



## FORT WASHINGTON FOCUSED EQUITY – 2Q19

### GENERAL INFORMATION

Inception Date: 10/01/2007  
Total Assets: \$2.8 billion  
Style: All Cap Equity  
Benchmark: Russell 3000<sup>1</sup>

### STRATEGY OVERVIEW

- ▶ Unique investment approach that directly links valuation with barriers to entry
- ▶ All-cap strategy enables movement opportunistically across market caps through a market cycle
- ▶ Take advantage of irrational human behavior and identify companies mispriced by the market
- ▶ High conviction strategy promotes alpha generation

### PHILOSOPHY

Three aspects we believe generate competitive investment returns:

1. Pay as little as possible for future value creation
2. Invest in businesses capable of generating excess returns on capital
3. Invest in businesses with higher barriers to entry

### ABOUT FORT WASHINGTON

- ▶ Founded in 1990; \$60.6 billion in current total assets under management<sup>2</sup>
- ▶ Breadth of experience managing capital across a wide array of asset classes with a diverse client base
- ▶ Organizational hallmarks include: stability of teams, consistency of process, competitive performance, well-resourced teams, and alignment of interests

### INVESTMENT PROFESSIONALS

**James E. Wilhelm, Jr.**  
Managing Director, Head of Public Equity  
Senior Portfolio Manager  
Sectors: *Consumer Discretionary and Consumer Staples*  
Partner on: *All Sectors*

**Kevin M. Bass**  
Senior Equity Research Analyst  
Sectors: *Financials and Real Estate*  
Partner on: *Health Care*

**E. Craig Dauer, CFA**  
Senior Equity Research Analyst  
Sector: *Health Care*  
Partner on: *Consumer Discretionary and Consumer Staples*

**John A. Wieging, CFA**  
Senior Equity Research Analyst  
Sectors: *Energy and Utilities*  
Partner on: *Technology*

**Sunit Gogia**  
Vice President, Portfolio Manager  
Sectors: *Technology and Telecom Services*  
Partner on: *All sectors with an emphasis on Industrials, Basic Materials, and Real Estate*

**Daniel L. Holland, CFA**  
Senior Equity Research Analyst  
Sectors: *Industrials and Basic Materials (lead)*  
Partner on: *Financials, Energy, and Utilities*

**Dan T. Gibson, CFA**  
Assistant Vice President  
Product Specialist—Equities

- ▶ Deeply resourced team of 7, including sector specialists with common investment beliefs

### Portfolio Characteristics (As of 06/30/19)

Number of Holdings (approx.)	25-40
Max. Position Size at Market Value	10% - 15%
Top 10 Holdings (% of portfolio)	35% or higher
Price to intrinsic value (weighted average)	\$0.75
Weighted average excess return on capital (ex-financials)	9.8%
Turnover <sup>3</sup>	8.0%
Barriers to Entry (none, moderate, high)	0% 47% 53%
Small, mid, large cap % <sup>4</sup>	0% 7.6% 92.4%
Cash	1.4%

Source: Fort Washington. This supplemental information complements the Focused Equity Composite Presentation. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See Focused Equity composite on the next page for complete disclosure. Past performance is not indicative of future results.

### Annualized Total Returns

Period	Focused Equity (gross)	Focused Equity (net)	Russell 3000
2Q19	2.46%	2.38%	4.10%
YTD	16.08%	15.91%	18.71%
1 Year	5.66%	5.34%	8.98%
3 Year	10.35%	10.02%	14.02%
5 Years	8.29%	7.97%	10.19%
10 Years	14.37%	14.09%	14.67%
Since Inception	9.36%	9.12%	8.04%

Composite inception and creation date: 10/01/07. Past performance is not indicative of future results. The benchmark for this composite is the Russell 3000 Index. Frank Russell Company (FRC) is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information pertaining to FRC and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a Fort Washington Investment Advisors, Inc. presentation of the Russell Index data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Fort Washington's presentation thereof.

## COMPOSITE PERFORMANCE DISCLOSURES

	2Q19	YTD	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Focused Equity (Gross)	2.46%	16.08%	-6.70%	15.20%	13.01%	4.21%	7.65%	39.96%	22.81%	-11.81%	23.16%	45.05%
Focused Equity (Net)	2.38%	15.91%	-6.99%	14.85%	12.67%	3.90%	7.33%	39.54%	22.50%	-12.00%	23.10%	44.99%
Russell 3000 Index	4.10%	18.71%	-5.24%	21.13%	12.74%	0.48%	12.56%	33.55%	16.42%	1.03%	16.93%	28.34%
Focused Equity 3-Year Annual Standard Deviation <sup>5</sup>	--	--	10.99%	10.07%	10.87%	11.40%	10.65%	15.51%	19.15%	23.34%	--	--
Russell 3000 Index 3-Year Annual Standard Deviation <sup>5</sup>	--	--	11.18%	10.09%	10.88%	10.58%	9.29%	12.53%	15.73%	19.35%	--	--
Dispersion <sup>6</sup>	0.15%	0.26%	0.22%	0.36%	0.55%	0.42%	0.49%	0.93%	0.67%	--	--	--
Number of Accounts	8	8	8	10	9	8	7	6	7	6	≤5	≤5
Composite Assets (\$ millions)	\$1,249.8	\$1,249.8	\$1,258.8	\$1,572.9	\$1,774.3	\$1,538.1	\$1,341.6	\$1,172.4	\$867.6	\$282.9	\$239.3	\$24.0
Composite % of Firm Assets	2.20%	2.20%	2.56%	2.98%	3.89%	3.58%	2.98%	2.68%	2.04%	0.75%	0.66%	0.08%

<sup>1</sup>Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

<sup>2</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.

<sup>3</sup>The portfolio turnover rate is annualized as of 06/30/19.

<sup>4</sup>Excludes cash.

Composite inception and creation date: 10/01/07. <sup>5</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>6</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. The benchmark for this composite is the Russell 3000 Index. Past performance is not indicative of future results. Please see performance disclosures on the next slide. The Fort Washington Focused Equity strategy is an all-cap concentrated, value oriented strategy that invests in businesses with strong barriers to entry that have the capability of generating excess returns on capital. The strategy looks to take advantage of irrational human behavior by buying securities that have been mispriced by the market. We will invest in companies that have limited absolute downside and large margin of safety on the upside. The objective of the Focused Equity strategy is to outperform the Russell 3000 Index over a full market cycle. All fee-paying, fully discretionary portfolios managed in the Focused Equity style, with a minimum of \$1 million under our management, are included in this composite. Effective 01/22/14, the Focused Equity strategy fee schedule is as follows: 0.75% on the first \$25 million, 0.70% on the next \$25 million, and 0.65% on the next \$50 million and over. The benchmark for this composite is the Russell 3000 Index. The presentation may contain confidential information pertaining to FRC and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a Fort Washington Investment Advisors, Inc. presentation of the Russell Index data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Fort Washington's presentation thereof. Portfolios in this composite include cash, cash equivalents, investment securities, interest, and dividends. The composite may invest in ADRs, which the Russell 3000 Index does not use. 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 under management 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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