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For Immediate Release  
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PACHOLDER HIGH YIELD FUND ANNOUNCES FINAL CHARACTER OF DECEMBER  
2006 DIVIDEND

[[Cincinnati, OH] January [31], 2007]—Pacholder High Yield Fund, Inc. (AMEX:PHF) announced today the final character of the dividend of \$0.075 per common share paid for December 2006.

It has been determined that the entire amount of the distribution is treated as an ordinary income dividend for tax purposes. Shareholders will receive a Form 1099-DIV which will reflect this dividend income paid by the Fund in calendar year 2006 and reportable on the shareholders' 2006 federal and other income tax returns.

Previously it was estimated based on information available as of November 30, 2006, that a portion of the distribution may be treated as a return of capital.

The Fund is a closed-end diversified management investment company with a leveraged capital structure. The Fund's investment objective is to provide a high level of total return through current income and capital appreciation. Under normal circumstances, the Fund invests at least 80% of the value of its assets in high yield securities. The Fund invests primarily in fixed income securities of domestic companies. The Fund's common stock is traded on the American Stock Exchange under the symbol "PHF."