



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. The goal is to outperform the Bloomberg Aggregate Index and to rank in the upper quartile in a universe of our peers.

Strategy

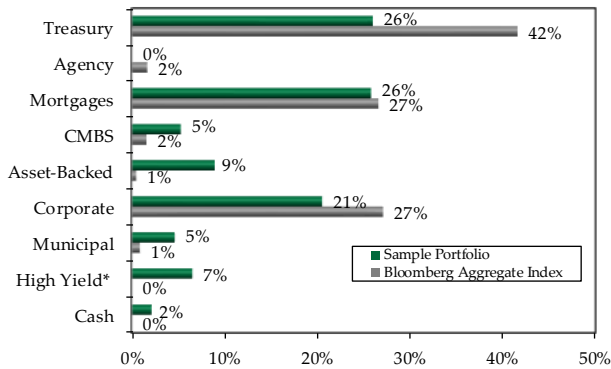
The strategy seeks total rate of return through the active management of all structural components of the portfolio; sector/ industry allocation, credit quality, liquidity, yield curve, maturity exposure and call structure. The primary focus is sector/industry allocation and issue selection. The investment management team excels at positioning the portfolio to prosper in the expected economic environment and in assessing credit risk in the context of relative value. The Core Plus product also incorporates a dynamic allocation to the high yield market with a minimum of 70% invested in corporate bonds; the majority rated BB and B. Other high yield sectors that are strategically utilized include municipal bonds, MBS, CMBS, ABS and bank loans.

Philosophy

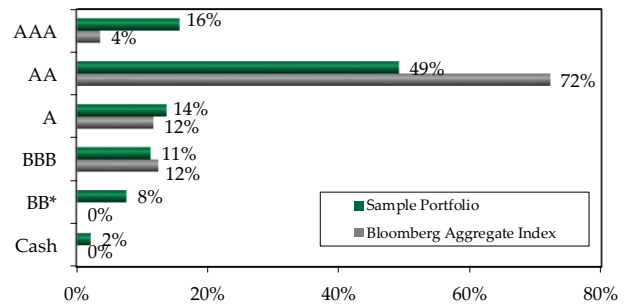
Fixed Income returns correlate to the economic cycle, so the portfolio strategy emanates from a detailed, ongoing assessment of the economy. NIS's bias is to maximize yield, but with great respect for the risk inherit in such a strategy. NIS believes over the long term, that maximizing yield with sensitivity to credit risk leads to higher returns.

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

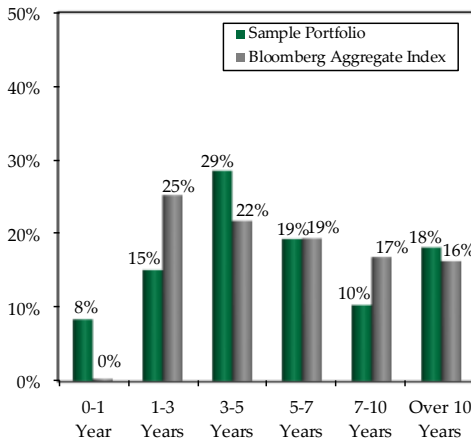
Sector Distribution



Quality Distribution



Duration Distribution



Portfolio Statistics

	<u>Actual Portfolio</u>	<u>Bloomberg Aggregate Index</u>
Average Yield	5.18	4.53
Average Maturity	8.51	8.46
Average Coupon	3.95	3.09
Effective Duration	6.02	6.24
Average Quality	AA-	AA

AUM in Strategy: \$4.0 Billion
Accounts in Composite: 78

Portfolio Management Team

Focus	Years at NIS	Years of Experience
Jason Berrie, CFA	20	31
Mark Anderson, CFA	23	30
James Kaplan, CFA	14	41
Barbara Schalla, CFA	32	38
Vincent Russo, CFA	9	25
Lesly Barnes	16	21
Stefan Martin	6	24
Stephen Smitley	3	25
Michael Fohr, CFA, CPA, JD	7	11
Thomas Price, CFA	3	34
John Vetrernick	9	9
Richard Tauber, CFA, CPA	4	34

*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.