

January 17, 2002

FOR MORE INFORMATION

Brian M. Smith, Executive Director
816.413.8900, ext.120
bsmith@cefa.com

2001 Performance Summary

Closed-End Funds Post Another Benchmark-Beating Year

(Kansas City, MO)—Closed-end funds delivered another benchmark-beating performance for the year 2001. Domestic equity closed-end funds delivered 6.5% and -1.6% average total return based on market price and net asset value (NAV) performance, respectively. The category beat the S&P 500 Index, which delivered -13.0% for the year, by 19.5%. In the previous year, 2000, domestic equity closed-end funds outpaced the S&P 500 by 20.3%, based on market price performance. During 2001 the domestic-equity sector was led by convertible fund performance which delivered 9.5% and -0.1% average total returns based on market price and net asset value performance.

“Whether you look at closed-end funds by NAV or market price, investors have enjoyed two years of solid performance during very difficult market conditions,” said Brian Smith, Executive Director of the Closed-End Fund Association. “Closed-end funds offer investors an excellent way to diversify their portfolios. The decline in the U.S. equity market over the past two years has made a strong case for diversification and closed-end funds should be a part of every investor’s asset allocation plan. During market sell-offs, closed-end managers can maintain their investment strategies and are not forced to liquidate holdings to meet redemptions. In addition, investors often seek value through discount investing, particularly during declining markets.”

CLOSED-END FUND ASSOCIATION

Investment Results for Periods Ended December 31, 2001

	4Q		1 Year		5 Years (Annualized)	
	Price	NAV	Price	NAV	Price	NAV
Domestic Equity Closed-end Funds¹ (52)	11.6%	10.4%	6.5%	-1.6%	9.8%	9.1%
General Domestic Equity Closed-end Funds (18)	11.7%	14.4%	1.1%	-4.1%	12.5%	11.4%
Convertible Closed-end Funds (8)	6.5%	7.6%	9.5%	-0.1%	8.7%	7.4%
International Equity Closed-end Funds² (62)	17.7%	16.9%	-3.9%	-9.3%	-2.9%	-2.1%
Taxable Income Closed-end Funds³ (119)	2.4%	3.6%	9.1%	4.1%	5.8%	4.5%
Corporate High Yield Closed-end Funds (29)	3.0%	6.2%	-0.8%	-5.9%	-1.4%	-2.6%
Corporate Loan Closed-end Funds (5)	-3.5%	-0.1%	-3.1%	-0.8%	1.4%	4.0%
Investment Grade Bond Closed-end Funds (14)	1.9%	1.2%	12.7%	10.1%	8.6%	7.7%
Municipal Closed-end Funds⁴ (214)	0.8%	-1.2%	12.1%	5.1%	6.5%	5.9%

Source: FundEdge, First Union Securities

¹ Includes general, small cap, sector, convertible, preferred and income-oriented equity funds.

² Includes international, regional and country equity funds.

³ Includes corporate bond and loan, investment grade, government, mortgage and international income funds.

⁴ Includes national and single state municipal income funds.

Past performance is no guarantee of future results.

The prices of closed-end funds may trade at a discount or a premium to their net asset values.

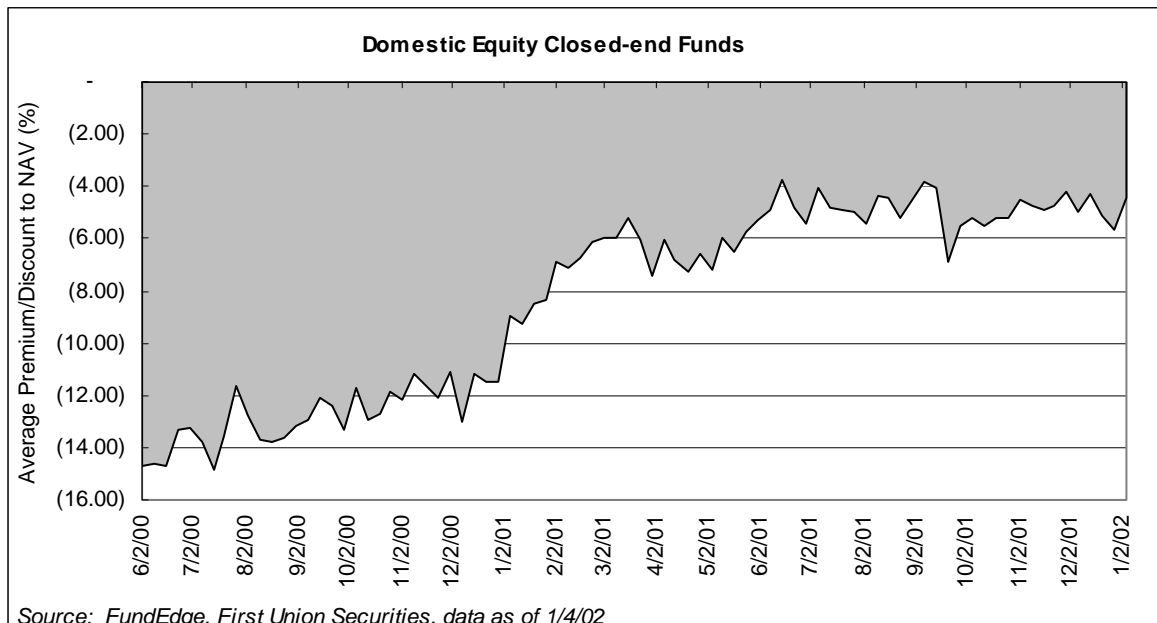
Investment value and return will fluctuate so that shares may be worth more or less than original value when sold.

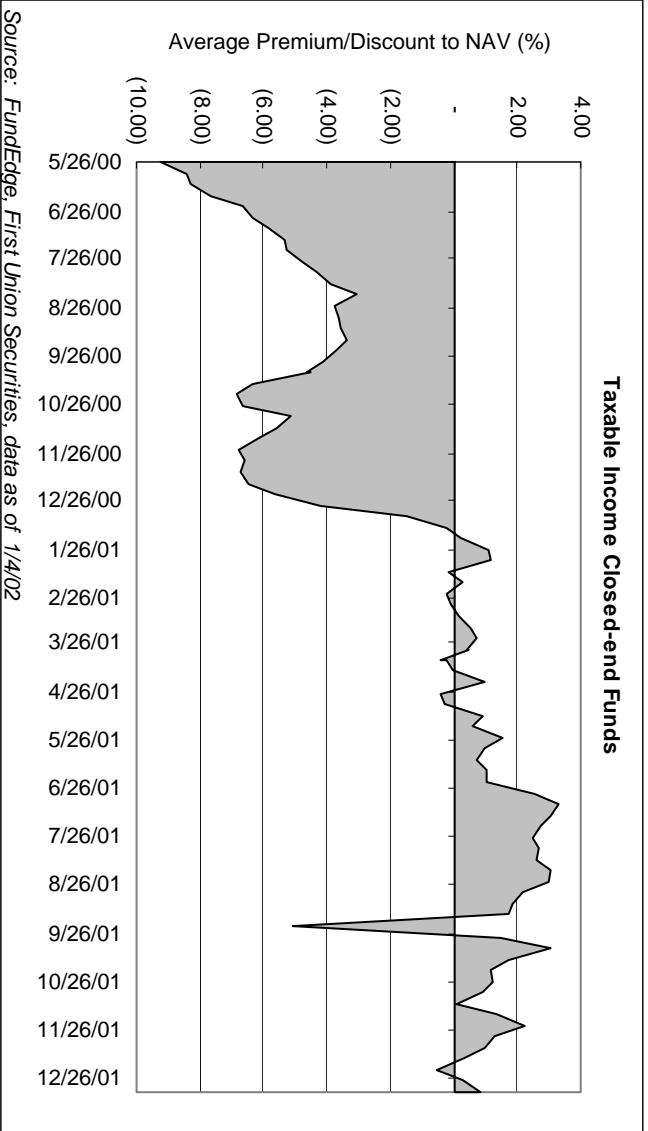
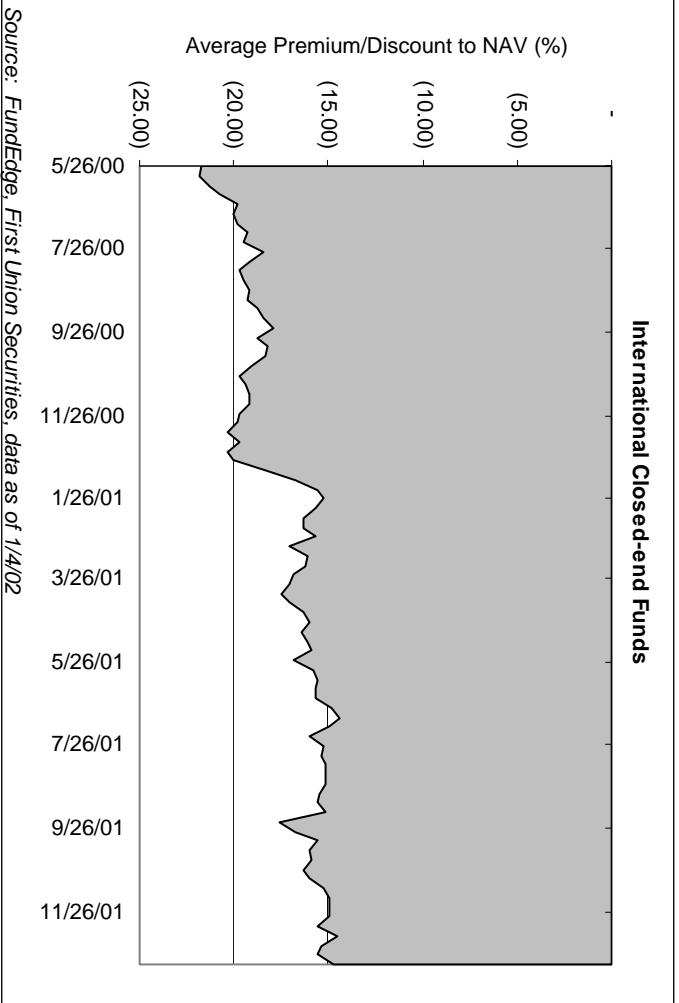
Specialized funds, like those whose assets holdings are high yield or international equities, are subject to additional risks than diversified closed-end funds.

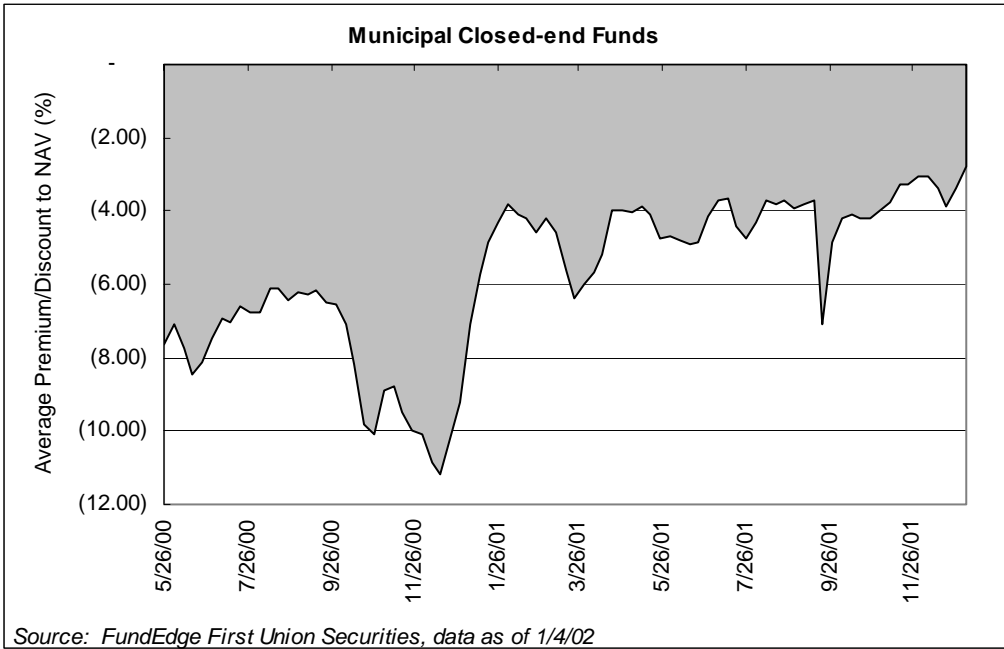
First Union Securities, Inc. Member New York Stock Exchange and SIPC.

-1-

Municipal closed-end funds outpaced all four major categories of closed-end performance with a market price return of 12.1%, followed by taxable income funds at 9.1%. The only sector to post negative annual total returns was the international equity sector which delivered -3.9% and -9.3% based on market price and NAV performance. However, the sector was up dramatically from last year when it delivered -23.5% and -22.2% respectively, with market price performance up nearly 14% over the prior year.







PO. Box 28037
 Kansas City, MO 64188
 TEL 816.413.8900
 FAX 816.413.8999
 E-Mail cefa@cefa.com

**CLOSED-END
 FUND
 ASSOCIATION, INC.**