National Investment Services
Client Focused | Flexible Solutions | Consistent Results

NIS Preferred Stock Strategy

As of September 30, 2026

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 and hybrid securities
- Attempts to take advantage of an inefficient market via a close monitoring of the marketplace and 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 the **ability to short** and typically 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

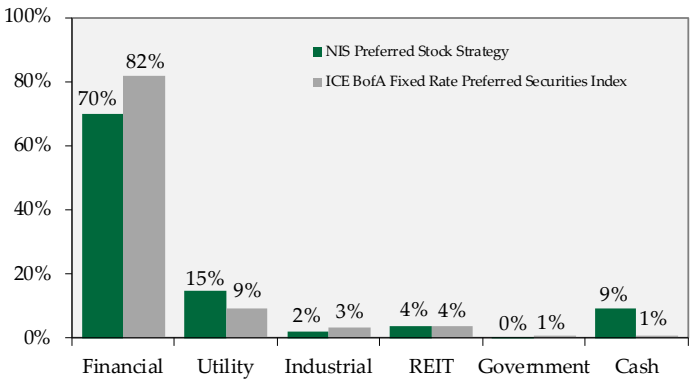
Statistics

	NIS Preferred Stock Strategy	ICE BofA Fixed Rate Preferred Securities Index
Preferred Stock AUM	$392 Million	$113 Billion
Ratio : Long vs. Short Positions	100% Long	100% Long
Yield to Worst	6.91%	6.80%
Effective Duration	7.12	6.92
Option-Adjusted Spread	260	143
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: 11 years with the firm, 11 years of industry experience
Mark Anderson, CFA	Portfolio Manager: 26 years with the firm, 33 years of industry experience

The ICE BofA Fixed Rate Preferred Securities Index is unmanaged and tracks the performance of fixed rate US dollar denominated preferred securities, which investment grade and are issued in the US domestic market. 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.