Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

Uncompromised Focus®

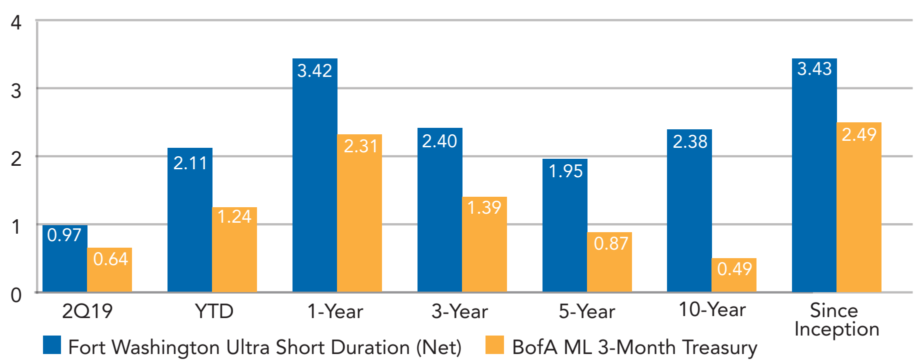
FORT WASHINGTON ULTRA SHORT DURATION — 2Q19

HIGHLIGHTS

- The Ultra Short Duration strategy returned 1.00% (gross) in the first quarter, compared to 0.64% for the Merrill Lynch 3-month Treasury Bill Index, and 0.94% for the Merrill Lynch 1-Year Treasury Note Index.
- The short duration segment of the yield curve (3 month Treasury Bills to 2 year Treasury Notes) inverted further during the quarter, with the 2- year Treasury rallying 51 basis points to 1.75% and the 3 month T-Bill rallying 31 basis points to 2.09%.
- Bonds rallied in May when President Trump threatened to escalate the trade conflict with China and to impose duties on Mexico. Business confidence waned along with GDP estimates, causing the Fed to begin entertaining interest rate cuts. Fed funds futures now suggest a 90% probability of two 25 basis point rate cuts by the end of the year and a 57% probability of 3 rate cuts by year-end.
- While concerns over U.S./China trade relations, Brexit, and a slowdown in global growth continue to weigh on markets, most market participants are unable to pinpoint a specific impetus for a U.S. recession in the near term. This, and a temporary Trump truce with Xi, allowed credit spreads, and risk assets generally, to perform well.
- RMBS and Corporates were the strongest contributors to performance during 2Q, returning 1.04% and 1.01% respectively for the quarter, but underperformed their Merrill Lynch short duration indices by 0.19% and 0.08% respectively. The indices were aided by longer durations which performed well in the lower interest rate environment.
- Economic fundamentals remain supportive of risk assets, although there is some concern that the 1H rally may be overdone.

Historical Performance

Annualized Net Return as of June 30, 2019



Source: Fort Washington Investment Advisors. Past performance is not indicative of future results.

INVESTMENT PROFESSIONALS

Scott D. Weston
Managing Director
Senior Portfolio Manager
27 Years Experience

Brent A. Miller, CFA
Assistant Vice President
Senior Portfolio Manager
20 Years Experience

Jay M. Devine
Senior Portfolio Manager
Senior Fixed Income Trader
21 Years Experience

Timothy R. Manchak, CFA
Senior Fixed Income Analyst
16 Years Experience

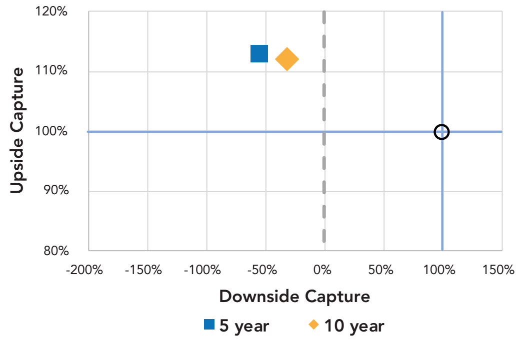
Laura L. Mayfield
Portfolio Manager
14 Years Experience

William A. Stengle
Fixed Income Analyst
4 Years Experience

Upside/Downside Capture as of 06/30/19

Versus Morningstar Ultra Short Bond Category

3 Year Trailing	
Upside Capture	108%
Downside Capture	N/A
5 Year Trailing	
Upside Capture	113%
Downside Capture	-55%
10 Year Trailing	
Upside Capture	112%
Downside Capture	-31%



Source: Fort Washington. Past performance is not indicative of future results. See page 4 for Ultra Short Composite Presentation with full performance and disclosures.

MARKET OVERVIEW

Market volatility picked up in early May as global confidence waned — credit spreads increased and Treasuries rallied. IMF managing director Lagarde described the trade war and the change in global momentum as a "delicate moment" and cautioned that the U.S. is not immune to the deceleration anymore. With global pressure mounting, Presidents Trump and Xi agreed to a truce going into the G20 at the end of the quarter, producing a strong quarter-end recovery in credit spreads.

Interest rates moved lower throughout the quarter led by the 2-3 year part of the treasury curve on expectations for future interest rate cuts by the Federal Reserve. Longer maturities rallied as well with the yield on the 10-year Treasury note declining 40 basis points during the quarter, reaching 2.00%, a level not seen since the Fed began raising interest rates in late 2016. The Fed left rates unchanged at the June meeting and the fed funds futures market is now forecasting a 100% probability of a rate cut at the July meeting and a 90% probability of two or more cuts by year-end. All eyes are on the Fed.

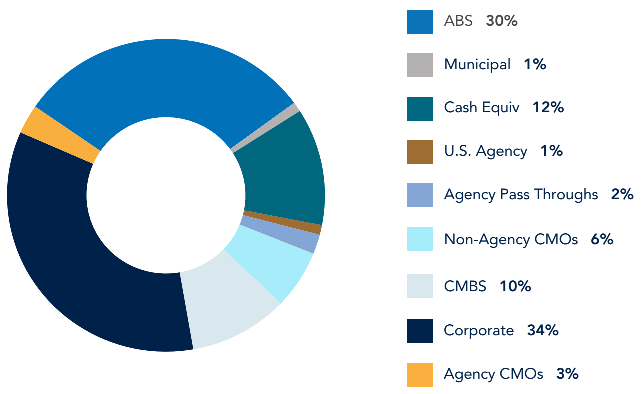
While U.S. fundamental data during the quarter were mixed, they did not provide markets with any new cause for recessionary concern. Labor data remained quite strong, with unemployment ending the quarter below 4% and initial jobless claims reaching an expansionary low of 193,000 in April. Consumer sentiment has recovered nicely from its sharp decline coinciding with the government shutdown over year-end, but ISM manufacturing has continued to deteriorate, underscoring caution by businesses. U.S. Home Sales, while strong in 1Q, showed some weakness in 2Q but continue to be buoyed by lower rates.

U.S. Growth expectations have moderated toward 2.25% for the second half of 2019, and below 2% for 2020 and 2021, as this expansion is now the longest on record at 10 years. The global landscape continues to provide plenty of fodder for concern, although perception is that the U.S.-China trade tension has lessened and that China's economy may be showing signs of stabilization. So far this year, however, critical deadlines have come and gone—including Brexit on March 29th and the U.S. Tariff truce on June 26th – leaving these important issues unresolved. While bond investors have pushed Treasury yields to their lowest level in over 2 ½ years, equity markets seem to care more about the Fed's dovish stance than the risks that contributed to it.

USD Portfolio Characteristics (as of 06/30/19)[1]

	Composite
Quality	A+
OA Duration	0.58 yr
Weighted Average Life	1.18 yrs
Coupon	3.37
YTW	2.93
Convexity	0.03
Number of Unique Issues	432

Composite Sector Allocation



[1]Source: Fort Washington; Characteristics are subject to change without notice. 25+ year cash flows due to amortization of mortgage- and asset-backed securities. Projection is derived from Barclays POINT and presented for informational purposes only. There is no guarantee projections will transpire as shown, actual cash flows may vary significantly due to material market or economic factors. This supplemental information complements the Ultra Short Duration Composite Presentation. Totals may not equal 100 due to rounding.

PORTFOLIO ACTIVITY

Strategy assets ended the quarter at $1.2bn, down $0.27bn as one large account transitioned to a different mandate managed by Fort Washington. Sector exposures remained fairly consistent over the quarter – the largest changes being a 3.6% increase in cash and a 2% increase in Corporate bonds. All other sectors were down with CMBS and ABS 2.2% and 1.5% lower, respectively. Sector exposures were driven by the relative value of marginal investments. With the inversion in the front end of the yield curve and the limited supply of attractive opportunities in spread product, we are comfortable maintaining a high exposure to cash equivalents until we see better supply of appropriate opportunities in spread product.

Overall credit risk positioning remained stable at A+. Effective duration was unchanged at 0.55 years. With the rally in rates year-to-date, we are cautious on rates with limited exposure in the 2-5 year key rate duration buckets and heavy floating rate and cash exposure (just over 45%). We are sensitive to the significant macro risks in Brexit, China trade negotiations and the broad slowdown in global economic growth; however, the more immediately relevant fundamentals within the U.S. economy and the consumer remain supportive.

OUTLOOK

Factor	Outlook	Comments
Economy	Slightly Negative	• 1H2019 growth ~2.5%. Recent events create downside risk to growth. Data indicates slowing growth from earlier pace. • Labor market remains strong - should support consumer spending. Expect some weakening due to reduced business confidence. • Financial conditions have tightened back near YE 2018 levels. Represent a slight headwind to growth. • Inflation remains below Fed's 2% target. Falling expectations and slowing growth intensify downward pressure.
Consumer	Positive	• Fundamentals remain supportive - Confidence has dipped amid trade uncertainty. • Debt service low, unemployment low and stable, wages higher, savings moderate, balance sheets in good shape. • Delinquencies normal or low depending on sector. • Improvement in consumer demand for loans and banks willingness to lend.
Financial Conditions	Neutral	• Financial conditions represent a slight negative to growth. Recent tightening led by weakness in asset prices and strong dollar. • Policy uncertainty has returned, led by trade. Monetary policy likely to ease. Rate cut expectations have risen significantly. • Other global central banks have less ammunition to ease policy, limiting the ability to offset downside risk. • Market expectations of Fed rate path remains very dovish (100+bp cuts over 2 yrs). If uncertainty persists, expectations likely to be realized
Valuations	Neutral	• Short duration valuations have cheapened relative to intermediate valuations. • High profile macro situations (US-China trade conflict, Iran, etc.) to keep volatility high. • Strength in fundamental economic data; recession risk low. Willing to add risk where priced appropriately.
Sentiment/ Technicals	Positive	• Demand for structured products remains strong, with markets absorbing large new issue pipeline and spreads continuing to compress. • Overall market spreads generally round-tripped in Q2. • Short duration markets remain well bid & liquid.
Interest Rates	Neutral	• Valuations reflect significant policy easing. Front end likely to outperform; yields biased lower near-term, but likely with higher volatility. • Positioning portfolios neutral versus the benchmark. TIPS remain somewhat attractive long-term. Curve likely to steepen further. • Primary risk to our view is that the trade disputes get resolved in a friendly fashion and growth is able to return to trend.
Outlook	Neutral	• Spreads seem fair, but inverted front end of curve leading to unattractive all-in valuations in Ultra Short vs cash instruments • Consumer and economic fundamentals supportive for structured products & broader economy, including corporates. • Broad financial conditions have improved; monetary policy is likely to be supportive over the medium term. • Prefer to add spread within shorter key rate durations when possible. Remain modestly overweight risk assets.

Source: Fort Washington Investment Advisors. The above outlook reflects subjective judgments and assumptions. Unexpected events may occur so there can be no assurance that developments will transpire as forecast.

COMPOSITE PERFORMANCE DISCLOSURES

	2Q19	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Ultra Short Duration (Gross)	1.00%	2.17%	2.47%	2.02%	2.07%	1.13%	1.39%	1.20%	2.57%	2.14%	4.44%	6.02%
Ultra Short Duration (Net)	0.97%	2.11%	2.36%	1.91%	1.98%	1.02%	1.28%	1.10%	2.45%	2.02%	4.38%	5.92%
Merrill Lynch 3-Month Treasury Index	0.64%	1.24%	1.87%	0.86%	0.34%	0.04%	0.03%	0.05%	0.11%	0.10%	0.13%	0.20%
Ultra Short Duration 3-Year Annual Standard Deviation[1]	--	--	0.20%	0.23%	0.24%	0.24%	0.31%	0.33%	0.60%	0.94%	--	--
Merrill Lynch 3-Month Treasury Index 3-Year Annual Standard Deviation[1]	--	--	0.20%	0.12%	0.05%	0.02%	0.02%	0.03%	0.03%	0.03%	--	--
Dispersion[2]	--	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ Millions)	$1,081.4	$1,081.4	$1,340.7	$1,384.6	$963.0	$561.6	$688.4	$709.6	$609.8	$385.6	$306.9	$38.6
Composite % of Firm Assets	1.90%	1.90%	2.72%	2.62%	2.11%	1.31%	1.53%	1.62%	1.44%	1.10%	0.85%	0.13%

Composite inception and creation date: 01/01/95. [1]The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean. [2]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 returns for those portfolios held in the composite during the full measurement period. Past performance is not indicative of future results. Fort Washington's Ultra Short Duration strategy seeks to achieve superior return on short-term investments and to employ an active sector rotation process identifying relative value within the short-term marketplace. Typical securities utilized include government bonds, corporate bonds, commercial paper, municipal bonds, and asset-backed bonds. Portfolio characteristics include average maximum duration of one year, maximum duration per security of 5 years with all securities rated investment grade at time of purchase. All fee-paying, fully discretionary portfolios, managed in the Ultra Short Duration style with a minimum of $5 million under our management are included in this composite. Effective 01/22/14, the Ultra Short Duration strategy fee schedule is 0.20% on the first $25 million and 0.15% on the next $25 million and over. 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 benchmark for this composite is the Merrill Lynch 3-Month Treasury Index. The Merrill Lynch 3-Month Treasury Index measures the returns of the 3-month Treasury Bills. The benchmark returns include interest income, but as an unmanaged fixed income index, does not include transaction fees (brokerage commissions), and no direct comparison is possible. The composite is invested primarily in ultra short term, investment grade debt obligations, and its average effective portfolio duration will normally be one year or less. 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. Prior to 01/01/97, individual portfolio returns were calculated on a monthly basis using a time-weighted return method. 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 – 12/31/17. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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.

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