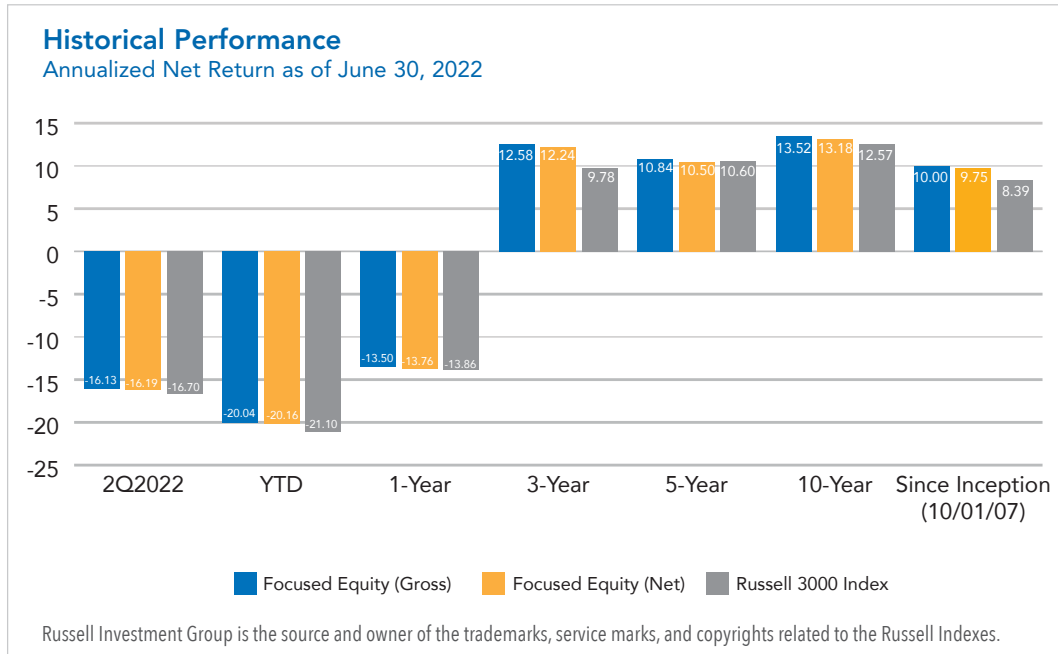




## FORT WASHINGTON FOCUSED EQUITY — 2Q2022

### HIGHLIGHTS

- ▶ U.S. equities experienced a significant pullback in the second quarter, resulting in the worst first half performance since the 1970s.
- ▶ While outperforming the index, the Focused Equity strategy returned -16.2% during the quarter.



### MARKET OVERVIEW

U.S. equities experienced a significant pullback in the second quarter, resulting in the worst first half performance since the 1970s. The decline was primarily due to increasing concerns over the effects of the multi-decade high inflation reports, the Federal Reserve's aggressive monetary policy tightening, and continued macroeconomic shocks from the Russia-Ukraine war. The best performing benchmark sectors were Consumer Staples, Utilities, and Energy. The worst performing sectors for the index were Consumer Discretionary, Communication Services, and Information Technology.

### STRATEGY ACTIVITY

During the quarter, there was one addition to the portfolio and two exits. Cash holdings ended the quarter at 5.6%.

As the quarter came to a close, the strategy had an overweight in the Communication Services, Financials, and Consumer Discretionary sectors and an underweight in the Energy, Materials, Information Technology, Real Estate, Industrials, Consumer Staples, and Health Care sectors. The strategy held no positions in the Utilities sector.

From a market cap perspective, the strategy ended the period with no weight in smaller cap stocks (companies with a market cap below \$2 billion). The index weight for this segment is 2.9%. The strategy had an underweight in mid-cap businesses, which now comprise 8.0% of assets, compared to an index weight of 9.7%. Last, the strategy is underweight in larger cap businesses (companies with a market cap above \$10 billion). The weight in that segment is currently 86.5%, which is lower than the index weight of 87.3%. This allocation decision had a positive impact to performance during the quarter as small cap stocks underperformed.

### INVESTMENT PROFESSIONALS

**James E. Wilhelm, Jr.**  
Managing Director  
Head of Public Equity  
Senior Portfolio Manager  
29 Years Experience

**Sunit Gogia**  
Vice President  
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15 Years Experience

**E. Craig Dauer, CFA**  
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31 Years Experience

**Daniel L. Holland, CFA**  
Assistant Vice President  
Senior Equity Research Analyst  
20 Years Experience

**Jonathan V. Strickland**  
Assistant Vice President  
Senior Equity Research Analyst  
23 Years Experience

**Dan T. Gibson, CFA**  
Vice President  
Portfolio Manager  
Alternative Assets  
13 Years Experience

Source: Fort Washington Investment Advisors. Past performance is not indicative of future results. Quality and sector distribution as well as portfolio attribution and allocation is subject to change at any time.

The sectors where strategy holdings outperformed the most relative to the benchmark were Consumer Staples, Energy, and Health Care. Sectors that lagged the most relative to the benchmark include Materials, Communication Services, and Consumer Discretionary. Stock selection contributed 90 basis points to performance for the period. Sector allocation detracted 33 basis points during the quarter primarily due to an underweight in Utilities and Energy.

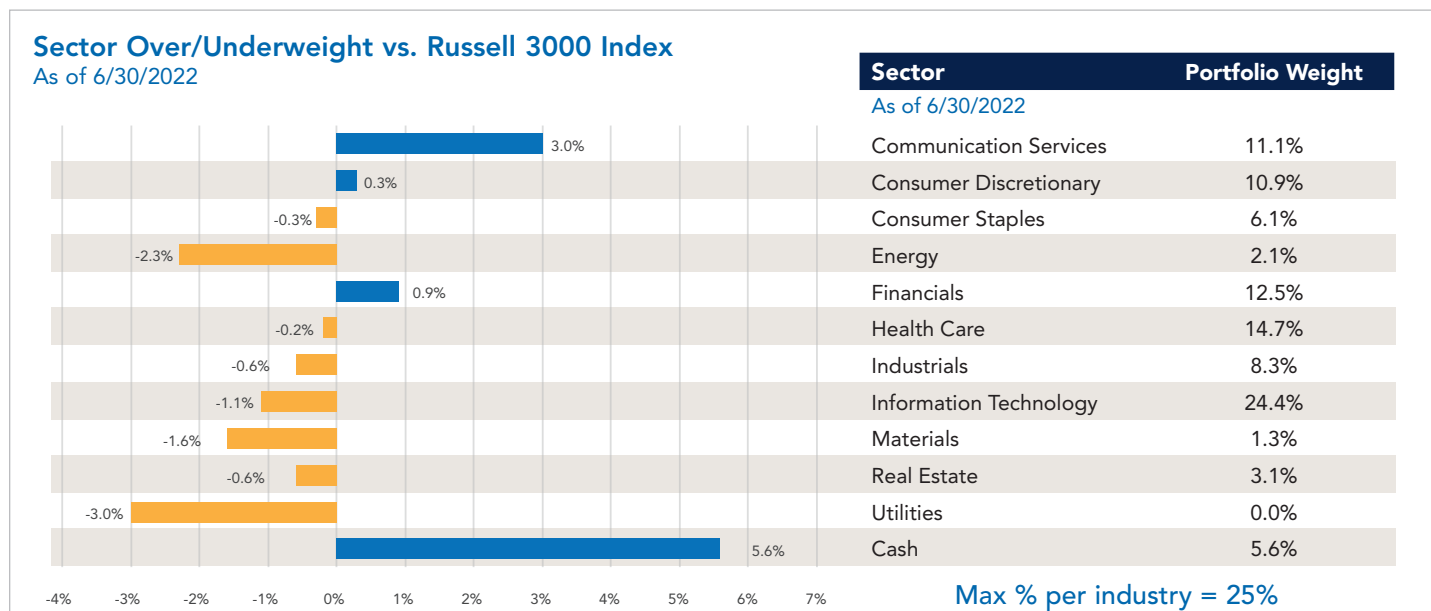
Three stocks that contributed the most to performance include a multinational beverage corporation, a leading pharmaceutical company, and a multinational managed healthcare company. Stocks that detracted the most from performance include an American online lodging marketplace company, a workforce SaaS company, and a subscription streaming and production company.

Investments made in international companies, which comprised 2.8% of assets, outperformed the benchmark.

## TOP TEN HOLDINGS

Name	Sector	% of Portfolio
Microsoft	Information Technology	7.7%
Apple	Information Technology	6.1%
Alphabet	Communication Services	5.3%
Berkshire Hathaway	Financials	4.3%
UnitedHealth Group	Health Care	3.7%
Johnson & Johnson	Health Care	3.4%
Amazon.com	Consumer Discretionary	3.4%
Goldman Sachs	Financials	2.6%
Raytheon	Industrials	2.6%
Meta	Communication Services	2.6%
<b>Total</b>		<b>41.6%</b>

Source: Fort Washington. This supplemental information complements the Focused Equity GIPS Report. For a complete listing of securities held, sold, or purchased over the last year please contact us. The securities identified do not represent all of the securities purchased, sold, or recommended; 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. See Focused Equity GIPS Report for complete disclosure. The above data is rounded for informational purposes.



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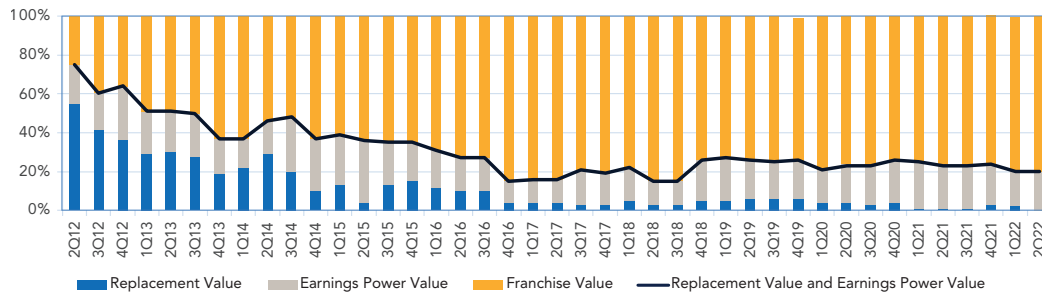
## Portfolio Characteristics

Replacement Value, Earnings Power Value, Franchise Value <sup>1</sup>	0%	20%	80%
Weighted average excess return <sup>2</sup>	~1,368 bps above the cost of capital		
Barriers to entry (none, moderate, high) <sup>1</sup>	0%	56%	44%
Price to intrinsic value (weighted average)	\$0.72		
Small, mid, large cap % <sup>1</sup>	2%	11%	87%
International %	2.8%		
Number of holdings	48		
Cash position	5.6%		

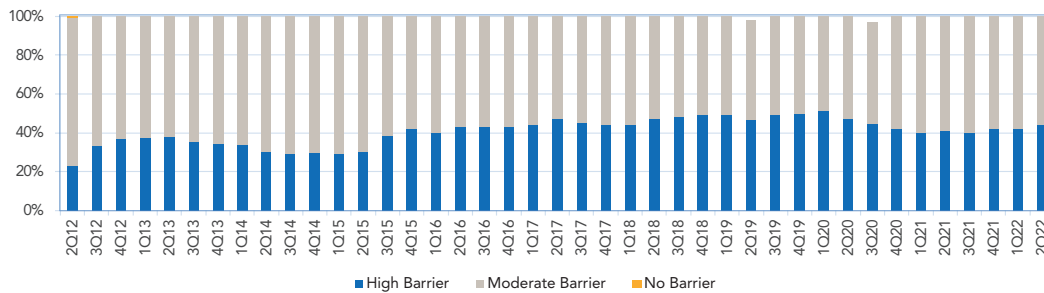
<sup>1</sup>Excludes cash. <sup>2</sup>Returns on capital vs. cost of capital (ex financials). Source: Fort Washington. This supplemental information complements the Focused Equity GIPS Report. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See Focused Equity GIPS Report for complete disclosure.

## Composite Portfolio Characteristics Over Time

### Layers of Value % of Portfolio



### Barriers to Entry % of Portfolio



Source: Fort Washington. This supplemental information complements the Focused Equity GIPS Report. Portfolio characteristics are subject to change at anytime without notice. See Focused Equity GIPS Report for complete disclosure.

## OUTLOOK

In the first half of 2022, the U.S. equity market officially entered bear market territory down more than 20% from the most recent peak. Investors felt the weight of inflation reaching multi-decade highs, Russia invading Ukraine, economic growth slowing, and the Federal Reserve rapidly implementing restrictive policy measures. Amidst this backdrop, U.S. equity performance was led by inflation beneficiaries and defensive sectors like Energy, Utilities, Staples, and Health Care. Longer duration sectors like Information Technology and Communication Services lagged in the second quarter, continuing the trend we witnessed in the first quarter. While the U.S. economy is still relatively healthy by virtue of consumer demand, business spending, and labor market conditions, we continue to see an elevated probability of a slowdown in the back half of the year, mainly due to the lag effects of higher interest rates and higher prices.

Based on our outlook, the investment team has been mitigating risk through a combination of long-standing elements of our process and gradual shifts in portfolio positioning. Several components of our Focused Equity process help mitigate the impact of higher inflation and interest rates. First, consistently using conservative discount rates provides a cushion when rates rise. Second, focusing on barriers to entry in fundamental analysis, specifically businesses with pricing power, is especially important today as companies are increasingly looking to pass on cost pressures. Last, prioritizing a margin of safety with each holding provides additional risk mitigation for challenging market environments. Additionally, since early 2021, the Focused Equity team has been gradually reducing risk in the portfolio in terms of both sector weights and exposures within sectors. Sector

weights in Consumer Discretionary and Communication Services have decreased while the Consumer Staples weight and the cash position have increased. Within Financials for example, we have shifted weight from a bank with growing exposure to crypto to a more traditional specialty lines property and casualty insurance business. And within Industrials, we have shifted weight from a short cycle manufacturer of motion and control technologies to a high barrier aerospace and defense company with a larger margin of safety.

At the end of the second quarter, the Focused Equity strategy continues to emphasize businesses with higher barriers to entry and returns on capital. We have continued to gradually dial back risk in the portfolio while looking for opportunities that fit our framework through the volatility. We believe this moderate shift in risk posture combined with continued disciplined execution of our process will benefit the portfolio going forward.

## COMPOSITE PERFORMANCE DISCLOSURES

	2Q2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Focused Equity (Gross)	-16.13%	27.91%	25.76%	28.77%	-6.71%	15.20%	13.01%	4.21%	7.65%	39.96%	22.81%	-11.81%
Focused Equity (Net)	-16.19%	27.52%	25.38%	28.38%	-6.99%	14.85%	12.67%	3.90%	7.33%	39.54%	22.50%	-12.00%
Russell 3000 Index	-16.70%	25.66%	20.89%	31.01%	-5.24%	21.13%	12.74%	0.48%	12.56%	33.55%	16.42%	1.03%
Focused Equity 3-Year Annual Standard Deviation <sup>1</sup>	--	18.73%	20.23%	13.29%	10.99%	10.07%	10.87%	11.40%	10.65%	15.51%	19.15%	23.34%
Russell 3000 Index 3-Year Annual Standard Deviation <sup>1</sup>	--	17.94%	19.41%	12.21%	11.18%	10.09%	10.88%	10.58%	9.29%	12.53%	15.73%	19.35%
Dispersion <sup>2</sup>	0.23%	0.21%	0.25%	0.31%	0.21%	0.36%	0.55%	0.42%	0.49%	0.93%	0.67%	-
Number of Accounts	6	7	6	6	8	10	9	8	7	6	7	6
Composite Assets (\$ millions)	\$1,175.2	\$1,605.1	\$1,330.1	\$1,187.6	\$1,258.8	\$1,572.9	\$1,774.3	\$1,538.1	\$1,341.6	\$1,172.4	\$867.6	\$282.9
Total Firm Assets (\$ millions)	\$67,112	\$73,804	\$65,085	\$59,174	\$49,224	\$52,774	\$45,655	\$42,959	\$45,002	\$43,671	\$42,465	\$37,854

Composite inception and creation date: 10/01/07. <sup>1</sup>The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean. <sup>2</sup>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 Russell 3000 Index. Past performance is not indicative of future results. The Fort Washington Focused Equity strategy is an all-cap concentrated, value oriented strategy that invests in businesses with strong barriers to entry that have the capability of generating excess returns on capital. The strategy looks to take advantage of irrational human behavior by buying securities that have been mispriced by the market. We will invest in companies that have limited absolute downside and large margin of safety on the upside. The objective of the Focused Equity strategy is to outperform the Russell 3000 Index over a full market cycle. All fee-paying, fully discretionary portfolios managed in the Focused Equity style, with a minimum of \$1 million under our management, are included in this composite. Effective 01/22/14, the Focused Equity strategy fee schedule is as follows: 0.75% on the first \$25 million, 0.70% on the next \$25 million, and 0.65% on the next \$50 million and over. The benchmark for this composite is the Russell 3000 Index. Frank Russell Company (FRC) is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information pertaining to FRC and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a Fort Washington Investment Advisors, Inc. presentation of the Russell Index data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Fort Washington's presentation thereof. Portfolios in this composite include cash, cash equivalents, investment securities, interest, and dividends. The composite may invest in ADRs, which the Russell 3000 Index does not use. 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. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/20. 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.

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