



RESPONSIBLE INVESTMENT POLICY

Signatory of:



PURPOSE

As a fiduciary, Fort Washington's clients are at the forefront of all we do. We believe in repeatable practices that balance risk and return while adhering to the policies and framework set forth by each individual client. In doing so, we support a broad spectrum of Responsible Investing. We encourage, support, and practice an investment philosophy that considers environmental, social, and governance factors in assessing risk and the sustainability of future returns.

FORT WASHINGTON'S APPROACH TO RESPONSIBLE INVESTMENT

Fort Washington operates three business segments – Institutional Asset Management, Private Client Wealth Management, and Private Equity Investment Management. Investment teams in each area have tailored approaches to integrate responsible investing for various asset classes and investment types. As a signatory of the United Nations Principles of Responsible Investment (PRI), we integrate their six principles throughout our investment process. The items below describe how our investment teams throughout the firm apply these responsible investing principles.

RESPONSIBLE INVESTING IN THE INVESTMENT PROCESS

Every investment decision at Fort Washington is based on an assessment of risk-adjusted return. A comprehensive risk management program includes a thorough assessment of environmental, social, and governance (ESG) factors. The following tactics are deployed as Fort Washington incorporates responsible investing principles within its investment processes in support of achieving our clients' objectives:

Integration

To varying degrees, our investment teams use MSCI ESG research and Morningstar Sustainability Ratings at the company, portfolio, and manager level to integrate ESG factors in the investment process. We also conduct proprietary ESG research when our investment teams are assessing the downside case for buy candidates and existing holdings. This impacts all sectors, but certain factors are more impactful to different market segments. Examples of factors used are as follow:

Environmental Factors – Climate change, resource depletion, renewable energy sourcing, waste, pollution and deforestation.

Social Factors – Working conditions, discrimination, diversity policies, labor abuse, child labor, health and safety, alcohol and weapons.

Governance Factors – Executive pay, bribery, corruption, political lobbying and board diversity/structure.

Positive / Best-In-Class Screening

Fort Washington employs positive ESG screening on behalf of investors who seek to construct a socially conscience portfolio. Our Private Client Group investment professionals construct comprehensive multi-strategy portfolios, leveraging ESG managers ranked highly by Morningstar and other third party data providers. Based on the desired asset allocation, each asset class is screened to seek best-in-class external strategies that adhere to an ESG mandate. The robust due diligence selection process is both quantitative and qualitative. The process concludes with Fort Washington's Due Diligence Committee, comprised of senior leadership and asset class specialists, interviewing the fund manager. These interviews include wide ranging discussions on how the strategy measures and incorporates responsible investing into their investment approach.

Negative / Exclusionary Screening

Fort Washington has managed exclusionary or negative screen client portfolios since the firm's inception. Our process seamlessly incorporates exclusionary screens along with ESG and other client specific investment guidelines, ensuring we uphold any ethical standards important to our clients along with sustainable investment practices.

Negative screens can vary from client to client and reflect what is important to investors by eliminating companies that participate in specific business activities. The most common are exclusions for companies that supply, manufacture, and/or distribute alcohol, tobacco, and weapons. Impact investors may screen out companies that derive a certain amount of revenue from fossil fuels. Clients with social objectives often screen out companies that engage in for-profit activity in countries with a history of human rights violations while faith-based clients may seek to exclude companies that participate in stem-cell research. We work with each client on the specifics as defined in their Investment Policy Statement. Understanding the screening process is particularly important as it dictates portfolio construction and can often be a significant factor in investment performance.

Stewardship, Corporate Engagement & Shareholder Action

Fort Washington views stewardship, corporate engagement and shareholder action as effective means to manage investment risk and support activities that drive positive shareholder value. Our Institutional equity and fixed income investment teams seek to engage with companies, where appropriate, primarily through dialogue and voting. These actions allow us to evaluate and understand companies' corporate governance policies, environmental impact, and social issues, focusing on similar factors as described in the Integration section. Additionally, active ownership philosophy is a key criteria when our multi-strategy teams conduct due diligence on external managers. We question managers to get a deep understanding of their engagement methods.

RESPONSIBLE INVESTMENT GOVERNANCE

Comprised of senior leaders in the organization and members from all areas of the company, the Responsible Investment (RI) Committee governs the firm's RI efforts. This group establishes responsible investing policies and procedures, ensures these policies and procedures are documented and followed, enhances RI awareness across the firm and allocates resources toward RI program development. Meetings are held semi-annually with regular communication in-between as the need arises.

Implementation of the RI Policy is the responsibility of each investment team with support of the RI Committee. Each team has a representative that is a member of the RI Committee. These individuals are accountable for upholding and communicating RI policy within their respective disciplines. In addition, Responsible Investment is included in the Risk Management function, which is independent of the investment process.



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