



Strategy

The strategy seeks to provide consistently higher current income than investment grade products through the active management of credit 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 municipal bonds, MBS, CMBS, ABS and government bonds.

Philosophy

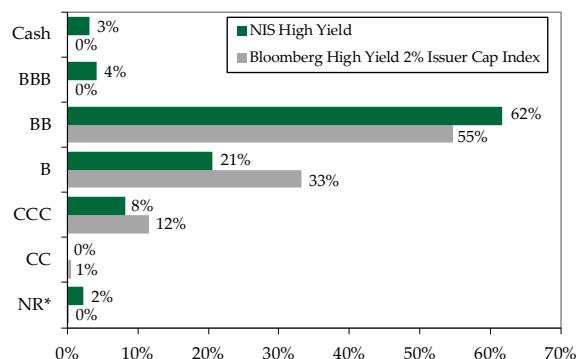
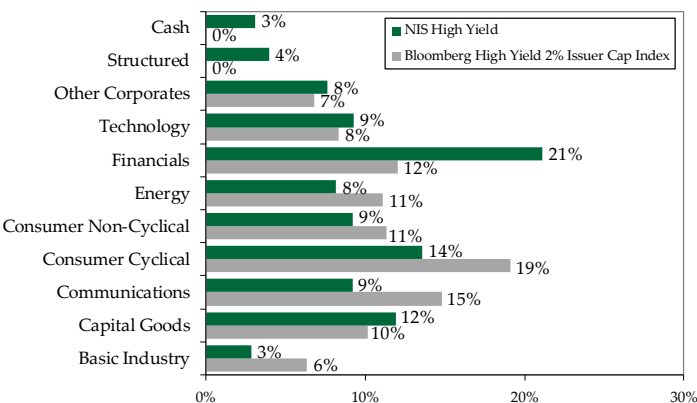
The focused emphasis is to maximize yield on a risk adjusted basis. The strategy seeks to add value primarily by security selection and sector rotation. NIS believes it is possible to consistently improve the overall yield or risk profile of the strategy through a careful analysis of short term changes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

Performance Goal

The primary goal is to outperform the Bloomberg US High Yield 2% Issuer Cap Index over a full market cycle, attained with lower volatility than the index. The second goal is for risk adjusted returns to exceed that of traditional fixed income products over a rolling three year period.

Sector Distribution

Quality Distribution



Characteristics

	NIS High Yield Strategy	Bloomberg High Yield 2% Issuer Cap Index
Yield to Worst	5.87%	6.53%
Effective Duration	2.89	2.78
Average Coupon	6.33	6.60
Average Quality	BB	B
Strategy AUM	\$451 Million	-

*NR are MBS securities that are investment grade and rated by Morningstar or Krolls Bond Rating Agency. The Bloomberg High Yield 2% Issuer Cap 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.