

# Advantus Core Plus Fixed Income

The objective of our Core Plus Fixed Income strategy is to outperform the Lehman Aggregate Bond Index over the long term and maintain a competitive position in our peer universe.

## Assets in Strategy

\$70 million as of June 30, 2007



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Portfolio Manager

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## Investment Philosophy

- The fixed income market is frequently inefficient; a bottom-up, fundamental research approach that identifies mis-priced securities consistently produces superior results
- Investment professionals with expertise in both security selection and sector relative value analysis are best equipped to identify mis-priced securities
- Interest rate anticipation is not highly compensated and is de-emphasized in our process
- Active risk management is critical at the security level, and when combined with risk controls in portfolio construction, enhances risk-reward tradeoffs and management of tracking error

## Investment Process

### Security selection (55-70%)

- Focus on relative value, marrying opportunity and risk
- Use Initial Filter Screen tool and proprietary research systems
- Manage position relative to benchmark security weightings

### Sector allocation (15-25%)

- Sector weightings accentuate security selection and differ from benchmark
- Initial relative valuation based on historic spread relationships

### Portfolio risk adjustments (5-15%)

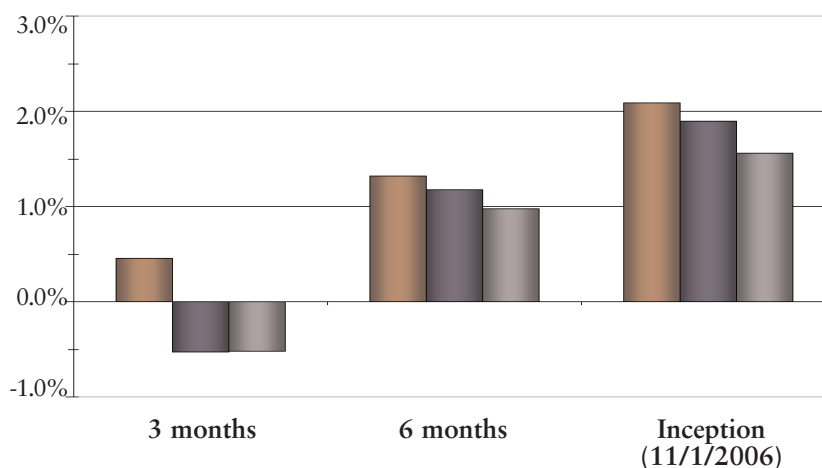
- Tactical credit and convexity mismatch

### Interest rate positioning (0-10%)

- Avoid short-term interest rate trading
- Restrict duration deviation exposure

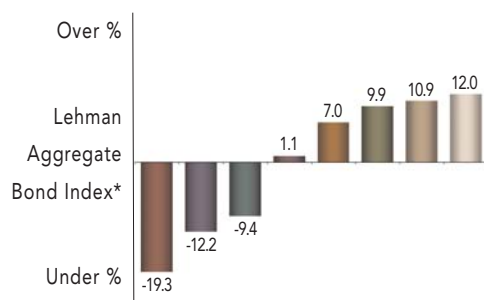
## Composite Performance

Period ending June 30, 2007



Advantus Core Plus (gross)	-0.46	1.32	2.09
Advantus Core Plus (net)	-0.53	1.18	1.90
Lehman Brothers Aggregate Bond Index	-0.52	0.98	1.56

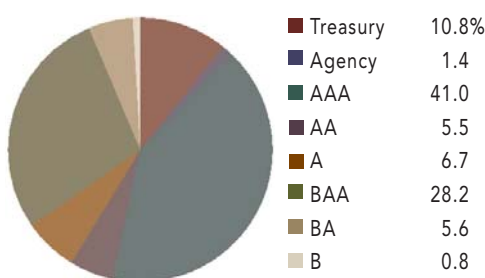
## Relative Sector Weights



	ADVANTUS CORE PLUS	LEHMAN AGGREGATE*
Pass-throughs	18.8	38.1
Treasuries	10.8%	23.0%
Agencies	1.4	10.8
Cash/Derivatives	1.1	0.0
Corporates	28.9	21.9
CMO	9.9	0.0
ABS	11.9	1.0
CMBS	17.2	5.2

## Quality and Characteristics

### Composite Credit Quality



### Composite Characteristics

	ADVANTUS CORE PLUS	LEHMAN AGGREGATE*
Yield to maturity	6.75%	5.68%
Effective duration	4.51 yrs.	4.62 yrs.
Convexity	0.04	-0.17
Avg. credit quality	AA3/A1	AA1/AA2
Average maturity	8.25 yrs.	7.15 yrs.

## Selected Team Member Profiles

**Christopher Sebald, CFA**, Executive Vice President, Chief Investment Officer and Lead Portfolio Manager, active in the investment industry since 1989

**David Land, CFA**, Vice President and Portfolio Manager, active in the investment industry since 1990

**Tom Houghton, CFA**, Vice President and Portfolio Manager, active in the investment industry since 1993

**David Kuplic, CFA**, Executive Vice President-Advantus and Chief Investment Officer-Securian Financial Group, active in the investment industry since 1984

**Sean O'Connell, CFA**, Vice President and Director of Mortgage Fixed Income Research, active in the investment industry since 1993

**John Leiviska, CFA**, Vice President-Manager of Corporate Research, active in the investment industry since 1985

\*The index used in this comparison is the Lehman Brothers Aggregate Bond Index.

Advantus Capital Management, Inc., is a registered investment adviser and a wholly-owned subsidiary of Securian Financial Group, Inc. The performance figures show the historical performance of a composite of Core Plus Fixed Income accounts managed by Advantus. The composite consists of all fully discretionary, fee paying accounts greater than \$20 million managed in the Core Plus style. Past performance is not an indication of future performance. Performance results reflect the reinvestment of dividends, interest and other earnings. The gross figures do not reflect the deduction of investment advisory fees, but do reflect the deduction of trading costs. The net figures do reflect the deduction of investment advisory fees as well as trading costs. The Lehman Brothers Aggregate Bond Index measures the performance of a large group of high quality fixed income securities across the government, corporate, mortgage-backed, asset-backed and commercial mortgage-backed markets. The index does not include management or trading costs. The Advantus Core Plus Fixed Income composite differs from the Lehman Brothers Aggregate Bond Index in that the composite uses residential mortgage securities issued by non-government agencies. To receive a complete list and description of Advantus composites and a presentation that adheres to the GIPS® standards, contact us at 651.665.5097. Advantus Capital Management, Inc., claims compliance with the Global Investment Performance Standards (GIPS®).