National Investment Services
Client Focused | Flexible Solutions | Consistent Results

Total Absolute Return Strategy

As of September 30, 2026

Objective

The strategy draws on the credit analysis and trading strengths of NIS's portfolio management team. The strategy's objective is to generate consistent returns with minimal duration risk. Our goal is to have positive returns more than 85% of the time on a monthly basis. We expect to have volatility that is equal to or less than a traditional bond strategy. Excess returns are sought by taking credit and convexity risk in corporate and municipal bonds as well as mortgages, CMBS and ABS debt securities. Short term trading profits and carry are the primary sources of return. Since interest carry is a primary contributor to return over time, it is anticipated that the long/short ratio will average 3 to 1 or less. Duration will average 1-2 years, with a typical range of 0-3 years. Short positions will be predominantly used to manage duration risk, vary yield curve risk and lock in short term relative value trading opportunities. The strategy will normally be long spread duration and will utilize U.S. Treasury futures to hedge rate risk and cash to hedge spread risk.

Components of Return

Sector Rotation — Sector rotation is focused on relative value analysis, short and long term supply trends and annual calendar trading opportunities. Our goal is to take advantage of overall spread tightening and widening by actively investing in a broad array of fixed income investments.

Security Selection — Security selection emphasizes credit analysis with a relative value overlay and is the primary driver of returns.

Yield Curve Arbitrage — Yield curve arbitrage is dominated by analysis of Federal Reserve activity and intermediate term economic trends.

Sector Distribution (1)

	NIS Total Absolute Return Strategy	Bloomberg US Aggregate Index
Treasury	0%	47%
Agency	0%	1%
Mortgages	43%	23%
Agency CMBS	0%	1%
CMBS	0%	0%
Asset-Backed	42%	0%
Credit	12%	27%
Municipal	0%	1%
Cash	3%	0%

Quality Distribution (2)

	NIS Total Absolute Return Strategy	Bloomberg US Aggregate Index
AAA	9%	3%
AA	8%	74%
A	12%	11%
BBB	14%	11%
BB	20%	0%
B	8%	0%
CCC	5%	0%
Below CCC	0%	0%
NR	20%	0%
Cash	3%	0%

Strategy Statistics

Strategy Assets	$600 Million
Long/Cash/Short Positions *	97% / 3% / 0%
Yield to Maturity (%)	6.44
Duration (in Years)	2.14
Average Quality	BB
Minimum Investment	$1,000,000
Liquidity	Redemptions permitted quarterly with 30 days written notice
Management Fee: Annual Rate of 1.00%, calculated monthly and paid to the manager as of the last day of each quarter end	

* Short Treasury Futures Position is $0

Portfolio Managers

	Focus	Years at NIS	Years of Industry Experience
Jason Berrie, CFA	CIO, Credit	23	33
Mark Anderson, CFA	Strategist/Preferred	26	33
James Kaplan, CFA	Lead PM - Structured	17	44
Barbara Schalla, CFA	Credit	35	41
Vincent Russo, CFA	Credit	12	28
Lesly Barnes	ABS	19	24
Stefan Martin	CMBS	9	27
Stephen Smitley	MBS	5	27
Vasilios Gerasopoulos	Municipal	2	22
Thomas Price, CFA	High Yield	6	37
John Veternick	Credit Analyst	11	11

(1) Treasury short positions are not included in the sector distribution.
(2) Portfolio quality breakdown uses Index Rules. NR is rated by Morningstar or Kroll Bond Rating Agency. Distributions may not equal 100% due to rounding.