



Press Release

FOR IMMEDIATE RELEASE

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**MONTGOMERY STREET INCOME SECURITIES, INC.
ANNOUNCES INVESTMENT MANAGER TRANSACTION AND
CHANGE TO AGENDA FOR 2005 ANNUAL MEETING**

SAN FRANCISCO - (July 7, 2005) – Montgomery Street Income Securities, Inc. (NYSE: MTS) (the “Fund”) stated today that Deutsche Bank had announced the signing of an agreement with Aberdeen Asset Management to sell parts of the UK and Philadelphia-based asset management businesses of Deutsche Asset Management (DeAM). Deutsche Investment Management Americas Inc. (“DIMA”), the Fund’s investment manager, is part of DeAM, and certain of the Fund’s portfolio managers (other than the high yield portfolio manager) are part of the Philadelphia-based asset management business being sold. DeAM is expected to recommend to the Fund that DIMA continue as the adviser to the Fund and that Aberdeen Asset Management be hired as a sub-adviser to the Fund. This recommendation will be subject to approval by the Board of Directors and the shareholders of the Fund.

As a result of the DeAM transaction, the Fund is expected to adjourn its July 14, 2005, Annual Meeting of Stockholders before voting on Item 2 on the meeting agenda, the Approval of the Continuation of the Management and Investment Advisory Agreement between the Fund and DIMA. Prior to this adjournment, the Fund’s stockholders will vote on Item 1 on the agenda, the Election of Directors. After the Fund’s Board has had the opportunity to consider DeAM’s recommendation and other alternatives, the Fund expects either to reconvene the Annual Meeting of Stockholders or to call a special meeting of stockholders to seek approval of the Fund’s investment management contracts.

The Fund is a closed-end diversified management investment company whose primary investment objective is to seek as high a level of current income as is consistent with prudent investment risks, from a diversified portfolio primarily of debt securities. The Fund’s shares are traded on the New

York Stock Exchange under the symbol MTS. Yields will fluctuate in response to changing interest rates and may be affected by the prepayment of mortgage-backed securities. The Fund's investments in foreign securities are subject to currency fluctuation, political climate and economic changes, and risk of loss of principal and interest. All of these factors may result in greater share price volatility.

Not FDIC Insured. Not Guaranteed. May Lose Value.