

Principal Global Investors

Spectrum Preferred Securities

Presented By:

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Spectrum Preferred Securities SMA Securities Tax Advantage Portfolio

Security Name	Cusip	Ticker	Sector	S&P	Mdys	Price	YTW	CY	Coupon	Dur	Portfolio
1 Abbey National PLC 1.84375	002920809	anb.pr.c	BANKING - FOREIGN	A	A2	\$ 25.49	6.33	7.31	7.375	1.97	4.06%
2 ABN AMRO 1.52	00372Q201	abn.pr.g	BANKING	A	A2	\$ 23.27	6.56	6.56	6.080	8.87	4.06%
3 Ace Ltd 1.95	C0070K111	ace.pr.c	REINSURANCE - FOREIGN	BBB-	Baa2	\$ 25.96	6.30	7.60	7.800	4.93	2.00%
4 Aegon 1.59375	007924301	aei	INSURANCE - LIFE - FOREIGN	A-	A3	\$ 24.24	6.63	6.63	6.375	8.87	4.06%
5 Arch Capital Group LTD 1.96875	C0450A147	arh.pr.b	REINSURANCE - FOREIGN	BB+	Baa3e	\$ 25.65	7.72	7.94	8.000	7.89	1.00%
6 Banco Santander 1.6025	80281R300	std.pr.i	BANKING - FOREIGN	A-	A2	\$ 25.05	6.48	6.48	6.410	6.90	4.06%
7 Barclays Bank PLC 1.65625	06739F390	bcs.pr	BANKING - FOREIGN	A+	Aa3	\$ 25.36	6.63	6.63	6.625	6.90	4.06%
8 Bear Stearns Company 3.075	073902702	bsc.pr.e	BROKERAGE	BBB	A3	\$ 50.80	5.14	6.08	6.150	0.99	4.06%
9 CIT Group 1.5875	125581207	cit.pr.a	FINANCIAL	BBB+	Baa1	\$ 25.15	6.37	6.37	6.350	10.89	4.06%
10 Citigroup 3.1825	172967309	c.pr.f	BANKING	A	Aa3	\$ 50.95	5.27	6.32	6.365	10.89	4.06%
11 Fannie Mae 2.75	313586828	fnm.pr.n	AGENCY	AA-	Aa3	\$ 44.65	6.23	6.23	5.500	9.85	4.06%
12 Freddie Mac 2.85	313400731	fre.pr.r	AGENCY	AA-	Aa3	\$ 47.00	6.15	6.15	5.700	9.87	4.06%
13 General American Investors 1.4875	368802401	gam.pr.b	MUTUAL FUND	NA	Aaa	\$ 23.40	6.41	6.41	5.950	8.87	4.06%
14 Goldman Sachs Fitr 3mL Ser A	38143Y665	gs.pr.a	BROKERAGE	A-	A2	\$ 25.79	5.68	6.15	5.910	0.00	4.06%
15 HSBC USA Fitr 3mL+75 Ser F	40428H805	hba.pr.f	BANKING	A	A2	\$ 25.84	5.52	6.12	6.258	0.00	4.06%
16 ING 1.53125	456837509	ig	FINANCIAL - FOREIGN	A	A2	\$ 23.70	6.47	6.47	6.125	8.87	4.06%
17 Lehman Bros Holdings Fitr 1mL+75 Ser C	524908639	leh.pr.g	BROKERAGE	A-	A3	\$ 25.45	5.53	6.07	6.119	0.00	4.06%
18 Merrill Lynch Fitr 3mL+75 Ser C	590215703	mer.pr.g	BROKERAGE	A-	A2	\$ 25.54	5.82	6.19	5.970	0.00	4.06%
19 Metlife Fitr 3mL+100 Ser A	59156R504	met.pr.a	INSURANCE - MULTI LINE	BBB	Baa1	\$ 25.97	5.70	6.33	6.329	0.00	4.06%
20 Nexen Inc 1.8375	65334H508	nxy.pr.b	ENERGY - FOREIGN	BB+	Baa3	\$ 25.18	6.95	7.28	7.350	4.93	1.50%
21 Morgan Stanley 0% Series A Fitr	65334H508	ms.pr.a	BROKERAGE	A-	A2e	\$ 25.18	6.95	7.28	7.350	0.00	4.06%
22 PartnerRe Ltd 1.625	C68603409	pre.pr.d	REINSURANCE - FOREIGN	BBB+	Baa1	\$ 23.77	6.92	6.92	6.500	8.87	1.75%
24 Prudential PLC 1.625	G7293H189	puk.pr.a	INSURANCE - LIFE - FOREIGN	A-	Baa1	\$ 24.75	6.66	6.66	6.500	6.90	4.06%
25 Royal Bank of Scotland 1.5875	780097770	rbs.pr.n	BANKING - FOREIGN	A	A1	\$ 24.67	6.48	6.48	6.350	6.90	4.06%
26 UBS Pfd Fndng Fitr 1mL+70 Ser D	90263W201	ubs.pr.d	BANKING - FOREIGN	AA-	A1	\$ 25.35	5.14	6.01	6.087	0.00	4.06%
27 US Bancorp Fitr 3mL+60 Ser B	902973155	usb.pr.h	BANKING	A	A1	\$ 25.85	5.31	5.92	6.107	0.00	4.06%
28 XL 1.90625	C98255303	xl.pr.b	REINSURANCE - FOREIGN	BBB	Baa2	\$ 25.47	6.54	7.52	7.625	4.93	2.50%
29 CASH				AAA	Aaa	\$ 4.81	4.92	4.92	-	0.00	2.01%
Portfolio Weighted Average				A	A2		6.10	6.46		4.89	100.00%

Broker Use Only

The securities listed in this report reflect Spectrum Asset Management's SMA Preferred Securities Portfolio as of the date identified above.

Income estimates do not reflect total return which may be less than estimated income.

This summary should not be considered a recommendation to purchase, sell or hold any particular security.

The values of these securities will fluctuate over time.

Institutional clients of Spectrum Asset Management may have investment results that differ materially from those reflected on this report.

S&P rating reflects and independent security rating as defined by Standard & Poor's.

Current Yield is generally defined as the coupon rate divided by the market price of the security.

Coupon is generally defined as the periodic interest payment made to the bondholders during the life of the security.

Duration is commonly defined as a measurement of the price sensitivity of a fixed income asset or portfolio to a change in interest rates.

Spectrum Asset Management

June 23, 2006

Security Name	Sector	S&P Rating	Current Yield	Coupon	Duration	Benefit	Port
1 Tennessee Valley Auth 1.3725	AGENCY	AAA	6.21	5.490	8.97		1.25%
2 ABN AMRO 1.52	BANKING	A	6.67	6.080	8.97	QDI	2.50%
3 BAC Capital Trust II 7%	BANKING	A	7.08	7.000	8.97		2.25%
4 UBS Mid Fndng Fltr 1mL+70 Ser D	BANKING	A-	6.97	5.950	8.97		2.50%
5 Citigroup Capital VII 7.125%	BANKING	A	7.19	7.125	2.99		2.50%
6 HSBC USA Inc 0.0% Series F	BANKING	A-	6.15	5.750	0.00	QDI	3.50%
7 JP Morgan Chase 1.55	BANKING	A-	6.99	6.200	8.97		2.50%
8 Keycorp Capital V 5.875%	BANKING	BBB	7.04	5.875	8.97		2.25%
9 PNC 1.53125	BANKING	BBB+	7.12	6.125	8.97		2.00%
10 US Bancorp 0.0% Series H	BANKING	A	6.01	5.560	0.00	QDI	2.00%
11 Barclays Bank PLC 6.625	BANKING - FOREIGN	A+	6.72	6.625	6.98	QDI	2.50%
12 Royal Bank of Scotland 1.5875	BANKING - FOREIGN	A	6.78	6.350	6.98	QDI	2.50%
13 UBS Mid Fndng Fltr 1mL+70 Ser D	BANKING - FOREIGN	AA-	6.03	5.899	0.00	QDI	3.50%
14 Goldman Sachs 0.0% Series A	BROKERAGE	A-	6.16	5.910	0.00	QDI	3.50%
15 Lehman Brothers Holding 0.0 C	BROKERAGE	A-	6.06	5.949	0.00	QDI	3.50%
16 Merrill Lynch 0.0 Series C	BROKERAGE	A-	6.24	5.970	0.00	QDI	3.50%
17 Morgan Stanley Cap V 5.75%	BROKERAGE	A+	7.02	5.750	8.97		2.50%
18 Comcast Corp 7%	CABLE TV	BBB+	7.11	7.000	7.92		2.00%
19 CIT Group 1.5875	FINANCIAL	BBB+	6.55	6.350	10.69	QDI	3.00%
20 Countrywide 1.6875	FINANCIAL	BBB+	7.19	6.750	8.97		1.50%
21 GE Capital Corp 1.46875	FINANCIAL	AAA	6.68	5.875	8.97		2.25%
22 SLM Corp 1.50	FINANCIAL	A	6.97	6.000	8.97		2.50%
23 ING Group 1.53125	FINANCIAL - FOREIGN	A	6.81	6.125	8.97	QDI	2.75%
24 AMBAC Financial 1.4875	INSURANCE - FINANCIAL	AA	6.91	5.950	8.97		2.50%
25 Financial Security Assurance Hldg 1.5625	INSURANCE - FINANCIAL	AA	6.90	6.250	8.97		2.50%
26 Acgen 0.00% Series I	INSURANCE - LIFE - FOREIGN	A-	6.35	6.204	0.00	QDI	2.75%
27 Everest Re 7.83	INSURANCE - P&C	BBB	7.77	7.830	1.99		1.75%
28 W R Berkley 1.6875	INSURANCE - P&C	BBB-	7.32	6.750	8.97		2.50%
29 Ace LTD 7.8% Series C	REINSURANCE - FOREIGN	BBB-	7.63	7.800	4.98	QDI	2.00%
30 XL Capital LTD 8% Series A	REINSURANCE - FOREIGN	BBB	7.88	8.000	1.99	QDI	2.00%
31 General American Investors 1.4875	MUTUAL FUND	NA	6.62	5.950	8.97		1.50%
32 Duke Realty Corp 17375	REIT	BBB	7.20	6.950	6.98		2.25%
33 Equity Office Properties 1.9375	REIT	BBB-	7.65	7.750	1.00		2.50%
34 Equity Residential Prop 6.48 N	REIT	BBB-	7.06	6.480	8.97		1.50%
35 First Industrial Realty Trust 7.25%	REIT	BBB-	7.47	7.250	6.98		2.00%
36 New Plan Excel Realty 1.90625	REIT	BBB-	7.57	7.625	4.98		2.00%
37 Public Storage 6.45 Series F	REIT	BBB-	7.19	6.450	8.97		2.50%
38 Wachovia Bank 1.8125	REIT	A-	6.89	7.250	6.98		3.50%
39 Alabama Power 5.875 Series II	UTILITY	AAA	6.51	5.875	8.97		1.75%
40 Georgia Power Co. 5.90%	UTILITY	A	6.75	5.900	8.97		1.75%
41 Nat Rural Utilities 6.10%	UTILITY	BBB-	6.84	6.100	8.97		2.00%
42 CASH		AAA	4.96	-	0.00		2.00%
Portfolio Weighted Average		A-	6.79		5.78		100.00%

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Spectrum Preferred Securities

Periods Ended June 30, 2006

	Three Months	Year To Date	One Year	Three Years	Five Years	Ten Years	Since Inception
Spectrum Preferred Securities^{1, 2} (Gross)	-0.8%	-0.2%	0.8%	4.1%	7.6%	8.3%	9.7%
Spectrum Preferred Securities^{1, 2} (Assumed Net 1.25%)	-1.1%	-0.8%	-0.5%	2.8%	6.3%	6.9%	8.4%
Lehman Aggregate Index	-0.1%	-0.7%	-0.8%	2.0%	5.0%	6.2%	7.5%
Merrill Preferred Index	-2.0%	-0.9%	0.1%	2.5%	4.9%	6.5%	8.0%

1 Performance represents Spectrum's institutional Intermediate Duration Preferred Securities composite and has been reduced by transaction costs.

Net performance reflects Spectrum's Intermediate Duration Preferred Securities composite reduced by an assumed maximum bundled fee of 1.25%, which includes brokerage, custodial, and investment management expenses.

2 Spectrum's institutional Intermediate Duration Preferred Securities composite inception date: March 31, 1989. Performance results reflect time-weighted total returns gross of management fees. Returns for periods over one year are annualized. Please refer to the accompanying "Notes to Performance Data" for additional disclosures and important information. Returns are in U.S. dollars. Past performance is not indicative of future results.

The Spectrum SMA Qualified Dividend Income Exclusion (QDI) strategy invests in only tax advantaged \$25 par preferred securities whose income is taxed at a flat 15%. QDI preferred securities are a narrow subset of the \$25 par preferred securities universe and therefore Spectrum's QDI strategy may, or may not, perform similar to its \$25 par SMA preferred securities strategy. Comparison to the Lehman U.S. Aggregate, though not 100% correlated, is a typical benchmark chosen for the Intermediate Duration program. Merrill Preferred Index is not truly representative of the whole Preferred universe. It does not include any Capital/\$1,000 par securities or securities issued by non US issuers. Returns for periods over one year are annualized. Past Performance is not an indication of future results.

Spectrum Preferred Securities

Periods Ended June 30, 2006

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994
Spectrum Preferred Securities^{1, 2} (Gross)	3.3%	6.8%	13.3%	10.0%	10.9%	16.5%	-4.7%	8.6%	12.8%	8.1%	23.8%	4.3%
Spectrum Preferred Securities^{1, 2} (Assumed Net 1.25%)	2.0%	5.5%	11.9%	8.6%	9.6%	15.1%	-5.9%	7.2%	11.4%	6.8%	22.3%	3.0%
Lehman Aggregate Index	2.4%	4.3%	4.1%	10.3%	8.4%	11.6%	-0.8%	8.7%	9.7%	3.6%	18.5%	-2.9%
Merrill Preferred Index	0.5%	5.5%	9.5%	6.6%	9.0%	17.7%	-4.7%	7.4%	10.6%	7.4%	20.4%	-5.7%

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Net performance reflects Spectrum's Intermediate Duration Preferred Securities composite reduced by an assumed maximum bundled fee of 1.25%, which includes brokerage, custodial, and investment management expenses.

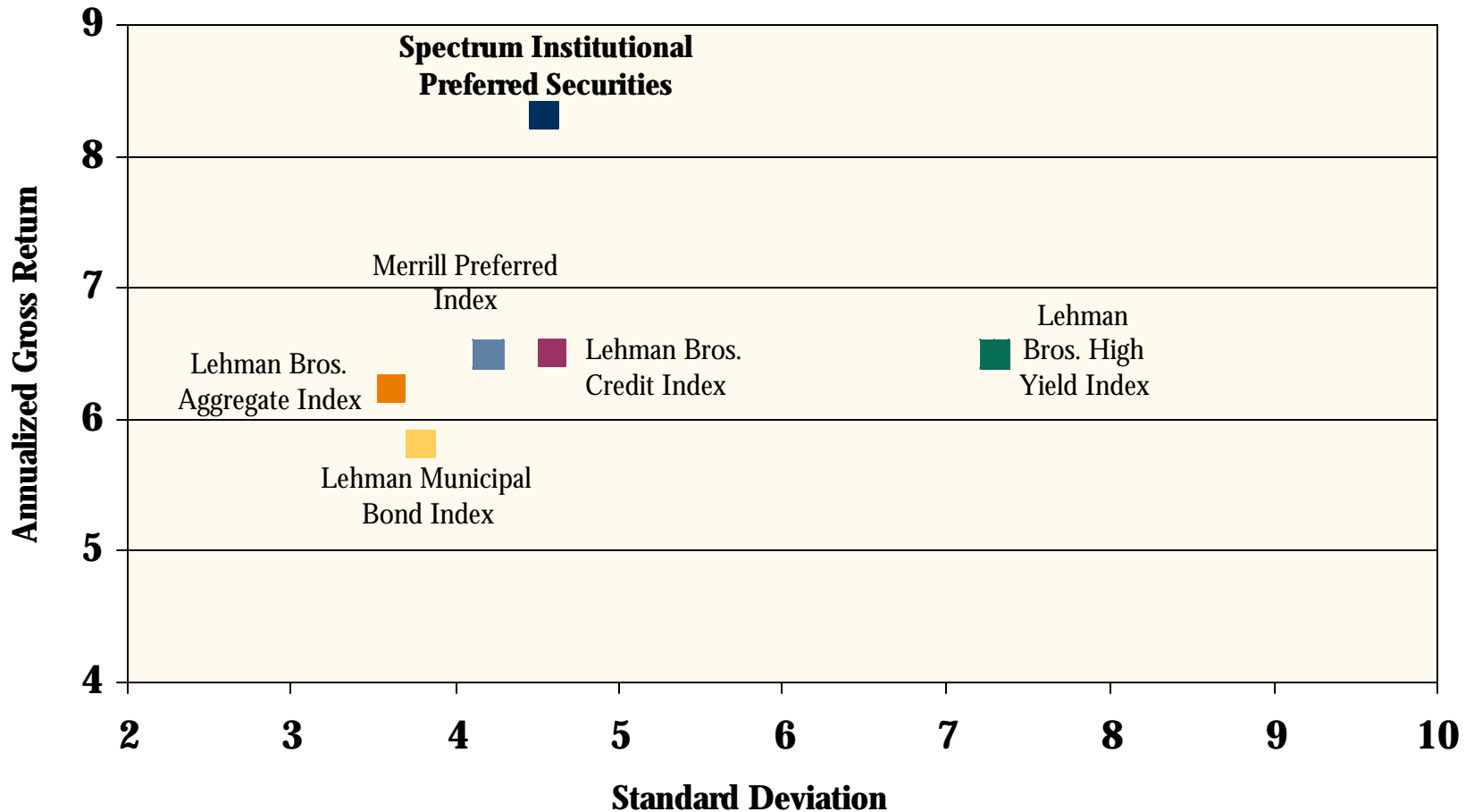
¹ Spectrum's institutional Intermediate Duration Preferred Securities composite inception date: March 31, 1989. Performance results reflect time-weighted total returns gross of management fees. Returns for periods over one year are annualized. Please refer to the accompanying "Notes to Performance Data" for additional disclosures and important information. Returns are in U.S. dollars. Past performance is not indicative of future results.

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Preferred Securities: Risk/Return

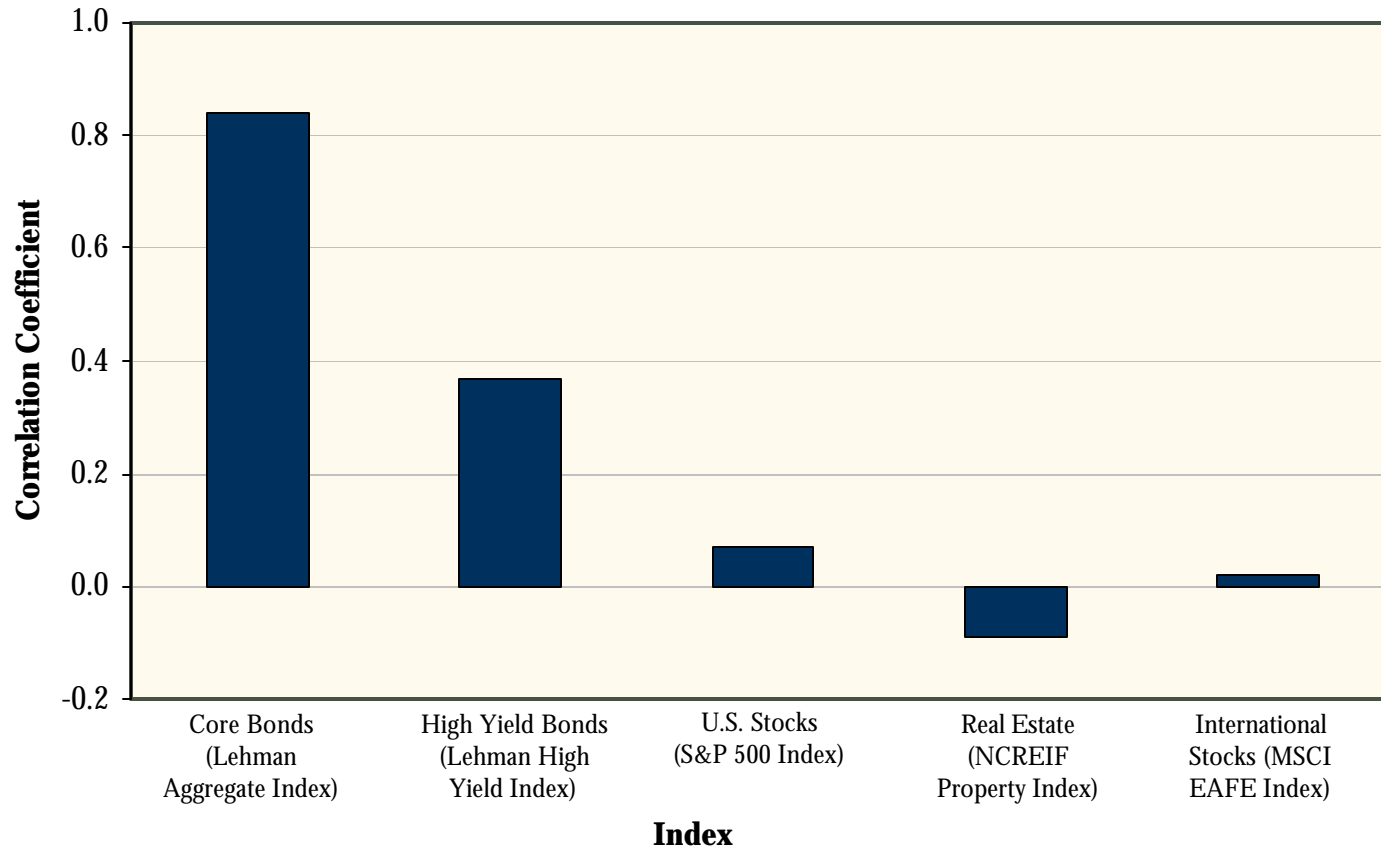
From June 30, 1996 to June 30, 2006



Note: Description of indices can be found in the notes performance section
Past performance is not indicative of future results.

10-year Correlation To A Diversified Preferred Securities Portfolio

As Of June 30, 2006



Note: Description of indices can be found in the notes performance section.

Source: Principal Global Investors

Past performance is not indicative of future results.

*Preferred Securities is represented by Spectrum's Institutional Intermediate Duration composite.

Annual Default Rates

- The average annual default rate for preferred securities rated investment grade one year before impairment (deferral or default) for the past 10 years through 2005 was 0.16%

Year	Preferred Securities
1996	0.00%
1997	0.00%
1998	0.00%
1999	0.00%
2000	0.11%
2001	0.88%
2002	0.52%
2003	0.13%
2004	0.00%
2005	0.00%

Source: Spectrum Asset Management/Bloomberg

Note: The universe is hybrid preferred securities comprised of \$25 par preferreds and capital securities

10-Year Treasury Yield

10 Year Treasury Yield hit a low of 3.1% in June, 2003



Source: Federal Reserve, August 2006

Current Yield Spreads

(as of 6/30/06) Security	Preferred Security		10 year Bond		Yield Pick up (bps)
	S&P Rating	Current Yield	S&P Rating	Current Yield	
ING Groep*	A-	7.03	A+	4.31	271
Citigroup	A	7.07	A+	5.89	118
Georgia Power	BBB+	7.12	A	5.85	127
Abbey National	A	7.09	AA-	5.89	120
Con Edison Co. of NY	A	7.52	A	5.79	173

This table demonstrates the spread of the preferred security over the senior debt of the same issuer. These yields are prior to the affect of any hedging. The cost of the hedging will reduce the yield and the expected volatility of the security.

Data provided as supplemental information only and complements the composite presentation which can be found in the notes to performance section.

“Yield to Worst” Spreads

(as of 6/30/2006)		Preferred Security		5 year Bond		Yield Pick up
Security	Rating	YTW	Rating	YTW	(bps)	
ING Group	A-*	6.60	Aa3	3.67	293	
Citigroup	Aa2	7.10	Aa1	6.35	76	
Georgia Power	A3	7.04	A2	5.43	161	
Bank of America	Aa3	7.11	Aa2	5.65	146	
Con Edison Co. of NY	A1	7.50	A1	5.97	153	

Source: Bloomberg. Yield to Worst (YTW) is the lower of the Yield to Maturity (YTM or the Yield to Call (YTC)).

* Standard & Poor's rating. All other ratings are Moody's.

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Spectrum Asset Management

- Founded 1987 to specialize in the management of diversified preferred security portfolios for both taxable and tax exempt clients
- Specialists in the preferred securities market with \$12.54 billion in assets managed.
- An independently managed affiliate of Principal Global Investors. Principal Global affiliates manage over \$168.8 billion* in combined assets worldwide for institutional and individual clients. In addition to the benefits of being majority owned by a financially strong \$11.1 billion market cap NYSE listed company, Spectrum can take advantage of Principal's 29 credit analysts to supplement our own internally generated research
- The nine investment professionals at Spectrum have broad based experience in all aspects of the preferred market including client portfolio management, hedging, corporate portfolio management, sales, trading, underwriting, investment banking, deal structuring and corporate finance. Spectrum's two Executive Directors have each been involved in the preferred market for over 20 years

*As of June 30, 2006. Principal Global Investors is the asset management arm of the Principal Financial Group® (The Principal®), and includes the global asset management operations of the following members of The Principal: Principal Global Investors, LLC; Principal Real Estate Investors, LLC; Spectrum Asset Management, Inc.; Post Advisory Group, LLC; Columbus Circle Investors; Principal Global Investors (Europe) Limited; Principal Global Investors (Singapore) Ltd; Principal Global Investors (Australia) Ltd; and Principal International, Inc., its subsidiaries and affiliates.

Notes to Performance

The Lehman Aggregate Bond Index is designed to measure the performance of approximately 6,000 publicly traded bonds having an approximate average of maturity of 10 years, including U.S. Government, mortgage-backed, corporate, and yankee bonds. The index return includes income, dividends and interest.

The Lehman High Yield Index is designed to measure the performance of all domestic and yankee bonds that have a minimum of \$100 million outstanding and a maturity of greater than one year. The index return includes income, dividends and interest.

S&P 500 Stock Index is a market capitalization-weighted index of 500 widely held stocks. The index return includes income, dividends and interest.

The NCREIF Property Index is a private real estate market proxy that is based on property level returns (after properly level expenses).

The MSCI EAFE Index (Europe, Australasia, Far East) is widely accepted as a benchmark for international stock performance. The E AFE Index is an aggregate of 26 individual country indexes. The index return includes income, dividends and interest.

Annual Disclosure Presentation

Principal Global Investors, LLC

The information included in this document has been prepared for distribution only to select sophisticated investors on a one-on-one basis and should not be construed as advertising, investment advice or a recommendation for the purchase or sale of any security. You should not rely on past performance to make investment decisions. The value of investments and the income from them may fall as well as rise. The enclosed information has been developed internally and/or obtained from sources the Firm believes to be reliable; however, Principal Global Investors does not guaranty the accuracy, adequacy or completeness of such information.

Principal Global Investors, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. Certain members of the Firm previously operated as Principal Capital Management, Principal Capital Income Investors, Principal Capital Real Estate Investors, Invista Capital Management, BT Funds Management, and the investment department of Principal Life Insurance Company. The Firm, Principal Global Investors, is a registered investment advisor and member of the Principal Financial Group®. Representative portfolios utilized to illustrate portfolio characteristics are selected on the basis of general non-performance-based criteria including length of time under advisor's management. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Performance results reflect total returns including income and market value changes. Accrued Accounting is used for securities that accrue income. Performance results are time-weighted rates of return, net of commissions and transaction costs. No selective periods of performance have been utilized. No alterations of composites as presented here have occurred because of changes in personnel or other reasons at any time. Monthly and quarterly composite calculations have been appropriately weighted by the size of each portfolio based on beginning market values. Annual and multiyear cumulative annualized composite returns are obtained by linking monthly composite results. Additional information regarding policies for calculating and reporting returns is available upon request.

Unless otherwise noted, the U.S. Dollar is the currency used to express performance. Returns are presented gross of management fees and include the reinvestment of all income. Returns from all securities, including cash reserves and equivalents and/or convertible/preferred securities held within equity or fixed income portfolios are included in performance calculations. Actual returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. If applicable, the annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

As of April 1, 2003, composite policy requires the temporary removal of any portfolio incurring a client initiated significant cash inflow or outflow of 33% of portfolio assets. The temporary removal of such an account occurs at the beginning of the month in which the significant cash flow occurs and the account re-enters the composite the month after the cash flow. Additional information regarding the treatment of significant cash flows is available upon request.

The index benchmarks are referred to for comparative purposes only and are not necessarily intended to parallel the risk or investment approach of the portfolios included in the composites.

Equity Composites

Performance shown prior to October 1, 2002, reflects that of Invista Capital Management, LLC, the equity group of Principal Capital Management, LLC (now known as Principal Global Investors, LLC). Unless otherwise noted, Total Firm Assets prior to 2002 reflect those of Invista Capital Management, LLC. Principal Global Investors has been verified firmwide by Ashland Partners & Company LLP from January 1, 1987 through December 31, 2004. A copy of the verification report is available upon request.

Unless otherwise noted, for all international, global and regional portfolios, composite performance is presented net of foreign withholding taxes. Withholding taxes may vary according to the investor's domicile. Information regarding the benchmark, including the percentage of the composite invested in countries or regions not included in the benchmark, is available upon request. Returns include the effect of foreign currency exchange rates. The index grosses-up dividends, where this is appropriate, to reflect the position of an international investor with the benefit of double taxation agreements, if any. The exchange rate source of the benchmark is Reuters and the composite source is IDC.

Fixed Income Composites

Performance shown prior to October 1, 2002 reflects that of Principal Capital Income Investors, LLC, the fixed income group of Principal Capital Management, LLC (now known as Principal Global Investors, LLC). Principal Global Investors has been verified firmwide by Ashland Partners & Company LLP from January 1, 1987 through December 31, 2004. A copy of the verification report is available upon request.

Real Estate Composites

Principal Real Estate Investors, LLC has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The firm maintains a complete list and description of composites, which is available upon request. The Firm, Principal Real Estate Investors, is the dedicated real estate group of Principal Global Investors, LLC. Principal Real Estate Investors has been verified firmwide by Ashland Partners & Company LLP from January 1, 1994 through December 31, 2004.

Returns from all properties, cash reserves and equivalents and/or other assets held within portfolios are included in performance which is calculated according to industry standards. No selective periods of performance have been utilized. Performance results reflect total returns including income and market value changes. Performance results are time-weighted rates of return, net of commissions and transaction costs. Fully discretionary accounts are all accounts that do not contain investment guidelines significantly restricting Principal Real Estate Investors, LLC's ability to manage the assets according to the applicable product. Beginning December 31, 1999 an Independent Auditor's Report is issued annually for valuation purposes, and is available upon request. Prior to 1999 Principal Real Estate Investors, LLC maintained the position that it had fiduciary responsibility of making final value determinations internally.

SPECTRUM ASSET MANAGEMENT, INC.

INTERMEDIATE DURATION TOTAL RETURN COMPOSITE

Year End	Total Firm Assets (millions)	<u>Composite Assets</u>			<u>Annual Performance Results</u>		
		U.S. Dollars (millions)	% of Firm Assets	Number of Accounts	Composite	Benchmark	Composite Dispersion
2005	13,151	10,351	44	3.2%	3.0%	1.0%	0.4%
2004	12,422	10,802	42	6.8%	6.6%	5.1%	0.6%
2003	11,115	10,455	39	13.3%	13.0%	9.4%	1.6%
2002	6,215	2,941	21	10.0%	9.7%	7.7%	1.2%
2001	1,108	521	19	10.9%	10.6%	9.8%	1.0%
2000	1,474	293	17	16.5%	16.1%	16.2%	0.7%
1999	1,948	313	7	(4.7%)	(5.1%)	(4.4%)	0.8%
1998	2,093	542	8	8.6%	8.3%	6.7%	N.A.
1997	1,155	386	12	12.8%	12.5%	10.0%	3.3%
1996	674	64	8	8.1%	8.0%	7.4%	0.4%
1995	491	45	6	23.8%	23.5%	20.4%	N.A.

N.A. - Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Intermediate Duration Total Return Composite contains fully discretionary intermediate duration total return accounts primarily using hybrid preferred securities and for comparison purposes is measured against the Merrill Lynch Preferred Stock, Fixed Rate Index. Spectrum Asset Management, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standard (GIPS®). The CFA Institute has not been involved in the preparation or review of this report.

Spectrum Asset Management, Inc. is a registered investment adviser with the SEC, and an independently managed affiliate of Principal Global Investors, LLC. The firm maintains a complete list and description of composites, which is available upon request.

Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Since January 1, 1997, non-fee-paying accounts have not been included in this composite. For the years prior to 1997, the percentage of non-fee paying accounts in the composite has been as follows: 1992: 100%, 1993: 100%, 1994: 12.98%, 1995: 7.09% and 1996: 4.38%.

Leverage is not used in this composite. Past performance is not indicative of future results.

The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. A fee schedule is an integral part of a complete presentation and is described in Part II of the firm's ADV, which is available upon request. The annual composite dispersion presented is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.

The Intermediate Duration Total Return Composite was created March 31, 1989. The Independent Verifier's Report and the Quarterly Performance Presentations are an integral part of this presentation.