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Municipal Closed-end Funds

Avoid Near-term Call Risk

We think investors should start to weed out from their portfolios those municipal closed-end funds with near-term call risk. This report lists those municipal closed-end funds that we believe have above-average call risk in the near future.

Table 1 lists those municipal closed-end funds that we believe will experience above-average call risk during the remainder of this year and next year. As interest rates have declined, the net asset values of municipal closed-end funds have increased and their discounts have narrowed as shown on the graph below. We think this should prompt investors to start reducing their positions in those municipal funds with greater call risk. If interest rates were to remain stable over the next year, then these funds would likely need to reinvest the assets that are called in the near future at lower current rates. This would reduce the earnings of these funds, which would likely lead to dividend reductions. This, in turn, could widen these funds' discounts. If interest rates decline in the near future as many market experts expect in the wake of the New York and Washington terrorist attacks, the call risk would be magnified for these funds. Not only would the probability of certain bonds being called increase, but the difference between the yield of the bonds in the portfolio and the fund's reinvestment yield would widen.

Table 1 sets forth call data for the municipal closed-end funds that we have determined have above-average near-term call risk. For example, the Nuveen Select Tax-Free Income Portfolio (NXP-NYSE \$15.05, C) has 49% of its assets subject to call in 2002. Those assets have an average coupon of 7.0%, which is high relative to the current 5.3% level for the Bond Buyer 25 Revenue Bond Yield Index. In other words, in 2002 about half of this portfolio will likely be replaced with lower yielding securities, reducing the earnings and consequently the dividend of the fund. We think this in turn will likely turn the fund's minuscule premium into a discount.

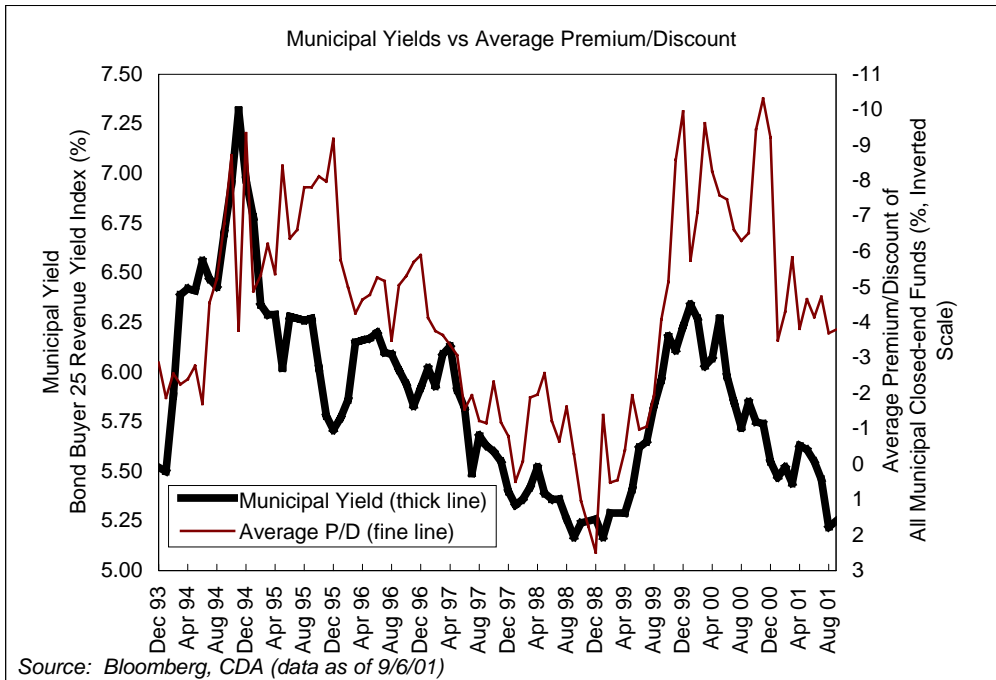


Table 1
Municipal Closed-end Funds With Above-Average Near-Term Call Risk
Percentage of Total Assets Subject to Calls or Maturing Per Year and Average Weighted Coupon (%) Per Year

Ticker	Name	2001		2002		2003		2004		2005		As of
		% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	
BFC	BlackRock CA Ins Muni 2008	4%	N.A.	39%	N.A.	10%	N.A.	1%	N.A.	1%	N.A.	6/01
RAA	BlackRock CA Inv Quality Muni	-	-	14%	N.A.	12%	N.A.	34%	N.A.	5%	N.A.	6/01
BRF	BlackRock FL Insured 2008	-	-	62%	N.A.	1%	N.A.	8%	N.A.	4%	N.A.	6/01
BRM	BlackRock Ins Municipal 2008	4%	N.A.	35%	N.A.	12%	N.A.	8%	N.A.	4%	N.A.	6/01
BMT	BlackRock Ins Muni Term (2010)	4%	N.A.	43%	N.A.	5%	N.A.	10%	N.A.	6%	N.A.	6/01
BMN	BlackRock Muni Target (2006)	17%	N.A.	26%	N.A.	2%	N.A.	4%	N.A.	1%	N.A.	6/01
RNJ	BlackRock NJ Inv Quality Muni	5%	N.A.	10%	N.A.	2%	N.A.	15%	N.A.	24%	N.A.	6/01
BLN	BlackRock NY Ins Muni 2008	-	-	35%	N.A.	7%	N.A.	11%	N.A.	2%	N.A.	6/01
DCM	Dreyfus CA Muni Income	-	-	15%	N.A.	17%	N.A.	16%	N.A.	-	-	6/01
DSM	Dreyfus Strategic Muni Bond	3%	N.A.	11%	N.A.	8%	N.A.	7%	N.A.	5%	N.A.	6/01
LEO	Dreyfus Strategic Muni	5%	N.A.	14%	N.A.	10%	N.A.	3%	N.A.	5%	N.A.	6/01
SBI	Intermediate Municipal Fund	6%	N.A.	12%	N.A.	9%	N.A.	7%	N.A.	6%	N.A.	6/01
MMU	Managed Municipal Portfolio	1%	N.A.	16%	N.A.	3%	N.A.	5%	N.A.	4%	N.A.	6/01
MTU	Managed Municipal Portfolio 2	-	-	21%	N.A.	8%	N.A.	4%	N.A.	3%	N.A.	6/01
MFM	MFS Municipal Income Trust	13%	N.A.	13%	N.A.	9%	N.A.	10%	N.A.	3%	N.A.	6/01
IIC	MSDW CA Ins Muni Inc	2%	5.0	17%	5.7	55%	5.9	4%	5.2	1%	5.9	4/01
IMB	MSDW Insured Muni Bond	20%	7.4	-	-	2%	6.2	-	-	4%	6.2	4/01
IIM	MSDW Insured Muni Income	2%	6.0	14%	5.8	48%	6.0	3%	4.6	1%	5.9	4/01
IMT	MSDW Insured Muni	8%	6.9	34%	6.9	2%	5.1	3%	6.1	4%	5.7	4/01
OIA	MSDW Muni Inc Opp	11%	9.7	2%	6.5	3%	7.8	6%	9.6	9%	6.8	4/01
OIB	MSDW Muni Inc Opp 2	20%	9.9	2%	5.8	2%	7.8	3%	7.5	8%	6.7	4/01
OIC	MSDW Muni Inc Opp 3	23%	9.4	4%	6.0	3%	8.0	5%	6.7	8%	6.8	4/01
PIA	MSDW Muni Prem Income	14%	7.3	8%	6.3	-	-	8%	6.4	9%	6.1	4/01
IQI	MSDW Quality Muni Inc	4%	7.6	43%	6.5	10%	6.5	-	-	1%	6.0	4/01
IQT	MSDW Quality Muni Inv	40%	7.3	2%	7.0	6%	6.8	1%	5.3	10%	6.1	4/01
MHF	Municipal High Income Fund	6%	N.A.	10%	N.A.	7%	N.A.	8%	N.A.	2%	N.A.	6/01
MFT	MuniYield FL Insured Fund	1%	N.A.	17%	N.A.	-	N.A.	7%	N.A.	8%	N.A.	6/01
MIY	MuniYield MI Insured Fund	-	N.A.	11%	N.A.	4%	N.A.	7%	N.A.	4%	N.A.	6/01
MPA	MuniYield PA Insured Fund	2%	N.A.	12%	N.A.	1%	N.A.	9%	N.A.	3%	N.A.	6/01
MYF	MuniYield FL Fund	6%	N.A.	13%	N.A.	1%	N.A.	6%	N.A.	3%	N.A.	6/01
MYI	MuniYield Insured Fund	6%	N.A.	12%	N.A.	3%	N.A.	5%	N.A.	5%	N.A.	6/01
MYJ	MuniYield NJ Fund	-	N.A.	16%	N.A.	1%	N.A.	11%	N.A.	2%	N.A.	6/01
MYM	MuniYield MI Fund	2%	N.A.	10%	N.A.	3%	N.A.	6%	N.A.	5%	N.A.	6/01
MZA	MuniYield AZ Fund	1%	N.A.	10%	N.A.	2%	N.A.	3%	N.A.	2%	N.A.	6/01
NAZ	Nuveen AZ Prem Inc Muni	-	-	12%	6.4	16%	6.4	10%	6.3	4%	6.1	7/01
NFL	Nuveen Ins FL Prem Inc Muni	-	-	10%	6.2	6%	5.7	5%	5.8	2%	5.8	7/01
NIF	Nuveen Premier Ins Muni Inc	-	-	20%	6.6	9%	7.1	2%	9.2	4%	7.7	7/01
NIM	Nuveen Select Maturities Muni	-	-	16%	7.1	16%	6.6	4%	6.4	2%	6.5	7/01
NIO	Nuveen Ins Muni Opportunity	2%	6.9	15%	6.7	5%	5.9	7%	6.0	7%	5.6	7/01
NMT	Nuveen MA Prem Income Muni	3%	5.8	14%	7.2	13%	5.8	10%	5.6	6%	6.4	7/01
NNC	Nuveen NC Prem Income Muni	-	-	16%	6.8	15%	5.6	6%	6.2	-	-	7/01
NNF	Nuveen Ins NY Prem Inc Muni	-	-	11%	6.5	7%	6.2	10%	6.2	12%	6.7	7/01
NNJ	Nuveen NJ Prem Inc Muni	1%	7.1	10%	6.9	6%	6.3	10%	5.7	10%	5.7	7/01
NPC	Nuveen Ins CA Prem Inc Muni	-	-	11%	6.3	18%	5.5	7%	4.7	-	-	7/01
NPF	Nuveen Prem Muni Inc	1%	7.8	21%	7.4	8%	7.1	11%	6.2	2%	8.1	7/01
NPM	Nuveen Prem Inc Muni 2	1%	7.8	20%	6.7	22%	6.5	8%	6.5	7%	6.3	7/01
NPT	Nuveen Prem Inc Muni 4	1%	6.8	11%	6.8	9%	6.4	11%	6.0	7%	6.3	7/01
NPV	Nuveen VA Prem Inc Muni	2%	6.3	12%	6.2	11%	6.0	16%	6.0	8%	6.0	7/01
NQF	Nuveen FL Inv Quality Muni	8%	7.0	11%	6.8	3%	5.8	2%	9.8	3%	6.3	7/01
NQJ	Nuveen NJ Inv Quality Muni	8%	6.8	20%	6.8	8%	6.4	1%	6.2	2%	6.3	7/01

Bold : Greater than 10% of assets subject to calls in a given year.

Source: Funds

Table 1 (Continued)

Municipal Closed-end Funds With Above-Average Near-Term Call Risk

Percentage of Total Assets Subject to Calls or Maturing Per Year and Average Weighted Coupon (%) Per Year

Ticker	Name	2001		2002		2003		2004		2005		As of
		% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	% of Assets	Avg. Coupon	
NQP	Nuveen PA Inv Quality Muni	12%	7.1	17%	6.7	5%	7.2	2%	7.3	3%	6.6	7/01
NQU	Nuveen Quality Income Muni	5%	6.9	13%	7.3	3%	6.8	4%	6.9	8%	6.3	7/01
NUC	Nuveen CA Quality Income Muni	1%	6.8	21%	6.7	12%	6.0	7%	6.2	1%	4.6	7/01
NUF	Nuveen FL Quality Income Muni	7%	6.7	31%	6.8	2%	5.7	3%	6.2	1%	6.3	7/01
NUM	Nuveen MI Quality Income Muni	-	-	23%	6.7	8%	6.5	6%	5.8	7%	5.6	7/01
NUN	Nuveen NY Quality Income Muni	1%	6.2	34%	6.6	2%	6.1	4%	5.5	4%	5.8	7/01
NUO	Nuveen OH Quality Income Muni	5%	7.1	19%	6.6	10%	6.5	7%	6.5	5%	6.2	7/01
NTX	Nuveen TX Quality Income Muni	1%	7.1	17%	6.9	3%	6.5	6%	6.5	5%	6.0	7/01
NVN	Nuveen NY Select Quality Muni	3%	3.7	18%	6.6	1%	5.5	-	-	5%	5.9	7/01
NXC	Nuveen Ins CA Select T/F Inc	1%	6.0	56%	6.2	17%	6.2	5%	6.8	-	-	7/01
NXN	Nuveen Ins NY Select T/F Inc	-	-	43%	6.2	17%	6.3	4%	7.0	13%	6.5	7/01
NXP	Nuveen Select T/F Income	-	-	49%	7.0	12%	6.3	6%	6.7	2%	6.3	7/01
NXQ	Nuveen Select T/F Income 2	2%	7.9	54%	6.8	19%	6.6	6%	6.9	4%	6.3	7/01
NXR	Nuveen Select T/F Income 3	2%	6.4	44%	6.6	31%	6.4	3%	6.7	-	-	7/01
PCA	Putnam CA Inv Grade Muni	4%	9.6	20%	7.4	-	-	18%	7.1	-	-	4/01
PYM	Putnam High Yield Muni	17%	9.1	11%	8.1	3%	6.0	11%	8.3	5%	7.1	3/01
PGM	Putnam Inv Grade Muni	9%	8.4	12%	7.7	2%	8.5	4%	7.5	6%	7.0	5/01
PMG	Putnam Inv Grade Muni II	10%	8.1	11%	7.7	2%	8.5	4%	7.5	9%	7.1	4/01
PMM	Putnam Managed Muni Income	7%	8.4	17%	8.0	5%	7.2	9%	7.0	2%	7.6	4/01
PMO	Putnam Muni Opportunities Tr	8%	8.3	13%	7.8	7%	6.9	13%	7.7	10%	6.2	4/01
PMN	Putnam NY Inv Grade Muni	10%	8.1	22%	7.2	8%	6.2	8%	6.7	0%	6.0	4/01
PMH	Putnam T/F Health Care	11%	9.2	15%	8.1	4%	7.1	11%	7.7	3%	8.4	5/01
SQF	Seligman Quality Municipal Fund	7%	N.A.	17%	N.A.	1%	N.A.	-	-	15%	N.A.	6/01
VKA	Van Kampen Adv Muni Income	2%	6.8	10%	6.9	6%	5.7	13%	6.4	9%	6.5	6/01
VAP	Van Kampen Adv PA Muni Inc	-	-	30%	6.5	9%	6.4	4%	6.6	-	-	6/01
VKC	Van Kampen CA Muni Income	-	-	12%	6.2	-	-	2%	6.0	-	-	6/01
VQC	Van Kampen CA Quality Muni	2%	6.8	18%	6.6	2%	7.3	1%	6.4	4%	6.3	6/01
VCV	Van Kampen CA Value Muni Inc	-	-	12%	6.4	22%	5.3	0%	7.9	3%	5.8	6/01
VFM	Van Kampen FL Quality Muni	14%	6.0	4%	7.2	3%	5.5	6%	6.7	2%	7.1	6/01
VMV	Van Kampen MA Value Muni Inc	-	-	12%	6.4	15%	5.4	21%	6.1	9%	6.6	6/01
VMO	Van Kampen Muni Opportunity	2%	7.2	13%	6.8	6%	5.7	6%	6.5	6%	6.5	6/01
VKQ	Van Kampen Municipal Trust	7%	7.5	10%	7.4	5%	6.1	5%	6.5	5%	5.4	6/01
VNM	Van Kampen NY Quality Muni	2%	7.0	16%	6.9	9%	7.2	10%	5.9	2%	5.8	6/01
VOQ	Van Kampen OH Quality Muni	8%	6.9	27%	6.9	2%	6.5	2%	6.5	1%	7.3	6/01
VPQ	Van Kampen PA Quality Muni	17%	7.1	12%	7.0	5%	5.8	8%	1.2	1%	0.0	6/01
VIM	Van Kampen Trust for Ins Muni	-	-	26%	6.8	9%	7.4	1%	8.1	1%	6.9	6/01
VIC	Van Kampen Tr Inv Gr CA Muni	-	-	30%	6.4	4%	6.1	1%	5.7	4%	5.9	6/01
VTF	Van Kampen Tr Inv Gr FL Muni	5%	6.2	19%	6.5	3%	5.3	9%	6.1	2%	5.9	6/01
VTJ	Van Kampen Tr Inv Gr NJ Muni	1%	6.1	24%	6.5	6%	6.3	19%	6.3	1%	6.2	6/01
VTN	Van Kampen Tr Inv Gr NY Muni	4%	6.9	15%	6.3	12%	5.6	5%	6.7	4%	6.8	6/01
VTP	Van Kampen Tr Inv Gr PA Muni	1%	7.5	39%	6.6	4%	6.0	2%	5.3	1%	0.0	6/01
VGM	Van Kampen Tr Inv Gr Muni	2%	7.3	15%	7.1	8%	6.1	2%	6.2	5%	5.9	6/01
VKV	Van Kampen Value Muni Inc	3%	7.0	11%	7.0	10%	6.0	11%	6.6	5%	5.7	6/01
VAZ	Voyageur AZ Muni Income	-	-	19%	N.A.	12%	N.A.	-	-	4%	N.A.	6/01
VFL	Voyageur FL Ins Muni Income	4%	N.A.	11%	N.A.	3%	N.A.	-	-	17%	N.A.	6/01
VMN	Voyageur MN Muni Income	2%	N.A.	40%	N.A.	10%	N.A.	7%	N.A.	6%	N.A.	6/01
VMM	Voyageur MN Muni Income 2	-	-	16%	N.A.	35%	N.A.	7%	N.A.	8%	N.A.	6/01
VYM	Voyageur MN Muni Income 3	-	-	18%	N.A.	14%	N.A.	4%	N.A.	14%	N.A.	6/01

Bold: Greater than 10% of assets subject to calls in a given year.

Source: Funds

Additional information is available upon request.

Definition of Risk Ratings

Two main factors contribute to a fund's risk rating: (1) the number of risks affecting a fund (credit quality, leverage, currency exposure, sovereign risk, market capitalization, security or industry concentration, etc.), and (2) a fund's expected net asset value volatility, which is measured by the 5-year annualized standard deviation of net asset value. A fund's historical volatility will be an indicator of its future volatility, but we will adjust it for any investment strategy changes.

A fund rated conservative (C) will typically have exposure to only one risk and its expected volatility will be below 8%. A fund rated moderate (M) will typically have at least two risks and its expected volatility will be between 9% and 16%. A fund rated aggressive (A) will be exposed to at least three risks and its volatility will be above 17%. A combined risk rating (C/M or M/A) means that each of the two risk factors (number of risks and expected volatility) reflects a different risk category.

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