



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

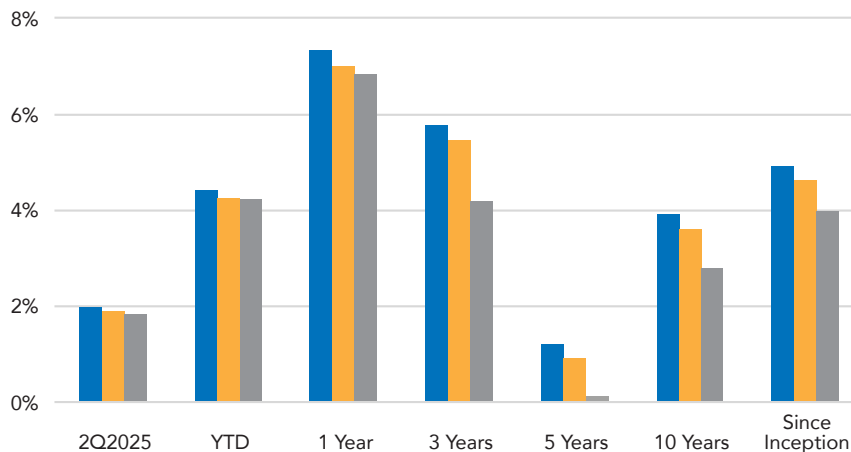
▼ *Uncompromised Focus®*

FORT WASHINGTON ACTIVE CORPORATE FIXED INCOME — 2Q2025

HIGHLIGHTS

- ▶ The Investment Grade Credit market, as represented by the Bloomberg US Credit Index, returned 1.82% in the second quarter as credit spreads tightened 10 basis points tighter to +10 bps. Interest rates moved slightly lower, with the 10-year Treasury rising 2 basis points to close the quarter at 4.23%, while shorter rates fell.
- ▶ The quarter saw spreads move sharply wider in early April on Trump's "Liberation Day" tariffs, followed by steady tightening on delayed implementation and continued economic and earnings growth. Demand from yield-sensitive buyers remained strong as the yield curve steepened, leaving all-in-yields well above their 20-year averages.
- ▶ The quarter saw primary market supply fall to \$408B compared to \$572B in Q1, as M&A-related supply was lower and volatility led to many deals being postponed in April.
- ▶ The Fort Washington Active Corporate Fixed Income strategy returned 1.97% (gross) and 1.89% (net) in the second quarter, beating the Bloomberg US Credit Index by +15 bps.
- ▶ Sector allocation effects were slightly positive due to underweights to defensive, non-corporate sectors.
- ▶ Security selection was positive, led by Media.

Trailing Total Returns (as of June 30, 2025)



Active Corporate (Gross)	1.97	4.41	7.33	5.77	1.21	3.91	4.93
Active Corporate (Net)	1.89	4.25	7.00	5.46	0.91	3.60	4.61
Bloomberg US Credit	1.82	4.22	6.83	4.19	0.12	2.80	3.98

Inception date: 01/01/2005. Source: Fort Washington. Fort Washington Investment Advisors is 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 Fixed Income GIPS Report.

INVESTMENT PROFESSIONALS

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20 Years Experience

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15 Years Experience

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20 Years Experience

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

Top Issuer Attribution			Bottom Issuer Attribution		
	Rel Wgt	Attr		Rel Wgt	Attr
Warner Bros Discovery	-0.3%	0.06	State Street	0.9%	-0.03
Coca-Cola	0.6%	0.02	Textron	1.3%	-0.03
TIAA	1.0%	0.02	Mattel	0.6%	-0.02
Charter Communications	0.3%	0.02	Viatis	0.0%	-0.01
CMS Energy	1.3%	0.02	Midwest Connector	0.9%	-0.01

Source: Eagle PACE. Past performance is not indicative of future results. The securities identified do not represent all of the securities purchased, sold, or recommended. This is not a recommendation with respect to the purchase or sale of any of these securities. For a complete list of all securities purchased or sold during the previous year, please contact Fort Washington.

MARKET OVERVIEW

The second quarter was defined by a sharp bout of rate and spread volatility in April, followed by a steady recovery, which led to another quarter of positive total returns. Spreads widened over 20 bps in the immediate aftermath of Liberation Day, but then quickly reversed, fully recovering by mid-May then further rallying throughout June to finish the quarter close to unchanged on the year. Inflows to IG funds and steady demand from insurance/pension buyers coupled with modest new-issue supply led to strong technical conditions. The quarter did see a significant downgrade to High Yield with Warner Bros. Discovery getting cut to junk in June and saw downgrades slightly outpace upgrades for the first time since 2020. That said, the percentage of the IG market at a risk of downgrade to high yield remains near its lows of the past 10 years.

The market's focus remains on monitoring the tariff situation and related impacts on macro growth and company fundamentals. With the extension of the 2017 Tax Bill also complete, impacts from fiscal tightening are likewise being watched closely. M&A activity has ticked up but remains fairly limited, with minimal leverage impact as many deals have been all equity. With spreads inside the tightest decile, the downside relative to the 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 a recession. Increasing geopolitical risk, particularly the conflicts in Ukraine and the Middle East, will influence commodity markets and could also negatively impact spreads.

The near-term performance of spreads will be most dependent on avoiding the worst-case outcomes with respect to trade policy and overall economic growth remaining positive. The relative strength of the U.S. dollar will also heavily impact returns for both equity and fixed income markets.

Sector Allocation			
	Portfolio	Index	Relative
US Government	0.1	-	+0.1
TIPS	-	-	-
Investment Grade Credit	94.6	95.4	-0.8
Basic Industry	1.7	2.0	-0.2
Capital Goods	4.6	4.7	-0.1
Communications	8.1	6.2	+1.9
Consumer Cyclical	7.9	5.9	+1.9
Consumer Non-Cyclical	13.0	12.9	+0.1
Energy	8.7	6.2	+2.5
Financials	29.2	29.3	-0.1
Other Industrial	-	0.4	-0.4
Technology	8.1	8.1	+0.0
Transportation	7.5	1.8	+5.7
Utility	5.2	8.3	-3.1
Other	0.7	9.5	-8.9
Securitized	0.6	-	+0.6
RMBS	-	-	-
ABS	0.6	-	+0.6
CLO	-	-	-
CMBS	-	-	-
High Yield	2.4	-	+2.4
Emerging Markets Debt	1.6	4.6	-3.0
Preferred Stock	-	-	-
Other	-	-	-
Cash	0.8	-	+0.8

Source: Bloomberg PORT. Sector Allocation 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 Fixed Income GIPS Report.

Portfolio Characteristics		
	Active Corporate Fixed Income	Bloomberg US Credit
Yield to Worst (%)	5.27	4.93
Option Adjusted Spread	104	79
Option Adjusted Duration	6.69	6.68
BBB Equiv Spread Risk	6.82	5.44
Average Quality	A3/Baa1	A2/A3
Number Issuers*	118	1,316

Source: Bloomberg PORT. *An Active Corporate Fixed Income Representative Account is being used to illustrate Number of Issuers. Sector and duration allocation & quality distribution are subject to change at any time. See the appendix for important information about derivatives. Totals may not equal 100 due to rounding. This supplemental information complements the Active Corporate Fixed Income GIPS Report.

Credit Quality		
	Active Corporate Fixed Income	Bloomberg US Credit
AAA	1%	7%
AA	6%	9%
A	30%	41%
BBB	61%	43%
BB	2%	0%
B	0%	0%
CCC and Below	0%	0%
Not Rated / Other	0%	0%
Cash	1%	0%

PORTFOLIO ACTIVITY

Risk levels were left largely unchanged as portfolio turnover was minimal given the very brief period of spread volatility. The composite did use the April widening to add to the Technology sector but otherwise kept trading activity to a minimum. The portfolio remains overweight in several high carry positions in the front end as well as some higher conviction positions out the curve. Risk levels could be increased if macro events create renewed spread volatility but could also be decreased if spreads remain in the bottom quintile. Excess yield relative to the benchmark remains an important component of expected return, with the portfolio exceeding the benchmark yield by +30 bps at quarter-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.

ACTIVE CORPORATE FIXED INCOME COMPOSITE GIPS REPORT

	2Q2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Active Corporate Fixed Income (Gross)	1.97%	3.53%	10.17%	-15.63%	-0.55%	11.70%	15.90%	-2.35%	7.38%	8.23%	-0.24%
Active Corporate Fixed Income (Net)	1.89%	3.22%	9.84%	-15.88%	-0.85%	11.35%	15.55%	-2.65%	7.06%	7.91%	-0.54%
Bloomberg US Credit Index	1.82%	2.03%	8.18%	-15.26%	-1.08%	9.35%	13.80%	-2.11%	6.18%	5.63%	-0.77%
Active Corporate Fixed Income 3-Year Annual Standard Deviation ¹	–	9.77%	9.38%	10.08%	7.72%	7.64%	3.56%	4.01%	4.13%	4.45%	4.32%
Bloomberg US Credit Index 3-Year Annual Standard Deviation ¹	–	9.18%	8.75%	8.80%	6.49%	6.41%	3.48%	3.52%	3.72%	4.00%	4.06%
Dispersion ²	0.02%	0.18%	0.04%	0.14%	0.15%	–	–	–	–	–	–
Number of Accounts	9	9	7	7	7	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$877.8	\$902.9	\$862.0	\$792.9	\$966.3	\$886.3	\$344.4	\$204.9	\$192.1	\$126.6	\$80.9
Total Firm Assets (\$ millions)	\$84,969	\$81,286	\$74,613	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959

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. 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 Credit Index. The Bloomberg US Credit Index measures the performance of the investment grade, US dollar-denominated, fixed-rate, taxable corporate, and government related bond markets. The index is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals, and local authorities. The index accounts for interest payments by incorporating them into the total return calculation. 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. The strategy's fee schedule is 0.30% on the first \$25 million and 0.25% on additional amounts over \$25 million. 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 returns reflect the portfolio's gross returns with the deduction of expenses and other costs associated with the management of the investments in the portfolio as well as the deduction of the highest advertised fee rate for the applicable strategy shown. Individual portfolio returns are calculated on a daily valuation basis. Prior to 01/01/1997, individual portfolio returns were calculated monthly using a time-weighted return method. 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 07/01/1994–12/31/2023. 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. 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RISK DISCLOSURE

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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