



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 1-3 Year US Gov/Credit Index and to rank in the upper quartile in a universe of our peers.

Strategy

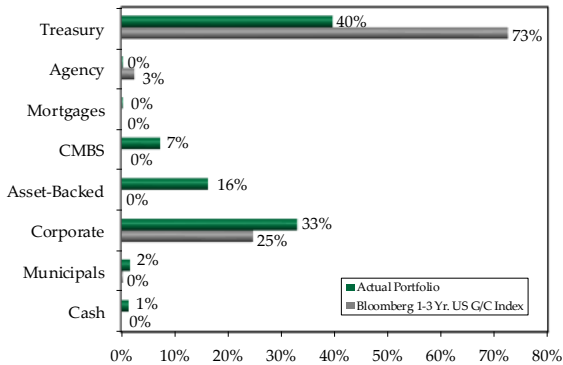
We seek total rate of return through the active management of all structural components of the portfolio; sector/ industry allocation, credit quality, liquidity, yield curve, maturity exposure and call structure. Our primary focus is issue selection and sector rotation. We attempt to buy credits or structure that should perform well in the current economic environment. We typically do not look to benefit from duration management.

Philosophy

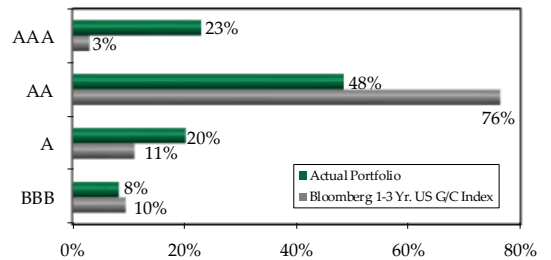
Fixed Income returns correlate to the economic cycle, so our portfolio strategy emanates from a detailed, ongoing assessment of the economy. Our bias is to maximize yield, but with great respect for the risk inherent in such a strategy. We believe over the long term, that maximizing yield and relative value with sensitivity to credit risk leads to higher returns.

Minimum separately managed account size: \$25 million.
 Minimum commingled vehicle account size: \$5 million.

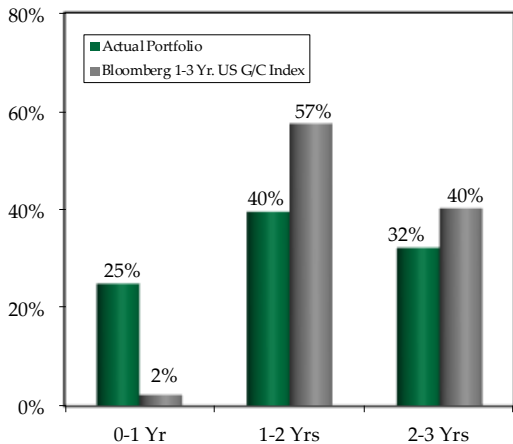
Sector Distribution



Quality Distribution



Duration Distribution



Portfolio Statistics

	<u>Actual Portfolio</u>	<u>Bloomberg 1-3 Year US G/C Index</u>
Average Yield	3.87	3.66
Average Maturity	1.82	1.93
Average Coupon	3.86	3.34
Effective Duration	1.69	1.81
Average Quality	AA	AA

Strategy AUM: \$778 Million
 Accounts in the Strategy: 15

Portfolio Managers

	Focus	Years at NIS	Years of Industry Experience
Jason Berrie, CFA	CIO, Credit	22	33
Mark Anderson, CFA	Strategist/Preferred	25	32
James Kaplan, CFA	Lead PM - Structured	16	43
Barbara Schalla, CFA	Credit	34	40
Vincent Russo, CFA	Credit	11	27
Lesly Barnes	ABS	18	23
Stefan Martin	CMBS	8	26
Stephen Smitley	Municipal/Structured	5	27

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 Short Duration Fixed Income strategy. The Bloomberg 1-3 Year US Gov/Credit Index is comprised of all outstanding U.S. Treasury and Agency issues and investment grade credit bonds less than three 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.