



FORT WASHINGTON SMALL COMPANY EQUITY — 2Q2023

HIGHLIGHTS

- ▶ Small cap stocks rallied strong in June with a positive 8.1% return, resulting in year-to-date returns of 8.1% as well.
- ▶ We believe the positive small cap index June return was due to the resiliency of economic growth in the wake of significant inflationary pressures and the rapid increase in interest rates over the last year.
- ▶ We have favorable views on the long-term earnings outlook for our profitable, higher quality small cap portfolio.

INVESTMENT PROFESSIONALS

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23 Years Experience

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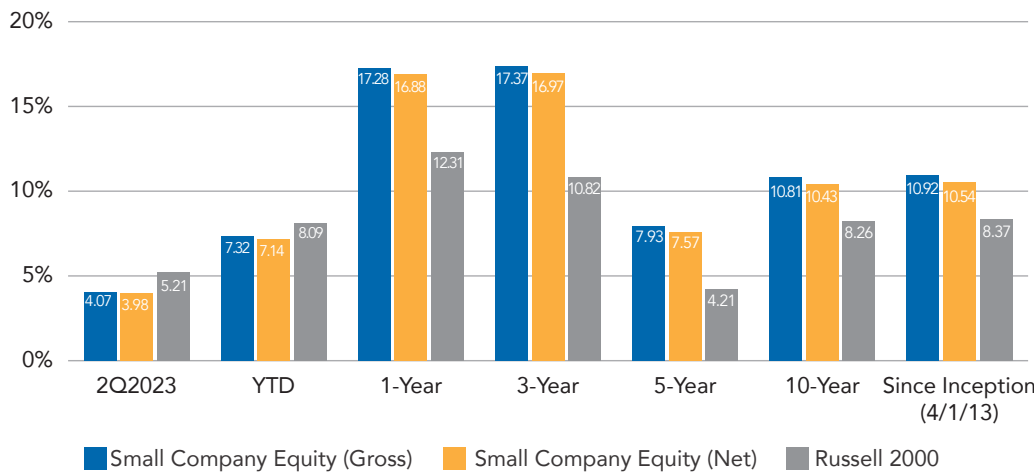
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Source: Fort Washington Investment Advisors. Past performance is not indicative of future results. Quality and sector distribution as well as portfolio attribution and allocation is subject to change at any time.

Historical Performance

Annualized Net Return as of June 30, 2023



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MARKET OVERVIEW

The small cap Russell 2000 Index returned 5.2% for the quarter. The quarter started weak with April and May declines of 1.8% and 0.9%, respectively, which brought year-to-date returns to flat. Small cap stocks rallied strong in June with a positive 8.1% return, resulting in year-to-date returns of 8.1% as well. From a sector perspective for the quarter, Health Care (+11%); Industrials (+10%); and Information Technology (+8%) outperformed the overall index. Utilities (-4%); Financials (-1%); Materials (0%); Communication Services (0%); Consumer Staples (+3%); Real Estate (+3%); Consumer Discretionary (+3%); and Energy (+4%) underperformed the overall index.

STRATEGY ACTIVITY

Sector Positioning

The strategy is overweight Industrials, which is our largest sector allocation. The sector weight decreased 1% from last quarter. We exited two positions. Forward Air Corp is a leading asset-light provider of transportation services across North America. We exited the position due to concerns that the economic slowdown, lower fuel surcharges, and most importantly destocking of elevated inventory levels across multiple industries would result in declining earnings for the company over 2023 with little visibility into the next up cycle. Quanta Services Inc is a leading engineering and construction services company providing solutions to the utility, renewable energy, pipeline, and energy industries. The company was a top five strategy performer since inception, but ultimately we sold the stock due to its mid-cap market capitalization.

We are overweight Health Care, which is our second largest sector allocation. The sector weight decreased 3% from last quarter. We exited three positions. Integra Lifesciences Holding Corp is a global provider of regenerative tissue technologies and neurological solutions. We exited the position due to its operational execution challenges meeting both near-term and long-term targets and negatively impacting future earnings. InMode Ltd is a global provider of medical technologies to the plastic surgery, dermatology, gynecology, and ophthalmology markets. We exited the position due to concerns about slowing procedural demand and new competitive threats negatively impacting future earnings. Amedisys is a leading health care at home company delivering home health, hospice, and high-acuity services. We exited the position due to concerns the challenging government reimbursement environment would negatively impact future earnings for the foreseeable future.

We are overweight Consumer Discretionary, which is our third largest sector allocation. The sector weight decreased 1% from last quarter. We added one new position. Gentex Corp is a leading global supplier of automatic-dimming mirrors and electronics to the automotive industry. We believe Gentex revenue growth will benefit from global auto production volumes recovering from pandemic-induced supply chain challenges. Additionally, we expect the increasing adoption of technology in full display mirrors to drive Gentex growth above the automotive industry. The expected revenue growth combined with easing inflationary pressures and operational efficiencies should drive double digit earnings growth over the next few years. We exited one position. Fox Factory Holding Corp manufactures performance products for bicycles and on-road and off-road vehicles, and is a direct supplier to leading powered vehicle OEM's. We exited the position due to concerns that pandemic-fueled demand for bicycles and on-road and off-road vehicles would moderate, which when combined with elevated inventory levels negatively impact the company's earnings in 2023. Additionally, the surprise departure of their well-respected chief financial officer concerned us in a challenging environment.

We are overweight Information Technology, which is our fourth largest sector allocation. The sector weight increased 4% from last quarter. We added one new position. Qualys Inc is a leading provider of security software to enterprises for vulnerability management. We believe demand for security software will remain a priority for enterprises through an uncertain economic environment. Additionally, we believe Qualys' new product introductions will gain traction and the company will grow revenue and earnings double digits over the next few years.

We are overweight Real Estate, which is our fifth largest sector allocation. The sector weight did not change from last quarter.

Lastly, we are underweight Financials, which is our sixth largest allocation. We added one new position. SouthState Corp is a leading regional bank headquartered in Florida positioned in the country's fastest population growth markets with a strong local community branch presence and core deposit franchise. The company's regional

footprint, low cost deposit franchise, well capitalized balance sheet, and conservative credit culture position them well to gain market share in the current challenging bank environment and, we believe, grow earnings faster than the industry over the cycle. We exited one position. Banner Corp is a regional bank headquartered in the Pacific Northwest. We exited the position due to concerns about net interest income growth negatively impacting future earnings in a challenging bank industry environment.

Contributors/Detractors

Onto Innovation Inc is a leading global provider of process control equipment across the entire semiconductor manufacturing value chain. The stock outperformed in the second quarter, we believe, for three reasons. First, the company reported solid first quarter results and a positive 2023 outlook, which was followed shortly by optimism on the implications of GenerativeAI for advanced semiconductor demand. Finally, and we believe most importantly, the company hosted an Investor Day highlighting their strong competitive position and market expansion opportunities to drive long-term earnings growth.

Zurn Elkay Water Solutions Corp is a leading manufacturer of sustainable water solutions to public, commercial, and private end markets. The stock outperformed in the second quarter after reporting positive first quarter results and we believe an appreciation for the secular growth dynamics of their sustainable water solutions.

CCC Intelligent Solutions Inc is a leading Software as a Service (SaaS) platform for the property and casualty insurance industry, providing solutions to insurance companies, repair shops, and parts suppliers. We believe the stock outperformed due to increasing market appreciation for the strong competitive position in this ecosystem and large addressable market for both increasing penetration of existing solutions and marketing new solutions.

WNS Limited ADR is a leading Business Process Management (BPM) company. We believe the stock underperformed due to concerns about the competitive threat of GenerativeAI on future demand for outsourcing BPM industry solutions. We continue to hold the position with the view that GenerativeAI is a tool to potentially expand the addressable market of business processes that can be outsourced.

Integra Lifesciences Holding Corp is a global provider of regenerative tissue technologies and neurological solutions. The stock underperformed due to operational execution challenges meeting both near-term and long-term targets and negatively impacting future earnings. We exited the position.

Certara is a leading provider of software and services to biopharmaceutical companies, academic institutions, and regulatory agencies. The stock underperformed after providing a mid-quarter business update that bookings demand for their solutions was weakening due to macro factors negatively impacting biopharmaceutical spending. We are closely monitoring the situation to determine it is transitory or a long-term issue.

TOP TEN HOLDINGS (AS OF 6/30/2023)

Name	Sector	% of Portfolio
Maximus	Industrials	2.4%
Corporate Office Properties	Real Estate	2.2%
ITT Inc.	Industrials	2.2%
Onto Innovation Inc.	Information Technology	2.1%
CCC Intelligent Solutions	Information Technology	2.1%
Steven Madden Ltd.	Consumer Discretionary	2.1%
Box	Information Technology	2.1%
FNB Corp.	Financials	2.1%
KBR Inc.	Industrials	2.0%
Ensign Group Inc.	Health Care	2.0%
Total		21.4%

Source: Fort Washington. 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 Small Company Equity strategy GIPS Report.

Custom GICS Sector Groups (As of 6/30/2023)

Sector	Portfolio Weight	Russell 2000 Weight
Consumer	15.4%	14.2%
Financials	19.7%	21.1%
Health Care	16.7%	16.8%
Industrials	29.0%	31.8%
Technology	17.3%	16.3%
Cash	1.9%	-

Source: Fort Washington, data above includes cash. Portfolio characteristics are estimates as of the reported date and are subject to change at any time without notice. Due to rounding, numbers may not total 100%. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. This supplemental information complements the Small Company Equity strategy GIPS Report.

Portfolio Characteristics

	Small Company Equity	Russell 2000
Number of holdings	68	2,002
Price/Prospective Earnings	24X	98X
Long-Term Earnings Growth	13%	16%
Average Market Capitalization	\$4.8B	\$2.8B
% Non-Earners	0%	14%
Net Margin	12%	7%
Active Share	95%	-

Source: Fort Washington. Characteristics above are subject to change at any time without notice. Peer group data source is eVestment Alliance, LLC eASE Analytics US Small Cap Core Equity Universe. Past performance is not indicative of future results. Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. This supplemental information complements the Small Company Equity strategy GIPS Report.

OUTLOOK

We believe the positive small cap index June return was due to the resiliency of economic growth in the wake of significant inflationary pressures and the rapid increase in interest rates over the last year. The resiliency of economic growth has been positive compared to the highly anticipated market expectations for a recession going back almost a year now.

Our investment philosophy is centered on the belief that earnings growth is the primary driver of long-term equity returns. As a result, we only invest in profitable small cap companies, and our investment process is focused on identifying investments where we believe future earnings expectations will improve over time. The overall earnings environment for small caps remains challenging. In fact, over the second quarter, 2023 earnings expectations for small caps declined for the twelfth straight month, with aggregate small cap earnings for 2023 now 25% below where they were expected in June 2022. Compared to reported 2022 earnings, 2023 earnings are now forecast down (15%) year-over-year. In these environments, the risk management aspects of the investment process play an important role, as illustrated by the down market capture of 85% since inception for the strategy. Our focus on investing in quality businesses with low leverage and earnings that convert into free cash flow is very important.

As we look forward, we believe it is likely that future earnings expectations continue to decline. However, it is important to note that we have already experienced a reduction in future earnings over 25% over the last twelve months. We believe small cap valuations reflect the future earnings uncertainty at 14 times forward earnings compared to an average of about 16 times over the last 25 years. More notable, in our opinion, is small cap valuations compared to large cap at 0.7 times (14 times vs. 20 times) are not much above the 25-year low from September 2022 and compared to an average of parity of the last 25 years. Historically, small cap earnings expand faster when the next earnings cycle materializes, and stock prices and valuation follow.

We have favorable views on the long-term earnings outlook for our profitable, higher quality small cap portfolio. We continue to consistently execute our stock selection and portfolio construction process on companies positioned favorably across the investment cycle with a high probability of outperformance, while executing our risk management discipline on companies positioned unfavorably for downside protection.

COMPOSITE PERFORMANCE DISCLOSURES

	2Q2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013*
Small Company Equity (Gross)	4.07%	-13.62%	24.68%	19.01%	22.59%	-7.44%	18.75%	20.71%	-0.41%	7.71%	20.52%
Small Company Equity (Net)	3.98%	-13.92%	24.27%	18.61%	22.19%	-7.73%	18.34%	20.29%	-0.76%	7.33%	20.21%
Russell 2000 Index	5.21%	-20.44%	14.82%	19.96%	25.52%	-11.01%	14.65%	21.31%	-4.41%	4.89%	23.52%
Small Company Equity 3-Year Annual Standard Deviation ¹	--	25.10%	23.47%	25.44%	15.30%	15.79%	13.91%	15.76%	--	--	--
Russell 2000 Index 3-Year Annual Standard Deviation ¹	--	26.02%	23.35%	25.27%	15.71%	14.99%	13.90%	15.86%	--	--	--
Dispersion ²	0.04%	0.06%	--	--	--	--	--	--	--	--	--
Number of Accounts	9	8	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$1,102.1	\$1,006.3	\$1,104.0	\$939.0	\$1,072.5	\$1,114.9	\$1,295.3	\$1,147.8	\$907.5	\$1,073.1	\$1,374.4
Total Firm Assets (\$ Millions)	\$69,128	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959	\$45,002	\$43,671

*2013 returns are a partial period from 4/1/13-12/31/13. Small Company Equity Composite inception date is 4/1/13 and the creation date is 1/1/18. 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. 2013-2015 figures are not presented because 36 monthly returns are not available. 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 Russell 2000 Index. Past performance is not indicative of future results.

The Small Company Equity strategy seeks to invest primarily in common stocks of small-capitalization companies that Fort Washington believes are high quality, have superior business models, solid management teams, and are attractively valued. The strategy normally invests at least 80% of its assets in small-capitalization companies. For this purpose, small capitalization companies are companies that have market capitalizations within the range represented in the Russell 2000 Index. The market cap range of the Russell 2000 Index will change with market conditions. The strategy may invest without limitation in foreign securities, although only where the securities are trading in the U.S. or Canada and only where trading is denominated in U.S. or Canadian dollars. All fee-paying, fully discretionary portfolios managed in the Small Company Equity style, with a minimum of \$3 million under our management, are included in this composite. The Small Company Equity strategy fee schedule is as follows: 0.80% on the first \$25 million, 0.75% on the next \$25 million, and 0.70% on additional amounts over \$50 million. The 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 data and FRC is not responsible for the formatting or configuration of this material or any inaccuracy in the presentation thereof. This benchmark is comprised of the smallest 2,000 companies in the Russell 3000 Index. 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. 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. Performance from 4/1/2013 through 10/31/2017 was attained by an investment team employed by Sentinel Asset Management and led by the current Senior Portfolio Manager. As a result of the Sentinel Small Company Fund acquisition by Fort Washington's affiliate Touchstone Investments, Inc., the Senior Portfolio Manager and Small Company investment team are also responsible for the performance results shown from 11/1/2017 to current for Fort Washington. 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 Small Company Equity strategy invests in stocks of small-cap companies, which may be subject to more erratic market movements than stocks of larger, more established companies. The strategy invests in foreign securities, 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 strategy may focus its investments in a particular industry and/or market sector which may increase the strategy's volatility and magnify its effects on total return. Events in the U.S. and global financial markets, including actions taken to stimulate or stabilize economic growth may at times result in unusually high market volatility, which could negatively impact the strategy's performance and cause it to experience illiquidity, shareholder redemptions, or other potentially adverse effects.

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