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

2001 Second Quarter Performance Summary
Closed-End Funds Continue Positive Trends

(Kansas City, MO)—Performance for the 3 months ended June 30, 2001 in closed-end funds continues a trend in which increases in underlying net asset values, together with narrowing discounts, have combined to create positive average total returns for investors. International closed-end funds have been leading the way in discount narrowing. Over the past six months, the average discount for the sector has fallen from -23.5% on December 31, 2000 to -14.0% on June 30, 2001 — an improvement of 9.5%.

For the second quarter, domestic equity funds delivered solid net asset value performance and enhanced market price performance due to narrowing discounts. In a report just issued by Lipper®, the median discount for all market-traded closed-end funds was -4.8% at June 30, 2001, compared with -10.1% on December 31, 2000. Over the past 12 months, the domestic equity sector posted an average total return on a market price basis of 10.3%. This compares with the S&P 500 Index which delivered a -14.8% over the same period, for a differential of approximately 25%.

<table>
<thead>
<tr>
<th>Investment Type</th>
<th>2Q</th>
<th>1 Year</th>
<th>5 Years (Annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity Closed-end Funds</td>
<td>10.6%</td>
<td>7.9%</td>
<td>10.3%</td>
</tr>
<tr>
<td>General Domestic Equity Closed-end Funds (18)</td>
<td>11.3%</td>
<td>9.6%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Convertible Closed-end Funds (8)</td>
<td>4.1%</td>
<td>3.6%</td>
<td>11.0%</td>
</tr>
<tr>
<td>International Equity Closed-end Funds (66)</td>
<td>6.6%</td>
<td>3.4%</td>
<td>-14.0%</td>
</tr>
<tr>
<td>Taxable Income Closed-end Funds (119)</td>
<td>2.1%</td>
<td>-0.3%</td>
<td>13.3%</td>
</tr>
<tr>
<td>Corporate High Yield Closed-end Funds (28)</td>
<td>-2.8%</td>
<td>-4.7%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>Corporate Loan Closed-end Funds (5)</td>
<td>0.5%</td>
<td>-0.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Investment Grade Bond Closed-end Funds (14)</td>
<td>3.1%</td>
<td>1.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Municipal Closed-end Funds (215)</td>
<td>2.4%</td>
<td>0.6%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

Source: Wiesenberger, 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 are held in high yield or international equities, are subject to additional risks
in relation to diversified closed-end funds.
First Union Securities, Inc. Member New York Stock Exchange and SIPC.

“Closed-end funds offer investors an excellent way to diversify their portfolios,” said
Brian M. Smith, Executive Director of the Closed-End Fund Association. “The decline in the
U.S. equity market over the past 18 months 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.”

![Domestic Equity Closed-end Funds]

Source: Wiesenberger, First Union Securities, data as of 7/6/01
International Closed-end Funds

Source: Wiesenberger, First Union Securities, data as of 7/6/01

Taxable Income Closed-end Funds

Source: Wiesenberger, First Union Securities, data as of 7/6/01
Municipal Closed-end Funds

Average Premium/Discount to NAV (%)

Source: Wiesenberger, First Union Securities, data as of 7/6/01