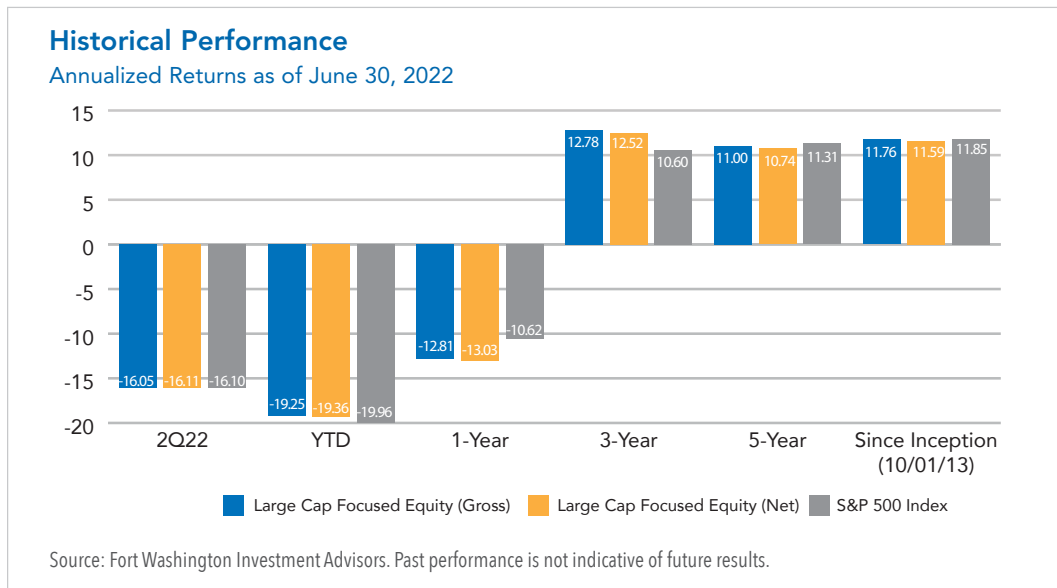




## FORT WASHINGTON LARGE CAP FOCUSED EQUITY — 2Q2022

### 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 Large Cap Focused Equity strategy returned -16.1% 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. The Large Cap Focused Equity strategy outperformed the S&P 500 Index during the quarter.

### STRATEGY ACTIVITY

During the quarter, there was one addition and two exits from the portfolio. The cash position ended the quarter at 5.2%.

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

The sectors where strategy holdings outperformed the most relative to the benchmark were Consumer Staples, Industrials, and Energy. Sectors that lagged the most relative to the benchmark include Real Estate, Materials, and Communication Services. Stock selection contributed 28 basis points to performance for the period. Sector allocation detracted 18 basis points during the quarter primarily due to an underweight in Consumer Staples and Utilities and an overweight in Communication Services.

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 leading hospital operator.

Investments made in international companies, which comprised 2.0% of assets, outperformed the benchmark.

### 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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**Daniel L. Holland, CFA**  
Assistant Vice President  
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20 Years Experience

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

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Portfolio Manager  
Alternative Assets  
13 Years Experience

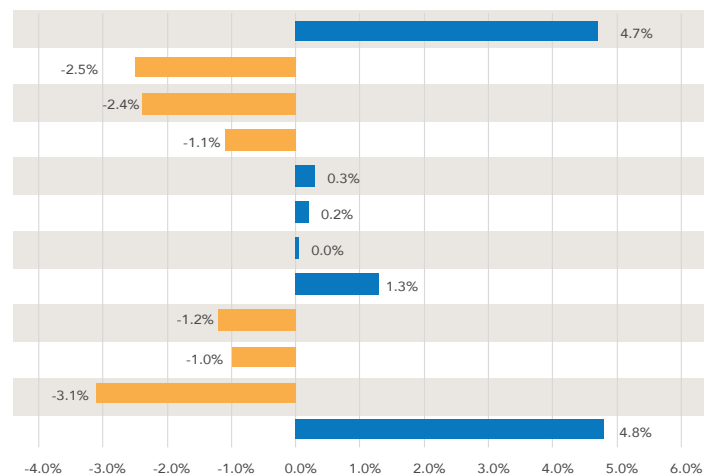
## TOP TEN HOLDINGS

Name	Sector	% of Portfolio
Microsoft	Information Technology	8.5%
Apple	Information Technology	6.6%
Alphabet <sup>1</sup>	Communication Services	5.7%
Berkshire Hathaway	Financials	4.3%
Amazon.com	Consumer Discretionary	4.1%
UnitedHealth Group	Health Care	3.9%
Johnson & Johnson	Health Care	3.7%
Goldman Sachs	Financials	2.8%
Meta	Communication Services	2.7%
Raytheon	Industrials	2.5%
<b>Total</b>		<b>44.8%</b>

Source: Fort Washington. <sup>1</sup>Percent of portfolio for Alphabet shows share classes A and C. This supplemental information complements the Large Cap 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, 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. See Large Cap Focused Equity GIPS Report for complete disclosure. The above data is rounded for informational purposes.

## Sector Over/Underweight vs. S&P 500 Index<sup>2</sup>

As of 6/30/2022



## Sector Portfolio Weight

As of 6/30/2022

Sector	Portfolio Weight
Communication Services	13.6%
Consumer Discretionary	8.0%
Consumer Staples Energy	4.5%
Energy	3.3%
Financials	11.2%
Health Care	15.4%
Industrials	7.8%
Information Technology	28.1%
Materials	1.4%
Real Estate	1.9%
Utilities	0.0%
Cash	4.8%

Source: Fort Washington. Data above includes cash. This supplemental information complements the Large Cap Focused Equity GIPS Report. Portfolio characteristics are estimates as of the reported date and are subject to change at any time without notice. <sup>2</sup>See Large Cap Focused Equity GIPS Report for complete disclosure.

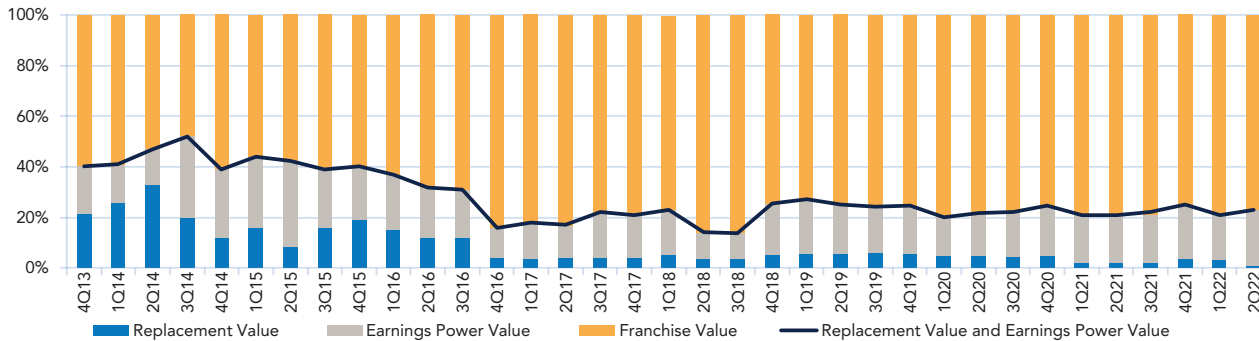
## Portfolio Characteristics

Replacement Value, Earnings Power Value, Franchise Value <sup>1</sup>	1%	22%	77%
Weighted average excess return <sup>2</sup>	~1,369 bps above the cost of capital		
Barriers to entry (none, moderate, high) <sup>1</sup>	0%	53%	47%
Price to intrinsic value (weighted average)	\$0.73		
Small, mid, large cap % <sup>1</sup>	0%	4%	96%
International %	0.9%		
Number of holdings	45		
Cash position	4.8%		

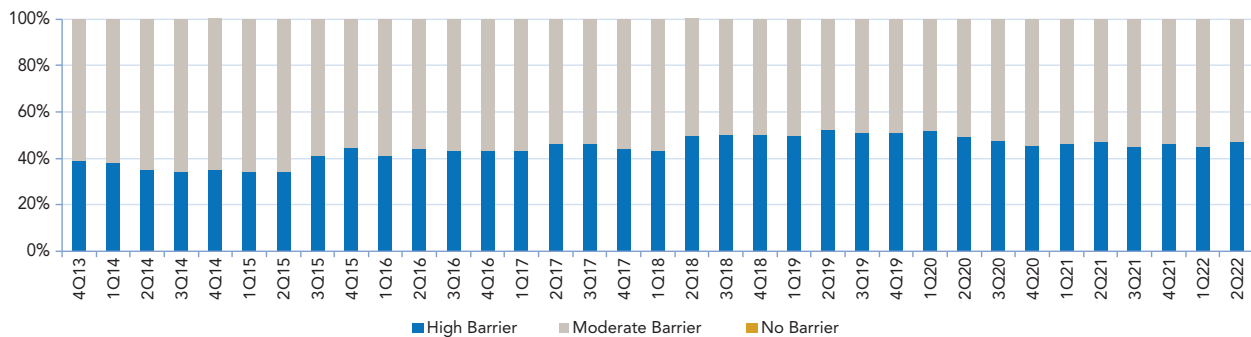
<sup>1</sup>Excludes cash. <sup>2</sup>Returns on capital vs. cost of capital (ex financials). Source: Fort Washington. This supplemental information complements the Large Cap Focused Equity GIPS Report. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See Large Cap 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 Large Cap Focused Equity Composite Presentation. Portfolio characteristics are subject to change at any time without notice. See Large Cap Focused Equity composite 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 Large Cap 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 Large Cap 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 Large Cap 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 <sup>1</sup>
Large Cap (Gross)	-16.05%	28.36%	24.46%	28.77%	-6.59%	16.76%	13.71%	4.21%	9.01%	13.03%
Large Cap (Net)	-16.11%	28.11%	24.22%	28.46%	-6.82%	16.60%	13.66%	4.16%	8.96%	13.02%
S&P 500 Index	-16.10%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%	1.38%	13.69%	10.51%
Large Cap 3-Year Annual Standard Deviation <sup>2</sup>	--	18.54%	19.90%	12.99%	10.99%	10.32%	11.04%	--	--	--
S&P 500 Index 3-Year Standard Deviation <sup>2</sup>	--	17.17%	18.53%	11.93%	10.80%	9.92%	10.59%	--	--	--
Dispersion <sup>3</sup>	--	--	--	--	--	--	--	--	--	--
Number of Accounts	5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$2,793.3	\$3,646.5	\$313.5	\$291.4	\$468.6	\$323.2	\$68.7	\$62.7	\$60.2	\$55.3
Total Firm Assets (\$ Millions)	\$67,112	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959	\$45,002	\$43,671

Composite inception and creation date: 10/01/13. <sup>1</sup>2013 returns are partial-year returns, reflecting the composite inception date of 10/01/13. <sup>2</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>3</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 Standard and Poor's 500 Index. The Fort Washington Large Cap Focused Equity strategy is a large-cap concentrated, value oriented strategy that invests in businesses with a market capitalization greater than \$5 billion. The strategy 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 large cap 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 Large Cap Focused Equity strategy is to outperform the S&P 500 Index over a full market cycle. All fee-paying, fully discretionary portfolios managed in the Large Cap style, with a minimum of \$3 million under our management, are included in this composite. Effective 10/26/18, the Large Cap strategy fee schedule is as follows: 0.55% on the first \$25 million, 0.45% on the next \$25 million, 0.40% on additional amounts over \$50 million. The benchmark for this composite is the Standard and Poor's 500 Index. Portfolios in this composite include cash, cash equivalents, investment securities, interest 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. 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 fortwashingt.com.

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