



Overview

Objective

The strategy seeks to outperform the Bloomberg US High Yield 2% Issuer Cap Index over a full market cycle with lower volatility. The goal is to achieve high and consistent returns through a diversified portfolio securities by emphasizing securities of companies with improving credit ratings in recovering industries.

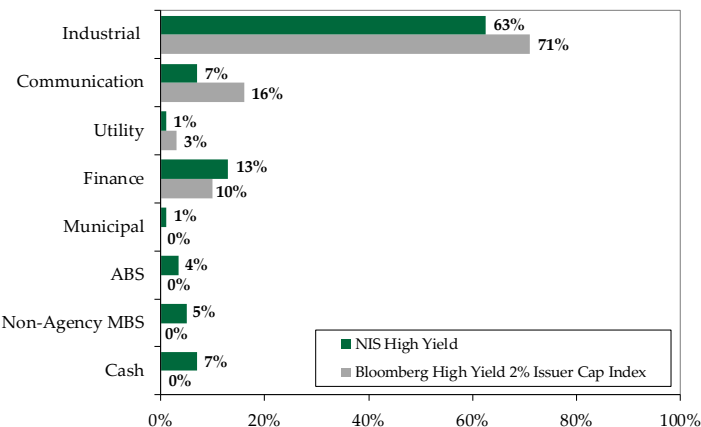
Strategy

We seek total rate of return through the active management of credit risk. Other factors that may affect performance include analysis of industries, call risk and structure risk. Under normal market conditions at least 70% of the strategy will be invested in corporate bonds. The majority of the corporate bonds will be rated BB and B in most market environments. Other sectors that are strategically utilized to attain diversification include MBS, CMBS, ABS municipal bonds, preferred stock and government bonds.

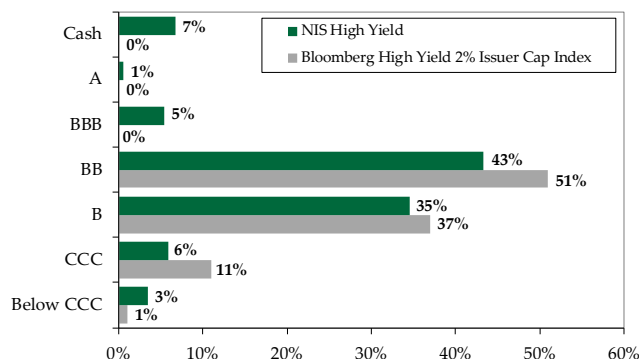
Philosophy

The focused emphasis is to maximize yield on a risk adjusted basis. We seek to add value primarily by security selection and sector rotation. NIS believes it is possible to consistently improve the overall yield or risk profile of the strategy through a careful analysis of short term changes in markets. Longer term, performance will rely on the ongoing credit analysis of individual securities.

Sector Distribution



Quality Distribution



Characteristics

	NIS High Yield Strategy	Bloomberg High Yield 2% Issuer Cap Index
Yield to Worst	8.38%	9.69%
Effective Duration	4.90	4.11
Average Coupon	5.48	5.74
Average Quality	BB	B
Strategy AUM	\$230 Million	-

The Bloomberg High Yield 2% Issuer Capped Index is unmanaged and contains below-investment grade debt issued by U.S. domiciled corporations with a maximum weighting of 2% per issuer. 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.