Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®

FORT WASHINGTON CORE PLUS FIXED INCOME — 1Q2024

PORTFOLIO COMMENTARY

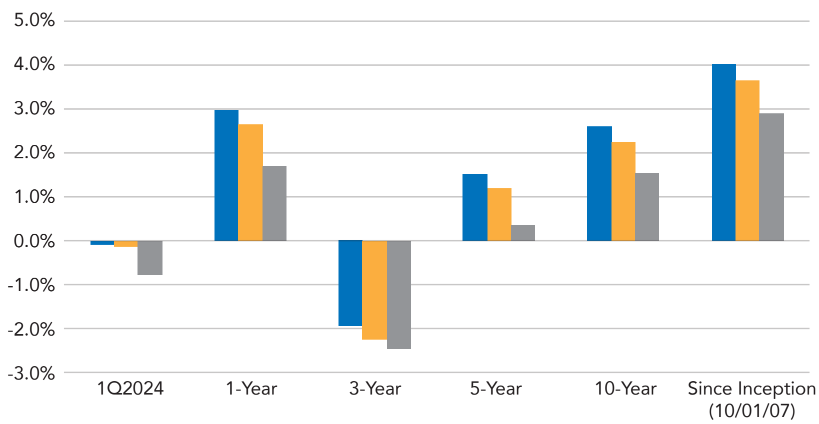
The Fort Washington Core Plus Fixed Income strategy returned -0.07% / -0.14% (gross/net) for the quarter, outperforming the Bloomberg Aggregate Index which returned -0.78%.

Security selection was the largest driver of outperformance over the quarter, driven by securitized and investment grade corporates. Within securitized, the strategy was overweight non-agency sectors, namely, CMBS and RMBS, which experienced meaningful spread tightening to begin the year. In IG credit, the strategy's subordinated positions within banking and utilities contributed positively to performance.

The strategy's sector allocation was also a positive contributor during the quarter. Specifically, allocations to emerging market debt and investment grade credit (IG) were the largest sector contributors. Spreads were tighter over the quarter as growth expectations improved. This impact was more pronounced in lower rated securities where the EMD allocation was overweight.

The strategy's interest rate exposure detracted from performance over the quarter. The team tactically adjusted duration as interest rates experienced volatility driven by the market's reaction to new economic data. Separately the strategy maintained a bias for a steeper curve which detracted from performance. While the entire curve moved higher, the curve flattened marginally over the quarter as longer-term interest rates increased less than the shorter end of the curve.

Annualized Total Returns as of March 31, 2024



	1Q2024	1-Year	3-Year	5-Year	10-Year	Since Inception (10/01/07)
Core Plus (Gross)	-0.07	2.97	-1.94	1.52	2.59	4.02
Core Plus (Net)	-0.14	2.66	-2.24	1.21	2.24	3.66
Bloomberg U.S. Aggregate Index	-0.78	1.70	-2.46	0.36	1.54	2.89

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
Managing Director
Senior Portfolio Manager
11 Years Experience

Garrick T. Bauer, CFA
Managing Director
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
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

Sector Analysis (Portfolio Exposure Versus Benchmark)

	Portfolio		Index		Relative	
	MV %	Spread Risk	MV %	Spread Risk	MV %	Spread Risk
US Government	**31.0**	**0.2**	**43.0**	**0.0**	**-12.0**	**+0.2**
TIPS	*3.9*	*0.2*	*-*	*-*	*+3.9*	*+0.2*
Investment Grade Credit	**35.5**	**2.7**	**27.6**	**1.5**	**+7.9**	**+1.1**
Basic Industry	*0.8*	*0.0*	*0.6*	*0.0*	*+0.2*	*+0.0*
Capital Goods	*2.0*	*0.1*	*1.3*	*0.1*	*+0.7*	*+0.0*
Communications	*3.1*	*0.3*	*2.0*	*0.2*	*+1.1*	*+0.2*
Consumer Cyclical	*3.0*	*0.2*	*1.8*	*0.1*	*+1.2*	*+0.1*
Consumer Non-Cyclical	*6.1*	*0.4*	*3.9*	*0.2*	*+2.2*	*+0.2*
Energy	*2.5*	*0.3*	*1.7*	*0.1*	*+0.8*	*+0.2*
Financials	*10.9*	*0.7*	*8.2*	*0.4*	*+2.7*	*+0.3*
Other Industrial	*-*	*-*	*0.1*	*0.0*	*-0.1*	*-0.0*
Technology	*3.0*	*0.1*	*2.2*	*0.1*	*+0.7*	*+0.0*
Transportation	*1.1*	*0.1*	*0.5*	*0.0*	*+0.6*	*+0.0*
Utility	*2.5*	*0.3*	*2.2*	*0.2*	*+0.3*	*+0.2*
Other	*0.4*	*0.1*	*2.9*	*0.1*	*-2.5*	*-0.0*
Securitized	**28.2**	**1.5**	**28.0**	**0.5**	**+0.2**	**+1.0**
RMBS	*17.5*	*0.8*	*26.0*	*0.4*	*-8.4*	*+0.4*
ABS	*2.7*	*0.2*	*0.5*	*0.0*	*+2.2*	*+0.2*
CLO	*1.3*	*0.1*	*-*	*-*	*+1.3*	*+0.1*
CMBS	*6.7*	*0.4*	*1.6*	*0.1*	*+5.1*	*+0.3*
High Yield	**0.4**	**(0.3)**	**-**	**-**	**+0.4**	**-0.3**
Emerging Markets Debt	**1.6**	**0.3**	**1.3**	**0.1**	**+0.3**	**+0.2**
Preferred Stock	**-**	**-**	**-**	**-**	**-**	**-**
Other	**-**	**-**	**-**	**-**	**-**	**-**
Cash	**3.2**	**-**	**-**	**-**	**+3.2**	**-**

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	5.32	4.85
Option Adjusted Spread	80	39
Option Adjusted Duration	6.22	6.21
BBB Equiv Spread Risk	4.34	2.15
Average Quality	Aa3/A1	Aa2/Aa3
Number Issuers	228	1,387

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	10%	4%
AA	47%	72%
A	11%	12%
BBB	27%	13%
BB	1%	0%
B	1%	0%
CCC and Below	0%	0%
Not Rated / Other	0%	0%
Cash	3%	0%

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.

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, 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 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 US 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.

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 generally 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 adjusted marginally 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 compelling 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 non-agency CMBS and RMBS. The strategy has biased credit quality up given the spread between tranches (AAA, AA, etc) has flattened and investors are not being compensated to take on additional risk across much of the sector. In our view, high-quality CMBS that has widened in concert with broader CMBS disruptions from distressed office properties offers compelling value, although this overweight has been reduced following strong performance.
- The strategy mostly eliminated the emerging market debt (EMD) allocation this quarter, following strong performance. Both investment grade and high yield EMD are trading at historically tight levels skewing the risk/reward to the downside.
- The strategy holds domestic HY CDX protection as spreads are at historically tight levels, limiting the upside to carry.

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 generally 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.

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

	1Q2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Core Plus Fixed Income (Gross)	-0.07%	6.74%	-13.56%	-0.75%	10.31%	11.09%	-0.73%	4.51%	6.62%	1.11%	5.26%
Core Plus Fixed Income (Net)	-0.14%	6.42%	-13.83%	-1.07%	9.97%	10.75%	-1.03%	4.14%	6.21%	0.71%	4.85%
Bloomberg U.S. Aggregate	-0.78%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	3.54%	2.65%	0.55%	5.97%
Core Plus Fixed Income 3-Year Annual Standard Deviation[1]	--	7.60%	6.96%	4.59%	4.59%	2.76%	2.80%	2.76%	3.03%	3.06%	2.99%
Bloomberg Aggregate 3-Year Annual Standard Deviation[1]	--	7.14%	5.77%	3.35%	3.36%	2.87%	2.84%	2.78%	2.98%	2.88%	2.63%
Dispersion[2]	0.12%	--	--	--	--	--	--	--	--	--	--
Number of Accounts	6	5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$1,764.5	$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	$308.9
Total Firm Assets ($ 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: 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. 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 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. 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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