

Objective

To build and maintain a portfolio that represents the best relative value available based on the expected economic and market environment. We alter portfolio composition based on the liquidity constraints of the client. We look to add incremental return by taking advantage of market anomalies. Our goal is to outperform the Bloomberg Intermediate Govt/Credit 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 issue selection and sector rotation. We attempt to buy credits or structure that should perform well in the current economic environment. We typically do not look to benefit from duration management.

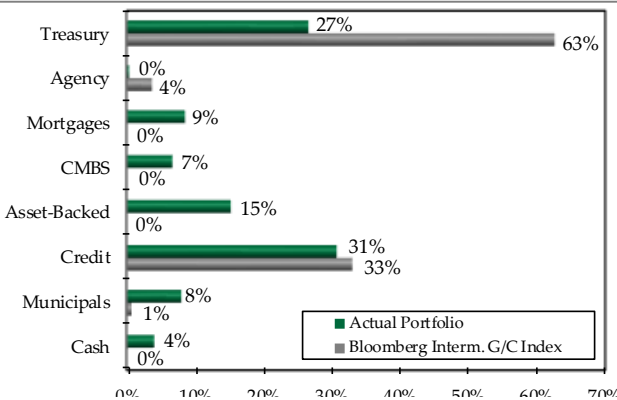
Philosophy

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 and relative value with sensitivity to credit risk leads to higher returns.

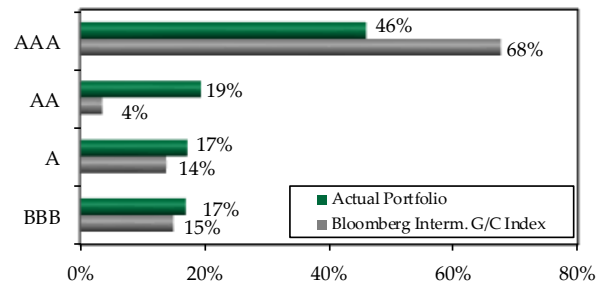
Minimum account size \$25 million.

Minimum commingled vehicle account size: \$5 million.

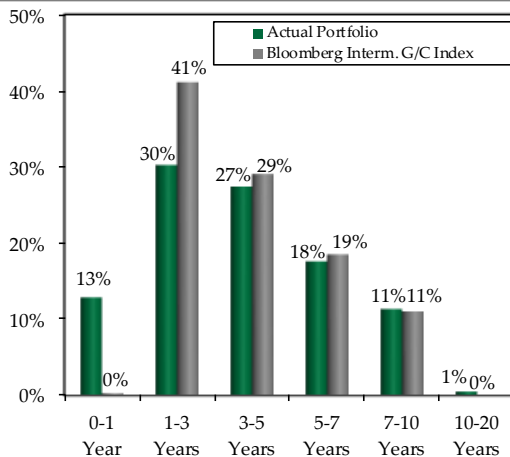
Sector Distribution



Quality Distribution



Duration Distribution



Portfolio Statistics

	<u>Actual Portfolio</u>	<u>Bloomberg Interm. G/C Index</u>
Average Yield	5.05	4.61
Average Maturity	4.20	4.28
Average Coupon	2.76	2.17
Effective Duration	3.71	3.86
Average Quality	AA-	AA

AUM in Strategy: \$2.3 Billion
Accounts in Strategy: 103

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
John Veternick	Credit Analyst	7	7
Richard Tauber, CFA, CPA	Credit Analyst	2	32

Disclosures: Distribution totals may not equal 100% due to rounding. The Actual Portfolio data shown represents a client portfolio that NIS believes to be representative of the NIS Intermediate Fixed Income management strategy. The Bloomberg Intermediate Government/Credit Index is comprised of all outstanding U.S. Treasury and Agency issues and investment grade credit bonds greater than one year, but less than ten years 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.