



Objective

To build and maintain a portfolio that always represents the best relative value available in the expected economic and market environment. In addition, we look to add incremental return by taking advantage of market anomalies and opportunities. Our goal is to outperform the Bloomberg Aggregate Index and to rank in the upper quartile in a universe of our peers.

Strategy

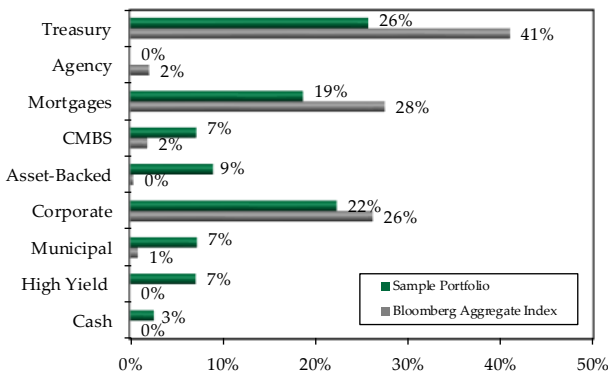
We seek total rate of return through the active management of all structural components of the portfolio: sector/industry allocation, credit quality, liquidity, yield curve, maturity exposure and call structure. Our primary focus is sector/industry allocation and issue selection. We strive to position the portfolio to prosper in the expected economic environment. We seek to add value by assessing credit risk in the context of relative value. Our Core Plus product also incorporates a dynamic allocation to the high yield (credit, MBS and ABS) sector that provides incremental returns during periods of improving credit fundamentals.

Philosophy

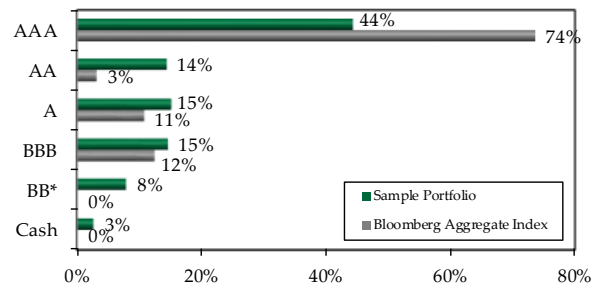
We believe fixed Income returns correlate to the economic cycle, so our portfolio strategy emanates from a detailed, ongoing assessment of the economy. Our bias is to maximize yield, but with great respect for the risk inherent in such a strategy. We believe over the long term, that maximizing yield with sensitivity to credit risk leads to higher returns.

Minimum account size \$25 million | Minimum commingled vehicle account size: \$5 million

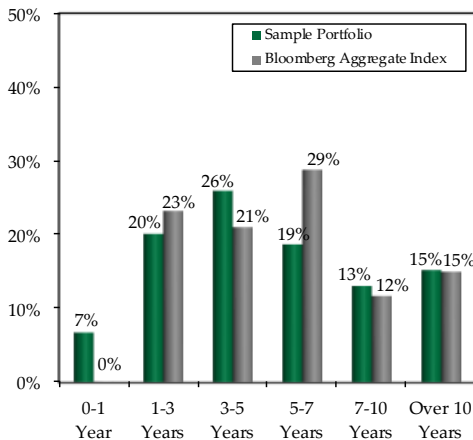
Sector Distribution



Quality Distribution



Duration Distribution



Portfolio Statistics

	<u>Actual Portfolio</u>	<u>Bloomberg Aggregate Index</u>
Average Yield	5.31	4.75
Average Maturity	8.17	8.52
Average Coupon	3.22	2.58
Effective Duration	6.03	6.20
Average Quality	AA-	AA

AUM in Strategy:	\$2.8 Billion
Accounts in Strategy:	74

Portfolio Management Team

	Focus	Years at NIS	Years of Experience
Jason Berrie, CFA	CIO, Credit	19	29
Mark Anderson, CFA	Strategist/Preferred	22	29
Kent White	Senior Adviser	28	36
James Kaplan, CFA	Lead PM - Structured	13	40
Barbara Schalla, CFA	Credit	31	37
Vincent Russo, CFA	Credit	8	24
Lesly Barnes	ABS	15	20
Stefan Martin	CMBS	5	23
Stephen Smitley	Municipal/Structured	1	23
Michael Fohr, CFA, CPA, JD	Co-PM High Yield	6	10
Thomas Price, CFA	Co-PM High Yield	2	33
John Veternick	Credit Analyst	7	7
Richard Tauber, CFA, CPA	Credit Analyst	2	32

*BB quality percentage includes the portfolio's allocation to the NIS High Yield Fund; the average credit quality is BB.

Disclosure: Distribution totals may not equal 100% due to rounding. The Sample Portfolio data shown represents an actual portfolio that NIS believes to be representative of the NIS Core Plus Fixed Income management strategy. The Bloomberg Aggregate Index is unmanaged, comprised of all outstanding U.S. Treasury and Agency issues, investment grade credit bond issues, asset-backed securities and agency-sponsored, mortgage-backed securities greater than one year in maturity. Comparative data was provided by or compiled based on information gathered from Bloomberg which is a third party source. Although we believe this source is reliable, we have not independently verified any such information and make no representations or warranties as to the accuracy, timeliness or completeness of such information. All investments are subject to a risk of loss.