



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.

Portfolio Review

First Quarter for the period ending March 31, 2006

The Fairway Global Preferred Securities Trust returned 0.94% for the quarter ending March 31, 2006.

Over the first quarter, investor sentiment concerning treasuries, and by extension preferreds, changed course dramatically. The Treasury market started out the year strong. Although the Fed raised interest rates 25 points in January, investors believed this would be the last rate hike in the current cycle. Additionally, the yield curve was inverted slightly in late January, which is often a signal of an impending economic slowdown, and is a boon for treasuries. In February, a new thirty-year bond was issued for the first time in over five years. Its yield at the time of issue was the lowest on record for the thirty year bond, and demand was strong, further bolstering the treasury market. However, investor sentiment began to change direction in March. The February employment report issued early in the month was stronger than expected, which caused a massive sell off in the treasury market. The weakness continued throughout March, as investors worried that the Fed would continue to raise rates. The yield curve also flattened. At the end of March, the Fed raised rates again and indicated that rates may be raised further, inspiring another sell off.

Utility common stocks tend to be influenced by both the Treasury and energy markets. Energy prices remained high over the quarter, especially among oil and coal producers. Therefore, utilities were strong throughout January and February. The sector weakened towards the end of the quarter, as utilities were adversely affected by the weakness in the Treasury market in March. Additionally, due to the warmer than normal winter, investors are anticipating that earnings for utilities may be lower than expected, which further contributed to the fall in prices.

We anticipate that the Fed will raise rates approximately one or two more times, to 5.25%. The most important factors driving interest rate decisions will likely be employment data, the status of the housing market and oil prices.

The best performing preferreds were the higher coupon, shorter duration securities. The communications sector and international issues also performed well. The worst performing preferreds were in the auto industry. However, the CEO's of both Ford and General Motors have made public statements that they do not intend to file bankruptcy. We feel comfortable with our small level of exposure to the auto preferreds because of their high coupons.

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Companies Positively Impacting Performance

- **Renaissance RE Holdings**, a Bermuda-based reinsurer, positively impacted the portfolio as the company experienced a solid quarter and earnings expectations were increased.
- **General Motors** performed well due to effective cost cutting and improvement of the balance sheet by management. The preferred issues are trading at particularly attractive levels.
- **Nexen**, a Canadian-based global energy and chemicals company, performed well as oil exploration and production stocks enjoyed a strong quarter overall.

Companies Negatively Impacting Performance

- The first quarter was weak for insurance companies as a whole, causing **AXA**, the Paris based financial services firm, to decline.
- Last quarter, Florida Power and Light Company made an offer to buy **Baltimore Gas and Electric's** (BGE) parent Constellation Energy. BGE declined this quarter as the merger experienced delays.
- **Swedish Export Credit**, based in Stockholm and owned by the state, finances exports of Swedish capital goods and services. The stock decreased over the quarter due to high levels of profit taking.

Current Market Outlook & Portfolio Strategy

With the amount of economic uncertainty in the market today, given high oil prices and a slowing economy, we remain optimistic about preferreds, as investors historically have favored preferreds and treasuries during ambiguous times.

We also believe the long-term demographics for the preferred marketplace are favorable, given the potential demand for income generating securities among the first wave of baby boomers about to retire over the next fifteen to twenty years. This desire for lower risk, income oriented investments will drive demand for bonds and preferred stocks.

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Top 20 Holdings

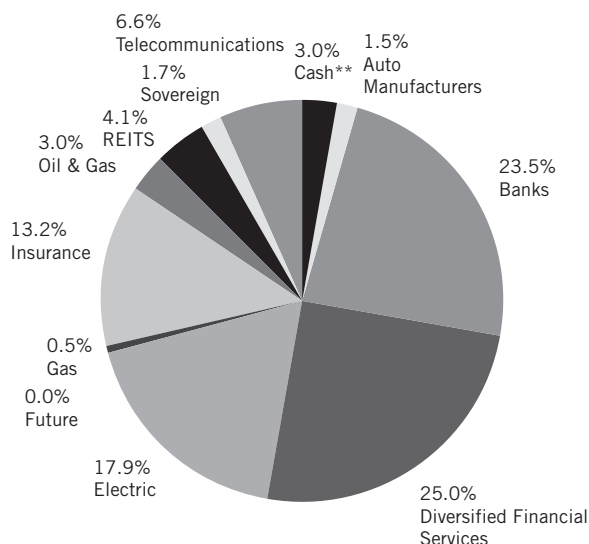
as of March 31, 2006



	% Of Mkt Value
Nexen Inc Pref Stock	3.02%
FPC Capital I Pref Stock	2.54%
BGE Capital Trust II Pref Stock	2.48%
Telephone & Data Systems Inc Pref Stock	2.42%
US Cellular Pref Stock	2.38%
Aegon NV Pref Stock	2.28%
HSBC Finance Corporation Pref Stock	2.28%
UBS Preferred Funding Trust III Pref Stock	2.23%
ING Group NV Pref Stock	2.13%
Phoenix Companies Inc Pref Stock	2.08%
Merrill Lynch Preferred Capital Trust V Pref Stock	2.06%
Great Plains Energy Inc Pref Stock	2.04%
Lincoln National Capital VI Pref Stock	2.01%
Banco Santander Pref Stock	1.99%
SLM Corp Pref Stock	1.90%
Duke Realty Corp Corp Bond	1.84%
BNP Paribas Capital Trust V Pref Stock	1.82%
HBOS Capital Funding LP Corp Bond	1.81%
AXA Pref Stock	1.81%
Verizon New England Inc Pref Stock	1.80%

Industry Weights:

as of March 31, 2006



** Excludes Cash Equivalent Securities

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(GPT.UN)**

Asset Allocation

as of March 31, 2006

