

# Advantus Real Estate Securities

The objective of the Advantus Real Estate Securities strategy is to seek total return with the goal of building a portfolio of diversified real estate securities that will outperform the Dow Jones Wilshire Real Estate Securities Index (DJWRESI) with reasonable investment risk and maintain a position consistently in the top half of our peer universe.

## Assets in Strategy

\$989 million as of June 30, 2007



Joseph Betlej, CFA  
Portfolio Manager

## Contact

Jay Strohmaier, CFA  
651.665.3212  
800.665.6005, ext. 53212  
Jay.Strohmaier@advantuscapi.com

John Messing  
651.665.5097  
800.665.6005, ext. 55097  
John.Messing@advantuscapi.com

## Composite Performance

Period ending June 30, 2007

	1 year	3 years	5 years	10 years
■ Advantus Real Estate (gross)	9.92	21.40	20.63	14.94
Advantus Real Estate (net)	9.28	20.67	19.79	14.12
Dow Jones Wilshire RES Index	11.72	22.31	19.49	13.59

## Investment Philosophy

We believe:

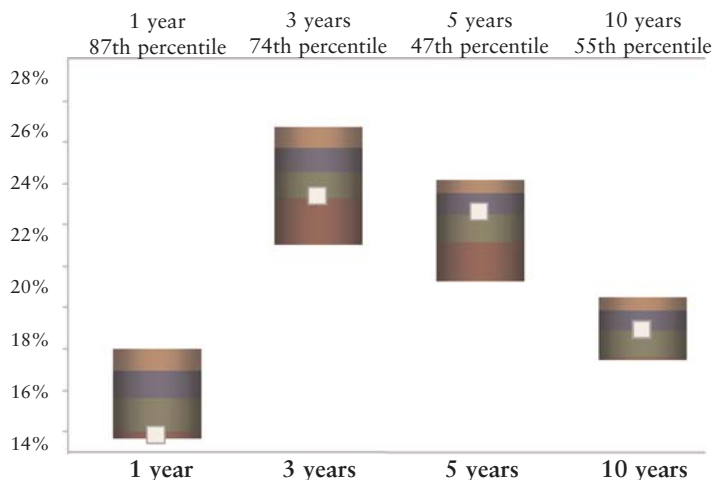
- A disciplined process reduces volatility and captures complexity of the real estate market.
- A dual perspective with hands-on real estate experience and capital market expertise discerns value between markets.
- Significant alpha is generated stock-by-stock with intensive, fundamental bottom-up research. Consistent earnings growth is key.
- Identified risk is controlled risk. An ongoing, rigorous risk management overlay is required to control that risk.
- Consistency in results is achieved with experience, a long-term perspective, and insight into real estate cycles.

## Investment Process

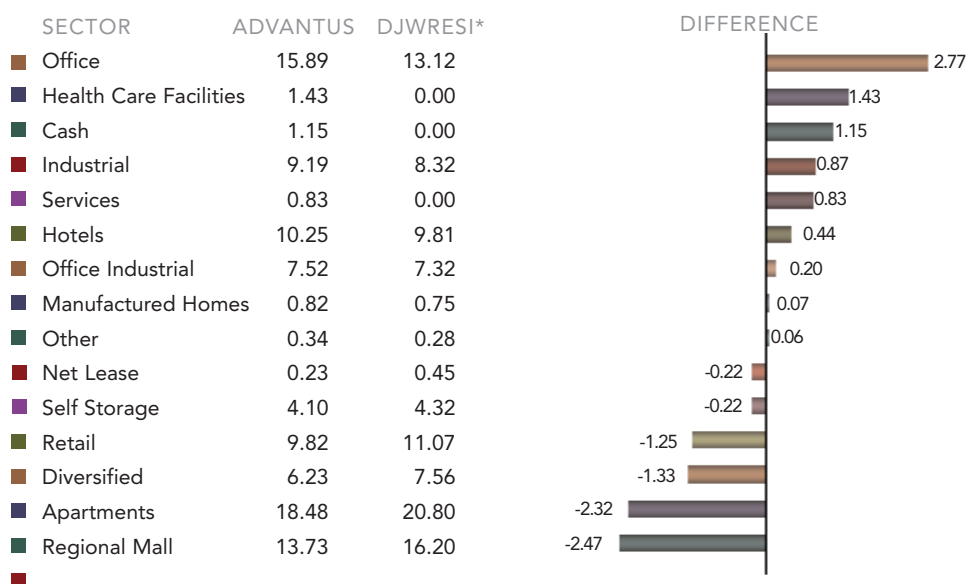
- **Data synthesis and refining:** Quantitative data and qualitative information is scrutinized through company and property visits.
- **Research and analysis:** In-depth, security specific analysis is performed with proprietary systems to process information into readily usable form.
- **Security selection:** Valuation measures and earnings expectations drive security pricing to buy/sell targets.
- **Portfolio construction:** A thesis, catalysts and tracking points for each security generate a dynamic holdings management process that reacts to changing pricing and data.
- **Risk management:** Attribution analytics, stylistic influences and weighting adjustments measure and manage appropriate risk.

## Peer Group Rankings\*\*

Period ending June 30, 2007



## Relative Sector Weights



## Holdings and Characteristics

### Top 10 Composite Holdings<sup>†</sup>

HOLDING	PERCENT	INDUSTRY
Simon Property Group, Inc.	7.16%	Regional Mall
ProLogis	6.00%	Industrial
Vornado Realty Trust	4.83%	Diversified
Host Hotels & Resorts, Inc.	4.28%	Hotel
Boston Properties, Inc.	4.08%	Office
Archstone-Smith Trust	4.02%	Apartment
Equity Residential	3.96%	Apartment
Brookfield Properties Corp.	3.77%	Office
Public Storage	3.66%	Storage
AvalonBay Communities, Inc.	3.28%	Apartment

### Composite Characteristics

	ADVANTUS	DJWRESI*
Number of securities	61	84
Anticipated turnover	50-60%	N/A
Portfolio yield	3.36%	3.83%
Wtd. avg. market cap.	\$9.0 billion	\$8.6 billion
3 yr. tracking error	2.33%	N/A
3 yr. information ratio	-0.33	N/A

## Team Profile

**Joseph Betlej, CFA**, Vice President and Portfolio Manager, active in the investment industry since 1984

**Lowell Bolken, CFA**, Associate Portfolio Manager, active in the investment industry since 1989

**Sean O'Connell, CFA**, Analyst, active in the investment industry since 1993

**James Ziegler**, Analyst, active in the investment industry since 1997

**David Schultz, CFA**, Analyst, active in the investment industry since 1993

\*The Dow Jones Wilshire Real Estate Securities Index is an index of publicly traded real estate securities.

\*\*Source: Wilshire Compass. A fee was paid to Wilshire for use of their software. The Wilshire peer group universe is comprised of U.S. investment managers with products managed in a similar style to the Advantus Real Estate Securities strategy. Peer group ranks are based on data compiled by Wilshire and based on gross of fees performance as of June 30, 2007. Total number of managers in universe are as follows: 40 in one-year, 40 in three-year, 35 in five-year and 23 in ten-year. Large blocks on graph represent the 10th to 90th percentile for the time period. Run date Aug. 1, 2007. The large block shown for each time period represents the 10th percentile to the 90th percentile of the peer group. †The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. You should not assume that investments in the securities identified and discussed were or will be profitable. Advantus Capital Management, Inc., is a wholly-owned subsidiary of Securian Financial Group, Inc., the parent company of Minnesota Life Insurance Company. The performance figures show the historical performance of a composite of Real Estate accounts managed by Advantus. The composite consists of all fully discretionary, fee-paying accounts greater than \$10 million, including three registered investment companies, managed in a real estate style. 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. Returns are calculated in U.S. dollars. The index used in this comparison is the Dow Jones Wilshire Real Estate Securities Index. The index is a market capitalization weighted index of publicly traded real estate securities, such as real estate investment trusts (REITs), real estate operating companies (REOCs) and partnerships. The index is comprised of companies whose charter is the equity ownership and operation of commercial real estate. The index does not include trading or management costs. The composite account differs from the index in that the index includes only REITs and REOCs, while the composite account may also include other real estate related stocks such as building materials, building services and home builders. In addition, the composite account may invest in preferred securities of REITs and REOCs. 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®.