

IMPORTANT—IMPORTANT—IMPORTANT

We're pleased to announce that effective **November 15, 2003** the Fund will be renamed

Flaherty & Crumrine Preferred Income Fund Incorporated

The New York Stock Exchange symbol, **PFD**, **will not change**.

Your stock certificate does not need to be exchanged.

It is said that imitation is the sincerest form of flattery. We are flattered by the fact that several recent funds have chosen names similar to ours, but it has become a bit confusing. This change will clearly differentiate the family of funds managed by Flaherty & Crumrine from other funds with similar names.

Besides the name, little else will change. The newspaper listing will move to the "F's" and will have the following new abbreviations:

Wall Street Journal – FlrtyPfd Income
Investor's Business Daily - FlrtyPfdInc
Newspapers receiving listings from the Associated Press – FlrtyPfdInc

Don't forget, you can always get up-to-date information on the Fund at www.preferredincome.com.

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We're pleased to announce that effective **November 15, 2003** the Fund will be renamed

Flaherty & Crumrine Preferred Income Opportunity Fund Incorporated

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