

# Advantus Intermediate Duration Fixed Income

The objective of this intermediate duration fixed income strategy is to outperform the Lehman Brothers Intermediate U.S. Bond Government/Credit Index over the long term and maintain a competitive position in our peer universe.

## Assets in Strategy

\$86 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%)

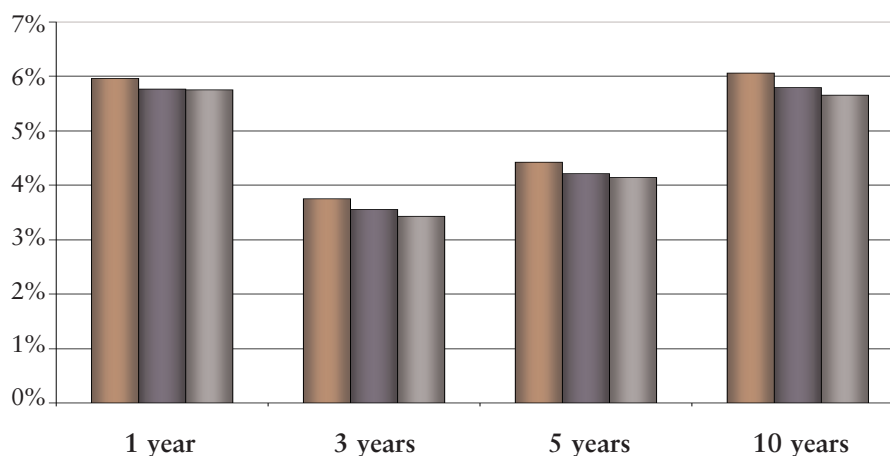
- Tactical credit and convexity mismatch

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

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

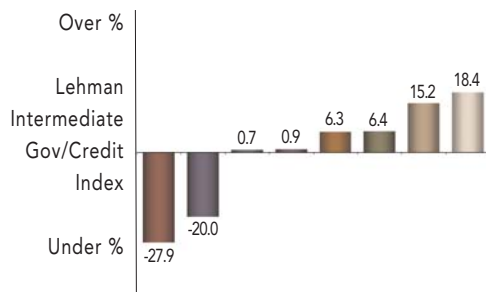
## Composite Performance

Period ending June 30, 2007



	1 year	3 years	5 years	10 years
■ Advantus Intermediate Duration (gross)	5.96	3.75	4.42	6.06
■ Advantus Intermediate Duration (net)	5.77	3.56	4.21	5.79
■ Lehman Int. Gov./Credit Index*	5.76	3.43	4.15	5.66

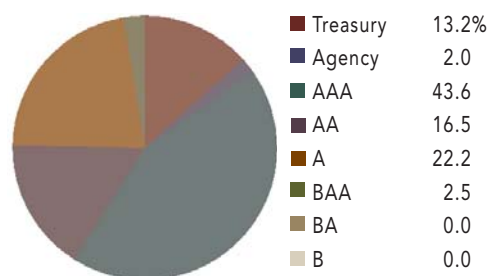
## Relative Sector Weights



	ADVANTUS INTERMEDIATE DURATION	LEHMAN INTERMEDIATE GOV/CREDIT*
Treasuries	13.2%	41.1%
Agencies	2.0	22.0
Cash	0.7	0.0
Corporates	37.8	36.9
Pass-throughs	6.3	0.0
CMO	6.4	0.0
ABS	15.2	0.0
CMBS	18.4	0.0

## Quality and Characteristics

### Composite Credit Quality



### Composite Characteristics

	ADVANTUS INTERMEDIATE DURATION	LEHMAN INTERMEDIATE GOV/CREDIT*
Yield to maturity	5.70%	5.36%
Effective duration	3.52 yrs.	3.58 yrs.
Convexity	0.04	0.12
Average credit quality	AA1/AA2	AA1/AA2
Average maturity	4.90 yrs.	4.39 yrs.
3 yr. tracking error	0.22%	N/A
3 yr. information ratio	1.43	N/A

## 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 Intermediate Government/Credit Index.

Advantus Capital Management, Inc., is a wholly-owned subsidiary of Securian Financial Group, Inc., the parent company of Minnesota Life Insurance Company, and relies on the separately registered entity to establish the CFA Institute Performance Presentation Standards firm. The performance figures show the historical performance of a composite of Intermediate Duration Fixed Income accounts managed by Advantus. The composite consists of all fully discretionary, fee paying accounts greater than \$20 million managed in an intermediate duration fixed income style. The Intermediate Duration Fixed Income composite totaled \$86 million as of June 30, 2007, which represented 0.46 percent of the firm's total assets. Past performance is not an indication of future performance. Performance results do not reflect the reinvestment of dividends, interest, or 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. Investment advisory fees are described in Part II of our ADV. Returns are calculated in U.S. dollars. The Lehman Brothers Intermediate U.S. Government/Credit Index is an unmanaged list of investment grade fixed income securities from two major sectors: U.S. government bonds and corporate bonds. The index does not include management or trading costs. To receive a complete list and description of Advantus composites and a presentation that adheres to the Global Investment Performance Standards (GIPS®) standards, contact us at 651.665.5097. Advantus claims compliance with GIPS®.