



FORT WASHINGTON CORE PLUS FIXED INCOME — 3Q2024

PORTFOLIO COMMENTARY

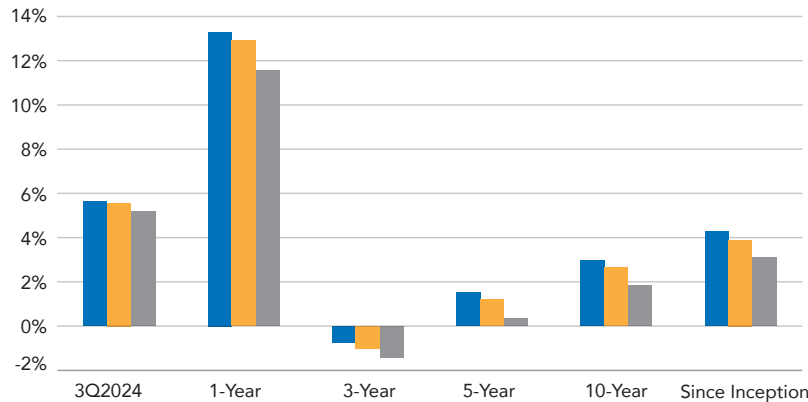
The Fort Washington Core Plus strategy returned 5.66% / 5.58% (gross/net) for the quarter, outperforming the Bloomberg US Aggregate Index which returned 5.20%.

Interest rate exposure was the largest driver of outperformance over the quarter. The strategy tactically adjusted duration as interest rates experienced volatility, driven by the market's reaction to new economic data. Separately, the strategy entered the quarter with a bias for a steeper curve which contributed to performance as short rates declined more than longer rates. Although the strategy started and ended the quarter with no Treasury TIPS exposure, the investment team opportunistically utilized them during the period as inflation expectations shifted, positively contributing to relative performance.

The strategy's sector allocation was a positive contributor to performance during the quarter. The primary driver was the overweight allocation to investment grade corporates as spreads tightened modestly over the quarter.

Security selection was a detractor to relative performance during the quarter, driven by securitized. Within securitized, the portfolio was overweight CMOs which underperformed relative to Agency Passthroughs.

Annualized Total Returns as of September 30, 2024



| | 3Q2024 | 1-Year | 3-Year | 5-Year | 10-Year | Since Inception |
|--------------------------------|--------|--------|--------|--------|---------|-----------------|
| ■ Core Plus (Gross) | 5.66 | 13.29 | -0.73 | 1.54 | 3.00 | 4.26 |
| ■ Core Plus (Net) | 5.58 | 12.95 | -1.03 | 1.22 | 2.65 | 3.90 |
| ■ Bloomberg US Aggregate Index | 5.20 | 11.57 | -1.39 | 0.33 | 1.84 | 3.11 |

Source: Fort Washington. Past performance is not indicative of future results. This supplemental information complements the Core Plus GIPS Report. Inception date: 10/01/2007.

POSITIONING

Risk budget: The strategy is targeting a modest overweight to risk representing 30% of the risk budget.

Economic activity has been robust over the last year despite expectations for slowing growth. Inflation remains above the Fed's 2% target but continues to decline. As a result of disinflation and a cooling labor market, the Fed cut interest rates by 50 basis points in September. Although this decision eased financial conditions and improved the odds of a soft landing, the Fed Funds rate is still expected to remain in restrictive territory for some time. As a result, U.S. economic resilience could be tested if headwinds currently affecting lower income households broaden.

INVESTMENT PROFESSIONALS

Daniel J. Carter, CFA
Managing Director
Senior Portfolio Manager
28 Years Experience

Austin R. Kummer, CFA
Managing Director
Senior Portfolio Manager
11 Years Experience

Garrick T. Bauer, CFA
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Portfolio Manager, Head of Credit
Leveraged Credit

Paul A. Tomich, CFA
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Senior Portfolio Manager
Investment Grade Credit

Scott D. Weston
Managing Director
Senior Portfolio Manager
Structured Products

Brendan M. White, CFA
Senior Vice President
Co-Chief Investment Officer

Investment Grade Credit
10 Portfolio Managers & Analysts
Average Industry experience / 2001

Securitized Products
7 Portfolio Managers & Analysts
Average Industry experience / 2006

Emerging Markets
4 Portfolio Managers & Analysts
Average Industry experience / 2003

Leveraged Credit
11 Portfolio Managers & Analysts
Average Industry experience / 2003

Valuations generally reflect a high probability of a soft/no landing with limited margin of safety. Despite our improved economic outlook, elevated asset prices result in only a modest overweight risk posture within the strategy.

Sectors: Sector positioning reflects generally expensive valuations, relative value, and opportunities within each sector. Allocations were mostly unchanged during the quarter and primary risk exposures included:

- ▶ An overweight to Investment Grade Credit (IG). Within the IG allocation, the strategy is increasingly weighted toward liquid, higher quality issues. We are maintaining a risk overweight to select sectors where compelling bottom-up opportunities exist such as midstream, media, and banks. In addition, the strategy is targeting investments in more esoteric front-end bonds to enhance yield.
- ▶ Securitized Products remain an overweight exposure relative to the benchmark, focused within high quality non-agency CMBS and RMBS. The largest area of focus within the allocation is non-agency RMBS, specifically discount-priced AAA/AA securities, which exhibit attractive relative value as prepayments have become more predictable and offer upside should housing turnover increase.
- ▶ The strategy has maintained its neutral weighting to emerging market debt (EMD). Investment grade and high yield EMD are trading at historically tight levels skewing the risk/reward to the downside.
- ▶ The strategy holds domestic High Yield CDX protection as spreads are at historically tight levels, limiting the upside return of the sector to carry.

Rates: We are currently positioning portfolios neutral duration relative to the benchmark as we believe long rates are fairly valued. The yield curve steepened meaningfully during Q3 as investors began pricing in quicker rate cuts. As a result, the strategy's steepening bias was reduced. Portfolios are only marginally overweight the intermediate part of the curve and underweight long maturities relative to the index. Now that the first rate cut is behind us, we anticipate investors will focus on the magnitude of cuts and are likely to continue adjusting forecasts to incoming economic data.

Sector Analysis (Portfolio Exposure Versus Benchmark)

| | Portfolio | | Index | | Relative | |
|--------------------------------|-------------|--------------|-------------|-------------|--------------|-------------|
| | MV % | Spread Risk | MV % | Spread Risk | MV % | Spread Risk |
| US Government | 29.8 | - | 44.4 | 0.0 | -14.6 | -0.0 |
| <i>TIPS</i> | - | - | - | - | - | - |
| Investment Grade Credit | 35.8 | 2.5 | 27.0 | 1.5 | +8.8 | +1.0 |
| <i>Basic Industry</i> | 0.8 | 0.1 | 0.6 | 0.0 | +0.2 | +0.0 |
| <i>Capital Goods</i> | 2.7 | 0.1 | 1.3 | 0.1 | +1.4 | +0.0 |
| <i>Communications</i> | 3.7 | 0.4 | 2.0 | 0.2 | +1.7 | +0.2 |
| <i>Consumer Cyclical</i> | 3.4 | 0.2 | 1.7 | 0.1 | +1.6 | +0.1 |
| <i>Consumer Non-Cyclical</i> | 5.7 | 0.4 | 3.8 | 0.2 | +1.9 | +0.2 |
| <i>Energy</i> | 2.9 | 0.3 | 1.8 | 0.1 | +1.2 | +0.2 |
| <i>Financials</i> | 10.5 | 0.6 | 8.0 | 0.4 | +2.5 | +0.2 |
| <i>Other Industrial</i> | - | - | 0.1 | 0.0 | -0.1 | -0.0 |
| <i>Technology</i> | 2.6 | 0.1 | 2.2 | 0.1 | +0.4 | +0.0 |
| <i>Transportation</i> | 1.4 | 0.1 | 0.5 | 0.0 | +0.9 | +0.1 |
| <i>Utility</i> | 1.7 | 0.2 | 2.3 | 0.2 | -0.6 | +0.0 |
| <i>Other</i> | 0.3 | 0.0 | 2.7 | 0.1 | -2.4 | -0.0 |
| Securitized | 29.7 | 1.4 | 27.3 | 0.5 | +2.4 | +0.9 |
| RMBS | 18.8 | 0.8 | 25.4 | 0.4 | -6.6 | +0.4 |
| ABS | 2.7 | 0.2 | 0.4 | 0.0 | +2.3 | +0.1 |
| CLO | 1.4 | 0.1 | - | - | +1.4 | +0.1 |
| CMBS | 6.7 | 0.3 | 1.5 | 0.1 | +5.2 | +0.3 |
| High Yield | 0.5 | (0.4) | - | - | +0.5 | -0.4 |
| Emerging Markets Debt | 1.6 | 0.3 | 1.3 | 0.1 | +0.3 | +0.2 |
| Preferred Stock | - | - | - | - | - | - |
| Other | - | - | - | - | - | - |
| Cash | 2.6 | - | - | - | +2.6 | - |

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 Aggregate Bond 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 Core Plus GIPS Report.

Portfolio Characteristics

| | Core Plus Composite | Bloomberg US Aggregate |
|--------------------------|---------------------|------------------------|
| Yield to Worst | 4.77 | 4.23 |
| Option Adjusted Spread | 74 | 36 |
| Option Adjusted Duration | 5.95 | 6.20 |
| BBB Equiv Spread Risk | 3.75 | 2.06 |
| Average Quality | Aa3/A1 | Aa2/Aa3 |
| Number Issuers | 220 | 1,402 |

Credit Quality

| | Core Plus Composite | Bloomberg US Aggregate |
|-------------------|---------------------|------------------------|
| AAA | 11% | 3% |
| AA | 46% | 73% |
| A | 11% | 11% |
| BBB | 28% | 12% |
| BB | 1% | 0% |
| B | 1% | 0% |
| CCC and Below | 0% | 0% |
| Not Rated / Other | 0% | 0% |
| Cash | 3% | 0% |

Source: Fort Washington. Portfolio characteristics and credit quality are as of the reported date and subject to change at any time without notice. Past performance is not indicative of future results. This supplemental information complements the Core Plus GIPS Report.

MARKET OVERVIEW

The economy has continued to grow at a robust pace and the base case for investors remains a soft landing, especially now that the Fed has begun normalizing interest rates. A balanced labor market along with wage gains and large increases in net worth have supported consumer spending. However, employment has cooled and markets are worried the economy is not creating as many new jobs. Consequently, the Federal Reserve has shifted focus to this part of the economic environment, which was a contributor to their decision to cut Fed Funds by 50 basis points in September.

In addition, continued disinflation and 'greater confidence' that inflation will return to the 2% target provided the Fed further data needed to begin cutting. The main area investors will be monitoring is the service side of inflation, which has remained elevated, largely because of shelter. Nevertheless, with inflation seemingly under control the emphasis is being placed on the labor market as Powell has mentioned that the FOMC does not want to see 'further weakening' in employment. While non-farm payrolls show continued job growth, it has trended lower over the last couple quarters, and reports over the past year (ending March 2024) were revised down significantly.

For these reasons, the FOMC believes the downside risk for the labor market now outweighs inflation surprises. The unemployment rate has increased 0.7%, to 4.1%, since the lows in 2023 as people have lost their jobs and others have re-entered the labor market. However, the number of people losing their jobs has remained relatively low and continued Fed cuts should strengthen more rate sensitive sectors of the economy. Separately, upward revisions to the BEA's national accounts, including personal income and Gross Domestic Income (GDI), show that the average consumer is better off than previously expected.

This economic backdrop combined with the Fed's willingness to act more aggressively than previously anticipated increases the odds that the U.S. will avert a recession and has been a catalyst for rising asset prices. Lower inflation forecasts and expectations of rate cuts were a driver of meaningfully lower rates over the quarter, thus easing financial conditions. Treasury yields declined with the 10-year moving lower by 60 basis points over the quarter, ending around 3.8%. Additionally, the Treasury yield curve reversed the inversion it has exhibited for much of the last two years. In aggregate these rate moves resulted in a very strong quarter for the Bloomberg US Aggregate Bond Index, which returned 5.2%.

MACRO OUTLOOK (AS OF 09/30/2024)

| Factor | Outlook | Comments |
|----------------------|-------------------|---|
| Economic Growth | Neutral | <ul style="list-style-type: none"> Recent economic data has remained robust and expectations for future growth remain steady Consumer spending supported by job/wage growth and increased net worth for higher income cohorts Overall business fundamentals generally healthy but small business sentiment still sluggish Progress toward 2% inflation to continue, Fed has gained "greater confidence" in the trajectory Expectations of future rate cuts and a less restrictive Fed improve the odds of a soft landing |
| Financial Conditions | Neutral | <ul style="list-style-type: none"> Magnitude of cuts remain a focus, markets currently anticipate 2 cuts in 2024, 4 in 2025 Volatility to remain elevated as markets react to incoming data and policy response Lending standards marginally tighter but market-based financial conditions easier |
| Valuations | Credit: Expensive | <ul style="list-style-type: none"> Spreads are near historical tight levels reflecting a high probability of a soft/no landing. Risk/reward is skewed to the downside at current levels. |
| | Equities: Neutral | <ul style="list-style-type: none"> Equity valuations have become stretched following strong performance. Although breadth has improved, index performance is narrow and driven by a small number of names |
| | Rates: Neutral | <ul style="list-style-type: none"> Longer interest rates are likely to remain range-bound. The risk for lower rates is a sharper slowing in growth. Risks for higher rates are stubborn inflation and higher path of Fed policy. Interest rates reflect expectation of moderately slowing growth and near-term cuts leading to a 3% terminal rate. |
| Risk Budget | | Summary |

30%

Economic activity has been robust over the last year despite expectations for slowing growth. Inflation remains above the Fed's 2% target but continues to decline. As a result of disinflation and a cooling labor market, the Fed cut interest rates by 50 basis points in September. Although this decision eased financial conditions and improved the odds of a soft landing, the Fed Funds rate is still expected to remain in restrictive territory for some time. The labor market is largely in balance while business and consumer fundamentals remain generally healthy. However, credit valuations are stretched and reflect a high probability of a stable economic environment. As a result, we remain comfortable with a modest allocation to risk assets.

Source: Fort Washington. This is for informational purposes only and should not be construed as investment advice. Outlook reflects subjective judgments and assumptions subject to change without notice. Unexpected events may occur, there can be no assurance that developments will transpire as forecast. Past performance is not indicative of future results.

COMPOSITE GIPS REPORT

| | 3Q2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|
| Core Plus Fixed Income (Gross) | 5.66% | 6.74% | -13.56% | -0.75% | 10.31% | 11.09% | -0.73% | 4.51% | 6.62% | 1.11% | 5.26% |
| Core Plus Fixed Income (Net) | 5.58% | 6.42% | -13.83% | -1.07% | 9.97% | 10.75% | -1.03% | 4.14% | 6.21% | 0.71% | 4.85% |
| Bloomberg US Aggregate Bond Index | 5.20% | 5.53% | -13.01% | -1.54% | 7.51% | 8.72% | 0.01% | 3.54% | 2.65% | 0.55% | 5.97% |
| Core Plus Fixed Income 3-Year Annual Standard Deviation ¹ | -- | 7.60% | 6.96% | 4.59% | 4.59% | 2.76% | 2.80% | 2.76% | 3.03% | 3.06% | 2.99% |
| Bloomberg Aggregate 3-Year Annual Standard Deviation ¹ | -- | 7.14% | 5.77% | 3.35% | 3.36% | 2.87% | 2.84% | 2.78% | 2.98% | 2.88% | 2.63% |
| Dispersion ² | 0.11% | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Number of Accounts | 6 | 5 | ≤5 | ≤5 | ≤5 | ≤5 | ≤5 | ≤5 | ≤5 | ≤5 | ≤5 |
| Composite Assets (\$ millions) | \$1,751.7 | \$1,635.3 | \$1,570.3 | \$1,918.5 | \$1,643.3 | \$1,335.7 | \$1,163.6 | \$1,101.6 | \$607.0 | \$310.4 | \$308.9 |
| Total Firm Assets (\$ millions) | \$81,043 | \$74,613 | \$66,365 | \$73,804 | \$65,086 | \$59,174 | \$49,225 | \$52,774 | \$45,656 | \$42,959 | \$45,002 |

Composite inception date: 10/01/2007 and Composite creation date: 07/01/2015. 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. The benchmark for this composite is the Bloomberg US Aggregate Bond Index. The Bloomberg US Aggregate Bond Index is a market capitalization-weighted index that measures the performance of the U.S. dollar-denominated, fixed-rate, taxable bond market. The index includes investment grade securities such as U.S. Treasuries, government-related and corporate bonds, mortgage-backed securities, asset-backed securities, and commercial mortgage-backed securities. The index accounts for interest payments by incorporating them into the total return calculation. Fort Washington's Core Plus Fixed Income strategy uses explicit measures of value and risk as a guide to investment decisions. Combined with intensive fundamental research, the portfolio management team believes this provides the best opportunity for excess return. The Core Plus Composite includes all fixed income accounts above \$50MM with the ability to invest in High Yield (at least 30%) and have the unrestricted ability to invest in Investment Grade Securities across all durations relative to the Bloomberg US Aggregate. Accounts within this composite may also have the ability to hold derivatives. These investments, whether or not traded on an established market, include but are not limited to options, notional principal contracts, futures or forward contracts, VIX futures; and options on futures, forward contracts, or debt obligations. Investments made in derivatives are used in line with the portfolio's risk exposure, allowing for the portfolio to reduce its exposure to an existing position or increase exposure within the portfolio's guidelines. Derivatives involve risks in addition to the risks of underlying securities, including liquidity, interest rate, market, credit, and management. Investing in derivatives could lose more than the amount invested. Effective 10/26/18, the Core Plus Fixed Income fee is 0.35% for the first \$50 million, 0.25% on the next \$50 million, and 0.20% for amounts in excess of \$100 million for separate accounts. 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. 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. 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RISK DISCLOSURES

The Fort Washington Core Plus 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 non-investment grade debt securities which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. The strategy invests in derivatives and securities such as forward foreign currency exchange contracts, futures contracts, options and swap agreements. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the strategy will not correlate with the strategy's other investments. The strategy invests in sovereign debt securities which are issued by foreign governments whose respective economies could have an important effect on their ability or willingness to service their debt which could affect the value of the securities.

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