Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®

FORT WASHINGTON ENHANCED DIVIDEND EQUITY – 2Q2020

- High level of current income and long-term growth of income
- Unique approach focused on high quality companies
- Prudent diversification of company, sector, and style

QUARTERLY HIGHLIGHTS

- U.S. equity markets rallied significantly in the second quarter as investors responded favorably to massive economic support by global governments and started to price in a recovery from the pandemic. The S&P 500 Index increased 20.54% driven primarily by large cap technology companies, few of which pay a dividend, in the Communication Services, Consumer Discretionary, and Information Technology sectors.
- Enhanced Dividend returned 16.48% (gross) in Q2 2020:
  - outperforming the Russell 1000 Value by 219 bps
  - outperforming the FTSE High Dividend Yield Index by 500 bps
  - while underperforming the broader market S&P 500 by 408 bps
- The strategy's structure, with its neutral sector and style exposures, along with positive security selection, continues to drive outperformance relative to the median peer group dividend universe across all periods, including on a risk adjusted basis, given the strategy's lower volatility.
- The portfolio's yield as of the end of the quarter was 3.1%, compared to 1.9% for the S&P 500.
- The near-term economic outlook continues to be dire. GDP is expected to contract 33% annually in 2Q20 and the unemployment rate will likely remain above 10% after reaching a post-war period high during the second quarter.
- Our portfolio management team activity during the quarter continued to be focused on dividend sustainability and managing risk in the context of our portfolio guidelines.
- The portfolio is positioned for sustained economic uncertainty and market volatility with a focus on high quality companies with strong balance sheets that pay consistent, reliable dividends at reasonable valuations.

HISTORICAL PERFORMANCE

	2Q20	1 Year	3 Years	Since Inception
Enhanced Dividend (Gross)	**16.48%**	**-0.01%**	**8.02%**	**10.05%**
Enhanced Dividend (Net)	16.44%	-0.10%	7.95%	9.99%
S&P 500	20.54%	7.51%	10.73%	11.95%
Russell 1000 Value	14.29%	-8.84%	1.82%	5.94%
FTSE High Dividend Yield	12.54%	-6.54%	3.62%	7.15%

Inception Date: 1/1/2016. Source: Fort Washington and eVestment Alliance. [1]Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. [2]Peer rankings versus the eVestment US Dividend Focus Equity Universe based on gross 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. See page 4 for gross and net performance. Past performance is not indicative of future results. This supplemental information complements the Enhanced Dividend Composite Presentation.

Inception Date: 01/01/2016

Total Strategy Assets: $891 million

Total Strategy SRI Assets: $70 million

Total Public Equity Assets: $8.1 billion

Style: Large Cap, Dividend Income

Benchmark: S&P 500

Successful Track Record
Top Quartile Performance
2.1% Outperformance vs Peers

Efficient Risk Profile
Top Third Sharpe Ratio
Top Third Information Ratio

Attractive Yield and Growth
3.1% Dividend Yield
11% 3 Year Dividend Growth

Favorable Fee Structure
First Quartile Peer Ranking

Experienced Team
Lead PMs Average 18 Years Experience
10 Team Members

PEER RANKS[2]

	Total Return (gross)	Sharpe Ratio
2Q20	41	48
1 Year	24	25
3 Years	19	20
Since Inception	19	20

STRATEGY RECAP & ACTIVITY

The first two quarters of 2020 were characterized by significant volatility as investors contemplated the unprecedented dynamics associated with the pandemic spread and containment efforts. Despite the stark difference in performance from the first quarter bear market to the second quarter rebound, a common theme has been the leadership of technology-related stocks. The unusual strength of this cohort on both the decline and the recovery is, we believe, logical in the context of the recent crisis. The stay at home orders accelerated themes that drive earnings for these companies and many of these businesses have tremendous balance sheets. Most of these technology-related companies do not pay a dividend and therefore are not candidates for our income-oriented investment process. The strategy's lack of exposure to this technology-based leadership group was the main driver of the underperformance relative to the S&P 500 Index during the quarter.

The strategy's unique approach to dividend investing has continued to generate compelling results relative to equity income peers, dividend indexes, and value indexes. Many of the core principals of the Enhanced Dividend investment approach have facilitated these favorable outcomes relative to dividend investing alternatives.

- The strategy's differentiated sector neutral approach has provided a tailwind relative to traditional dividend approaches that often carry large sector level biases. The portfolio has had roughly market-weight exposures to dividend-heavy areas like Utilities, Energy, Industrials, and Financials which significantly underperformed the broader market in the first half of 2020. The portfolio also had a neutral weight to the dividend-light Information Technology sector which led the market.
- The portfolio's dividend income and dividend growth continue to outpace the U.S. equity market over trailing periods. The portfolio's yield as of the end of the quarter was 3.1%, compared to 1.9% for the S&P 500.
- While most dividend investors accept a significant value bias, the Enhanced Dividend Income strategy seeks a more neutral approach. This has been helpful as the Russell 1000 Growth Index outperformed the Russell 1000 Value index by 14 percentage points for the quarter and 26 percentage points year to date.
- The team's focus on barriers to entry within bottom up fundamental analysis has continued to support the portfolio's dividend income. Prioritizing companies that have a high likelihood of generating excess returns is especially important in recessionary environments. The weighted average return on capital for the portfolio ended the quarter at 15.9% which is higher than the S&P 500 Index and the broader U.S. equity market. Of the 58 companies in the S&P 500 that have cut or suspended dividends since March 1, 27% we would characterize as no-moat versus only 12% for narrow moat and 5% for wide moat. The strategy's underweight to no-moat businesses and overweights to narrow and wide moat businesses has helped preserve yield over the past several months.
- A portfolio of above average dividend payers with avoidance of the highest dividend payers should reduce the unintended risk exposures that can often lead to suboptimal outcomes in volatile periods. The highest dividend payers are, in times of stress, often most susceptible to poor performance and dividend cuts. This has been true in the first half of the year with the top quintile of dividend payers underperforming all other dividend quintiles by at least 7 percentage points.

Our portfolio management team activity during the quarter continued to be focused on dividend sustainability and managing risk in the context of our portfolio guidelines.

Portfolio Characteristics (As of 6/30/2020)

	Portfolio	S&P 500
Dividend Yield	3.1	1.9
Beta (1 Yr)	0.95	1
EV / EBITDA	13	14.4
Weighted Avg. Market Cap	$240MM	$388MM
Price / Book	3	3.3
Price / Earnings	16.9	22.2
5 Year Dividend Growth %	10.4	8.6
Number of Securities	88	505
Turnover (1 Yr)	15%	

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 Enhanced Dividend composite Presentation. See Enhanced Dividend composite below for complete disclosure. Past performance is not indicative of future results.

Sector Allocation	Portfolio	S&P 500
Communication Services	8.0%	5.3%
Consumer Discretionary	9.0%	7.2%
Consumer Staples	7.7%	8.4%
Energy	3.3%	3.8%
Financials	11.1%	12.1%
Health Care	13.7%	12.7%
Industrials	9.8%	11.6%
Information Technology	25.8%	24.1%
Materials	2.8%	3.2%
Real Estate	2.9%	2.9%
Utilities	4.5%	5.9%
Cash	1.4%	0.0%

Source: Fort Washington. Supplemental information, see Enhanced Dividend Composite presentation for full performance and disclosures.

TOP TEN HOLDINGS

Name	% Portfolio	Dividend Yield	5 Year Dividend Growth	Payout Ratio	Moat
Microsoft Corp	5.2%	1.0	10	35	Wide
Apple	3.1%	0.9	10	24	Narrow
Home Depot	2.9%	2.4	22	55	Wide
Johnson & Johnson	2.8%	2.9	6	67	Wide
Intel Corp	2.7%	2.2	7	25	Wide
PepsiCo Inc	2.5%	3.1	8	72	Wide
Cisco Systems Inc	2.4%	3.1	13	49	Narrow
Texas Instruments	2.4%	2.8	21	66	Wide
Comcast Corp	2.4%	2.4	13	31	Wide
McDonald's Corp	2.2%	2.7	8	63	Wide
Average		2.4	12	49	

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 Enhanced Dividend Composite Presentation.

MARKET OVERVIEW

The first half of 2020 has been a volatile time in U.S. equity markets as investors have contemplated the unique dynamics of the novel coronavirus pandemic. After one of the shortest bear markets in history where the equity market declined by roughly 30% in a period of 30 days during the first quarter, the second quarter saw a sharp rally as the market priced in an eventual recovery. In our view, the massive action by the U.S. government late in the first quarter took the tail risk of a collapsing financial system off the table which was the foundational element to the rebound in risk assets. The equity markets have essentially looked past current earnings and are already pricing in the rebound that's anticipated for next year. Consensus expectations for equity earnings call for a 25% drop this year, followed by a 30% rebound next year. This likely results in earnings returning to 2019 levels at the end of 2021. The uncertainty around the shape of the earnings rebound should result in heightened volatility for the foreseeable future.

OUTLOOK

The near-term economic outlook continues to be dire; GDP is expected to contract 33% annually in 2Q20 and the unemployment rate will likely remain above 10% after reaching a post-war period high during the second quarter. Looking forward, we recognize the potential for more pullbacks as the reopening continues to unfold. While the trajectory of the virus is difficult to handicap, we view progress on testing, tracing, and isolation procedures into the fall as a bridge to a vaccine that helps avoid the economic damage we saw in the spring. The worst is likely behind us in terms of economic impact from the pandemic. Assuming a recessionary hit to earnings in 2020 and a subsequent U-shaped recovery over the next several years, we see the U.S. equity market as fairly attractive.

Economic forecasts by industry participants vary considerably and will likely continue to be revised in the coming months. Coupled with the challenging economy we are likely to endure over the next several quarters, an effective top down risk management framework is a critically important. By limiting the unintended style and sector exposures associated with traditional dividend investing, we should reduce the likelihood of adverse outcomes especially in times of elevated volatility. From a security selection perspective, our focus on owning high quality companies with barriers to entry and strong balance sheets has historically helped our portfolio preserve dividend capacity at a greater level than the market. We expect this to persist as the economic recovery continues to take shape.

WHAT DIFFERENTIATES ENHANCED DIVIDEND?

Yield and Growth Balance. Enhanced Dividend 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. Enhanced Dividend's sector neutrality framework reduces such sector biases.

Style Diversification. Dividend strategies tend to be value oriented. Enhanced Dividend 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. Enhanced Dividend 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. Enhanced Dividend 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. Enhanced Dividend 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 80-100 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 15%
Tracking Error	2% to 3% vs. S&P 500
Benchmark	S&P 500 Index

COMPOSITE PERFORMANCE DISCLOSURES

	2Q2020	YTD	2019	2018	2017	2016
Enhanced Dividend Income (Gross)	16.48%	-8.75%	26.53%	-3.22%	19.85%	14.89%
Enhanced Dividend Income (Net)	16.44%	-8.80%	26.47%	-3.27%	19.80%	14.84%
S&P 500 Index	20.54%	-3.08%	31.49%	-4.38%	21.83%	11.96%
Enhanced Dividend Income 3-Year Annual Standard Deviation[1]	--	--	10.98%	10.72%	--	--
SPX Index 3-Year Annual Standard Deviation[1]	--	--	11.93%	10.80%	--	--
Dispersion[2]	0.13%	0.16%	–	--	--	--
Number of Accounts	6	6	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$659.9	$659.9	$538.6	$322.3	$604.3	$516.3
Composite % of Firm Assets	1.08%	1.08%	0.91%	0.65%	1.14%	1.13%

Composite inception and creation date: 01/01/16. [1]The 3-Year annualized ex-post standard deviation is calculated using monthly 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 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 Enhanced 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 Enhanced Dividend style, with a minimum of $3 million under our management, are included in this composite. Effective 10/26/18, the Enhanced 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. Fort Washington has been independently verified for the periods 7/1/94 – 12/31/18. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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.

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