



Robert P. Brooks
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RE: 2017 NIS Firm Update

Dear Clients,

As NIS celebrates its 25th year of investment management services, we'd like to thank our clients and consultants for entrusting us as a fiduciary and provide an update on what we are doing to serve you in 2018. Each year we try to build on the positive accomplishments of the previous year — improve our process and endeavor to control the things we can. By providing an environment where our investment teams have the resources to produce the performance our clients demand, and by partnering in a collaborative environment with their respective consultants, our goal is to meet the NIS standard of excellence — 2017 was no exception. We surpassed \$6 billion in assets and are on track to top \$7 billion in 2018.

To maintain our high level of performance and client service standards, we continue to invest in areas which will help us best serve you:

- **Adding investment professionals.** Preparing for growth has brought additions to staff across the board. One of the central tenets of our leadership strategy has been to put people in position to succeed, whether promoting from within over time or searching for candidates. A number of portfolio managers, as well as research depth and administrative support, have been added to accommodate the growth and provide additional expertise. We added two employees last year and now have 37 employees firm wide.
- **Expand equity ownership.** One of the criteria by which we judge our partnership is the development of the organization. We extended ownership to worthy individuals in whom we saw excellence that earned both reward and opportunity. Because we are employee-owned and carry no debt, it's a program we intend to continue. It demonstrates another level of commitment to our employees, as well as, adding value for our clients. We now have 16 equity partners and a wider and more equal equity ownership across the firm than at any point in the firm's history.
- **Reinvesting the company.** We again committed to a long term lease in our Milwaukee office and completed a full renovation of the space. It's a sign of commitment to the organization as well as providing our teams with the best possible working environment. The same holds true for our Chicago and Sarasota locations. We have also directed resources to our cyber security efforts to further protect the integrity of our data. With that has come upgrades in performance attribution software, compliance expertise and



formalized internal training programs. We have a team poised for growth with all the tools and resources dedicated to ensure continued success.

- **New investment strategies.** We continue to evolve from a product standpoint and identify areas of the institutional market place where we can use our expertise to help our clients achieve their investment objectives. In 2015 we incubated a SMID Cap Core equity strategy, an investment we made in our Sarasota team. As we approach three years of performance at the end of 1Q2018 we expect to market the strategy with any early adoption fee that will be quite competitive.

As 2018 unfolds National Investment Services anticipates additional growth opportunities. Although we embrace new challenges, nothing is more important than our current clients and the obligation we have to our performance and client servicing responsibilities. Our expectations are high.

Thank you for your trust in NIS and we look forward to working with all of you this year and well into the future.

Sincerely,

Robert P. Brooks
CEO