Fort Washington
Investment Advisors, Inc.
A member of Western & Southern Financial Group
Uncompromised Focus®

FORT WASHINGTON INTERMEDIATE FIXED INCOME — 1Q2024

PORTFOLIO ACTIVITY

The Fort Washington Intermediate Fixed Income strategy returned 0.49% gross and 0.44% net for the quarter, ourperforming the Bloomberg U.S. Intermediate Aggregate Bond Index which returned -0.42%.

Outperformance was primarily driven by the positive effects of sector allocation while interest rate management was also a positive contributor and security selection had a neutral impact to performance.

Sector allocation added to relative performance during the quarter. The strategy's overweight positioning to Securitized products contributed to returns as spreads across non-agency sectors tightened meaningfully, namely CMBS.

Interest rate management had a positive impact on performance during the quarter. The portfolios were managed with tactical duration management which outperformed over the period.

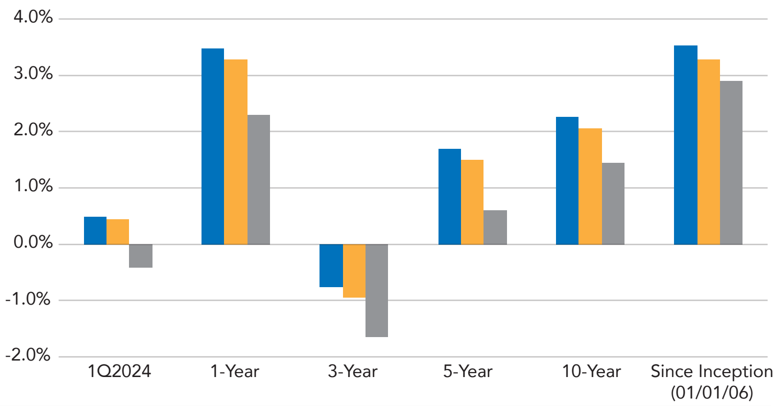
Security selection had a neutral impact to relative returns during the quarter. Credit selection within the Investment Grade Credit sector was in line with the benchmark during the period.

MARKET OVERVIEW

The first quarter of 2024 saw ongoing rate volatility and strong performance of risk assets as the economy continues to perform well. However, this strong performance caused market participants to adjust their expectations for rate cuts. Initially projecting over 150bps of cuts for 2024, with the first anticipated in March, forecasts were revised due to higher-than-expected inflation reports and positive economic data. These datapoints indicated potentially persistent inflation. The market is currently pricing in 75bps of cuts for the year, aligning more closely with the Federal Reserve's forecast. This shift in sentiment led to a rise in rates; however, risk assets performed well as GDP growth expectations for 2024 increased by about 1% to 2.2%.

The focus over the quarter, which is likely to persist, remained on inflation as the market seeks confirmation regarding the timing and scale of potential Fed rate cuts. While core inflation (PCE) has shown a year-over-year deceleration (currently 2.8%), recent data indicated a pickup, underscoring the challenge of achieving a full return to 2%. The primary driver of elevated inflation remains shelter costs, predominantly due to the delayed impact of this data.

Annualized Total Returns as of March 31, 2024



	1Q2024	1-Year	3-Year	5-Year	10-Year	Since Inception (01/01/06)
Intermediate Fixed Income (Gross)	0.49	3.48	-0.76	1.69	2.27	3.53
Intermediate Fixed Income (Net)	0.44	3.28	-0.95	1.50	2.05	3.28
Bloomberg U.S. Aggregate Bond Index	-0.42	2.30	-1.66	0.60	1.45	2.90

Source: Fort Washington. Past performance is not indicative of future results. This supplemental information complements the Intermediate Fixed Income GIPS Report.

INVESTMENT PROFESSIONALS

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28 Years Experience

Austin R. Kummer, CFA
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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 / 2000

Securitized Products
5 Portfolio Managers & Analysts
Average Industry experience / 2002

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

Leveraged Credit
12 Portfolio Managers & Analysts
Average Industry experience / 2002

However, due to the likelihood that shelter inflation will continue falling, the recent inflation uptick had a minimal impact on the Fed's outlook. Following the March meeting, Federal Reserve Chair Jerome Powell remarked in his speech that the FOMC anticipates inflation reaching its 2% target "over time," acknowledging potential obstacles along the way but emphasizing the overarching trajectory. The market welcomed this affirmation that rate cuts are still on the table after the yield curve had increased, and flattened, since the start of the year.

Although a soft/no landing is still the consensus, the notion that the Fed may prolong its stay in restrictive territory appears to be giving some investors pause. Despite this cause for potential hesitation, risk assets have been resilient as credit spreads have moved tighter. Investment grade spreads (10yr BBB Industrials) have moved 9bps tighter since the end of December to their 18th percentile and high yield (single B corporates) tightened 44bps and ended at their 2nd percentile. However, rates were more significant to performance than spread moves as the Bloomberg U.S. Agg returned -0.78% for the quarter.

Robust economic data, particularly labor market figures, has improved growth expectations. Job gains remain strong, with the ratio of job openings to unemployed individuals remaining above pre-COVID levels. Although recent reports noted a slight increase in the unemployment rate, this was primarily attributed to a contraction in the workforce. Additionally, wage growth continues to outpace long-term trends, sustaining consumer spending, while productivity enhancements have helped keep unit costs largely in check.

Monitoring the U.S. consumer for signs of weakness will be a focal point over the coming quarters. While spending has kept growth robust, excess savings are likely depleted and consumer debt is now increasing faster than the pre-COVID trend. These present risks to the 'soft landing' narrative even though expectations for material slowing have largely faded. With credit spreads near historically tight levels, global conflicts continuing, and uncertain consumer and corporate demand, we believe it is appropriate to maintain modest levels of risk in portfolios.

Sector Analysis (Portfolio Exposure Versus Benchmark)

	Portfolio		Index		Relative	
	MV %	Spread Risk	MV %	Spread Risk	MV %	Spread Risk
US Government	**26.2**	**0.1**	**42.0**	**0.0**	**-15.8**	**+0.1**
TIPS	*2.9*	*0.1*	-	-	*+2.9*	*+0.1*
Investment Grade Credit	**44.1**	**2.2**	**23.0**	**0.8**	**+21.1**	**+1.5**
Basic Industry	*1.2*	*0.0*	*0.4*	*0.0*	*+0.8*	*+0.0*
Capital Goods	*3.4*	*0.1*	*1.1*	*0.0*	*+2.3*	*+0.1*
Communications	*4.7*	*0.2*	*1.3*	*0.1*	*+3.4*	*+0.2*
Consumer Cyclical	*3.5*	*0.2*	*1.7*	*0.1*	*+1.8*	*+0.1*
Consumer Non-Cyclical	*8.2*	*0.3*	*2.6*	*0.1*	*+5.6*	*+0.3*
Energy	*2.4*	*0.1*	*1.2*	*0.0*	*+1.2*	*+0.1*
Financials	*14.6*	*0.9*	*8.4*	*0.4*	*+6.2*	*+0.5*
Other Industrial	-	*0.0*	*0.0*	*0.0*	*-0.0*	*-0.0*
Technology	*3.3*	*0.1*	*1.7*	*0.0*	*+1.6*	*+0.1*
Transportation	*0.4*	*0.0*	*0.3*	*0.0*	*+0.1*	*+0.0*
Utility	*1.8*	*0.1*	*1.4*	*0.1*	*+0.3*	*+0.1*
Other	*0.5*	*0.0*	*2.9*	*0.0*	*-2.4*	*-0.0*
Securitized	**26.1**	**1.0**	**34.2**	**0.6**	**-8.0**	**+0.4**
RMBS	*13.1*	*0.3*	*31.6*	*0.5*	*-18.6*	*-0.2*
ABS	*1.9*	*0.1*	*0.6*	*0.0*	*+1.3*	*+0.1*
CLO	*1.0*	*0.1*	-	-	*+1.0*	*+0.1*
CMBS	*10.2*	*0.5*	*1.9*	*0.1*	*+8.3*	*+0.5*
High Yield	**0.3**	**0.0**	-	-	**+0.3**	**+0.0**
Emerging Markets Debt	**0.2**	**0.0**	**0.8**	**0.0**	**-0.6**	**-0.0**
Preferred Stock	-	-	-	-	-	-
Other	-	-	-	-	-	-
Cash	**3.1**	-	-	-	**+3.1**	-

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 U.S. 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 Intermediate Fixed Income GIPS Report.

Characteristics

	Intermediate Fixed Composite	Bloomberg U.S. Intermediate Agg
Yield to Worst	5.31	4.82
Option Adjusted Spread	87	35
Option Adjusted Duration	4.53	4.51
BBB Equiv Spread Risk	3.32	1.41
Average Quality	Aa3/A1	Aa2/Aa3
Number Issuers	149	1,133

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 Intermediate Fixed Income GIPS Report.

Credit Quality

	Intermediate Fixed Composite	Bloomberg U.S. Intermediate Agg
AAA	10%	4%
AA	40%	76%
A	14%	10%
BBB	33%	10%
BB	0%	0%
B	0%	0%
CCC and Below	0%	0%
Not Rated / Other	0%	0%
Cash	3%	0%

POSITIONING

Risk budget: The strategy is targeting a modest overweight to risk representing 40% of the risk budget.

Economic growth has surprised to the upside over the last year, but downside risks remain elevated from the cumulative effects of the Fed's aggressive and restrictive monetary policy, tightening bank lending standards, and increased geopolitical risks.

Inflation continues to decelerate but remains above the Fed's 2% target. The Fed is expected to begin easing monetary policy in 2024 as inflation trends toward its target, but will remain in restrictive territory for some time. Although the U.S. economy has shown resilience thus far, a soft landing is not ensured as risks remain elevated and consumer strength is challenged.

Valuations mostly reflect a high probability of a soft/no landing with limited margin of safety. Despite our improving 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 generally unchanged in the quarter and primary risk exposures include:

- The strategy remains overweight to Investment Grade Credit (IG). Within the IG allocation, the strategy has been reducing overall risk as spreads tighten amidst positive sentiment. We are maintaining a risk overweight to select sectors where attractive bottom-up opportunities exist such as midstream, banks, and utilities. In addition, the strategy is looking for incremental opportunities to increase liquidity in the event of a spread widening opportunity.
- Securitized Products remain an overweight exposure relative to the benchmark, focused within AAA-rated non-agency CMBS. In our view, high-quality CMBS that has widened in concert with broader CMBS disruptions from distressed office properties offers attractive value, although this overweight has been reduced following strong performance.

Rates: We are currently positioning portfolios neutral duration relative to the benchmark with an overweight to the intermediate part of the yield curve. Portfolios are also underweight long maturities relative to the index to benefit as the yield curve steepens. Powell has indicated the Fed is prioritizing the larger trend of inflation rather than making frequent adjustments to their projections in response to short-term fluctuations. However, we expect the market to adjust to incoming economic reports which should lead to volatility and present opportunities for tactical adjustments.

MACRO OUTLOOK (AS OF 03/31/2024)

Factor	Outlook	Comments
Economic Growth	Neutral	• 2024 growth expectations continue to improve with only a modest slowdown now anticipated • Consumer spending supported by job/wage growth but lower income cohorts experiencing more stress • Business spending expectations have improved but small business still challenged • Inflation continues to decelerate toward 2% although recent reports show slowing disinflation • Restrictive monetary policy still poses downside risks
Financial Conditions	Neutral	• Market-based financial conditions have eased, bank lending standards remain tight • Volatility to remain elevated as markets react to incoming data and policy response • Short-term treasury yields reflect increasing expectations of mid-2024 cuts. Long-term yields reflect lower inflation expectations along with anticipated cuts
Valuations	Credit: Neutral	• In our view, there is limited upside in credit valuations from current levels as risk/reward is skewed to the downside. Resilience of U.S. consumer has provided support for overall economy, but cumulative effects of rate increases are likely to continue weighing on growth
	Equities: Neutral	• Equity valuations have become stretched following strong performance. 2024 earnings expectations may be difficult to achieve with a slowing economy. Although breadth has improved, index performance is narrow and driven by a small number of names
	Rates: Neutral	• Interest rates are likely to remain range-bound until path of Fed actions become more certain. Interest rates reflect expectation of moderately slowing growth and potential cuts in 2024. The risk for lower rates is a sharper slowing in growth and inflation. Risks for higher rates are stubborn inflation and higher path of Fed policy.
Risk Budget		
40%		**Summary:** We remain comfortable with a modest allocation to risk assets. Credit valuations are stretched and reflect a high probability of a soft landing. Even if a broader economic slowdown is avoided, upside is limited from current levels. The primary risk to markets is the impacts of the cumulative effects of tight Fed policy and bank credit standards. Inflation continues to decelerate but remains somewhat above target. Market expectations for easing in 2024 have come down and are in line with recent Fed projections, although volatility will likely persist as the market reacts to incoming economic data. The U.S. economy has shown resilience and consumer fundamentals remain generally healthy; however, a soft landing is not ensured as consumer strength remains uncertain going forward. In our view, current valuations amid continued uncertainty supports a modest overweight to risk.

COMPOSITE PERFORMANCE DISCLOSURES

	1Q2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Intermediate Fixed Income (Gross)	0.49%	5.95%	-9.20%	-0.26%	7.61%	8.08%	0.59%	3.04%	4.68%	0.77%	3.74%
Intermediate Fixed Income (Net)	0.44%	5.75%	-9.38%	-0.45%	7.40%	7.86%	0.38%	2.82%	4.44%	0.54%	3.45%
Bloomberg Intermediate Aggregate Bond Index	-0.42%	5.18%	-9.51%	-1.29%	5.60%	6.67%	0.92%	2.27%	1.97%	1.21%	4.12%
Intermediate Fixed Income 3-Year Annual Standard Deviation[1]	--	5.83%	4.89%	2.82%	2.87%	2.00%	1.98%	1.93%	2.12%	2.23%	2.21%
Bloomberg Intermediate Aggregate 3-Year Annual Standard Deviation[1]	--	5.52%	4.33%	2.04%	2.16%	2.04%	2.12%	1.96%	2.13%	2.10%	1.96%
Dispersion[2]	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$488.3	$506.2	$596.2	$670.6	$675.0	$630.6	$588.1	$584.7	$704.0	$445.7	$405.5
Total Firm Assets ($ millions)	$75,762	$74,613	$66,365	$73,804	$65,086	$59,174	$49,225	$52,774	$45,656	$42,959	$45,002

Composite inception date: 01/01/06 and Composite creation date: 01/01/18. [1]The 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. [2]Dispersion is not calculated for years in which the composite contains five portfolios or less. Dispersion is calculated as the equal weighted standard deviation of quarterly gross-of-fee returns for those portfolios held in the composite during the full measurement period. Past performance is not indicative of future results.

Fort Washington's Intermediate Fixed Income strategy seeks to actively manage portfolios within a disciplined sector rotation and target duration framework, focusing on long-term results, utilizing a mix of fixed income securities. Fort Washington constructs portfolios that are diversified by sector, holdings, and quality which we believe will produce favorable risk-adjusted returns. The Intermediate Fixed Income Composite includes all fixed income accounts above $5 million managed to the maturity constraints consistent to that of an intermediate duration focused index, with the ability to invest in Investment Grade Securities which allow for between 10%-30% allocations to High Yield and/or are restricted to invest in less than 5% in Emerging Market Securities, Non-U.S. Dollar denominated securities, and/or any derivative investments. Effective 10/22/15, the Intermediate Fixed Income fee is 0.35% for the first $25 million and 0.30% on additional amounts over $25 million for separate accounts. The benchmark for this composite is the Bloomberg U.S. Intermediate Aggregate Bond Index. This benchmark covers the USD-denominated, investment grade, fixed-rate, and taxable areas of the bond market. 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. 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 Intermediate 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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