



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

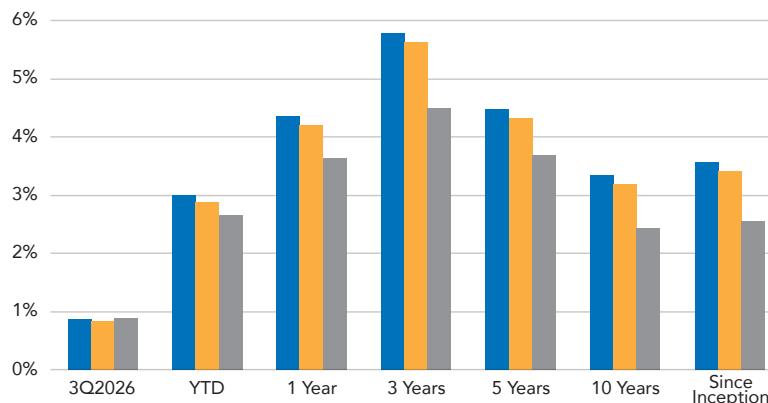
▼ *Uncompromised Focus®*

FORT WASHINGTON ULTRA SHORT DURATION – 3Q2026

HIGHLIGHTS

- ▶ The Fort Washington Ultra Short Duration strategy focuses on high-quality (investment grade), high-cash-flow bonds, with an emphasis on securitized products. It offers an alternative to cash for investors with a longer expected holding period of at least 6-12 months.
- ▶ The strategy returned 0.87% (gross) and 0.83% (net) for the quarter, marginally underperforming the ICE BofA 3-Month Treasury Bill Index, which returned 0.89%. The strategy's year-to-date return was 2.99% (gross) and 2.87% (net), compared with 2.65% for the Index.
- ▶ Based on the strategy's strong carry, high quality, and limited spread duration, management believes Ultra Short Duration is well-positioned to continue producing attractive excess returns over money markets and its benchmark going forward.

Trailing Total Returns (as of September 30, 2026)



Ultra Short Duration (Gross) (%)	0.87	2.99	4.36	5.77	4.48	3.35	3.57
Ultra Short Duration (Net) (%)	0.83	2.87	4.20	5.62	4.32	3.20	3.42
ICE BofA 3-Month US T-Bill (%)	0.89	2.65	3.65	4.49	3.70	2.42	2.55

Inception date: 01/01/1995. Source: Fort Washington Investment Advisors. Past performance is not indicative of future results. This supplemental information complements the Ultra Short Duration Fixed Income GIPS Report.

MARKET COMMENTARY

The U.S. economy continues to expand at a near trend rate (~2%) despite headwinds related to inflation, monetary policy, and geopolitical tension. Growth has been supported by rising capital expenditures, due in large part to the AI buildout, as well as consumer spending, which continues to be disproportionately driven by higher-income households. However, many consumers are feeling the pressure of higher energy prices stemming from geopolitical conflict in the Middle East and between Russia and Ukraine. As a result, inflation and energy prices will be areas of focus heading into the November midterm elections.

The Federal Reserve (Fed) pointed to elevated inflation when it voted to raise the policy rate by 25 basis points in September, given a steady labor market. Investor expectations are that this represents the first in a series of mid-cycle recalibration hikes rather than the beginning of an aggressive tightening cycle. The market is currently forecasting three to four additional 25-basis-point hikes through year-end 2027. Yields moved steadily higher over the quarter as investors reassessed the outlook for monetary policy, economic growth, inflation, and fiscal policy. At the same time, interest rate volatility increased.

Treasury yields across the 2- to 10-year portion of the curve rose between 70 and 85 basis points during the quarter, while the front end of the Treasury curve steepened for maturities of two years and in. Higher rates created mixed returns for equities, as concentration of risk related to AI remains a theme. Credit spreads remained largely range-bound near historically tight levels, presenting investors with limited upside, while some softness began to emerge toward the end of the quarter.

INVESTMENT PROFESSIONALS

Scott D. Weston

Managing Director
Senior Portfolio Manager
34 Years Experience

Brent A. Miller, CFA

Vice President
Senior Portfolio Manager
25 Years Experience

Laura L. Mayfield

Vice President
Senior Portfolio Manager
21 Years Experience

Richard V. Schneider

Vice President
Senior Portfolio Manager
28 Years Experience

Dimitar T. Kamacharov, CFA

Portfolio Manager
11 Years Experience

Paul A. Tomich, CFA

Vice President
Senior Portfolio Manager
21 Years Experience

Kiran Pillai

Assistant Vice President
Portfolio Manager
21 Years Experience

Beth N. Turner, CFA

Senior Credit Analyst
12 Years Experience

Charles D. Buggage

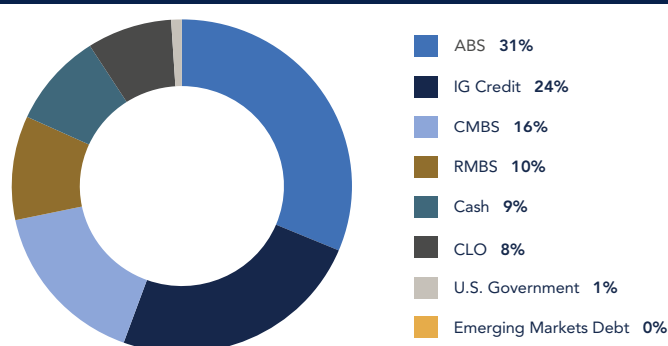
Senior Fixed Income Analyst
9 Years Experience

Portfolio Characteristics

	Ultra Short Duration
Quality	Aa2/Aa3
Option Adjusted Duration (years)	0.74
Weighted Average Life (years)	1.03
Coupon	4.25
Yield to Worst	5.27
Convexity	-0.02
Number of Unique Issues*	242*

Data as of 09/30/2026. Source: Fort Washington. *An Ultra Short Duration Fixed Income Representative Account is being used to illustrate Number of Issues. Characteristics are subject to change without notice. This supplemental information complements the Ultra Short Duration Fixed Income GIPS Report. Totals may not equal 100 due to rounding. Past performance is not indicative of future results.

Composite Sector Allocation



Upside/Downside Capture

10-Year Trailing	
Upside Capture	105%
Downside Capture	100%

Return and Volatility

10-Year Trailing	Fort Washington USD	Morningstar USB
Avg Return (ann)	3.24%	2.64%
Std Dev Return (ann)	1.33%	1.17%
Sharpe Ratio	0.67	0.25

Data as of 09/30/2026. Source: Fort Washington and Morningstar. The above illustrations are shown for comparative purposes only and show net returns for the Fort Washington USD Composite compared to the Morningstar USB Peer Group category. Morningstar USB Peer Group returns were calculated by taking the arithmetic average of the return reported for each share class of each fund in the peer group. Past performance is not indicative of future results. This supplemental information complements the Ultra Short Duration Fixed Income GIPS Report. Upside/Downside Capture is measured against the Morningstar Ultra Short Bond peer group, and net performance is shown. For full gross and net performance, and applicable disclosures, please see the Ultra Short Duration Fixed Income GIPS Report. Upside capture represents the average relative performance of Fort Washington's Ultra Short Duration Fixed Income composite for all months when peer group returns were positive. Downside capture represents the average relative performance for all months when peer group returns were negative.

PORTFOLIO REVIEW

The Ultra Short Duration strategy returned 0.87% gross and 0.83% net for Q3, underperforming the ICE BofA 3-Month U.S. Treasury Bill Index, which returned 0.89%. Front-end rates rose meaningfully during Q3, by 30 basis points for 3-month rates and by 71 basis points for 2-year rates. This steepening posed a meaningful headwind for the Ultra Short Duration strategy relative to its T-Bill benchmark with a duration of only three months.

Year to date, the strategy returned 2.99% (gross) and 2.87% (net), compared with 2.65% for the 3-month T-Bill index. While the headwind from rising rates was also meaningful year to date (+48 and +141 basis points for 3-month and 2-year rates, respectively), the longer timeframe allowed the strategy's spread advantage over the Index to more than offset the impact from rising rates.

Interest rate volatility was elevated during Q3; however, carry remained the primary driver of returns. The strategy generated approximately 70% of its expected quarterly carry, with the benefit of income partially offset by the negative price impact of rising rates. The strategy is positioned neutrally from a duration perspective, near the midpoint of its long-term range; however, its duration remains meaningfully longer than that of the 3-Month T-Bill benchmark, which experienced less of a headwind from rising rates. All sectors contributed favorably to performance during Q3, while risk and key-rate duration positioning differences drove modest variation across sectors. CLOs generated returns of 1.12% for the quarter, as strong carry and spread performance were uninhibited by rising rates in this floating-rate sector. ABS, CMBS, and Corporates produced Q3 returns of 0.92%, 0.87%, and 0.85%, respectively, with rising rates having a greater impact on the fixed-rate exposure in these sectors. RMBS faced the greatest headwind from rising rates, as it is the sector in which the strategy is able to add attractive, high-quality exposure to longer key-rate duration buckets in the 1.5- to 2-year range. Even so, the strategy's RMBS returned a respectable 0.65% for the quarter.

PORTFOLIO ACTIVITY

Positioning changes within the portfolio were modest during Q3, despite meaningful inflows. Strategy assets increased by 19% versus the prior quarter-end, but reinvestment activity nearly kept pace. Exposure across all major subsectors—ABS, RMBS, CLOs, CMBS, and Corporates—ended the quarter within +/- 1% to 2% of prior-quarter levels, while cash increased modestly by 2.5%.

Portfolio risk positioning remains at the low end of the range, with spread duration of 0.83 years. Management continues to take advantage of select wider-trading ideas within securitized subsectors when possible, while maintaining a keen eye toward potential price volatility. The strategy's BBB and single-A exposure decreased by 4% and 1%, respectively, as management favored reinvestment in AAA and AA paper. Average credit quality improved one notch during Q3, from AA- to AA.

Duration positioning extended from 0.68 years to 0.74 years, as management targets neutral interest rate positioning to capture the steepness in the front end of the Treasury curve while also limiting interest rate risk, given elevated rate volatility. Based on performance during recent rate moves, management believes the broader peer group has also extended duration into a similar range, and is likely experiencing a similar level of headwind from rising rates.

OUTLOOK

The team expects economic growth to remain resilient, supported by AI and data center investment, fiscal stimulus, and strong consumer spending. At the same time, stubborn inflation stemming from strong growth, tariffs, and higher energy prices supports a higher-for-longer interest rate environment. The market ended Q3 pricing in one additional Fed rate hike in December. Inflation and interest rate volatility remain the most pressing risks to the outlook, with higher rates and increased volatility contributing to somewhat softer spread conditions late in the quarter.

Consumer fundamentals remain sound overall, although lower-income consumers remain an area to monitor. Housing fundamentals are firm and delinquencies remain low despite higher mortgage rates and pockets of weakness in certain markets. Within CMBS, the market continues to work through challenged properties, with performance increasingly differentiated by property and sponsor. CLO structures remain well-positioned to withstand uncertainty in the software sector, although refinancing needs for businesses with deteriorating valuations warrant continued attention.

The team continues to be selective in adding risk, with the primary focus on managing downside volatility in the portfolio. Spreads are generally tight relative to historical median levels, but fundamentals across all major strategy subsectors remain supportive.

Flows into the strategy were strong during Q3, and we expect this to continue given the strategy's strong, stable performance, which stands in stark contrast to the high degree of volatility and uncertainty in financial markets. Money market fund yields remain anchored to front-end rates at around 3.70%, while the steep front-end curve has enhanced the relative appeal of Ultra Short Duration.

Factor	Outlook	Comments
Economy	Neutral	- U.S. growth expectations for 2026-27 center around 2-2.5% (trend growth), while inflation pressures linger, financial conditions remain supportive, and tax policy has provided a tailwind. Geopolitical tensions and elevated energy prices present downside risks. - Labor market remains strong, and high-income consumers continue to drive personal consumption. - Business fundamentals are generally healthy; CAPEX expectations are rising. - AI buildout and high energy prices are the main sources of inflation concerns.
Consumer	Neutral (+)	- Broad consumer data remains sound. Aggregate balance sheet and debt-to-income ratios remain very healthy. - Labor market remains strong, with unemployment ending Q3 at 4.1%. AI buildout provides a tailwind for labor. - Lower-income cohorts are showing signs of stress and are more vulnerable to elevated energy prices, while higher-income cohorts continue to support consumption. - Real wage growth has stagnated under elevated inflation, and consumer sentiment has reached cycle lows.
Financial Conditions	Neutral	- Q3 ended with investors anticipating 3 additional Fed hikes through mid-2027. - Fed officials are focusing their attention on price stability, given stable labor market. - Lending standards and market-based financial conditions remain largely accommodative.
Valuations	Neutral (-)	- Securitized spreads have tightened in 2026, with most sectors in the bottom quartile of their historical ranges. Risk premiums are low, requiring greater selectivity when adding risk. Credit curves have flattened, with up-in-quality most attractive. - Rising rates and heavy corporate supply drove some spread volatility toward the end of the quarter. - Default risk appears low, but price volatility risk remains asymmetrical to the downside.
Sentiment/Technicals	Positive	- Liquidity is strong, and bid/offer spreads remain tight. Spread volatility did pick up somewhat at the end of Q3. - New issue supply has been strong YTD, and demand seems insatiable. Secondary activity also remains robust with healthy bid/ask across markets.
Interest Rates	Neutral	Interest rates are toward the higher end of our expected fair value range. Yield levels reflect pricing of interest rate hikes from the Fed but benign long-term inflation expectations. Risks related to the Iran conflict create uncertainty for interest rates over the near term.
Outlook	Neutral	- Valuations on short-duration assets are full—opportunities exist, but the risk/reward is skewed to the downside. - Market volatility has remained low, with a slight pickup at the end of Q3. Financial conditions remain accommodative overall, while elevated inflation and energy prices remain areas of concern. - Consumer and corporate fundamentals are sound, but the disconnect between consumer sentiment and consumer spending poses a threat. - Securitized products still offer attractive relative value versus other fixed income sectors.

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

ULTRA SHORT DURATION FIXED INCOME COMPOSITE GIPS REPORT

	3Q2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Ultra Short Duration Fixed Income (Gross)	0.87%	5.37%	7.00%	6.35%	0.75%	0.81%	1.93%	3.68%	2.47%	2.02%	2.07%
Ultra Short Duration Fixed Income (Net)	0.83%	5.22%	6.84%	6.19%	0.60%	0.66%	1.78%	3.52%	2.32%	1.86%	1.92%
ICE BofA 3-Month US Treasury Bill Index	0.89%	4.18%	5.25%	5.01%	1.46%	0.05%	0.67%	2.28%	1.87%	0.86%	0.34%
Ultra Short Duration Fixed Income 3-Year Annual Standard Deviation ¹	-	0.44%	0.98%	0.92%	2.14%	2.12%	2.10%	0.27%	0.20%	0.23%	0.24%
ICE BofA 3-Month US Treasury Bill Index 3-Year Annual Standard Deviation ¹	-	0.19%	0.56%	0.65%	0.34%	0.32%	0.27%	0.20%	0.20%	0.12%	0.05%
Dispersion ²	-	-	0.28%	0.72%	-	-	-	-	-	-	-
Number of Accounts	≤5	≤5	6	6	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$2,027	\$1,338	\$999	\$905	\$747	\$1,639	\$1,166	\$1,132	\$1,341	\$1,385	\$963
Total Firm Assets (\$ Millions)	\$91,619	\$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: 01/01/1995. 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. Past performance is not indicative of future results. The benchmark for this composite is the ICE BofA 3-Month US Treasury Bill Index. The ICE BofA 3-Month US Treasury Bill Index measures the performance of short-term U.S. Treasury bills with maturities of three months. The index accounts for interest payments by incorporating them into the total return calculation. Fort Washington's Ultra Short Duration Fixed Income 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 \$15 million under our management, are included in this composite. The strategy's fee schedule is 0.15% for separate accounts. 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 composite primarily invests 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 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. 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 DISCLOSURE

The Fort Washington Ultra Short Duration Fixed 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 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 repurchase agreements which are considered loans by the strategy and may suffer a loss of principal and interest in the event of counterparty defaults. The strategy invests in Collateralized Loan Obligations (CLOs) that have risks that largely depend on the type of underlying collateral and risks may include illiquidity, limited active market, the possibility that distributions from collateral securities will be insufficient to make interest or other payments, the potential for a decline in the quality of the collateral, and can bear the risk of default by the loans.

CONTACT

contactus@fortwashington.com

This publication has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. Opinions expressed in this commentary reflect subjective judgments of the author based on the current market conditions at the time of writing and are subject to change without notice. Information and statistics contained herein have been obtained from sources believed to be reliable but are not guaranteed to be accurate or complete. Past performance is not indicative of future results.

© 2026 Fort Washington Investment Advisors, Inc.



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

▼ **Uncompromised Focus®**