



FORT WASHINGTON SECURITIZED OPPORTUNITIES – 4Q2025

HIGHLIGHTS

- The Fort Washington Securitized Opportunities strategy focuses on moderate to high risk/return opportunities in securitized products.
- The Fort Washington Securitized Opportunities composite returned 2.11% (gross) and 2.02% (net) for the quarter, outperforming the Bloomberg US Mortgage Backed Securities Index, which returned 1.71%. For the year, the composite returned 8.23% (gross) and 7.85% net versus the Bloomberg US Mortgage Backed Securities Index at 8.58%.
- The Federal Reserve (Fed) delivered two rate cuts during the quarter, flattening the front end of the Treasury curve. Yields on Treasuries with maturities under 2 years fell by 10 to 40 basis points, while yields on 3- to 10-year Treasuries ended the quarter flat.
- Securitized valuations continued to tighten, but the strategy was able to take advantage of selective pockets of value within the sector.

INVESTMENT PROFESSIONALS

Scott D. Weston

Managing Director
Senior Portfolio Manager
33 Years Experience

Richard V. Schneider

Vice President
Senior Portfolio Manager
27 Years Experience

Brent A. Miller, CFA

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Senior Portfolio Manager
26 Years Experience

Laura L. Mayfield

Vice President
Senior Portfolio Manager
20 Years Experience

Dimitar T. Kamacharov, CFA

Portfolio Manager
11 Years Experience

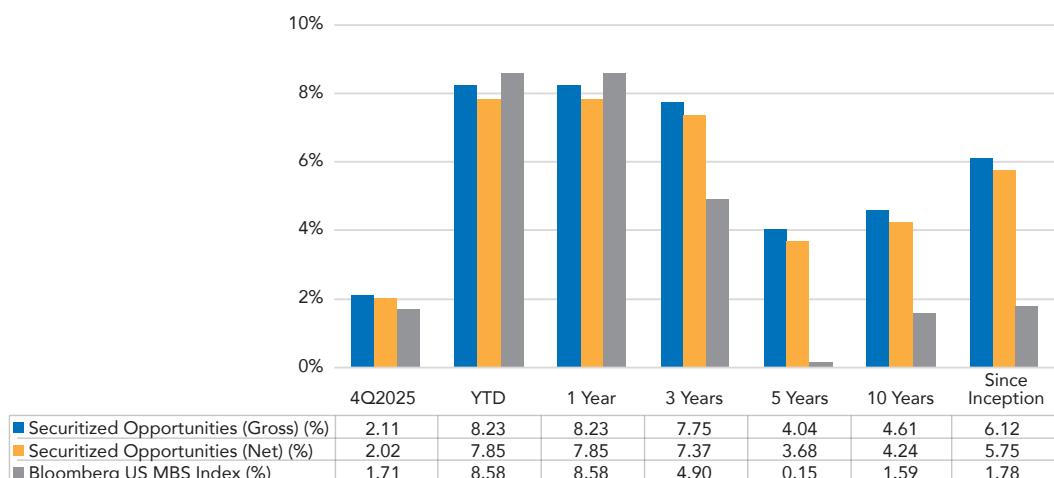
Beth N. Turner, CFA

Senior Fixed Income Analyst
11 Years Experience

Charles D. Buggage

Senior Fixed Income Analyst
8 Years Experience

Trailing Total Returns (as of December 31, 2025)



Inception date 10/01/2011. Source: Fort Washington. Past performance is not indicative of future results. This supplemental information complements the Securitized Opportunities GIPS Report.

Portfolio Characteristics and Sector Allocation

	MV %	YTW	OAS	OAD	OASD	DTS	Contr. to DTS	Avg. Rating
Securitized Opportunities Comp	100	6.6	282	2.6	3.1	8.3	8.3	A-
ABS	30	5.9	242	2.5	2.6	7.0	2.1	BBB-
CLO	14	5.9	200	0.3	3.7	7.7	1.1	A-
CMBS	31	9.0	511	1.6	2.1	12.5	3.9	BBB+
RMBS	20	5.2	109	6.2	5.7	6.0	1.2	AA+
HY Corp	1	5.9	218	-	1.0	2.0	0.0	BB+
Cash	4	3.7	-	-	-	-	-	AAA
Bloomberg US MBS Index	100	4.6	22	5.6	5.3	1.7	1.7	AA+

Source: Fort Washington. Data as of 12/31/2025. Portfolio characteristics are as of the reported date and are subject to change without notice. Past performance is not indicative of future results. This supplemental information complements the Securitized Opportunities GIPS Report. Cash within Sector Allocation includes look-through to underlying securities within portfolio fund investments.

MARKET COMMENTARY

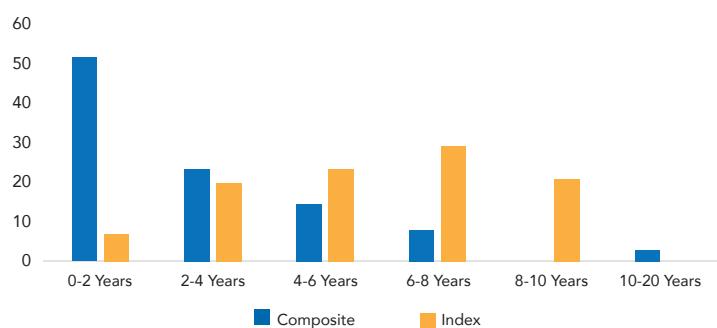
As we turn to a new year, the investment landscape remains marked by lingering uncertainty, though optimism around 2026 has been building. Despite headwinds from trade policy and geopolitical tensions, the U.S. economy has remained resilient in recent quarters. The primary drivers of growth have been strong personal consumption—supported by higher-income consumers and the “wealth effect”—alongside continued investment in artificial intelligence infrastructure. Investors expect both to remain key growth catalysts into 2026.

The Fed built on its September rate cut by delivering two additional 25-basis-point reductions at the final meetings of the year. A weakening employment picture prompted the Federal Open Market Committee (FOMC) to move policy closer to neutral. However, division among members has grown, with concerns over downside risks to the labor market at odds with views that the economy could still experience upside inflation surprises. While recent reports show inflation plateauing, goods prices appear the most likely source of higher-than-expected inflation, given ongoing tariff pressures and a pending Supreme Court ruling on their legality.

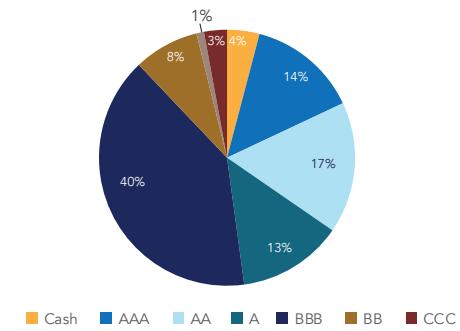
Following stronger-than-expected 4.3% GDP growth in Q3, the economy is projected to see a modest slowdown in Q4. This is largely due to the temporary drag from the U.S. government shutdown, with growth normalizing in Q1 2026. Beyond weighing on activity, the shutdown has complicated the interpretation of economic data due to missing inputs and delayed releases. As these effects dissipate, tax policy remains a potential tailwind, as accelerated depreciation should boost capital expenditures and individual tax cuts should support consumer spending. That said, job creation has slowed meaningfully and could begin to pressure consumption should unemployment rise further.

As rate cuts eased, financial conditions and market fundamentals remained healthy, the S&P 500 continued to reach new highs over the quarter. Closing the year with an annual return of 17.9%, this marks a third consecutive year of double-digit gains for the index. Credit spreads were largely range bound during the quarter and remain near historically tight levels. Expectations for additional rate cuts in 2026, alongside benign long-term inflation expectations, contributed to a steepening yield curve over the quarter, despite the 10-year Treasury ending largely unchanged at 4.17%.

Duration Distribution



Credit Quality



Source: Fort Washington. Characteristics are subject to change without notice. Totals may not equal 100 due to rounding. This supplemental information complements the Securitized Opportunities GIPS Report. Past performance is not indicative of future results.

PERFORMANCE

The Fort Washington Securitized Opportunities composite returned 2.11% (gross) and 2.02% (net) during the fourth quarter, outperforming the Bloomberg US Mortgage Backed Securities Index, which returned 1.71%. Year to date, the strategy returned 8.23% (gross) and 7.85% (net) compared to 8.58% for the index.

The composite performance for Q4 largely reflects the meaningful carry in the portfolio, with benefits from both rates and spreads. Markets rewarded exposure to spread during Q4, as rates shifted lower in the front end of the curve and spreads tightened. Within the strategy, ABS provided the strongest Q4 returns of 2.80%, as spreads tightened with the Coinstar purchase announcement. CMBS also delivered strong returns of 2.24% during Q4, driven largely by tighter spreads amid strong demand for credit bonds. CLOs and RMBS provided the weakest returns for the quarter at 1.67% and 1.64%, respectively, due to heavy floating-rate exposure in CLOs and limited movement in longer rates given the higher duration of RMBS.

The higher carry and credit positioning in the portfolio contributed positively to the composite's outperformance relative to the Bloomberg MBS Index for the quarter. The Coinstar purchase, announced at the end of December, drove the security's price dramatically higher, adding to portfolio performance. Securitized credit spreads also tightened more during the quarter relative to other fixed income asset classes.

PORTFOLIO ACTIVITY

The largest change to the portfolio during the quarter was a reduction in CLOs from 21% to 14%, reflecting tight valuations and the portfolio's floating-rate assets. Cash increased from 2% to 8%, due to a meaningful contribution that occurred at the end of the quarter. MBS increased by 3% given relative value compared to other sectors. ABS also increased by 3%, reflecting continued value in subprime ABS and Whole Business Securitization (WBS). RMBS decreased by 2%, as other sectors showed better relative value.

While sector-level spread indices reflect historically tight valuations in the lowest quartile, individual subsectors, issuers, and bonds continue to offer varying degrees of risk-adjusted return. More nuanced opportunities remain available, with some investments reflecting valuations in the 40th to 60th percentile on a historical basis.

OUTLOOK

There is still some uncertainty in the market, but we are seeing more optimism as the economy has remained resilient with high-income earners driving the strength. Strong investment in all parts of artificial intelligence infrastructure has buoyed the economy, while Fed rate cuts have eased financial conditions. We do still see headwinds stemming from trade policy and geopolitical tensions, but these should be offset by upcoming tax policy changes.

Although job creation has been narrowly-based, the overall unemployment rate remains low. Overall consumer data remains robust, despite ongoing discussion of a "K-shaped" economy and continued weakness across the lower-income cohorts. While the picture is not completely rosy, the aggregate consumer data remains strong, and expectations are for healthy continued economic growth overall.

The strategy remains higher-quality, with an average rating of A-, despite increased exposure to BB Subprime and CMBS credit bonds. We continue to see strong fundamentals across all sectors, although areas more exposed to lower-income consumers warrant close monitoring. Despite overall tight spreads, we continue to identify individual bonds that appear attractive on a risk-return basis. CMBS still faces some challenges, but we are seeing continued improvement in the commercial real estate market overall. With the recent Fed rate cuts and more expected in 2026, we are biased toward reducing floating-rate exposure, especially in CLOs and higher-quality CMBS.

SECURITIZED OPPORTUNITIES COMPOSITE GIPS REPORT

	4Q2025	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Securitized Opportunities (Gross)	2.11%	8.23%	8.17%	6.86%	-6.49%	4.22%	2.51%	6.77%	4.72%	6.10%	5.87%
Securitized Opportunities (Net)	2.02%	7.85%	7.79%	6.48%	-6.82%	3.86%	2.15%	6.39%	4.35%	5.73%	5.50%
Bloomberg US Mortgage Backed Securities Index	1.71%	8.58%	1.20%	5.05%	-11.81%	-1.04%	3.87%	6.35%	0.99%	2.47%	1.67%
Securitized Opportunities 3-Year Annual Standard Deviation ¹	-	2.53%	3.36%	3.18%	6.39%	6.15%	6.10%	1.30%	1.19%	1.03%	0.91%
Bloomberg US Mortgage Backed Securities Index 3-Year Annual Standard Deviation ¹	-	6.72%	8.51%	7.66%	5.62%	1.71%	2.17%	2.15%	2.26%	1.75%	2.11%
Dispersion ²	0.30%	0.38%	0.89%	1.84%	0.84%	0.56%	-	-	-	-	-
Number of Accounts	8	8	8	8	7	6	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$802	\$802	\$674	\$566	\$530	\$580	\$358	\$341	\$259	\$180	\$93
Total Firm Assets (\$ Millions)	\$89,448	\$89,448	\$81,286	\$74,613	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656

Composite inception and creation date: 10/01/2011. 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 quarterly gross-of-fee returns for those portfolios held in the composite during the full measurement period. Composite Gross and Net returns for 2023, 2022, 2021, 2020, and 2019 have been revised due to incorrect values in prior presentations. Past performance is not indicative of future results. The benchmark for this composite is the Bloomberg US Mortgage Backed Securities Index. The Bloomberg US Mortgage Backed Securities Index tracks fixed-rate agency mortgage-backed pass-through securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The index is constructed by grouping individual TBA-deliverable MBS pools into aggregates or generics based on program, coupon, and vintage. The index accounts for interest payments by incorporating them into the total return calculation. Fort Washington's Securitized Opportunities strategy focuses on non-index, structured securities with higher return potential relative to a blended benchmark. Typical securities utilized include private label mortgage-backed securities, agency mortgage-backed securities, asset backed securities, commercial mortgage-backed securities, agency debentures, Treasuries, and cash securities. The portfolio duration target is between 2 and 8 years and there are no quality constraints. All fee-paying, fully discretionary, non-restricted portfolios managed in the Securitized Opportunities style, with a minimum of \$25 million under our management, are included in this composite. The strategy's fee schedule is 0.35% for separate accounts. Benchmark returns include interest income, but as an unmanaged fixed income index, transaction fees (brokerage commissions) are not included, and no direct comparison is possible. 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 returns reflect the portfolio's gross returns with the deduction of expenses and other costs associated with the management of the investments in the portfolio as well as the deduction of the highest advertised fee rate for the applicable strategy shown. Individual portfolio returns are calculated on a daily valuation basis. Prior to 01/01/1997, individual portfolio returns were calculated monthly using a time-weighted return method. 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 07/01/1994-12/31/2024. 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. 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RISK DISCLOSURE

The Fort Washington Securitized Opportunities strategy invests primarily in securitized asset instruments, including mortgage-backed securities, asset-backed securities and other securities. The market prices of securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, or adverse investor sentiment. Investments in the strategy are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations. When interest rates rise, the prices of fixed-income securities in the strategy will generally fall. Conversely, when interest rates fall, the prices of fixed-income securities in the strategy will generally rise. The value of mortgage-related and asset backed securities will be influenced by factors affecting the real estate market and the assets underlying those securities. These securities are also subject to prepayment and extension risks of default.

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