



FORT WASHINGTON STRATEGIC INCOME – 1Q2023

GENERAL INFORMATION

Inception Date: 07/01/2017
Total Assets: \$927 million¹
Total Fixed Income Assets: \$51.6 billion²
Style: Multi-Sector Bond, Income
Benchmark: Bloomberg U.S. Aggregate Bond Index

STRATEGY OVERVIEW

- ▶ Invests in diversified sources of income, spanning multiple asset classes
- ▶ Diverse 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 24 years of experience, supported by 30+ dedicated sector research analysts overseeing \$51.6 billion in fixed income 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; \$74.0 billion in current total assets under management³
- ▶ 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

Daniel J. Carter, CFA
Managing Director
Senior Portfolio Manager

Austin R. Kummer, CFA
Vice President
Senior Portfolio Manager

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

- ▶ Supported by 25+ research analysts

Portfolio Characteristics (As of 3/31/2023)

- ▶ Weighted Average Yield to Worst 6.8%
- ▶ Effective Duration 4.7
- ▶ Average Credit Quality A3/Baa1
- ▶ Number of Securities 227

Credit Quality (% of Fixed Income)		Sector Allocation	
AAA	24%	Investment Grade Corporate	23%
AA	0%	High Yield Corporate	16%
A	7%	U.S. Treasuries	23%
BBB	35%	Securitized	21%
BB	12%	Emerging Markets Debt	9%
B	9%	Private Debt/BDCs	2%
CCC and Below	2%	Public Equity	4%
Not Rated	8%	Cash	2%

Source: Fort Washington and Bloomberg PORT. Past performance is not indicative of future results. Portfolio characteristics subject to change at any time without notice. This supplemental information complements the Strategic Income GIPS Report.

¹Total strategy assets as of 3/31/2023. ²Includes assets managed across multiple strategies. ³Assets as of 3/31/2023. Includes assets under management by Fort Washington of \$68.7 billion and \$5.3 billion in commitments managed by Fort Washington Capital Partners Group (FW Capital), a division.

PEER GROUP PERFORMANCE

	Strategic Income (Gross)	Strategic Income (Net)		Bloomberg U.S. Aggregate Index
	Return	Return	Percentile Rank	Return
1Q2023	2.68%	2.59%	51	1.87%
1 Year	-3.49%	-3.83%	49	-13.01%
3 Years	4.62%	4.24%	18	-2.71%
5 Years	3.98%	3.60%	3	0.02%
Since Inception (07/01/17)	3.77%	3.38%	9	0.25%

Source: Fort Washington and eVestment. Peer ranks are percentile rankings versus the eVestment US Multi-Sector Fixed Income Universe relative to peer group. Past performance is not indicative of future results. This supplemental information complements the Strategic Income GIPS Report.

COMPOSITE PERFORMANCE DISCLOSURES

	1Q2023	2022	2021	2020	2019	2018	2017 ¹
Strategic Income (Gross)	2.68%	-9.86%	3.24%	10.72%	12.84%	0.49%	3.10%
Strategic Income (Net)	2.59%	-10.17%	2.99%	10.42%	12.80%	0.45%	3.08%
Bloomberg U.S. Aggregate	2.96%	-13.01%	-1.54%	7.51%	8.72%	0.01%	1.24%
Strategic Income 3-Year Annual Standard Deviation ²	--	8.41%	6.68%	6.87%	--	--	--
Bloomberg Aggregate 3-Year Annual Standard Deviation ²	--	5.77%	3.35%	3.36%	--	--	--
Dispersion ³	--	--	--	--	--	--	--
Number of Accounts	5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$828.6	\$604.8	\$1,053.4	\$385.6	\$285.5	\$57.5	\$51.1
Total Firm Assets (\$ millions)	\$68,722	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774

Composite inception and creation date: 07/01/17. ¹2017 returns are partial-year returns, reflecting the composite inception date of 07/01/17. ²The 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. ³Dispersion 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 Strategic 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 Strategic 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 Strategic Income style, with a minimum of \$100 million under our management, are included in this composite. Effective 10/26/18, the Strategic Income fee is 0.40% for separate accounts. The benchmark for this composite is the Bloomberg U.S. Aggregate Bond Index. This benchmark covers the USD-denominated, investment grade, fixed-rate, and taxable areas of the bond market. 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. 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. 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. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/21. 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. 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 DISCLOSURES

The Strategic 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 non-investment grade debt securities which are considered speculative with respect to the issuers' ability to make timely payments of interest and principal, may lack liquidity and has had more frequent and larger price changes than other debt securities. 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 equities which are subject to market volatility and loss. The strategy invests in preferred stocks which are relegated below bonds for payment should the issuer be liquidated. The strategy invests in foreign securities which carry the associated risks of economic and political instability, market liquidity, currency volatility and accounting standards that differ from those of U.S. markets and may offer less protection to investors. The strategy invests in derivatives such as futures contracts. Derivatives can be highly volatile, illiquid and difficult to value, subject to counterparty and leverage risks and there is risk that changes in the value of a derivative held by the strategy will not correlate with the strategy's other investments. The strategy invests in mortgage dollar rolls which involve increased risk and volatility, as the securities the strategy is required to repurchase may be worth less than the securities that the strategy originally held.

CONTACT

contactus@fortwashington.com

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



**Fort Washington
Investment Advisors, Inc.**

A member of Western & Southern Financial Group

▼ **Uncompromised Focus®**