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FOR MORE INFORMATION
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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

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

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.
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.

Source: FundEdge, First Union Securities, data as of 1/4/02
International Closed-end Funds

Average Premium/Discount to NAV (%)

Source: FundEdge, First Union Securities, data as of 1/4/02

Taxable Income Closed-end Funds

Average Premium/Discount to NAV (%)

Source: FundEdge, First Union Securities, data as of 1/4/02
Municipal Closed-end Funds

Average Premium/Discount to NAV (%)

Source: FundEdge First Union Securities, data as of 1/4/02

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