Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®

FORT WASHINGTON DIVIDEND EQUITY – 1Q2023

- High level of current income and long-term growth of income
- Approach focused on high quality companies
- Diversification of company, sector, and style

MARKET OVERVIEW

The hallmark of the first quarter was volatility. In January, markets were sanguine about growth, inflation, and future Fed rate hikes. This calm was upended in February by strong economic data, highlighted by a blowout jobs report and firm inflation readings. Interest rates rose sharply and credit spreads widened as markets built in more Fed tightening and increasing concerns over a future recession. In March, the failure of Silicon Valley Bank and Signature Bank, and the forced merger of Credit Suisse and UBS shifted the narrative to strains within the U.S. financial system (especially in regional banks) that could create a negative feedback loop for the broader economy. Interest rates fell sharply and credit spreads widened further as future prospects were reassessed. Policymakers stepped in to limit immediate systemic risk, but the tightening in credit conditions as a result of these events is likely to negatively impact growth over coming quarters. Recession risk is elevated and expectations for the path of the Fed funds rate has fallen sharply to end the quarter.

Amid this volatility and stress in the banking sector, consumer spending thus far has remained resilient. The labor market continued to post healthy job gains and wage growth in the first quarter. Solid consumer income, supplemented by excess savings from pandemic-era programs, supports growth, but there's risk to the downside as the cumulative effect of Fed tightening is felt and banks further constrain credit in the economy.

The outlook for business spending is also challenged. Manufacturing surveys have been consistently weak for the past several months, indicating near-zero growth. The service sector is relatively strong when compared to manufacturing, but overall spending is expected to continue trending lower. Global growth has surprised to the upside, providing somewhat of a positive offset. Europe avoided a recession amid a mild winter and the outlook for China is brighter as they reopen from COVID restrictions. Importantly, inventories are plentiful and supply chains have largely normalized, removing barriers that affected businesses for several quarters. Also, normalizing supply chains result in lower downstream inflation pressures to consumer goods.

In late 2022, inflation readings showed convincing deceleration for both headline and core inflation. Data released in January, combined with revisions to prior data, indicated the deceleration was less impressive than previously thought. Although goods price inflation continued to move lower, sticky components of inflation (including shelter costs) showed little signs of improvement. Also, strength in the labor market heightened concern that inflation that is correlated to wages would remain firm. After raising rates 25bp at the February FOMC meeting, the Fed also indicated that interest rates may have to rise further than previously thought, prompting Treasury yields to rise sharply.

In March, stress in the banking system caused a reversal of these higher expectations of the Fed funds rate. Ultimately, the path of growth and inflation will drive the Fed. Recession concerns are elevated, but there are encouraging signs that inflation will fall further, supporting a lower path of rates. Goods price inflation is firmly on a downward trajectory. Shelter costs are a key driver of service inflation, and forward-looking data on the rental market indicates a gradual return to pre-COVID trends. As the economy slows further, the cyclical components of inflation will recede. All together, these factors are likely to result in inflation slowing on a trajectory to hit the Fed's target in 2024. In our view, the downside risk of recent events, combined with lower inflation, will continue to put downward pressure on rates in 2023.

Returns for most asset classes were positive in the first quarter, with the S&P 500 returning 7.48% and the Bloomberg US Aggregate Index returning 2.96%. The breadth of the S&P 500 in the first quarter was unusually narrow, with the top 10 names accounting for roughly 90% of the return. These names were predominately growth oriented, non-dividend paying names. Large Growth (Russell 1000 Growth) names returned 14.36% compared to only 0.99% for Large Value (Russell 1000 Value).

Equity valuations remain fair relative to history, but are not pricing in the increased chance of recession. Earnings expectation shave also adjusted lower, but remain at risk to fall further should a recession materialize.

Inception Date: 01/01/2016

Total Strategy Assets: $4.3 billion

Total Strategy SRI Assets: $115 million

Total Public Equity Assets: $12.3 billion

Style: Large Cap Equity, Dividend Income

Benchmark: S&P 500

Since Inception Track Record

Top Quartile Performance (Net)
1.4% Outperformance vs Peers (Net)

Risk Profile

Top Quartile Sharpe Ration &
Information Ratio Since Inception

Yield and Growth

2.8% Dividend Yield
10% 3 Year Dividend Growth

Fee Structure

First Quartile Peer Ranking

Experienced Team

Lead PMs Average 24 Years Experience
11 Team Members

PERCENTILE RANKS[2]

	Total Return (Net)	Sharpe Ratio
1Q2023	48	49
1 Year	27	24
3 Years	31	29
5 Years	21	16
Since Inception	21	19

Inception Date: 1/1/2016. Source: Fort Washington and Morningstar. [1]Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. [2]Peer ranks are percentile rankings versus the eVestment US Dividend Focus Equity Universe based on Net performance relative to peer group. The Sharpe Ratio is defined as a portfolio's excess return over the risk-free rate (90-day U.S. T-Bill) divided by the portfolio's standard deviation. Sharpe Ratio is calculated using monthly returns. Past performance is not indicative of future results. This supplemental information complements the Dividend Equity GIPS Report.

HISTORICAL PERFORMANCE

Period	Dividend Equity (Gross)	Dividend Equity (Net)	S&P 500	Russell 1000 Value[1]	FTSE High Dividend Yield
1Q2023	0.81%	0.73%	7.50%	1.01%	-1.80%
1 Year	-2.59%	-2.87%	-7.73%	-5.91%	-2.85%
3 Years	19.43%	19.00%	18.60%	17.93%	17.99%
5 Years	10.80%	10.34%	11.19%	7.50%	8.50%
Since Inception	11.84%	11.34%	12.18%	8.94%	9.97%

This supplemental information complements the Dividend Equity GIPS Report.

STRATEGY RECAP & ACTIVITY

The Fort Washington Dividend Equity strategy returned 0.73% (Net) during the quarter, compared to 7.50% for its benchmark, the S&P 500 Index.

The strategy's relative performance was primarily driven by negative security selection and its dividend style.

Below average and non-dividend paying stocks within the S&P 500 returned 14.3% compared to -1.2% for above average dividend paying stocks. This detracted roughly 5.8% from relative performance for the quarter.

Selection within Communication Services, Consumer Discretionary and Information Technology were the primary drivers of negative security selection. Energy was the only sector with positive security selection during the quarter.

Sector allocation was a modest detractor during the quarter due to an underweight to Information Technology.

The largest individual contributors to relative performance were overweight positions in Oracle (Information Technology sector), and Intel (Information Technology sector), and underweight exposures to Schwab (Financials sector), Berkshire Hathaway (Financials sector), and Eli Lilly (Health Care sector).

The largest detractors from performance were all underweight exposures to NVIDIA (Information Technology sector), Apple (Information Technology sector), Tesla (Consumer Discretionary sector), Meta (Communication Services sector) and Amazon (Consumer Discretionary sector).

Portfolio activity during the quarter was average with turnover of 3%. There were two new positions added and one removed. The strategy initiated positions in Accenture (Information Technology sector) and Micron (Information Technology sector) and sold Deere (Industrials sector).

The strategy initiated a modest position in Accenture, the largest IT services (consulting & outsourcing) provider in the world. Accenture is a moderate barrier to entry business based on economies of scale in distribution and delivery of consulting and IT services and switching costs in IT and business process outsourcing. The company has consistently increased market share over the past decade with significant free cash flow and ~40% returns on invested capital. They pay an average dividend of 1.7% with above average dividend growth of ~10% over the past 10 years. They maintain a robust capital allocation framework averaging ~40% dividend payout over the past 10 years with a similar amount of buybacks. Valuation presented a compelling entry point as the stock has been depressed due a potential slowdown in IT spending as a result of economic concerns.

The second position added to the strategy during the quarter was Micron. Micron is a leading supplier and manufacturer of memory and storage components. The company maintains high barriers to entry in their memory business (DRAM, over 70% of revenue) based on economies of scale in manufacturing and R&D. The memory industry is an oligopoly protected by high barriers to entry, with the cumulative market share of the top 3 companies exceeding 92% (Micron has ~23% share). Micron has a solid balance sheet with cash exceeding debt and no significant debt maturities until 2025 along with high single digit returns on invested capital. Although Micron pays a below average dividend yield of 0.8%, they have ample capacity to increase it with a payout averaging only 10% and policy of 50% payout via dividends and share buybacks. Valuation presented an opportunity to add the name as industry overcapacity in both DRAM and NAND has resulted in depressed revenues and margins, but production cuts and significant reductions in capital expenditures across the memory industry should restore supply/demand balance.

The strategy sold its entire position in Deere during the quarter. Deere had outperformed the broader Industrial sector by over 100% since the end of 2019, and its valuation became stretched as result. As economic growth is set to slow, the cyclical nature of the business puts it at risk for meaningful downside. Based on the limited margin of safety and poor risk/reward for the cyclical business, we eliminated the entire position.

Sector changes were largely the result of GICS reclassifications during the quarter. For example, Financials and Industrials increased while Information Technology decreased as result of Visa moving to Financials and ADP and Paychex moving to Industrials. Similarly, Consumer Staples increased and Consumer Discretionary decreased as Dollar General and Target moved from Discretionary to Staples.

Portfolio Characteristics (As of 3/31/2023)

	Portfolio	S&P 500
Dividend Yield	2.8	1.7
Beta	0.9	1
EV / EBITDA	11.7	13.5
Weighted Avg. Market Cap	$285B	$542B
Price / Book	2.6	3.4
Price / Earnings	14.6	18.2
5 Year Dividend Growth %	8	7.6
ROIC	18	19
% No Moat	3	7
Top 10 % Portfolio	22	-
Number of Securities	76	503

Source: Fort Washington. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. Data above includes cash. This supplemental information complements the Dividend Equity GIPS Report.

Sector Allocation

	Portfolio	S&P 500
Communication Services	7.1%	7.8%
Consumer Discretionary	9.4%	10.3%
Consumer Staples	7.4%	6.8%
Energy	5.8%	4.9%
Financials	13.0%	11.8%
Health Care	13.1%	14.7%
Industrials	10.2%	8.5%
Information Technology	23.5%	26.8%
Materials	3.3%	2.8%
Real Estate	3.0%	2.7%
Utilities	3.5%	2.9%
Cash	0.8%	0.0%

Source: Fort Washington. This supplemental information complements the Dividend Equity GIPS Report.

TOP TEN HOLDINGS

Name	% Portfolio	Dividend Yield	5 Year Dividend Growth	Payout Ratio	Moat
Microsoft	3.20	0.90	10	28	Wide
Oracle	2.30	1.70	11	39	Narrow
Visa Inc	2.10	0.80	18	19	Wide
Medtronic	2.00	0.60	8	15	Wide
Johnson & Johnson	2.00	2.90	26	54	Narrow
Blackrock	2.00	3.40	8	66	Wide
Starbucks	1.90	2.90	6	52	Wide
Broadcom	1.80	3.00	14	62	Wide
Apple	1.80	3.00	6	54	Wide
Cisco	1.70	2.00	13	66	Wide
Average		2.10	12	46	

Source: Fort Washington, Morningstar, Bloomberg. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. The securities identified do not represent all of the securities purchased, sold, or recommended, and the reader should not assume that investments in securities identified and discussed were or will be profitable. This is not a recommendation with respect to the purchase or sale of any of these securities. This supplemental information complements the Dividend Equity GIPS Report.

OUTLOOK

Looking ahead, the big question is whether the economy will remain resilient to Fed tightening or whether problems with regional banks will result in credit being curtailed, which would increase the risk of recession. The answer hinges, in part, on whether the problems are confined to a small group of banks or are more widespread following the collapse of Silicon Valley Bank.

As problems spread to other regional banks, however, there was concern that the bank run could spread. The Treasury, Federal Reserve, and FDIC responded by taking actions to protect the financial system. They include protecting all deposits of SVB and Signature Bank and establishing a program that allows banks to swap Treasuries and mortgage-backed securities at par values for cash. These actions did not calm markets, however, because investors did not believe there was a blanket guarantee on all bank deposits.

In general, the more exposed banks are to interest rate risk, the more likely they are to curtail their lending. Small banks provide credit to many smaller businesses and start-ups that do not have access to larger banks, and also play an important role in funding commercial real estate. They had been expanding credit at a double digit pace over the past year. Meanwhile, large commercial banks have been tightening credit standards over the same period, which shows up in the Fed's survey of senior loan officers.

Faced with this predicament, the Federal Reserve opted to raise the funds rate by 25 basis points to 4.75%-5.0% at the March FOMC meeting. The press release stated that "additional policy firming may be appropriate," but the Fed did not commit to a future course of action and it acknowledged credit could become tighter.

The basis for its decision is that inflation is still well above the Fed's 2% target while the labor market continues to be tight, with unemployment at the time at 3.6% and the latest JOLTS survey showing there are 1.8 openings for each available worker. Also, the Fed maintains that financial stability is not at risk, because the largest institutions are both well-capitalized and liquid, which makes them less vulnerable to runs.

That said, while the Fed left the door open for another 25 basis point rate hike, it could pause if the concerns about the banking system persist. By comparison, bond investors are more optimistic that inflation will come down significantly and they are more concerned about problems in the banking sector. Accordingly, the bond market is pricing in that the federal funds will end the year at about 4.25%, well below the consensus view of the FOMC of 5.125%.

Weighing these considerations, we believe the risk of a recession has increased somewhat. However, we believe it will be mild, as household and business balance sheets are strong and the largest financial institutions do not face the same problems as regional banks.

Within the portfolio, we are maintaining a cautious stance but are selectively finding bottom-up opportunities. Valuations have adjusted to more normalized levels and earnings expectations have fallen, but continued slowing in economic growth will weigh on both valuations and earnings. We are prioritizing high barrier to entry companies with high returns on capital.

WHAT DIFFERENTIATES ENHANCED DIVIDEND?

Yield and Growth Balance. Dividend Equity balances both yield and growth of income, while most strategies are focused on one or the other, creating inherent biases in the strategy. The portfolio has an above average yield and above average growth of income.

Sector Diversification. Traditional dividend strategies often have large sector biases, such as Utilities, Consumer Staples, Energy, and Financials. Dividend Equity's sector neutrality framework reduces such sector biases.

Style Diversification. Dividend strategies tend to be value oriented. Dividend Equity balances both value and growth, resulting in stable performance in different style driven market environments.

High Quality Bias. The strategy focuses on companies with sustainable competitive advantages that will continue to pay and grow their dividend over time.

Disciplined Approach. Employing a disciplined approach is key to delivering consistent, repeatable results over a full market cycle.

WHY INVEST IN THE STRATEGY TODAY?

Premium Yield. With Treasury yields at all-time lows, investors are in constant search for yield. Dividend Equity strives to provide a yield premium to traditional fixed income and equity markets through a high quality and diversified portfolio.

Growth of Capital and Income. Dividend paying stocks typically provide real (inflation adjusted) growth of capital and income over the long run, compared to limited growth of principal and income in fixed income investments.

Broad Market Exposure. Dividend Equity provides investors with broad equity market exposure through a diversified portfolio by sector, style, and company, reducing risk of material underperformance.

Efficient Risk Profile. Dividend strategies tend to have less risk than the overall market over time, providing investors with a more efficient risk profile.

Favorable Fee Structure. Dividend Equity is focused on net of fees performance and has below average fees compared to peers and other equity strategies.

PORTFOLIO CONSTRUCTION GUIDELINES

Objective	The strategy seeks current income and long-term growth of capital by investing in dividend paying, large cap equity securities
Cash	Generally 2% or less; may vary in extreme markets
Max Position Size	4% absolute at purchase; 2% relative at purchase
Sector Weight Limit	+/- 2% of the S&P 500
Holdings	Typically 65 to 90 companies
Top 10 Holdings (% of portfolio)	20% to 30%
Investments	At least 90% of the portfolio will be invested in S&P 500 securities
Turnover	Generally 10% to 20%
Benchmark	S&P 500 Index

DIVIDEND EQUITY COMPOSITE PERFORMANCE DISCLOSURES

	1Q2023	2022	2021	2020	2019	2018	2017	2016
Dividend Equity Income (Gross)	0.81%	-4.90%	26.14%	10.37%	26.53%	-3.22%	19.85%	14.89%
Dividend Equity Income (Net)	0.73%	-5.18%	25.98%	10.26%	26.47%	-3.27%	19.80%	14.84%
S&P 500 Index	7.50%	-18.11%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%
Dividend Equity Income 3-Year Annual Standard Deviation[1]	--	19.61%	16.67%	17.58%	10.98%	10.72%	--	--
SPX Index 3-Year Annual Standard Deviation[1]	--	20.87%	17.17%	18.53%	11.93%	10.80%	--	--
Dispersion[2]	0.07%	0.21%	0.03%	0.41%	–	--	--	--
Number of Accounts	12	10	8	6	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$3,782.3	$3,915.	$4,822.8	$810.7	$538.6	$322.3	$604.3	$516.3
Total Firm Assets ($ millions)	$68,722	$66,365	$73,804	$65,086	$59,174	$49,225	$52,774	$45,656

Composite inception and creation date: 01/01/16. [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. The benchmark for this composite is the Standard & Poor's 500 Index. Past performance is not indicative of future results.

Fort Washington's Dividend Strategy seeks a high level of current income and long-term growth of capital through a diversified portfolio of large cap, dividend paying equity securities. Supported by theory and evidence, the strategy focuses on fourth quintile dividend yielding stocks and employs fundamental input from a deeply experienced equity research team. The result is a portfolio of above-average dividend paying stocks that enjoy competitive advantages and will grow dividends over time, but avoids highest yielding stocks that can lead to unintentional exposures. The portfolio seeks high expected returns from dividend and value premiums through a highly diversified, sector neutrality framework that limits portfolio tracking error versus the broad market. A disciplined and repeatable process allows for a cost efficient portfolio with favorable risk and reward characteristics. All fee-paying, fully discretionary portfolios managed in the Dividend Equity style, with a minimum of $3 million under our management, are included in this composite. Effective 10/26/18, the Dividend Equity fee is 0.50% on the first $25 million, 0.40% on the next $20 million, and 0.20% on additional amounts over $50 million for separate accounts. The benchmark for this composite is the Standard & Poor's 500 Index. The Standard & Poor's 500 Index serves as a performance benchmark for 505 stocks issued by 500 large companies with market capitalizations of at least $6.1 billion. Portfolios in this composite include cash, cash equivalents, investment securities, and dividends. Cash is maintained, within each separately managed account segment, in accordance with our asset allocation ratio. The US dollars 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 under management 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 DISCLOSURE

The Fort Washington Dividend Equity strategy invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The strategy invests in dividend-paying companies. There is no guarantee that the companies in which the strategy invests will declare dividends in the future or that dividends, if declared, will remain at current levels or increase over time. Securities that pay dividends may be sensitive to changes in interest rates, and as interest rates rise or fall, the prices of such securities may fall. The strategy invests in value stocks which may not appreciate in value as anticipated or may experience a decline in value.

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