



FORT WASHINGTON EMERGING MARKETS DEBT – 1Q2026

HIGHLIGHTS

- ▶ The first quarter of 2026 was truly a tale of two markets within the emerging markets (EM) debt asset class. January and February were defined by a flood of new issuance that was readily absorbed by the market. Continued weakness in the U.S. dollar, combined with expectations for global disinflation, created a “Goldilocks” scenario for EM central banks to cut real rates, easing fiscal conditions and increasing growth potential. As a result, by mid-February, EM hard-currency sovereign debt, as represented by the J.P. Morgan EMBI Global Diversified Index (EMBIGD), compressed to its tightest level in more than a decade, reaching 240 bps.
- ▶ However, the breakdown of negotiations between Iran and the United States, and the subsequent hostilities, coupled with the closure of the critical Strait of Hormuz (SoH), led to a sharp sell-off in the market. With oil prices spiking to well over \$100 per barrel, EMBIGD spreads widened to end the quarter at +289 bps, representing nearly 50 bps of widening in March. Overall, light risk positioning and high cash balances across the asset class resulted in a relatively orderly repricing of risk, as the market weighed the likelihood of a short disruption in global trade versus a prolonged stoppage in SoH transit, potentially leading to shortages of energy, fertilizers, and chemicals worldwide.
- ▶ The Emerging Markets Debt Fixed Income (EMD) strategy performed well through the volatility, outperforming the index by 36 bps gross (26 bps net). Asset selection in Brazil and Peru, along with a broad underweight to Bahrain, were the primary contributors. Overweights to Saudi Arabia's energy complex and Pakistan were the largest detractors. Broadly, an overweight to risk in the least-impacted region, Latin America, combined with an underweight to risk in the Middle East, drove the outperformance.

INVESTMENT PROFESSIONALS

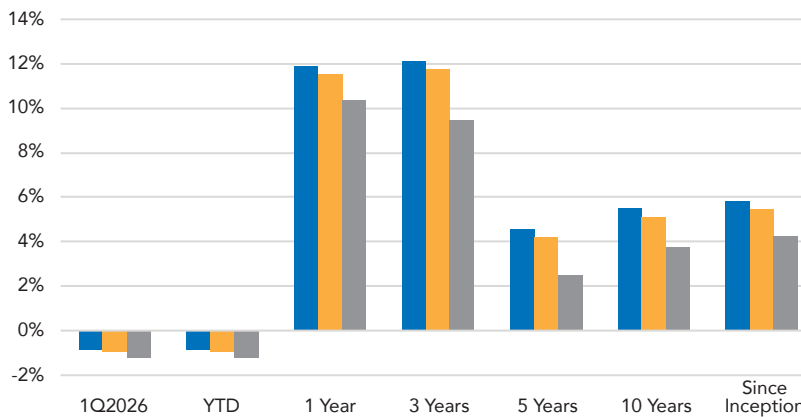
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Trailing Total Returns (as of March 31, 2026)



	1Q2026	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Emerging Markets Debt (Gross)	-0.85	-0.85	11.89	12.13	4.58	5.49	5.80
Emerging Markets Debt (Net)	-0.94	-0.94	11.50	11.74	4.21	5.12	5.43
JPM EMBI Global Diversified	-1.26	-1.26	10.38	9.45	2.47	3.75	4.23

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

PEER GROUP PERFORMANCE

	Percentile Rank ¹ (Net)
1Q2026	30
1 Year	17
3 Years	16
5 Years	10
10 Years	11
Since Inception	2

Source: Nasdaq eVestment.

¹Peer ranks are versus the eVestment Global Emerging Markets Fixed Income - Hard Currency Universe based on net performance relative to peer group. Past performance is not indicative of future results.

MARKET OVERVIEW

Iran's ability to effectively close the SoH has upended the investment landscape in 2026. The price of oil and its affiliated refined products rose more than 50% in March, as approximately 20% of global trade volumes were suddenly halted. Disruptions in the fertilizer supply chain led to concerns about rising food inflation. Petrochemicals were particularly affected, with impacts extending across a wide range of end products. As a result, market expectations for the U.S. Federal Reserve (Fed) to cut rates two to three times in 2026 fell to zero, even briefly pricing in a rate hike later in the year. Globally, expectations for rate-cutting cycles were either eliminated or significantly reduced, given the expectation that increased inflation would be felt globally.

The market is currently weighing a best-case scenario of an end to hostilities and reopening of the SoH, but with a long tail of higher energy prices, versus worst-case of continued supply disruptions in energy and other commodities leading to physical shortages and forced demand destruction, potentially leading to a global recession.

Though the impact of higher inflation and lower overall growth will be felt globally, there will be relative winners among energy exporters and relative losers among energy importers. Exporters such as Ecuador, Brazil, and Angola stand to benefit most from higher oil prices and their ability to bring output to market. Importers such as India, Turkey, and El Salvador are likely to face significant headwinds to trade balances and growth. Countries such as Egypt, Pakistan, and the Dominican Republic that subsidize fuel consumption will be forced to weigh the fiscal cost against the political consequences of passing higher prices on to vulnerable consumers.

In addition, the potential for Iran to gain formal control of the SoH could accelerate the derisking of the global energy supply chain. In this scenario, countries in militarily stable regions with the capacity to increase oil and gas output, such as Argentina and Suriname, could see accelerated foreign direct investment, boosting growth outlooks in the medium term.

In this environment, we prefer to maintain our risk budget at the lower end of the 30% to 40% of our maximum risk range, while retaining cash to deploy if negative sentiment accelerates. We favor maintaining risk exposure in areas with positive idiosyncratic stories that benefit from higher oil prices, such as Venezuela, Argentina, and Ghana. We are reducing exposure to higher-beta names, such as Egypt, that are more vulnerable to sustained increases in energy prices, even if oil retraces from recent highs.

PORTFOLIO ACTIVITY

We ended the first quarter of 2026 at 30% of our maximum risk budget. During the quarter, we swapped a Brazil-based oil company for increased exposure to Venezuela and a West African offshore oil driller. Having fulfilled the thesis of achieving an Investment Grade rating, exposure to Paraguay was redeployed to Costa Rica and Panama. The U.S. dollar reached 1.20 versus the euro, and we trimmed euro-denominated bond exposure. As U.S.–Iran tensions rose, we reduced exposure to a Saudi Arabian gas pipeline company. Finally, as fighting escalated, we reduced exposure to El Salvador, Turkey, and Egypt in favor of Gabon, Angola, and Suriname.

Top 10 Countries by Market Value

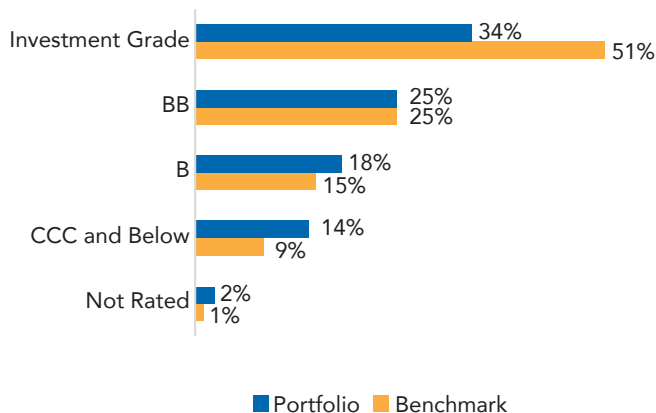
Country	% of Portfolio
Mexico	6.58%
Argentina	4.38%
Romania	4.33%
Saudi Arabia	4.16%
Colombia	3.83%
Indonesia	3.55%
South Africa	3.47%
Brazil	3.21%
Turkey	3.04%
India	2.77%

Portfolio Characteristics

	Emerging Markets Debt	JPM EMBI Global Diversified
Yield to Worst	7.27%	6.74%
Average Quality	Ba1/Ba2	Baa3/Ba1
OA Duration (Years)	6.58	6.38
Option Adjusted Spread	285	245
Average Maturity (Years)	10.45	10.49
Total # of Countries	58	68
Number of Issuers*	104	160
Number of Issues*	235	1,043

Source: Fort Washington and Bloomberg. This supplemental information complements the Emerging Markets Debt Fixed Income 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. *An Emerging Markets Debt Fixed Income Representative Account is being used to illustrate Number of Issuers/Issues.

Credit Quality



Source: Fort Washington. This supplemental information complements the Emerging Markets Debt Fixed Income GIPS Report. Quality distribution is subject to change at any time. The above data is rounded for informational purposes. Benchmark: JPM EMBI Global Diversified Index. Portfolio characteristics are subject to change at any time.

EMERGING MARKETS DEBT FIXED INCOME COMPOSITE GIPS REPORT

	1Q2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Emerging Markets Debt Fixed Income (Gross)	-0.85%	15.73%	10.89%	14.04%	-17.13%	-0.24%	7.48%	15.33%	-4.18%	11.65%	12.33%
Emerging Markets Debt Fixed Income (Net)	-0.94%	15.33%	10.50%	13.64%	-17.42%	-0.59%	7.10%	14.92%	-4.51%	11.26%	11.94%
JPM EMBI Global Diversified Index	-1.26%	14.30%	6.54%	11.09%	-17.78%	-1.80%	5.26%	15.04%	-4.26%	10.26%	10.15%
Emerging Markets Debt Fixed Income 3-Year Annual Standard Deviation ¹	-	7.00%	12.75%	12.74%	16.55%	13.20%	13.17%	5.05%	5.59%	5.43%	6.32%
JPM EMBI Global Diversified Index 3-Year Annual Standard Deviation ¹	-	6.37%	10.84%	10.70%	13.36%	10.67%	10.73%	4.85%	5.46%	5.04%	5.78%
Dispersion ²	-	-	-	-	-	-	-	-	-	-	-
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$336	\$338	\$293	\$265	\$232	\$280	\$282	\$263	\$228	\$238	\$213
Total Firm Assets (\$ Millions)	\$89,918	\$89,448	\$81,286	\$74,613	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656

Composite inception and creation date: 07/01/2013. 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 JP Morgan Emerging Markets Bond Index Global Diversified (JPM EMBI Global Diversified). You cannot invest directly in an index. The JPM EMBI Global Diversified Index measures the performance of fixed and floating-rate debt instruments issued by emerging market governments and quasi-sovereign entities. The index tracks U.S. dollar-denominated debt instruments that are liquid. The index accounts for interest payments by incorporating them into the total return calculation. Fort Washington's Emerging Markets Fixed Income strategy seeks to outperform the JP Morgan Emerging Markets Bond Index 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 managed in the Emerging Markets style, with a minimum of \$25 million under our management, are included in this composite. The strategy's fee schedule is 0.35% on the first \$100 million and 0.30% on additional amounts over \$100 million for separate accounts, and 0.40% for the commingled vehicle. 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 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 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 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 Emerging Markets Debt Fixed Income 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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