FLAHERTY & CRUMRINE INVESTMENT GRADE FIXED INCOME FUND REDUCES DISTRIBUTION

Toronto, March 24, 2006 (TSX: FFI.UN) – Flaherty & Crumrine Investment Grade Preferred Fund announces that it is reducing its monthly distribution from $0.1354 to $0.125, effective for the April distribution to be paid in May 2006. The primary reason for the decrease in the monthly distribution is the continuous rise in short-term U.S. interest rates resulting in increased interest costs in the Fund's borrowings. The Fund borrows approximately 35% of total assets to invest in portfolio securities to generate additional yield. Since the Fund's inception, the U.S. Federal Reserve has raised the Federal Funds rate 9 times for a total of 225 basis points, resulting in reduced additional yield from the Fund's use of leverage and consequently less distributable income available for unitholders. However, the use of leverage continues to add incremental income to the Fund.

Typically long-term interest rates move higher along with an increase in short-term rates, permitting the Fund to reinvest interest rate hedge gains in additional income producing securities and offsetting to some degree any increased cost of borrowings. However, since the Fund's inception, the yield on the U.S. 30-year treasury has remained relatively unchanged. As a result, the Fund has not realized net gains on its interest rate hedges.

For additional information, including the Fund's portfolio, please visit our website at www.bromptongroup.com.

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