



May 26, 2005

RMR Preferred Dividend Fund Prices Initial Public Offering

NEWTON, Mass.--RMR Preferred Dividend Fund (AMEX: RDR) today announced that it has priced its initial public offering.

RMR Preferred Dividend Fund (the "Fund") is a closed-end investment management company. The Fund's primary investment objective is to provide high current income to its common shareholders; its secondary investment objective is capital appreciation.

A total of 2,300,000 shares were priced today at \$20 per share, aggregating \$46 million of gross proceeds. Included in the shares priced today were 62,500 shares purchased by affiliates of the Fund's advisor. Subject to conditions customary in transactions of this type, this offering is expected to close on May 31, 2005. The Fund is expected to begin trading on May 26, 2005, on the American Stock Exchange under the symbol "RDR".

The Fund has also granted the offering underwriters an option to purchase up to an additional 345,000 shares during the next 45 days to cover over allotments, if any.

RBC Capital Markets and Wachovia Securities are the co-book running underwriters for this offering. The co-managing underwriters for this offering are Ferris, Baker Watts Incorporated, Legg Mason Wood Walker Incorporated, Stifel, Nicolaus & Company Incorporated, Advest, Inc., Brookstreet Securities Corp., Fixed Income Securities, Harris Direct, McGinn, Smith & Co. Inc. and Suntrust Robinson Humphrey.

This press release is not an offer to sell, nor a solicitation of an offer to buy shares. A copy of the final prospectus can be obtained by contacting RBC Capital Markets Corporation at 60 South Sixth Street, 17th Floor, Minneapolis, MN, 55402, Wachovia Capital Markets, LLC at 7 St. Paul Street, 1st Floor, Baltimore, MD, 21202, or by contacting any of the co-managing underwriters.

WARNING REGARDING FORWARD LOOKING STATEMENTS

THIS PRESS RELEASE INCLUDES FORWARD LOOKING STATEMENTS WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE FORWARD LOOKING STATEMENTS ARE BASED UPON RMR PREFERRED DIVIDEND FUND'S PRESENT BELIEFS AND EXPECTATIONS BUT MAY NOT OCCUR. FOR EXAMPLE:

- THE PRICING OF THE FUND'S INITIAL PUBLIC OFFERING MAY IMPLY THAT THIS OFFERING WILL CLOSE. THE CLOSING MAY BE DELAYED OR MAY NOT OCCUR AT ALL.
- THE GRANTING BY THE FUND OF AN OVER ALLOTMENT OPTION TO THE UNDERWRITERS MAY IMPLY THAT THIS OPTION WILL BE EXERCISED. UNDERWRITERS OF THIS OFFERING ARE UNDER NO OBLIGATION TO EXERCISE THIS OPTION, OR ANY PORTION OF IT, AND MAY NOT DO SO.
- THE STATEMENT OF THE FUND'S INVESTMENT OBJECTIVES MAY IMPLY THAT THESE OBJECTIVES WILL BE REALIZED. BECAUSE OF THE RISKS DESCRIBED IN THE PROSPECTUS OR FOR OTHER REASONS, THESE OBJECTIVES MAY NOT BE REALIZED.

INVESTORS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE UPON FORWARD LOOKING STATEMENTS IN THIS PRESS RELEASE.

AN INVESTMENT IN RMR PREFERRED DIVIDEND FUND INVOLVES RISKS, INCLUDING BUT NOT LIMITED TO RISKS ARISING FROM THE FUND'S INVESTMENT CONCENTRATION IN PREFERRED SECURITIES, AND MORE SPECIFICALLY IN

PREFERRED SECURITIES ISSUED BY REAL ESTATE COMPANIES. EITHER OR BOTH OF THESE CONCENTRATIONS SUBJECT THE FUND TO GREATER RISK THAN MAY BE PRESENT IN A FUND THAT MAINTAINS A MORE DIVERSIFIED PORTFOLIO. FOR MORE INFORMATION ON RISKS AND THE EXPENSES AND CHARGES WHICH WILL BE PAID BY RMR PREFERRED DIVIDEND FUND SHAREHOLDERS, INVESTORS ARE ADVISED TO OBTAIN THE FUND'S FINAL PROSPECTUS AND READ IT IN ITS ENTIRETY PRIOR TO INVESTING.

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