



FORT WASHINGTON INTERNATIONAL EQUITY — 4Q2022

HIGHLIGHTS

- ▶ After a challenging first nine months in 2022, the fourth quarter brought some relief, with most global equities registering double-digit returns, but it was not enough to offset the damage done to date.
- ▶ The MSCI EAFE returned 17.3% in the fourth quarter, and -14.4% for the year, cementing 2022 as the worst year for stocks since the Global Financial Crisis in 2008.
- ▶ Multi-decade highs in inflation combined with unprecedented aggressive monetary tightening and recessionary concerns pressured global equities.
- ▶ International equities (in USD) outperformed the U.S. market in 2022, partly due to the high U.S. weighting in technology stocks, which performed poorly in a rising interest-rate environment.
- ▶ In 2023, we think our portfolio of high-quality defensive stocks can continue to outperform, and we expect to add inexpensive, more cyclical exposure as the cycle progresses.

INVESTMENT PROFESSIONALS

Andrew A. Boczek

VP, Senior Portfolio Manager
35 Years Experience

Lawrence Lee, CFA, CAIA, CMT

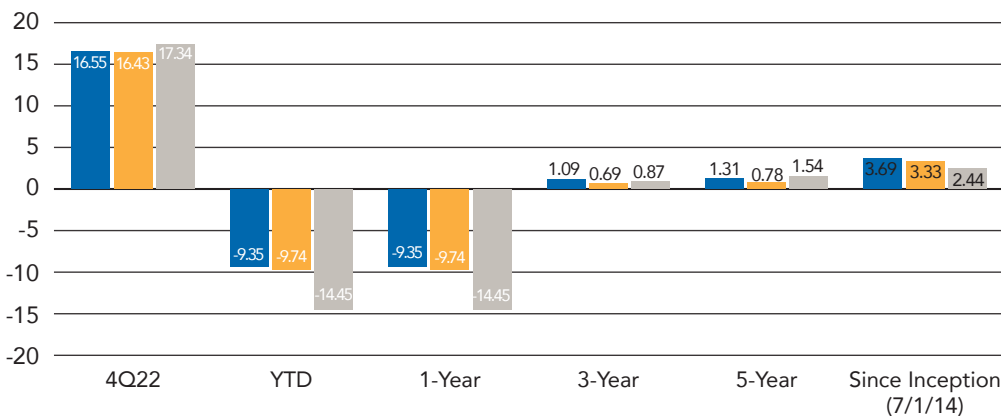
Senior Equity Research Analyst
27 Years Experience

Jamie Chui, CFA

Senior Equity Research Analyst
27 Years Experience

Historical Performance

Annualized Gross and Net Return as of December 31, 2022



Inception Date: 07/01/2014. Past performance is not indicative of future results. This supplemental information complements the International Equity GIPS Report.

MARKET OVERVIEW

After a challenging first nine months, the last quarter of 2022 brought some relief with most global equities registering a positive return. For much of the quarter, sentiment was buoyed by decelerating inflation and growing optimism that the Federal Reserve would start to scale back the pace of interest rate hikes. However, this optimism quickly faded in December as global central banks reiterated their commitment to fighting inflation and indicated further rate hikes in the pipeline, despite economies increasingly showing signs of deceleration. This led to recession fears dominating investor sentiment and a slight retracing of equity performance at the end of the quarter.

The UK saw its new prime minister abandon his predecessor's unpopular fiscal spending and tax cut plan, a move that was welcomed by the markets. Meanwhile, the Bank of Japan surprised markets with a relatively hawkish policy statement after months of refraining from joining other developed country central banks in monetary tightening, sending the yen sharply higher against the U.S. dollar in the quarter. Chinese authorities announced a move to lift their zero-COVID policy, helping to boost sentiment later in the quarter.

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. This supplemental information complements the International Equity GIPS Report.

In sum, multi-decade highs in inflation combined with unprecedented aggressive monetary tightening and recessionary concerns pressured global equities in 2022. Unfortunately, the double-digit equity returns seen in the fourth quarter were not enough to offset the damage done to date. For the fourth quarter of 2022, the MSCI EAFE returned 17.3%, and -14.4% for the year, cementing 2022 as the worst year for stocks since the Global Financial Crisis in 2008.

International equities (in USD) outperformed the U.S. market in 2022, partly due to the high U.S. weighting in richly valued technology stocks which performed poorly in a rising rate environment. From an investment-style standpoint, value significantly outpaced growth, both this year and over the quarter. Large-capitalized firms modestly outperformed their smaller counterparts. Some growth stocks experienced dramatic declines, a departure from 2021, as rising rates, persistently high inflation and mounting recessionary fears prompted investors to rotate out of high valuation growth stocks.

All sectors produced positive double-digit returns in the fourth quarter of 2022. Economically sensitive sectors

STRATEGY ACTIVITY

The International Equity strategy underperformed the MSCI EAFE benchmark during the fourth quarter, though the strategy outperformed its eVestment peer group average as well as the MSCI ACWI ex-USA index during the period as developed markets sharply outperformed their emerging market peers. From a sector perspective, holdings in Information Technology, Health Care and being underweight Financials detracted from relative performance, whereas the strategy benefited from holdings in Communication Services, Consumer Staples, Industrials and Energy. Looking at the strategy broken down by geography, holdings in Ireland, Brazil and India detracted from relative performance, whereas the strategy benefitted from holdings in France, Germany and Mexico as well as being underweight Japanese stocks. The strategy's cash position was also a negative factor in a strong market. As always, given the strategy's concentration and bottom-up approach, it is more

including Consumer Discretionary, Industrials and Financials outperformed the more defensive parts of the market such as Consumer Staples. For the full-year, the Energy sector far outperformed all others on the back of soaring oil and gas prices, caused in part by the war in Ukraine and resulting sanctions. The Information Technology sector saw the steepest decline.

Commodity prices were also firm in the fourth quarter, with both industrial and precious metals registering positive returns, in part thanks to the falling U.S. dollar and to the improving outlook for Chinese demand as the government moved towards reopening their economy. Meanwhile, gold prices were more muted in 2022 as sharp rises in the U.S. dollar and Treasury yields weighed on its performance. For the fourth quarter, gold saw slight gains, mainly due to a correction in the U.S. dollar and expectations for peaking rates. The 10-year U.S. Treasury yield was generally stable for the quarter but still ended the year having nearly doubled amid surging inflation, the hawkish stance by the Federal Reserve, and the yield curve remaining inverted since the middle of 2022.

meaningful to discuss the drivers of performance attribution by looking at individual holdings.

The main detractors from relative performance were PagSeguro Digital (Brazil, Information Technology), Indus Towers Limited (India, Communication Services), Roche Holding (Switzerland, Health Care) and Medtronic Plc (Ireland, Health Care).

The biggest positive contributors to relative performance in the quarter were JCDecaux SA (France, Communication Services), TotalEnergies SE (France, Energy), Kimberly-Clark de Mexico (Mexico, Consumer Staples), and Boa Vista Servicos SA (Brazil, Industrials).

The Fund had a relatively busy last quarter of 2022 with five stocks added and three sold. Despite these changes, sector and country allocations remained relatively unchanged.

TOP TEN HOLDINGS

Name	Country	% of Portfolio
Total Energies	France	4.0%
JCDecaux SE	France	3.6%
Barrick Gold Corp.	Canada	3.4%
ConvaTec Group	United Kingdom	3.4%
Medtronic	Ireland	3.1%
Michelin (CGDE)	France	3.1%
Samsung Electronics	South Korea	3.0%
Accor SA	France	2.9%
Nestle SA-REG	Switzerland	2.9%
Galaxy Entertainment Group	Hong Kong	2.8%
Total		32.3%

TOP TEN COUNTRIES

Country	% of Portfolio
France	18.7%
United Kingdom	16.4%
Switzerland	9.9%
Germany	9.8%
Canada	5.2%
Mexico	4.3%
Japan	3.8%
South Korea	3.0%
Brazil	2.5%
China	2.2%
Total	75.8%

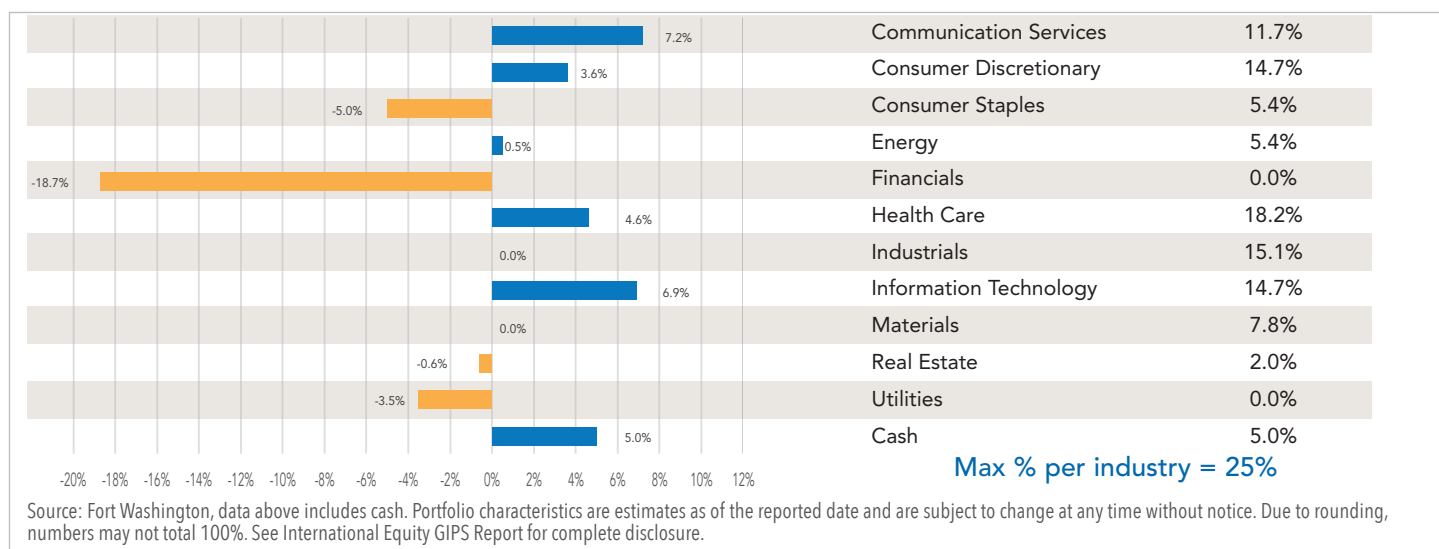
Sources: Fort Washington, FactSet. The above data is rounded for informational purposes. Totals reflect actual value and may not match the sum based on rounded values. Holdings subject to change at any time without notice. The securities identified do not represent all of the securities purchased, sold, or recommended. It should not be assumed investments in securities identified were or will be profitable. This is not a recommendation with respect to the purchase or sale of any securities disclosed. This supplemental information complements the International Equity GIPS Report.

Sector Over/Underweight vs. MSCI EAFE Index

As of 12/31/2022

Sector Portfolio Weight

As of 12/31/2022



Portfolio Characteristics

	Portfolio	MSCI EAFE
ROE	20.9%	19.1%
ROIC	13%	11.7%
EV/EBIT NTM	13.1x	14.4x
Capex/Sales	3.6%	3.9%
Net Debt/EBITDA	1.2x	1.3x
Weighted Med Mkt Cap (mill)	\$19,763	\$45,280
Number of Holdings	43	796

Sources: FactSet, Bloomberg, MSCI. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See International Equity GIPS Report for complete disclosure.

OUTLOOK

With interest rates and inflation peaking as we enter 2023, there is hope in the markets. Although, if the Fed has miscalculated again, as in 2021, by allowing inflation to build before beginning monetary tightening, that relief may be confined to the Treasury bond market as interest rates start to anticipate a reversal of inflationary pressures. Meanwhile, stocks could face an uphill battle as earnings expectations roll over in line with the sharp drop in money growth witnessed in the second half of last year. While labor markets remain unusually tight, there are plenty of signs of slowing demand and resultant rising inventories across a number of sectors including housing, autos and technology hardware. A number of global purchasing manager indices (PMI's) have rolled over and entered levels indicating a contraction in output in recent months.

The dollar fell sharply in the fourth quarter after being overbought at the end of September. This was due to other developed market central banks being perceived to be behind the curve in responding to rising inflationary pressures and anticipation of an energy crisis in Europe this winter leading to a collapse in sentiment. So far, however, the worst fears have not materialized and the region has

enjoyed at least a temporary respite, resulting in significant relative outperformance of the region's stock markets. Nonetheless, winter is just beginning in the northern hemisphere and there remain a number of risks for the region. These include a structural increase in energy costs negatively impacting the competitiveness of industry and imposing a permanent new effective tax on European consumers. In addition, the prospect of further monetary tightening, plus the unquantifiable geopolitical risks emanating from the war in Ukraine, could mean European corporations may face a challenging 2023.

Japan has responded to the rise in oil and gas prices by reversing its nuclear energy policy. Since the 2011 Fukushima nuclear disaster, Japan had effectively shut down the majority of its nuclear capacity. Given the rise in the price of oil and gas, however, and the commitment to decarbonize the economy in the coming decades, there will be significant new investment in nuclear energy going forward. Other countries may follow suit to meet carbon emission targets.

The Bank of Japan has taken its first baby step toward normalizing monetary policy by widening the yield band

within which it will allow the 10-year Japanese government bond to trade. Time will tell if rates will return to levels dictated by the market without undermining financial stability, given continued high deficits and record-accumulated debt.

China decided to abandon its zero-COVID policy, following high-profile protests against the nation's aggressive mitigation policies. As 2023 begins, China is seeing millions of daily COVID infections, with hope that the current highly contagious but mild strain will facilitate a rapid herd immunity as the country approaches the Chinese New Year holiday. Unfortunately, the authorities have continued to obfuscate the data so there remains doubt about the true extent of the ongoing pandemic. The easing of COVID restrictions should lead to a return to normal of Chinese mobility as the year progresses, though the dark cloud of the country's deflating property bubble could remain a source of risk for the global economy over the medium term.

The energy crisis centered in Europe has so far not been nearly as severe as feared last summer, thanks largely to mild weather, effective conservation measures and plenty of liquefied natural gas imported from the U.S. and the Middle

East. Continued weak travel demand from China has also undoubtedly helped to balance the market, with oil and gas prices in some cases back below pre-Ukraine-invasion levels. It is unlikely that the favorable trends will continue over the longer term; therefore, we remain bullish on the energy complex, despite fears of global recession this year, as investment in exploration and production continues to be below levels necessary to maintain current rates of production.

Last year was characterized by a derating of higher duration assets, including high growth and money-losing technology stocks. It was conversely characterized by the outperformance of stable, higher-quality businesses, plus energy. This was an environment that suits our strategy of emphasizing better businesses with strong balance sheets. We think 2023 will witness the standoff between falling rates, as it becomes increasingly clear that inflation peaked last year, and falling earnings expectations in the face of a further weakening in demand. In that environment, we think our portfolio of high-quality defensive stocks can continue to outperform, and we expect to gradually add inexpensive, more cyclical exposure as the cycle progresses.

COMPOSITE PERFORMANCE DISCLOSURES

	4Q2022	2022	2021	2020	2019	2018	2017	2016	2015	2014*
International Equity (Gross)	16.55%	-9.35%	4.96%	8.58%	22.50%	-16.26%	30.36%	-0.32%	7.24%	-7.67%
International Equity (Net)	16.43%	-9.74%	4.57%	8.15%	22.07%	-16.56%	29.92%	-0.68%	6.87%	-7.83%
MSCI EAFE Index	17.34%	-14.45%	11.26%	7.82%	22.01%	-13.79%	25.02%	1.01%	-0.82%	-9.23%
International Equity 3-Year Annual Standard Deviation	--	20.22%	18.56%	19.31%	11.68%	12.39%	12.24%	--	--	--
MSCI EAFE Index 3-Year Annual Standard Deviation ¹	--	19.96%	16.92%	17.89%	10.80%	11.24%	11.83%	--	--	--
Dispersion ²	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$126.4	\$126.4	\$151.8	\$126.9	\$149.3	\$147.7	\$204.3	\$170.6	\$139.5	\$124.4
Total Firm Assets (\$ millions)	\$66,365	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	n/a	n/a	n/a

*2014 returns are a partial period from 7/1/2014-12/31/2014. International Equity Composite inception date is 7/1/2014 and the creation date is 1/1/2018. 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. The benchmark for this composite is the MSCI EAFE Net Index. Past performance is not indicative of future results.

The International Equity Composite seeks long-term capital growth by investing in primarily common stocks of established companies across the capitalization spectrum located in or that conduct their business mainly in one or more foreign countries. Focuses on quality at a reasonable price, beginning with a regular quantitative screening in order to narrow the investable universe. Analyzes companies based on the following five fundamental factors: business, quality, valuation, growth, management and balance sheet strength. Manages risk through portfolio diversification, by individual issuer, sector and country. Index-agnostic portfolio construction approach typically results in a concentrated, high-conviction portfolio. This strategy's minimum account size is \$3 million. The International Equity Composite fee schedule is as follows: 0.75% on the first \$25 million, 0.70% on the next \$25 million, and 0.65% on additional amounts over \$50 million. The benchmark for this composite is the MSCI EAFE (Net) Index. The MSCI EAFE (Net) Index serves as a performance benchmark for the major international equity markets which is comprised of the small to large cap stocks in Europe, Australia, Asia and the Middle East. 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. This strategy is primarily denominated in foreign currencies, but performance is stated in US dollars. 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 managed 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

Fort Washington's International Equity strategy invests in foreign and emerging markets securities and depositary receipts, such as American Depositary Receipts, Global Depositary Receipts, and European Depositary Receipts, which carry the associated risks of economic and political instability, market liquidity, currency volatility and accounting standards that differ from those of U.S. markets and may offer less protection to investors. The risks associated with investing in foreign markets are magnified in emerging markets due to their smaller economies. Actions taken to stimulate or stabilize economic growth may at times result in unusually high market volatility, which could negatively impact strategy performance and cause it to experience illiquidity, shareholder redemptions, or other potentially adverse effects.

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