



GLOBAL PREFERRED SECURITIES TRUST

Investment Objective

The Trust's investment objectives are to provide holders of the units with a stable stream of tax efficient monthly distributions and enhance the total return with capital appreciation.

Fairway Capital January 2007 Commentary

The beginning of 2007 watched utilities long upward trend finally subside with a minor sell-off in early January. Treasuries continued their December slide in the New Year, starting off with a 4.70 yield and ending with a 4.83. Weather fervently reversed its record warm temperatures of December into one of the coldest January to date. The resulting effect had pushed light crude back up to \$59/barrel by January end and with it, energy and utility stocks. Previously fueled speculation for a warm winter has been erased and replaced with a bullish approach to the energy sector.

The Merrill Lynch Hybrid preferred index moved higher in the first quarter by 0.56% while the Merrill Lynch DRD index was up 1.05%. QDI and DRD tax-advantaged preferreds continued to be recognized for their value and relatively strong performance versus fully taxables in lieu of the continued treasuries sell-off. We continue to support our conviction that the growing number of retiring baby-boomers will look for strong yield, particularly if the number of new issues grows in 2007 and with it, the strong performance of longer duration preferreds.