



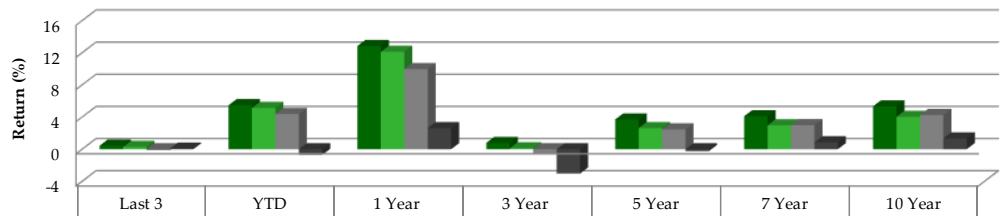
Overview

- Objective: To provide returns well in excess of conventional fixed income investments with lower volatility than equities
- Active long/short trading strategy investing primarily in \$25/par board listed & \$1000/par preferred & hybrid securities
- Attempts to take advantage of an inefficient market via a close monitoring of the marketplace & searching for relative value
- Primary sources of return: Dividend Income and Short term trading profits
- **Does not use leverage**

Risk Management

- Investable Universe primarily includes:
 - **Long positions:** preferred stocks, preferred-like securities, debt securities
 - **Short positions:** preferred stocks, preferred ETFs, debt securities
- The strategy intends to maintain at least **60% of its portfolio in investment grade securities**
- No more than **10% of total assets will be invested in securities of a single issuer**
- Diversification is achieved by typically **maintaining over 150 positions**
- The strategy maintains **ability to short** and most always has a portion of the portfolio that is short
 - Can **take advantage of pricing inefficiencies** and **provide downside protection** during severe selloffs
 - Short position typically ranges from 5% to 15%
- Dual modes of trading improves liquidity. Can **raise cash quickly** in a defensive manner

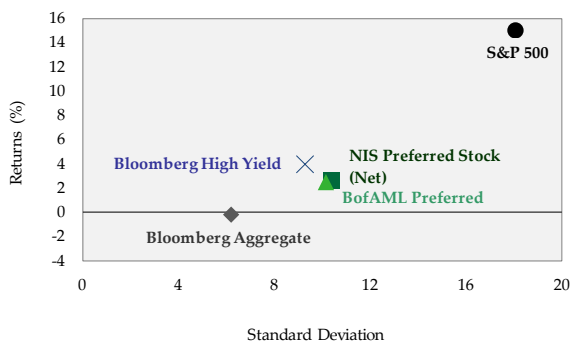
Performance



| | Last 3 Months | YTD | 1 Year | 3 Year | 5 Year | 7 Year | 10 Year |
|---|---------------|-------|--------|--------|--------|--------|---------|
| ■ NIS Preferred Stock Composite (Gross %) | 0.45 | 5.48 | 12.84 | 0.78 | 3.70 | 4.11 | 5.34 |
| ■ NIS Preferred Stock Composite (Net %) | 0.29 | 5.14 | 12.12 | 0.11 | 2.62 | 2.97 | 4.03 |
| ■ BofA ML Fixed Rate Preferred Index (%) | -0.13 | 4.38 | 9.97 | -0.51 | 2.46 | 3.00 | 4.25 |
| ■ Bloomberg Aggregate Bond Index (%) | 0.07 | -0.71 | 2.63 | -3.02 | -0.23 | 0.86 | 1.35 |

Note: Performance over 1 Year is annualized. Performance disclosure on last page.

5 Year Risk / Return and Correlation Analysis*



| | Return (%) | Standard Deviation (%) | Growth of \$100 | Correlation |
|---------------------------------------|------------|------------------------|-----------------|-------------|
| NIS Preferred Stock Composite (Net) | 2.62 | 10.38 | \$113.8 | - |
| ICE BofAML Fixed Rate Preferred Index | 2.46 | 10.15 | \$112.9 | 0.96 |
| Bloomberg Aggregate Index | -0.23 | 6.21 | \$98.8 | 0.59 |
| Bloomberg High Yield Index | 3.92 | 9.29 | \$121.2 | 0.86 |
| S&P 500 Index | 15.05 | 18.08 | \$201.5 | 0.76 |

*Source: eVestment Alliance

Commentary

Market Recap

Interest rates in the second quarter rose 15bps-20bps across the curve as inflation made slow progress during the quarter, leading market participants to believe the Federal Reserve won't be able to cut rates as much as they had anticipated. Interest rate volatility has continued to trend lower but still remains elevated compared to pre-Covid era levels. The labor market may also be starting to show some cracks of weakness as the unemployment rate has risen from 3.7% at the end of 2023 to 4.1% currently. All of this has led to issuers looking to refinance their floating rate preferred stock issues which has created a less favorable technical environment. The bid for duration, however, has helped support these newly issued securities. The balanced nature of the Preferred Stock Strategy (the Strategy) has continued to prove beneficial in this higher for longer interest rate environment.

Outlook

As we head into the second half of 2024, our approach for the Strategy remains unchanged. Inflation is making slow progress towards the Federal Reserve's two percent goal but is proving to be stickier than anticipated. The upcoming Presidential election could create some additional volatility as we get closer to voting day. We have continued to focus on improving the quality, increasing the liquidity, and when the opportunity presents, increasing the duration of securities in the portfolio. We continue to believe the Strategy will have mid to high single-digit returns for 2024.

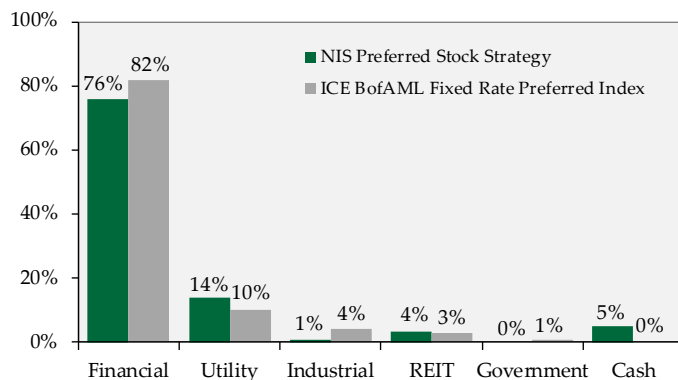
Statistics

| | NIS Preferred Stock Strategy | ICE BofAML Fixed Rate Preferred Index |
|----------------------------------|------------------------------|---------------------------------------|
| Preferred Stock AUM | \$348 Million | \$150 Billion |
| Ratio : Long vs. Short Positions | 99.5% : 0.5% | 100% Long |
| Yield to Worst | 6.74% | 5.99% |
| Effective Duration | 6.96 | 5.14 |
| Option-Adjusted Spread | 215 | 153 |
| Average Quality | BBB | BBB |

Strategy Information

| | |
|--------------------|---|
| Minimum Investment | \$250,000 |
| Liquidity | Redemptions permitted quarterly with 30 days written notice |
| Fee Schedule | 60 BPS Management Fee and 15% Performance Incentive Fee |
| Liquidity | 1st and 15th of each month |

Sector Breakdown



Portfolio Management Team

| | |
|-----------------------|--|
| Jay Dirienzo | Lead Manager: 8 years with the firm, 9 years of experience |
| Mark R. Anderson, CFA | 43 years with the firm, 31 years of experience |

NIS Preferred Stock Strategy - GIPS Report

| Year | Composite Gross Return (%) | Composite Net Return (%) | ICE BofAML | | Composite 3-Yr St. Dev (%) | ICE BofAML | | Bloomberg Aggregate 3-Yr St. Dev (%) | # of Accounts | AUM (in USD MM) | Firm AUM (in USD MM) | Dispersion |
|------|----------------------------|--------------------------|---|-------------------------|----------------------------|--|------|--------------------------------------|---------------|-----------------|----------------------|------------|
| | | | Fixed Rate Preferred Securities Index (%) | Bloomberg Aggregate (%) | | Fixed Rate Preferred Securities Index 3-Yr St. Dev | | | | | | |
| 2023 | 9.54 | 8.84 | 10.20 | 5.53 | 9.82 | 11.03 | 7.24 | 1 | 317.8 | 9,771 | - | |
| 2022 | -12.06 | -12.62 | -14.60 | -13.01 | 10.84 | 10.13 | 5.85 | 1 | 307.4 | 7,923 | - | |
| 2021 | 3.71 | 2.77 | 2.24 | -1.54 | 9.27 | 7.71 | 3.40 | 1 | 386.5 | 9,993 | - | |
| 2020 | 6.77 | 5.26 | 6.95 | 7.51 | 9.55 | 7.85 | 3.36 | 1 | 363.5 | 9,411 | - | |
| 2019 | 17.67 | 14.96 | 17.71 | 8.72 | 3.52 | 4.59 | 2.87 | 1 | 363.6 | 8,751 | - | |
| 2018 | -2.78 | -3.38 | -4.34 | 0.01 | 3.57 | 4.21 | 2.88 | 1 | 300.5 | 7,210 | - | |
| 2017 | 11.59 | 9.64 | 10.58 | 3.54 | 3.20 | 3.80 | 2.81 | 1 | 312.5 | 6,709 | - | |
| 2016 | 5.73 | 4.30 | 2.32 | 2.65 | 3.30 | 4.35 | 2.98 | 1 | 282.4 | 6,261 | - | |
| 2015 | 8.03 | 6.18 | 7.58 | 0.55 | 2.76 | 4.62 | 2.88 | 1 | 213.4 | 4,899 | - | |
| 2014 | 11.96 | 9.55 | 15.44 | 5.97 | 3.15 | 5.07 | 2.66 | 1 | 146.2 | 4,122 | - | |
| 2013 | 2.48 | 1.55 | -3.65 | -2.02 | 3.31 | 5.08 | 2.78 | 1 | 142.4 | 3,678 | - | |
| 2012 | 18.00 | 14.61 | 13.59 | 4.22 | 3.55 | 5.26 | 2.38 | 1 | 91.07 | 3,463 | - | |
| 2011 | 6.73 | 5.03 | 4.11 | 7.84 | 13.09 | 20.65 | 2.78 | 1 | 32.50 | 3,031 | - | |
| 2010 | 20.09 | 16.28 | 13.66 | 6.54 | | | | 1 | 25.52 | 2,827 | - | |
| 2009 | 42.94 | 35.53 | 20.07 | 5.93 | | | | 1 | 27.46 | 2,931 | - | |
| 2008 | 19.43 | 15.92 | -25.24 | 5.24 | | | | 1 | 23.78 | 3,024 | - | |
| 2007 | -0.53 | -1.56 | -11.31 | 6.97 | | | | 1 | 34.94 | 3,181 | - | |
| 2006 | 10.12 | 7.11 | 8.10 | 4.33 | | | | 1 | 43.49 | 3,081 | - | |
| 2005 | 5.53 | 3.48 | 0.96 | 2.43 | | | | 1 | 40.89 | 3,088 | - | |
| 2004 | 1.16 | -0.01 | 5.11 | 4.34 | | | | 1 | 53.14 | 2,906 | - | |
| 2003 | 15.2 | 10.97 | 9.43 | 4.10 | | | | 1 | 38.84 | 2,599 | - | |

National Investment Services (NIS) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. NIS has been independently verified for the periods of January 1, 1997 to December 31, 2022. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

NIS is defined as an SEC registered investment management firm established in 1993. Resolute Investment Managers acquired a controlling interest in NIS on December 30, 2019. NIS employees retained minority ownership of the firm. NIS manages fixed-income and preferred stock assets for primarily United States institutional clients. The strategy's investment objective is to provide attractive risk-sensitive incremental returns through investments in an actively traded, non-leveraged diversified portfolio of preferred stocks and fixed-income securities with "preferred-like" characteristics. The strategy is targeted to U.S. tax-exempt investors. The ICE BofAML Fixed Rate Preferred Securities Index tracks the performance of fixed rate US dollar denominated preferred securities which are investment grade and issued in the US domestic market. The Bloomberg Aggregate Index is 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. The inception of the strategy is 9/01/2002. The composite was created on September 1, 2002. Net performance returns reflect an actual annual management fee of .60%, annual incentive fee of 15% and custodial fees, as well as trading commissions and strategy expenses. Investment advisory fees are described in Part 2 of the firm's form ADV. Valuations and returns are computed and stated in US Dollars. Past performance is not a guarantee of future results. Market conditions can vary widely over time and can result in the loss of portfolio value. Performance results are total returns which includes the reinvestment of all income. A complete list of firm composites and performance results is available upon request. This material is not an offer to buy or a solicitation of an offer to sell any security. Any such offering will only be made in conjunction with the delivery of an offering memorandum, operating agreement, and subscription agreement, all of which will contain information that supersedes the information contained herein. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for the other calendar years because it is not a requirement for periods prior to 2011. The dispersion information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.