

INVESTMENT GRADE MUNICIPAL INCOME FUND
Form DEF 14A
November 27, 2002

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant ☒

Filed by a party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ Confidential, for Use of the Commission Only (as permitted by
Rule 14a-6(e) (2))

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material Pursuant to 'SS' 240.14a-12

Investment Grade Municipal Income Fund Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

☒ No fee required.

☐ Fee computed on table below per Exchange Act Rules 14a-6(i) (1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee
is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

INVESTMENT GRADE MUNICIPAL INCOME FUND INC.

NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
JANUARY 16, 2003

TO THE SHAREHOLDERS:

The annual meeting of shareholders of Investment Grade Municipal Income Fund Inc. (the 'Fund') will be held on January 16, 2003 at 10:00 a.m., Eastern time, at 51 West 52nd Street, 16th Floor, New York, New York 10019-6114 for the following purposes:

MATTERS TO BE VOTED UPON BY ALL SHAREHOLDERS:

(1) To elect ten (10) directors to serve until the annual meeting of

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shareholders in 2004, or until their successors are elected and qualified;
and

(2) To transact such other business as may properly come before the meeting or any adjournment thereof.

MATTERS TO BE VOTED UPON ONLY BY HOLDERS OF AUCTION PREFERRED SHARES:

(3) To elect two (2) directors to serve until the annual meeting of shareholders in 2004, or until their successors are elected and qualified.

You are entitled to vote at the meeting and any adjournments thereof if you owned Fund shares at the close of business on November 15, 2002. If you attend the meeting, you may vote your shares in person. IF YOU DO NOT EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED POSTAGE PAID ENVELOPE.

By order of the board of directors,

AMY R. DOBERMAN
Secretary

November 29, 2002
51 West 52nd Street
New York, New York 10019-6114

YOUR VOTE IS IMPORTANT
NO MATTER HOW MANY SHARES YOU OWN

PLEASE INDICATE YOUR VOTING INSTRUCTIONS ON THE ENCLOSED PROXY CARD, DATE AND SIGN IT, AND RETURN IT IN THE ENVELOPE PROVIDED. If you sign, date and return the proxy card but give no voting instructions, your shares will be voted 'FOR' the nominees for director for which you are entitled to cast a vote named in the attached proxy statement and 'FOR' all other proposals noticed above. IN ORDER TO AVOID THE ADDITIONAL EXPENSE TO THE FUND OF FURTHER SOLICITATION, WE ASK YOUR COOPERATION IN MAILING IN YOUR PROXY CARD PROMPTLY.

INSTRUCTIONS FOR SIGNING PROXY CARDS

The following general guidelines for signing proxy cards may be of assistance to you and avoid the time and expense to the Fund in validating your vote if you fail to sign your proxy card properly.

1. INDIVIDUAL ACCOUNTS: Sign your name exactly as it appears in the registration on the proxy card.

2. JOINT ACCOUNTS: Either party may sign, but the name of the party signing should conform exactly to the name shown in the registration on the proxy card.

3. ALL OTHER ACCOUNTS: The capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For

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example:

REGISTRATION -----	VALID SIGNATURE -----
Corporate Accounts	
(1) ABC Corp.....	ABC Corp. John Doe, Treasurer
(2) ABC Corp.....	John Doe, Treasurer
(3) ABC Corp. c/o John Doe, Treasurer.....	John Doe
(4) ABC Corp. Profit Sharing Plan.....	John Doe, Trustee
Partnership Accounts	
(1) The XYZ Partnership.....	Jane B. Smith, Partner
(2) Smith and Jones, Limited Partnership.....	Jane B. Smith, General Partner
Trust Accounts	
(1) ABC Trust Account.....	Jane B. Doe, Trustee
(2) Jane B. Doe, Trustee u/t/d 12/18/78.....	Jane B. Doe
Custodial or Estate Accounts	
(1) John B. Smith, Cust. f/b/o John B. Smith, Jr. UGMA/UTMA.....	John B. Smith
(2) Estate of John B. Smith.....	John B. Smith, Jr., Executor

INVESTMENT GRADE MUNICIPAL INCOME FUND INC.
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019-6114

PROXY STATEMENT

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ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 16, 2003

This proxy statement is furnished to the shareholders of Investment Grade Municipal Income Fund Inc. (the 'Fund') in connection with the board of directors' solicitation of proxies to be used at the annual meeting of shareholders of the Fund to be held on January 16, 2003, or any adjournment or adjournments thereof. This proxy statement and the related proxy card will first be mailed to shareholders on or about November 29, 2002.

A majority of the shares outstanding on November 15, 2002, represented in person or by proxy, must be present for the transaction of business at the meeting. In the event that a quorum is not present at the annual meeting (including a quorum of the Fund's auction preferred shares ('APS') with respect to the election of the two directors to be elected by the APS), or if a quorum is present at the annual meeting but sufficient votes to approve any of the proposals are not received, the persons named as proxies may propose one or more adjournments of the annual meeting to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of a majority of those shares represented at the annual meeting in person or by proxy. The persons named as proxies will vote those proxies which they are entitled to vote FOR any such proposal in favor of such an adjournment and will vote those proxies marked WITHHOLD on any such proposal against such adjournment. A shareholder vote may be taken on one or more of the proposals in this proxy statement prior to any such adjournment if sufficient votes have been received and it is otherwise appropriate.

Broker non-votes are shares held in street name for which the broker indicates that instructions have not been received from the beneficial owners or other persons entitled to vote and for which the broker does not have discretionary voting authority. Abstentions and broker non-votes will be counted as shares present for purposes of determining whether a quorum is present but will not be voted for or against any adjournment or proposal. Accordingly, abstentions and broker non-votes effectively will be a vote against adjournment but will have no effect on Proposals 1 and 3, for which the required vote is a plurality of the votes cast on the matter.

Except as otherwise indicated herein, all of the outstanding shares of the Fund's common stock and APS will vote together as a single class. Each full share of the Fund's common stock or APS is entitled to one vote, and each fractional share of the Fund's common stock or APS is entitled to a proportionate share of one vote. However, as described below in connection with Proposals 1 and 3, the holders of the APS, voting as a separate class, are entitled to elect two of the Fund's directors.

The individuals named as proxies on the enclosed proxy card will vote in accordance with your direction as indicated thereon if your proxy card is received properly executed by you or by your duly appointed agent or attorney-in-fact. With respect to the holders of the APS, if you give no voting instructions, your shares will be voted FOR the twelve nominees for director named herein and, in the proxies' discretion, either FOR or AGAINST any other business that may properly arise at the annual meeting. With respect to the holders of the Fund's common stock, if you give no voting instructions, your shares will be voted FOR the ten nominees for director named herein for which the holders of the common stock are entitled to vote and, in the proxies'

discretion, either FOR or AGAINST any other business that may properly arise at the annual meeting. You may revoke any proxy card by giving another proxy or by submitting a written notice of revocation. To be effective, your revocation must be received by the Fund prior to the meeting and must indicate your name and account number. In addition, if you attend the annual meeting in person you may, if you wish, vote by ballot at the meeting, thereby cancelling any proxy previously given.

As of the record date, November 15, 2002, the Fund had outstanding 10,356,667 shares of common stock and 1,600 shares of the APS, representing 800 Series A shares and 800 Series B shares. The solicitation of proxies, the cost of which will be borne by the Fund, will be made primarily by mail but also may include telephone or oral communications by regular employees of UBS Global Asset Management (US) Inc. ('UBS Global AM,' formerly known as Brinson Advisors, Inc.) or UBS PaineWebber Inc. ('UBS PaineWebber'sm'*'), who will not receive any compensation therefor from the Fund. Management does not know of any person who owns beneficially 5% or more of the shares of the Fund.

UBS Global AM serves as the Fund's investment advisor and administrator. UBS Global AM is an indirect wholly owned asset management subsidiary of UBS AG. UBS AG is an internationally diversified organization with headquarters in Zurich, Switzerland. UBS AG operates in many areas of the financial services industry. The principal business offices of UBS Global AM are located at 51 West 52nd Street, New York, New York 10019-6114. The principal business address of UBS AG is Bahnhofstrasse 45, Zurich, Switzerland.

The Fund's annual report containing financial statements for the fiscal year ended September 30, 2002, is being mailed to shareholders concurrently with this proxy statement.

PROPOSALS 1 AND 3. ELECTION OF DIRECTORS

Proposals 1 and 3 relate to the election of directors of the Fund. Management proposes the election of the twelve nominees named in the table below. Each nominee, including those who are not 'interested persons' of the Fund as that term is defined by the Investment Company Act of 1940, as amended ('1940 Act') ('Independent Directors'), has indicated his or her willingness to serve if elected. If elected, each nominee will hold office until the next annual meeting of shareholders or until his or her successor is elected and qualified, or until he or she resigns or is otherwise removed.

Holders of the outstanding shares of the APS, voting as a separate class, are entitled to elect two of the Fund's directors. Margo N. Alexander and Meyer Feldberg have been nominated as the directors that are to be elected solely by holders of the APS. The other ten directors will be elected by holders of both the outstanding common stock and APS, voting together as a single class. Richard Q. Armstrong, David J. Beaubien, E. Garrett Bewkes, Jr., Richard R. Burt, George W. Gowen, William W. Hewitt, Jr., Morton L. Janklow, Frederic V. Malek, Carl W. Schafer and William D. White have been nominated as the directors that are to be elected by all common stock and APS holders. Unless you give contrary instructions on the enclosed proxy card: if you are a holder of the APS, your APS shares will be voted FOR the election of all twelve nominees; and, if you are a holder of the common stock, your shares of common stock will be voted FOR the ten nominees that are to be elected by all common stock and APS holders. If any of the nominees should withdraw or otherwise become unavailable for election, your shares will be voted FOR such other nominee or nominees as

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management may recommend.

*UBS PaineWebber is a service mark of UBS AG.

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Directors shall be elected by the affirmative vote of the holders of a plurality of the shares of the Fund cast in person or by proxy and entitled to vote thereon, provided a quorum is present. Proxies cannot be voted for a greater number of persons than the number of nominees named. None of the current directors and executive officers (20 persons) beneficially owned any shares of the Fund's common stock or APS on October 31, 2002.

Listed in the table below, for each nominee, is a brief description of the nominee's experience as a director of the Fund and as a director or trustee of other funds, as well as other recent professional experience.

NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH FUND ----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS -----	NUMBER OF FUND COM BY ----
INTERESTED DIRECTORS:				
Margo N. Alexander*'D'; 55	Director	Since 1996	Mrs. Alexander is an executive vice president of UBS PaineWebber (since March 1984). She was chief executive officer of UBS Global AM from January 1995 to October 2000, a director (from January 1995 to September 2001) and chairman (from March 1999 to September 2001).	Mrs. Alexa director o investment (consistin 43 portfol UBS Global its affili investment advisor on
E. Garrett Bewkes, Jr.**'D'; 76	Director and Chairman of the Board of Directors	Since 1992	Mr. Bewkes serves as a consultant to UBS PaineWebber (since May 1999). Prior to November 2000, he was a director of Paine Webber Group Inc. ('PW Group,' formerly the holding company of UBS PaineWebber and UBS Global AM) and prior to 1996, he was a	Mr. Bewkes or trustee investment (consistin 56 portfol UBS Global its affili investment advisor on

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consultant to PW Group.
Prior to 1988, he was
chairman of the board,
president and chief
executive officer of
American Bakeries
Company.

NAME, ADDRESS, AND AGE -----	OTHER DIRECTORSHIPS HELD BY NOMINEE -----
INTERESTED DIRECTORS:	
Margo N. Alexander**'D'; 55	None
E. Garrett Bewkes, Jr.**'D'; 76	Mr. Bewkes is also a director of Interstate Bakeries Corporation.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH FUND ----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS -----	NUMBER OF FUND COM BY ----
INDEPENDENT DIRECTORS:				
Richard Q. Armstrong; 67 R.Q.A. Enterprises One Old Church Road -- Unit # 6 Greenwich, CT 06830	Director	Since 1995	Mr. Armstrong is chairman and principal of R.Q.A. Enterprises (management consulting firm) (since April 1991 and principal occupation since March 1995). Mr. Armstrong was chairman of the board, chief executive officer and co-owner of Adirondack Beverages (producer and distributor of soft drinks and sparkling/still waters) (October 1993 - March 1995). He was a partner	Mr. Armstr director o investment (consistin 43 portfol UBS Global its affili investment advisor on

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of The New England Consulting Group (management consulting firm) (December 1992 - September 1993). He was managing director of LVMH U.S. Corporation (U.S. subsidiary of the French luxury goods conglomerate, Louis Vuitton Moet Hennessey Corporation) (1987 - 1991) and chairman of its wine and spirits subsidiary, Schieffelin & Somerset Company (1987 - 1991).

David J. Beaubien; 68
101 Industrial Road
Turners Falls, MA 01376

Director

Since
2001

Mr. Beaubien is chairman of Yankee Environmental Systems, Inc., a manufacturer of meteorological measuring systems. Prior to January 1991, he was senior vice president of EG&G, Inc., a company which makes and provides a variety of scientific and technically oriented products and services. From 1985 to January 1995, Mr. Beaubien served as a director or trustee on the boards of the Kidder, Peabody & Co. Incorporated mutual funds.

Mr. Beaubien is chairman of Yankee Environmental Systems, Inc., a manufacturer of meteorological measuring systems. Prior to January 1991, he was senior vice president of EG&G, Inc., a company which makes and provides a variety of scientific and technically oriented products and services. From 1985 to January 1995, Mr. Beaubien served as a director or trustee on the boards of the Kidder, Peabody & Co. Incorporated mutual funds.

NAME, ADDRESS, AND AGE

OTHER DIRECTORSHIPS
HELD BY NOMINEE

INDEPENDENT DIRECTORS:

Richard Q. Armstrong; 67
R.Q.A. Enterprises
One Old Church Road --
Unit # 6
Greenwich, CT 06830

Mr. Armstrong is also a director of AlFresh Beverages Canada, Inc. (a Canadian Beverage subsidiary of AlFresh Foods Inc.) (since October 2000).

David J. Beaubien; 68
101 Industrial Road
Turners Falls, MA 01376

Mr. Beaubien is also a director of IEC Electronics, Inc., a manufacturer of electronic

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assemblies.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH FUND ----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS -----	NUMBER OF FUND COM BY ---
Richard R. Burt; 55 1275 Pennsylvania Ave., N.W. Washington, D.C. 20004	Director	Since 1995	Mr. Burt is chairman of Diligence LLC (international information and security firm) and IEP Advisors (international investments and consulting firm). He was the chief negotiator in the Strategic Arms Reduction Talks with the former Soviet Union (1989 - 1991) and the U.S. Ambassador to the Federal Republic of Germany (1985 - 1989). From 1991 - 1994, he served as a partner of McKinsey & Company (management consulting firm).	Mr. Burt is trustee of companies 43 portfolio UBS Global its affili investment advisor on
Meyer Feldberg; 60 Columbia University 101 Uris Hall New York, New York 10027	Director	Since 1992	Mr. Feldberg is Dean and Professor of Management of the Graduate School of Business, Columbia University. Prior to 1989, he was president of the Illinois Institute of Technology.	Dean Feldberg director of investment (consistin 56 portfolio UBS Global its affili investment advisor on
George W. Gowen; 73 666 Third Avenue New York, New York 10017	Director	Since 1996	Mr. Gowen is a partner in the law firm of Dunnington, Bartholow & Miller. Prior to May 1994, he was a partner in the law firm of Fryer, Ross & Gowen.	Mr. Gowen or trustee investment (consistin 56 portfolio UBS Global its affili

NAME, ADDRESS, AND AGE -----	OTHER DIRECTORSHIPS HELD BY NOMINEE -----
Richard R. Burt; 55 1275 Pennsylvania Ave., N.W. Washington, D.C. 20004	Mr. Burt is also a director of Hollinger International Inc. (publishing), The Central European Fund, Inc., The Germany Fund, Inc., IGT, Inc. (provides technology to gaming and wagering industry) (since July 1999) and chairman of Weirton Steel Corp. (makes and finishes steel products) (since April 1996). He is also a director or trustee of funds in the Scudder Mutual Funds Family (consisting of 47 portfolios).
Meyer Feldberg; 60 Columbia University 101 Uris Hall New York, New York 10027	Dean Feldberg is also a director of Primedia Inc. (publishing), Federated Department Stores, Inc. (operator of department stores), Revlon, Inc. (cosmetics), Select Medical Inc. (healthcare services) and SAPPI, Ltd. (producer of paper).
George W. Gowen; 73 666 Third Avenue New York, New York 10017	None

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH FUND ----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS -----	NUMBER OF FUND COM BY ---
William W. Hewitt, Jr.***; 74 c/o UBS Global Asset Management (US) Inc. 51 West 52nd Street New York, New York 10019-6114	Director	Since 2001	Mr. Hewitt is retired. From 1990 to January 1995, Mr. Hewitt served as a director or trustee on the boards of the Kidder, Peabody & Co. Incorporated mutual funds. From 1986 - 1988, he was an executive vice president and director of mutual funds, insurance and trust services of Shearson Lehman Brothers Inc. From 1976 - 1986, he was president of Merrill Lynch Funds Distributor, Inc.	Mr. Hewitt or trustee investment (consistin 43 portfol UBS Global its affili investment advisor on
Morton L. Janklow; 72 445 Park Avenue New York, New York 10022	Director	Since 2001	Mr. Janklow is senior partner of Janklow & Nesbit Associates, an international literary agency representing leading authors in their relationships with publishers and motion picture, television and multi-media companies, and of counsel to the law firm of Janklow & Ashley.	Mr. Janklo or trustee investment (consistin 43 portfol UBS Global its affili investment advisor on
Frederic V. Malek; 65 1455 Pennsylvania Avenue, N.W. Suite 350 Washington, D.C. 20004	Director	Since 1996	Mr. Malek is chairman of Thayer Capital Partners (merchant bank) and chairman of Thayer Hotel Investors III, Thayer Hotel Investors II and Lodging Opportunities Fund (hotel investment partnerships). From January 1992 to November 1992, he was campaign manager of Bush-Quayle '92. From 1990 to 1992, he was vice chairman and, from 1989 to 1990, he was president of Northwest Airlines Inc. and NWA Inc. (holding company of Northwest Airlines Inc.). Prior to 1989, he was	Mr. Malek or trustee investment (consistin 43 portfol UBS Global its affili investment advisor on

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employed by the Marriott Corporation (hotels, restaurants, airline catering and contract feeding), where he most recently was an executive vice president and president of Marriott Hotels and Resorts.

NAME, ADDRESS, AND AGE -----	OTHER DIRECTORSHIPS HELD BY NOMINEE -----
William W. Hewitt, Jr.***; 74 c/o UBS Global Asset Management (US) Inc. 51 West 52nd Street New York, New York 10019-6114	Mr. Hewitt is also a director or trustee of Guardian Life Insurance Company Mutual Funds (consisting of 19 portfolios).
Morton L. Janklow; 72 445 Park Avenue New York, New York 10022	None
Frederic V. Malek; 65 1455 Pennsylvania Avenue, N.W. Suite 350 Washington, D.C. 20004	Mr. Malek is also a director of Aegis Communications, Inc. (tele-services), American Management Systems, Inc. (management consulting and computer related services), Automatic Data Processing, Inc. (computing services), CB Richard Ellis, Inc. (real estate services), FPL Group, Inc. (electric services), Manor Care, Inc. (health care), and Northwest Airlines Inc.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH FUND ----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS -----	NUMBER OF FUND COM BY ----
Carl W. Schafer; 66 66 Witherspoon Street #1100 Princeton, NJ 08542	Director	Since 1996	Mr. Schafer is president of the Atlantic Foundation (charitable foundation). Prior to January 1993, he was chairman of the Investment Advisory Committee of the Howard Hughes Medical Institute.	Mr. Schafer is president or trustee of investment (consisting of 43 portfolios) UBS Global investment advisor on
William D. White; 68 P.O. Box 199 Upper Black Eddy, PA 18972	Director	Since 2001	Mr. White is retired. From February 1989 through March 1994, he was president of the National League of Professional Baseball Clubs. Prior to 1989, he was a television sportscaster for WPIX-TV, New York. Mr. White served on the Board of Directors of Centel from 1989 to 1993 and until recently on the board of directors of Jefferson Banks Incorporated, Philadelphia, PA.	Mr. White is president or trustee of investment (consisting of 43 portfolios) UBS Global investment advisor on

NAME, ADDRESS, AND AGE -----	OTHER DIRECTORSHIPS HELD BY NOMINEE -----
Carl W. Schafer; 66 66 Witherspoon Street #1100 Princeton, NJ 08542	Mr. Schafer is also a director of Labor Ready, Inc. (temporary employment), Roadway Corp. (trucking), Guardian Life Insurance Company Mutual Funds (consisting of 19 portfolios), the Harding, Loevner Funds (consisting of 4 portfolios), E.I.I. Realty Securities Trust (investment company) and

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Frontier Oil
Corporation.

William D. White; 68
P.O. Box 199
Upper Black Eddy, PA 18972

None

* This person's business address is 1285 Avenue of the Americas, 33rd Floor,
New York, NY 10019-6114.

** This person's business address is 51 West 52nd Street, New York, New York
10019-6114.

*** Address for mailing purposes only.

'D' Mrs. Alexander and Mr. Bewkes are 'interested persons' of the Fund as
defined in the 1940 Act by virtue of their positions with UBS Global AM
and/or UBS PaineWebber.

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INFORMATION ABOUT NOMINEE OWNERSHIP OF FUND SHARES

NOMINEE -----	DOLLAR RANGE OF EQUITY SECURITIES IN FUND 'D' -----	AGGREGATE DOLLAR RANGE OF EQUITY SECURITIES REGISTERED INVESTMENT COMPANIES OVERSEEN NOMINEE FOR WHICH UBS GLOBAL AM OR A AFFILIATE SERVES AS INVESTMENT ADVISOR SUB-ADVISOR OR MANAGER 'D' -----
INTERESTED DIRECTORS:		
Margo N. Alexander.....	None	Over \$100,000
E. Garrett Bewkes, Jr.	None	Over \$100,000
INDEPENDENT DIRECTORS:		
Richard Q. Armstrong.....	None	Over \$100,000
David J. Beaubien.....	None	Over \$100,000
Richard R. Burt.....	None	\$10,001 - \$50,000
Meyer Feldberg.....	None	Over \$100,000
George W. Gowen.....	None	Over \$100,000
William W. Hewitt, Jr.	None	Over \$100,000
Morton L. Janklow.....	None	None
Frederic V. Malek.....	None	\$50,001 - \$100,000
Carl W. Schafer.....	None	\$50,001 - \$100,000
William D. White.....	None	\$1 - \$10,000

'D' Information regarding ownership of shares of the Fund is as of October 31, 2002; information regarding ownership of shares in all registered investment companies overseen by nominee for which UBS Global AM or an affiliate serves as investment advisor, sub-advisor or manager is as of December 31, 2001.

As of December 31, 2001, the Independent Directors did not own any securities issued by UBS Global AM or any company controlling, controlled by or under common control with UBS Global AM.

The board of directors of the Fund met six times during the fiscal year ended September 30, 2002. Each director attended 75% or more of the board meetings during the last fiscal year. The board has established an Audit and Contract Review Committee that acts pursuant to a written charter and is responsible for: (i) overseeing the Fund's accounting and financial reporting policies, practices and internal controls; and (ii) reviewing the performance by certain of the Fund's service providers of their contracts and arrangements with the Fund. A copy of the charter is attached as Exhibit A. In fulfilling its duties, the Audit and Contract Review Committee has: (a) reviewed and discussed the Fund's audited financial statements with management; (b) discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61; (c) received certain written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1 and discussed the independent auditors' independence with them; and (d) based upon its review of the above, recommended to the board that the audited financial statements be included in the Fund's annual report to shareholders. The Audit and Contract Review Committee currently consists of Messrs. Armstrong, Beaubien, Burt, Feldberg, Gowen, Hewitt, Janklow, Malek, Schafer and White, none of whom have any relationship to the Fund that may interfere with the exercise of their independence from management or the Fund and who are independent as defined under the listing standards of the New York Stock Exchange. Each member of the Fund's Audit and Contract Review Committee is also a member of a similar committee established by the boards of certain other investment companies for which UBS Global AM or an affiliate serves as investment advisor, sub-

advisor or manager. The Audit and Contract Review Committee met twice during the fiscal year ended September 30, 2002, and each member attended those meetings.

The board has also established a Nominating Committee that acts pursuant to a written charter. The Nominating Committee is responsible for, among other things: selecting, evaluating and recommending to the board candidates to be nominated as additional Independent Directors of the Board; and reviewing the composition of the board and the compensation arrangements for each of the directors. The Nominating Committee currently consists of Messrs. Gowen, Janklow, Schafer and White. The Nominating Committee did not meet during the fiscal year ended September 30, 2002. The Nominating Committee will consider

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nominees recommended by shareholders if a vacancy occurs. In order to recommend a nominee, a shareholder should send a letter to the chairperson of the Nominating Committee, Mr. George W. Gowen, care of the Secretary of the Fund at 51 West 52nd Street, New York, New York 10019-6114 and indicate on the envelope 'Nominating Committee.' The shareholder's letter should state the nominee's name and should include the nominee's resume or curriculum vitae. The board does not have a standing compensation committee.

Each Independent Director receives, in the aggregate from the UBS Global AM funds, an annual retainer of \$50,000, and a \$10,000 fee for each regular board meeting (and each in-person special board meeting) actually attended. Each such board member is also entitled to a \$2,000 fee for each special telephonic meeting attended. The chairperson and vice chairperson of the Audit and Contract Review Committee receives annually \$12,500 and \$7,500, respectively. The chairperson of the Nominating Committee receives annually \$5,000. The foregoing fees will be allocated among all such funds (or each relevant fund in the case of a special meeting) pro rata based on the funds' relative net assets at the end of the calendar quarter preceding the date of payment. No officer, director or employee of UBS Global AM or one of its affiliates presently receives any compensation from the Fund for acting as a board member or officer.

Each director who has attained the age of seventy-two (72) years will be subject to retirement on the later of (a) the last day of the month in which he or she attains such age or (b) June 30, 2003. The table below includes certain information relating to the compensation of the Fund's directors.

COMPENSATION TABLE'D'

NAME OF PERSON, POSITION -----	AGGREGATE COMPENSATION FROM THE FUND* -----	TOTAL COMPENSATION FROM THE FUND AND THE FUND COMPLEX** -----
Richard Q. Armstrong, Director.....	\$299	\$ 94,395
David J. Beaubien, Director***.....	\$299	\$ 71,238
Richard R. Burt, Director.....	\$299	\$ 86,295
Meyer Feldberg, Director.....	\$338	\$181,252
George W. Gowen, Director.....	\$314	\$178,103
William W. Hewitt, Director***.....	\$322	\$ 85,616
Morton L. Janklow, Director***.....	\$299	\$ 64,988
Federick V. Malek, Director.....	\$299	\$ 94,395
Carl W. Schafer, Director.....	\$299	\$ 94,125
William D. White, Director***.....	\$299	\$ 71,238

(footnotes on next page)

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(footnotes from previous page)

'D' Only Independent Directors are compensated by the funds for which UBS Global AM or an affiliate serves as investment advisor, sub-advisor or manager; directors who are 'interested persons,' as defined by the 1940 Act, do not receive compensation from the funds.

* Represents fees paid to each director during the fiscal year ended September 30, 2002.

** Represents fees paid during the calendar year ended December 31, 2001 to each board member by: (a) 29 investment companies in the case of Messrs. Armstrong, Burt, Malek and Schafer; (b) 41 investment companies in the case of Messrs. Feldberg and Gowen; and (c) 22 investment companies in the case of Messrs. Beaubien, Hewitt, Janklow and White for which UBS Global AM or one of its affiliates served as investment advisor, sub-advisor or manager. No fund within the UBS fund complex has a bonus, pension, profit sharing or retirement plan.

*** This person did not commence serving on the Fund's board until September 2001.

INFORMATION CONCERNING INDEPENDENT AUDITORS

The Fund's financial statements for the fiscal year ended September 30, 2002, were audited by Ernst & Young LLP ('Ernst & Young'), independent auditors. In addition, Ernst & Young prepares the Fund's federal and state annual income tax returns and provides certain non-audit services. The Audit and Contract Review Committee has considered whether the provision of those non-audit services is compatible with maintaining Ernst & Young's independence. The board of directors of the Fund has selected Ernst & Young as the independent auditors for the Fund for the fiscal year ending September 30, 2003. Ernst & Young has informed the Fund that it has no material direct or indirect financial interest in the Fund.

Ernst & Young have been the Fund's independent auditors since July 25, 2001. On July 25, 2001, the Board of Directors of the Fund, upon the recommendation of the Board's Audit Committee, determined not to retain PricewaterhouseCoopers ('PwC') and approved a change of the Fund's independent auditors to Ernst & Young. For the fiscal years ended September 30, 2000 and September 30, 1999, PwC's audit reports contained no adverse opinion or disclaimer of opinion; nor were their reports qualified or modified as to uncertainty, audit scope, or accounting principles. Further, there were no disagreements between the Fund and PwC on accounting principles or practices, financial statement disclosure or audit scope or procedure, which if not resolved to the satisfaction of PwC would have caused them to make reference to the disagreement in their report.

Representatives of Ernst & Young are not expected to be present at the meeting but have been given the opportunity to make a statement if they so desire and will be available should any matter arise requiring their presence.

AUDIT FEES

The aggregate fees billed by Ernst & Young for professional services rendered for the audit of the Fund's annual financial statements for the most recent fiscal year and the review of the financial statements included in the Fund's reports to shareholders are \$21,000.

FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES

There were no fees billed by Ernst & Young for the most recent fiscal year for professional services rendered for financial information systems design and implementation services provided to the Fund, UBS Global AM and entities that control, are controlled by or are under common control with UBS Global AM that provide services to the Fund.

ALL OTHER FEES

There were \$151,000 in fees billed by Ernst & Young for the most recent fiscal year for other services provided to the Fund, UBS Global AM and entities that control, are controlled by or are under common control with UBS Global AM that provide services to the Fund.

EXECUTIVE OFFICERS

Officers of the Fund are appointed by the directors and serve at the pleasure of the board. None of the Fund's officers currently receives any compensation from the Fund. The executive officers of the Fund are:

NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH THE FUND -----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PA NUMBER OF PORTFOLIOS IN FUND FOR WHICH PERSON SERVES AS O -----
Thomas Disbrow*; 36	Vice President and Assistant Treasurer	Since 2000	Mr. Disbrow is a director and a s manager of the mutual fund financ department of UBS Global AM. Prio November 1999, he was a vice pres Zweig/Glaser Advisers. Mr. Disbro vice president and assistant trea 22 investment companies (consisti portfolios) for which UBS Global of its affiliates serves as inves advisor, sub-advisor or manager.
Amy R. Doberman*; 40	Vice President and Secretary	Since 2000	Ms. Doberman is a managing direct general counsel of UBS Global AM. December 1997 through July 2000, general counsel of Aeltus Investm Management, Inc. Prior to working Ms. Doberman was assistant chief the SEC's Division of Investment Ms. Doberman is vice president an of UBS Supplementary Trust and a president and secretary of 24 inv companies (consisting of 81 portf

vice president and assistant secretary of one investment company (consisting of 11 portfolios) for which UBS Global AM or one of its affiliates serves as investment advisor, sub-advisor or manager.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH THE FUND -----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PAST NUMBER OF PORTFOLIOS IN FUND FOR WHICH PERSON SERVES AS OFFICER -----
Elbridge T. Gerry III*; 45	Vice President	Since 1996	Mr. Gerry is a managing director of the income of UBS Global AM. Mr. Gerry is president of 6 investment companies (consisting of 11 portfolios) for which UBS Global AM or one of its affiliates serves as investment advisor, sub-advisor or manager.
David M. Goldenberg*; 36	Vice President and Assistant Secretary	Since 2002	Mr. Goldenberg is an executive director and deputy general counsel of UBS Global AM. From 2000 - 2002 he was director, general counsel of affairs at Lazard Asset Management. Mr. Goldenberg was global director of operations for SSB Citi Asset Management Group from 1998 - 2000. He was associate general counsel at Smith Barney Asset Management from 1996 - 1998. Prior to working at Smith Barney Asset Management, Mr. Goldenberg was branch chief and senior counsel in the Investment Management Division of Investment Management. Mr. Goldenberg is vice president and assistant secretary of UBS Supplemental Trust, vice president and assistant secretary of 24 investment companies (consisting of 81 portfolios) and president and secretary of one investment company (consisting of 2 portfolios) for which UBS Global AM or one of its affiliates serves as investment advisor, sub-advisor or manager.
Kevin J. Mahoney*; 37	Vice President and Assistant Treasurer	Since 1999	Mr. Mahoney is a director and a senior manager of the mutual fund finance of UBS Global AM. Prior to April

was the manager of the mutual fund control group of Salomon Smith Barney. Mr. Mahoney is a vice president and treasurer of 22 investment companies (consisting of 43 portfolios) for UBS Global AM or one of its affiliates. He serves as investment advisor, sub-advisor or manager.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH THE FUND -----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PERIOD OF NUMBER OF PORTFOLIOS IN FUND FOR WHICH PERSON SERVES AS OFFICER, DIRECTOR, ADVISOR, SUB-ADVISOR OR MANAGER -----
Paul H. Schubert*; 39	Vice President and Treasurer	Since 1994	Mr. Schubert is an executive director and head of the mutual fund finance department of UBS Global AM. Mr. Schubert is also principal accounting officer of UBS Supplementary Trust and of two investment companies (consisting of 38 portfolios) and a vice president and treasurer of 22 investment companies (consisting of 43 portfolios) and chief financial officer of one investment company (consisting of 2 portfolios) for which UBS Global AM or one of its affiliates serves as investment advisor, sub-advisor or manager.
Brian M. Storms*; 48	President	Since 2000	Mr. Storms is chief executive officer of UBS Global AM (since July 2002), director and president of UBS Global AM (since March 1999). He is also chief executive officer (since June 2000) and member of the board of directors of UBS Global Asset Management (Americas) Inc. ('UBS Global AM (Americas) Inc. (New York) Inc. ('UBS Global AM (New York) Inc. (since October 2001). Mr. Storms was chief executive officer of UBS Global Asset Management (Americas) from October 2000 to September 2001 and chief operating officer (2001 - 2002). He was also chief operating officer of UBS Global Asset Management (Americas) and UBS Global AM (New York) Inc. from September 2001 to July 2002. He was

director or trustee of several in companies in the UBS Family of Fu (1999 - 2001). He was president o Prudential Investments (1996 - 19 to joining Prudential Investments managing director at Fidelity Inv Mr. Storms is president and trust UBS Supplementary Trust and of tw investment companies (consisting portfolios) and president of 22 i companies (consisting of 43 portf trustee and chairman of one inves company (consisting of 2 portfoli which UBS Global AM or one of its serves as investment advisor, sub manager.

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NAME, ADDRESS, AND AGE -----	POSITION(S) HELD WITH THE FUND -----	LENGTH OF TIME SERVED -----	PRINCIPAL OCCUPATION(S) DURING PA NUMBER OF PORTFOLIOS IN FUND FOR WHICH PERSON SERVES AS O -----
Keith A. Weller*; 41 -----	Vice President and Assistant Secretary	Since 1995	Mr. Weller is a director and seni associate general counsel of UBS Global AM. Mr. Weller is a vi president and assistant secretary investment companies (consisting portfolios) for which UBS Global of its affiliates serves as inves advisor, sub-advisor or manager.

* This person's business address is 51 West 52nd Street, New York, New York
10019-6114.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Fund is not aware of any outstanding report required to be filed by any board member or officer pursuant to Section 16(a) of the Securities Exchange Act of 1934.

SHAREHOLDER PROPOSALS

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Any shareholder who wishes to submit proposals to be considered at the Fund's 2004 annual meeting of shareholders should send such proposals to the Secretary of the Fund at 51 West 52nd Street, New York, NY 10019-6114. In order to be considered at that meeting, shareholder proposals must be received by the Fund no later than August 1, 2003 and must satisfy the other requirements of the federal securities laws.

OTHER BUSINESS

Management knows of no business to be presented at the meeting other than the matters set forth in this proxy statement, but should any other matter requiring a vote of shareholders arise, the proxies will vote thereon according to their best judgment in the interest of the Fund.

By order of the board of directors,

AMY R. DOBERMAN
Secretary

November 29, 2002

IT IS IMPORTANT THAT YOU EXECUTE AND RETURN YOUR PROXY PROMPTLY.

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EXHIBIT A

AUDIT AND CONTRACT REVIEW COMMITTEE CHARTER

ESTABLISHMENT AND PURPOSE

The Audit and Contract Review Committee (the 'Committee') of the Boards of Trustees and Boards of Directors (each, a 'Board' and collectively, the 'Boards') of the funds for which UBS Global Asset Management (US) Inc. ('UBS Global AM') serves as investment adviser or investment manager (each, a 'Fund' and collectively, the 'Funds') is hereby established on this the 12th day of September, 2001. The two primary purposes of the Committee are to oversee the Funds' accounting and financial reporting policies, practices and internal controls as required by the Investment Company Act of 1940, as amended (the 'Act') and, for those Funds organized as closed-end investment management companies, the rules of the New York Stock Exchange, Inc. or other relevant securities exchange, if any, on which shares of the Fund are listed, and to review the performance by certain service providers of their contracts and arrangements with the Funds as required by the Act.

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In connection with the oversight of each Fund's accounting and financial reporting policies, practices and internal controls, the Committee will endeavor to assure the quality and objectivity of each Fund's independent audit and each Fund's financial statements, act as a liaison between the Boards and each Fund's independent auditors and periodically report to the Boards. In performing its duties, the Committee shall have unrestricted access to the Boards' Trustees and Directors, the independent auditors, Fund officers, and the senior management of UBS Global AM.

With respect to its contract review function, the Committee will consider the performance of the Funds' investment advisor or investment manager (as appropriate) and administrator, sub-advisors, distributor and all other service providers. The Committee will determine whether compensation paid by the Funds pursuant to their contracts and arrangements is reasonable and appropriate in light of the nature and quality of the services rendered. In performing its duties, the Committee shall have unrestricted access to the Funds' Trustees and Directors, the officers of the Funds and senior management of each service provider.

COMPOSITION

The Committee shall be composed of all the independent Trustees/Directors of the Funds. The Boards shall elect a chairperson, who shall preside over Committee meetings (the 'Chairperson'). The Chairperson shall serve for an initial interim term of one year and, thereafter, for successive terms of three years.

Each member of the Committee must meet the independence and experience requirements set forth in Appendix A.

MEETINGS

The Committee shall meet on a regular basis, but not less frequently than annually. An agenda shall be established for each meeting. Special meetings shall be called as circumstances require. The Chairperson may invite the Funds' officers and other interested parties to participate in meetings. The Committee may, in its discretion, meet in executive session outside the presence of the Funds' officers and other parties.

A majority of the Committee's members shall constitute a quorum. At any meeting of the Committee, the decision of a majority of the members present and voting shall be determinative as to any matter submitted to a vote.

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REPORTING

The Chairperson shall report to the Boards on the result of its deliberations and make such recommendations as deemed appropriate.

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DUTIES AND RESPONSIBILITIES

As a general rule, the Funds' independent auditors are ultimately accountable to the applicable Board and the Committee, and the Committee and the Boards have the ultimate authority and responsibility to select, evaluate and where appropriate, replace the independent auditors of the Funds. In addition, the Committee shall have the following specific duties and responsibilities for each Fund:

AUDIT OVERSIGHT

Recommend to the Board the selection of an independent public accounting firm.

Review the scope of the Fund's proposed audit each year, including the extent of audit and non-audit services provided to the Fund by the independent auditors, and the audit procedures to be utilized. At the conclusion of each audit, the Committee will review the audit, including any comments or recommendations, with the independent auditors.

Ensure that the independent auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships of the auditors consistent with Independence Standards Board Standard No. 1.

Discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.

Recommend to the Board appropriate actions in response to the independent auditors' report to satisfy itself of, and oversee, the independence of the auditors.

Discuss with management the performance of the independent auditors, management's recommendation with respect to the reasonableness of their fees and the recommendation to the Board regarding the retention of the independent auditors.

Review and discuss with the independent auditors and management the Fund's annual report to shareholders and significant accounting policies underlying the report and its presentation to the public.

Discuss with the Fund's independent auditors any matters required to be discussed pursuant to Statement of Auditing Standards No. 61, as modified or supplemented.

Discuss with the Fund's independent auditors, to the extent required by Statement of Auditing Standards No. 71, any adjustments which were made to previously reported financial information.

Review with the independent auditors the adequacy and effectiveness of relevant internal controls and procedures and the quality of the staff implementing these controls and procedures.

As necessary, review with the independent auditors and management any 'illegal acts,' as defined in Section 10A of the Securities Exchange Act of 1934 and required by that statute to be reported to the Committee, or other significant issues that could have a material effect on the Fund's financial statements.

Make recommendations to the Board, based on the Committee's review and discussions with the Fund's independent auditors and management, with respect to the Fund's financial statements as to

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whether the financial statements should be included in the Fund's annual report for the previous fiscal year.

With respect to each Fund, obtain from management a representation that the Fund's principal executive officer and principal financial officer will provide the certification relating to financial statements required to accompany SEC filings on Form N-SAR (or on any superseding form adopted by the SEC). If either the principal executive officer or the principal financial officer cannot provide such a representation, the Committee will obtain a full report as to the reasons therefor and based on that report, take such actions as it deems necessary or appropriate.

Discuss with management any complaints regarding accounting, internal accounting controls, or auditing matters affecting the Fund that are brought to the attention of the Fund's principal executive officer, principal financial officer or secretary and all significant deficiencies in the design or operation of internal controls and any related incidence of fraud, whether or not material.

CONTRACT REVIEW

Request such information as is deemed relevant by the Committee regarding the performance of each of the contracts and arrangements required to be reviewed and approved by the Board.

Review all information and data provided by the service providers in connection with their performance of these contracts and arrangements.

Meet with such representatives of the service providers as the Committee deems necessary.

Make recommendations to the Board concerning the initial approval and/or continuation of each of the proposed contracts and arrangements and the reasonableness and appropriateness of the proposed fees.

Consider such other matters as the Committee may deem appropriate in carrying out the above responsibilities and any other matters that may be assigned to it by the Board.

OTHER

Review with the Fund's investment manager and sub-advisors:

- (a) such compliance matters as are appropriate to be brought to the attention of the Committee; and
- (b) any comments or criticisms from the staff of the Securities and Exchange Commission or any other regulators as are appropriate to be

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brought to the attention of the Committee.

LIMITS ON COMMITTEE LIABILITY

The Audit and Contract Review Committee is not responsible for either the preparation of the financial statements or the auditing of the financial statements. Management of the Funds has the responsibility for preparing the financial statements and implementing internal controls and the independent auditors have the responsibility for auditing the financial statements and monitoring the effectiveness of the internal controls. The review of the financial statements by the audit committee is not of the same quality as the audit performed by the independent auditors. In carrying out its responsibilities, the audit committee's policies and procedures shall be adapted, as appropriate, in order to best react to a changing environment.

AMENDMENTS

This charter may be amended by a vote of a majority of the Committee members.

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APPENDIX A

INDEPENDENCE REQUIREMENTS

In order to be deemed independent, each member of the Committee must be free of any relationships that may interfere with the exercise of his or her independent judgment. To ensure the independence of each Committee member, the following restrictions shall apply to each Committee member:

A Director/Trustee who is an employee (including non-employee executive officers) of a Fund or any of its affiliates may not serve on the Committee until three years following the termination of his or her employment. In the event the employment relationship is with a former parent or predecessor of a Fund, the Director/Trustee could serve on the Committee after three years following the termination of the relationship between the Fund and the former parent or predecessor.

A Director/Trustee: (a) who is a partner, controlling shareholder, or executive officer of an organization that has a business relationship with a Fund, or (b) who has a direct business relationship with a Fund (e.g., a consultant) may serve on the Committee only if the Board of Directors/Trustees of that Fund determines in its business judgment that the relationship does not interfere with the Director's/Trustee's exercise of independent judgment. In making a determination regarding the independence of a Director/Trustee pursuant to this paragraph, the Board of Directors/Trustees of the Fund should consider, among other things, the materiality of the relationship to the Fund, to the Director/Trustee, and, if applicable, to the organization with which the Director/Trustee is affiliated.

'Business relationship' can include commercial, industrial, banking, consulting, legal, accounting and other relationships. A Director/Trustee can have this relationship directly with the Fund, or the Director/Trustee can be a partner, officer or employee of an organization that has such a relationship. The Director/Trustee may serve on the Committee without the above-referenced Board of Directors'/Trustees' determination after three years following the termination of, as applicable, either: (a) the relationship between the organization with which the Director/Trustee is affiliated and the Fund, (b) the relationship between the Director/Trustee and his or her partnership status, shareholder interest or executive officer position, or (c) the direct business relationship between the Director/Trustee and the Fund.

A Director/Trustee who is employed as an executive of another corporation where a Fund's executives serve on that corporation's compensation committee may not serve on the Committee.

A Director/Trustee who is an 'Immediate Family' member (as this term is defined in Rule 303.02(A) of the NYSE Listed Company Manual) of an individual who is an executive officer of a Fund or any of its affiliates cannot serve on the Committee until three years following the termination of such employment relationship.

EXCEPTIONS

One Independent Director/Trustee who does not meet the independence requirements above, and is not a current employee or an immediate family member of such an employee, may be appointed as a member of the Committee, if the Boards of Directors/Trustees of the UBS Global AM Funds, under exceptional and limited circumstances, determine that his or her membership on the Committee is required by the best interests of the Funds and their shareholders, and the Boards disclose, in the next annual proxy statement for each closed-end Fund subsequent to the person's appointment, the nature of the relationship and the reasons why the person was appointed to the Committee.

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EXPERIENCE REQUIREMENTS

Each member of the Committee must be 'financially literate'. A member of the Committee will be deemed to be 'financially literate' if he or she is able to read and understand financial statements, including, but not limited to, the Funds' balance sheets, income statements, and cash flow statements, or will become able to do so within a reasonable time after becoming a member of the Committee.

FINANCIAL EXPERTISE REQUIREMENTS

At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or

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any comparable experience or background which would result in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

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INVESTMENT
GRADE
MUNICIPAL
INCOME FUND INC.

INVESTMENT
GRADE
MUNICIPAL
INCOME FUND INC.

NOTICE OF
ANNUAL MEETING
TO BE HELD ON
JANUARY 16, 2003
AND
PROXY STATEMENT

PROXY
STATEMENT

Appendix 1
APS
PROXY

INVESTMENT GRADE MUNICIPAL INCOME FUND INC.

ANNUAL MEETING OF SHAREHOLDERS - JANUARY 16, 2003

The undersigned hereby appoints as proxies Keith A. Weller and Marissa Duran-Cruz and each of them (with power of substitution) to vote for the undersigned all shares of preferred stock of the undersigned at the aforesaid meeting and any adjournment thereof with all the power the undersigned would have if personally present. The shares represented by this proxy will be voted as instructed. UNLESS INDICATED TO THE CONTRARY, THIS PROXY SHALL BE DEEMED TO GRANT AUTHORITY TO VOTE "FOR" ALL PROPOSALS. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF INVESTMENT GRADE MUNICIPAL INCOME FUND INC.

YOUR VOTE IS IMPORTANT

Please date and sign this proxy on the reverse side and return it in the enclosed envelope to PFPC Inc., P.O. Box 43052, Providence, RI 02940-5105. PFPC Inc. has been engaged to forward the enclosed proxy material and to tabulate proxies returned by mail.

SEE REVERSE
SIDE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

SEE REVERSE
SIDE

[X] PLEASE MARK VOTE AS IN THIS EXAMPLE.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

1. To elect as directors:

NOMINEES: (01) Margo N. Alexander, (02) Richard Q. Armstrong, (03) David

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J. Beaubien, (04) E. Garrett Bewkes, Jr., (05) Richard R. Burt,
(06) Meyer Feldberg, (07) George W. Gowen,
(08) William W. Hewitt, Jr., (09) Morton L. Janklow,
(10) Frederic V. Malek, (11) Carl W. Schafer and
(12) William D. White.

FOR WITHHOLD
ALL [] FROM ALL
NOMINEES NOMINEES

[] _____
For all nominees except as noted above

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT []

This proxy will not be voted unless it is dated and signed exactly as instructed below.

If shares are held by an individual, sign your name exactly as it appears on this card. If shares are held jointly, either party may sign, but the name of the party signing should conform exactly to the name shown on this proxy card. If shares are held by a corporation, partnership or similar account, the name and the capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example: "ABC Corp., John Doe, Treasurer."

Sign exactly as name appears hereon.

Signature:
(if held jointly) _____ Date: _____ Signature: _____ Date: _____

Appendix 2
COMMON STOCK
PROXY

INVESTMENT GRADE MUNICIPAL INCOME FUND INC.

ANNUAL MEETING OF SHAREHOLDERS - JANUARY 16, 2003

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The undersigned hereby appoints as proxies Keith A. Weller and Marissa Duran-Cruz and each of them (with power of substitution) to vote for the undersigned all shares of common stock of the undersigned at the aforesaid meeting and any adjournment thereof with all the power the undersigned would have if personally present. The shares represented by this proxy will be voted as instructed. UNLESS INDICATED TO THE CONTRARY, THIS PROXY SHALL BE DEEMED TO GRANT AUTHORITY TO VOTE "FOR" ALL PROPOSALS. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF INVESTMENT GRADE MUNICIPAL INCOME FUND INC.

YOUR VOTE IS IMPORTANT

Please date and sign this proxy on the reverse side and return it in the enclosed envelope to PFPC Inc., P.O. Box 43052, Providence, RI 02940-5105. PFPC Inc. has been engaged to forward the enclosed proxy material and to tabulate proxies returned by mail.

SEE REVERSE
SIDE

CONTINUED AND TO BE SIGNED ON REVERSE SIDE

SEE REVERSE
SIDE

☒ PLEASE MARK VOTE AS IN THIS EXAMPLE.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR"

1. To elect as directors:

NOMINEES: (01) Richard Q. Armstrong, (02) David J. Beaubien,
(03) E. Garrett Bewkes, Jr., (04) Richard R. Burt,
(05) George W. Gowen, (06) William W. Hewitt, Jr.,
(07) Morton L. Janklow, (08) Frederic V. Malek,
(09) Carl W. Schafer and (10) William D. White.

FOR		WITHHOLD
ALL	<input type="checkbox"/>	<input type="checkbox"/> FROM ALL
NOMINEES		NOMINEES

☐ _____
For all nominees except as noted above

MARK HERE FOR ADDRESS CHANGE AND NOTE AT LEFT ☐

This proxy will not be voted unless it is dated and signed exactly as instructed

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below.

If shares are held by an individual, sign your name exactly as it appears on this card. If shares are held jointly, either party may sign, but the name of the party signing should conform exactly to the name shown on this proxy card. If shares are held by a corporation, partnership or similar account, the name and the capacity of the individual signing the proxy card should be indicated unless it is reflected in the form of registration. For example: "ABC Corp., John Doe, Treasurer."

Sign exactly as name appears hereon.

Signature:

(if held jointly)_____Date:_____Signature:_____Date:_____

STATEMENT OF DIFFERENCES

The service mark symbol shall be expressed as..... 'sm'
The section symbol shall be expressed as..... 'SS'
The dagger symbol shall be expressed as..... 'D'