

# Morgan Keegan

MEMBER FINRA, SIPC

Morgan Keegan & Company, Inc.  
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445 North Boulevard  
Baton Rouge, Louisiana 70802  
225.344.9020 • 800.659.7998

September 9, 2011

Kyra Triche  
Vice President, Finance & Operations  
Louisiana Realtors  
4639 Bennington Ave.  
Baton Rouge, LA 70808

Re: Account Summary and Performance Review

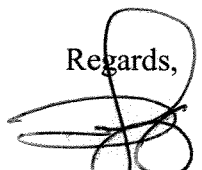
Dear Kyra,


We have enclosed the Asset Allocation, Performance Report and Mutual Fund Analysis for the Louisiana Realtors General Reserve Fund for the 12 month period ending 08/31/2011. Turbulence dominated the market headlines over the past year from tornadoes and flooding in the US to scandal in the IMF to the demise of Osama bin Laden. These events, coupled with the uncertainty of the international debt crisis caused economic activity to waver and the unemployment picture to remain weak. U.S. gross domestic product increased 1.54% over the past 12 months and unemployment has continued to rise, currently at 9.1%.

The trailing twelve month performance for the General Reserve Fund account was 8.99% vs. the benchmark index return of 7.355%. At the present time, your equity exposure for the Fund is 39%, which is below your Investment Policy maximum of 60%. The cash balance for the fund as of the end of August was 57%, well above the Investment Policy Statement minimum of 40%, with the remaining 4% invested in fixed income securities, totaling \$1,123,566 (includes \$250,000 in cash held away from Morgan Keegan).

We look forward to the next Investment Committee meeting during which we can review the performance in greater detail. If you should have any questions, please do not hesitate to contact us.

Regards,

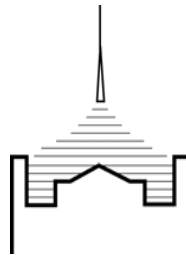
  
G. Rolfe Miller  
Managing Director

  
Jason L. Fontane  
Vice President

A Regions Company

Not FDIC Insured • May Lose Value • No Bank Guarantee  
Not a Deposit • Not Insured by Any Government Agency

# Morgan Keegan



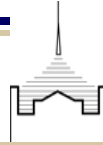
**Morgan Keegan & Company, Inc.**  
*Wealth Management Consulting Group*

**Louisiana Realtors**  
**August 31, 2011**

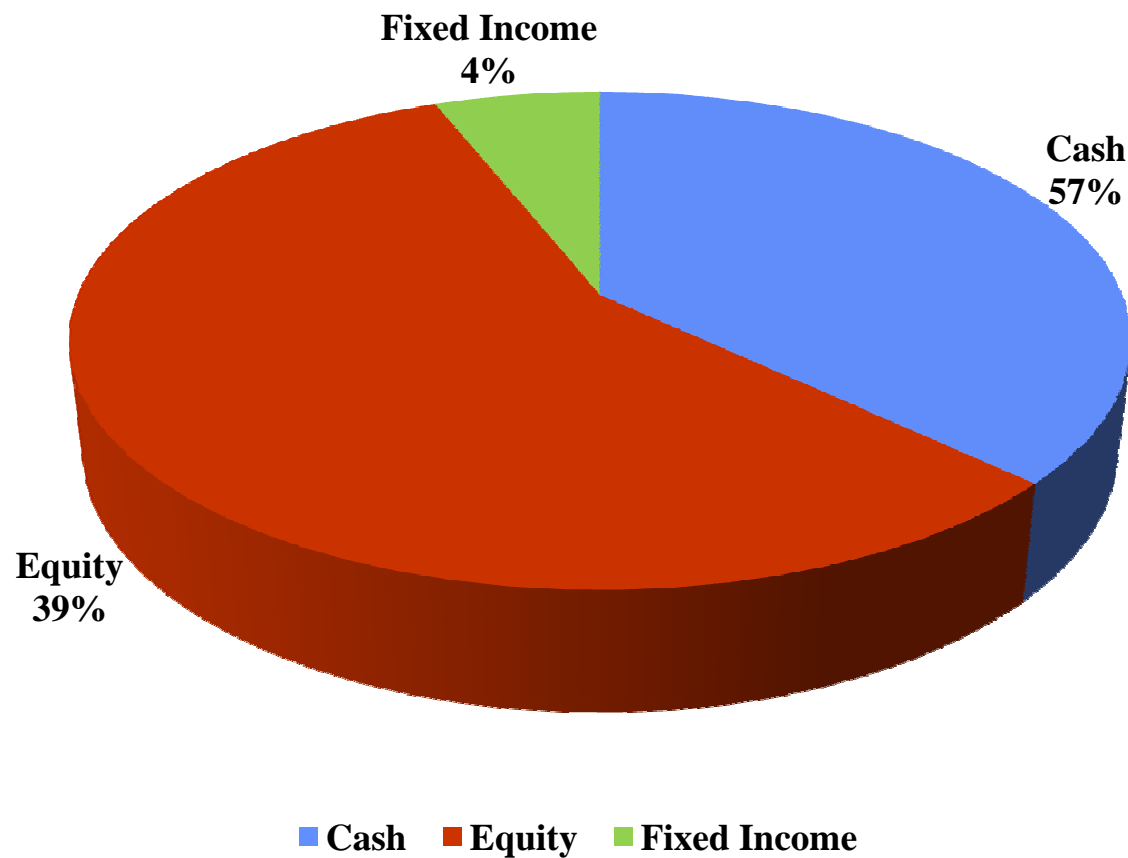
**G. Rolfe Miller**  
**Managing Director**

**Jason Fontane**  
**Vice President**

Morgan Keegan & Co.  
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## Current Asset Allocation \$1,123,566





**General Reserve Fund**  
**Account Summary**  
**08/31/2010-08/31/2011**

<b>Portfolio Value 08/31/2010</b>	<b>\$763,314</b>
Accrued Interest	\$335
Deposits	\$375,937
Withdrawals	-\$328,577
Realized Gains	\$44,391
Unrealized Gains	\$8,670
Interest	\$1,215
Dividends	\$9,308
Change in Accrued Interest	<u>-\$75</u>
<b>Portfolio Value on 08/31/2011</b>	<b>\$874,260</b>
Accrued Interest	\$260
Average Capital	\$706,648
Total Fees	\$0.00
Total Gain After Fees	\$63,510
<b>IRR for 1.00 Years</b>	<b>8.99%</b>

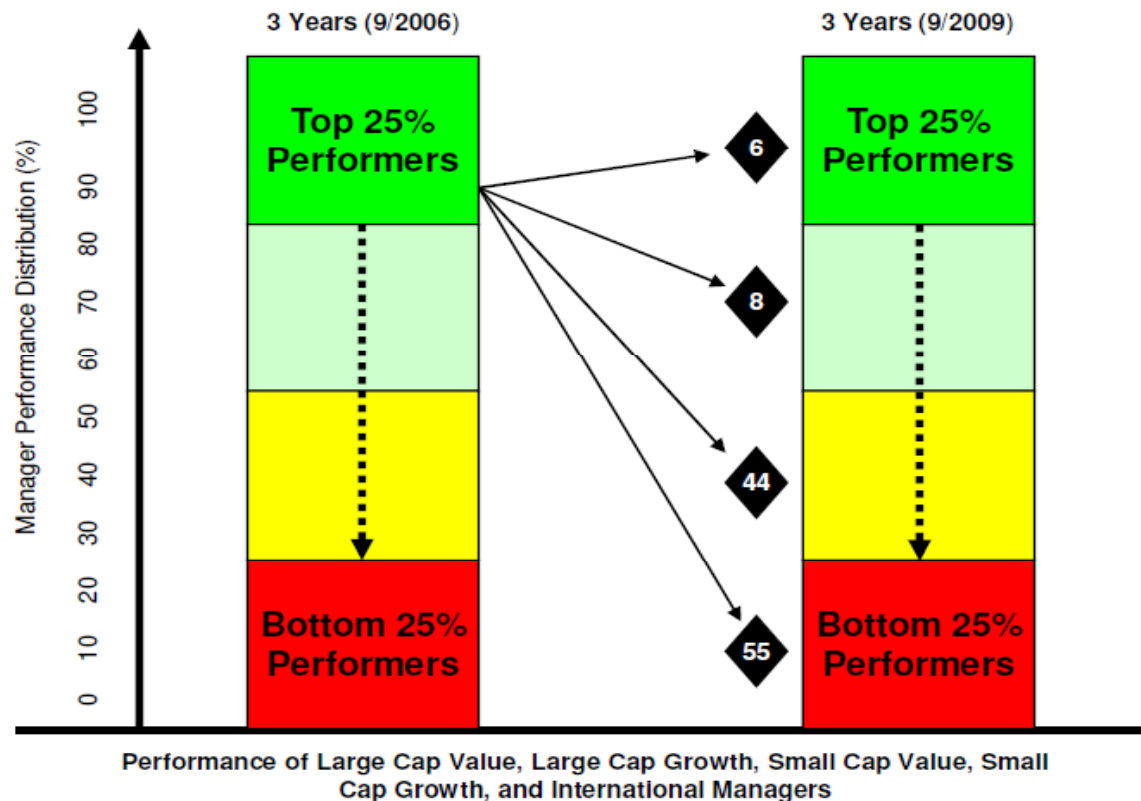


### Why Monitoring Manager Performance is Critical

It is well documented that the majority of the investment performance of a portfolio is directly attributable to asset allocation and portfolio structure. The second most significant determinant of investment performance is the investment manager's contribution. Because the market is in a constant state of change, over time manager performance can be affected as management styles and strategies fall out of favor. It is critical that you monitor manager performance as you can see demonstrated in the graphic below. The goal of our process is to identify managers who have demonstrated a consistent ability to deliver returns which rank them in the top two quartiles.

Only 10% of top performing managers from 2003 – 2006 remained in the top two quartiles in subsequent years.

Source: Morningstar.  
For illustrative purposes only. The effects of management fees and taxes were not taken into consideration. Past performance is never a guarantee of future investment results.





## Manager Review

The proprietary “**Green Screen**” selection and review process focuses on making certain the managers employed in your plan are doing their job. The process identifies weak or underperforming managers at a glance. The goal of our selection process is to keep you exposed to managers whose performance ranks them in the top two quartiles consistently over extended rolling and calendar year time frames.

Fair Value		Aggregate Market Valuation										Fair Value			
Manager Returns and Peer Comparisons															
		1st Quartile		2nd Quartile		3rd Quartile		4th Quartile							
As of 9/2/2011		Rolling Returns / Peer Comparison						Calendar Year Returns / Peer Comparison					Cost/ Rtn/ Risk		
AC	FUND DESCRIPTION	3Mo	YTD	1YR	3YR	5YR	10YR	2010	2009	2008	2007	2006	ER	ALPHA	STD
IDX	S&P 500 Total Return**	-10.10%	-5.38%	9.86%	-0.57%	-0.08%		15.06%	26.46%	-37.00%	5.49%	15.79%	--	--	--
AA	Thornburg Investment Income Builder C (TIBCX)	-7.11%	-2.06%	6.58%	5.04%	4.56%		12.65%	35.91%	-35.12%	17.47%	23.64%	1.90	0.95	17.67
INT	American Funds Capital World G/I C (CWGCX)	-12.73%	-8.09%	2.12%	-2.32%	0.10%	6.51%	6.87%	31.26%	-38.90%	16.59%	21.29%	1.59	0.84	23.67
MCC	HighMark Geneva Mid Cap Growth C (MGPCX)	-11.05%	-6.04%	14.90%	3.33%	4.22%	6.23%	28.60%	34.04%	-36.51%	14.78%	2.94%	1.98	4.18	22.12
MCC	BlackRock US Opportunities Inv C (BMECX)	-16.90%	-13.35%	4.04%	0.42%	3.48%	4.68%	23.34%	34.57%	-35.66%	19.92%	17.40%	2.27	1.51	24.47

Source Morningstar as of date shown. This information is for informational purposes only. It was obtained from sources believed to be reliable but is not guaranteed by Morgan Keegan. It is not considered to be a complete representation of all material facts and should not be construed as a solicitation to buy or sell any security mentioned. Returns and peer rankings represent past performance which is never a guarantee of future performance. Performance numbers do not consider the effects of taxes or fees. A prospectus has preceded or accompanied this presentation. Investors should read the prospectus and carefully consider the risks, fees and charges before making any investment.

\*\*S&P 500 Index Total Return is an unmanaged index which includes all reinvested dividends. It is not possible to invest directly in any index. Returns shown do not take into account the effects of taxes or investment management fees. The index provided is intended to represent performance of the market in general and may not be the most appropriate index for comparison to the securities which may be included in this analysis.



**Footnotes and Disclosures**



The information contained herein was obtained from recognized statistical services believed to be reliable, but its completeness and accuracy cannot be guaranteed. All returns greater than 1 year are annualized. For any account whose inception date is between the 1st - 15th of the month in which it is opened, the since inception index return will begin as of the previous month-end; and for all other accounts, the since inception return will begin from that month-end.

Past Performance is not indicative of future results.

Daily Performance Analysis is net of fees

*The information in this report has been obtained from sources that we believe to be reliable, but cannot be guaranteed. Cost basis information may include prices that you provide to the firm. Please check these cost figures. Estimated income, yield, yield to maturity, etc. represent projections based on current returns and prices and are subject to revisions if dividends, interest payments or current prices change. The firm provides statements, confirmations and certain other year end information to the clients on a regular basis. This report should not be used as a substitute for your monthly statement. Please consult with your CPA, Tax Attorney or Advisor before using this information for tax reporting purposes.*



This historical information represents past performance and should not be considered indicative of future results. **Principal value and investment return will fluctuate, so that an investor's shares/units when redeemed may be worth more or less than the original amount.** The illustration included herein does not reflect the effects of taxes and/or inflation in some or all of the investments.

The Asset Allocation questionnaire (if included) and the portfolio allocation models reflect broad generalizations and are not intended as investment recommendations. The illustrated allocation represents one possible asset allocation strategy. If the questionnaire is included with this presentation, the portfolio allocation model shown represents a possible allocation strategy based on responses to questions regarding personal circumstances, financial goals, time horizon and investment risk tolerance. If the questionnaire is not included, the portfolio is shown for illustrative purposes only. You should carefully examine your own situation and read the prospectus of any mutual fund or variable annuity prior to making any investment decision.

**This illustration, including accompanying reports and graphs, must be preceded or accompanied by a current prospectus for each illustrated fund option. The prospectus contains full details on fees and expenses and should be read carefully before investing or sending money.**

There can be no guarantee that the selected investments will perform similar to the selected index. The effects of taxes and inflation were not considered. Average annual performance over the last twenty years is used for those indices with sufficient history: Taxable High Yield Fixed Income (Lehman Brothers High Yield Index), Taxable Intermediate Fixed Income (Lehman Brothers Interm Govt/Credit Index), Taxable Short Fixed Income (Lehman Brothers 1-3 Year Government Bond Index), Municipal Intermediate Fixed Income (Merrill Lynch Muni 3-7 Year Bond Index), Municipal Short Fixed Income (Merrill Lynch Muni 3-7 Year Bond Index), Large Cap Core (S&P 500 Index), Large Cap Value (S&P Barra 500 Value Index), Large Cap Growth (S&P Barra 500 Growth Index), Mid Cap (S&P Midcap 400 Index), Small Cap (S&P Small Cap 600 Index), and International (MSCI EAFE Index). The "Alternatives" asset class is a hybrid of two alternative investment categories: 50% managed futures (Stark 300 Trader Index) and 50% hedge funds (HFRI Fund of Funds Index). The return assumption is based off of the recent 10 year performance. All returns are compounded annually and rebalanced quarterly.

**Fees and Expenses: There are fees and expenses which may be involved in the purchase, sale and/or ongoing management of your investments. These fees are disclosed fully by prospectus and/or investment management contract.**

**General Investment Risks: All investments involve risk including THE POSSIBILITY OF A LOSS OF PRINCIPAL.** The investments which you may purchase now or in the future for the purposes of meeting your financial goals are **NOT FDIC INSURED AND ARE NOT GUARANTEED BY Regions Bank, Regions Financial or any other instrumentality of the State of Federal Government.**

**There are certain other risks involved in the purchase of some security types or funds and annuities which invest in these securities.**

**These risks include but are not limited to the following:**

**High Yield Bonds/Bond Funds:** These are securities issued by companies with debt ratings which are non rated or below investment grade by Moody's, Standard & Poor's or other similar rating agency. They involve higher levels of volatility and increased risk of default.

**International Investments:** Investments in non domestic securities are subject to higher levels of volatility due to the risks associated with currency fluctuation, political instability and varying accounting standards. These risks are accentuated by investments in emerging markets.

**Non-diversified investments/funds:** Investment in non-diversified securities such as specialty sector funds increases may increase the volatility and risk of loss due to increased industry/sector event risk.

**Tax-Free Municipal Bonds:** Income from tax-free bonds may be subject to State and local taxation, and may be subject to Federal Taxation under the Alternative Minimum Tax.

**Domestic Small and Mid Cap investments:** Investments in companies whose market capitalizations are below \$10 billion are subject to greater volatility due to decreased financial flexibility.

**Alternative Investments:** This covers a wide variety of investment types which may invest in non-public securities, securities with limited marketability or commodities. These investments may from time to time have short positions which may increase the volatility of investment. These investments may also have limited marketability.

**Definitions:**

Indices which may be used to monitor the investment performance of managers which you may purchase are outlined below.

**S&P Midcap 400 –** The S&P Midcap 400 Index includes approximately 10% of the capitalization of U.S. equity securities. These are comprised of stocks in the middle capitalization range. At the original time of screening, this was a \$200 million to \$5 billion market value range. Any midcap stocks already included in the S&P 500 are excluded from this index, which started on December 31, 1990. The level of the index reflects the total market value of all 400 component stocks relative to this date.

**S&P Small Cap 600 –** The S&P Small Cap 600 Index consists of 600 domestic stocks chosen



for market size, liquidity, and industry group representation. It is a market weighted index (stock price x shares outstanding), with each stock affecting the index in proportion to its market value.

MSCI EAFE – The MSCI EAFE Index (EAFE refers to Europe, Australasia, and Far East) is a widely accepted benchmark for international stock performance. The EAFE Index is an aggregate of 21 individual country indexes that collectively represent many of the major markets of the world.

Lehman Brothers High Yield - The Lehman Brothers High Yield Index covers the universe of fixed rate, non investment grade debt. The criteria included in the index are as follows: all bonds must be dollar-denominated and nonconvertible; all bonds must have at least one year remaining to maturity and an outstanding par value of at least \$100 million (Limit of \$100 million was raised from \$50 million in January 1993); pay-in-kind (PIK) bonds, Eurobonds, and debt issues from countries designated as emerging markets are excluded, but Yankee and global bonds (SEC registered) of issuers in non-emerging countries are included; original issue zeroes and step-up coupon structures are also included. In general, all securities must be rated Ba1 or lower Moody's Investors Service, including defaulted issues. If no Moody's rating is available, bonds must be rated BB+ or lower by S&P; and if no S&P rating is available, bonds must be rated below investment grade by Fitch Investor's Service.

HFRI FOF - Fund of Funds invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiple strategies. The minimum investment in a Fund of Funds may be lower than an investment in an individual hedge fund or managed account. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.

Stark 300 – The Stark 300 Index is compiled using the top 300 trading programs from the stark database of over 400 programs. The top 300 trading programs are determined quarterly based upon assets under management. Typically the cut off point for making the top 300 list has been approximately \$500,000. Performance for the Stark Fund Index is compiled on a Simple Average basis and an Equity Weighted basis. Performances for the Stark 300 and specific Trader Indexes are compiled on an Equity Weighted basis only.

S&P Barra 500 Growth – The S&P Barra 500 Growth Index is a market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the lowest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

S&P 500 – The S&P 500 Index is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied.

S&P Barra 500 Value – The S&P Barra 500 Value Index is a market capitalization-weighted index of the stocks in the Standard & Poor's 500 Index having the highest book to price ratios. The index consists of approximately half of the S&P 500 on a market capitalization basis.

Lehman Brothers Intermediate Gov't/Credit – The Lehman Brothers Interm Govt/Credit Index includes both corporate (publicly-issued, fixed-rate, nonconvertible, investment grade, dollar-denominated, SEC-registered, corporate dept.) and government (Treasury Bond index, Agency Bond index, 1-3 Year Government index, and the 20+-Year treasury) indexes, including bonds with maturities up to ten years.

Lehman Brothers 1-3 year Gov't – The Lehman Brothers 1-3 Year Government Bond Index is comprised of both the Treasury Bond index (all public obligations of the U.S. Treasury, excluding flower bonds and foreign-targeted issues) and the Agency Bond Index (all publicly issued debt of U.S. Government agencies and quasi-federal corporations and corporate-debt guaranteed by the U.S. Government). These bonds also must have maturities of one to three years.

Merrill Lynch Municipal 3-7 year – The Merrill Lynch Muni 3-7 Year Bond Index is derived from the Merrill Lynch Municipal Master and includes only municipal bonds with maturities between 3 and 6.99 years. The ML Municipal Master Index is a weighted index including municipal bonds of all maturities. Both interest and price returns are calculated daily based on an accrued schedule and trader pricing. Pricing includes both hand- and matrix-pricing. Included issues must have a composite quality rating of BB3 or better and be fixed-rate and coupon-bearing. Weightings are reset on a monthly basis.

Merrill Lynch Municipal 1-3 year - The Merrill Lynch Muni 3-7 Year Bond Index is derived from the Merrill Lynch Municipal Master and includes only municipal bonds with maturities between 1 and 2.99 years. The ML Municipal Master Index is a weighted index including municipal bonds of all maturities. Both interest and price returns are calculated daily based on an accrued schedule and trader pricing. Pricing includes both hand- and matrix-pricing. Included issues must have a composite quality rating of BB3 or better and be fixed-rate and coupon-bearing. Weightings are reset on a monthly basis.



### Investment Profiles

Portfolio Composition data is based on information obtained from the investment company and is updated as of the date shown in the section's title. This data will vary over time.

NAV Total Returns are calculated based on the Net Asset Value of the mutual fund including reinvestment of dividends and capital gains and DO NOT include the effects of sales charges. Annual expenses such as 12b-1 fees and management expenses are accounted for in the figures. The Load Adjusted returns take into account the effects of sales charges and may be found.

Top Holdings, Portfolio Composition, and Sector Weighting data is based on information obtained from the investment company, is updated as of the date shown in the section's title, and will vary over time.

The Total Return % Rank Within Category shows the security's rank against all securities within its investment category based on total return and DOES NOT include the effects of sales charges. Each rank is expressed as a percentile where 1=best and 100=worst. Rankings are generated by Thomson Financial.

The Standardized Average Annual Total Return figures shown are calculated using the formula in form N-1A as mandated by the Securities and Exchange Commission. Except where noted, the calculations take into account the maximum sales and/or redemption charges currently in effect, and any annual expenses assessed. The figures assume a one-time lump sum investment and do not include the effect of taxation.

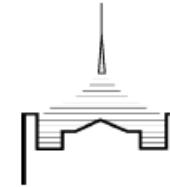
**Before Taxes** returns take into account the maximum sales and/or redemption charges currently in effect, and any annual expenses assessed. The figures assume a one-time lump sum investment and do not include the effect of taxation.

**After Taxes** returns take into account the maximum sales and/or redemption charges currently in effect, any annual expenses assessed, and the effect of taxable distributions by a fund to its shareholders. It does not include the effect of any taxable gain or loss that would have been realized by a shareholder upon the sale of fund shares.

**After Taxes on Sale of Shares** returns take into account the maximum sales and/or redemption charges currently in effect, any annual expenses assessed, the effect of taxable

**Standard deviation** is a measure of a security's volatility, or variability in expected return. As such, it is a measure of risk since risk can be defined as the uncertainty of the expected return. Higher numbers indicate higher historical volatility. Standard deviation is most often used as a measure of risk relative to other securities or indexes. Standard Deviation does not measure all aspects of investment risks.

**Alpha** coefficient is a measure of risk-adjusted return. This number represents the difference between the security's actual performance and the performance anticipated in light of the security's risk posture and the market's behavior. A positive Alpha indicates that the manager has been successful at security selection and/or market timing, and has produced a rate of return which is more than commensurate with the security's risk posture.



IMPORTANT INFORMATION PLEASE READ

The information contained herein is not intended to be used by any other party other than the individual/entity referenced on the front page. It is provided for informational purposes only and was obtained from sources believed to be reliable, but is not guaranteed by Morgan Keegan. Morgan Keegan shall not be liable for any inaccuracies, errors or omissions. In no way should this be considered a complete representation of all material facts. It is not intended to provide legal or tax advice. Investors should consult with their legal and or tax consultant prior to embarking on any specific investment strategy. Opinions which may be expressed herein are our current opinions at the time of publication and are subject to change without notice.

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# Morgan Keegan

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