



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

▼ *Uncompromised Focus®*

FORT WASHINGTON CORE PLUS FIXED INCOME – 3Q2025

PORTFOLIO COMMENTARY

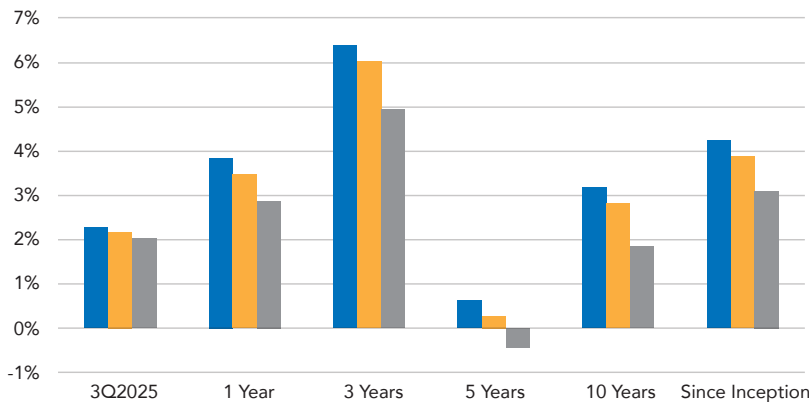
The Fort Washington Core Plus Fixed Income strategy returned 2.27% gross and 2.18% net for the quarter, outperforming the Bloomberg US Aggregate Index, which returned 2.03%.

The strategy's sector allocation was the largest contributor to relative performance during the quarter. The primary driver was the overweight allocation to credit, specifically Investment Grade (IG) and High Yield corporates, as spreads tightened over the quarter.

Security selection had a neutral impact to relative performance over the period. Positive selection from Investment-Grade Corporates was offset by underperformance within securitized, primarily due to an underweight to agency passthroughs, which outperformed over the quarter.

The strategy's interest-rate exposure was a modest detractor from performance during the quarter. Interest rates declined over the quarter, and the curve steepened as investors increased their expectations for rate cuts. The strategy adjusted duration positioning throughout the quarter but was long duration compared to the benchmark, on average, which benefited performance as rates declined. However, the strategy tactically adjusted curve positioning, which negatively impacted relative performance, offsetting the positive effects from duration positioning.

Trailing Total Returns (as of September 30, 2025)



■ Core Plus Fixed Income (Gross)	2.27	3.85	6.39	0.64	3.17	4.24
■ Core Plus Fixed Income (Net)	2.18	3.48	6.02	0.29	2.81	3.87
■ Bloomberg US Aggregate Index	2.03	2.88	4.93	-0.45	1.84	3.10

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

POSITIONING

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

Current valuations are back to levels that are tight relative to history. Incorporating our macroeconomic outlook and elevated uncertainty, portfolios are positioned with a modest overweight risk posture and an ability to add risk as opportunities arise.

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

INVESTMENT PROFESSIONALS

Daniel J. Carter, CFA

Managing Director
Senior Portfolio Manager
29 Years Experience

Austin R. Kummer, CFA

Managing Director
Senior Portfolio Manager
12 Years Experience

Garrick T. Bauer, CFA

Managing Director
Portfolio Manager, Head of Credit
Leveraged Credit

Paul A. Tomich, CFA

Vice President
Senior Portfolio Manager
Investment Grade Credit

Scott D. Weston

Managing Director
Senior Portfolio Manager
Securitized Products

Brendan M. White, CFA

Senior Vice President
Co-Chief Investment Officer

Investment Grade Credit

9 Portfolio Managers & Analysts
Average Industry experience / 2007

Securitized Products

7 Portfolio Managers & Analysts
Average Industry experience / 2006

Emerging Markets

4 Portfolio Managers & Analysts
Average Industry experience / 2003

Leveraged Credit

12 Portfolio Managers & Analysts
Average Industry experience / 2004

- ▶ The strategy remains overweight Investment Grade Credit. Within the IG allocation, the strategy is weighted toward liquid, higher-quality issues while preserving a spread advantage relative to the index. We are maintaining a risk overweight in select sectors where attractive bottom-up opportunities exist, such as midstream and banks.
- ▶ Securitized Products remain an overweight exposure relative to the benchmark, concentrated in high-quality non-agency CMBS and RMBS. Spreads tightened over the quarter and many non-agency sectors are at levels that are tight of historical medians. The exposure remains biased up in quality, as tight credit curves are not adequately compensating investors for risk, although pockets of value still exist.
- ▶ The strategy maintained its neutral weighting to emerging market debt (EMD) as spreads tightened, ending the quarter tight relative to historical averages. The strategy continues to favor relative value within the High Yield space.
- ▶ The strategy maintained its exposure to High-Yield Corporates during the quarter. Spreads have tightened meaningfully since the volatility in April, and current levels are tight relative to historical averages. The allocation maintains a higher-quality bias, with the ability to add within the sector as opportunities arise.

Rates: We are currently positioning portfolios with a generally neutral duration relative to the benchmark, as both long and short rates are within our expected fair-value range. As markets priced in additional Fed easing and the Federal Reserve (Fed) lowered rates by 25 basis points in September, the yield curve steepened modestly over the quarter. Portfolios are positioned largely neutral from a curve perspective relative to the index. Volatility has remained elevated, and we anticipate that the magnitude of expected rate cuts will continue to shift with new economic data and developments around executive-branch policies, presenting opportunities for tactical adjustments.

Sector Allocation						
	Portfolio		Index		Relative	
	MV %	Spread Risk	MV %	Spread Risk	MV %	Spread Risk
US Government	28.0	0.1	46.1	0.0	-18.2	+0.1
TIPS	1.8	0.1	-	-	+1.8	+0.1
Investment Grade Credit	33.8	2.2	26.4	1.4	+7.5	+0.8
Basic Industry	0.6	0.0	0.5	0.0	+0.0	-0.0
Capital Goods	1.9	0.1	1.3	0.1	+0.6	+0.0
Communications	2.9	0.2	1.7	0.1	+1.2	+0.1
Consumer Cyclical	3.0	0.2	1.6	0.1	+1.3	+0.1
Consumer Non-Cyclical	4.6	0.3	3.6	0.2	+1.0	+0.1
Energy	3.1	0.3	1.8	0.1	+1.3	+0.2
Financials	10.0	0.6	8.0	0.4	+2.0	+0.2
Other Industrial	-	-	0.1	0.0	-0.1	-0.0
Technology	2.9	0.1	2.3	0.1	+0.6	+0.0
Transportation	2.6	0.2	0.5	0.0	+2.1	+0.1
Utility	2.1	0.2	2.3	0.2	-0.2	+0.0
Other	0.3	0.0	2.6	0.0	-2.4	-0.0
Securitized	27.4	1.2	26.2	0.4	+1.2	+0.8
RMBS	19.0	0.8	24.4	0.4	-5.3	+0.4
ABS	2.2	0.1	0.4	0.0	+1.8	+0.1
CLO	1.2	0.1	-	-	+1.2	+0.1
CMBS	5.0	0.3	1.4	0.0	+3.6	+0.2
High Yield	6.4	0.7	-	-	+6.4	+0.7
Emerging Markets Debt	1.4	0.2	1.3	0.1	+0.1	+0.1
Preferred Stock	-	-	-	-	-	-
Other	0.3	0.0	-	-	+0.3	+0.0
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 Fixed Income GIPS Report.

Portfolio Characteristics

	Core Plus Fixed Income	Bloomberg US Aggregate
Yield to Worst	4.84	4.37
Option Adjusted Spread	75	28
Option Adjusted Duration	6.08	6.04
BBB Equiv Spread Risk	4.48	1.95
Average Quality	Aa3/A1	Aa2/Aa3
Number Issuers*	380	1,419

Source: Fort Washington. *A Core Plus Fixed Income Representative Account is being used to illustrate Number of Issuers. 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 Fixed Income GLPS Report.

Credit Quality

	Core Plus Fixed Income	Bloomberg US Aggregate
AAA	10%	3%
AA	44%	73%
A	12%	12%
BBB	23%	12%
BB	4%	0%
B	3%	0%
CCC and Below	0%	0%
Not Rated / Other	0%	0%
Cash	3%	0%

MARKET OVERVIEW

The Federal Reserve delivered its first rate cut of the year in September. Softening employment reports, including negative revisions, provided evidence of downside risk to the labor market, which prompted the Fed to implement in a 25-basis-point “risk management” cut. In addition, the Fed adjusted its expectations for the path of rates, forecasting two more cuts this year and one in 2026, despite of slight increases in growth and inflation forecasts. This rate adjustment and forward guidance continue to ease financial conditions for the economy despite lingering uncertainty.

Trade policy continues to be a primary source of uncertainty for investors. While the White House has announced a handful of deals and frameworks for deals, many details remain unknown, especially those related to China. In addition to tariff mechanics, questions remain around the legality of certain tariffs imposed under IEEPA (International Emergency Economic Powers Act) authority. The U.S. Trade Court ruled these tariffs illegal, but the White House appeal sent the case to the Supreme Court, which agreed to hear oral arguments in early November.

While economic growth has slowed since last year, expectations for 2026 have started to improve. Full expensing for manufacturing structures, R&D, and equipment investment was enacted by the Big, Beautiful Bill in July, which should boost CAPEX over the coming quarters. Consumer spending remains largely resilient, driven by higher-income cohorts. However, weaker employment data show that the economy is only marginally adding jobs, presenting an environment that could lead to a rise in the unemployment rate.

Despite lingering uncertainty around trade, geopolitics, and monetary policy, the S&P 500 continued to make new highs. Similarly, credit spreads tightened further and are at levels tight of historical averages. Due to increasing expectations for rate cuts, and benign long-term inflation expectations, longer rates declined and the 10-year Treasury ended the quarter at 4.15%.

MACRO OUTLOOK | AS OF 09/30/2025

Factor	Outlook	Comments
Economic Growth	Neutral	- U.S. growth is expected to remain lower relative to trend amid lingering uncertainty and tariff headwinds. Hard economic data have been mixed, and recent reports suggest labor market slowing. - High-income consumers continue to drive personal consumption. - Business fundamentals are generally healthy; hiring has slowed, but CAPEX expectations have increased. - Goods prices are ticking up as services remain range-bound; slower growth should contain inflation. - Labor market weakness and trade policy will be key areas of focus over the coming quarters.
Financial Conditions	Neutral	- Terminal rate expectations continue to shift; markets anticipate multiple cuts in both 2025 and 2026. - Volatility will remain elevated as markets react to incoming data and policy responses. - Lending standards and market-based financial conditions have eased following the rate cut.
Valuations	Credit: Expensive	- Spreads are moving tighter, with current levels tight relative to history. - Default risk remains low, but downside risk is elevated with a limited margin of safety.
	Equities: Neutral	- Equity markets continue making new highs, driven by large-cap tech and AI spending. - Valuations are at levels comfortably above long-term averages, but growth expectations remain supportive.
	Rates: Neutral	Interest rates appear reasonably priced at current levels. Yields reflect further interest rate cuts from the Federal Reserve (Fed) and benign long-term inflation expectations.
Risk Budget		Summary

40%

U.S. economic growth is expected to remain lower relative to the recent trend, but growth expectations are improving. A weaker labor market, shifting trade policy, and escalating geopolitical tensions have created elevated uncertainty, resulting in softer sentiment across consumers and businesses. Market forecasts indicate that inflation will peak this year before gradually declining toward 2%, but it is not expected to reach that target until 2027. Corporate fundamentals remain generally healthy, but the current environment creates uncertainty around CAPEX and hiring. The FOMC is forecasting three cuts through 2026, while investors expect one additional cut next year. However, credit valuations remain elevated compared to long-term averages and offer a limited margin of safety. Current valuations, coupled with elevated economic risks, result in a modest allocation to credit 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.

CORE PLUS FIXED INCOME COMPOSITE GIPS REPORT

	3Q2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Core Plus Fixed Income (Gross)	2.27%	2.84%	6.74%	-13.56%	-0.75%	10.31%	11.09%	-0.73%	4.51%	6.62%	1.11%
Core Plus Fixed Income (Net)	2.18%	2.48%	6.37%	-13.87%	-1.10%	9.93%	10.71%	-1.08%	4.15%	6.25%	0.76%
Bloomberg US Aggregate Bond Index	2.03%	1.25%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.65%	0.55%
Core Plus Fixed Income 3-Year Annual Standard Deviation ¹	-	8.17%	7.60%	6.96%	4.59%	4.59%	2.76%	2.80%	2.76%	3.03%	3.06%
Bloomberg US Aggregate Bond Index 3-Year Annual Standard Deviation ¹	-	7.72%	7.14%	5.77%	3.35%	3.36%	2.87%	2.84%	2.78%	2.98%	2.88%
Dispersion ²	0.04%	0.22%	-	-	-	-	-	-	-	-	-
Number of Accounts	7	7	5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$1,907.2	\$1,848.7	\$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
Total Firm Assets (\$ Millions)	\$93,254	\$81,286	\$74,613	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959

Composite inception date: 10/01/2007. 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 traded on an established market or not, 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. All fee-paying, fully discretionary portfolios managed in the Core Plus Fixed Income style, with a minimum of \$50 million under our management, are included in this composite. The strategy's fee schedule is 0.35% on the first \$50 million, 0.25% on the next \$50 million, and 0.20% on additional amounts over \$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 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. 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 07/01/1994–12/31/2024. 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 DISCLOSURE

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.

This publication has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. Opinions expressed in this commentary reflect subjective judgments of the author based on the current market conditions at the time of writing and are subject to change without notice. Information and statistics contained herein have been obtained from sources believed to be reliable but are not guaranteed to be accurate or complete. Past performance is not indicative of future results.

©2025 Fort Washington Investment Advisors, Inc.



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

▼ **Uncompromised Focus®**