



# Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

▼ *Uncompromised Focus*®

## FORT WASHINGTON ACTIVE CORPORATE FIXED INCOME – 2Q19

### GENERAL INFORMATION

Inception Date: 01/01/05  
 Strategy Assets: \$1.2 billion  
 Style: Investment Grade  
 Corporate Credit  
 Benchmark: Bloomberg Barclays  
 US Credit Index

### STRATEGY OVERVIEW

- ▶ Top-down management of spreads coupled with fundamental analysis
- ▶ Explicit measures of valuation and risk
- ▶ Industry sector specialists average 20 years of experience
- ▶ Consistent benchmark outperformance since inception<sup>2</sup>

### PHILOSOPHY

In order to generate consistent alpha, we believe fundamental analysis must be combined with:

- ▶ Top-down management of spread risk using explicit measures of valuation and risk
- ▶ Relative value framework with a focus on downside risk
- ▶ Return profile assessment at individual security level

### ABOUT FORT WASHINGTON

- ▶ Founded in 1990; \$60.2 billion in current total assets under management<sup>3</sup>
- ▶ Breadth of experience managing capital across an array of asset classes with a diverse client base
- ▶ Organizational hallmarks include: stability of teams, consistency of process, competitive performance, deep resources, and alignment of interests

### PORTFOLIO MANAGEMENT TEAM

**Paul A. Tomich, CFA**  
 Assistant Vice President,  
 Senior Portfolio Manager

**John J. Goetz, CFA**  
 Vice President,  
 Senior Portfolio Manager

### Portfolio Characteristics<sup>1</sup> (As of 06/30/19)

	Active Corporate Composite	Bloomberg Barclays US Credit
Effective Duration	7.34 years	7.39 years
Yield to Worst	3.55%	3.09%
Effective Maturity	12.51	10.90
Average Quality	A3/BAA1	A2/A3

### Annualized Total Returns

Period	Active Corporate (gross)	Active Corporate (net)	Bloomberg Barclays US Credit
2Q19	4.47%	4.36%	4.27%
YTD	10.63%	10.41%	9.35%
1 Year	11.07%	10.63%	10.34%
3 Years	4.80%	4.38%	3.74%
5 Years	4.98%	4.56%	3.92%
10 Years	6.66%	6.21%	5.77%
Since Inception	5.88%	5.55%	5.00%

<sup>1</sup>Source: Bloomberg PORT. Sector and duration allocation are subject to change at any time. Quality distribution subject to change. This supplemental information complements the Active Corporate Fixed Income Composite Presentation.

<sup>2</sup>Rankings versus the eA U.S. Corporate Fixed Income Universe. See next page for composite performance and disclosures. This supplemental information complements the Active Corporate Fixed Income Composite Presentation. Past performance is not indicative of future results.

<sup>3</sup>Assets as of 06/30/19. Includes assets under management by Fort Washington of \$56.9 billion and \$3.7 billion in commitments managed by Fort Washington Capital Partners Group (FW Capital), a division.

## COMPOSITE PERFORMANCE DISCLOSURES

	2Q19	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Active Corporate Fixed Income (Gross)	4.47%	10.63%	-2.36%	7.38%	8.15%	-0.24%	8.44%	-2.69%	9.92%	9.63%	9.85%	20.35%
Active Corporate Fixed Income (Net)	4.36%	10.41%	-2.74%	6.95%	7.71%	-0.63%	8.01%	-3.12%	9.46%	9.14%	9.39%	19.80%
Bloomberg Barclays US Credit Index	4.27%	9.35%	-2.11%	6.18%	5.63%	-0.77%	7.53%	-2.01%	9.39%	8.35%	8.47%	16.04%
Active Corporate Fixed Income 3-Year Annual Standard Deviation <sup>1</sup>	--	--	4.01%	4.13%	4.46%	4.32%	4.33%	4.60%	3.78%	4.57%	--	--
Barclays US Credit Index 3-Year Annual Standard Deviation <sup>1</sup>	--	--	3.52%	3.72%	4.40%	4.06%	3.94%	4.23%	3.64%	4.66%	--	--
Dispersion <sup>2</sup>	--	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$208.1	\$208.1	\$188.10	\$192.00	\$126.60	\$80.80	\$81.10	\$78.50	\$54.90	\$66.30	\$60.50	\$77.50
Composite % of Firm Assets	0.37%	0.37%	0.38%	0.36%	0.28%	0.19%	0.18%	0.18%	0.13%	0.18%	0.17%	0.26%

Composite inception and creation date: 01/01/05. Benchmark returns include interest income, but as an unmanaged fixed income index, it does not include transaction fees (brokerage commissions), and no direct comparison is possible. The index includes domestic, taxable, and dollar-denominated securities and covers the U.S. investment-grade fixed rate corporate bond market. The Barclays indices were formally known as the Lehman indices prior to 12/31/08. <sup>1</sup>The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean. <sup>2</sup>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 returns for those portfolios held in the composite during the entire period. Past performance is not indicative of future results. In Fort Washington's Active Corporate strategy, our investment grade credit analysis process is centered on a relative value analysis. This is combined with solid fundamental credit analysis and efficient execution to build long-term value. Sector specialists and credit analysts evaluate the sector to determine the optimal mix of securities within that sector. The process is not ratings driven, but focuses on risk premiums, potential for downgrade, and the most effective combination on the risk free rate and credit risk premium. The portfolio is actively traded with the goal of outperforming a credit index. All fee-paying, fully discretionary portfolios, managed in the Active Corporate Fixed Income style with a minimum of \$3 million under our management, are included in this composite. Effective 01/22/14, the Active Corporate Fixed Income strategy fee schedule is 0.30% on the first \$25 million and 0.25% on the next \$25 million and over. The benchmark for this strategy is the Bloomberg Barclays US Credit Index. 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. 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.

### CONTACT

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