



## FORT WASHINGTON MIDSTREAM ENERGY/MLP – 1Q19

### GENERAL INFORMATION

Inception Date: 01/01/2009  
Total Assets: \$103 million  
Style: Midstream Focus

### STRATEGY OVERVIEW

- ▶ Fundamentals-based investment process
- ▶ Analytical framework incorporates the viewpoint of both equity and credit disciplines
- ▶ Growth orientation with a focus on total return
- ▶ Firm-wide proprietary risk management systems

### PHILOSOPHY

Structural characteristics of the Midstream industry can create opportunities for investors:

- ▶ Fundamental research can identify under-priced growth companies
- ▶ All Midstream assets should be considered
- ▶ Competitive advantages can be recognized with a focus on company assets and management teams

### ABOUT FORT WASHINGTON

- ▶ Founded in 1990; \$59.2 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

**David C. McColl**  
Senior Portfolio Manager

**John A. Wieging, CFA**  
Assistant Portfolio Manager

**Jonathan P. Westerman, CFA**  
Senior Analyst, Equity & Credit

### Portfolio Characteristics<sup>1</sup> (As of 03/31/19)

Metric (wtg. avg.)	Composite	Alerian MLP
Price/DCF/Growth	4.5x	4.9x
Price/Distributable Cash Flow*	12.7x	13.2x
1-Year Distribution Growth (2018E-19E)	3.4%	3.4%
2-Year Distribution Growth (2018E-20E)	4.1%	4.0%
Indicated Yield	7.8%	8.8%

### Portfolio Guidelines

<b>Holdings:</b>	Equity: 30-40 entities (MLPs, GPs, LPs, C-Corps). Fixed Income: 0-10% of market value
<b>Top 10 Holdings:</b>	Typically between 50% and 70%
<b>Market Cap Limits:</b>	All Cap; No minimum market cap

### Annualized Total Returns

Period	Midstream Energy/MLP (gross)	Midstream Energy/MLP (net)	Alerian MLP
1Q19	14.24%	14.23%	16.82%
1 Year	6.07%	6.03%	15.11%
3 Years	4.89%	4.84%	5.69%
5 Years	-5.41%	-5.46%	-4.73%
10 Years	14.34%	14.30%	10.10%
Since Inception	15.71%	15.66%	10.99%

<sup>1</sup>Source: Fort Washington and Bloomberg. Characteristics subject to change without notice. Past performance is not indicative of future results. This supplemental information complements the Midstream Energy/MLP Composite Presentation. FWIA is focused on total return, and as a result, the portfolio will hold securities with low distributions/dividends which is a proxy for distributable cash flow. From time-to-time this can result in the appearance of FWIA being expensive vs. the index. Occasionally low yielding outliers can drive P/DCF. The most recently announced net dividend, annualized based on the dividend frequency, then divided by the current market price. If the security is paying an interim/final dividend, then the indicated yield is calculated by adding the net amount from the most recently announced interim and the most recently announced final, and dividing the sum by the current market price. Abnormal Dividends are not included in this yield calculation. For Daily Accrual Funds, the calculation uses the dividends paid out by the fund, not the daily accruals.

<sup>2</sup>Composite performance is both gross and net of fees. Peer Group Annualized Returns: eVestment Alliance, LLC eASE Analytics Midstream Limited Partnership Universe. Universe (Peer Group). This supplemental information complements the Midstream Energy/MLP Composite Presentation.

<sup>3</sup>Assets as of 03/31/19. Includes assets under management by Fort Washington of \$55.4 billion and \$3.8 billion in commitments managed by Fort Washington Capital Partners Group (FW Capital), a division.

## COMPOSITE PERFORMANCE DISCLOSURES

	1Q19	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Midstream Energy/MLP (Gross)	14.24%	-17.34%	-1.59%	16.56%	-33.72%	12.95%	41.41%	11.35%	19.78%	47.26%	98.15%
Midstream Energy/MLP (Net)	14.23%	-17.37%	-1.64%	16.50%	-33.74%	12.90%	41.36%	11.30%	19.77%	47.19%	98.07%
Alerian MLP	16.82%	-12.42%	-6.52%	18.31%	-32.59%	4.83%	27.61%	4.41%	13.97%	35.86%	76.45%
Midstream Energy/MLP 3-Year Annual Standard Deviation <sup>1</sup>	--	19.31%	21.15%	22.16%	19.94%	14.31%	13.59%	15.05%	18.57%	--	--
Alerian MLP 3-Year Annual Standard Deviation <sup>1</sup>	--	18.10%	19.06%	19.95%	18.49%	13.53%	13.43%	13.37%	17.19%	--	--
Dispersion <sup>2</sup>	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$103.1	\$90.2	\$207.7	\$229.0	\$201.3	\$326.7	\$241.2	\$102.0	\$91.7	\$76.8	\$39.3
Composite % of Firm Assets	0.19%	0.18%	0.39%	0.50%	0.47%	0.73%	0.55%	0.24%	0.24%	0.21%	0.13%

Composite inception date: 01/01/09. Composite creation date: 05/01/11.

<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. Effective 10/1/2014, the Master Limited Partnership Composite was renamed the Midstream Energy/MLP Composite. The Fort Washington Midstream Energy/MLP strategy invests in the common stock and equity units of companies that own and operate midstream energy assets. The portfolio holdings are structured as limited partnerships, general partnerships, or the common stock of companies that own assets eligible for inclusion in the MLP structure. The strategy may hold up to 10% in bonds as well. While yield is an important consideration, the portfolio is managed to maximize total return. All fee-paying, fully discretionary, non-restricted portfolios managed in the Midstream Energy/MLP style, with a minimum of \$1 million under management, are included in this composite. Effective 01/22/14, the Midstream Energy/MLP 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 Alerian MLP Index (AMZ). Benchmark returns include interest income, but as an unmanaged index, it does not include transaction fees (brokerage commissions), and no direct comparison is possible. This benchmark is a composite of 44 prominent energy Master Limited Partnership (MLP) companies. Alerian aims to provide unbiased benchmarks that are both investable and replicable for shareholders. The index is calculated using a float-adjusted, capitalization-weighted methodology. Portfolios in this composite include Master Limited Partnerships, MLP-like energy infrastructure companies, and cash securities. 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

contactus@fortwashington.com

303 Broadway, Suite 1200 / Cincinnati, OH 45202 / 513.361.7600 / 888.244.8167 / fortwashington.com



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