



FORT WASHINGTON FOCUSED EQUITY — 1Q18

HIGHLIGHTS

- ▶ The key drivers of the stock market’s resurgent volatility were concerns over higher rates and uncertainty about trade relations.
- ▶ Sectors that led the market lower included Telecommunication Services, Consumer Staples, Real Estate, Energy, Basic Materials, Utilities, and Industrials.
- ▶ Information Technology and Consumer Discretionary were the only sectors with positive returns for the quarter.
- ▶ While outperforming the index, the Focused Equity Strategy returned 0.51% (gross) during the quarter.

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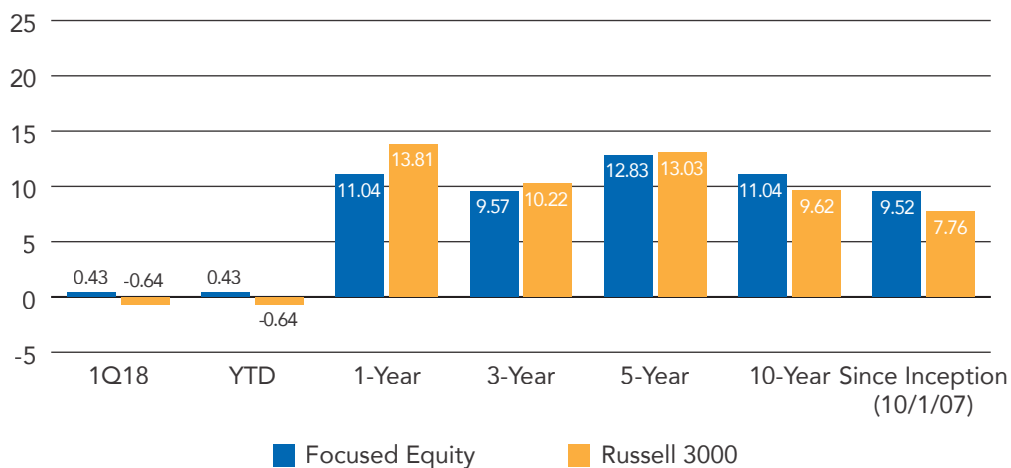
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Source: Fort Washington Investment Advisors. Past performance is not indicative of future results. Quality and sector distribution as well as portfolio attribution and allocation is subject to change at any time.

Historical Performance

Annualized Net Return as of March 31, 2018



MARKET OVERVIEW

The major theme in the U.S. equity market in the first quarter of 2018 was the return of volatility. The primary drivers were concerns over higher rates and uncertainty about trade relations. The U.S. equity market experienced the first correction of 10% in more than a year and ended the quarter down slightly. Over the quarter, sectors that led the market lower included Telecommunication Services, Consumer Staples, Real Estate, Energy, Basic Materials, Utilities, and Industrials. Information Technology and Consumer Discretionary were the only sectors with positive returns for the quarter. Health Care and Financials performed in line with the index. The Focused Equity strategy outperformed the Russell 3000 Index during the quarter.

STRATEGY ACTIVITY

During the quarter, there were no new additions or complete sales in the portfolio. Cash holdings remained constant from the fourth quarter at 2.7%.

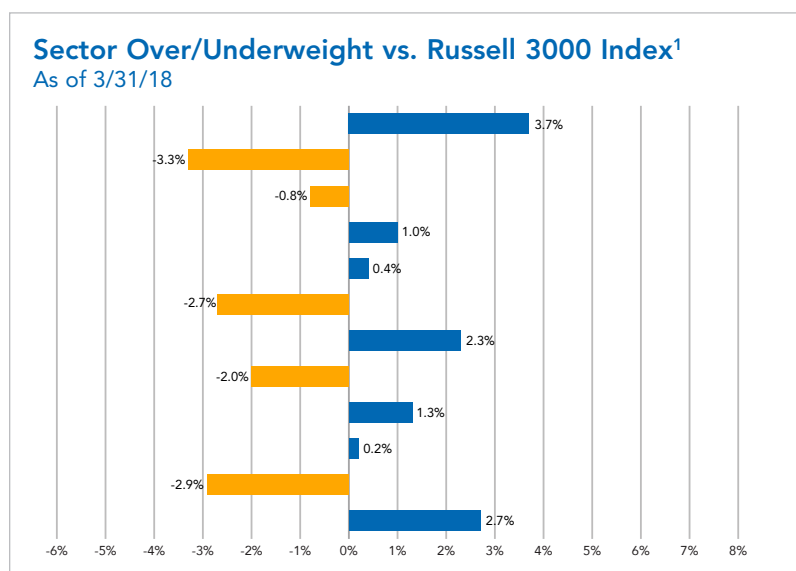
As the quarter came to a close, the strategy had an overweight in the Consumer Discretionary, Information Technology, Real Estate, and Financials sectors and an underweight in the Consumer Staples, Materials, and Industrials sectors. The weights in the Energy, Health Care, and Telecommunication Services sectors were generally equal to the index. No positions were held in Utilities at the end of the quarter.

From a market cap perspective, the strategy maintained an underweight in smaller-cap stocks (companies with a market cap below \$2 billion). The index weight for this segment is 4.3% compared to 0.0% for the strategy. The strategy remained underweight in mid-cap businesses, which now comprise 10.7% of assets, compared to an index weight of 13.1%. Last, the strategy continues to maintain an overweight in larger-cap businesses (companies with a market cap above \$10 billion). The weight in that segment is currently 89.3%, which is higher than the index weight of 87.1%. This allocation decision was slightly negative

TOP TEN HOLDINGS

Name	Sector	Layer of Value	% of Portfolio
Berkshire Hathaway	Financials	Franchise Value	8.6%
Amazon.com	Consumer Discretionary	Franchise Value	5.0%
Alphabet ¹	Information Technology	Franchise Value	4.4%
Microsoft	Information Technology	Franchise Value	4.3%
Apple	Information Technology	Franchise Value.	4.1%
Novartis	Health Care	Earnings Power Value	3.6%
Bristol-Myers Squibb	Health Care	Franchise Value	3.3%
Facebook	Information Technology	Franchise Value	3.0%
Booking Holdings	Consumer Discretionary	Franchise Value	2.8%
Salesforce.com	Information Technology	Franchise Value	2.6%
Total			41.6%

Source: Fort Washington. Partial list of holdings in portfolio by percent. This supplemental information complements the Focused Equity Composite Presentation. For a complete listing of securities held, sold, or purchased over the last year please contact us. The securities identified do not represent all of the securities purchased, sold, or recommended; 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. See Focused Equity Composite for complete disclosure. The above data is rounded for informational purposes.



Source: Fort Washington. 1% of portfolio for Alphabet shows share classes A and C. This supplemental information complements the Focused Equity Composite Presentation. For a complete listing of securities held, sold, or purchased over the last year please contact us. 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. See Focused Equity Composite for complete disclosure. The above data is rounded for informational purposes.

to performance as large cap stocks underperformed the broader index by a small margin during the quarter.

The sectors where strategy holdings outperformed relative to the benchmark were Real Estate, Consumer Discretionary, Consumer Staples, and Financials. Sectors that lagged relative to the benchmark included Industrials, Basic Materials, Health Care, and Information Technology. Stock selection was positive for the period. Sector allocation was also a positive contributor primarily due to the underweight in Consumer Staples and the overweight in Information Technology stocks. The impact of the cash position was minor given the small move in the index for the quarter.

The three stocks that contributed the most to performance were a global e-commerce and cloud computing business, a global commercial real estate firm, and a leading customer relationship management software company. Stocks that detracted from performance included a multinational biotechnology company, a leading industrials conglomerate, and a leading medical waste company.

Investments made in international companies which comprised 7.5% of assets outperformed the benchmark.

Sector	Portfolio Weight
Consumer Discretionary	16.5%
Consumer Staples	3.5%
Energy	4.6%
Financials	16.2%
Health Care	13.8%
Industrials	8.2%
Information Technology	26.2%
Materials	1.3%
Real Estate	4.8%
Telecommunications	2.1%
Utilities	0.0%
Cash	2.7%

Max % per industry = 25%

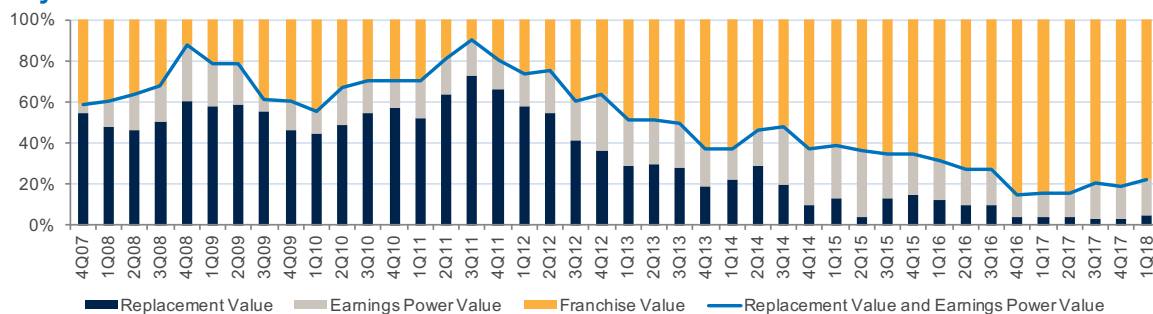
Portfolio Characteristics

Replacement Value, Earnings Power Value, Franchise Value ¹	5%	17%	78%
Weighted average excess return ²	~869 bps above the cost of capital		
Barriers to entry (none, moderate, high) ¹	0%	56%	44%
Price to intrinsic value (weighted average)	\$0.82		
Small, mid, large cap % ¹	0.0%	10.7%	89.3%
International %	7.5%		
Number of holdings	41		
Cash position	2.7%		

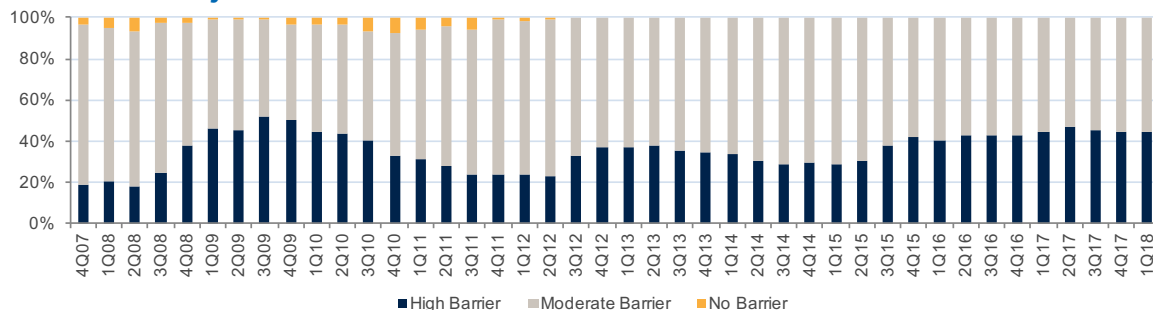
¹Excludes cash. ²Returns on capital vs. cost of capital (ex financials). Source: Fort Washington. This supplemental information complements the Focused Equity Composite Presentation. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See Focused Equity composite for complete disclosure.

Composite Portfolio Characteristics Over Time

Layers of Value % of Portfolio



Barriers to Entry % of Portfolio



Source: Fort Washington. This supplemental information complements the Focused Equity Composite Presentation. Portfolio characteristics are subject to change at anytime without notice. See Focused Equity composite for complete disclosure.

OUTLOOK

With the U.S. equity market recording its first negative quarter since 2015, many investors are considering whether the recent volatility will lead to a steeper pull back. Our view is that the equity market is priced at fair value with the assumption that the market should achieve seven to eight percent returns going forward. Despite the more than eighty percent increase in the popular CBOE Volatility Index during the first quarter, the most common indicators of the end of a bull market are not concerning at this point. Credit remains favorable with funds largely accessible whether looking at corporations, households, the public sector, or emerging markets. Inflation readings increased slightly during the quarter, but there is ample room before cause for concern. Specifically, labor costs are not at a level where margin pressure is an issue at this point. We did not see broad asset bubbles heading into the first quarter, and—after the marginal pull back—our view remains the same. In the absence of credit issues, higher inflation,

and asset bubbles, the team believes there will still be attractive returns going forward.

While we do not see signs of what typically causes a severe pullback, our portfolio positioning reflects our belief that we are in the later stages of the market cycle. As our team continues to look for businesses that are mispriced by the market, we have been gradually improving the quality of the portfolio in this low margin of safety environment. Consistent with what occurred in the first quarter, higher quality stocks tend to outperform on a relative basis when volatility picks up. The current portfolio emphasizes larger-cap, Franchise Value business with higher barriers to entry that protect excess returns on capital.

COMPOSITE PERFORMANCE DISCLOSURES

	1Q18	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Focused Equity (Gross)	0.51%	15.20%	13.01%	4.21%	7.65%	39.96%	22.81%	-11.81%	23.16%	45.05%	-33.38%
Focused Equity (Net)	0.43%	14.85%	12.67%	3.90%	7.33%	39.54%	22.50%	-12.00%	23.10%	44.99%	-33.40%
Russell 3000 Index	-0.64%	21.13%	12.74%	0.48%	12.56%	33.55%	16.42%	1.03%	16.93%	28.34%	-37.31%
Focused Equity 3-Year	-	2.76%	3.03%	3.07%	2.99%	3.06%	2.49%	3.00%	-	-	-
Annual Standard Deviation ¹	-	10.07%	10.87%	11.40%	10.65%	15.51%	19.15%	23.34%	-	-	--
Russell 3000 Index 3-Year Annual Standard Deviation ¹	-	10.09%	10.88%	10.58%	9.29%	12.53%	15.73%	19.35%	-	-	-
Dispersion ²	0.09%	0.36%	0.55%	0.42%	0.49%	0.93%	0.67%	-	-	-	-
Number of Accounts	10	10	9	8	7	6	7	6	≤5	≤5	≤5
Composite Assets (\$ millions)	\$1,537.1	\$1,572.9	\$1,774.3	\$1,538.1	\$1,341.6	\$1,172.4	\$867.6	\$282.9	\$239.3	\$24.0	\$10.6
Composite % of Firm Assets	2.95%	2.98%	3.89%	3.58%	2.98%	2.68%	2.04%	0.75%	0.66%	0.08%	0.04%

Composite inception and creation date: 10/01/07. ¹The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean. ²Dispersion is not calculated for years in which the composite contains five portfolios or less. Dispersion is calculated as the equal weighted standard deviation of returns for those portfolios held in the composite during the entire period. The benchmark for this composite is the Russell 3000 Index. Past performance is not indicative of future results. The Fort Washington Focused Equity strategy is an all-cap concentrated, value oriented strategy that invests in businesses with strong barriers to entry that have the capability of generating excess returns on capital. The strategy looks to take advantage of irrational human behavior by buying securities that have been mispriced by the market. We will invest in companies that have limited absolute downside and large margin of safety on the upside. The objective of the Focused Equity strategy is to outperform the Russell 3000 Index over a full market cycle. All fee-paying, fully discretionary portfolios managed in the Focused Equity style, with a minimum of \$1 million under our management, are included in this composite. Effective 01/22/14, the Focused Equity strategy fee schedule is as follows: 0.75% on the first \$25 million, 0.70% on the next \$25 million, and 0.65% on the next \$50 million and over. The benchmark for this composite is the Russell 3000 Index. Frank Russell Company (FRC) is the source and owner of the Russell Index data contained or reflected in this material and all trademarks and copyrights related thereto. The presentation may contain confidential information pertaining to FRC and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is a Fort Washington Investment Advisors, Inc. presentation of the Russell Index data. Frank Russell Company is not responsible for the formatting or configuration of this material or for any inaccuracy in Fort Washington's presentation thereof. Portfolios in this composite include cash, cash equivalents, investment securities, interest, and dividends. The composite may invest in ADRs, which the Russell 3000 Index does not use. 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 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. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/16. A copy of the verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Policies for valuing portfolios, calculating performance, and preparing compliant presentations 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.

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