

WATKINS | MEEGAN

October 20, 2011

To the Board of Regents
Gunston Hall Regents Fund
Mason Neck, VA 22079

In planning and performing our audit of the financial statements of Gunston Hall Regents Fund (the Regents Fund) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the Regents Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regents Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Regents Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

We do have the following comment for your consideration.

FDIC Coverage

As a result of the Dodd-Frank Act passed in 2010, the FDIC provides unlimited coverage for non-interest bearing bank accounts maintained at FDIC-insured institutions from December 31, 2010 through December 31, 2012. Given the low interest rate environment and the bank balances held by the Regents Fund, we recommend the Regents Fund evaluate the feasibility of converting accounts with excessive balances to non-interest bearing accounts, thereby receiving unlimited coverage from the FDIC.

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This communication is intended solely for the information and use of management, the Board of Trustees, and others within the Regents Fund, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Watkins Megan LLC