



## FORT WASHINGTON FLEXIBLE INCOME – 2Q19

### GENERAL INFORMATION

Inception Date: 07/01/2017  
 Total Assets: \$171 million<sup>1</sup>  
 Total Fixed Income Assets: \$45.7 billion  
 Style: Multi-Sector Bond, Income  
 Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index

### STRATEGY OVERVIEW

- ▶ Invests in diversified sources of income, spanning multiple asset classes
- ▶ Unique asset class combinations and specialized knowledge in niche sectors
- ▶ High conviction approach to security selection with rigorous bottom-up fundamental research
- ▶ Lead portfolio managers averaging 25 years of experience, supported by 30+ dedicated sector research analysts overseeing over \$55 billion in fixed income and equity assets

### PHILOSOPHY

- ▶ The state of the economy and valuations drive asset prices
- ▶ Relative value is best assessed through explicit measurement of risk and return
- ▶ Active fixed income security selection adds alpha over time
- ▶ Avoid large exposures that are not supported by strong investment rationale

### ABOUT FORT WASHINGTON

- ▶ Founded in 1990; \$60.6 billion in current total assets under management<sup>2</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

**Timothy J. Policinski, CFA**  
 Managing Director  
 Senior Portfolio Manager

**Austin R. Kummer, CFA**  
 Assistant Vice President  
 Portfolio Manager

**Bradley D. Sikora**  
 Product Specialist – Fixed Income, Multi-Asset

**Daniel J. Carter, CFA**  
 Vice President  
 Senior Portfolio Manager

**Brendan M. White, CFA**  
 Senior Vice President  
 Co-Chief Investment Officer

▶ Supported by 30+ research analysts

### Portfolio Characteristics (As of 6/30/19)

- ▶ Weighted Average Yield to Worst 4.7%
- ▶ Effective Duration 4.4
- ▶ Weighted Average Maturity 7.3
- ▶ Number of Securities 117

Credit Quality (% of Fixed Income)		Sector Allocation	
AAA	19%	Investment Grade Corporate	24%
AA	1%	Non-Investment Grade Corporate	20%
A	6%	U.S. Treasuries	12%
BBB	39%	TIPS	2%
BB	16%	Securitized	21%
B	17%	Preferred Securities	0%
CCC and Below	2%	Emerging Markets Debt	8%
N/A	0%	Private Debt/BDCs	7%
		Public Equity	2%
		Cash	3%

Source: Fort Washington and POINT. Past performance is not indicative of future results. Portfolio characteristics subject to change at any time without notice. Supplemental information, see Flexible Income Composite presentation for full performance and disclosures.  
<sup>1</sup>Total strategy assets as of 06/30/19. <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.

### ANNUALIZED TOTAL RETURNS

Period	Flexible Income (gross)	Flexible Income (net)	Bloomberg Barclays U.S. Aggregate
2Q19	3.02%	3.01%	3.08%
YTD	8.80%	8.78%	6.11%
1 Year	9.79%	9.75%	7.87%
Since Inception (07/01/17)	6.17%	6.13%	3.65%

Past performance is not indicative of future results. See Flexible Income composite on page 2 for complete performance information and disclosures.

## COMPOSITE PERFORMANCE DISCLOSURES

	2Q19	YTD	2018	2017 <sup>1</sup>
Flexible Income (Gross)	3.02%	8.80%	0.49%	3.10%
Flexible Income (Net)	3.01%	8.78%	0.45%	3.08%
Bloomberg Barclays U.S. Aggregate	3.08%	6.11%	0.01%	1.24%
Flexible Income 3-Year Annual Standard Deviation <sup>2</sup>	-	-	-	-
Bloomberg Barclays Aggregate 3-Year Annual Standard Deviation <sup>2</sup>	-	-	-	-
Dispersion <sup>3</sup>	-	-	-	-
Number of Accounts	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$171.0	\$171.0	\$57.50	\$51.10
Composite % of Firm Assets	0.30%	0.30%	0.12%	0.10%

Composite inception and creation date: 07/01/17. <sup>1</sup>2017 returns are partial-year returns, reflecting the composite inception date of 07/01/17. <sup>2</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>3</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 quarterly returns for those portfolios held in the composite during the full measurement period. Past performance is not indicative of future results.

The Flexible Income strategy employs a high conviction, yield oriented investment approach coupled with sector diversification and diligent risk management resulting in attractive risk adjusted returns via high levels of income. The primary objective of Flexible Income is to produce a high level of current income with a secondary objective of capital appreciation. The strategy will invest in public fixed income, private fixed income, common stock and derivatives. The strategy will incorporate the best investment ideas available to Fort Washington, exploiting Fort Washington's core competencies of bottom up credit and structure analysis. Risk monitoring, performance measurement, and active management is a key component to achieving attractive risk adjusted returns. All fee-paying, fully discretionary portfolios, managed in the Flexible Income style, with a minimum of \$25 million under our management, are included in this composite. Effective 10/26/18, the Flexible Income fee is 0.40% for the first \$75 million and 0.35% for amounts in excess of \$75 million for separate accounts. The benchmark for this composite is the Bloomberg Barclays U.S. Aggregate Bond Index. This benchmark covers the USD-denominated, investment grade, fixed-rate, and taxable areas of the bond market. 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 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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