



## FORT WASHINGTON STRUCTURED OPPORTUNITIES – 3Q2022

### GENERAL INFORMATION

Inception Date: 10/10/2011  
 Strategy Assets: \$1.9 billion<sup>2</sup>  
 Style: Securitized Fixed Income  
 Benchmark: Bloomberg U.S. MBS Index

### STRATEGY OVERVIEW

- ▶ Focus on moderate to higher risk/return opportunities within securitized products
- ▶ High spread/short spread duration focus reduces volatility
- ▶ Longer holding periods enable realization of yield advantage

### PHILOSOPHY

We believe

- ▶ Securitized products offer an attractive risk/return profile versus competing fixed income assets.
- ▶ Securitized products tend to have complex structures and uncertain cash flows, offering potential for inefficient markets and attractive risk-adjusted returns.
- ▶ Strong front-end due diligence and back-end surveillance processes are necessary to navigate markets and manage risk.
- ▶ Emphasizing the income component of return and focusing on high spread/shorter spread duration securities supports fundamental investing with a longer-term horizon.

### ABOUT FORT WASHINGTON

- ▶ Founded in 1990; \$69.2 billion in current total assets under management<sup>1</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

**Richard V. Schneider**  
 Vice President, Senior Portfolio Manager  
*Asset Specialist – CMBS & RMBS*

**Brent A. Miller, CFA**  
 Vice President, Senior Portfolio Manager  
*Asset Specialist – RMBS*

**Timothy R. Manchak, CFA**  
 Portfolio Manager  
*Asset Specialist – CMBS & ABS*

**Scott D. Weston**  
 Managing Director, Senior Portfolio Manager  
*Asset Specialist – CLO*

**Laura L. Mayfield**  
 Senior Portfolio Manager  
*Asset Specialist – ABS*

**Dimitar T. Kamacharov, CFA**  
 Assistant Portfolio Manager  
*Asset Specialist – CLO*

### Portfolio Characteristics (As of 9/30/2022)

	Structured Opportunities	Bloomberg U.S. MBS Index
Average Quality	BBB	A2/A3
Yield to Worst	8.83%	4.91%
OAS	452	74
OA Duration	1.79 years	0.82 years
OA Convexity	0.03	0.10
OASD	3.30 years	0.96 years
Number of Issues	107	430

Source: Fort Washington. This supplemental information complements the Structured Opportunities GIPS Report. Portfolio characteristics are as of the reported date and are subject to change without notice. See Structured Opportunities GIPS Report on the next page for complete disclosure. Past performance is not indicative of future results.

### Annualized Total Returns

Period	Structured Opportunities (gross)	Structured Opportunities (net)	Bloomberg U.S. MBS Index
3Q2022	-1.37%	-1.47%	-5.35%
1 Year	-6.02%	-6.39%	-13.98%
3 Years	0.42%	0.02%	-3.67%
5 Years	2.58%	2.16%	-0.92%
10 Years	4.96%	4.54%	0.51%
Since Inception	5.89%	5.48%	0.80%

<sup>1</sup>Assets as of 9/30/2022. Includes assets under management by Fort Washington of \$64.0 billion and \$5.2 billion in commitments managed by Fort Washington Capital Partners Group (FW Capital), a division. Past performance is not indicative of future results.

<sup>2</sup>\$1.9 billion represents assets across multiple Fort Washington portfolios and strategies. This supplemental information complements the Structured Opportunities GIPS Report.

## STRUCTURED OPPORTUNITIES COMPOSITE PERFORMANCE DISCLOSURES

	3Q2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Structured Opportunities (Gross)	-1.37%	4.47%	2.19%	6.83%	4.72%	6.10%	5.87%	4.46%	6.43%	9.07%	20.90%
Structured Opportunities (Net)	-1.47%	4.05%	1.78%	6.36%	4.30%	5.68%	5.44%	4.04%	6.00%	8.62%	20.57%
Bloomberg U.S. Mortgage Backed Securities Index	-5.35%	-1.04%	3.87%	6.35%	0.99%	2.47%	1.67%	1.51%	6.08%	-1.41%	2.59%
Structured Opportunities 3-Year Annual Standard Deviation <sup>3</sup>	--	6.07%	6.01%	1.31%	1.19%	1.03%	0.91%	1.45%	3.09%	--	--
Bloomberg U.S. Mortgage Backed Securities Index 3-Year Annual Standard Deviation <sup>3</sup>	--	1.71%	2.17%	2.15%	2.26%	1.75%	2.11%	2.31%	2.22%	--	--
Dispersion <sup>4</sup>	--	--	--	--	--	--	--	--	--	--	--
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ Millions)	\$338.1	\$358.9	\$287.2	\$280.9	\$258.9	\$179.9	\$92.7	\$68.0	\$65.1	\$61.2	\$42.1
Total Firm Assets (\$ Millions)	\$64,027	\$73,804	\$65,086	\$59,174	\$49,225	\$52,774	\$45,656	\$42,959	\$45,002	\$43,671	\$42,465

Composite inception and creation date: 10/01/11. <sup>1</sup>2011 returns are partial-year returns, reflecting the composite inception date of 10/01/11. <sup>2</sup>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. <sup>3</sup>Bloomberg U.S. Mortgage Backed Securities Index. <sup>4</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>5</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 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.

Fort Washington's Structured Opportunities strategy focuses on non-index, structured securities with higher return potential relative to a blended benchmark. Typical securities utilized include private label mortgage-backed securities, agency mortgage-backed securities, asset backed securities, commercial mortgage-backed securities, agency debentures, Treasuries, and cash securities. The portfolio duration target is between 2 and 8 years and there are no quality constraints. All fee-paying, fully discretionary, non-restricted portfolios managed in the Structured Opportunities style, with a minimum of \$25 million under our management, are included in this composite. Effective 03/22/22, the Structured Opportunities Fixed Income fee schedule is 0.40% on the first \$75 million and 0.35% on additional amounts over \$75 million. The benchmark for this composite a blend consisting of 50% HY Ba/B and 50% U.S. Securitized. Previously the benchmark was the Bloomberg Mortgage Index. Benchmark returns include interest income, but as an unmanaged fixed income index, transaction fees (brokerage commissions) are not included and no direct comparison is possible. 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. 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. 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 DISCLOSURES

The Fort Washington Structured Opportunities strategy invests primarily in securitized asset instruments, including mortgage-backed securities, asset-backed securities and other securities. The market prices of securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, or adverse investor sentiment. Investments in the strategy are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations. When interest rates rise, the prices of fixed-income securities in the strategy will generally fall. Conversely, when interest rates fall, the prices of fixed-income securities in the strategy will generally rise. The value of mortgage-related and asset backed securities will be influenced by factors affecting the real estate market and the assets underlying those securities. These securities are also subject to prepayment and extension risks and risk of default.

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