

Regions Investment Management Part 2 of Form ADV The Brochure

1901 6th Ave North, 4th Floor
Birmingham, Alabama 35203
<http://www.regions.com>

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This brochure provides information about the qualifications and business practices of Regions Investment Management a registered investment advisor with the SEC since 1986. If you have any questions about the contents of this brochure, please contact us at 205-581-7424. 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. Further, SEC registration does not imply a certain level of skill or training.

Additional information about Regions Investment Management is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

Regions Investment Management's most recent update to Part 2 of Form ADV was made on March 28, 2012. Regions Investment Management's business activities have materially changed since the time of that update. This brochure, which reflects those changes, is materially different from brochures used by Regions Investment Management in prior years.

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Advisory Business

Regions Investment Management ("RIM") is wholly owned by RFC Financial Holding, LLC (FSH) which is wholly owned subsidiary of Regions Financial Corp., a regional financial holding company which is a publicly held reporting company under the Securities Exchange Act of 1934.

RIM primarily serves as the investment adviser to Regions Trust , the trust division of Regions Bank. RIM provides through its client, Regions Trust, customized investment management services to REGIONS TRUST's high-net-worth client accounts. Additionally, RIM provides portfolio management services to the REGIONS TRUST investment accounts of institutional clients, including corporate pension plans, public funds, foundations and hospitals meeting certain criteria.

RIM, generally provides investment advisory services regarding domestic equity and fixed income portfolios. RIM will from time to time offer opinions and advice on other asset classes including international, mutual funds and ETFs, which may be part of a client's portfolio.

As of March 1, 2012, RIM managed approximately \$10,000,000,000.00 on a discretionary basis on behalf of its client Regions Trust.

Fees and Compensation

RIM receives an annual compensation from Regions Trust by written agreement to provide investment advisory services to Trust clients where applicable. Fees related to these Trust clients are typically set and negotiated by Trust Officers.

With regard to Personal Trust Accounts, most Regions Trust clients are charged an annual investment management fee based on the following schedule:

Fair Market Value of Assets	Annual Fee
On the first \$500,000	1.50%
On the next \$500,000	1.20%
On the next \$1,000,000	0.80%
On the next \$1,000,000	0.70%
On the balance	0.60%

When investment management and/or other services are provided to a client's account by firms not a part of Regions Financial Corporation those fees for their services will be in addition to the fees set out herein. Out-of-pocket expenses will be charged at cost.

Fees are subject to change and are computed and charged on a periodic basis as often as monthly. Fees are either billed or deducted on a monthly or quarterly basis by Regions Trust.

If a client terminates the investment management agreement with Regions Trust in the middle of a billing period Regions Trust will invoice the client for an amount that is pro-rated based on the number of days that the account was managed.

If a client contributes more than \$100,000 during a quarter, Regions Trust will prorate the fees on this contribution. Contributions of less than \$100,000 and partial withdrawals of client assets are not pro-rated and will be reflected in Regions Trust fee calculation for the entire quarter.

In addition to Regions Trust investment management fees, clients bear trading costs. To the extent that Regions Trust clients' accounts are invested in mutual funds, these funds charge a separate layer of management, trading, and administrative expenses.

When RIM provides investment management services to institutional clients, a separate fee schedule reflecting the institutional breakpoints is applied. The fee schedule below reflects the general range of fees in connection with RIM's balanced, fixed income and equity account management for institutional clients. These fees are subject to

negotiation in the sole discretion of RIM. All fees are billed or collected on a monthly or quarterly basis in arrears. The fee schedule does not include brokerage commissions, other charges associated with securities transactions with or through a broker-dealer, mark-ups or mark-downs in principal transactions, odd-lot differentials, stock exchange fees, transfer taxes or any other charges mandated by law, which charges will be separately charged to each account by the broker-dealer or other custodial entity.

Large Cap Equity

First \$10 million.....	0.80%
Next \$15 million.....	0.75%
Next \$25 million.....	0.40%
Next \$100 million.....	0.30%
Excess.....	0.20%

Small and Mid-Cap Equity

First \$10 million.....	0.90%
Next \$15 million.....	0.85%
Next \$25 million.....	0.60%
Next \$100 million.....	0.40%
Excess.....	0.30%

Balanced Management

First \$10 million.....	0.80%
Next \$15 million.....	0.50%
Next \$25 million.....	0.30%
Next \$25 million.....	0.30%
On balance.....	0.15%

Core and Intermediate Fixed Income

First \$10 million.....	0.40%
Next \$15 million.....	0.30%
Next \$25 million.....	0.25%
Next \$100 million.....	0.20%
Excess.....	0.10%

Enhanced Cash and Treasury Only Fixed Income

First \$10 million.....	0.25%
Next \$15 million.....	0.15%
Next \$25 million.....	0.12%
Next \$100 million.....	0.10%
Excess.....	0.08%

Performance Based Fees and Side-by-Side Management

RIM does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to RIM.

Types of Clients

RIM, through its client Regions Trust, primarily provides customized investment management services to high-net-worth individuals, institutions and associated trusts, estates, pension and profit sharing plans, and other legal entities. RIM's minimum account size is generally \$100,000 but this amount is negotiable.

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.

RIM's Equity and Fixed Income Research Analysts work together to 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 a review 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.

For mutual funds and ETFs the analysis generally includes a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;

- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

RIM has an Investment Strategy Committee, chaired by Brian B. Sullivan, CFA, President and Chief Executive Officer, which meets monthly that's mission is to define and develop the investment strategy for RIM. One of the key functions of the committee is to review all asset allocation guidelines, as well as provide a general outlook for the economy and the financial markets. Individual investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

RIM primarily invests for relatively long time horizons, often for a year or more. However, market developments could cause RIM to sell securities more quickly.

RIM does not engage in short selling or option writing.

All investing involves a risk of loss.

Disciplinary Information

Regions Bank and AmSouth Bank merged in 2006 which resulted in AmSouth Asset Management, Inc. (AAMI) being absorbed into Morgan Asset Management, now known as RIM.. On September 23, 2008, the Securities and Exchange Commission, Los Angeles Regional Office sent to RIM (formerly Morgan Asset Management), , a cease and desist order pertaining to events alleged to have occurred between 1999 to 2004 at AmSouth Asset Management, Inc.. AAMI and AmSouth Bank were charged with violating Sections 206(1) and (2) of the Advisors Act and Sections 12(B) and 34(B) and Rule 12B-1 of 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. As noted, these events occurred prior to RIM's affiliation with AmSouth Asset Management, Inc.

The matter was settled on September 23, 2008, with AmSouth Bank and AAMI being required to pay: \$7,789,232 in disgorgement, \$2,198,952.81 in prejudgment interest and \$1,500,000 in civil monetary penalty to Pioneer Funds, which acquired the Amsouth Funds in 2005, within 30 days of the date of the order, the respondents were also required to cease and desist committing further violations of the relevant sections of the Investment Advisors Act and the Investment Company Act.

AmSouth Bank merged with Regions Bank in 2006. AAMI's business was absorbed into RIM 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 the securities commissioners or divisions in the states of Alabama, Kentucky, South Carolina, Tennessee and Mississippi announced settlements with RIM, formerly known as Morgan Asset Management, Morgan Keegan & Co., Inc. ("MK"), an individual previously associated with RIM, and in the SEC order another individual who was associated with MK, of administrative proceedings initiated by those regulators in 2010. The Financial Industry Regulatory Authority also ("FINRA") announced a settlement with MK. The SEC order found that RIM 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 of 1940 (the "1940 Act") (prohibiting material misstatements or omissions in registration statements, reports and other documents filed with the SEC), and 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 1940 Act. The SEC order found that MK violated Rule 22c-1 under the 1940 Act, and aided and abetted and caused violations of Section 34(b) of the 1940 Act and Rule 38a-1 thereunder. The SEC order made additional findings with respect to the two individuals. The SEC findings as to RIM all related to the failure to comply with the "fair value" valuation standards adopted by certain funds (the "funds") formerly managed by RIM and distributed by MK for the valuation of securities held by those funds, for which readily available market quotations were not available. In particular, the SEC order found that RIM failed to disclose to the boards of the funds that it was not complying with the funds' valuation procedures with respect to these securities, that it failed to have adequate policies and procedures in place, that it made material misrepresentations concerning a fund's performance in its reports and records, and submitted inflated prices for such securities for the fund's net asset value calculations and records supporting its financial statements, and that it aided and abetted and caused violations by the funds with respect to their net asset value calculations and failure to implement their fair valuation procedures. The State orders each listed the following practices by RIM and/or MK as violations of their respective state laws: RIM'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; misleading 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 are made against the settling individual named in the state actions. The FINRA order against MK (a Letter of Acceptance, Waiver and Consent submitted by MK) found 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 orders resolved the administrative proceedings initiated by the regulators as to RIM, MK and the two individuals.

RIM and MK agreed to pay an aggregate amount of \$210 million under the orders, \$200 million of which will be put into a Fair Fund for the benefit of certain fund investors, and to comply with certain other undertakings. The individuals agreed to certain sanctions under the order(s). The SEC and state orders also resolved pending actions against a former RIM portfolio manager, and in addition the SEC order resolved charges against a former MK Controller. Copies of the orders are available on the respective regulator's website.

RIM and MK did not admit or deny the findings (except as to jurisdiction) in the SEC or FINRA orders. With respect to the state orders, RIM and MK admitted jurisdictional allegations, and certain statements relating to the maintenance of books and records. In addition to the monetary sanctions, the SEC order censured RIM and MK and imposed a cease and desist order upon them. RIM's Form ADV provides additional information regarding these matters.

Other Financial Industry Activities and Affiliations

Regions Financial Corporation is a large financial services institution with various subsidiaries. Among them is RFC Financial Services Holding, LLC., the parent company of RIM.

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

RIM has adopted a written Code of Ethics 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.

RIM's employees are generally permitted to trade securities alongside client accounts as long as their transactions are submitted for pre-clearance review and approval. The review examines whether the employee's pre-clearance request to purchase or sell a security would occur within a "Blackout Period" set by Compliance, has expired. The Chief Compliance Officer or his/her designee monitors employee trading, relative to

client trading, to ensure that employees do not engage in restricted transactions. Further, the Chief Compliance Officer does not grant preclearance where it would appear that 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. A copy of RIM's code of ethics is available upon request.

Brokerage Practices

RIM by necessity of the management of portfolios must trade securities on behalf of the clients of Regions Trust where their assets are held in custody. 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 Committee. 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 at discounted rates from the utilization of commissions as soft dollar credits. 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. Some of the providers of these systems and software include: Advent, Bloomberg, Dow Jones, FactSet, Gimme Credit, Lipper, Moody's, Morningstar, NYSE, Reuters, Standard and Poor's, Thomson Financial and Value Line. Commissions may 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, transactions are executed through three institutions identified by RIM as "Soft Dollar Brokers" to include the Bank of New York ConvergeX, Bridge Gateway Trading and Sungard Institutional Brokerage, Inc. because these firms have met the requirements noted above.

The Selection of Trading Counterparties

RIM performs an annual qualitative and quantitative broker review procedure to establish a list of firms that can execute exchange traded securities and mutual funds. The Best Execution/Soft Dollar Committee utilizes the review to engage in brokerage

agreements with those firms capable of providing the maximum value for the client. The review is performed by an Equity Research Analyst.

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.

For clients who elect to have their accounts held by firms other than Regions Trust, the accounts are classified as outside custody accounts.

Directed Brokerage Accounts

RIM allows, but does not encourage, Regions Trust clients to designate a specific broker for the execution of their respective trade orders providing no fiduciary standards are violated by the designation. Orders designated to a specific broker will be considered market orders.

It is the policy of RIM to require that all client instructions to direct transactions in client accounts to a specific broker-dealer be in written form to include the following disclosure:

- RIM 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 of RIM.

Best Execution Reviews

RIM's Best Execution/Soft Dollar Committee meets on a quarterly basis to review the execution performance of brokers that were selected to execute client transactions. Committee members continue to evaluate the pricing and services offered by the trading counterparties with those offered by other reputable firms. The Committee 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

RIM typically aggregates client trades in an effort to treat all clients fairly. Clients participating in a bunched order receive the same average price and incur a reduced

trading cost than they would have paid if they were trading individually. If an order is partially filled, clients will have their orders fully filled on a pro-rata basis. RIM will seek to complete any unfilled client orders on the next trading day.

Review of Accounts

All accounts assigned to RIM will be reviewed at least quarterly with regard to the account's asset allocations versus its target allocation. The review will also include the levels of available cash for investing as related to the client's stated investment objectives.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. RIM may supplement these custodial statements with individualized reports provided during client meetings or as requested.

Client Referrals and Other Compensation

RIM does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

RIM does not custody any client accounts.

Investment Discretion

Generally, client accounts managed by RIM are managed on a fully discretionary basis subject to limitations imposed by client investment objectives and other regulatory limitations. Any limitations on this authority must be stated in writing. Clients may amend any such limitations as needed and these amendments must also be in writing. A non-discretionary agreement may also be arranged, in which RIM makes recommendations only, which the client may choose to accept, reject or modify. The fully discretionary service includes granting RIM the right to choose brokers and negotiate commissions' levels.

Voting Client Securities

RIM has adopted proxy voting procedures for voting proxies on behalf of clients. RIM has retained ISS Proxy Advisory Services ("ISS") to vote proxies on its behalf. RIM's proxy voting procedures seek to ensure that proxies are voted in the best interest of its 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.

The RIM procedures include: (i) how RIM will oversee the proxy voting vendor, ISS; (ii) record-keeping requirements; (iii) handling of client requests for information; and (iv) management of conflicts of interest.

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
1901 6th Avenue North, 4th Floor
Birmingham, AL 35203

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.

Principal Executive Officers and Management

Brian B. Sullivan

President and Chief Executive Officer

Year of Birth: 1955

Education: 1977, B.A. from the University of the South, Sewanee, Tenn., and 1979, M.B.A., Finance, Tulane University, New Orleans, LA.

Business and Investment Experience:

Mr. Sullivan joined AmSouth Bank in August 1982 as the head of Asset Management. During his career he has continued to be a valuable asset to AmSouth Bank by holding various positions within the investment advisor area of AmSouth Bank. On July 6, 2006, he became President of the former AmSouth Asset Management, Inc. and on November 6, 2006, was appointed President of RIM.

John Boston

Vice President

Year of Birth: 1964

Education: B.S. in Finance/Political Science, University of North Alabama, 1987.

Designations: Chartered Financial Analyst

Business and Investment Experience: Mr. Boston is the Director of Fixed Income for RIM. He has been with the legacy AmSouth and now RIM asset management group since 1987.

Guillermo Araoz

Vice President

Year of Birth: 1971

Education: B.A. in Economics from the University of California-Davis; M.A. from the Johns Hopkins School of Advanced International Studies.

Designations: Chartered Financial Analyst

Business and Investment Experience: Mr. Araoz is the Director of Equity Research for RIM. He has been with RIM since 2003. Prior to that, Mr. Araoz worked in the investment banking areas of Goldman Sachs and J.P. Morgan.

Charles A. Murray

Vice President

Year of Birth: 1948

Education: B.S., University of Alabama, 1970

Designation(s): Chartered Financial Analyst, 1993. Member: CFA Society of Alabama, Association for Investment Management and Research (AIMR).

Business and Investment Experience: Mr. Murray has worked at Regions Bank or its predecessor banks since 1972 and worked in investment portfolio management since 1974. Mr. Murray joined RIM as a Senior Portfolio Manager in 2002.

Julius Williams, III

Chief Compliance Officer

Year of Birth: 1967

Education: B.S. in Accounting from Tuskegee University, 1989; M.B.A. from Nova Southeastern University, Fort Lauderdale, FL, 1998.

Designations: FINRA Licenses: Series 7, 24, 53 & 63

Business and Investment Experience: Mr. Williams is the Chief Compliance Officer for RIM. He has been with RIM since 2011. Mr. Williams has worked in Investment related compliance and risk since 2003, with Amsouth Investment Services, Regions Financial Corporation and BBVA Compass.

OTHER BUSINESS ACTIVITIES

Officers of RIM also have responsibilities at its corporate affiliate, Regions Trust.