



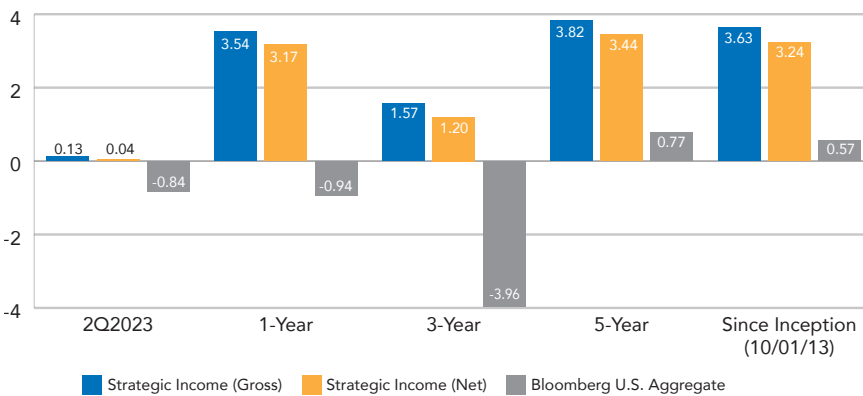
FORT WASHINGTON STRATEGIC INCOME – 2Q2023

- ▶ Flexible investment approach with diversified sources of return
- ▶ Premium yield with high quality bias
- ▶ High conviction security selection with rigorous bottom-up research
- ▶ Lead managers in place since inception

Inception Date: 07/01/2017
 Total Strategy Assets: \$915 million
 Total Fixed Income Assets: \$51.4 billion
 Style: Multi-Sector Bond, Income

Historical Performance

Annualized Net Return as of June 30, 2023



Source: Fort Washington. Past performance is not indicative of future results. This supplemental information complements the Strategic Income GIPS Report.

Flexibility

Max 50% Plus Sectors

Premium Yield

7.0% Yield
A3/Baa1 Average Credit Quality

Diversified Returns

Multi-Asset Approach Provides Opportunity for Diversified Returns

High Conviction

178 Portfolio Issuers

Experienced Team

Lead PMs Average 24 Years Experience
35 Investment Professionals

MARKET OVERVIEW

After a volatile end to the first quarter, the second quarter of 2023 was marked by continued resilience of the U.S. economy and slow progress on reducing inflation, resulting in strong performance for risk assets, further hawkish Fed policy expectations, and higher interest rates. Recession has been widely expected by economists in 2023, but incoming data has remained sturdy as the labor market continues to support consumer spending. Interest rates rose in the quarter, with short-term interest rates rising more than long-term rates. Across many parts of the Treasury yield curve, the inversion of short- to long-term rates is approaching the most negative of 2023. The rise in short-term rates was driven by a re-pricing of Fed expectations, as the Fed remained concerned that inflation remains too high and not improving quick enough to halt rate increases. Markets now price a “higher for longer” path of Fed policy, whereby the Fed takes rates to a restrictive level and remain unchanged into at least mid-2024.

Consensus expectations for the U.S. economy have shifted from fears over recession to mostly achieving a soft landing, with the economy skirting a worse outcome in spite of the aggressive Fed tightening cycle. The main driver of this shift in expectation is the continued resilience of the U.S. consumer. Consumer spending, representing ~70% of the economy, has provided a solid foundation. In most recent data, consumer spending rose at the quickest pace in several quarters. Driven by a healthy labor market, above-average wage gains, and excess savings, consumers have defied the drag from higher interest rates and other headwinds. In our view, risks remain to the downside as the lagged effect of Fed tightening is felt, banks further constrain credit, and excess savings are depleted.

PEER GROUP PERFORMANCE

	Percentile Rank ¹
2Q2023	60
1 Year	46
3 Years	28
5 Years	12
Since Inception	13

Source: eVestment
¹Peer ranks are percentile rankings versus the eVestment U.S. Multi-Sector Fixed Income Universe based on net performance relative to peer group. Past performance is not indicative of future results.

Inflation, especially headline, has fallen sharply in the first half of 2023. Core measures, which exclude food and energy, have also adjusted lower, but at a much slower pace. The Fed's preferred measure of inflation, Core PCE, peaked at 5.4% in 2022, but has only declined to 4.6%. Within the data, there has been significant progress on inflation in the goods sector, but the service sector has remained sticky. Looking forward, however, service sector inflation is likely to fall sharply over the next several months and help move core measures of inflation lower. Shelter inflation, the largest component of services inflation, has begun to decelerate and real-time rental data indicates that improvement will continue toward more normal levels. As inflation moves lower, this will have broad implications for Fed policy and interest rates.

The Fed raised interest rates in May as the banking concerns of the first quarter receded, inflation declined at a slower pace, and economic data outperformed expectations. In June, the Fed decided to forgo another hike, but strongly indicated that further hikes are likely. In a surprise to markets, the Fed indicated they may raise rates above 5.5% by the end of 2023. Treasury yields increased sharply and now reflect more hikes and reduced chances of cuts in the future. In our view, as market expectations now reflect further Fed hikes, a soft landing for economic growth, and sticky inflation, the risk for interest rates over the next several months is skewed to the downside. If the headwinds facing the U.S. materialize into lower growth and inflation, rates are likely to fall sharply from current levels.

After a solid second quarter performance, credit spreads across sectors and quality ranges are generally in the 40-50th percentile relative to history. Credit spreads, along with other risk assets, reflect the overall belief that recession risk has declined sharply. At current levels, compensation for uncertainty is relatively low. If the economy slows more/faster than expected, credit spreads are likely to widen. However, if the economy is able to remain solid and achieve a soft landing, spreads can tighten further. Weighing these risks, we believe current valuations support a modest overweight to risk in fixed income portfolios.

Portfolio Characteristics (As of 6/30/2023)	
Weighted Average Yield to Worst	7.0%
Effective Duration (years)	5.2
Number of Securities / Issuers	220/178
Total Strategy Assets	\$915mm

Credit Quality (% of Fixed Income)	
AAA	27%
AA	0%
A	7%
BBB	35%
BB	11%
B	9%
CCC and Below	2%
Not Rated	7%

Sector Allocation	Current	3 Year Average
Investment Grade Corp	24%	22%
High Yield Corp	13%	19%
U.S. Treasuries	27%	17%
Securitized	20%	21%
ABS	4%	
CLO	6%	
CMBS	5%	
RMBS	5%	
Emerging Markets Debt	8%	10%
Private Debt/BDCs	3%	3%
Public Equity	4%	4%
Cash	2%	3%

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.

PORTFOLIO ACTIVITY

The Strategic Income strategy returned 0.13% / 0.04% (gross/net) during the second quarter, compared to -0.84% for the Bloomberg Barclays Aggregate Index.

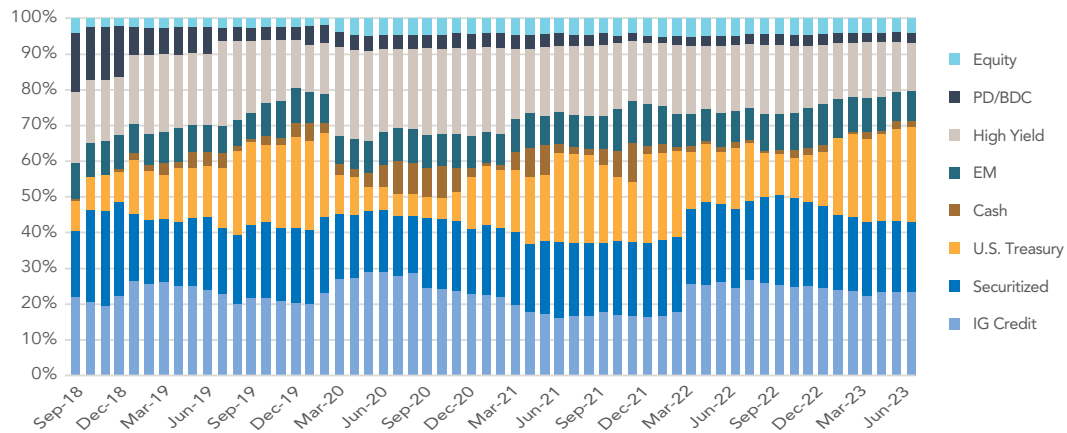
Interest rate positioning added to relative performance versus the benchmark during the quarter. The strategy maintains a shorter duration compared to the benchmark. Interest rates rose the quarter, resulting in outperformance as the strategy was positioned with a shorter duration compared to the benchmark.

Sector allocation was a positive factor during the quarter. Spreads tightened during the quarter, resulting in outperformance of credit sectors. An overweight allocation to High Yield and Emerging Market Debt outperformed and were the primary contributors to positive sector allocation.

Security selection was a slight positive factor for relative performance. Outperformance within Investment Grade Credit and Securitized added to performance but was mostly offset by negative selection within High Yield.

The strategy reduced exposure to High Yield, Securitized, and Emerging Markets Debt during the quarter in an effort to reduce overall risk within the strategy, and subsequently increased exposure to U.S. Treasury TIPS. High Yield exposure, including derivatives, is now at its lowest level since inception and reflects the limited relative value offered within the sector and increased risk of defaults as the economy continues to slow. Proceeds were reinvested in U.S. Treasury TIPS, as real yields offer compelling value at current levels.

FLEXIBLE APPROACH TO SECTOR ALLOCATIONS INCREASES ALPHA AND REDUCES RISK



Source: Fort Washington. 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.

POSITIONING AND OUTLOOK

Risk budget: The strategy is targeting a modest overweight to spread risk representing 40% of the risk budget. Although recession risk is elevated, the overweight is supported by credit valuations that are generally fair between the 40th to 50th percentile relative to history.

Looking ahead, risks to portfolio positioning are focused on the lagged effects of Fed tightening, tightening credit conditions in bank lending, and any further rate hikes yet to come. Although most recent data has been above expectations, overall growth is likely to continue at below-trend pace over coming quarters, with downside risk from the above factors. Inflation has declined from peak levels but remains well above target. The Fed has aggressively raised rates to combat inflation and continue to indicate restrictive policy until inflation is on a convincing lower trajectory. At current levels, the biggest risk to markets is a sharper slowing in economic growth that would challenge the expectation of a soft landing. As our view of the economy and monetary policy changes, we will adjust positioning as these risks evolve.

Positioning: Sector positioning reflects our overall neutral outlook on valuations, attractive relative value, and opportunities within each sector. There were modest changes to sector allocations during the quarter to reflect a lower risk posture. Primary risk exposures and recent changes include:

- ▶ Exposure to Investment Grade Credit was relatively unchanged during the quarter. The sector continues to favor positions lower in the capital structure within high quality financials and utilities while selectively adding to bottom up opportunities on attractive relative value.
- ▶ The strategy's allocation to Securitized Products was reduced slightly during the quarter. The team continues to favor non-agency exposure within the sector, and is positioned appropriately with overweight exposure to ABS, CLO, and CMBS.
- ▶ The strategy continued to moderate the Emerging Markets Debt exposure during the quarter after reducing the sector in the first quarter. Valuations remain attractive relative to domestic credit within the high yield portion of the market. Latin America remains the largest exposure within the sector.
- ▶ High Yield exposure was reduced during the quarter based on poor risk/reward considering valuations and a worsening economic outlook. Within High Yield, the strategy is broadly diversified by sector and has been reducing risk on relative value, adding to higher quality BBs.

Rates: Duration increased modestly during the quarter from 4.7 to 5.2 years. Portfolios are being positioned with a slight long duration bias through an allocation to TIPS (real yields). We believe that the growth and inflation outlook will continue to bias interest rates lower over the next several months though breakevens will dampen duration exposure if rates continue moving higher.

The strategy is positioned to perform well in a stable to improving market environment. We believe an overweight to credit sectors should benefit investors as valuations are generally fair at current levels. The strategy continues to generate an above average yield through a high conviction multi-sector approach, and should also perform well in a stable environment through its excess carry. The strategy yield has risen to historically high levels and should help offset potential risks. In today's volatile and uncertain environment, Strategic Income may provide a compelling solution for fixed income investors due to its flexible and risk-oriented approach.

WHAT DIFFERENTIATES STRATEGIC INCOME?

Premium Yield. Strategic Income has a yield well above the Bloomberg U.S. Aggregate Index as well as traditional fixed income strategies.²

High Conviction Security Selection. Bottom-up security selection in fixed income has proven to be a reliable source of alpha. Strategic Income is a portfolio of 125 – 175 issuers, focusing on the best ideas of our investment teams.

Sector Diversification. Non-traditional fixed income strategies often have large concentrations in a single sector, such as high yield or preferred securities. Strategic Income is broadly diversified by sector, resulting in multiple sources of return potential.

Duration Management. Unconstrained fixed income strategies take large, and sometimes negative, duration positions. Strategic Income uses duration as a risk mitigation tool, and seeks to avoid taking large duration positions due to the difficulty in predicting interest rates.

Quality Bias. Strategic Income has a top quintile yield without taking excessive risks. The average credit quality of the holdings in the strategy is Investment Grade rated, while the average credit quality of most portfolios in the peer group is rated as High Yield.

WHY INVEST IN THE STRATEGY?

Flexibility. Having the flexibility to react to market dislocations in a timely manner can be a benefit of non-traditional fixed income approaches such as Strategic Income.

Enhanced Return. Multi-Sector bond strategies have outperformed traditional strategies over the past 1, 3, 5, and 10 year periods² with only a moderate increase in risk.

Higher Yield. For investors looking for increased yield, Strategic Income, on average, is likely to provide a yield in excess of the Bloomberg U.S. Aggregate by 2%,³ higher than most traditional strategies.

Expanded Opportunity Set. Traditional strategies are largely invested in sectors and securities that are represented in common market indices. Strategic Income goes beyond common market indices into areas that may be less trafficked, providing more opportunities for alpha.

Portfolio Diversification. Traditional strategies are often invested in the major index sectors of Investment Grade Corporates, Securitized, and Government Securities. Strategic Income provides dedicated exposure to diversifying fixed income asset classes with low correlation to traditional fixed income strategies.

² Source: eVestment US Multi-Sector Fixed Income Universe and eVestment US Core Plus Fixed Income Universe as of 6/30/2023

³ Source: Bloomberg, Fort Washington

STRATEGIC INCOME COMPOSITE PERFORMANCE DISCLOSURES

	2Q2023	2022	2021	2020	2019	2018	2017 ⁴
Strategic Income (Gross)	0.13%	-9.86%	3.24%	10.72%	12.84%	0.49%	3.10%
Strategic Income (Net)	0.04%	-10.17%	2.84%	10.28%	12.46%	0.09%	2.90%
Bloomberg U.S. Aggregate	-0.84%	-13.01%	-1.54%	7.51%	8.72%	0.01%	1.24%
Strategic Income 3-Year Annual Standard Deviation ⁵	--	8.41%	6.68%	6.87%	--	--	--
Bloomberg Aggregate 3-Year Annual Standard Deviation ⁵	--	5.77%	3.35%	3.36%	--	--	--
Dispersion ⁶	--	--	--	--	--	--	--
Number of Accounts	5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$814.9	\$604.8	\$1,053.4	\$385.6	\$285.5	\$57.5	\$51.1
Total Firm Assets (\$ millions)	\$69,128	\$66,365	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774

Composite inception and creation date: 07/01/17. ⁴2017 returns are partial-year returns, reflecting the composite inception date of 07/01/17. ⁵The 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. ⁶Dispersion 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 Fort Washington 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.

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