OPPENHEIMER

April 4, 2008

Re: Auction Rate Securities: An Update

Since February 2008, there has been a general failure of the auction process to provide liquidity on a routine basis for preferred shares issued by closed end funds.

We are writing this note to keep investors and their advisors informed of the effort being undertaken by Oppenheimer & Co. Inc. ("Oppenheimer") and our industry to resolve this important issue by persuading the various issuers of Auction Rate Preferred Securities (ARPS) to redeem these securities at their issue price on an accelerated basis.

Under normal circumstances the ARP market works to bring buyers and sellers of these securities together. When imbalances have occurred in the past, specifically a situation where more sellers than buyers enter the auction, the excess supply was purchased by the broker-dealers who were acting as Agents for the issuer. In the past several weeks, the vast majority of these auctions failed to produce enough buyers for the number of investors wishing to liquidate their preferred share holdings. The Agent broker-dealers ceased buying the excess supply, resulting in failed auctions.

When ARP auctions fail, the investors that hold the securities are given a rate specified in the prospectus of the securities. These rates are usually higher than the auction rates would otherwise have been. We believe it extremely important for investors to recognize that a failed auction is **not** a default. Because of the high collateralization rates of the ARPs, we believe that the potential default risk to an investor's capital is exceptionally low.

Summary of Issuers' Response to the Auction Failures Surrounding their Preferred Shares:

The following information describes information released by issuers of ARPS through press releases, conference calls and other commentary about their intention and plans to redeem ARPS.

Aberdeen
Aberdeen redeemed $30 million in Auction Rate Preferred securities on March 13, 2008 for its Global Income Fund. They have also indicated that they are working on solutions for their other funds with outstanding ARPS.

PIMCO & Nicholas-Applegate (Allianz Global Investors)
PIMCO & Nicholas-Applegate are working on solutions to address the illiquidity of ARPS across both taxable and municipal closed-end funds. They are seeking to make ARPS eligible for purchase to a wider range of investors, in particular money market funds. They are hoping to do this through the addition of a "put" feature. They are also exploring the use of debt financing for their taxable closed-end funds.

Allianz cancelled a conference call that was supposed to be held on April 3, 2008, to provide an update on the status of their current efforts. A new date for the conference call has not been announced.

BlackRock
On March 17, 2008, BlackRock issued a press release to update shareholders on the liquidity issues in Auction Rate Preferred Shares. BlackRock sponsors 66 taxable and tax-exempt funds that use preferred leverage. At the time of the press release they had $9.8 billion in ARPS outstanding.

BlackRock is exploring several possible solutions including the addition of a "put" feature for ARPS making them eligible for purchase by money market funds. They may also seek to introduce alternative forms of leverage including: bank financing, lines of credit, margin commitment facilities, repurchase agreements, and/or tender option bonds.

BlackRock is currently unable to provide a timeline regarding a resolution of the current liquidity issues.

On March 31, 2008, BlackRock issued a statement addressing third party pricing of ARPS. BlackRock stated that any re-pricing regarding a change in valuation is at the discretion of the broker dealer, but it does not impact the credit quality of the ARPS issued by BlackRock.

They also reiterated that they are in the process of exploring potential solutions for the fund shareholders affected by the lack of liquidity.

Calamos
Calamos hosted a conference call on March 20, 2008, regarding their efforts towards achieving a resolution to the liquidity problem in ARPS. Calamos is currently in discussions regarding new debt financing for a portion of their ARPS. Calamos intends to begin announcing refinancings of ARPS within the next several weeks subject to the necessary approvals. Calamos also mentioned the possible addition of a "put" feature on ARPS as a possible method of refinancing.

Calamos Investments manages five leveraged closed-end funds with approximately $2.3 billion of ARPS outstanding.

Claymore Securities
On March 20, 2008, Claymore Securities issued a press release regarding the lack of liquidity in the ARPS market. They emphasized their belief that failed auctions were the result of the current liquidity problem and not due to concerns about the credit quality of closed-end funds.

They mentioned discussions within the closed-end fund industry regarding a structural change to existing ARPS which may increase demand from institutional investors. They also mentioned that debt financing may prove to be a viable alternative for leverage in the case of taxable funds, but that alternative isn't as viable for tax-exempt funds.

Cohen & Steers
On March 27, 2008, Cohen & Steers issued a press release regarding ARPS. The press release provided a background as to what a failed auction is and emphasized that the investments are not in default and are still AAA rated.

They said that they will continue to closely monitor developments in the ARPS market.

Eaton Vance
On March 10, 2008, Eaton Vance issued a press release regarding new financing regarding three of its closed-end funds. Eaton Vance secured financing totaling approximately $1.6 billion for the purpose of redeeming all of the outstanding auction preferred shares for three funds. The three funds are: Eaton Vance Tax-Advantaged Dividend Income Fund, Eaton Vance Tax-Advantaged Global Dividend Income Fund, and Eaton Vance Tax-Advantaged Global Dividend Opportunities Fund. It is expected that each series of the Funds' APS will be redeemed at the next dividend date after March 28, 2008.

Eaton Vance manages 29 leveraged closed-end funds with approximately $5 billion of ARPS outstanding in aggregate. Upon completion of this announced redemption the amount of Eaton Vance's outstanding ARPS will be reduced by approximately 32%.

Evergreen
On March 24, 2008, Evergreen Investments held a conference call to discuss the ARPS market. One of the solutions that Evergreen is pursuing is the use of commercial paper to retire a "partial but material portion" of the ARPS outstanding. Under this proposal current preferred shareholders will receive a payment based on a pro rata portion of their outstanding holdings. Evergreen has been authorized to pursue this potential solution, but they do not offer a time frame for when it will be implemented.

Gabelli
On March 12, 2008, Gabelli Convertible and Income Securities Fund authorized the filing of a shelf registration of up to $100 million in preferred stock or debt securities. The process usually takes one to two months. Once completed Gabelli feels they will have additional flexibility to take steps towards resolving the liquidity issue for holders of the funds auction rate preferred stock. This fund currently has $50 million of preferred stock outstanding, $25 million of which is auction rate preferred stock.

ING Prime Rate Trust
In February 2008, ING Prime Rate Trust issued a press release that contained general market commentary on the auction-rate market and their beliefs as to the cause of some of the recent market disruptions.

Please note that ING Prime Rate Trust is a separate issuer from ING Clarion. ING Clarion has announced some partial redemptions on their outstanding ARPS, but this does not apply to ING Prime Rate Trust.

John Hancock
On March 13, 2008, John Hancock issued a press release regarding the liquidity crisis in the ARPS market. They discussed some of the options that they are currently considering including refinancing ARPS with debt as well as a new form of preferred stock that will include a put feature.

John Hancock has seven funds that are leveraged with ARPS. All seven funds are taxable and total $1.8 billion in ARPS outstanding.

Legg Mason and Western Asset
On March 28, 2008, Legg Mason issued a press release regarding auction-rate securities. In their press release they expressed that they were seeking a suitable and viable solution that is equitable to both the common and preferred shareholders.

Legg Mason and Western Asset sponsor seven closed-end funds with approximately $672 million in ARPS.

MFS
On March 12, 2008, MFS issued a press release regarding auction rate securities. MFS discussed factors that they believe are the cause of the disruption in the auction rate market. They said they cannot predict the severity or duration of the disruption and that they are monitoring developments affecting the market, but can provide no assurance when or if liquidity will return to the market.

Nuveen
On March 12, 2008, Nuveen Investments announced that it is seeking to restructure leverage of the 100 Nuveen closed-end funds that have issued auction-rate preferred stock. Nuveen has arranged new debt financing to refinance a substantial portion of its taxable funds and is in discussions with market participants regarding additional financing. Nuveen intends to begin announcing ARPS refinancings for specific taxable funds, subject to necessary approvals.

On April 1, 2008, Nuveen announced the refinancing of four of their taxable closed-end funds for all or a significant portion of each fund's auction-rate securities outstanding. The four funds are Nuveen Multi-Strategy Income and Growth Fund (JPC), Nuveen Real Estate Income Fund (JRS), Nuveen Tax-Advantaged Total Return Strategy Fund (JTA), and Nuveen Tax-Advantaged Dividend Growth Fund (JTA). The announced refinancing will be for $714 million in auction-rate securities, including auction-rate preferred shares and auction-rate notes

The refinancing will be redeemed as follows: $450 million of the $708 million in ARPS in JPC (approximately 64%), $150 million of $222 million ARPS in JRS (approximately 68%), $78 million of $123 million ARS in JTA (approximately 63%), and the entire $36 million of ARPS in JTD. Funds redeeming less than 100% of their outstanding ARPS will do so on a pro rata basis. They expect to begin issuing redemption notices in the next several days and complete this initial redemption by the end of May. They expect to make similar announcements regarding their other taxable funds in the coming weeks.

Nuveen seeks to complete the refinancing of all the taxable funds' ARS within four to six months and begin refinancing some of the municipal fund ARPS within two to three months.

They are still pursuing the possibility of alternatives to the current ARS that will contain some important structural differences.

Nuveen sponsors 100 closed-end funds that are leveraged and have a total of $15.4 billion in ARPS outstanding. 13 of the funds are taxable and have $4.3 billion of ARPS outstanding, and 87 are municipal and have $11.1 billion in ARPS outstanding.

Pacholder
On March 6, 2008, Pacholder High Yield Fund issued a very general Q&A regarding Auction Rate Cumulative Preferred Shares.

Pioneer
On March 24, 2008, Pioneer issued a press release to discuss some of their efforts regarding ARPS. They are currently considering a number of options including the use of different forms of leverage as well as an enhancement to ARPS that will make them money market eligible. They mentioned that there were some signs of improvement in the auction markets for municipal securities and certain other classes but reiterated that they can not predict the extent to which failed auctions will continue to impact the market or the duration of such events.

Tortoise
On February 15, 2008, Tortoise issued a redemption notice for $55 million in auction-rate senior notes, Series C (CUSIP: 89147LAC4).

On February 20, 2008, Tortoise issued a press release in response to the volatility in the auction rate market and some of the general solutions they were pursuing regarding this market disruption. They were considering institutional placements of debt, extensions for other note and preferred shares, the use of bank lines of credit, and other alternatives to match longer term financing sources.

UBS
On March 27, 2008, UBS issued a general Question and Answer statement regarding the auction rate market. The press release explained the auction process and what happens as a result of a failed auction. UBS is currently exploring solutions regarding lack of liquidity and balancing the interests of both the common and preferred shareholders.

Van Kampen
On February 15, 2008, Van Kampen issued a general question and answer press release regarding the auction rate market and a general discussion as to what a failed auction is and its effects.

The foregoing is intended to be solely a general discussion of Auction Rate Securities. The information provided herein has been obtained from outside sources considered reliable, but no representation is being made as to its accuracy or completeness, and should not be relied upon as such. All opinions expressed and information presented is current only as of the date indicated, and is subject to change without notice.

Oppenheimer & Co. Inc. ("Oppenheimer"), including any of its affiliates, officers or employees, does not provide legal or tax advice. Oppenheimer, its management or its shareholders may have a long or short position or deal on a principal basis in the securities discussed herein. Oppenheimer and any affiliate may trade for its own accounts in any of the securities of issuers mentioned herein or in related investments, and may also from time to time perform or solicit investment banking or other services for, or from, any entity offering auction rate preferred. Periodically, Oppenheimer acts in an underwriting capacity for initial offerings of Auction Rate Preferreds.