



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 October 31, 2006](#)

October marked the biggest utility rally of the year, with many utility stocks hitting 52 week highs. Longer duration preferreds continued their upward trend fueled by a treasury rally late in the month. The lower treasury yields drove preferred prices higher as encouraging economic reports validated a slowing economic picture. The benchmark 10-year note yield ended the month at 4.57%, down from October's high of 4.83%. The best performing preferreds continued to be tax-advantaged issues, as investors recognized the relative value of DRD and QDI securities versus fully taxables.

The Merrill Lynch Hybrid preferred index moved higher still in October by 1.10% while the Merrill Lynch DRD index was up 1.23%. Preferreds narrowed to treasuries as investors continue to be convinced that the Fed is done tightening. On utilities specifically, the number of growing call-outs aided the continuing preferred rally, while the growing number of retiring baby-boomers continued to look for strong yield. Hedge fund short covering and the growing number of ETF's adding utilities to their portfolios were additional factors in October's strong performance.

BGE B 6.20% (Constellation Energy) was a solid performer for both funds. ABN Amro and Keycorp preferreds were very strong for the month as finance and investment banking firms soared on the strong financial rally trend. DRE K 6.5% and DRE L 6.6 were strong contributors to earnings as REITS continued their strong third quarter performance into October. Other winners were JSM 6% (SLM Corp), Morgan Stanley's MWR 6.25% and SWX B 7.7 (Southwest Gas). As in September, almost all the preferreds were up for the month of October.

GLOBAL PREFERRED SECURITIES TRUST (GPT.UN)

Top 20 Holdings

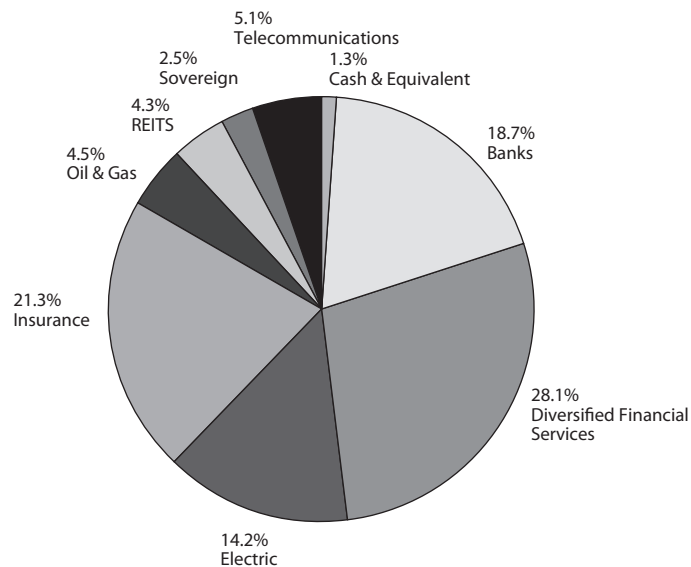
as of October 31, 2006



	% Of Mkt Value
Nexen Inc pref stock	4.55%
Aegon NV pref stock	3.37%
ING Group NV pref stock	3.12%
Phoenix Companies Inc pref stock	3.08%
PPL CORPORATION 7.00 pref stock	3.00%
Duke Realty Corp pref stock	2.80%
AXA corp bond	2.75%
General Electric Capital Corp pref stock	2.74%
Lloyds TSB Bank Plc pref bond	2.71%
BNP Paribas Capital Trust V corp bond	2.70%
HBOS Capital Funding LP pref bond	2.68%
Morgan Stanley Capital Trust III pref stock	2.65%
ABN AMRO Capital Fund Trust V pref stock	2.57%
Royal Bank of Scotland Group Plc pref stock	2.56%
Telephone & Data Systems Inc pref stock	2.51%
Swedish Export Credit corp bond	2.50%
Renaissancere Holdings Limited pref stock	2.48%
Repsol International Capital Limited pref stock	2.30%
Dominion Resources Capital Trust I corp bond	2.28%
SLM Corp pref stock	2.22%

Industry Weights:

as of October 31, 2006



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Asset Allocation

as of , October 312006

