

August 31, 2010

### Adding FDX & XTEX; Removing LSTR

At the regularly scheduled meeting, the Focus Committee voted to add both FedEx (FDX) and Crosstex Energy (XTEX) and to remove Landstar Systems (LSTR).

#### Additions:

**FedEx (FDX):** The Focus Committee elected to add FedEx (FDX) to the Focus List. Due to higher fuel costs, ocean carriers are slowing down their shipping speeds to cut costs. This has caused a shipping container shortage. Our Airfreight analyst, Art Hatfield believes that this will play out favorably for FedEx (FDX) as retailers, who have not booked containers for holiday shipping, will have to pay up for expedited airfreight in order to stock the shelves for Christmas. This higher margin business should provide some earnings upside for the company. The Focus Committee believes the recent pullback in shares of FDX provides investors with an attractive entry point.

**Crosstex Energy (XTEX):** The Focus Committee voted to add Crosstex Energy (XTEX) because of the attractive valuation and the re-initiation of their quarterly distribution expected to be declared for the 3Q. Crosstex Energy, L.P., a midstream natural gas company headquartered in Dallas, operates over 3,000 miles of pipeline, 10 processing plants, and three fractionators. The stock has climbed over the last year as XTEX has continued to improve its credibility with investors by successfully executing on its turnaround plan. Our MLP analyst, John Edwards, believes that a distribution run-rate of \$1.28 12 months out at an 8% yield on the units would imply a value of approximately \$16 and a 9-9.5x next twelve months EBITDA implies a value of \$16-\$18/unit. The Focus Committee believes that the distribution resumption with strong growth prospects are underappreciated. Given the turnaround nature of the story and existing macro risks in the larger economy, investors should expect a higher degree of volatility than that ordinarily associated with an MLP but investors should be rewarded over time.

#### Removals:

**Landstar Systems (LSTR):** The Focus Committee elected to remove Landstar Systems (LSTR) from the Focus List after the company lowered their Q3 earnings guidance last week. While Chaz Jones, our Truckload Transportation analyst, maintains his Outperform rating on shares of LSTR, the Focus Committee believes there is no near term catalyst to push the stock materially above truckload sector performance.

Stocks emphasized for timely purchase: **Allscripts-Misys (MDRX), JB Hunt Transport Services (JBHT), Semtech (SMTC), and Union Pacific (UNP).**

### FOCUS LIST PERFORMANCE

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 YTD (as of 8/20)
<b>MK FOCUS</b>	<b>-12.1%</b>	<b>-19.8%</b>	<b>57.0%</b>	<b>32.0%</b>	<b>6.7%</b>	<b>16.7%</b>	<b>-7.2%</b>	<b>-31.2%</b>	<b>35.95%</b>	<b>-2.9%</b>
S&P 500	-13.0%	-23.4%	26.4%	9.0%	3.0%	13.6%	3.5%	-38.5%	23.5%	-4.5%
NASDAQ	-21.1%	-31.5%	50.0%	8.6%	1.4%	9.5%	9.8%	-40.5%	43.9%	-5.1%
RUSSELL 2000	1.0%	-21.6%	45.4%	17.0%	3.3%	17.0%	-2.8%	-34.8%	25.2%	-2.3%

A detailed report on the specific performance of each Focus List recommendation during the period beginning January 1, 1998 is available upon request. Calculations were based on a hypothetical initial investment in each stock at the number of whole shares most closely approximating \$1,000. Stocks were valued at (i) the market at the end of the month, (ii) weighted average price received by Morgan Keegan customers for the same side transactions on the following trade date if a change was made while the market is closed, (iii) the weighted average price received by Morgan Keegan customers for the same side transactions for that trade date if a change is made before 12:00 pm EST on a date the market is open, or (iv) the weighted average price received by Morgan Keegan customers for same-side transactions for the next following trade date if a change is made after 12:00 pm EST on a date the market is open. In addition, the returns do not reflect transaction costs that would reduce overall returns, depending upon the negotiated transaction fees. Past performance is not to be deemed a guarantee of future success, and these results would only have been obtained if each recommendation had been acted upon. While investment research and analysis cannot guarantee successful investing, the use of research recommendations can improve the likelihood of success.

## THE FOCUS LIST

The Morgan Keegan Focus Committee is responsible for identifying and making timely stock selections based on ideas generated from the firm's equity research. Led by the Director of Equity Research, the roster also includes members of Institutional Sales, the Equity Strategy Group, and Retail Sales. The Focus Committee generally meets on a weekly basis to discuss proposed changes to the list.

Stocks on the Focus List are most appropriate for aggressive clients/accounts willing to accept higher risks in an attempt to receive better than average returns. The Focus List is not a model portfolio, and only represents what the Committee currently believes to be the best ideas from Morgan Keegan's equity research universe. The accompanying Focus List Table is a complete listing of the Focus Committee's selections as of August 31, 2010, to determine if any of the stocks on the list are appropriate for you, please contact your Morgan Keegan Financial Advisor.

COMPANY NAME	SYMBOL	DATE ADDED
ALLIANCE DATA SYSTEMS	ADS	3/17/10
ALLSCRIPTS-MISYS	MDRX	8/17/10
APPLE	AAPL	7/14/09
BB&T CORP	BBT	1/12/10
CERNER CORPORATION	CERN	01/26/10
CROSTEX ENERGY	XTEX	8/31/10
FEDEX	FDX	8/31/10
JB HUNT TRANSPORT SERVICES	JBHT	5/26/10
KNOLGY	KNOL	9/29/09
MONRO MUFFLER BRAKE	MNRO	4/28/09
RF MICRO DEVICES	RFMD	11/10/09
SEMTECH	SMTX	1/12/10
UNION PACIFIC	UNP	6/1/10
WHITING PETROLEUM	WLL	2/23/10
ZIONS BANCORPORATION	ZION	7/13/10

### ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

This update is for informational purposes only and does not constitute a research report but rather serves as an overview of recent Focus Committee selections. The information contained in this update is based on sources considered to be reliable but is not represented to be complete and its accuracy is not guaranteed. This update does not constitute an offer to sell or a solicitation to buy any securities. Morgan Keegan & Co., Inc., a subsidiary of Regions Financial Corporation, and its officers, directors, shareholders, employees, affiliates, and members of their respective families may have positions in these securities and may, as principal or agent, buy and sell such securities before or concurrently with the publication of this update. An employee of Morgan Keegan & Co., Inc. and/or its parent company may be a member of the Boards of Directors of companies referred to in this update. Additional information is available upon request. The securities and other investment products described in this report are: (1) not insured by the FDIC. (2) Not deposits or other obligations of, nor guaranteed by Morgan Keegan & Co., Inc., Regions Financial Corporation or any of their affiliates. (3) Subject to investment risks, including possibly loss of the principal amount invested. This update is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. No security or investment strategy is suitable for all investors. Investors should seek financial advice regarding the appropriateness of investing in securities and implementing investment strategies discussed in this update and should understand that statements regarding future prospects may not be realized.