



FORT WASHINGTON ACTIVE CORPORATE FIXED INCOME — 2Q2024

HIGHLIGHTS

- ▶ The Investment Grade Credit market, as represented by the Bloomberg US Credit Index, returned -0.05% in the second quarter as credit spreads moved 3 basis points wider to +88 bps while interest rates move slightly higher with the 10-year treasury rising 20 basis points to close the quarter at 4.40%.
- ▶ The quarter saw spreads move slightly tighter in April and May as rates hit their YTD highs, bringing demand from yield sensitive buyers. Spreads reversed wider in June as treasury yields fell and supply remained robust. Sectors such as media and capital goods were negatively impacted by idiosyncratic events at Paramount and Boeing.
- ▶ The quarter saw solid primary market supply but slowed compared to the first quarter, finishing at \$362B compared to \$556B in Q1. Supply is expected to remain muted for the remainder of the year as most companies wanted to get ahead of any U.S. election related volatility and the M&A pipeline is low.
- ▶ The Fort Washington Active Corporate Fixed Income strategy returned +0.32% (gross)/+0.24% (net) in the second quarter, outperforming the Bloomberg US Credit Index by +37 bps.
- ▶ Sector allocation effects were slightly positive with no material outperformers.
- ▶ Security selection was broadly positive led by banks, energy, and subordinated debt. (See chart on page 2 for list of top issuer attribution and bottom issuer attribution).

INVESTMENT PROFESSIONALS

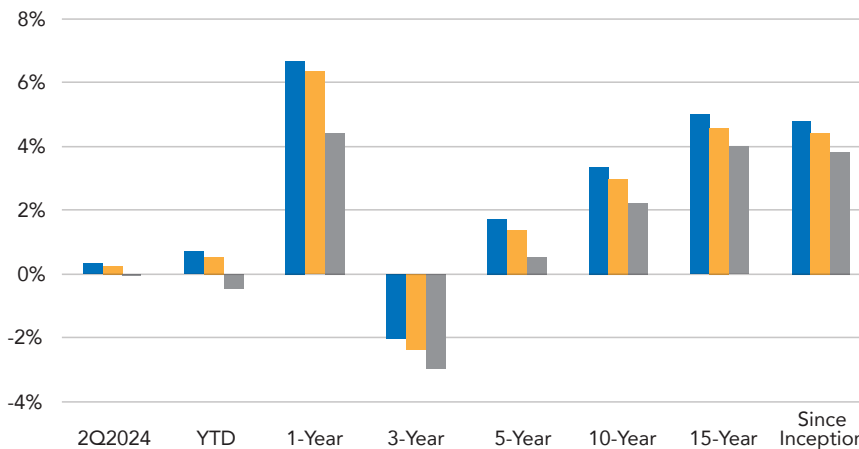
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19 Years Experience

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18 Years Experience

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The portfolio management team is supported by the dedicated research teams of Global Investment Grade Credit, Securitized Assets, Leveraged Credit, and Emerging Markets, as well as the Chief Economist and Chief Investment Officers.

Annualized Total Returns as of June 30, 2024



	2Q2024	YTD	1-Year	3-Year	5-Year	10-Year	15-Year	Since Inception
Active Corporate (Gross)	0.32	0.71	6.71	-2.04	1.72	3.35	4.99	4.81
Active Corporate (Net)	0.24	0.55	6.36	-2.36	1.39	2.98	4.59	4.41
Bloomberg US Credit	-0.05	-0.46	4.42	-2.94	0.54	2.21	4.00	3.84

Fort Washington Investment Advisors, an investment advisor registered with the U.S. Securities and Exchange Commission. Past Performance is not indicative of future results. This supplemental information complements the Active Corporate GIPS Report. Inception date: 01/01/2005.

Top Issuer Attribution			Bottom Issuer Attribution		
	Rel Wgt	Attr		Rel Wgt	Attr
NGPL	1.2%	0.06	Warner Bros Discovery	0.5%	-0.02
Truist	1.4%	0.05	Apple	0.2%	-0.01
Scotiabank	0.5%	0.04	AEP	0.3%	-0.01
Textron	1.0%	0.03	Wells Fargo	-0.3%	-0.01
Electricite de France	0.9%	0.03	Pacific Gas and Electric	0.3%	-0.01

Source: Bloomberg PORT. Sector and duration source: Fort Washington Investment Advisors, an investment advisor registered with the U.S. Securities and Exchange Commission. Past performance is not indicative of future results. Quality and sector distribution as well as portfolio attribution and allocation is subject to change at any time.

MARKET COMMENTARY

The second quarter was defined by a slowing of the spread tightening trend of the past twelve months and relatively limited spread volatility. Rates continued their upward trend in 2024 with labor markets and inflation readings only showing modest signs of cooling. Equities continued to rise led by large cap growth stocks. Demand for IG credit was buoyed by overall yields briefly rising above 5.5%, led by yield sensitive buyers such as insurance companies and pension funds. Banks, cyclicals, and REITs continued to lead the spread tightening as they did in Q1. The market is still benefiting from continued stable credit fundamentals and ratings trends despite continued idiosyncratic risk within the Cable/Media sector as well as ongoing operational challenges at Boeing. That said, the percentage of the IG market at risk of downgrade to high yield remains near its lows of the past ten years.

The market's focus has shifted from the concerns over tightening financial conditions to a renewed concern for shareholder friendly M&A and buybacks. While M&A activity is expected to increase, impact on spreads should be somewhat limited given the current strength of corporate balance sheets. With credit spreads nearing their tightest decile, downside relative to upside is not favorable if economic growth unexpectedly contracts or shareholder friendly activity becomes too aggressive. Stable fundamentals for non-financials, low dollar prices, and supportive technicals should keep spreads tighter than typical recessionary levels should the U.S. enter one and any new concerns for the banking sector increases tail risks to valuations. Increasing geopolitical risk, particularly the conflicts in Ukraine, the Red Sea, and Israel, will influence commodity markets and could also have a negative impact on spreads. Elections in the U.K. and France have had limited impact so far while markets have begun to price in a Republican sweep in the U.S.

Near-term performance of spreads will be most dependent on continued stability in the banking sector and overall economic growth remaining positive. Financials represent a third of the overall market and renewed weakness will impact industrials and utilities as well.

Sector Allocation			
	Portfolio	Index	Relative
US Government	0.0	-	+0.0
TIPS	-	-	-
Investment Grade Credit	95.3	95.4	-0.1
Basic Industry	2.2	2.1	+0.1
Capital Goods	8.5	4.7	+3.8
Communications	8.3	6.9	+1.4
Consumer Cyclical	8.1	6.2	+2.0
Consumer Non-Cyclical	16.3	13.3	+3.0
Energy	7.9	6.0	+1.9
Financials	28.1	28.5	-0.4
Other Industrial	-	0.4	-0.4
Technology	7.8	7.6	+0.2
Transportation	2.9	1.8	+1.0
Utility	4.4	8.0	-3.6
Other	0.7	9.9	-9.2
Securitized	0.6	-	+0.6
RMBS	-	-	-
ABS	0.6	-	+0.6
CLO	-	-	-
CMBS	-	-	-
High Yield	1.9	-	+1.9
Emerging Markets Debt	1.7	4.6	-2.9
Preferred Stock	-	-	-
Other	-	-	-
Cash	0.4	-	+0.4

Source: Bloomberg PORT. Sector Analysis chart is for illustrative purposes only; this illustrates the portfolio's allocation of dollars and risk compared to the benchmark. Information is subject to change at any time without notice. Index is the Bloomberg US Credit Index. This should not be considered investment advice or a recommendation of any strategy, product, or particular security. See disclosures for important information about derivatives. This supplemental information complements the Active Corporate GIPS Report.

Portfolio Characteristics

Characteristics	Active Corporate Composite	Bloomberg US Credit
Yield to Worst (%)	5.72	5.43
Option Adjusted Spread	114	88
Option Adjusted Duration	6.63	6.75
BBB Equiv Spread Risk	7.05	5.65
Average Quality	A3/Baa1	A2/A3
Number Issuers	125	1,300

Source: Bloomberg PORT. Sector and duration allocation are subject to change at any time. Quality distribution subject to change. See the appendix for important information about derivatives. Totals may not equal 100 due to rounding. This supplemental information complements the Active Corporate GIPS Report.

Credit Quality	Active Corporate Composite	Bloomberg US Credit
AAA	10%	4%
AA	38%	76%
A	15%	10%
BBB	36%	10%
BB	1%	0%
B	0%	0%
CCC and Below	0%	0%
Not Rated / Other	0%	0%
Cash	0%	0%

PORTFOLIO ACTIVITY

Risk levels were further lowered in the quarter as multiple high conviction positions were trimmed or exited as spreads hit fair value levels. The composite reduced risk overweights in financials, commodity, and utility sectors in favor of adding to higher rated, defensive credits. In general, the strategy remains comfortable going down in credit in defensive, less cyclical sectors such as staples, utilities, and healthcare while also adding to select opportunities in cyclicals, technology, and financials on weakness but opportunities are getting hard to find. Risk levels are likely to be further reduced if spreads continue to move tighter and bottom-up positions reach fair value. Excess yield to the benchmark remains an important component of expected return with the portfolio exceeding the benchmark yield by +29 bps at quarter-end, down from +51 bps at year end. The overall composition of the strategy is still offensively positioned, targeting additional return versus the benchmark from relative spread movements compared to the index.

COMPOSITE PERFORMANCE DISCLOSURES

	2Q2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Active Corporate Fixed Income (Gross)	0.32%	10.17%	-15.63%	-0.55%	11.70%	15.90%	-2.35%	7.38%	8.23%	-0.24%	8.44%
Active Corporate Fixed Income (Net)	0.24%	9.81%	-15.89%	-0.87%	11.33%	15.50%	-2.73%	6.96%	7.80%	-0.63%	8.01%
Bloomberg US Credit Index	-0.05%	8.18%	-15.26%	-1.08%	9.35%	13.80%	-2.11%	6.18%	5.63%	-0.77%	7.53%
Active Corporate Fixed Income 3-Year Annual Standard Deviation ¹	--	9.38%	10.08%	7.72%	7.64%	3.56%	4.01%	4.13%	4.45%	4.32%	4.33%
Bloomberg US Credit Index 3-Year Annual Standard Deviation ¹	--	8.75%	8.80%	6.49%	6.41%	3.48%	3.52%	3.72%	4.00%	4.06%	3.94%
Dispersion ²	0.04%	0.04%	0.14%	0.15%	--	--	--	--	--	--	--
Number of Accounts	7	7	7	7	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$869.1	\$862.0	\$792.9	\$966.3	\$886.3	\$344.4	\$204.9	\$192.1	\$126.6	\$80.9	\$81.1
Total Firm Assets (\$ millions)	\$76,856	\$74,613	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959	\$45,002

Composite inception and creation date: 01/01/2005. Benchmark returns include interest income, but as an unmanaged fixed income index, it does not include transaction fees (brokerage commissions), and no direct comparison is possible. The index includes domestic, taxable, and dollar-denominated securities and covers the U.S. investment-grade fixed rate corporate bond market. ¹The 3-Year annualized ex-post standard deviation is calculated using monthly gross-of-fee returns to measure the average deviations of returns from its mean. ²Dispersion is not calculated for years in which the composite contains five portfolios or less. Dispersion is calculated as the equal weighted standard deviation of gross-of-fee returns for those portfolios held in the composite during the entire period. Past performance is not indicative of future results.

In Fort Washington's Active Corporate strategy, our investment grade credit analysis process is centered on a relative value analysis. This is combined with solid fundamental credit analysis and efficient execution to build long-term value. Sector specialists and credit analysts evaluate the sector to determine the optimal mix of securities within that sector. The process is not ratings driven, but focuses on risk premiums, potential for downgrade, and the most effective combination on the risk free rate and credit risk premium. The portfolio is actively traded with the goal of outperforming a credit index. All fee-paying, fully discretionary portfolios, managed in the Active Corporate Fixed Income style with a minimum of \$3 million under our management, are included in this composite. Effective 01/22/2014, the Active Corporate Fixed Income strategy fee schedule is 0.30% on the first \$25 million and 0.25% on additional amounts over \$25 million. The benchmark for this strategy is the Bloomberg US Credit Index. Portfolios in this composite include cash, cash equivalents, investment securities, interest and dividends. Cash is maintained, within each separately managed account segment, in accordance with our asset allocation ratio. The U.S. dollar is the base currency. The specific securities identified and described do not represent all of the securities purchased, sold, or recommended. Returns are presented gross and net of management fees and include the reinvestment of all income. Gross returns will be reduced by investment advisory fees and other expenses that may be incurred in the management of the account. Net of fee performance was calculated using the actual management fees charged. Individual portfolio returns are calculated on a daily valuation basis. Prior to 01/01/97, individual portfolio returns were calculated on a monthly basis using a time-weighted return method. Past performance is not indicative of future results. Fort Washington Investment Advisors, Inc. (Fort Washington), a wholly owned subsidiary of The Western and Southern Life Insurance Company, is a registered investment advisor and provides discretionary money management to a broad range of investors, including both institutional and individual investors. Assets under management include all portfolios managed by Fort Washington and exclude assets managed by and marketed as its Private Equity business unit. Fort Washington claims compliance with the Global Investment Performance Standards (GIPS[®]) and has prepared and presented this report in compliance with the GIPS Standards. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/22. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report. 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. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. To receive a complete list and description of composites, contact Fort Washington by phone at 888.244.8167, in writing at 303 Broadway, Suite 1200, Cincinnati, Ohio 45202, or online at fortwashington.com.

RISK DISCLOSURES

The Fort Washington Active Corporate Fixed Income strategy invests in fixed-income securities which can experience reduced liquidity during certain market events, lose their value as interest rates rise and are subject to credit risk which is the risk of deterioration in the financial condition of an issuer and/or general economic conditions that can cause the issuer to not make timely payments of principal and interest also causing the securities to decline in value and an investor can lose principal. The strategy invests in investment grade debt securities which may be downgraded by a Nationally Recognized Statistical Rating Organization (NRSRO) to below investment grade status. Events in the U.S. and global financial markets, including actions taken to stimulate or stabilize economic growth may at times result in unusually high market volatility, which could negatively impact strategy performance and cause it to experience illiquidity, shareholder redemptions, or other potentially adverse effects. Banks and financial services companies could suffer losses if interest rates rise or economic conditions deteriorate.

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