

# Preferred Stocks

September 6, 2006

S&P 500: 1300.26



<u>High Yield Preferred</u> **	<u>Industry</u>	<u>S&amp;P/Moodys Rating</u>	<u>Call Date</u>	<u>Current Price</u>	<u>Yield to Call</u>	<u>Yield to Maturity</u>	<u>Current Yield</u>
Rochester G&E 6.65% (RGE) 6/15/32	Electric Utility	AAA/Aaa	6/20/07	\$25.33	4.81%	6.54%	6.6%
DuPont \$4.50 Preferred (DDprB) 7/7/37 *	Chemical	A/NA	NA*	\$82.00	NA*	5.58%	5.5%
SBC Communications 7% (SBT) 6/1/41	Telecom Utility	A/A1	6/13/06	\$25.07	5.75%	5.51%	7.0%
Georgia Power 6% Series A (GPJ) 10/15/33	Electric Utility	A/A2	10/23/08	\$24.53	6.19%	6.21%	6.1%
PSEG Funding Trust II 8.75% (PEGprU) 12/31/32	Electric Utility	BB+/Baa3	12/17/07	\$26.36	3.97%	8.20%	8.3%
American Financial Group 7.12% Debs. (AFE) 2/3/34	REIT	BBB/Baa3	2/3/09	\$25.68	6.23%	6.96%	6.9%
PS Business Parks 8.75% Series F (PSBprF) 1/24/07	REIT	BBB/Baa1	1/28/07	\$25.75	5.48%	8.67%	8.5%
St. Paul Capital 7.6% Trust (STA/prA) 11/15/50	Insurance	BBB-/Baa1	11/13/06	\$25.30	7.24%	7.60%	7.5%
S. California Edison 4.24% (SCEprC) 2/15/56 *	Electric Utility	BBB-/Ba2	NA*	\$19.08	NA*	5.59%	5.6%
UNUM Provident 7.25% Pines (UNN) 6/15/32	Insurance	BBB-/Baa3	6/25/07	\$25.29	7.28%	7.30%	7.2%
Mills Corp. 8.75% Series E (MLSprE) 12/31/49	REIT	NR/NR	5/5/08	\$21.24	10.43%	10.44%	10.3%

\* Perpetually Callable

<u>Convertible Preferred</u> **	<u>S&amp;P/Moodys Rating</u>	<u>Current Price</u>	<u>Conversion Parity</u>	<u>Conversion Ratio</u>	<u>Call Date</u>	<u>Current Yield</u>
Schering-Plough 6% (SGPprM)	BBB/Baa3	\$53.44	\$46.52	2.2451 shares	9/14/07	5.6%
Hartford Financial Services 6% (HIGprA)	A-/A3	\$74.39	\$73.62	0.8674 shares	11/6/06	4.0%
Supertel Hospitality Convertible Preferred A (SPPRP)	NR/NR	\$11.80	\$11.95	1.77 shares	1/1/09	6.8%

\*\*Potential Original Issue Discount (OID) tax generation

\*\*All Issues Mentioned Herein Rated OUTPERFORM

*For important disclosure information regarding the Firm's rating system, valuation methods and potential conflicts of interest, please refer to the back page of this report*

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A&S performed investment banking for Supertel Hospitality and also makes a market in it.

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