Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

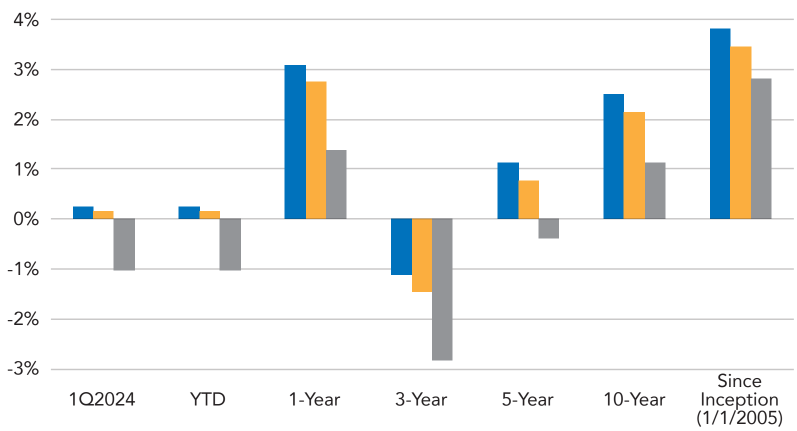
Uncompromised Focus®

FORT WASHINGTON SECURITIZED TOTAL RETURN — 1Q2024

HIGHLIGHTS

- The Fort Washington Securitized Total Return Composite returned 0.16% (net) during the first quarter, compared to -1.04% for the Bloomberg US MBS Index.
- Solid job growth and spending, as well as stubbornly high inflation, appear ready to test the Fed on their expectations for rate cuts this year. The Fed remained on hold during the quarter at a funds rate of 5.25-5.50%, but rates markets have been pricing increased changes of a "higher for longer" scenario. Interest rates across the yield curve rose 30-40bps against this backdrop.
- Agency MBS spreads were flat during the first quarter, but spreads across private-label securitized products continued the tightening trend that began in the fourth quarter of last year. This led to strong outperformance for our Composite, which focuses on high quality private-label (non-index-eligible) securities. Distressed CMBS prices began to firm up during the quarter.
- Compensation for risk is fair at current levels but still offers upside due to supportive fundamentals. Elevated carry persists given the current Securitized Overnight Financing and Treasury rates, along with spreads that are near long-term median levels across securitized products.

Annualized Total Returns as of March 31, 2024



	1Q2024	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception (1/1/2005)
Securitized Total Return (Gross) %	0.25	0.25	3.10	-1.13	1.12	2.51	3.83
Securitized Total Return (Net) %	0.16	0.16	2.75	-1.47	0.78	2.13	3.46
Bloomberg U.S. MBS %	-1.04	-1.04	1.39	-2.84	-0.39	1.12	2.80

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. This supplemental information complements the Securitized Total Return GIPS Report.

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Portfolio Characteristics and Sector Allocation

	MV %	Cpn	YTW	OAS	OAD	OASD	DTS	Contr. to DTS	Avg. Rating
Bloomberg US MBS Index Statistics Index	100	3.2	5.0	49	6.1	5.6	3.2	3.2	AA+
Securitized Total Return Comp	100	3.3	5.9	138	5.8	5.0	6.2	6.2	AA
ABS	9	3.3	6.4	198	3.4	3.5	6.3	0.6	BBB
CLO	4	6.7	7.3	208	1.1	4.1	8.3	0.3	AA-
CMBS	14	3.6	8.6	371	2.1	2.5	6.5	0.9	AA-
RMBS	64	3.3	5.3	94	6.9	6.6	6.4	4.1	AA+
US Government	5	2.8	4.3	-	13.9	-	5.2	0.3	AA+
IG Credit	0	3.5	4.5	36	10.4	10.4	4.1	-	AAA
Cash	4	-	5.3	-	-	-	-	-	AAA

Source: Fort Washington. Data as of 03/31/2024. Portfolio characteristics are as of the reported date and are subject to change without notice. Past performance is not indicative of future results. This supplemental information complements the Securitized Total Return GIPS Report.

MARKET OVERVIEW

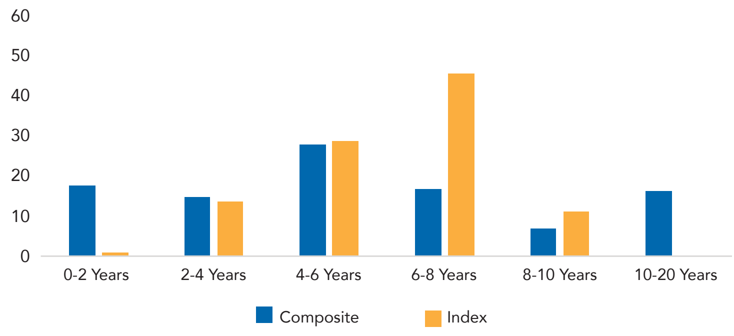
At the start of 2024, the Fed seemed pleased with their progress in crafting a soft landing. The unemployment rate had risen from a cycle low of 3.4% while headline inflation moderated into the 3% range from 6.5% at the start of 2023. The market, believing inflation was on its way to the Fed's 2% target, anticipated six rate cuts, effectively lowering the fed funds rate 1.5% (from 5.5% to 4%) during 2024.

Fast forward to April and expectations for rate cuts are fading. The market is now pricing in just 2.5 rate cuts, or about 0.63%. It is clear that the Fed would like to cut rates--at the March FOMC meeting, Chairman Powell confirmed the Fed would likely begin cutting rates "at some point this year," but the economy is not cooperating. Job growth continues to be strong, wages are firm, consumers are more confident and spending, and the positive inflation trends appear to have stalled. Treasury rates have adjusted with 2-year notes to 10-year Treasury bonds about 50bps higher since year-end.

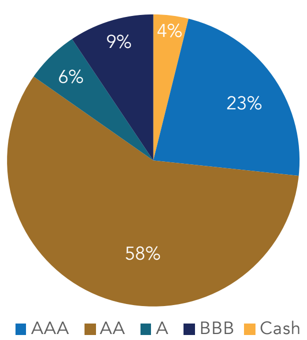
Against this backdrop, interest rate volatility has been declining, spurred by a Fed committed to cutting rates in 2024. This lower volatility environment has helped foster a substantive reduction in risk premiums (corporate and securitized bond spreads). The option adjusted spread (OAS) on the investment grade corporate bond index has declined 40bps since early November (and about 15bps YTD). Securitized spreads have also tightened notably, with CMBS leading the trend by tightening 50bps since November and 33bps YTD. While corporate spreads are now close to historical tights, securitized spreads are generally trading in the 20th-50th percentile relative to history--the tighter side of fair value, but not fully valued like many corporate bonds.

Fundamentals in the securitized sectors have been mixed with CMBS lagging, driven by weak office fundamentals, higher cap rates and a generally challenged CRE market. ABS and RMBS fundamentals are on solid footing after a period of normalization; consumer delinquencies were historically low, driven by COVID stimulus, and have been reverting to pre-COVID levels. There are some age and income cohorts which have been more challenged in the post-stimulus economy and that trend bears watching. CLO fundamentals weakened moderately, driven by higher interest rates (bank loans, the collateral in a CLO, are floating rate and debt costs have surged alongside short-term rates). Defaults in the loan market are peaking and overall loan performance has held up well.

Duration Distribution



Credit Quality



Source: Fort Washington. Characteristics are subject to change without notice. This supplemental information complements the Securitized Total Return GIPS Report.

PERFORMANCE

The Fort Washington Securitized Total Return Composite returned 0.25% (gross) and 0.16% (net) during the first quarter, compared to -1.05% for the Bloomberg U.S. MBS Index. The composite outperformed during the quarter, largely due to a 50% overweight to private-label securitized products compared to the Index. The Bloomberg US MBS Index, which is 100% Agency MBS, saw flat excess returns in Q1 following one of its best quarters on record in Q4 2023. Our composite has a strategic overweight to private-label sectors (Non-Agency RMBS, CMBS, ABS, and CLO's) and those sectors saw spreads tighten 20+bps. That spread tightening, along with a carry advantage versus the Index, drove outperformance of 120bps for the quarter.

Despite the large selloff in rates, interest rate risk positioning was not a major factor in performance relative to the benchmark.

PORTFOLIO ACTIVITY

Sector allocations remained roughly unchanged during the quarter. Trading activity was focused in purchases of discount dollar price AAA-rated Non-Agency RMBS. Cash and equivalents increased 2% and CMBS exposure decreased by 2% due to maturities.

Overall credit quality improved due to the addition of AAA RMBS and remained roughly neutral. Credit quality is high at an average rating of AA. After the rally, duration stood at 5.8 years, 0.3 years shorter than the Index.

OUTLOOK

While the U.S. economy has remained resilient to the Fed's rate hikes so far, we are cautious about the potential downside recession risk stemming from the Fed's hawkish determination to bring inflation down to its 2% target rate. In the rising rate environment of the past two years, we have outperformed the benchmark significantly. We are actively monitoring rates and intend to maintain a neutral interest rate risk position. The portfolio currently contains some exposure to commercial real estate. While we like our current exposure, we are closely monitoring it due to the risks associated with the sector.

With the Fed signaling an end to rate hikes and possible easing later in 2024, securitized products markets will remain very competitive as investors look to lock in both attractive rates and spreads. Although we do not see a significant reallocation across the portfolio, we do think there will be opportunities that continue to present themselves in the securitized space. These opportunities will require stringent credit work and ongoing monitoring.

COMPOSITE PERFORMANCE DISCLOSURES

	1Q2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Securitized Total Return (Gross)	0.25%	5.85%	-9.28%	0.40%	4.83%	6.71%	2.06%	3.43%	3.24%	3.66%	6.88%
Securitized Total Return (Net)	0.16%	5.49%	-9.58%	0.06%	4.49%	6.34%	1.65%	3.02%	2.82%	3.23%	6.42%
Bloomberg Mortgage	-1.04%	5.05%	-11.81%	-1.04%	3.87%	6.35%	0.99%	2.47%	1.67%	1.51%	6.08%
Securitized Total Return 3-Year Annual Standard Deviation[1]	--	5.97%	4.81%	3.10%	3.28%	1.94%	1.83%	1.54%	1.90%	2.15%	2.15%
Bloomberg Mortgage 3-Year Annual Standard Deviation[1]	--	7.66%	5.62%	1.71%	2.17%	2.15%	2.26%	1.75%	2.11%	2.31%	2.22%
Dispersion[2]	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$348.5	$347.7	$328.4	$380.0	$367.9	$398.3	$234.7	$230.0	$149.5	$105.8	$102.1
Total Firm Assets ($ 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: 12/31/04. Composite creation date: 01/01/05. [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 gross-of-fee returns for those portfolios held in the composite during the entire period. Past performance is not indicative of future results.

Fort Washington's Securitized Total Return (formerly known as Mortgage Total Return) strategy seeks to achieve superior return on mortgage-related investments by investing in both index and non-index securities and employing an active intra-sector relative value framework. Typical securities utilized include agency mortgage-backed securities, private label mortgage-backed securities, asset backed securities, commercial mortgage-backed securities, agency debentures, Treasuries and cash securities. Portfolio duration will target +/- 1 year relative to the duration of the Bloomberg Barclay's Mortgage index. Average quality to be investment grade. All fee-paying, fully discretionary, non-restricted portfolios managed in the Securitized Total Return style, with a minimum of $15 million under our management, are included in this composite. Effective 01/22/14, the Securitized Total Return fee is 0.30% on the first $25 million and 0.25% on additional amounts over $25 million. The benchmark for this composite is the Bloomberg Mortgage Index. This benchmark return includes interest income, but as an unmanaged fixed income index, it does not include transaction fees (brokerage commissions), and no direct comparison is possible. This benchmark is a broad-based measure of the performance of the mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA) and Freddie Mac (FHLMC) within the Bloomberg Aggregate. Portfolios in this composite include agency mortgage-backed securities, private label mortgage-backed securities, asset-backed securities, commercial mortgage-backed securities, agency debentures, Treasuries and cash securities. 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. 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. 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. 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 Securitized Total Return strategy invests primarily in securitized asset instruments, including mortgage-backed securities, asset-backed securities and other securities. The market prices of securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, or adverse investor sentiment. Investments in the strategy are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations. When interest rates rise, the prices of fixed-income securities in the strategy will generally fall. Conversely, when interest rates fall, the prices of fixed-income securities in the strategy will generally rise. The value of mortgage-related and asset backed securities will be influenced by factors affecting the real estate market and the assets underlying those securities. These securities are also subject to prepayment and extension risks and risk of default.

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