REGIONS
INVESTMENT MANAGEMENT

Part 2A of Form ADV Brochure

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This brochure provides information about the qualifications and business practices of Regions Investment Management, Inc. ("RIM"). If you have any questions about the contents of this brochure, please contact us at 205-264-6735. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

RIM is a SEC Registered Investment Adviser. Registration as an Investment Adviser does not imply any level of skill or training.

Additional information about RIM is available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2 - Material Changes

The purpose of this item is to provide a summary of material changes since May 19, 2025, the date of RIM's last filing, which was an other than annual filing.

Since RIM's last filing, RIM has discontinued their ESG strategies, both the equity and fixed income. On June 30, 2025, RIM ceased to offer their ESG strategies.

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Item 4 - Advisory Business

Regions Financial Corporation (ticker: RF) was formed in 1971 as First Alabama Bancshares Inc. With the combination of three banks, the company was renamed Regions Financial Corporation in 1994. Its merger with Memphis, Tennessee-based Union Planters Corporation took place in July 2004. On November 6th, 2006, Regions Financial Corporation and AmSouth Bancorporation merged to become the new Regions Financial Corporation. This merger resulted in AmSouth Asset Management, Inc. (AAMI) being absorbed into Morgan Asset Management, which was registered with the SEC as a registered investment adviser in 1986. Due to internal restructuring, and the sale of broker/dealer Morgan Keegan by Regions Financial Corporation, the firm's name was changed to Regions Investment Management, Inc. (RIM) in 2012.

RIM was formerly owned by RFC Financial Services Holding, LLC, which in turn, is a wholly owned subsidiary of Regions Financial Corporation. Effective January 1, 2016, RIM became a wholly owned subsidiary of Regions Bank, which is another wholly owned subsidiary of Regions Financial Corporation. Regions Financial Corporation is a regional financial holding company, and is a publicly held reporting company under the Securities Exchange Act of 1934. The change to RIM's ownership structure did not change the services offered through RIM.

RIM provides model strategies and provides portfolio management to Regions Wealth Management, a business unit of Regions Bank for use by Regions Wealth Management with its clients.

As of December 31, 2024, RIM managed $12,605,221,968 on a discretionary basis on behalf of its clients, and $6,118,470,496 on a non-discretionary basis. Discretion means that RIM does not need prior permission to conduct transactions in client accounts. RIM's total amount of assets under management is $18,723,692,464.

There are risks associated with any investment or advisory service. There are no guarantees of the success of any investment or strategy, and it is possible that some or all the principal could be lost. Past performance is not a guarantee of future performance; clients invest at their own risk.

Tax implications are a critical component of any investment strategy. It is possible that trading activities could result in taxable events and/or lower investment return. Because investments may have tax or legal consequences, clients should contact their own tax professionals and attorneys to assist them in answering questions about specific situations or needs.

Item 5 - Fees and Compensation

RIM receives annual compensation in the form of revenue from Regions Bank by written agreement to provide research information to Regions Bank personnel, among other services. RIM's compensation is paid by Regions Bank, and is based upon a percentage of the assets managed according to RIM's strategies. RIM does not bill Regions Bank or clients of Regions Bank, nor does it deduct fees from the accounts of clients of Regions Bank. RIM does not receive payments from third parties in exchange for offering their products.

In addition to investment management fees, clients may bear trading costs, and may also incur custodial fees.

The fee schedules below do not include brokerage commissions, other charges associated with securities transactions with or through a broker-dealer, mark-ups or mark-downs, odd-lot differentials, stock exchange fees, transfer taxes or any other charges mandated by law. These charges will be separately billed to each account by the broker-dealer or other custodial entity. Additional information concerning some fees can be found in Item 12 of this brochure.

The fee schedule below reflects the fees that RIM receives for its services to Regions Bank. The fees are paid to RIM quarterly, in arrears:

Service	Annual Fee
Equity Model Strategies	0.2% of assets under management
Bond Model Strategies	0.2% of assets under management

RIM does not receive compensation for the sale of securities or other investment products (e.g.: service fees from the sale of mutual funds or asset-based sales charges).

RIM is held to a fiduciary standard that covers the advisory services that it provides to Regions Bank and its clients who utilize the products and or services of RIM made available through Regions Bank. RIM provides their financial professionals with competitive base salaries as well as annual incentives. Annual incentives may take the form of short-term and long-term incentives based on the professional's position and title. Short-term incentives include cash bonuses and are based on how well the professional completes an agreed upon set of tasks. Long-term incentives include stock grants that vest over time. The base salary nor the annual incentives for RIM associates are based upon the marketing of any RIM product or service by any RIM associate.

Item 6 - Performance Based Fees and Side-by-Side Management

Advisory fees that are based upon a share of capital gains or capital appreciation of assets of a client are commonly referred to as "performance based fees".

RIM does not currently charge performance fees. Some investment advisers can experience conflicts of interest relating to the side-by-side management of accounts with different fee structures. These conflicts of interest are not applicable to RIM.

Item 7 - Types of Clients

RIM has one client and that is Regions Bank. RIM provides model strategies and provides portfolio management to Regions Wealth Management, a business unit of Regions Bank, for use by Regions Wealth Management with its clients. Where the term "client" or "clients" is used within this document, it is referring to either Regions Bank or the clients of Regions Wealth Management.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

Securities held in advisory accounts managed by RIM are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank, and are not insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Board or any other governmental agency. Investments in securities involve risks, including possible loss of principal amount invested.

It is possible that an individual security holding within a RIM strategy is that of a company who has an associate holding a position on the Regions Board of Directors. RIM is a wholly owned subsidiary of Regions Bank, which in turn, is a wholly owned subsidiary of Regions Financial Corporation.

Methods of Analysis

RIM's Equity and Fixed Income Research Analysts conduct fundamental analysis on all securities recommended for client accounts. This analysis varies depending on the security in question. For stocks and bonds the analysis generally includes quantitative and qualitative reviews of:

- The issuer's management;
- The amount and volatility of past profits or losses;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry; and
- Any other factors considered relevant.

RIM has an Investment Strategy Sub-Committee (“ISC”), chaired by S. Alan McKnight, Jr., CFA, and President of RIM. The role of the ISC is to review product performance, establish and monitor guidelines, as well as provide a general outlook for the economy and the financial markets.

Investment Strategies

- Total Return Opportunity Portfolio: The portfolio is constructed using domestic large cap stocks with both growth and value representation and is benchmarked against the S&P 500. The process employs business cycle analysis to identify sectors primed to benefit from turning points in economic activity. A quantitative screening process is used to identity candidates based on free cash flow generation, returns on capital and shareholder return of capital policies. Fundamental analysts evaluate candidates on competitive positioning and valuation.
- Equity Income Opportunity Portfolio: the portfolio seeks to maintain a 100-basis point yield advantage over the market over the long term while increasing dividend payments. The S&P 500 Value Index will be used as a performance benchmark although the portfolio is not constructed according to the same investment criteria. The portfolio is comprised of domestic large cap stocks. The criterion for stocks selected includes but is not limited to: history of dividend growth, high dividend yield, strong cash flow generation and a stable and growing earnings stream.
- High Dividend Yield Strategy: this strategy begins with the Equity Income Portfolio and reweights the holdings to place the highest weight on the highest dividend yielders. The strategy is designed with the primary objective of current yield and a secondary objective of dividend growth. The criterion for stock selection is the same as the Equity Income Opportunity Portfolio.
- Value Opportunity Portfolio: the strategy is constructed using domestic large cap value stocks and is benchmarked against the S&P 500 Value Index The stock selection process focuses on companies with strong competitive positions, attractive free cash flow generation profiles and shareholder return of capital policies. We analyze valuation relative to a security’s history, to the peer group and to the overall market. The portfolio tends to have factor exposures to quality and large market capitalization.
- Growth Opportunity Portfolio: The strategy seeks to run a high-quality growth approach. The process emphasizes companies that have been significant free cash flow growers, exhibit earnings quality, generate substantial free cash flow relative to total assets, and trade at reasonable valuation relative to our expectations for future growth. The strategy uses a quantitative screening process that back-tests effectively over a long-term time horizon of twenty-five years. The screening process assists with idea generation and is coupled with bottoms up fundamental analysis. The fundamental process focuses on competitive advantages and seeks companies with

leading defensible or growing market share positions. A special emphasis is put on balance sheet strength, margin structure, pricing, and attractive upside potential relative to our expectations for growth. The strategy is benchmarked against the S&P 500 Growth Index.

- Aggregate Bond Opportunity Portfolio: this portfolio is comprised of Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Aggregate Bond Index.
- A-Rated Aggregate Bond Opportunity Portfolio: this portfolio contains Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through A quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Aggregate Bond Ex Baa Index.
- Government/Credit Bond Opportunity Portfolio: this portfolio is comprised of Treasury, Agency and Corporate bonds primarily falling within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Government/Credit Bond Index.
- Government/Credit Intermediate Bond Opportunity Portfolio: This portfolio is comprised of intermediate maturity Treasury, Agency and Corporate bonds primarily falling within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Intermediate Government/Credit Bond Index.
- Corporate Bond Opportunity Portfolio: this portfolio is comprised of corporate bonds primarily falling within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg Credit Index.
- All Corporate Intermediate Bond Opportunity Portfolio: this portfolio is comprised of intermediate maturity corporate bonds primarily falling within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends,

industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg Intermediate Credit Index.

- Enhanced Cash Bond Opportunity Portfolio: this portfolio is designed for investors with at least a two-year investment horizon. The primary objective of the strategy is the preservation of capital, with a secondary objective of generating returns that exceed standard money market funds. Portfolios are constructed with securities primarily rated A and higher by Moody's and S&P. Duration positioning, yield curve management, sector exposure and security selection are the four tools employed to manage the portfolio. The strategy incorporates a laddered type portfolio structure and invests in debt securities with maturities as long as three years. The strategy is benchmarked against a blended index consisting of fifty percent of the Bank of America/Merrill Lynch 1-3 year Corporate and Government Index, and fifty percent of the Bank of America/Merrill Lynch 3 Month U.S. Treasury Bill Index.
- Intermediate Bond Opportunity Portfolio: this portfolio relies on duration positioning, sector selection, yield curve positioning and security analysis to continuously evaluate all areas of the bond market to manage risk and seek opportunities. This portfolio is comprised of intermediate maturity Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Intermediate Aggregate Index.
- A-Rated Intermediate Bond Opportunity Portfolio: this portfolio relies on duration positioning, sector selection, yield curve positioning and security analysis to continuously evaluate all areas of the bond market to manage risk and seek opportunities. This portfolio is comprised of Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through A quality spectrum according to national ratings agencies. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Intermediate Aggregate, Ex Baa Index.
- Socially Responsible Bond Opportunity Portfolio: this portfolio relies on duration positioning, sector selection, yield curve positioning and security analysis to continuously evaluate all areas of the bond market to manage risk and seek opportunities. Security selection is based upon screens that can identify a variety of social issues-based businesses, and either include or exclude investments in those companies based upon the client's preferences. This portfolio is comprised of Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through BBB quality spectrum according to national ratings agencies. Factors evaluated in buy or

sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Aggregate Bond Index.

- A-Rated Socially Responsible Bond Opportunity Portfolio: this portfolio contains Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through A quality spectrum according to national ratings agencies. Security selection is based upon screens that can identify a variety of social issues-based businesses, and either include or exclude investments in those companies based upon the client's preferences. Factors evaluated in buy or sell decisions include but are not limited to: yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg US Aggregate Bond, Ex Baa Index.
- Low Duration: The universe of security types screened for selection comprise all U.S. Treasury, Agency, Corporate, Mortgage and Asset Backed bonds falling primarily within the AAA through BBB quality spectrum with an effective final maturity no greater than five years. Credit sensitive securities are limited to 3% but typically range from of 1-2%. Factors evaluated in buy or sell decision are yield spreads, credit quality trends, industry conditions and comparative value in another issue or sector. If no substitute can be found to replace a sale, the proceeds are typically invested in Treasuries to minimize the impact on current duration and yield curve strategies. The strategy is benchmarked against the Bloomberg 1-3 Year Government/Credit Index.
- Low Duration Municipal Income Portfolio: This portfolio has a laddered maturity structure from one to five years for a predictable flow of tax-exempt income. Securities are selected for credit quality, relative value, and geographic diversification. They are monitored for credit changes and cash flow is reinvested. Commonly purchased issue types include: General Obligation, Pre-Refunded, Tax-Revenue, Essential Service Revenue, Higher Education, and School District Bonds. The portfolio is constructed with bonds that fall within the AAA through BBB quality spectrum. Downgrades are reviewed and monitored. Portfolio composition will vary depending upon the relative value of bonds available for purchase at the time of portfolio construction. The strategy is benchmarked against the Bank of America Merrill Lynch Municipal, 1-5 Year AAA-AA Rated Index.
- 1-10 Year Municipal Income Portfolio: this portfolio has a laddered maturity structure from one to ten years for a predictable flow of tax-exempt income. Securities are selected for credit quality, relative value, and geographic diversification. They are monitored for credit changes and cash flow is reinvested. Commonly purchased issue types include: General Obligation, Pre-Refunded, Tax-Revenue, Essential Service Revenue, Higher Education, and School District Bonds. The portfolio is constructed with bonds that fall within the

AAA through BBB quality spectrum. Downgrades are reviewed and monitored. Portfolio composition will vary depending upon the relative value of bonds available for purchase at the time of portfolio construction. The strategy is benchmarked against the BofA Merrill Lynch Municipal, 1-10 Year A-AAA Rated Index.

- Managed Municipal Portfolio: this portfolio is a duration-managed strategy with an intermediate term structure. Securities are selected for credit quality, relative value, and geographic diversification. They are monitored for credit changes and redemptions are reinvested. Commonly purchased issue types include: General Obligation, Pre-Refunded, Tax-Revenue, Essential Service Revenue, Higher Education, and School District Bonds. The portfolio is constructed with bonds that fall within the AAA through BBB quality spectrum. Downgrades are reviewed and monitored. Portfolio composition will vary depending upon the relative value of bonds available for purchase at the time of portfolio construction. The strategy is benchmarked against the BofA Merrill Lynch Municipal, 1-10 Year A-AAA Rated Index.
- Government Only Enhanced Cash: This strategy emphasizes income return within a framework of offering a high degree of liquidity. The Government Only Enhanced Cash strategy is designed for investors with at least a two-year investment horizon. The effective final maturity of any single issue selected will not exceed three years. The primary objective of the strategy is to preserve principal and generate stable income flows that exceed money market funds. The portfolio will generally be structured in a laddered manner with a focus on a maturity structure that reflects an interest rate outlook as well as opportunities to purchase undervalued securities between cash equivalents and 3 years. The strategy is benchmarked against a blended index consisting of 50% of the Merrill Lynch 1-3 Year Government Index and 50% of the Merrill Lynch 3 Month U.S. Treasury Bill Index.
- Government Only Low Duration: The Government Only Low Duration strategy is designed for investors with a long-term investment horizon, yet maintains a high degree of liquidity. The primary objective of the strategy is the preservation of principal, and the secondary objective is to generate returns that exceed standard money market funds. The universe of security types screened for selection comprise all U.S. Treasury, Agency, and Agency mortgage issues with an effective final maturity no greater than five years. Portfolios have an effective maturity of three years or less and the maximum effective maturity of any individual security is five (5) years. Factors evaluated in buy or sell decisions are yield spreads, security structure and comparative value in another issue or sector. The strategy is benchmarked against the Bloomberg 1-3 Year Government Index.

- Core Plus Bond Strategy: The primary objective of the strategy is to maximize total return and generate a high level of current income. The strategy seeks value through duration adjustments, yield curve positioning, sector rotation and security selection. The strategy will invest in the core investment universe, combined with tactical, opportunistic allocations to high-yield, non-U.S. dollar, emerging market, convertible debt instruments, residential and commercial mortgage-backed securities, asset-backed securities, and preferred stocks. The strategy is benchmarked against the Bloomberg US Aggregate Bond Index. Due to "high yield" holdings, this strategy may carry greater market risk than other bond strategies.
- Long Duration Bond Opportunity Portfolio: The primary objective of the strategy is to maintain a duration/risk profile similar to the Bloomberg Barclays Long Government Credit Index. The universe of security types screened for selection comprise all Treasury, Agency and Corporate issuers falling within the AAA through BBB quality spectrum. All investment decisions are managed within risk parameters limiting portfolio duration to within +/- 10% of the benchmark. Sector exposures are measured on a duration weighted basis and relative to the benchmark range from 30 to 200%. Credit sensitive securities are limited to 3% but typically range from 1 – 2%. Factors evaluated in buy or sell decisions are spreads, credit quality trends, industry conditions and comparative value in another issue or sector. If no substitute can be found to replace a sale, the proceeds are typically invested in Treasuries to minimize the impact on current duration and yield curve strategies. Market timing is not an element of the strategy and we do not allocate to cash.

While the performance of RIM's strategies may be represented using Indices as benchmarks, the index performance benchmarks are not intended as direct comparisons to the performance of the portfolio, but are intended to represent the performance of certain sectors of the overall securities market. The investment strategy and types of securities held by the comparison index may be substantially different from the investment strategy and the type of securities held within RIM's strategies.

RIM does not engage in short selling or option writing.

Risk of Loss

Investing in securities involves risk of loss of principal that clients should be prepared to bear. All securities are subject to some level of risk which could cause the value of the client's securities to decrease in value, and in some cases, could result in a loss of the client's entire investment. The following are some types of risk that could affect the value of a client's portfolio:

- Market risk: the risk that changes in the overall market will have an adverse effect on individual securities, regardless of the issuer's circumstances.
- Business risk: whether because of management or unfortunate circumstances, some businesses will inevitably fail. This is especially true during economic recessions. For example, a company stock may become worthless in the event of a bankruptcy, which would result in a loss of capital to the shareholders.
- Interest rate risk: if the Federal Reserve pushes interest rates higher, the market prices of bonds may be affected. When interest rates rise, the market price of bonds falls.
- Inflation risk: Uncontrolled inflation reduces the buying power of a dollar, and may cause uncertainty among individual investors, possibly resulting in corporations backing away from projects, which could further reduce the value of corporate equities.
- Regulatory risk: legislative, regulatory, and/or judicial changes that impact businesses can drastically change entire industries.
- Liquidity risk: certain investments lack liquidity or the ability to access their principal quickly, without incurring substantial penalties, or the inability to sell the investment until sometime in the future.
- Opportunity risk: clients may choose a conservative product to invest in, which could cause the client to miss market upswings which may have increased the value of securities with higher risk. The opposite is also true; market downturns could cause the client to lose a significant amount of principal invested in higher risk securities, when their funds could have been invested in lower risk options.
- Reinvestment risk: clients may be unable to make additional purchases of a security already in their portfolio at the same rate at which the original purchase was made.
- Currency or exchange rate risk: foreign securities face the uncertainty that the value of either the foreign currency will increase or decrease; either of which may cause the value of the client's portfolio to fluctuate.
- Transactional cost risk: the client may incur significant transactional charges in an actively traded account. Frequent trading can decrease the value of a client's account due to increased brokerage and transaction costs. In addition, the frequent trading may cause taxable events to occur, which could increase the client's tax burden.

Clients should understand and be willing to accept these and other types of risks before choosing to invest in securities or receive investment advisory services.

Item 9 - Disciplinary Information

The following disciplinary actions occurred under RIM's previous business name and supervisory model.

Regions Bank and AmSouth Bank merged in 2006 which resulted in AmSouth Asset Management, Inc. (AAMI) being absorbed into Morgan Asset Management (MAM). On September 23, 2008, the Securities and Exchange Commission, Los Angeles Regional Office entered into an agreement with MAM and affiliates resulting in a cease and desist order by consent (the "September 23, 2008 Consent Order") pertaining to events alleged to have occurred between 1999 to 2004 at AmSouth Asset Management, Inc. AAMI and AmSouth Bank were alleged to have violated Sections 206(1) and (2) of the Investment Advisers Act of 1940 (the "Advisers Act") and Sections 12(B) and 34(B) and Rule 12B-1 of the Investment Company Act of 1940 (the "Investment Company Act") while serving as advisor to the AmSouth Funds for entering into side arrangements with Bisys Fund Services for payments of certain fees that were not properly disclosed to the AmSouth Funds' Board or shareholders. The matter was settled through the September 23, 2008 Consent Order, with AmSouth Bank and AAMI agreeing to pay: $7,789,232 in disgorgement, $2,198,952.81 in prejudgment interest and $1,500,000 in a civil monetary penalty to Pioneer Funds, which acquired the AmSouth Funds in 2005. Under the September 23, 2008 Consent Order, the respondents were also required to cease and desist committing further violations of the relevant sections of the Advisers Act and the Investment Company Act.

When AmSouth Bank merged with Regions Bank in 2006, AAMI's business was absorbed into MAM as of the end of 2007, and AAMI's registration as an investment adviser was withdrawn in January 2008.

On June 22, 2011, the Securities, and Exchange Commission (the "SEC") and a task force of the securities commissioners or divisions in the states of Alabama, Kentucky, South Carolina, Tennessee, and Mississippi (the "State Task Force") announced settlements with MAM, Morgan Keegan & Co., Inc. ("MK"), and certain previously associated persons, of administrative proceedings initiated by those regulators in 2010. The Financial Industry Regulatory Authority, Inc. ("FINRA") also announced a settlement through an Acceptance, Waiver and Consent ("AWC") with MK. For purposes of settlement, the SEC order (the "June 22, 2011 Consent Order") found that MAM violated Sections 206(1), 206(2) and 206(4) of the Investment Advisers Act of 1940 (prohibiting certain fraudulent activities by advisers) and Rule 206(4)-7 thereunder (requiring advisers to maintain compliance policies and procedures), and Section 34(b) of the

Investment Company Act (prohibiting material misstatements or omissions in registration statements, reports and other documents filed with the SEC), and that MAM aided and abetted and caused violations of Rules 22c-1 (pertaining to the net asset value pricing of fund shares) and 38a-1 (requiring funds to maintain compliance policies and procedures) under the Investment Company Act. For purposes of settlement, the June 22, 2011 SEC Consent Order contained findings that MK violated Rule 22c-1 under the Investment Company Act, and aided and abetted and caused violations of Section 34(b) of the Investment Company Act and Rule 38a-1 thereunder.

The June 22, 2011 SEC Consent Order made additional findings with respect to the two individuals. The findings under the SEC settlement as to MAM all related to the failure to comply with the “fair value” valuation standards adopted by certain funds (the “funds”) formerly managed by MAM and distributed by MK for the valuation of securities held by those funds, for which readily available market quotations were not available. The State Task Force consent orders (followed by consent orders from 49 of 50 states) each listed the following practices by MAM and/or MK, for settlement purposes, as violations of their respective state laws: MAM’s and/or MK’s failure to disclose the risks associated with investments in the funds in filings, disclosure and marketing materials; misclassification of asset backed securities; the use of not directly comparable industry benchmarks; the incorrect characterization of the funds and their holdings in certain marketing and disclosure materials; inappropriate comparison of investment returns; inaccurate marketing materials; failure to supervise employees, agents and associated persons in activities relating to the funds and failure to enforce supervisory procedures; failure to make suitable investment recommendations to some investors; and failure to review customer accounts, correspondence and marketing materials. Other findings under the consent orders were made against the settling individual named in the state actions. The FINRA AWC with MK recited violations of NASD Conduct Rules 2110, 2210, 2210(c), 2210(d), 3010(a), 3010(b) with regard to statements in certain marketing materials for a fund and MK’s supervisory procedures for advertising activities. These consent orders and agreements resolved the administrative proceedings initiated by the regulators as to MAM, MK and the two individuals. RIM and MK agreed to pay an aggregate amount of $210 million under the consent orders, $200 million of which was placed in two “fair funds” for the benefit of certain fund investors, and to comply with certain other undertakings. The individuals agreed to certain sanctions under the orders. The SEC and state consent orders resolved pending actions against a former MAM portfolio manager, and in addition the SEC order resolved charges against a former MK Controller. Copies of the orders are available on the respective regulators’ websites. MAM and MK did not admit or deny the findings (except as to jurisdiction) in the June 22, 2011 SEC Consent Order or (as to MK) the FINRA AWC. With respect to the state orders, MAM and MK admitted jurisdictional allegations, and certain statements relating to the maintenance of books and records. In addition to the monetary sanctions, the June 22, 2011 SEC Consent Order censured MAM and MK and imposed a cease and desist order upon them.

On December 10, 2012, the SEC issued an order instituting administrative and cease and desist proceedings against each of the persons who were members of the board of directors of the RMK High Income Fund, Inc., the RMK Multi-Sector High Income Fund, Inc., the RMK Strategic Income Fund, Inc., the RMK Advantage Income Funds, Inc. and the Morgan Keegan Select Fund, Inc. (collectively, the “Funds”) during the period between January 2007 and August 2007 The SEC proceedings against the former Fund directors arose from the same set of facts and circumstances that were the subject to the June 22, 2011 SEC Consent Order described above and alleged that the former Fund directors caused the Funds to violate various requirements of the SEC’s rules under the Investment Company Act and willfully caused certain misstatements or omissions to be made in registration statements relating to the Funds filed with the SEC under the Investment Company Act. On June 13, 2013, without admitting or denying the findings, the former Fund directors consented to the entry of an order requiring them to cease and desist from committing or causing violations of Rule 38a-1 of the Investment Company Act, which requires funds to adopt and implement written policies and procedures reasonably designed to prevent violations of federal securities laws by funds.

The legal relationships between the Funds and Regions Financial Corporation, Regions Bank and their affiliates ceased in 2009, following which Regions Financial Corporation sold MK, restructured MAM, and re-named MAM as RIM in 2012. RIM does not offer or act as adviser or sub-adviser to any mutual funds.

Item 10 - Other Financial Industry Activities and Affiliations

Regions Financial Corporation (RFC) is the parent company of Regions Bank and RFC Financial Services Holding, LLC. Regions Investment Management, Inc. (RIM) is owned by Regions Bank.

Highland Associates, Inc., is a subsidiary of Regions Bank which is a wholly owned subsidiary of Regions Financial Corporation, and is a registered investment adviser with the various federal regulators and self-regulatory organizations (“SRO”), including but not limited to the SEC.

Regions Securities, LLC, (“RSL”), is wholly owned by RFC Financial Services Holding, LLC, which is a wholly owned subsidiary of Regions Financial Corporation, and is a registered broker-dealer with the various federal regulators and self-regulatory organizations (“SRO”), including but not limited to the SEC and FINRA.

RFC Financial Services Holding LLC, also wholly owns BlackArch Partners, an investment bank, which is a direct owner of BlackArch Securities LLC, a broker-dealer registered with the SEC and FINRA.

While these companies are affiliated with RIM and/or its parent company, this affiliation does not present a conflict of interest to RIM's clients. RIM does not engage in transactions for client accounts with Regions Securities, LLC, BlackArch Securities, LLC or Highland Associates, Inc.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

RIM has adopted a written Code of Ethics ("the Code") that is applicable to all employees. The Code, among other things, requires RIM employees to act first and foremost in the clients' best interests, to abide by all applicable regulations, and to avoid even the appearance of any potential conflict of interest or any abuse of their position of trust. A copy of RIM's Code of Ethics is available upon request, by calling 205-264- 6735.

RIM's employees are generally permitted to trade securities in their personal accounts, alongside client accounts if specified transactions are submitted for pre-clearance review and approval. The Chief Compliance Officer or his/her designee monitors employee trading, relative to client trading, to ensure that employees do not engage in restricted or prohibited transactions. Further, the Chief Compliance Officer or their designee does not grant preclearance where an employee's trading could disadvantage a client.

RIM's restrictions on personal securities trading apply to all employees, as well as the employees' family members living in the same household.

Item 12 - Brokerage Practices

RIM, by virtue of management of the portfolios, places orders on behalf of clients through broker-dealers. All transactions are executed on an agency basis through a variety of available brokers who have met the requirements of the Best Execution/Soft Dollar Working Group. RIM acknowledges that a client bears an expense when trading both in the form of commissions and other transaction costs however, RIM will endeavor to keep these costs as low as possible within the constraints of proper portfolio management.

Soft Dollar Benefits

RIM receives certain research products and services from a variety of providers that are paid for using commissions as soft dollar credits. The use of soft dollars allows RIM to utilize services which generally benefit all clients, and does not pay for these services separately. In such cases, RIM receives a benefit, since RIM does not have to produce or pay for the research, products, or services. The purchase of such research material is based on using said products strictly to assist RIM in its investment decision-making process. These products and services may include but are not limited to portfolio management systems and software that supports RIM's research processes.

The types of products and services that RIM purchases with soft dollars include research (e.g. advice, analyses, or reports concerning companies or sectors of the market) used to aid in investment decisions and trading systems. RIM may have an incentive to select or recommend a broker-dealer based upon receipt of soft dollars, however, commissions shall only be used as soft dollars to purchase these research products and services, provided that:

- The service must be for the primary benefit of client accounts managed by RIM, and
- The commissions rates paid must be competitive with rates paid by RIM to other brokers.

Currently, Cowen Execution Services LLC and SEI Investments Distribution Company are identified by RIM as "Soft Dollar Brokers."

Soft dollar benefits are used to service all client accounts equally. No client is disadvantaged based upon the lack of soft dollar benefits generated by the account. RIM does not receive client referrals from any broker-dealer.

The Selection of Trading Counterparties

Fixed income transactions are based on the availability and pricing of bonds which will vary more widely with fixed income dealers. Prior to placing a bond trade, RIM fixed income traders solicit bids from several dealers and then execute the trade with the dealer that offers sufficient liquidity and the most favorable pricing.

Custody Accounts

For clients who elect to have their accounts held by firms other than Regions Bank, the accounts are classified as outside custody accounts. In such cases, RIM may be unable to select a broker.

Directed Brokerage Accounts

To the extent that Regions, on behalf of one of its clients, directs RIM to place an order through a designated broker, RIM will do so providing no fiduciary standards are violated by the designation.

RIM's Procedures Manual requires all instructions received from Regions' clients, which direct transactions in client accounts to a specific broker-dealer, to be in written form and include the following disclosure:

- We may not be authorized under these circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution for transactions placed with the broker-dealer designated; and
- There may be disparity between the commissions charged to the transactions directed to the broker designated on this form and the commissions charged to transactions otherwise placed by or on behalf of other clients, which may cost clients who direct brokerage more money.

Best Execution Reviews

RIM's Best Execution/Soft Dollar Working Group meets on a quarterly basis to review the execution performance of brokers that were selected to execute client transactions. Working Group members continue to evaluate the pricing and services offered by the trading counterparties with those offered by other reputable firms. The Working Group contracts with an independent research company, Global Trading Analytics (GTA), to compare the trading activity of approximately 200 firms. RIM has sought to make a good-faith determination that these chosen trading counterparties provide clients with good services at competitive prices. Clients should be aware that this determination could have been influenced by RIM's receipt of products and services from research providers. However, as previously noted, the brokers whose agreements include "soft dollar" arrangements are also reviewed on this quarterly basis to ensure they continue to meet RIM's criteria.

Aggregated Trades

Whenever possible, RIM aggregates client trades in an effort to treat all clients fairly. Clients participating in an aggregated order receive the same average price. If an order is partially filled, clients will have their orders filled on a pro-rata basis. RIM will seek to complete any unfilled client orders on the next trading day.

Item 13 - Review of Accounts

All Regions' clients receive account statements directly from the Regions Wealth Platform on at least a quarterly basis. Regions Bank may supplement these custodial statements with individualized reports provided during client meetings or as requested.

RIM personnel continuously monitor events that could impact our client account, and will make changes in strategies and portfolios as deemed necessary to act in the best interest of our client.

Item 14 - Client Referrals and Other Compensation

RIM does not receive any economic benefits from non-clients because of the provision of investment advice to clients. RIM does not receive compensation for referring clients to other business entities, nor does RIM pay any person or company in exchange for referring clients to RIM.

Item 15 - Custody

RIM does not custody client accounts. Assets held by Regions Bank for its clients are reflected on the RWP system and are held by SEI Trust Company as custodian on behalf of Regions. Regions Bank is subject to an annual third-party unannounced audit as a result of its provisions of this custodial service.

Item 16 - Investment Discretion

RIM provides model strategies and provides portfolio management to Regions Wealth Management, a business unit of Regions Bank for use by Regions Wealth Management with its clients. In certain instances, clients of Regions Wealth Management may provide RIM investment discretion.

Item 17 - Voting Client Securities

RIM has contractually agreed to vote proxies for Regions Wealth clients, this includes proxies that are not part of RIM strategies, and those that are. RIM has adopted proxy voting procedures, these are noted in RIM's Procedures Manual, for voting proxies on behalf of clients in instances in which clients delegate this function. To facilitate the process, RIM has retained ISS Proxy Advisory Services ("ISS") to provide proxy research and voting recommendations, and to vote proxies on its behalf. In addition, RIM subscribes to ISS' proxy vote management system, which provides a means to receive and vote proxies, as well as services for recordkeeping, auditing, reporting and disclosure regarding votes.

RIM's proxy voting procedures seek to ensure that proxies are voted in the best interest of clients. The procedures contemplate various proposals that may arise and a predetermined manner in which RIM will vote or circumstances under which RIM will conduct further review before determining the manner in which it will vote. In general, proxies for all clients will be voted in the same manner and in accordance with our proxy voting guidelines. In all circumstances, RIM will comply with specific client directions to vote proxies, whether or not those directions specify voting proxies in a manner that is different from RIM's Procedures Manual.

Routine Matters: Generally, RIM votes all client proxies in accordance with the voting recommendations of ISS' Proxy Voting Manual, with some exceptions, as noted in the RIM Custom Voting Procedures Manual. In the event that ISS refrains from making a recommendation, and provided that the Proxy Committee determines that there is no material conflict of interest between RIM and the clients with respect to the voting of the proxy, the Proxy Committee will vote the proxy consistent with RIM's Procedures Manual, and in the client's best interest.

There may be circumstances under which the Proxy Committee believes that it is in the best interest of a client or clients to vote proxies in a manner inconsistent with the foregoing proxy voting guidelines or in a manner inconsistent with the ISS recommendations. A complete list of topics where the Proxy Committee has taken a stance in conflict with ISS is contained in the RIM Custom Voting Procedures Manual and is available upon request.

In the event of a departure from the Procedures Manual, RIM will maintain a record supporting such a vote.

Conflicts of Interest: If RIM believes that it either has a material conflict, or to avoid a conflict of interest, RIM will vote in accordance with ISS' recommendation. An example of this would be proxies relating to RIM's parent company, Regions Financial Corporation. All proxies related to Regions Financial Corporation will be voted according to the recommendation received from ISS. ISS will vote proxies in accordance with their written procedures. RIM believes that the use of ISS, as well as the procedures stated herein, is reasonably designed to address material conflicts of interest that may arise between RIM and a client as to how proxies are voted. Except for the circumstances outlined under Routine Matters above, or if the proxy voting guidelines described do not address how a proxy should be voted and ISS refrains from making a recommendation as to how such proxy should be voted, the Proxy Committee will review the proxy and assess the extent to which there may be a material conflict of interest between RIM and the client or clients. Material conflicts cannot be resolved by simply abstaining from voting. In the event that the Proxy Committee determines that the voting of the proxy presents a material conflict of interest between RIM and the client or clients, RIM will:

- In cases where ISS had made a recommendation, take no further action, in which case, ISS shall vote such proxy in accordance with the proxy voting guidelines or as ISS recommends; or

- Disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; or
- Suggest that the client or clients engage another party to determine how to vote the proxy; or
- Engage another independent third party to determine how to vote the proxy.

Abstention: In recognition of its fiduciary obligations, RIM generally endeavors to vote all proxies it receives. However, RIM may abstain from voting proxies in certain circumstances. For example, we may determine that abstaining from voting is appropriate if voting may be unduly burdensome or expensive, or otherwise not in the best economic interest of the clients, such as (by example and without limitation) when foreign proxy issuers impose unreasonable or expensive voting or holding requirements, when the costs to effect a vote would be uneconomic relative to the value of the client's investment in the issuer, or when a foreign government requires disclosure of confidential client information.

Recordkeeping: RIM will maintain copies of proxy voting procedures manual, proxy votes cast, proxy statements received, material documentation supporting decisions, and copies of any requests received and responses sent regarding how we voted a proxy. These records will be maintained according to regulatory requirements.

RIM clients may obtain a complete copy of the procedures and records of how their respective securities were voted by writing to:

Regions Investment Management, Inc.
1900 5th Avenue North, 6th Floor
Birmingham, AL 35203

In instances where RIM has not been given the authority to vote client proxies, it is the responsibility of the client to instruct the relevant custody bank or brokerage to mail proxy material directly to the client.

Item 18 - Financial Information

RIM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.