

Karpus Investment Management
Performance Results – Tax-Sensitive Fixed Income Composite

June 30, 2001 through June 30, 2011

Year	Composite Total Return (%)	Benchmark Total Return (%)	Number of Portfolios	Internal Dispersion (%)	Total Assets (\$ millions)	Percentage of Firm Assets	% of Non-Fee-Paying Accounts	Total Firm Assets (\$ millions)
2011	4.57	2.68	80	0.91	119.8	5.5	0.0	2170
2010	15.00	9.86	124	1.37	183.3	9.9	0.0	1856
2009	3.69	0.49	121	1.81	139.0	9.0	0.0	1546
2008	0.62	1.00	101	1.20	125.1	8.1	0.0	1545
2007	6.93	4.00	84	1.37	112.6	8.1	0.0	1390
2006	1.44	0.61	85	0.54	95.8	8.4	0.0	1142
2005	7.73	6.57	79	2.02	111.4	10.8	1.6	1032
2004	-3.58	0.44	70	0.93	103.7	11.9	0.0	868
2003	10.36	7.10	73	0.95	89.3	11.5	0.0	774
2002	9.55	5.66	50	0.89	55.8	8.5	0.0	656

Karpus Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Karpus Investment Management has not been independently verified.

Notes:

- 1) Karpus Investment Management is an independent investment management firm founded in 1986. It is not affiliated with any parent organization. It provides balanced, equity, fixed income and cash management for individuals and institutional clients.
- 2) Total Assets and Total Firm Assets are as of 6/30. Rate of return figures are for periods ending on 6/30.
- 3) Valuations and returns are computed and stated in U.S. dollars.
- 4) Rate of return figures reflect the reinvestment of all dividends, interest and other income.
- 5) Composite total return figures are annualized (geometrically linked) monthly time-weighted returns.
- 6) Internal dispersion is calculated using the equal-weighted standard deviation of annual net returns of those portfolios that were included in the composite for the entire calendar year.
- 7) Performance results are net of management fees and transaction costs. Figures are also net of custodial fees for accounts custodied at U.S. Bank. Such accounts currently comprise approximately 68% of the assets under management for the firm. Clients directing the use of other (“outside”) custodians are responsible for custody fees and pay them either directly from the account or separately. For these portfolios, the stated returns are gross of custodial fees.
- 8) The annual management fee schedule is as follows: 1.25% on the first \$1 million of market value, 1.05% on the next \$1 million, 0.90% on the next \$3 million, 0.80% on the next \$5 million, 0.70% on the next \$10 million, and 0.60% on the balance over \$20 million.
- 9) This composite was created on January 1, 1993.
- 10) The benchmark returns are calculated for the Morningstar Municipal Bond Fund Benchmark by linking monthly returns. The performance figures given for the Morningstar benchmark have been adjusted by KIM in order to remove the survivor bias from the historical data.
- 11) The minimum portfolio size for this composite is \$100,000. The minimum was \$250,000 prior to October 1, 1996.
- 12) In order to value closed-end fund auction rate preferred securities, Karpus Investment Management used a monthly weighted average valuation provided by an independent third party; which operates, to our knowledge, the largest secondary market for auction rate securities. Effective 11/30/2008, Karpus Investment Management decided to change the method of pricing auction rate preferred securities due to the large price range at which different issues were trading. Karpus Investment Management now prices auction rate preferred securities based on the last known transaction price of each specific issue in which Karpus acted as a party to the transaction.
- 13) Significant cash flows are defined as a client-directed external cash flow that temporarily prevents the firm from implementing the composite strategy; the firm has set this at 20% of the market value of an account and started January 1, 2010.
- 14) At June 30, 2011, the three-year annualized ex-post standard deviation of the composite and the benchmark are 9.12% and 6.06%, respectively.
- 15) Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A complete list and description of all of the firm’s composites is available upon request.