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

FORT WASHINGTON CORE PLUS FIXED INCOME — 3Q2023

MARKET OVERVIEW

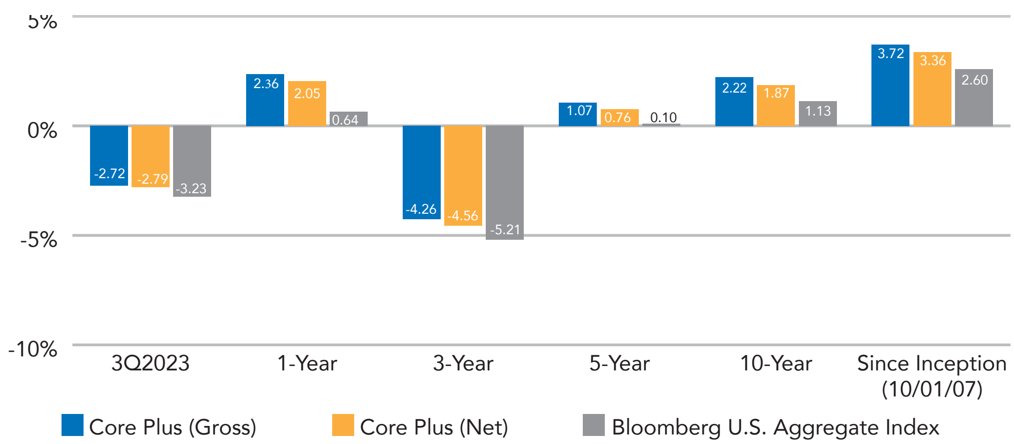
The third quarter of 2023 was another challenging environment for fixed income investors as the market began pricing in the effects of rates being higher for longer. While a recession is not off the table, investors are beginning to put more weight behind a soft landing. In addition to higher rates and tight lending standards, there are a few new headwinds for the U.S. economy, such as the resumption of student loan payments, a potential government shutdown, and ongoing geopolitical instability. As a result, we believe risks to the economy remain to the downside, especially relative to consensus market expectations of a soft landing.

In the quarter, negative market returns were driven mostly by the upward shift in rates which saw long maturities increase more meaningfully than shorter maturities. This steepening caused the 3m10yr Treasury inversion to come off historic lows but is still deeply inverted at about -90bps. This backup in longer tenor bonds was more about real yields than changes to inflation expectations, which only increased marginally. The 10 Year Treasury ended the quarter at 4.57%, its highest level since 2007. Separately, credit spreads were generally range bound during the quarter, narrowing throughout July before widening in September and ending close to historically median levels. Valuations across fixed income sectors remain fair and reflect the expectation of a soft landing. As such, downside remains should economic growth falter and a recession materialize.

The FOMC was unanimous to leave the Fed Funds rate unchanged at the September meeting but left room for an additional hike before the end of the year as they wait for further information on the state of the economy. The U.S. continued to see improvement on inflation as Covid-era fiscal policy and supply chain disruptions from the pandemic continued to wear off. Core goods inflation has stabilized below the 2% target while services has remained elevated. Inflation should continue its larger march downward although it may not be in a straight line as contributors such as gas, airfare, and used cars have the potential to be volatile.

The labor market has been robust during this tightening cycle as the unemployment rate remains near historic lows and jobless claims continue in a low range. While this data shows economic resiliency, it also provides the FOMC a longer leash to keep rates higher for longer. The number of unemployed persons per job openings spiked to about 5 in 2020 but has since decreased to less than 1, indicating a tight labor market. Tighter bank lending continues to weight on consumers and businesses as can be seen in the Senior Loan Officer Opinion Survey approaching levels typically preceding a recession. In conjunction, we have also observed delinquency rates rising on consumer loans.

Historical Performance
Annualized Returns as of September 30, 2023



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

INVESTMENT PROFESSIONALS

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

Austin R. Kummer, CFA
Vice President
Senior Portfolio Manager
11 Years Experience

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

Policymakers on Capitol Hill narrowly avoided a government shutdown set for October 1. However, the agreement is temporary and it only keeps the government open until November 17th. If it were to occur, a prolonged shutdown may impact the Fed's current stance on another potential hike this year. Estimates are that a shutdown would shave around 10bps of GDP per week. The House also needs to vote on a new Speaker which could add more volatility to this situation.

Most of the larger Covid relief programs (stimulus checks, expanded unemployment benefits, etc.) have already expired, but student loan forgiveness is set to end in October which will affect roughly 28 million borrowers. Economists estimate these loan payments will cost households about $70 billion per year which could detract 0.8% from consumer spending, the largest component of GDP. The current contract dispute between UAW employees and the big 3 automakers also represents a further downside risk to growth, with the ultimate magnitude depending on the length and breadth of the current strike. Inventory levels provide automakers with some relief as output is constrained, but negative effects on growth will increase as strikes continue. These described risks in addition to others, such as geopolitical uncertainties around the globe, pose potential disruptions to the state of the U.S. economy and future inflation.

Sector Analysis (Portfolio Exposure Versus Benchmark)

	Portfolio		Index		Relative	
	MV %	Spread Risk	MV %	Spread Risk	MV %	Spread Risk
US Government	**30.5**	**0.2**	**42.5**	**0.0**	**-12.0**	**+0.2**
TIPS	*4.0*	*0.2*	-	-	*+4.0*	*+0.2*
Investment Grade Credit	**34.8**	**2.8**	**27.3**	**1.5**	**+7.4**	**+1.3**
Basic Industry	*0.8*	*0.1*	*0.6*	*0.0*	*+0.2*	*+0.0*
Capital Goods	*2.2*	*0.1*	*1.3*	*0.1*	*+0.9*	*+0.1*
Communications	*3.1*	*0.3*	*2.1*	*0.2*	*+1.1*	*+0.1*
Consumer Cyclical	*2.4*	*0.1*	*1.6*	*0.1*	*+0.8*	*+0.1*
Consumer Non-Cyclical	*5.4*	*0.4*	*3.8*	*0.2*	*+1.6*	*+0.2*
Energy	*2.3*	*0.2*	*1.7*	*0.1*	*+0.6*	*+0.1*
Financials	*11.5*	*0.9*	*8.3*	*0.4*	*+3.3*	*+0.4*
Other Industrial	-	-	*0.1*	*0.0*	*-0.1*	*-0.0*
Technology	*2.9*	*0.1*	*2.3*	*0.1*	*+0.6*	*+0.0*
Transportation	*0.8*	*0.1*	*0.5*	*0.0*	*+0.3*	*+0.0*
Utility	*2.9*	*0.4*	*2.1*	*0.2*	*+0.8*	*+0.3*
Other	*0.3*	*0.0*	*2.9*	*0.1*	*-2.7*	*-0.0*
Securitized	**28.5**	**1.3**	**28.8**	**0.5**	**-0.3**	**+0.8**
RMBS	*15.9*	*0.6*	*26.6*	*0.5*	*-10.7*	*+0.2*
ABS	*3.3*	*0.2*	*0.5*	*0.0*	*+2.8*	*+0.2*
CLO	*1.4*	*0.1*	-	-	*+1.4*	*+0.1*
CMBS	*7.9*	*0.4*	*1.7*	*0.1*	*+6.2*	*+0.4*
High Yield	**0.1**	**0.4**	-	-	*-0.1*	*-0.4*
Emerging Markets Debt	**5.4**	**1.0**	**1.3**	**0.1**	**+4.1**	**+0.9**
Preferred Stock	-	-	-	-	-	-
Other	**0.0**	-	-	-	**+0.0**	-
Cash	**0.8**	-	-	-	**+0.8**	-

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 Core Plus GIPS Report.

Characteristics

	Core Plus Composite	Bloomberg U.S. Aggregate
Yield to Worst	6.34	5.39
Option Adjusted Spread	134	52
Option Adjusted Duration	6.7	6.2
BBB Equiv Spread Risk	5.0	2.2
Average Quality	Aa3/A1	Aa2/Aa3
Number Issuers	276	1,372

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.

Credit Quality

	Core Plus Composite	Bloomberg U.S. Aggregate
AAA	21%	4%
AA	35%	72%
A	12%	12%
BBB	28%	12%
BB	1%	0%
B	1%	0%
CCC and Below	1%	0%
Not Rated / Other	0%	0%
Cash	1%	0%

PORTFOLIO ACTIVITY

Over the quarter, the risk budget target remained at 40% and there were no material changes to sector allocations. The strategy maintains risk overweight positions in investment grade credit, securitized assets, and emerging markets debt. Where allowed, credit risk is hedged by owning protection on high yield index credit derivatives. There was little change to the interest rate positioning of portfolios, which were biased long duration relative to the benchmark in the quarter and generally positioned to benefit from a steeper yield curve.

POSITIONING

Risk budget: The strategy is targeting a modest overweight to spread risk representing 40% of the risk budget. Although recession risk is elevated, economic growth that has remained resilient and credit valuations that are generally between the 40-50th percentile relative to history support the overweight.

Looking ahead, risks to strategy positioning are focused on the lagged effects of Fed tightening, tightening credit conditions in bank lending, any potential further rate hikes, and the time horizon of how long rates will remain at higher levels. Although most recent data has been in line with expectations, overall growth is likely to continue at below-trend pace over coming quarters, with downside risk from the above factors. Inflation has declined from peak levels but remains well above target. The Fed has engaged in an unprecedented rate hiking path to combat inflation and will continue their hawkish stance until inflation is on a convincing lower trajectory. At current levels, the biggest risk to markets is a sharper slowing in economic growth that would challenge the expectation of a soft landing. As our view of the economy and monetary policy changes, we will adjust positioning as these risks evolve

Sectors: Sector positioning reflects our overall neutral outlook on valuations, attractive relative value, and opportunities within each sector. Sector allocations were generally unchanged in the quarter. Primary risk exposures include:

- The strategy remains overweight to Investment Grade Credit (IG). Within the IG allocation, the strategy is maintaining a risk overweight in sectors where compelling bottom-up opportunities exist such as utilities, REITs, banks, healthcare, and media. Incremental changes will likely be adding high quality, defensive positions as lower rated cyclicals are sold into strength.
- Securitized Products remain an overweight exposure relative to the benchmark. We continue to favor non-agency exposure and are positioned appropriately with overweight exposure to non-agency RMBS, ABS, and CMBS. Deep discount AAA-rated non-agency RMBS offers compelling value as does high-quality CMBS that has widened in concert with broader CMBS disruptions from distressed office properties across the sector.
- The overweight allocation to Emerging Markets Debt (EMD) was maintained during the quarter. As in the prior few quarters, valuations in the IG portion of the market are relatively expensive, but the HY portion of the market offers attractive relative value. EMD HY spreads tightened somewhat but finished the quarter well above median levels relative to history. Latin America remains the largest regional exposure within the sector.

Rates: We are positioning portfolios with a slight long duration bias, focused on the intermediate part of the yield curve. In terms of yield curve positioning, portfolios are generally underweight long maturities relative to the index to benefit as the yield curve steepens. We believe that the growth and inflation outlook will continue to bias interest rates lower and yield curve steeper over the next several months.

MACRO OUTLOOK (AS OF 09/30/2023)

Factor	Outlook	Comments
Economic Growth	**Negative**	• Recent growth data near-trend, but restrictive policy and credit conditions will pressure downward • Consumer spending moderated in 2Q but remains steady with 3Q expected to rebound • Business spending revisions show higher rate of spending – surveys forecast stabilizing • Recent inflation data showed continued improvement, larger trend likely to continue • Recession risk is elevated with restrictive monetary policy posing significant downside risks
Financial Conditions	**Negative**	• Financial and credit conditions likely to remain tight – bank credit tightening is primary downside risk • Volatility in risk assets driven by uncertainty over Fed terminal rate and expected growth • Short-term treasury yields reflect "higher for longer" Fed policy. Long-term yields increased somewhat to reflect stronger growth and expected supply, but still reflect anchored inflation expectations
Valuations	**Credit: Neutral**	• In our view, credit valuations are mostly fair at current levels. Uncertainty is high as growth risks are to the downside. Resilience of US consumer has provided support for overall economy, but uncertainty around consumer strength poses risk
	Equities: Neutral	• Equities are fair at current levels, but downside risks remain as recession fears persist. 2023 earnings expectations have fallen from +9% to +0%. Index performance very narrow and driven by small number of name
	Rates: Positive	• Biased for lower rates and steeper yield curve. Interest rates reflect "higher for longer" Fed policy. Slowing growth and inflation will put downward pressure on rates while supply and technicals will add volatility. Risks to higher rates include entrenched inflation and resilient growth, resulting in more hawkish Fed policy.

Risk Budget	
40%	**Summary:** We remain comfortable with a modest allocation to risk assets. Valuations generally reflect a high probability of a soft landing. As a result, the primary risks to markets are the cumulative effects on the economy of tighter Fed policy and bank credit standards. Inflation has peaked and is decelerating convincingly but remains above target. As a result, the Fed will continue to indicate tight policy until inflation is sustained at a lower level. Although the US economy has shown resilience and consumer fundamentals remain healthy, 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.

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 PERFORMANCE DISCLOSURES

	3Q2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Core Plus Fixed Income (Gross)	-2.72%	-13.56%	-0.75%	10.31%	11.09%	-0.73%	4.51%	6.62%	1.11%	5.26%	-0.93%
Core Plus Fixed Income (Net)	-2.79%	-13.83%	-1.07%	9.97%	10.75%	-1.03%	4.14%	6.21%	0.71%	4.85%	-1.38%
Bloomberg U.S. Aggregate	-3.23%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.65%	0.55%	5.97%	-2.03%
Core Plus Fixed Income 3-Year Annual Standard Deviation[1]	--	6.96%	4.59%	4.59%	2.76%	2.80%	2.76%	3.03%	3.06%	2.99%	3.06%
Bloomberg Aggregate 3-Year Annual Standard Deviation[1]	--	5.77%	3.35%	3.36%	2.87%	2.84%	2.78%	2.98%	2.88%	2.63%	2.71%
Dispersion[2]	0.16%	--	--	--	--	--	--	--	--	--	--
Number of Accounts	6	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$1,628.0	$1,570.3	$1,918.5	$1,643.3	$1,335.7	$1,163.6	$1,101.6	$607.0	$310.4	$308.9	$293.4
Total Firm Assets ($ millions)	$68,759	$66,365	$73,804	$65,086	$59,174	$49,225	$52,774	$45,656	$42,959	$45,002	$43,671

Composite inception date: 10/01/07 and Composite creation date: 07/01/15. [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 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 U.S. 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. The benchmark for this composite is the Bloomberg U.S. 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. 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 - 12/31/21. 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 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. 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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