



**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**

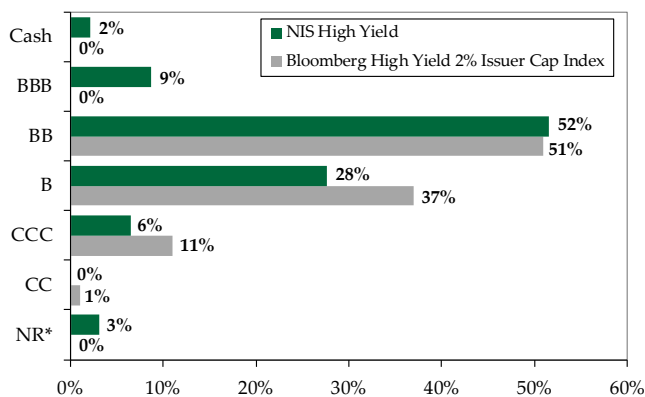
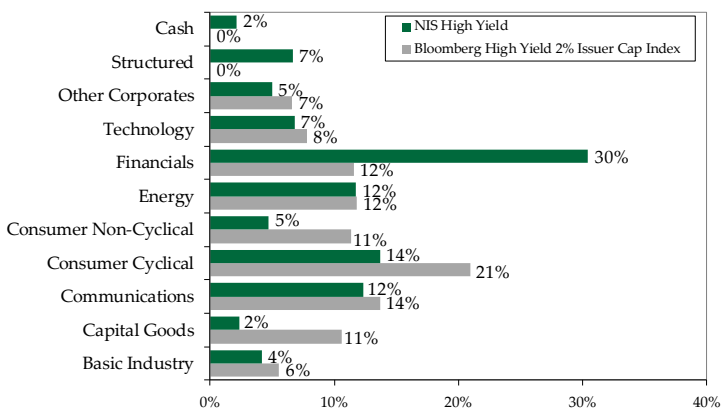
The focused emphasis is to maximize yield on a risk adjusted basis. The strategy seeks to add value primarily by security selection and sector rotation. NIS believes it is possible to consistently improve the overall yield or risk profile of the strategy through a careful analysis of short term changes 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**

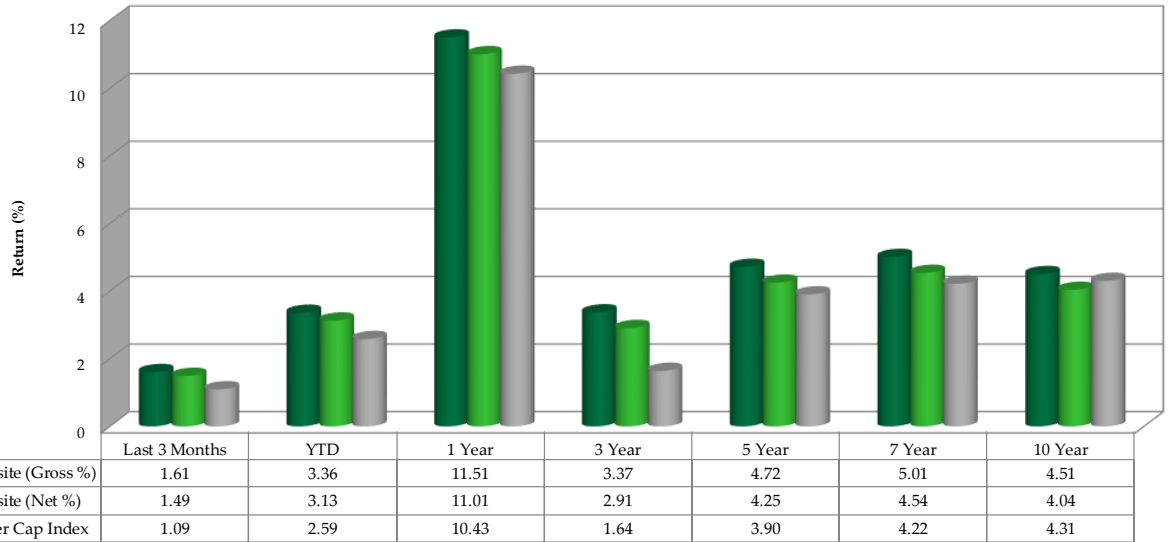


**Characteristics**

|                    | NIS High Yield Strategy | Bloomberg High Yield 2% Issuer Cap Index |
|--------------------|-------------------------|--|
| Yield to Worst     | 7.30%                   | 7.91%                                    |
| Effective Duration | 3.18                    | 3.14                                     |
| Average Coupon     | 6.43                    | 6.28                                     |
| Average Quality    | BB                      | B  |
| Strategy AUM       | \$310 Million           | -  |

The Bloomberg High Yield 2% Issuer Capped 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.

# Performance History (as of 6/30/24)



Returns greater than one year are annualized.

| Year | Composite Gross Return (%) | Composite Net Return (%) | Bloomberg U.S. High Yield 2% Issuer Cap Index (%) | Composite 3-Yr St. Dev (%) | Bloomberg U.S. High Yield 2% Issuer Cap Index 3-Yr St. Dev (%) | Composite Dispersion (%) | Number of Accounts | Total Assets at End of Period (USD millions) | Percentage of Firm Assets | Firm AUM (in USD MM) |
|------|----------------------------|--------------------------|---|----------------------------|--|--------------------------|--------------------|--|---------------------------|----------------------|
| 2023 | 13.94                      | 13.44                    | 13.44   | 6.78                       | 7.30   | -                        | 1                  | 172.8  | 1.77                      | 9,771                |
| 2022 | -8.02                      | -8.44                    | -11.18  | 9.70                       | 11.12  | -                        | 1                  | 168.0  | 2.12                      | 7,923                |
| 2021 | 5.60                       | 5.13                     | 5.26  | 4.31                       | 9.13   | -                        | 1                  | 362.3  | 3.63                      | 9,993                |
| 2020 | 6.11                       | 5.64                     | 7.05  | 4.31                       | 9.37   | -                        | 1                  | 367.8  | 3.91                      | 9,411                |
| 2019 | 14.08                      | 13.56                    | 14.32   | 2.76                       | 4.07   | -                        | 1                  | 277.3  | 3.17                      | 8,751                |
| 2018 | -0.62                      | -1.06                    | -2.08   | 2.51                       | 4.66   | -                        | 1                  | 225.6  | 3.13                      | 7,210                |
| 2017 | 6.67                       | 6.19                     | 7.5   | 2.52                       | 5.64   | -                        | 1                  | 256.5  | 3.82                      | 6,709                |
| 2016 | 10.05                      | 9.54                     | 17.13   | 2.73                       | 6.08   | -                        | 1                  | 217.5  | 3.47                      | 6,261                |
| 2015 | -1.84                      | -2.23                    | -4.43   | 2.9                        | 5.33   | -                        | 1                  | 190.0  | 3.88                      | 4,899                |
| 2014 | 3.20                       | 2.78                     | 2.46  | 2.7                        | 4.56   | -                        | 1                  | 142.1  | 3.45                      | 4,122                |
| 2013 | 7.02                       | 6.55                     | 7.44  | 2.73                       | 6.52   | -                        | 1                  | 111.3  | 3.03                      | 3,678                |
| 2012 | 15.28                      | 14.76                    | 15.78   | 2.43                       | 7.17   | -                        | 1                  | 102.4  | 2.96                      | 3,463                |
| 2011 | 4.17                       | 3.64                     | 4.96  | 2.53                       | 4.72   | -                        | 1                  | 68.2   | 2.25                      | 3,031                |
| 2010 | 14.67                      | 14.09                    | 14.94   | 3.70                       | 13.29  | -                        | 1                  | 76.9   | 2.72                      | 2,827                |
| 2009 | 39.81                      | 39.13                    | 58.76   | 4.36                       | 16.89  | -                        | 1                  | 68.7   | 2.34                      | 2,931                |
| 2008 | -18.81                     | -19.22                   | -25.88  | 4.65                       | 16.99  | -                        | 1                  | 34.9   | 1.15                      | 3,024                |
| 2007 | 4.96                       | 4.43                     | 2.26  | 3.19                       | 11.15  | -                        | 1                  | 45.5   | 1.43                      | 3,181                |

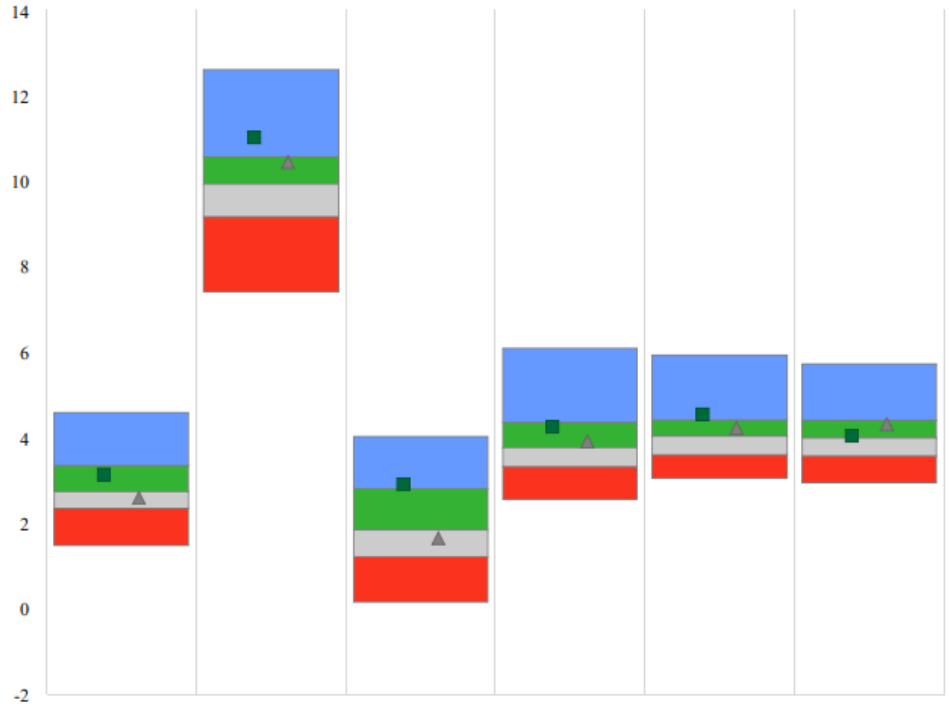
National Investment Services (NIS) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. NIS has been independently verified for the periods of January 1, 1997 to December 31, 2022. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

NIS is defined as an SEC registered investment management firm established in 1993. Resolute Investment Managers acquired a controlling interest in NIS on December 30, 2019. NIS employees retained minority ownership of the firm. NIS manages fixed-income and preferred stock assets for primarily United States institutional clients. The strategy's investment objective is to achieve consistent returns through a diversified portfolio of high yield fixed income corporate, mortgage and asset backed securities by emphasizing securities of companies with improving credit ratings in recovering industries. The Bloomberg High Yield 2% Issuer Capped Index captures the performance of below-investment-grade debt issued by U.S. domiciled corporations with a maximum weighting of 2% per issuer. The strategy is targeted to U.S. tax-exempt investors. The inception date of the strategy is April 1, 2001. From 8/1/2020 to present, NIS manages the strategy 100% internally. From 7/01/2008 to 7/31/2020 Stone Harbor Investment Partner was a sub-advisor for managing non investment grade corporate bonds and loans. Beginning July 1, 2008, NIS managed high yield corporate, MBS and ABS securities in the portfolio. From 4/01/2001 to 6/30/2007 Fountain Capital Management was utilized as a subadvisor for managing non-investment grade corporate securities.

The gross-of fees returns are presented before the management fee but after all trading costs. The net-of-fees returns are calculated by deducting a model investment management fee of 0.0375%, 1/12<sup>th</sup> of the highest management fee of 0.45%, from the monthly gross composite return. Investment advisory fees are described in Part 2 of the firm's form ADV. Fees are negotiable. Portfolios are valued monthly on a trade date basis including accrued interest and dividends. Returns shown are on a total return basis, which includes realized and unrealized gains and losses, capital changes, dividends, interest income and brokerage commissions or trading costs, and excluding management and custodial fees. Valuations and returns are computed and stated in U.S. Dollars. Past performance is not a guarantee of future results. Market conditions can vary widely over time and can result in the loss of portfolio value. Annualized returns are shown for all periods over one year. Performance results are total returns which includes the reinvestment of all income. The dispersion of annual returns is measured by the standard deviation across equal-weighted portfolio returns represented within the composite for the full year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. The standard deviation is not presented for the other calendar years because it is not a requirement for periods prior to 2011. National Investment Services uses a significant cash flow rate of 15%. Accounts that reach a significant cash flow of 15% or more will be removed from their defined composites for the month of the flow. They will be added back into their defined composites the following month. A complete list and description of firm composites and performance results is available upon request. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.



■ NIS High Yield Strategy  
▲ Bloomberg US Corporate High Yield 2% Cap



Universe: eVestment US High Yield Fixed Income (Percentile)

|                                   | DS | VT | RM | YTD |    | 1 Year |    | 3 Years |    | 5 Years |    | 7 Years |    | 10 Years |    |
|-----------------------------------|----|----|----|-----|----|--------|----|---------|----|---------|----|---------|----|----------|----|
|                                   |    |    |    |     | Rk |        | Rk |         | Rk |         | Rk |         | Rk |          | Rk |
| ■ 5th percentile                  |    |    |    | 4.6 |    | 12.6   |    | 4.0     |    | 6.1     |    | 5.9     |    | 5.7      |    |
| ■ 25th percentile                 |    |    |    | 3.3 |    | 10.6   |    | 2.8     |    | 4.3     |    | 4.4     |    | 4.4      |    |
| ■ Median                          |    |    |    | 2.7 |    | 9.9    |    | 1.8     |    | 3.8     |    | 4.0     |    | 4.0      |    |
| ■ 75th percentile                 |    |    |    | 2.3 |    | 9.2    |    | 1.2     |    | 3.3     |    | 3.6     |    | 3.6      |    |
| ■ 95th percentile                 |    |    |    | 1.5 |    | 7.4    |    | 0.2     |    | 2.6     |    | 3.1     |    | 2.9      |    |
| # of Observations                 |    |    |    | 203 |    | 202    |    | 195     |    | 188     |    | 176     |    | 157      |    |
| ■ NIS High Yield Strategy         | IM | CF | NF | 3.1 | 32 | 11.0   | 20 | 2.9     | 24 | 4.2     | 28 | 4.5     | 21 | 4.0      | 45 |
| ▲ Bloomberg US Corporate High ... | IM | IX | IX | 2.6 | 61 | 10.4   | 32 | 1.6     | 58 | 3.9     | 42 | 4.2     | 34 | 4.3      | 29 |

Results displayed in USD using Spot Rate (SR).

Source: eVestment Alliance

NIS High Yield performance is net of a 45 bps investment management fee. Returns greater than one year are annualized.

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