



Objective

To build and maintain a portfolio that always represents the best relative value available in the expected economic and market environment. In addition, the strategy looks to add incremental return by taking advantage of market anomalies and opportunities. The goal is to outperform the Bloomberg Intermediate G/C Index and to rank in the upper quartile in a universe of our peers.

Strategy

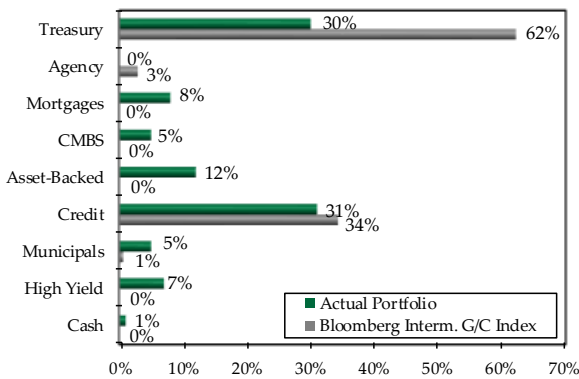
The strategy seeks total rate of return through the active management of all structural components of the portfolio; sector/ industry allocation, credit quality, liquidity, yield curve, maturity exposure and call structure. The primary focus is sector/industry allocation and issue selection. The investment management team excels at positioning the portfolio to prosper in the expected economic environment and in assessing credit risk in the context of relative value. The Intermediate Plus product also incorporates a dynamic allocation to the high yield market with a minimum of 70% invested in corporate bonds; the majority rated BB and B. Other high yield sectors that are strategically utilized include municipal bonds, MBS, CMBS, ABS and bank loans.

Philosophy

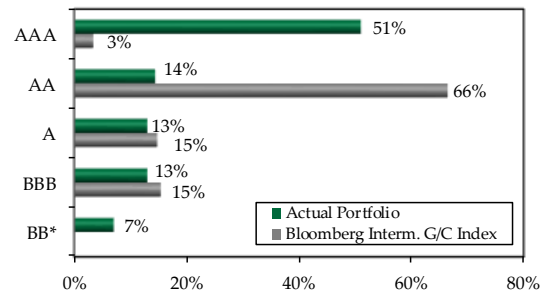
Fixed Income returns correlate to the economic cycle, so the portfolio strategy emanates from a detailed, ongoing assessment of the economy. Our bias is to maximize yield, but with great respect for the risk inherent in such a strategy. NIS believes over the long term, that maximizing yield with sensitivity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

Minimum account size \$25 million | Minimum commingled fund account size: \$5 million

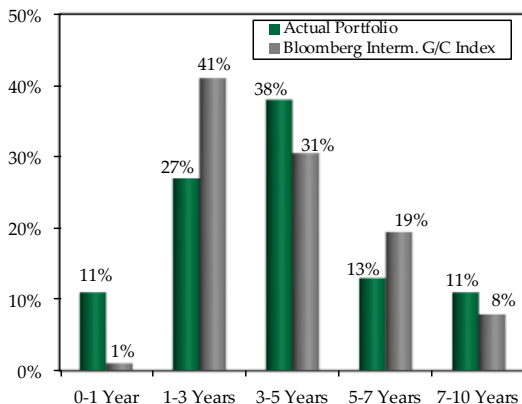
Sector Distribution



Quality Distribution



Duration Distribution



Portfolio Statistics

	<u>Actual Portfolio</u>	<u>Interm. G/C Index</u>
Average Yield	5.22	4.70
Average Maturity	4.40	4.29
Average Coupon	3.99	3.04
Effective Duration	3.67	3.77
Average Quality	AA	AA

AUM in Composite: \$942 Million

Accounts in Composite: 35

Portfolio Management Team

	Focus	Years at NIS	Years of Experience
Jason Berrie, CFA	CIO, Credit	20	31
Mark Anderson, CFA	Strategist/Preferred	23	30
James Kaplan, CFA	Lead PM - Structured	15	42
Barbara Schalla, CFA	Credit	33	39
Vincent Russo, CFA	Credit	9	25
Lesly Barnes	ABS	16	21
Stefan Martin	CMBS	6	24
Stephen Smitley	Municipal/Structured	3	25
Michael Fohr, CFA, CPA, JD	Co-PM High Yield	7	11
Thomas Price, CFA	Co-PM High Yield	3	35
John Vetternick	Credit Analyst	9	9
Richard Tauber, CFA, CPA	Credit Analyst	4	34

*BB quality percentage includes the portfolio's allocation to the NIS High Yield Fund; the average credit quality is BB.

Disclosure: Distribution totals may not equal 100% due to rounding. The Sample Portfolio data shown represents an actual portfolio that NIS believes to be representative of the NIS Intermediate Plus Fixed Income management strategy. 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.