



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

[Market Commentary for the period ending September 30, 2006](#)

Preferreds made their mark with solid September performance. The rally continues with longer duration preferreds performing better than the overall Treasury market. Lower treasury yields were the prime catalyst driving preferred prices higher as encouraging economic reports helped validate a slowing economy and the continued pause in interest rate hikes. The benchmark 10-year note yield ended the quarter with a 4.63 handle, down from its summer high of 5.15%. The best performing preferreds were tax-advantaged issues, as investors recognized the relative value of Dividends Received Deduction and Qualified Dividend Income securities.

The Merrill Lynch Hybrid preferred index moved higher in the quarter by roughly 5.8% while the Merrill Lynch preferred index was up 6.6%. Preferreds continued to rebound on a spread basis. An overall reduction in risk premiums occurring in both the equity and fixed-income markets also help. Investors continue to be convinced that healthy company fundamentals are likely to withstand the slowdown in the economy. And while these favorable market conditions prompted an above-average supply in the preferred market, it was countered with \$1.3 billion of call-outs during the quarter.

GLOBAL PREFERRED SECURITIES TRUST (GPT.UN)

Top 20 Holdings

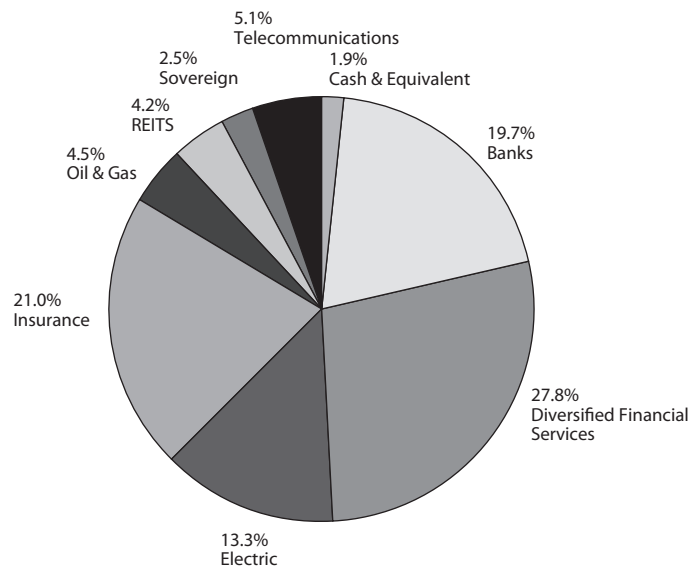
as of September 30, 2006



	% Of Mkt Value
Nexen Inc pref stock	4.47%
Aegon NV pref stock	3.33%
Phoenix Companies Inc pref stock	3.10%
ING Group NV pref stock	3.08%
PPL CORPORATION 7.00 pref stock	3.01%
Duke Realty Corp pref stock	2.72%
General Electric Capital Corp pref stock	2.70%
AXA corp bond	2.69%
Lloyds TSB Bank Plc pref bond	2.67%
BNP Paribas Capital Trust V corp bond	2.66%
HBOS Capital Funding LP pref bond	2.65%
Morgan Stanley Capital Trust III pref stock	2.60%
ABN AMRO Capital Fund Trust V pref stock	2.55%
Royal Bank of Scotland Group Plc pref stock	2.53%
Telephone & Data Systems Inc pref stock	2.53%
Swedish Export Credit corp bond	2.51%
Renaissancere Holdings Limited pref stock	2.34%
Repsol International Capital Limited pref stock	2.30%
Dominion Resources Capital Trust I corp bond	2.25%
Abbey National Pfd Series B Shares pref stock	2.21%

Industry Weights:

as of September 30, 2006



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Asset Allocation

as of September 30, 2006

