

Tax Season Is Just Around The Corner

If you redeemed or exchanged shares between Advantus funds in your non-retirement account during the past year, you will be receiving tax forms from Advantus in the coming months. These forms provide you with the information you'll need to report your gains or losses on Schedule D of your Form 1040.

Basically, gain or loss is calculated by taking the difference between the redemption / exchange amount and the average cost basis of the shares. In order to calculate your gain or loss on these shares, you will need to determine the cost basis on the shares you sold or exchanged, and the holding period for those shares. Advantus provides this information on the Cost Basis Statement enclosed with Form 1099-B.

*Advantus uses the average basis-single category method to calculate your cost basis, however there are four methods available to calculate cost basis and one of the other methods may be more suitable to your situation. Because mutual fund transactions can result in complicated tax questions, we encourage you to consult an accountant or tax advisor.

Tax Help

There are many sources to get the answers you need to file your federal tax return:

- [IRS Form 1040 Instructions](#)
- [IRS 1-800-829-1040](#) or www.irs.ustreas.gov
- [IRS Publications 1-800-829-3676](#)
- [Advantus Tax Guide](#) on www.advantusfunds.com

The following publications are especially helpful to mutual fund shareholders:

Number	Title
505	Withholding and Estimated Tax
514	Foreign Tax Credit for Individuals
519	U.S. Tax Guide for Aliens
525	Taxable and Nontaxable Income
564	Mutual Fund Distributions
590	Individual Retirement Arrangements

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Shareholder Questions and Answers



2000 Tax Guide

Advantus provides shareholders an easy-to-use online Tax Guide. To access, log on to advantusfunds.com and look for the icon shown above.



Bill Westhoff
President, Advantus
Capital Management

Dear Shareholder,

Over the past several months, rising interest rates, stock market volatility, and the unprecedented Presidential election contributed to a growing feeling of uncertainty among Americans. Uncertainty has had considerable impact on the financial markets. As a mutual fund investor, consider the following points:

- Diversification helps lower investment risk. Spread your investment dollars by investing in several funds or by choosing an asset allocation or balanced fund. The Advantus Spectrum Fund or International Balanced Fund¹ are diversified among several asset classes (stocks, bonds, and money market instruments).
- Take a systematic approach to investing. A systematic purchase plan, such as dollar cost averaging² allows you to buy more shares when prices are low and fewer when they are high. Over time, this strategy steadily builds your investment discipline as well as your mutual fund portfolio.
- Invest for the long term. Most Advantus Funds (except the Money Market Fund³) seek to achieve their investment objectives over longer rather than shorter periods of time. Investors who stay for the long haul, generally reap the greatest rewards.

We believe these times of volatility and uncertainty represent good opportunities for long-term investors. We appreciate your continued patronage of Advantus Funds and look forward to serving your investment needs in 2001.

Advantus Real Estate Securities Fund

A distinctive approach to equity investing

* Past performance is not necessarily indicative of future results.

Real estate is a compelling investment. It's tangible and — if done right — it has the potential to pay off over a long period of time. Investing in real estate securities is a way to participate in the ownership of commercial and other real estate without the high capital requirements, illiquidity, and maintenance that real estate owners often experience.

“Real estate securities offer investors all the benefits of owning real estate without having to cut the grass,” quips Joe Betlej, Portfolio Manager for the Advantus Real Estate Securities Fund. “Unlike direct ownership of real estate or limited partnerships, a real estate security fund has a higher degree of liquidity due to the daily pricing.”

Real estate has historically experienced steady and sustained growth rates. Investors have benefited greatly from our country's strong economy. Real estate securities trade on the growth in our economy, and for more than 30 consecutive quarters,* our economy has grown. Local real estate markets are thriving too due to the discipline exhibited by construction lenders, which makes for added strength in the Fund's holdings.

Reducing risk without sacrificing returns. The Advantus Real Estate Securities Fund does not move in lockstep with other equity asset classes, so the direction of a pending stock market correction may not apply to real estate securities. Furthermore, the Advantus Real Estate Securities Fund has a lower beta* than some equity portfolios. In other words, there is not as much downside. However, as with any investment, there are inherent risks with investing in the Fund. In offering greater potential growth there is the assumption of greater risk.

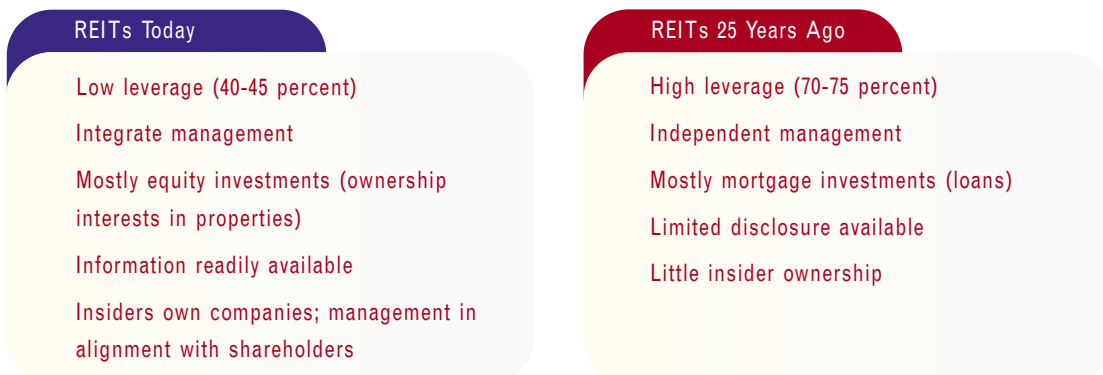
What makes the Advantus Real Estate Securities Fund really stand out, however, is the hands-on and capital market experience Advantus has in the real estate market. “Advantus is much better at accessing risk associated with potential investments because our portfolio management team has earned its stripes in real estate,” states Betlej who has a background in leasing, development, and architecture. “Negotiating a lease with a tenant, for example, provides the knowledge and experience to better assess the risk of any real estate deal.”

Real estate securities have an income orientation, an important consideration for many investors. Dividends are also an important consideration in this fund. Value players and income seekers enjoy this aspect of real estate securities. REITs, in particular, can help pump up the current return potential. It is not unusual in today’s environment for dividends on REITs to be greater than dividends on utility stocks. Of course, past performance is not indicative of future results. REITs currently comprise more than 80 percent of each Advantus Real Estate Securities portfolio.

All investment portfolios need diversification, current income, and liquidity. The Advantus Real Estate Fund is an outstanding source of all three of these attributes, and combines hands on real estate experience with strong market discipline to guide the Fund successfully. For more information about the Advantus Real Estate Securities Fund, talk to your investment professional or call Advantus Shareholder Services at 1-800-665-6005.

REITs: A different animal in 2000

The Advantus Real Estate Securities Fund holds more than 80 percent of the portfolios in Real Estate Investment Trusts (REITs) because they can be powerful income generators. REITs have come a long way. Since the 70s, when they were highly leveraged, specialized investments. Today, REITs are different, as the chart below shows some distinctive differences between then and now. REITs can help generate income, as well as providing investors portfolios a booster shot of diversification to help manage risk.



*Beta analyzes the market risk of a portfolio by showing how responsive the portfolio is to the market. Beta < 1 is less volatile than the market, Beta = 1 is as volatile as the market, and Beta > 1 is more volatile than the market.

Ask Shareholder Services

The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual.

For more complete information about any of the Advantus Funds, including charges and expenses, contact your local Ascend Financial Services Registered Representative or Ascend Financial Services, Inc. for a prospectus. Read each prospectus carefully before you invest or send money.



Q. When can I expect to receive tax forms on my Advantus account?

A. By January 31, Advantus will mail all 1099 forms, which summarize taxable dividends, capital gains distributions, sales of shares, and IRA distributions.

Q. Where can I get more information about filing my taxes?

A. Later this month when you receive your Advantus tax forms, you will find a brochure titled "Your Guide to Mutual Fund Tax Reporting" that offers general tax filing information. You also can obtain more detailed information from the Advantus Tax Guide at www.advantusfunds.com.

Q. What information is available on the Advantus Tax Guide?

A. The Tax Guide offers a variety of issues to help you prepare to file your tax return. Some of the topics discussed include:

- Description of 2000 tax forms and instructions as well as helpful Q & A sections
- Schedule of 2000 tax forms mailings
- Tax consequences of mutual fund transactions
- How to report your taxes
- Tax preparation information for each Advantus fund
- Retirement account tax consequences and reporting
- IRS forms and publications

Q. Will the Tax Guide or a Customer Service Representative help me fill out my tax return?

A. The Tax Guide is intended to be a "starting point" for tax information and an educational tool on mutual fund taxation. Because we do not know your specific tax situation, we recommend you consult a tax professional or accountant or contact the IRS for help in filing your tax return. The Tax Guide provides numerous resources to contact the IRS.

¹Investment risks associated with international investing include, but are not limited to, currency fluctuation, political and economic instability, and differences in accounting standards.

²Dollar Cost Averaging (DCA) does not assure a profit, nor does it protect against loss in a declining market. Also, since DCA requires systematic investing, regardless of purchase price, you must consider your financial ability to continue purchases through periods of low price levels.

³Investments in the Money Market Account are neither insured, nor guaranteed by the U.S. Government, or any Federal Agency, and there is no assurance that the account will be able to maintain a stable Net Asset Value of \$1 per share. It is possible to lose money by investing in the Fund.



Shareholder Services 1.800.665.6005
www.advantusfunds.com

Securities offered through:



Ascend Financial Services, Inc.
Securities Dealer, Member NASD, SIPC.

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