

High Desert Investment Advisors

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Serving Your Personal Investment Needs Since 2003

February 18, 2009

INVESTMENT ADVISORY

There are two Nuveen Preferred Stock closed end funds that have been on the bubble for the last several months. Because they contain a relatively large concentration of bank and other financial market preferred stock investments, these two funds have dropped in value by about 60% since the start of year 2008. Their dividend cash flows have only dropped 15-18% during this same period. It appears that the value of these funds will continue to fall and likely will not recover. Their dividend cash flows will continue to fall, as well.

As late in the day as it is for this recommendation, I believe there is no reason to allow this fund to go to zero before selling it. This money can be reinvested into the Eaton Vance Limited Duration Fund in order to maintain much of the current dividend cash flow; alternatively, it may be added to the GNMA fund for later reinvestment into equities.

I recommend that these two funds be sold from all portfolios. The reason you are receiving this notice is because you have either one or both of the funds in your portfolio.

Please contact Iris or me with your direction to sell your Nuveen Preferred Stock funds - symbol JTP or JPS. We will try to contact you if you do not respond to this email.

Iris can be reached at: 505-220-0571 or 505-797-2644.

I can be reached at: 505-797-2644

Dick Brackett
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