Fort Washington
Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®

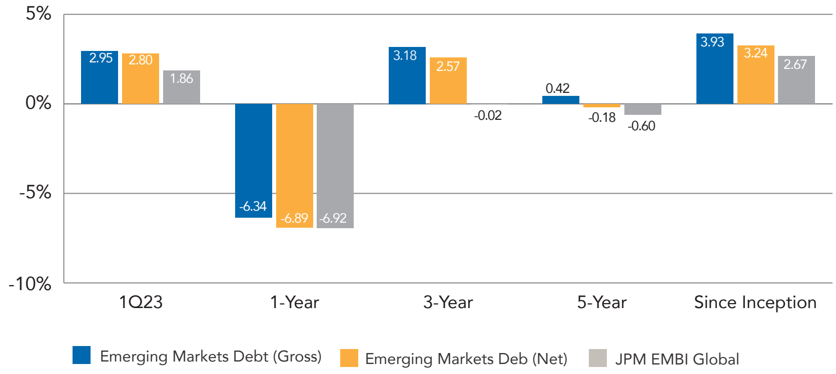
FORT WASHINGTON EMERGING MARKETS DEBT — 1Q2023

HIGHLIGHTS

- The year opened with a volatile first quarter for global markets. Improving optimism in January quickly faded in February on stubbornly high inflation prints across major developed economies, and in March the mood soured further as turmoil emerged in the financial sector. These events ushered in heightened volatility in interest rates and led to a sharp drop in U.S. Treasury yields by the end of the quarter.
- The JP Morgan EMBI Global Diversified benchmark ("EMBIGD") returned 1.86% in the first quarter. The positive return was driven by a drop in U.S. Treasury yields as EMBIGD spreads widened by 32bps during the quarter, which detracted from returns. The investment grade ("IG") portion of the index returned 2.8% during the quarter while the high yield ("HY") portion of the index lagged with a 0.9% return.
- The Emerging Markets Debt ("EMD") strategy posted a 2.95% gross/2.80% net return during the quarter beating the index by 104bps on a gross basis. The top performing region was Asia on strong security selection, followed by Latin America and Europe. Top contributors to quarterly performance by country included Argentina, Indonesia and El Salvador. Top detractors included Brazil, Ecuador and Egypt.
- We view EM HY as attractively priced and see less value in EM IG. We believe EM is fundamentally well positioned under a "soft landing" scenario, and in the case of a "hard landing" we think a high yield cushion and being positioned long duration can provide portfolios with downside protection. We expect bottom-up opportunities will continue to present themselves. Skilled active managers may be able to capitalize on the current turbulent environment with multiple unprecedented global risks ranging from growth, inflation, and financial stability to simmering geopolitical tensions in Ukraine, Taiwan, Iran and North Korea.

Historical Performance

Annualized Returns as of March 31, 2023



Source: Fort Washington Investment Advisors. Past performance is not indicative of future results. This supplemental information complements the Emerging Markets Debt GIPS Report. Inception date: 07/01/2013.

INVESTMENT PROFESSIONALS

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MARKET OVERVIEW

- Global assets started the year with an improved outlook, which was highlighted by the continued decline of European natural gas prices and China easing COVID restrictions. Optimism began to recede by February as higher than expected inflation prints in the U.S., Eurozone, and Japan pushed up market expectations of "higher-for-longer" policy rates. In March, global financial stability emerged as a new concern following the unexpected failure of Silicon Valley Bank and the takeover of Credit Suisse by UBS to prevent a collapse. Policy makers stepped in and eased immediate contagion fears which allowed some calm to return to financial markets by month-end.

- Broader uncertainty over the path of the global economy in the near term remains in light of the recent stress in the financial system and a variety of leading indicators pointing towards less favorable conditions ahead. Investors sharply repriced market expectations for the future path of the Fed during the course of March as the market implied Fed Funds rate for December 2023 dropped almost 100bps to 4.35%.

- EMBIGD spreads widened 32bps during the quarter to finish at 484bps. The majority of the quarterly spread decompression occurred during the risk-off move in March and was led by the HY segment of the EMBIGD which finished the quarter 62bps wider, and lagged the IG segment which ended the quarter 19bps wider. Technicals also weighed on spreads as first quarter sovereign issuance rose sharply compared to preceding years. On the other hand, EM corporate issuance was low by historic standards which helped give corporates some technical support.

- We continue to favor a tilt to the HY segment of the EMBIGD on valuation grounds. EMBIGD HY spreads finished the quarter at 884bps which places them in the 92nd percentile since 2007 (meaning they have been tighter 92% of the time since then). EMBIGD IG spreads trade more expensively sitting at 158bps or the 11th percentile. It may seem counterintuitive to be tilted towards EM HY at a time of heightened global macroeconomic uncertainty; however, we believe that EM HY better compensates investors for potential risks ahead. Similarly, when assessing relative value compared to U.S. Credit and U.S. HY, we see better relative value in the lower rated segments of EM.

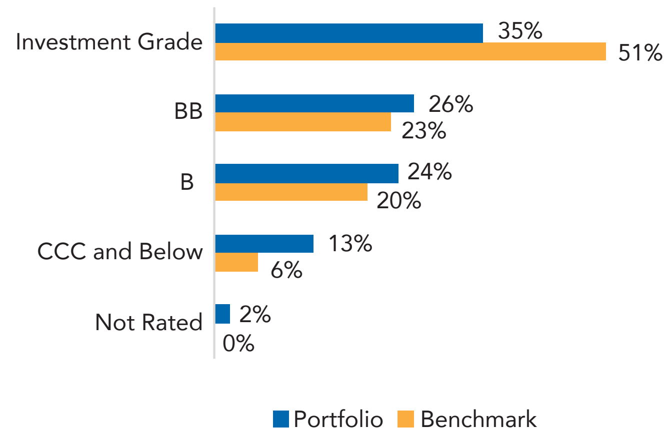
- We view EM economies as relatively well positioned in the case of a modest growth shock or "soft landing" scenario for DM economies. Higher growth differentials for EM as a whole, supported by higher real rates across EM and more robust PMIs, coupled with a weaker USD could help support a recovery for EM assets. Under a "hard landing" scenario, we think the downside can be cushioned in the riskier segments of EMD by cycle-wide yields in EM HY coupled with exposure to duration, as we would expect U.S. rates to fall sharply under such a scenario. In our view the risk to reward equation favors a tilt towards EM HY.

- Looking ahead, several important country level developments are poised to unfold during the second quarter of 2023. On the electoral front, all eyes are on the simultaneous presidential and parliamentary elections in Turkey which could see Mr. Erdogan and his AK party lose power for the first time in two decades and see macroeconomic policy return to orthodoxy. In the distressed space, Ghana appears to be making progress on obtaining official sector assurances and IMF board approval for a rescue package that would open the door to a Eurobond restructuring in the second half of the year. We also expect countries such as Pakistan and Sri Lanka to gain further traction with creditors in the coming months. We expect the growing rift between the U.S. and China to continue buoying the "friend shoring" trend of which Mexico is a notable beneficiary. Lastly, all eyes will be on Ukraine's long expected spring offensive; however, an end to the conflict is expected to remain elusive.

Top 10 Countries by Market Value

Country	% of Portfolio
Indonesia	6.95%
Mexico	6.85%
Brazil	4.57%
Malaysia	4.17%
Argentina	3.65%
Colombia	3.49%
Oman	3.44%
Egypt	3.33%
Dominican Republic	3.30%
South Africa	3.27%

Credit Quality



Source: Fort Washington. This supplemental information complements the Emerging Market Debt GIPS Report. Quality distribution is subject to change at any time. The above data is rounded for informational purposes. Benchmark: J.P. Morgan Emerging Market Bond Index Global Diversified. Portfolio characteristics are subject to change at any time.

Portfolio Statistics

	Portfolio	Benchmark
Yield to Maturity	11.43%	8.41%
Average Coupon	5.70%	5.19%
Duration	7.19	6.76
Average Life	12.42	11.62
Total # of countries	61	69
Number of Issuers	105	187
Number of Issues	223	924

Source: Fort Washington and Bloomberg. This supplemental information complements the Emerging Markets Debt GIPS Report. Portfolio characteristics are subject to change at any time. You cannot invest directly in an index. Past performance is not indicative of future results.

PORTFOLIO ACTIVITY

- Our EMD strategy is positioned with an overweight to HY versus IG on valuation grounds, and we finished the quarter at roughly 55% of our maximum spread risk budget. We reduced our spread risk budget by roughly 15 percentage points since the end of December from roughly 70%, as valuations tightened into January and the global macro picture became more complicated. At this juncture we are targeting a risk budget in the 50% to 60% range finding it appropriate given valuations, and the availability of bottom-up opportunities. We are out-yielding the benchmark in excess of 250bps which provides considerable cushion, and are positioned long duration versus the benchmark by almost one-half of a year which we expect to provide some downside protection in case of a "hard landing."
- Notable trade highlights during the quarter, included additions to the corporate sector, where we found the best bottom-up opportunities, in countries such as Mexico, India, Kuwait and the Czech Republic. Exposure was reduced in countries such as Paraguay, Bolivia, Kazakhstan, and Belarus, and high-beta areas such as Egypt, Gabon, and Mexican quasis.

COMPOSITE PERFORMANCE DISCLOSURES

	1Q2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013[1]
Emerging Market Debt (Gross)	2.95%	-17.13%	-0.24%	7.48%	15.33%	-4.18%	11.65%	12.33%	1.55%	8.87%	3.92%
Emerging Market Debt (Net)	2.80%	-17.61%	-0.83%	6.84%	14.65%	-4.82%	10.83%	11.50%	0.80%	8.07%	3.53%
JPM EMBI Global Diversified	1.86%	-17.78%	-1.80%	5.26%	15.04%	-4.26%	10.26%	10.15%	1.18%	7.43%	2.73%
Emerging Market Debt 3-Year Annual Standard Deviation[2]	--	16.55%	13.20%	13.17%	5.05%	5.59%	5.43%	6.32%	–	–	–
JPM EMBI 3-Year Annual Standard Deviation[2]	--	13.36%	10.67%	10.73%	4.85%	5.46%	5.04%	5.78%	–	–	–
Dispersion[3]	--	--	--	--	--	–	–	–	–	–	–
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ Millions)	$238.3	$231.8	$280.2	$282.0	$262.8	$227.9	$237.8	$213.0	$110.2	$108.4	$99.6
Total Firm Assets ($ Millions)	$68,722	$66,365	$73,804	$65,086	$59,174	$49,225	$52,774	$45,656	$42,959	$45,002	$43,671

Composite inception and creation date: 07/01/13. [1]2013 returns are partial-year returns, reflecting the composite inception date of 07/01/13. [2]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. [3]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 JPM EMBI Global Diversified. You cannot invest directly in an index. Past performance is not indicative of future results.

Fort Washington's Emerging Markets Fixed Income strategy seeks to outperform the JP Morgan Emerging Markets Bond Index Global Diversified (JPM EMBI Global Diversified) on a total return basis. The strategy recognizes emerging markets fixed income as a continually evolving asset class as witnessed by the migration and dispersion of credit quality of the benchmark as well as by consistent addition of countries over the years. Therefore, the strategy first employs a forward looking top-down approach drawing on the four analytical pillars of policy, economics, politics, and markets to identify relative value among a truly global opportunity set. Once these opportunities are identified, the fund employs its bottom-up analytical framework to identify the most appropriate securities. All fee-paying, fully discretionary portfolios with at least $25 million managed in the Emerging Markets style are included in this composite. The fee is 0.55% for the first $100 million, and 0.50% on additional amounts over $100 million for separate accounts, and 0.60% for the commingled vehicle. The benchmark for this composite is the JP Morgan Emerging Markets Bond Index Global Diversified. Portfolios in this composite include cash, cash equivalents, investment securities, interests 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 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 DISCLOSURES

The Fort Washington Emerging Markets Debt strategy invests in fixed-income securities of both domestic and foreign issuers 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. Investing in foreign denominated and/or domiciled securities may involve heightened risk due to currency fluctuations, and economic and political risks, which may be enhanced in emerging markets. Investing in the bond market is subject to risks, including market, interest rate, issuer, credit, inflation risk, and liquidity risk.

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