller, Sullivan, and Anthony, and otherwise denied the motions to dismiss.

On April 25, 2012, the Morgan Keegan Defendants, RFC, and certain Individual Defendants moved the Court to amend its Order of March 30, 2012, to include a statement certifying the decision for interlocutory appeal to the United States Court of Appeals for the Sixth Circuit on three controlling questions of law.

On April 26, 2012, the Parties engaged in resumed settlement negotiations facilitated by Professor Green. The Parties ultimately reached an agreement-in-principle to settle the Action which resulted in the signing of the Settlement Agreement on October 12, 2012.

Plaintiffs, through Lead Counsel and other Plaintiffs' counsel, conducted a thorough investigation relating to the claims, defenses, and underlying events and transactions that are the subject of the Action. This process included reviewing and analyzing: (i) nearly seven million pages of nonpublic emails, valuation-related materials and other pertinent documents produced by the Morgan Keegan Defendants; (ii) publicly available orders, reports and other information concerning the administrative and enforcement proceedings brought by the SEC, multiple State securities regulators, and the Financial Industry Regulatory Authority ("FINRA") against certain Defendants and concerning shares of the Closed-End Funds; (iii) documents filed publicly by the Closed-End Funds and certain Defendants with the SEC; (iv) other publicly available information and data concerning the Closed-End Funds and the claims asserted in the Complaint, including press releases, news articles, and other public statements issued by or concerning the Closed-End Funds and the Defendants; (v) research reports issued by financial analysts concerning the Closed-End Funds and securities held in the Closed-End Funds' portfolios; (vi) pleadings filed in other pending lawsuits naming certain of the Defendants herein as defendants or nominal defendants; and (vii) the applicable law governing the claims and potential defenses. Lead Counsel also identified and interviewed former employees of Morgan Keegan and other persons with relevant knowledge (some of whom have provided information as confidential witnesses), and consulted with a qualified expert on damages and causation issues.

The Action seeks money damages against Defendants for violations of the federal securities laws. Defendants deny all allegations of misconduct contained in the Action, and deny having engaged in any wrongdoing whatsoever. The Settlement should not be construed or seen as evidence of or an admission or concession on the part of any Defendant with respect to any claim or of any fault or liability or wrongdoing or damage whatsoever, or any infirmity or weakness in the defenses that Defendants have asserted.

3. Why is this a class action?

In a class action, one or more people called class representatives sue on behalf of people who have similar claims, who are known as class members. Here, the Court has preliminarily certified the Class for purposes of the Settlement only. Bringing a case as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring individually. One court resolves the issues for all class members, except for those who exclude themselves from the class. The Court will decide whether to finally certify the Class for settlement purposes at the Settlement Hearing.

4. Why is there a settlement?

The Court did not finally decide in favor of Plaintiffs or Defendants. Instead, both sides, with the assistance of Professor Green acting as a mediator, agreed to a settlement. That way, they avoid the risks and cost of a trial and the people affected will get compensation immediately, rather than the possibility of a recovery after the time it would take to have a trial and exhaust all appeals. Plaintiffs and Lead Counsel think the Settlement is in the best interest of the Class.

B. WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the Settlement?

The Court directed, for the purpose of the proposed Settlement, that everyone who fits this description is a Class Member, unless they are an excluded person or they take steps to exclude themselves (see below):

All Persons who purchased or otherwise acquired the publicly traded shares of (i) RMH between June 24, 2003 and July 14, 2009, inclusive, and were damaged thereby; (ii) RSF between March 18, 2004 and July 14, 2009, inclusive, and were damaged thereby; (iii) RMA between November 8, 2004 and July 14, 2009, inclusive, and were damaged thereby; (iv) RHY between January 19, 2006 and July 14, 2009, inclusive, or pursuant or traceable to the Registration Statement, Prospectus, and Statement of Additional Information (the "RHY Offering Materials") filed by RHY on or about January 19, 2006 with the SEC, and were damaged thereby; and (v) all members of the TAL Subclass (collectively, the "Class").

The TAL Subclass means all trusts and custodial accounts for which Regions Bank was on June 30, 2008, a trustee or a directed trustee, custodian, or agent, and which: (i) purchased or otherwise acquired shares of RMH, RMA, RSF or RHY between June 24, 2003 and July 14, 2009, inclusive, and were damaged thereby; and (ii) did not elect out of the TAL's authority pursuant to the TAL Orders.³

³ "TAL Orders" refers to the orders entered by the Probate Court of Jefferson County, Alabama, on June 20, 2008, and June 30, 2008, for the appointment of C. Fred Daniels as a temporary special fiduciary, or Trustee *Ad Litem*, to take certain litigation actions in substitution for Regions Bank in Regions Bank's capacity as trustee, directed trustee, custodian, agent, or other fiduciary on behalf of certain Regions Bank trusts and custodial accounts that were open and existing on June 30, 2008, and which hold or held shares of the Closed-End Funds and the Open-End Funds. The TAL Orders authorize the Trustee *Ad Litem* only to take litigation actions that Regions Bank would otherwise have been authorized to take in its capacity as trustee, directed trustee, custodian, agent, or other fiduciary on behalf of the trusts and custodial accounts within the scope of the TAL Orders.

6. Are there exceptions to being included in the Class?

Yes, there are exceptions to being included in the Class. Excluded from the Class, and from being Class Members, are: the Defendants; the members of the immediate families of the Defendants; the subsidiaries and affiliates of Defendants; any person who is an executive officer, director, partner or controlling person of the Closed-End Funds or any other Defendant (including any of its subsidiaries or affiliates, which include but are not limited to Morgan Asset Management, Inc., Regions Bank, Morgan Keegan, RFC, and MK Holding, Inc.); any entity in which any Defendant has a controlling interest; any Person who has filed a proceeding with FINRA against one or more Released Defendant Parties concerning the purchase of shares in one or more of the Closed-End Funds during the Class Period and such proceeding was not subsequently dismissed to allow the Person to specifically participate as a Class Member; any Person who has filed a state court action that has not been removed to federal court, against one or more of the Defendants concerning the purchase of shares in one or more of the Closed-End Funds during the Class Period and whose claims in that action have been dismissed with prejudice, released, or fully adjudicated absent a specific agreement with such Defendant(s) to allow the person to participate as a Class Member; and the legal representatives, heirs, successors and assigns of any such excluded person or entity.

These exclusions do not extend to trusts or accounts as to which the control or legal ownership by any Defendant (or by any subsidiary or affiliate of any Defendant) is derived or arises from an appointment as trustee, custodian, agent, or other fiduciary (“Fiduciary Accounts”) unless with respect to any such Fiduciary Account any Person has filed a proceeding with FINRA against one or more Released Defendant Parties concerning the purchase of shares in one or more of the Closed-End Funds during the Class Period and such proceeding was not subsequently dismissed to allow the Person to specifically participate as a Class Member; any Person who has filed a state court action that has not been removed to federal court, against one or more of the Defendants concerning the purchase of shares in one or more of the Closed-End Funds during the Class Period and whose claims in that action have been dismissed with prejudice, released, or fully adjudicated absent a specific agreement with such Defendant(s) to allow the Person to participate as a Class Member (and such exclusion shall apply to the legal representatives, heirs, successors and assigns of any such excluded Person, entity or Fiduciary Account). With respect to Closed-End Fund shares for which the TAL Orders authorize the TAL to prosecute the claims or causes of action pleaded in the Complaint in the Action (“TAL Represented Closed-End Fund Shares”), “Class” and “Class Member” also excludes Persons who are, or were during the Class Period, trust and custodial account beneficiaries, principals, settlors, co-trustees, and others owning beneficial or other interests in the TAL Represented Closed-End Fund Shares (“Such Persons”), but this exclusion applies only to any claims or causes of action of Such Persons that the Trustee *Ad Litem* is not authorized by the TAL Orders to prosecute. With respect to Closed-End Fund shares that are not TAL Represented Closed-End Fund Shares and in which Such Persons have a beneficial or other interest, the foregoing partial exclusion of Such Persons does not apply. Also excluded from the Class are those Persons who submit valid and timely requests for exclusion from the Class in accordance with the requirements set forth in this Notice and explained in Question 13, below.

You are eligible to be a Class Member if you **individually** purchased or acquired publicly traded Closed-End Fund shares, or you are a trust or custodial account that purchased or acquired publicly traded shares of the Closed-End Funds during the Class Period. Check your investment records or contact your broker to see if you made eligible purchases. If you only sold shares of the Closed-End Funds during the Class Period, your sale alone does not make you a Class Member. You are eligible to be a Class Member only if you **purchased or acquired** these securities during the Class Period.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call **1 (888) 895-9227** or visit **www.rmkclosedendfundsettlement.com** for more information. Or you can fill out and return the Proof of Claim and Release form (“Proof of Claim”), described in Question 10, to see if you qualify.

C. THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) against the Released Defendant Parties (defined below), Defendants have agreed to create a \$62 million cash fund, which will earn interest, to be divided, after deduction of Court-awarded attorneys’ fees and expenses, settlement administration costs, any applicable taxes, and any other fees or expenses approved by the Court (the “Net Settlement Fund”), among all Class Members who send in valid and timely Proofs of Claim.

9. How much will my payment be?

Your share of the fund will depend on several things, including: (a) the total amount of Recognized Claims of other Class Members; (b) which Closed-End Fund shares you purchased or acquired; (c) how many shares you purchased or acquired; (d) how much you paid for them; (e) when you bought them; and (f) whether or when you sold your shares (and, if so, for how much).

Your Recognized Claim will be calculated according to the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for your entire Recognized Claim, given the number of potential Class Members. After all Class Members have sent in their Proofs of Claim, the payment you get will be a portion of the Net Settlement Fund based on your Recognized Claim divided by the total of everyone’s Recognized Claims. See the Plan of Allocation in Question 25 for more information on your Recognized Claim.

D. HOW YOU GET A PAYMENT—SUBMITTING A PROOF OF CLAIM

10. How can I get a payment?

To qualify for a payment, you must send in a completed Proof of Claim. A Proof of Claim is being circulated with this Notice. You may also get a Proof of Claim on the Internet at the websites for the Claims Administrator or Lead Counsel: www.rmkclosedendfundsettlement.com or www.labaton.com. The Claims Administrator can also help you if you have questions about the form. Please read the instructions carefully, fill out the Proof of Claim, include all the documents the form asks for, sign it, and mail it **postmarked no later than May 20, 2013**.

11. When would I get my payment?

The Court will hold a Settlement Hearing on **April 12, 2013**, to decide whether to approve the Settlement. Even if the Court approves the Settlement, there may still be appeals, which can take time to resolve, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. All Proofs of Claim need to be submitted by **May 20, 2013**.

Once all the Proofs of Claim are processed and claims are calculated, Lead Counsel, without further notice to the Class, will apply to the Court for an order distributing the Net Settlement Fund to the members of the Class. Lead Counsel will also ask the Court to approve payment of the Claims Administrator's fees and expenses incurred in connection with giving notice and administering the Settlement. Please be patient.

12. What am I giving up to get a payment and by staying in the Class?

Unless you exclude yourself, you will stay in the Class, which means that upon the "Effective Date" you will release all "Released Claims" (as defined below) against the "Released Defendant Parties" (as defined below).

"Released Claims" means any and all claims, rights, causes of action, demands, actions, debts, sums of money, obligations, judgments, suits, and liabilities of every nature and description, including both known and Unknown Claims (as defined below), whether fixed or contingent, liquidated or un-liquidated, at law or in equity, known or unknown, suspected or unsuspected, disclosed or undisclosed, concealed or hidden, asserted or unasserted, whether class or individual in nature, that Plaintiffs or any other Class Member: (i) asserted in the Complaint filed in the Action; or (ii) that arise out of, relate to, or are in connection with the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act involved, set forth, or referred to in the Complaint filed in the Action, but only as they relate to investments in the Closed-End Funds during the Class Period; *provided, however*, that Released Claims do not include (i) claims to enforce the Settlement; (ii) any governmental or regulatory agency's claims in any criminal, or civil, or administrative action against any of the Released Defendant Parties, or any claims or rights to compensation from the SEC Fair Fund, the States' Fund, or other victim compensation funds resulting from any such governmental or regulatory agency action; or (iii) claims or causes of action of the types asserted in *In re Helios Closed-End Funds Derivative Litigation*, No. 11-cv-02935 SHM dkv (W.D. Tenn.) (the "Closed-End Funds Derivative Action")⁴; *In re Regions Morgan Keegan ERISA Litigation*, No. 08-cv-2192 SHM dkv (W.D. Tenn.); *Daniels v. Morgan Asset Management, Inc.*, No. 09-cv-02800 SHM (W.D. Tenn.) (the "Daniels State Law Action")⁵; *In re Regions Morgan Keegan Open-End Mutual Fund Litigation*, No. 07-cv-02784 SMH dkv (W.D. Tenn.); or *Landers v. Morgan Asset Management, Inc.*, No. 08-cv-2260 SHM dkv (W.D. Tenn.). Neither this definition, the Settlement Agreement, nor any Final Judgment or Final Alternative Judgment shall limit or restrict the authority or power of the Probate Court of Jefferson County, Alabama to construe or enforce Regions Bank's duties and obligations under the TAL Orders, and no duties or obligations of Regions Bank created and existing under or by virtue of the TAL Orders are affected by the Settlement Agreement or any Final Judgment or Final Alternative Judgment, except to the extent that the release under the Settlement Agreement of claims or causes of action removes those claims and causes of action from the scope of the Trustee *Ad Litem's* appointment and responsibilities.

"Unknown Claims" means any and all Released Claims, which Plaintiffs or any other Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants' Claims that Defendants do not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. Unknown Claims include those claims in which some or all of the facts comprising the claim may be unsuspected, or even undisclosed, concealed, or hidden. With respect to any and all Released Claims and Released Defendants' Claims, the Parties stipulate and agree that, upon the Effective Date, Plaintiffs and Defendants shall expressly, and each other Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

⁴ The Settlement of the claims or causes of action asserted in the Closed-End Funds Derivative Action is provided in a separate Stipulation and Agreement of Settlement.

⁵ This Settlement includes claims, causes of action, losses, or damages of the type asserted in the Daniels State Law Action against Defendants only to the extent that they are based on or arise from the Closed-End Funds. To the extent that claims, causes of action, losses, or damages of the type asserted in the Daniels State Law Action are not based on and do not arise from the Closed-End Funds, they are excluded from this Settlement and are not affected by this Settlement. This exclusion from the Settlement specifically applies to claims, causes of action, losses, or damages that are based on or arise from the Open-End Funds.

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Plaintiffs, the other Class Members or Defendants may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Plaintiffs and Defendants shall expressly, fully, finally and forever settle and release, and each other Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing, heretofore have existed, or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, rule or regulation, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and Defendants acknowledge, and other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.

"Released Defendant Parties" means Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, shareholders, partners, agents, employees, attorneys, auditors, assigns, affiliates, and insurers; the spouses, members of the immediate families, representatives, and heirs of the Individual Defendants, as well as any trust of which any Individual Defendant is the settlor or which is for the benefit of any of their immediate family members; and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants and the legal representatives, heirs, successors in interest or assigns of Defendants.

The "Effective Date" will occur when an Order by the Court approving the Settlement becomes Final and is not subject to appeal as set out more fully in the Settlement Agreement on file with the Court and available at www.rmklclosedendfundsettlement.com or www.labaton.com.

If you remain a member of the Class, all of the Court's orders in the Action will apply to you and legally bind you.

E. EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue Defendants and the other Released Defendant Parties, on your own, about the Released Claims, then you must take steps to get out. This is called excluding yourself from—or "opting out" of—the Class. Defendants may withdraw from and terminate the Settlement if putative Class Members who have in excess of a certain amount of shares of the Closed-End Funds exclude themselves from the Class.

13. How do I get out of the proposed Settlement?

To exclude yourself from the Class, you must send a signed letter by mail stating that you "request exclusion from the Class in *In re Regions Morgan Keegan Closed-End Fund Litigation*, No. 07-cv-02830 SHM dkv." Your letter must state the date(s) of each purchase or acquisition of Closed-End Fund shares during the period from June 24, 2003 through July 14, 2009, inclusive, and the number of shares purchased or acquired in each transaction. In addition, you must include your name, address, telephone number, and your signature. You must mail your exclusion request so that it is **received no later than March 22, 2013**, to:

In re Regions Morgan Keegan Closed-End Fund Litigation
c/o GCG
PO Box 9939
Dublin, Ohio 43017-5939

You cannot exclude yourself by telephone or by email. Your exclusion request must comply with these requirements in order to be valid. If you write to request to be excluded, you will not get any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this Action, and you may be able to sue (or continue to sue) Defendants and the other Released Defendant Parties in the future.

14. If I do not exclude myself, can I sue Defendants and the other Released Defendant Parties for the same thing later?

No. If you are a Class Member, unless you exclude yourself, you give up any rights to sue Defendants and the other Released Defendant Parties for any and all Released Claims. Remember, the exclusion deadline is **March 22, 2013**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against Defendants and the other Released Defendant Parties.

F. THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firm of Labaton Sucharow LLP, of New York, New York, to represent all Class Members. These lawyers are called Lead Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Lead Counsel have not received any payment for their services in pursuing the claims against Defendants on behalf of the Class, nor have they been paid for their litigation expenses. At the Settlement Hearing, or at such other time as the Court may order, Lead Counsel will ask the Court to award them, on behalf of certain other Plaintiffs' counsel, from the Settlement Fund, attorneys' fees of no more than 30% of the Settlement Fund, plus any interest on such amount at the same rate and for the same periods as earned by the Settlement Fund, and litigation expenses (such as the cost of experts) that have been incurred in pursuing the Action. The request for litigation expenses will not exceed \$550,000, plus interest on the expenses at the same rate as may be earned by the Settlement Fund. Lead Counsel's request for attorneys' fees and litigation expenses will be made on behalf of Lead Counsel; Branstetter Stranch & Jennings, PLLC, of Nashville, Tennessee, which serves as Liaison Counsel for Lead Plaintiffs and the Class; and Pearson, Simon, Warshaw & Penny, LLP, of San Francisco, California, which serves as Additional Counsel for Plaintiffs. Counsel for the TAL, Cabaniss, Johnston, Gardner, Dumas & O'Neal LLP, of Birmingham, Alabama, will not be seeking fees or expenses from the Settlement Fund.

G. OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the proposed Settlement?

If you are a Class Member you can object to the Settlement or any of its terms, the certification of the Class, the proposed Plan of Allocation and/or the application by Lead Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any part or all of the Settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object to the proposed settlement in "*In re Regions Morgan Keegan Closed-End Fund Litigation*, No. 07-cv-02830 SHM dkv." You must include your name, address, telephone number, and your signature. Your letter must state the date(s) of each purchase or acquisition of Closed-End Fund shares during the period from June 24, 2003 through July 14, 2009, inclusive, the number of shares purchased or acquired in each transaction, and state the reasons why you object to the Settlement. Your objection, and all supporting documents, must be filed with the Court and mailed or delivered to all the following so that it is **received on or before March 22, 2013**:

<p>COURT: Clerk of the Court United States District Court for the Western District of Tennessee Clifford Davis/Odell Horton Federal Building 167 North Main Street, Room 242 Memphis, Tennessee 38103</p>	<p>LEAD COUNSEL: Joel H. Bernstein, Esq. LABATON SUCHAROW LLP 140 Broadway New York, New York 10005</p>
<p>ATTORNEYS FOR THE TAL: R. Carlton Smyly, Esq. CABANISS, JOHNSTON, GARDNER, DUMAS & O'NEAL LLP 2001 Park Place North, Suite 700 Birmingham, Alabama 35203</p>	<p>ATTORNEYS FOR RFC: Peter S. Fruin, Esq. MAYNARD, COOPER & GALE, P.C. 1901 6th Avenue North, Suite 2400 Birmingham, Alabama 35203</p>
<p>ATTORNEYS FOR THE MORGAN KEEGAN DEFENDANTS: Britt K. Latham, Esq. BASS BERRY & SIMS PLC 150 Third Avenue South, Suite 2800 Nashville, Tennessee 37201</p>	<p>ATTORNEYS FOR ALLEN B. MORGAN, JR., J. KENNETH ALDERMAN, BRIAN B. SULLIVAN, JOSEPH T. WELLER, AND JAMES C. KELSOE, JR.: S. Lawrence Polk, Esq. SUTHERLAND ASBILL & BRENNAN, LLP 999 Peachtree Street, N.E. Atlanta, Georgia 30309</p>
<p>ATTORNEYS FOR THE CLOSED-END FUNDS: Kevin C. Logue, Esq. PAUL HASTINGS LLP 75 East 55th Street New York, New York 10022</p>	<p>ATTORNEYS FOR CARTER E. ANTHONY: R. Hal Meeks, Esq. PURSLEY LOWERY MEEKS LLP 260 Peachtree Street, N.W., Suite 2000 Atlanta, Georgia 30303</p>

19. What is the difference between objecting and seeking exclusion?

Objecting is telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

H. THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend, and you may ask to speak, but you do not have to do so.

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at **9:30 a.m. on April 12, 2013**, at the United States District Court for the Western District of Tennessee, Western Division, in the Clifford Davis/Odell Horton Federal Building, 167 North Main Street, 11th Floor, Courtroom 2, Memphis, Tennessee 38103.

At this hearing, the Honorable Samuel H. Mays, Jr. will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider the proposed Plan of Allocation for the Net Settlement Fund and the application of Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 18 above. The Court may also listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Settlement Hearing, but decisions regarding the conduct of the Settlement Hearing will be made by the Court. See Question 22 for more information about speaking at the Settlement Hearing. After the Settlement Hearing, the Court will decide whether to approve the Settlement, and, if the Settlement is approved, how much attorneys' fees and expenses should be awarded. We do not know how long these decisions will take.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent. If you want to come to the hearing, you should check with Lead Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the Settlement Hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see Question 18 above) a statement stating that it is your "Notice of Intention to Appear in *In re Regions Morgan Keegan Closed-End Fund Litigation*, No. 07-cv-02830 SHM dkv." Persons who intend to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's Fee and Expense Application and desire to present evidence at the Settlement Hearing must also include in their written objections the identity of any witness they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the Settlement Hearing if you excluded yourself from the Class or if you have not provided written notice of your objection and intention to speak at the Settlement Hearing in accordance with the procedures described in Questions 18 and 22.

I. IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you are a Class Member and you do nothing, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Defendant Parties about the Released Claims, ever again.

To share in the Net Settlement Fund you must submit a Proof of Claim (see Question 10). To start, or continue or be a part of any **other** lawsuit against Defendants and the other Released Defendant Parties about the Released Claims in this case, you **must** exclude yourself from this Class (see Question 13).

J. GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Settlement Agreement, dated October 12, 2012. You may review the Settlement Agreement filed with the Court or documents filed in the case during business hours at the Office of the Clerk of the United States District Court for the Western District of Tennessee, 167 North Main Street, Room 242, Memphis, Tennessee 38103.

You also can call the Claims Administrator toll-free at 1 (888) 895-9227; write to *In re Regions Morgan Keegan Closed-End Fund Litigation*, c/o GCG, PO Box 9939, Dublin, Ohio 43017-5939; or visit the websites of the Claims Administrator or Lead Counsel at www.rmkclosedendfundsettlement.com or www.labaton.com, where you can find answers to common questions about the Settlement, download copies of the Settlement Agreement or Proof of Claim, and locate other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

Please Do Not Call the Court with Questions About the Settlement

K. PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

25. How will my claim be calculated?

Your claim will be calculated using the Plan of Allocation (the "Plan") approved by the Court. The purpose of the Plan is to distribute settlement proceeds equitably to those Class Members who suffered economic losses resulting from the alleged misrepresentations and omissions by Defendants during the Class Period.

The \$62 million settlement amount and any interest it earns is called the Settlement Fund. The Settlement Fund, minus all taxes, costs, fees and expenses (the Net Settlement Fund), will be distributed according to the Plan described below to members of the Class who timely submit valid Proofs of Claim that show a Recognized Loss, who have an out-of-pocket net loss on all Class Period transactions in shares of the Closed-End Funds, and whose claims are allowed by the Court ("Authorized Claimants"). Class Members who do not timely submit valid Proofs of Claim will not share in the Settlement proceeds, but will otherwise be bound by the terms of the Settlement. The Court may approve the Plan or modify it without additional notice to the Class. Any order modifying the Plan will be posted on the settlement website at www.rmkclosedendfundsettlement.com and at www.labaton.com.

Each Authorized Claimant's "Recognized Claim" shall be the total of his, her or its Recognized Loss Amounts as calculated herein by the Claims Administrator. Each Authorized Claimant shall be allocated his, her or its *pro rata* share of the Net Settlement Fund based on his, her, or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants. To the extent there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's Recognized Claim. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total of all Recognized Claims, then each Authorized Claimant shall be paid an amount determined by multiplying the amount in the Net Settlement Fund by a fraction, the numerator of which shall be his, her or its Recognized Claim and the denominator of which shall be the total Recognized Claims of all Authorized Claimants. If the prorated payment to an Authorized Claimant from the Net Settlement Fund calculates to less than \$10.00, it will not be included in the final *pro rata* calculation and it will not be distributed to the Authorized Claimant, given the administrative expenses of processing and mailing such checks. The Court will be asked to approve the Claims Administrator's determinations before the Net Settlement Fund is distributed to Authorized Claimants.

In developing the Plan, Lead Plaintiffs' consulting damages expert calculated the amount of economic loss that was caused by the alleged fraud. In calculating the economic loss, Lead Plaintiffs' consulting damages expert considered price changes of the Closed-End Funds, price changes of a benchmark index (the Lehman Brothers Ba U.S. High Yield Bond Index), the allegations in the Complaint, and other publicly available documents and data, as advised by Lead Counsel. Additionally, Lead Plaintiffs' consulting damages expert determined that November 15, 2006 was the first day on which there was a statistically significant underperformance in the Closed-End Funds' Net Asset Values per share ("NAVs") relative to this benchmark index for the RMH, RSF, and RMA Funds. For the RHY Fund, July 13, 2007 was the first day on which there was a statistically significant underperformance relative to the benchmark index. Also, Lead Plaintiffs, in consultation with their consulting damages expert, are of the view that in determining Recognized Loss Amounts under the Plan, shares purchased on or after August 14, 2007, the date the Closed-End Funds publicly disclosed that they would retain an independent valuation consultant in order to properly value their portfolio securities, would be subject to risks and uncertainties in connection with establishing, for those purchases, the reliance required for the theories of liability alleged for the Class in the Complaint.

The Plan measures the amount of loss that a Class Member can claim for purposes of making *pro rata* allocations of the Net Settlement Fund to Authorized Claimants. The Plan is not intended to estimate the amount that will be paid to Authorized Claimants or the amount a Class Member might have been able to recover after a trial. Further, Recognized Loss Amounts are not equivalent to the amount of legally recoverable damages a Class Member might be able to recover after a trial of this Action. Persons and entities that are Class Members because of having purchased shares of one or more of the Closed-End Funds during the Class Period (and are not among the persons and entities specifically excluded from the Class definition), but have a Recognized Loss Amount or a total Recognized Claim of zero under the Plan, remain Class Members as defined herein. Recognized Loss Amounts are based primarily, but not entirely, on the change in the level of alleged artificial inflation in the price of the Closed-End Funds at the time of purchase or acquisition and at the time of sale, and the strengths and weaknesses of certain claims. In this case, Lead Plaintiffs allege that Defendants made false statements and omitted material facts between June 24, 2003 through and including July 14, 2009, which had the effect of artificially inflating the prices of the Closed-End Funds. Defendants deny all such allegations.

Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility for or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. The Defendants had no involvement in the proposed Plan of Allocation. Lead Plaintiffs and Lead Counsel likewise will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

CALCULATION OF "RECOGNIZED LOSS AMOUNTS"

Based on the formulas set forth below, a "Recognized Loss Amount" shall be calculated for each purchase or acquisition of the Closed-End Funds during the Class Period (June 24, 2003 through and including July 14, 2009) that is listed in the Proof of Claim form and for which adequate documentation is provided. "Purchase Price" shall be the price of the security when it was purchased or acquired, excluding commissions, taxes, and fees. For purposes of this Plan, any shares received in lieu of a cash dividend shall be considered a purchase. The "Sale Price" shall be the price of the security when it was sold or otherwise disposed of, excluding commissions, taxes, and fees. In the calculations below, if a Recognized Loss Amount calculates to a negative number, that Recognized Loss Amount shall be zero.

The "Index" shall refer to the Lehman Brothers Ba U.S. High Yield Bond Index, the daily closing prices of which are shown on **Schedule 1** to this Notice.

Pursuant to the PSLRA, October 12, 2009 is the last day of the 90-day look-back period. Under the PSLRA 90-day look-back provision, the recoverable loss on securities purchased during the Class Period and held as of the end of the 90-day look-back period cannot exceed the difference between the purchase price paid and the average price during the PSLRA 90-day look-back period. Recoverable losses on securities purchased during the Class Period and sold during the PSLRA 90-day look-back period cannot exceed the difference between the purchase price paid during the Class Period and the rolling average of the closing stock prices during the PSLRA 90-day look-back period as of the date of sale. The rolling 90-day look-back prices for Closed-End Fund shares are set forth in **Schedule 2** to this Notice.

RMK frequently paid dividends on the Closed-End Fund shares, and in aggregate these dividends were substantial. To account for the impact of these dividend payments here, the value of dividends received will be included as part of the total value received (whether or not the dividend was taken in cash or immediately reinvested in the fund because such reinvestment is treated as a separate purchase). The methodology for computing Recognized Loss Amount under the Plan of Allocation compares a Class Member's total returns on his or her investment in the Closed-End Funds, including dividend income, with the returns of the Index, which likewise include periodic income such as interest and dividends. By comparing total returns in this manner, the end result is that dividend income received from the Closed-End Funds reduces a Recognized Loss Amount only to the extent that such dividend income exceeds the interest, dividend, or other income that would have been earned as a result of an investment in the Index at the same time and during the same period.

The term "Dividends Received" shall refer to the total cash dividends per share received (whether or not immediately reinvested) between the Purchase Date and either (1) the Sale Date if the share was sold prior to the end of the Class Period, or (2) July 14, 2009 (the end of the Class Period). Dividends Received equals the Cumulative Dividends Paid as of the earlier of the Sale Date or July 14, 2009 as set forth in **Schedule 3** to this Notice, *minus* the Cumulative Dividends Paid as of the Purchase Date as set forth in **Schedule 3** to this Notice.

RMH Fund. For the RMH Fund, the "Recognized Loss Amount" per share shall be calculated as follows:

For each share of RMH purchased or acquired between June 24, 2003 and August 13, 2007, inclusive, and:

1. Sold between June 24, 2003, and November 14, 2006, inclusive, the Recognized Loss Amount is zero (\$0.00).⁶
2. Sold between November 15, 2006, and July 14, 2009, inclusive, the Recognized Loss Amount shall be the Purchase Price *minus* the Sale Price *minus* Dividends Received *plus* the Index Offset. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to the Sale Date. The Percentage Change in the Index shall be calculated as the value of the Index on the Sale Date, as set forth in **Schedule 1**, *divided by* the value of the Index on the Purchase Date, as set forth in **Schedule 1**, *minus* one.⁷
3. Sold between July 15, 2009, and October 12, 2009, inclusive, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.19 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* the average closing price between July 15, 2009 and the Sale Date as set forth in **Schedule 2**. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date as set forth in **Schedule 1**, *minus* one.

⁶ November 15, 2006 was the first day on which there was a statistically significant underperformance in RMH's NAV per share relative to the Lehman Brothers Ba U.S. High Yield Bond Index.

⁷ For example, if you bought one RMH share on January 3, 2007 and sold it on June 9, 2008, the Recognized Loss Amount calculation under (2) would be:

$$\text{(Purchase Price - Sale Price - Dividends Received) + (Purchase Price x [(Index at Sale/Index at Purchase) - 1])}$$
$$(\$15.70 - \$2.98 - \$2.08) + (\$15.70 \times [(\$915.77/\$885.83) - 1]) = \$10.64 + \$0.53 = \$11.17$$

4. Held as of the close of trading on October 12, 2009, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.19 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* \$1.28 (the average closing price between July 15, 2009, and October 12, 2009, as set forth in **Schedule 2**). The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date as set forth in **Schedule 1**, *minus* one.
5. Shares purchased after August 13, 2007 shall have a Recognized Loss Amount of zero (\$0.00).
6. For shares purchased or acquired directly in the initial public offering of RMH on June 24, 2003, as opposed to the aftermarket, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall be reduced by 90% in order to determine the Recognized Loss Amounts for these shares. This is because claims arising from these purchases or acquisitions are subject to the unique legal defense that the antifraud provisions of Section 10(b) of the Exchange Act are inapplicable because the shares did not trade in a well-developed or efficient market at the time of the offering and, accordingly, would likely be difficult to prove at trial.
7. For shares purchased or acquired by a member of the TAL Subclass, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall also be *multiplied* by 1.5. This multiplier reflects the fact that members of the TAL Subclass are releasing additional claims in the Settlement that are unique to them.

RSF Fund. For the RSF Fund, the “Recognized Loss Amount” per share shall be calculated as follows:

For each share of RSF purchased or acquired between March 18, 2004, and August 13, 2007, inclusive, and:

1. Sold between March 18, 2004, and November 14, 2006, inclusive, the Recognized Loss Amount is zero (\$0.00).⁸
2. Sold between November 15, 2006, and July 14, 2009, inclusive, the Recognized Loss Amount shall be the Purchase Price *minus* Sale Price *minus* Dividends Received *plus* the Index Offset. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to the Sale Date. The Percentage Change in the Index shall be calculated as the value of the Index on the Sale Date, as set forth in **Schedule 1**, *divided by* the value of the Index on the Purchase Date, as set forth in **Schedule 1**, *minus* one.⁹
3. Sold between July 15, 2009, and October 12, 2009, inclusive, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.08 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* the average closing price between July 15, 2009 and the Sale Date as set forth in **Schedule 2**. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date as set forth in **Schedule 1**, *minus* one.
4. Held as of the close of trading on October 12, 2009, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.08 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* \$1.05 (the average closing price between July 15, 2009, and October 12, 2009, as set forth in **Schedule 2**). The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date as set forth in **Schedule 1**, *minus* one.
5. Shares purchased after August 13, 2007 shall have a Recognized Loss Amount of zero (\$0.00).
6. For shares purchased or acquired directly in the initial public offering of RSF on March 18, 2004, as opposed to the aftermarket, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall be reduced by 90% in order to determine the Recognized Loss Amounts for these shares. This is because claims arising from these purchases or acquisitions are subject to the unique legal defense that the antifraud provisions of Section 10(b) of the Exchange Act are inapplicable because the shares did not trade in a well-developed or efficient market at the time of the offering and, accordingly, would likely be difficult to prove at trial.
7. For shares purchased or acquired by a member of the TAL Subclass, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall also be *multiplied* by 1.5. This multiplier reflects the fact that members of the TAL Subclass are releasing additional claims in the Settlement that are unique to them.

⁸ November 15, 2006 was the first day on which there was a statistically significant underperformance in RSF’s NAV per share relative to the Lehman Brothers Ba U.S. High Yield Bond Index.

⁹ For example, if you bought one RSF share on January 3, 2007 and sold it on June 9, 2008, the Recognized Loss Amount calculation under (2) would be:

$$(\text{Purchase Price} - \text{Sale Price} - \text{Dividends Received}) + (\text{Purchase Price} \times [(\text{Index at Sale}/\text{Index at Purchase}) - 1])$$

$$(\$15.49 - \$2.78 - \$2.09) + (\$15.49 \times [(\$915.77/\$885.83) - 1]) = \$10.62 + \$0.52 = \$11.14$$

RMA Fund. For the RMA Fund, the “Recognized Loss Amount” per share shall be calculated as follows:

For each share of RMA purchased or acquired between November 8, 2004 and August 13, 2007, inclusive, and:

1. Sold between November 8, 2004, and November 14, 2006, inclusive, the Recognized Loss Amount is zero (\$0.00).¹⁰
2. Sold between November 15, 2006 and July 14, 2009, inclusive, the Recognized Loss Amount shall be the Purchase Price *minus* the Sale Price *minus* Dividends Received *plus* the Index Offset. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to the Sale Date. The Percentage Change in the Index shall be calculated as the value of the Index on the Sale Date as set forth in **Schedule 1**, *divided by* the value of the Index on the Purchase Date as set forth in **Schedule 1**, *minus one*.¹¹
3. Sold between July 15, 2009, and October 12, 2009, inclusive, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.18 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* the average closing price between July 15, 2009 and the Sale Date as set forth in **Schedule 2**. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date, as set forth in **Schedule 1**, *minus one*.
4. Held as of the close of trading on October 12, 2009, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$1.18 (the closing price on July 15, 2009) *minus* Dividends Received *plus* Index Offset; or (b) the Purchase Price *minus* \$1.25 (the average closing price between July 15, 2009, and October 12, 2009, as set forth in **Schedule 2**). The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date, as set forth in **Schedule 1**, *minus one*.
5. Shares purchased after August 13, 2007 shall have a Recognized Loss Amount of zero (\$0.00).
6. For shares purchased or acquired directly in the initial public offering of RMA on November 8, 2004 as opposed to the aftermarket, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall be reduced by 90% in order to determine the Recognized Loss Amounts for these shares. This is because claims arising from these purchases or acquisitions are subject to the unique legal defense that the antifraud provisions of Section 10(b) of the Exchange Act are inapplicable because the shares did not trade in a well-developed or efficient market at the time of the offering and, accordingly, would likely be difficult to prove at trial.
7. For shares purchased or acquired by a member of the TAL Subclass, the Recognized Loss Amounts calculated in paragraphs 2-4 above shall also be *multiplied* by 1.5. This multiplier reflects the fact that members of the TAL Subclass are releasing additional claims in the Settlement that are unique to them.

RHY Fund. For the RHY Fund, the “Recognized Loss Amount” per share shall be calculated as follows:

For each share of RHY purchased or acquired between January 19, 2006, and August 13, 2007, inclusive, and:

1. Sold between January 19, 2006, and July 12, 2007, inclusive, the Recognized Loss Amount is zero (\$0.00).¹²
2. Sold between July 13, 2007, and July 14, 2009, inclusive, the Recognized Loss Amount shall be the Purchase Price *minus* the Sale Price *minus* Dividends Received *plus* the Index Offset. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to the Sale Date. The Percentage Change in the Index shall be calculated as the value of the Index on the Sale Date, as set forth in **Schedule 1**, *divided by* the value of the Index as of the Purchase Date, as set forth in **Schedule 1**, *minus one*.¹³
3. Sold between July 15, 2009, and October 12, 2009, inclusive, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$0.82 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* the average closing price between July 15, 2009 and the Sale Date as shown in **Schedule 2**. The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase

¹⁰ November 15, 2006 was the first day on which there was a statistically significant underperformance in RMA's NAV per share relative to the Lehman Brothers Ba U.S. High Yield Bond Index.

¹¹ For example, if you bought one RMA share on January 3, 2007 and sold it on June 9, 2008, the Recognized Loss Amount calculation under (2) would be:

$$(\text{Purchase Price} - \text{Sale Price} - \text{Dividends Received}) + (\text{Purchase Price} \times [(\text{Index at Sale}/\text{Index at Purchase}) - 1])$$

$$(\$15.69 - \$2.70 - \$2.08) + (\$15.69 \times [(\$915.77/\$885.83) - 1]) = \$10.91 + \$0.53 = \$11.44$$

¹² July 13, 2007 was the first day on which there was a statistically significant underperformance in RMY's NAV per share relative to the Lehman Brothers Ba U.S. High Yield Bond Index.

¹³ For example, if you bought one RHY share on January 3, 2007 and sold it on June 9, 2008, the Recognized Loss Amount calculation under (2) would be:

$$(\text{Purchase Price} - \text{Sale Price} - \text{Dividends Received}) + (\text{Purchase Price} \times [(\text{Index at Sale}/\text{Index at Purchase}) - 1])$$

$$(\$16.50 - \$2.71 - \$2.47) + (\$16.50 \times [(\$915.77/\$885.83) - 1]) = \$11.32 + \$0.56 = \$11.88$$

Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date as set forth in **Schedule 1**, *minus* one.

4. Held as of the close of trading on October 12, 2009, the Recognized Loss Amount shall be the **lesser** of: (a) the Purchase Price *minus* \$0.82 (the closing price on July 15, 2009) *minus* Dividends Received *plus* the Index Offset; or (b) the Purchase Price *minus* \$0.88 (the average closing price between July 15, 2009, and October 12, 2009, as shown in **Schedule 2**). The Index Offset shall be calculated as the Purchase Price *multiplied by* the Percentage Change in the Index from the Purchase Date to July 15, 2009. The Percentage Change in the Index shall be calculated as \$870.69 (the value of the Index on July 15, 2009) *divided by* the value of the Index as of the Purchase Date, as set forth in **Schedule 1**, *minus* one.
5. Shares purchased after August 13, 2007 shall have a Recognized Loss Amount of zero (\$0.00).
6. The Recognized Loss Amounts calculated in paragraphs 2-4 above shall also be *multiplied by* 1.25. This multiplier reflects the fact that investors in RHY also have claims under Section 11 of the Securities Act that, as opposed to Section 10(b) claims under the Exchange Act, do not require evidence of fraudulent or reckless intent and, accordingly, would likely be easier to prove at trial. Further, claims under Section 11 include shares purchased or acquired directly in the initial public offering of RHY as well as shares traceable thereto and purchased or acquired in the aftermarket. In addition, for shares purchased or acquired by a member of the TAL Subclass, the Recognized Loss Amounts calculated according to this paragraph shall also be *multiplied by* 1.5. This multiplier reflects the fact that members of the TAL Subclass are releasing additional claims in the Settlement that are unique to them.

Additional General Provisions

If a Class Member has more than one purchase/acquisition or sale of the Closed-End Funds during the Class Period, all such purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any such like Closed-End Fund shares held at the beginning of the Class Period, and then against purchases/acquisitions of the like security in chronological order, beginning with the earliest purchase/acquisition made during the Class Period. Sales of pre-Class Period purchases shall have no Recognized Loss.

To the extent a Claimant had a market gain from his, her, or its overall transactions in the Closed-End Funds, the value of the Recognized Claim will be zero. Such Claimants will in any event be bound by the Settlement. To the extent that a Claimant suffered an overall market loss on his, her, or its overall transactions in the Closed-End Funds, but that market loss was less than the Recognized Claim calculated above, then the Claimant's Recognized Claim shall be limited to the amount of the actual market loss. For purposes of determining whether a Claimant had a market gain from his, her, or its overall transactions in the Closed-End Funds or suffered a market loss, the Claims Administrator shall determine the difference between (a) the Total Purchase Amount¹⁴ and (b) the sum of the Total Sales Proceeds¹⁵ and the Holding Value.¹⁶ This difference will be deemed a Claimant's market gain or loss on his, her, or its overall transactions in the Closed-End Funds.

Purchases or acquisitions and sales of the Closed-End Funds shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. No Recognized Loss Amount will be calculated based on the date of receipt of Closed-End Fund shares by gift, grant, or inheritance.

The date of covering a "short sale" is deemed to be the date of purchase or other acquisition of the Closed-End Funds. The date of a "short sale" is deemed to be the date of sale of the Closed-End Funds. There is no Recognized Loss Amount attributable to short sales. In the event that there is an opening short position in the Closed-End Funds, the earliest Class Period purchases shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

Distributions to Authorized Claimants will be made after all claims have been processed and after the Court has approved the Claims Administrator's determinations. After an initial distribution of the Net Settlement Fund, if there is any balance remaining in the Net Settlement Fund after at least twelve (12) months from the date of the initial distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks or otherwise), Lead Counsel shall, if feasible and economical, reallocate in an equitable and economic fashion such balance among Authorized Claimants who have cashed their checks. Any balance that still remains in the Net Settlement Fund, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to a non-sectarian, not-for-profit charitable organization(s) serving the public interest, designated by Lead Plaintiffs and approved by the Court.

¹⁴ The "Total Purchase Amount" is the total amount paid (excluding commissions and other charges) for all of the Claimant's Closed-End Funds shares purchased or acquired during the Class Period.

¹⁵ The Claims Administrator shall match any sales of a Closed-End Fund during the period from June 24, 2003 through and including July 14, 2009 first against the Claimant's opening position in the Closed-End Fund (the proceeds of those sales will not be considered for purposes of calculating market gains or losses); the total amount received (excluding commissions and other charges) for sales of the remaining Closed-End Fund shares sold during the period from June 24, 2003 through and including July 14, 2009 (if the sale can be matched against a Class Period purchase) is the "Fund Sales Proceeds."

¹⁶ The Claims Administrator shall ascribe a holding value ("Holding Value") of \$1.28 per share for RMH, \$1.05 per share for RSF, \$1.25 per share for RMA, and \$0.88 per share for RHY (the average closing price during the 90-day look-back period starting on July 14, 2009 and ending October 12, 2009) for the Fund shares purchased or acquired during the Class Period and still held as of the close of trading on July 14, 2009.

A Recognized Loss will be calculated as defined herein and payment in this manner will be deemed conclusive against all Authorized Claimants. Each claimant is deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Tennessee.

L. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired the publicly traded shares of (i) RMH between June 24, 2003 and July 14, 2009, inclusive (CUSIP **74963B105** (IPO – 12/28/2008), **42327X105** (12/29/2008 – 8/31/2009), **42327X204** (9/1/2009 – Present)); (ii) RSF between March 18, 2004 and July 14, 2009; inclusive (CUSIP **74963H102** (IPO – 12/28/2008), **42328A104** (12/29/2008 – 8/31/2009), **42328A203** (9/1/2009 – Present)); (iii) RMA between November 8, 2004 and July 14, 2009, inclusive (CUSIP **74963L103** (IPO – 12/28/2008), **42327W107** (12/29/2008 – 8/31/2009), **42327W206** (9/1/2009 – Present)); and (iv) RHY between January 19, 2006 and July 14, 2009, inclusive, (CUSIP **74963Q102** (IPO – 12/28/2008), **42327Y103** (12/29/2008 – 8/31/2009), **42327Y202** (9/1/2009 – Present)) or pursuant or traceable to the RHY Offering Materials filed by RHY on or about January 19, 2006 with the SEC, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased shares of the Closed-End Funds during such time period or; (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) calendar days mail the Notice and Proof of Claim form directly to the beneficial owners of those shares of the Closed-End Funds.

If you choose to follow an alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

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Dated: January 4, 2013

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE WESTERN
DISTRICT OF TENNESSEE

