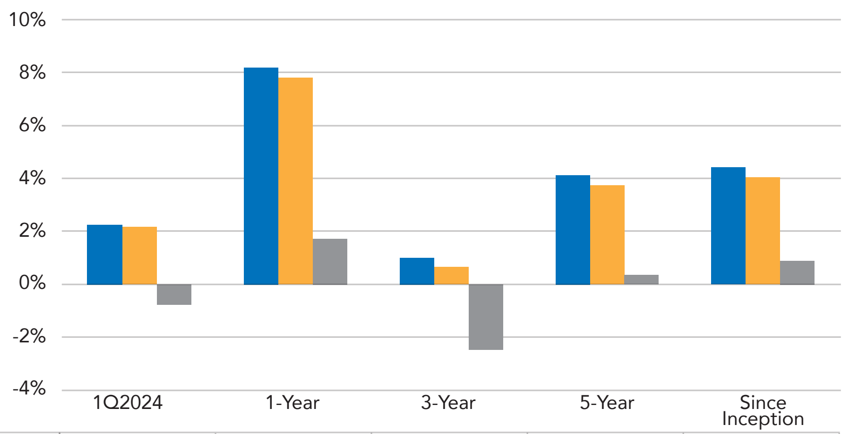
Fort Washington Investment Advisors, Inc.
A member of Western & Southern Financial Group
Uncompromised Focus®

FORT WASHINGTON STRATEGIC INCOME – 1Q2024

- Flexible investment approach with diversified sources of return
- Premium yield with high quality bias
- High conviction security selection with rigorous bottom-up research
- Lead managers in place since inception

Annualized Total Returns as of March 31, 2024



	1Q2024	1-Year	3-Year	5-Year	Since Inception
Strategic Income (Gross)	2.25	8.18	1.01	4.11	4.41
Strategic Income (Net)	2.16	7.79	0.65	3.73	4.02
Bloomberg US Aggregrate	-0.78	1.70	-2.46	0.36	0.89

Source: Fort Washington. Past performance is not indicative of future results. This supplemental information complements the Strategic Income GIPS Report.

MARKET COMMENTARY

The first quarter of 2024 saw ongoing rate volatility and strong performance of risk assets as the economy continues to perform well. However, this strong performance caused market participants to adjust their expectations for rate cuts. Initially projecting over 150bps of cuts for 2024, with the first anticipated in March, forecasts were revised due to higher-than-expected inflation reports and positive economic data. These datapoints indicated potentially persistent inflation. The market is currently pricing in 75bps of cuts for the year, aligning more closely with the Federal Reserve's forecast. This shift in sentiment led to a rise in rates; however, risk assets performed well as GDP growth expectations for 2024 increased by about 1% to 2.2%.

The focus over the quarter, which is likely to persist, remained on inflation as the market seeks confirmation regarding the timing and scale of potential Fed rate cuts. While core inflation (PCE) has shown a year-over-year deceleration (currently 2.8%), recent data indicated a pickup, underscoring the challenge of achieving a full return to 2%. The primary driver of elevated inflation remains shelter costs, predominantly due to the delayed impact of this data.

However, due to the likelihood that shelter inflation will continue falling, the recent inflation uptick had a minimal impact on the Fed's outlook. Following the March meeting, Powell remarked in his speech that the FOMC anticipates inflation reaching its 2% target "over time," acknowledging potential obstacles along the way but emphasizing the overarching trajectory. The market welcomed this affirmation that rate cuts are still on the table after the yield curve had increased, and flattened, since the start of the year.

Inception Date: 07/01/2017
Total Strategy Assets: $999 million
Total Fixed Income Assets: $56.2 billion
Style: Multi-Sector Bond, Income

Flexibility
Max 50% Plus Sectors

Premium Yield
6.3% Yield
A3/Baa1 Average Credit Quality

Diversified Returns
Multi-Asset Approach Provides Opportunity for Diversified Returns

High Conviction
Best Ideas From Our Investment Team

Experienced Team
35 Investment Professionals
Lead PMs Average:
25 Years Industry Experience
22 Years With the Firm

PEER GROUP PERFORMANCE

	Percentile Rank[1]
1Q2024	14
1 Year	32
3 Years	28
5 Years	12
Since Inception	12

Source: eVestment
[1]Peer ranks are percentile rankings versus the eVestment U.S. Multi-Sector Fixed Income Universe based on net performance relative to peer group. Past performance is not indicative of future results.

Although a soft/no landing is still consensus, the notion that the Fed may prolong its stay in restrictive territory appears to be giving some investors pause. Despite this cause for potential hesitation, risk assets have been resilient as credit spreads have moved tighter. Investment grade spreads (10yr BBB Industrials) have moved 9bps tighter since the end of December to their 18th percentile and high yield (single B corporates) tightened 44bps and ended at their 2nd percentile. However, rates were more significant to performance than spread moves as the Bloomberg U.S. Aggregate Index returned -0.78% for the quarter.

Robust economic data, particularly labor market figures, has improved growth expectations. Job gains remain strong, with the ratio of job openings to unemployed individuals remaining above pre-COVID levels. Although recent reports noted a slight increase in the unemployment rate, this was primarily attributed to a contraction in the workforce. Additionally, wage growth continues to outpace long-term trends, sustaining consumer spending, while productivity enhancements have helped keep unit costs largely in check.

Monitoring the U.S. consumer for signs of weakness will be a focal point over the coming quarters. While spending has kept growth robust, excess savings are likely depleted and consumer debt is now increasing faster than the pre-COVID trend. These present risks to the 'soft landing' narrative even though expectations for material slowing have largely faded. With credit spreads near historically tight levels, global conflicts continuing, and uncertain consumer and corporate demand, we believe it is appropriate to maintain modest levels of risk in portfolios.

Portfolio Characteristics (As of 03/31/2024)	
Weighted Average Yield to Worst	6.3%
Effective Duration (years)	5.1
Number of Securities / Issuers	240/185
Total Strategy Assets	$999mm

Credit Quality (% of Fixed Income)	
AAA	4%
AA	30%
A	4%
BBB	34%
BB	10%
B	8%
CCC and Below	1%
NR/Other	5%
Cash	5%

Sector Allocation	Current	3 Year Average
Investment Grade Corp	24%	22%
High Yield Corp	12%	16%
U.S. Treasuries	25%	22%
Securitized	23%	21%
ABS	*8%*	*7%*
CLO	*5%*	*6%*
CMBS	*7%*	*6%*
RMBS	*4%*	*3%*
Emerging Markets Debt	7%	9%
Other	4%	7%
Cash	5%	3%

Source: Fort Washington and Bloomberg PORT. Past performance is not indicative of future results. Portfolio characteristics subject to change at any time without notice. This supplemental information complements the Strategic Income GIPS Report.

PORTFOLIO COMMENTARY

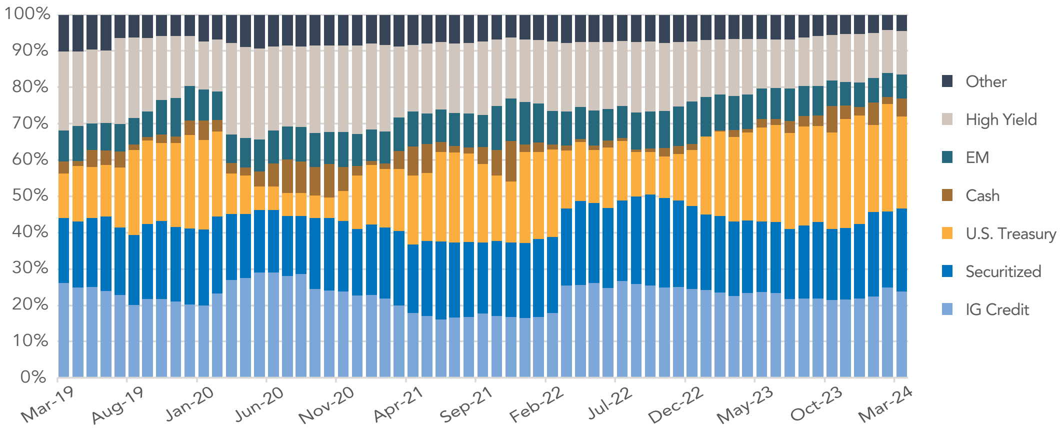
The Fort Washington Strategic Income strategy returned 2.25% gross and 2.16% net for the quarter, outperforming the Bloomberg U.S. Aggregate Index which returned -0.78%. The strategy's sector allocation was the largest positive contributor to return in the quarter. Allocations to emerging market debt, high yield corporates, and non-credit sectors were the largest sector contributors. Spreads across most fixed income sectors were tighter and risk assets performed well over the quarter as growth expectations improved.

Security selection was a positive factor for relative performance within investment grade credit, emerging markets, and securitized. Subordinated positions in banks and utilities performed well in addition to non-agency sectors such as CMBS. As spreads remain near historically tight levels, we anticipate security selection to be a key driver of positive relative performance going forward.

Interest rate positioning also added to relative performance versus the benchmark. Interest rates increased during the quarter as investors reduced their expectations for rate cuts. This resulted in outperformance as the strategy was positioned with a shorter duration compared to the benchmark.

The strategy reduced its exposure to high yield corporates during the quarter as the sector continued to outperform and valuations have become expensive. This reduction in cash bonds was accompanied by the elimination of protection in high yield CDX, resulting in a neutral impact to portfolio credit risk, but lessens idiosyncratic risk. Interest rate positioning was adjusted, following the move up in rates, from 4.8 years to 5.3, primarily through the addition of TIPS. The strategy is now targeting a 5.0 to 5.5 year duration, up from 4.5 to 5.0 years to begin the quarter.

FLEXIBLE APPROACH TO SECTOR ALLOCATIONS INCREASES ALPHA AND REDUCES RISK



Source: Fort Washington. Past performance is not indicative of future results. Portfolio characteristics subject to change at any time without notice. This supplemental information complements the Strategic Income GIPS Report.

POSITIONING AND OUTLOOK

Risk budget: The strategy is targeting a modest overweight to risk representing 40% of the risk budget.

Economic growth has surprised to the upside over the last year, but downside risks remain elevated from the cumulative effects of the Fed's aggressive and restrictive monetary policy, tightening bank lending standards, and increased geopolitical risks.

Inflation continues to decelerate but remains above the Fed's 2% target. The Fed is expected to begin easing monetary policy in 2024 as inflation trends toward its target, but will remain in restrictive territory for some time. Although the U.S. economy has shown resilience thus far, a soft landing is not ensured as risks remain elevated and consumer strength is challenged.

Valuations generally reflect a high probability of a soft/no landing with limited margin of safety. Despite our improving economic outlook, elevated asset prices result in only a modest overweight risk posture within the strategy.

Positioning: Sector positioning reflects generally expensive valuations, relative value, and opportunities within each sector. Allocations were generally unchanged in the quarter and primary risk exposures include:

- Exposure to Investment Grade Credit increased modestly during the quarter. The sector continues to favor positions lower in the capital structure within high quality financials and utilities while selectively adding to bottom-up opportunities on attractive relative value, particularly in the intermediate part of the curve.
- The strategy's allocation to Securitized Products remained steady during the quarter. The team continues to favor non-agency exposure within the sector, and is positioned with overweight exposure to ABS, CLO, and CMBS.
- The strategy maintained its exposure to Emerging Markets Debt during the quarter. The sector is primarily invested in the below-investment grade segment and Latin America remains the largest exposure within the sector.
- High Yield exposure was modified and slightly reduced during the quarter as the strategy reduced its cash bond holdings while eliminating its CDX protection. High Yield exposure is at the lower end of its historical range as risk/reward is skewed to the downside. The high yield allocation is broadly diversified by sector and has been reducing risk on relative value, favoring higher quality BBs.

Rates: Duration was increased during the quarter from 4.8 to 5.3 years following the meaningful rise in rates. We are positioning portfolios within the current range of 5.0 to 5.5 years through an allocation to treasuries, including a small allocation to TIPS (real yields). We believe longer rates are now more fairly valued but expect to see volatility over the next several quarters.

The strategy is positioned to perform well in a stable to improving market environment. We believe a modest overweight to credit sectors is prudent as valuations are tight of historical medians, limiting potential upside, but the improving economic environment should support tighter spreads. The strategy should perform well in this type of stable environment through its excess carry, as it continues to generate an above average yield through a high conviction multi-sector approach.

WHAT DIFFERENTIATES STRATEGIC INCOME?

Premium Yield. Strategic Income has a yield well above the Bloomberg U.S. Aggregate Index as well as traditional fixed income strategies.[2]

High Conviction Security Selection. Bottom-up security selection in fixed income has proven to be a reliable source of alpha. Strategic Income is a portfolio of 125 – 175 issuers, focusing on the best ideas of our investment teams.

Sector Diversification. Non-traditional fixed income strategies often have large concentrations in a single sector, such as high yield or preferred securities. Strategic Income is broadly diversified by sector, resulting in multiple sources of return potential.

Duration Management. Unconstrained fixed income strategies take large, and sometimes negative, duration positions. Strategic Income uses duration as a risk mitigation tool, and seeks to avoid taking large duration positions due to the difficulty in predicting interest rates.

Quality Bias. Strategic Income has a top quintile yield without taking excessive risks. The average credit quality of the holdings in the strategy is Investment Grade rated, while the average credit quality of most portfolios in the peer group is rated as High Yield.

WHY INVEST IN THE STRATEGY?

Flexibility. Having the flexibility to react to market dislocations in a timely manner can be a benefit of non-traditional fixed income approaches such as Strategic Income.

Enhanced Return. Multi-Sector bond strategies have outperformed traditional strategies over the past 1, 3, 5, and 10 year periods[2] with only a moderate increase in risk.

Higher Yield. For investors looking for increased yield, Strategic Income, on average, is likely to provide a yield in excess of the Bloomberg U.S. Aggregate by 2%,[3] higher than most traditional strategies.

Expanded Opportunity Set. Traditional strategies are largely invested in sectors and securities that are represented in common market indices. Strategic Income goes beyond common market indices into areas that may be less trafficked, providing more opportunities for alpha.

Portfolio Diversification. Traditional strategies are often invested in the major index sectors of Investment Grade Corporates, Securitized, and Government Securities. Strategic Income provides dedicated exposure to diversifying fixed income asset classes with low correlation to traditional fixed income strategies.

[2] Source: eVestment US Multi-Sector Fixed Income Universe and eVestment US Core Plus Fixed Income Universe as of 03/31/2024
[3] Source: Bloomberg, Fort Washington

STRATEGIC INCOME COMPOSITE PERFORMANCE DISCLOSURES

	1Q2024	2023	2022	2021	2020	2019	2018	2017[4]
Strategic Income (Gross)	2.25%	8.64%	-9.86%	3.24%	10.72%	12.84%	0.49%	3.10%
Strategic Income (Net)	2.16%	8.24%	-10.17%	2.84%	10.28%	12.46%	0.09%	2.90%
Bloomberg U.S. Aggregate	-0.78%	5.53%	-13.01%	-1.54%	7.51%	8.72%	0.01%	1.24%
Strategic Income 3-Year Annual Standard Deviation[5]	--	6.96%	8.41%	6.68%	6.87%	--	--	--
Bloomberg Aggregate 3-Year Annual Standard Deviation[5]	--	7.14%	5.77%	3.35%	3.36%	--	--	--
Dispersion[6]	0.68%	--	--	--	--	--	--	--
Number of Accounts	6	5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$1,000.1	$879.5	$604.8	$1,053.4	$385.6	$285.5	$57.5	$51.1
Total Firm Assets ($ millions)	$75,762	$74,613	$66,365	$73,804	$65,086	$59,174	$49,225	$52,774

Composite inception and creation date: 07/01/17. [1]2017 returns are partial-year returns, reflecting the composite inception date of 07/01/17. [2]The 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. [3]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 quarterly gross-of-fee returns for those portfolios held in the composite during the full measurement period. Past performance is not indicative of future results.

The Strategic Income strategy employs a high conviction, yield oriented investment approach coupled with sector diversification and diligent risk management resulting in attractive risk adjusted returns via high levels of income. The primary objective of Strategic Income is to produce a high level of current income with a secondary objective of capital appreciation. The strategy will invest in public fixed income, private fixed income, common stock and derivatives. The strategy will incorporate the best investment ideas available to Fort Washington, exploiting Fort Washington's core competencies of bottom up credit and structure analysis. Risk monitoring, performance measurement, and active management is a key component to achieving attractive risk adjusted returns. All fee-paying, fully discretionary portfolios, managed in the Strategic Income style, with a minimum of $100 million under our management, are included in this composite. Effective 10/26/18, the Strategic Income fee is 0.40% for separate accounts. The benchmark for this composite is the Bloomberg U.S. Aggregate Bond Index. This benchmark covers the USD-denominated, investment grade, fixed-rate, and taxable areas of the bond market. 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 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. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/22. 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 DISCLOSURES

The Fort Washington Strategic Income strategy invests in fixed-income securities 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. The strategy invests in non-investment grade debt securities which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. The strategy invests in mortgage-backed securities and asset-backed securities which are subject to the risks of prepayment, defaults, changing interest rates and at times, the financial condition of the issuer. The strategy invests in equities which are subject to market volatility and loss. The strategy invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. 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 invests in derivatives such as futures contracts. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the strategy will not correlate with the strategy's other investments. The strategy invests in mortgage dollar rolls which involve increased risk and volatility, as the securities the strategy is required to repurchase may be worth less than the securities that the strategy originally held.

Fort Washington
Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®