Fort Washington Investment Advisors, Inc.
A member of Western & Southern Financial Group
Uncompromised Focus®

FORT WASHINGTON DIVIDEND EQUITY – 3Q2022

- High level of current income and long-term growth of income
- Approach focused on high quality companies
- Diversification of company, sector, and style

MARKET OVERVIEW

Volatility was the hallmark of the third quarter. Treasury yields continued to move higher, especially in shorter maturities, as inflation data remained firm and well above target. Following a 0.75% rate increase in June, the Fed followed through with an additional 1.50% of hikes in the third quarter. Current expectations are for the Fed Funds rate to reach 4.25-4.50% in mid-2023 and remain above 4.0% for the entire year. Credit spreads ended the quarter little changed, but were volatile as spread tightening during the first half of the quarter was offset by widening at the end the quarter. Equities, as measured by the S&P 500, ended the quarter down -4.9% after rising as much as 9% during the quarter. Higher rate expectations increased concern that a soft landing will be difficult to achieve and that a recession is more likely. At the end of the quarter, financial conditions were approaching the most restrictive level since the onset of the pandemic.

U.S. economic growth (GDP) in 2Q was -0.6%, the second consecutive quarter of negative growth. But, as was the case in 1Q, the details of the data did not indicate broad economic weakness. The data does, however, indicate that tighter financial conditions are leading to growth slowing to a below-trend pace. Consumer and business demand slowed from prior quarters, with residential investment (housing) and inventories subtracting from growth.

Looking ahead, consumer spending will be supported by a job market that has remained strong in spite of weakness in other economic indicators. However, as financial conditions lead to slower growth, a somewhat weaker labor market can be expected. Job openings are plentiful, especially compared to the number of unemployed people, but recent reports have indicated somewhat better balance as labor force participation rose and job openings have leveled off. Wage growth, while still at the higher end of recent ranges, is also showing signs of moving to lower levels. The relative strength of the consumer increases the chances of a soft landing, but the strength has also been a source of unease for policymakers who are focused on the potential impact on inflation.

The most direct impact of higher interest rates can be seen in the housing market, which can be expected to detract from growth over coming quarters. Affordability has fallen dramatically as rates have risen, and all indicators of the housing market have declined over the past several months. Along with contributing to slower growth, housing prices are likely to level off as demand eases, the effects of which will filter through the various measures of inflation over the next several months.

Business spending, while weaker in the third quarter, has been a consistent contributor to economic growth. Recent data indicates softening, especially in the manufacturing sectors, as global growth slows and inventories rise. One positive development is that many of the supply chain issues that have impacted this sector since the pandemic are showing improvement. Price pressures have declined as a result, which will help to soften the overall level of inflation.

Inflation data and monetary policy remains the biggest driver of markets. Markets were hopeful that inflation was slowing after the July CPI report was below expectations, but those hopes were dashed the following month as the August report was above expectations and broad-based. The Fed responded aggressively with the second consecutive 0.75% rate hike and recent Fed communications have emphasized the resolve to control inflation even if doing so results in a recession. Slower growth, lower commodity prices, and stable/lower inflation expectations will likely lead to a lower pace of inflation over coming months, but Fed policy will pivot only when inflation is on a decisive turn lower, which is unlikely until sometime in 2023.

Equity valuations, both absolute and relative, have cheapened and represent compelling levels in our view. If the economy slows more or faster than expected, credit spreads are likely to widen further and equities are likely to underperform. However, if a soft landing is achieved or a recession is shallow, the current level of valuations for risk assets are attractive. As a result, we believe current valuations support a modest overweight to risk in portfolios.

Inception Date: 01/01/2016
Total Strategy Assets: $4.0 billion
Total Strategy SRI Assets: $100 million
Total Public Equity Assets: $11.1 billion
Style: Large Cap Equity, Dividend Income
Benchmark: S&P 500

Since Inception Track Record
Top Quartile Performance (Net)
1.5% Outperformance vs Peers (Net)

Risk Profile
Top Quartile Sharpe Ratio & Information Ratio Since Inception

Yield and Growth
3.1% Dividend Yield
10% 3 Year Dividend Growth

Fee Structure
First Quartile Peer Ranking

Experienced Team
Lead PMs Average 24 Years Experience
10 Team Members

PERCENTILE RANKS[2]

	Total Return (Net)	Sharpe Ratio
3Q2022	83	75
1 Year	49	54
3 Years	27	21
5 Years	17	14
Since Inception	20	17

Inception Date: 1/1/2016. Source: Fort Washington and Morningstar. [1]Russell Investment Group is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. [2]Peer ranks are percentile rankings versus the eVestment US Dividend Focus Equity Universe based on Net performance relative to peer group. The Sharpe Ratio is defined as a portfolio's excess return over the risk-free rate (90-day U.S. T-Bill) divided by the portfolio's standard deviation. Sharpe Ratio is calculated using monthly returns. Past performance is not indicative of future results. This supplemental information complements the Dividend Equity GIPS Report.

HISTORICAL PERFORMANCE

Period	Dividend Equity (Gross)	Dividend Equity (Net)	S&P 500	Russell 1000 Value[1]	FTSE High Dividend Yield
3Q2022	-6.77%	-6.84%	-4.88%	-5.62%	-5.97%
1 Year	-8.93%	-9.19%	-15.47%	-11.36%	-5.30%
3 Years	7.04%	6.60%	8.16%	4.36%	5.59%
5 Years	8.73%	8.25%	9.24%	5.29%	6.56%
Since Inception	10.38%	9.88%	10.73%	7.59%	9.97%

This supplemental information complements the Dividend Equity GIPS Report.

STRATEGY RECAP & ACTIVITY

The Fort Washington Dividend Equity strategy returned -6.77% (gross)/-6.84% (net) during the third quarter, compared to –4.88% for its benchmark, the S&P 500 Index.

The strategy's underperformance was primarily driven by security selection while sector allocation was a modest detractor from relative performance.

Selection within Industrials and Communication Services detracted from performance, while Financials and Information Technology outperformed and contributed to relative performance.

An overweight allocation to Information Technology was the primary driver of negative sector allocation. Information Technology underperformed as higher interest rates pressured valuations for higher growth, long duration stocks.

The largest individual contributors to relative performance were overweight positions to companies in sectors including Communication Services, Information Technology, Financials, and Industrials, and an underweight position to the Communication Services sector.

Portfolio activity during the quarter was average with turnover of 2%. There were no new positions added to the Fund, while only one name was sold.

The largest increase to a portfolio holding was to a market leader in the tools & outdoor space within the Industrials sector. The company generates consistent and rising high teens returns on capital and is one of the few remaining companies that has raised its dividend annually for over 30 years. The stock has underperformed recently as it faces headwinds from rising costs and a slowing economic backdrop. That said, the team believes these concerns are priced in and the current valuation represents a compelling entry point for a high quality franchise business.

The largest sale during the quarter was in a Consumer Discretionary holding. The company has been a top performer within the portfolio this year and was one of the largest exposures. The team believed its valuation reached fair value as a result of the outperformance and subsequently reduced its exposure in the name.

Additionally, a diversified industrial and leader in motion control technologies was sold during the quarter. The stock had rebounded sharply in July and August to levels that did not adequately reflect the cyclical nature of the name and potential downside.

There were no material changes to sector exposures during the quarter.

Portfolio Characteristics (As of 9/30/2022)

	Portfolio	S&P 500
Dividend Yield	3.1	1.8
Beta	0.8	1.0
EV / EBITDA	10.0	11.5
Weighted Avg. Market Cap	$230B	$469B
Price / Book	2.3	3.0
Price / Earnings	12.4	15.5
5 Year Dividend Growth %	8.8	7.7
ROIC	19	21
% No Moat	3	6
Top 10 % Portfolio	20	-
Number of Securities	76	506

Source: Fort Washington. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. Data above includes cash. This supplemental information complements the Dividend Equity GIPS Report.

Sector Allocation

	Portfolio	S&P 500
Communication Services	7.1	8.1
Consumer Discretionary	10.6	11.7
Consumer Staples	6.9	6.9
Energy	5.7	4.6
Financials	13.5	11.0
Health Care	13.7	15.1
Industrials	8.9	7.8
Information Technology	23.0	26.4
Materials	2.9	2.5
Real Estate	2.7	2.8
Utilities	3.8	3.0
Cash	1.1	0.0

Source: Fort Washington. This supplemental information complements the Dividend Equity GIPS Report.

TOP TEN HOLDINGS

Name	% Portfolio	Dividend Yield	5 Year Dividend Growth	Payout Ratio	Moat
Microsoft	3.30	1.2	10	27	Wide
Johnson & Johnson	2.20	2.8	6	50	Wide
Visa Inc	2.00	0.8	18	19	Wide
Unitedhealth Group Inc	2.00	1.3	18	30	Narrow
Oracle	1.90	2.1	13	35	Narrow
Starbucks	1.90	2.5	14	61	Wide
Apple	1.80	0.7	8	15	Narrow
Goldman Sachs	1.80	3.4	25	22	Narrow
YUM! Brands	1.80	2.1	9	49	Wide
Intl Business Machines	1.80	5.6	3	81	Narrow
Average		2.3	12	39	

Source: Fort Washington, Morningstar, Bloomberg. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. The securities identified do not represent all of the securities purchased, sold, or recommended, and the reader should not assume that investments in securities identified and discussed were or will be profitable. This is not a recommendation with respect to the purchase or sale of any of these securities. This supplemental information complements the Dividend Equity GIPS Report.

OUTLOOK

Following a steep sell-off in financial markets in the first half of this year, U.S. markets rallied in July and into August. The catalysts were declines in prices of oil and other commodities that raised investors' hopes that inflation had peaked and the Federal Reserve would slow the pace of monetary tightening.

At the Jackson Hole meeting in late August, however, Fed Chair Jerome Powell disappointed investors when he emphasized that inflation was too high and the Fed's top priority was to bring it down to its 2 percent target. He acknowledged that this will likely require a sustained period of below-trend growth and a softening in labor market conditions.

Following a worse-than-expected inflation report for August, the Fed subsequently raised the funds rate by 75 basis points for the third consecutive FOMC meeting to 3.0%-3.25%. The latest plots by Fed officials show the funds rate reaching 4.6% by early next year and then plateauing. This would imply it could be raised by 75 basis points and 50 basis points, respectively, at the next two FOMC meetings followed by a quarter point hike in early 2023.

Amid these developments, Treasury bond yields set new highs for this year and became inverted between two-year and long-dated instruments. At the same time, spreads between corporate bonds and Treasuries widened further. As a result, returns on U.S. bonds measured by the Bloomberg U.S. Aggregate Index were negative for the quarter. The selloff in the U.S. bond market this year is now the worst in history, with a total return of -14.6% for the first three quarters.

At the same time, the summer rally in stocks has reversed, and the U.S. stock market is back into bear territory. The best performing asset has been the U.S. dollar, which has appreciated by 16% against the major currencies this year and is at more than a two-decade highs against the euro and the Japanese yen.

The key issue for investors now relates to the chances that additional U.S. monetary tightening will spawn a U.S. recession.

Our view is that if a U.S. recession were to materialize, it is likely to be less severe than the 2008 Global Financial Crisis for two reasons. First, there are no major sectoral imbalances and the financial sector is less exposed to the housing market and better capitalized today.

It is also likely to be less impactful than the first two oil shocks because the U.S. is energy self-sufficient today, and oil prices have declined significantly from their peak earlier this year. Furthermore, inflation expectations are not as deeply embedded as they were in the 1970s and early 1980s.

The risks of a global recession have certainly increased next year, with Europe decidedly in recession while the two largest economies—the U.S. and China—are experiencing little or no growth. That said, valuations appear to be pricing in an increased risk of recession.

Within the strategy, we are maintaining a cautious stance but are selectively finding bottom-up opportunities while reducing outperforming defensive names where valuations have become stretched. Earnings expectations remain stubbornly high and are at risk to fall amid slowing economic growth. Despite most equity indices ending the quarter in a bear market, downside still remains should equity earnings deteriorate.

Although risks have risen, valuations have adjusted to compelling levels, and the long-term economic outlook is still promising. As such, we remain constructive on U.S. equities. As investors seek to avoid the risks of inflation, higher interest rates, and recession, dividend strategies may be an attractive option. Dividend strategies have the potential to provide both capital appreciation and a growing stream of income while also providing downside protection through lower volatility during times of distress, as evidenced by returns this year.

WHAT DIFFERENTIATES ENHANCED DIVIDEND?

Yield and Growth Balance. Dividend Equity balances both yield and growth of income, while most strategies are focused on one or the other, creating inherent biases in the strategy. The portfolio has an above average yield and above average growth of income.

Sector Diversification. Traditional dividend strategies often have large sector biases, such as Utilities, Consumer Staples, Energy, and Financials. Dividend Equity's sector neutrality framework reduces such sector biases.

Style Diversification. Dividend strategies tend to be value oriented. Dividend Equity balances both value and growth, resulting in stable performance in different style driven market environments.

High Quality Bias. The strategy focuses on companies with sustainable competitive advantages that will continue to pay and grow their dividend over time.

Disciplined Approach. Employing a disciplined approach is key to delivering consistent, repeatable results over a full market cycle.

WHY INVEST IN THE STRATEGY TODAY?

Premium Yield. Dividend Equity strives to provide a yield premium to traditional fixed income and equity markets through a high quality and diversified portfolio.

Growth of Capital and Income. Dividend paying stocks typically provide real (inflation adjusted) growth of capital and income over the long run, compared to limited growth of principal and income in fixed income investments.

Broad Market Exposure. Dividend Equity provides investors with broad equity market exposure through a diversified portfolio by sector, style, and company, reducing risk of material underperformance.

Efficient Risk Profile. Dividend strategies tend to have less risk than the overall market over time, providing investors with a more efficient risk profile.

Favorable Fee Structure. Dividend Equity is focused on net of fees performance and has below average fees compared to peers and other equity strategies.

PORTFOLIO CONSTRUCTION GUIDELINES

Objective	The strategy seeks current income and long-term growth of capital by investing in dividend paying, large cap equity securities
Cash	Generally 2% or less; may vary in extreme markets
Max Position Size	4% absolute at purchase; 2% relative at purchase
Sector Weight Limit	+/- 2% of the S&P 500
Holdings	Typically 65 to 90 companies
Top 10 Holdings (% of portfolio)	20% to 30%
Investments	At least 90% of the portfolio will be invested in S&P 500 securities
Turnover	Generally 10% to 20%
Benchmark	S&P 500 Index

For informational purposes only.

DIVIDEND EQUITY COMPOSITE PERFORMANCE DISCLOSURES

	3Q2022	2021	2020	2019	2018	2017	2016
Dividend Equity Income (Gross)	-6.77%	26.14%	10.37%	26.53%	-3.22%	19.85%	14.89%
Dividend Equity Income (Net)	-6.84%	25.98%	10.26%	26.47%	-3.27%	19.80%	14.84%
S&P 500 Index	-4.88%	28.71%	18.40%	31.49%	-4.38%	21.83%	11.96%
Dividend Equity Income 3-Year Annual Standard Deviation[1]	--	16.67%	17.58%	10.98%	10.72%	--	--
SPX Index 3-Year Annual Standard Deviation[1]	--	17.17%	18.53%	11.93%	10.80%	--	--
Dispersion[2]	0.11%	0.03%	0.41%	–	--	--	--
Number of Accounts	10	8	6	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$3,594.2	$4,822.8	$810.7	$538.6	$322.3	$604.3	$516.3
Total Firm Assets ($ millions)	$64,027	$73,804	$65,086	$59,174	$49,225	$52,774	$45,656

Composite inception and creation date: 01/01/16. [1]The 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. [2]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 gross-of-fee returns for those portfolios held in the composite during the entire period. The benchmark for this composite is the Standard & Poor's 500 Index. Past performance is not indicative of future results.

Fort Washington's Dividend Strategy seeks a high level of current income and long-term growth of capital through a diversified portfolio of large cap, dividend paying equity securities. Supported by theory and evidence, the strategy focuses on fourth quintile dividend yielding stocks and employs fundamental input from a deeply experienced equity research team. The result is a portfolio of above-average dividend paying stocks that enjoy competitive advantages and will grow dividends over time, but avoids highest yielding stocks that can lead to unintentional exposures. The portfolio seeks high expected returns from dividend and value premiums through a highly diversified, sector neutrality framework that limits portfolio tracking error versus the broad market. A disciplined and repeatable process allows for a cost efficient portfolio with favorable risk and reward characteristics. All fee-paying, fully discretionary portfolios managed in the Dividend Equity style, with a minimum of $3 million under our management, are included in this composite. Effective 10/26/18, the Dividend Equity fee is 0.50% on the first $25 million, 0.40% on the next $20 million, and 0.20% on additional amounts over $50 million for separate accounts. The benchmark for this composite is the Standard & Poor's 500 Index. The Standard & Poor's 500 Index serves as a performance benchmark for 505 stocks issued by 500 large companies with market capitalizations of at least $6.1 billion. Portfolios in this composite include cash, cash equivalents, investment securities, and dividends. Cash is maintained, within each separately managed account segment, in accordance with our asset allocation ratio. The US dollars 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 under management 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 - 12/31/20. 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 DISCLOSURE

The Fort Washington Dividend Equity strategy invests in stocks of large-cap companies which may be unable to respond quickly to new competitive challenges. The strategy invests in dividend-paying companies. There is no guarantee that the companies in which the strategy invests will declare dividends in the future or that dividends, if declared, will remain at current levels or increase over time. Securities that pay dividends may be sensitive to changes in interest rates, and as interest rates rise or fall, the prices of such securities may fall. The strategy invests in value stocks which may not appreciate in value as anticipated or may experience a decline in value.

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