Fort Washington Investment Advisors, Inc.

Full Discretion Fixed Income Quarterly Commentary

Fort Washington Full Discretion Fixed Income

Highlights

- Full Discretion Fixed Income returned 1.27% in the first quarter, outperforming the Bloomberg Barclays U.S. Aggregate Index by 45 basis points.
- The strategy's allocation to High Yield contributed to performance as spreads narrowed slightly over the quarter.
- Within Investment Grade Corporate Bonds, positive allocation effects drove outperformance of the sector as a large contribution was generated from out-of-index positions, particularly commodity-related names and financials
- Positive security selection within Securitized Assets was the main driver of the sector's outperformance, specifically within ABS and CMBS.
- The strategy held an allocation to TIPS throughout the quarter, which was a positive for performance relative to the benchmark.

1Q17

Investment Professionals

Timothy J. Policinski, CFA
Managing Director
Senior Portfolio Manager
39 Years Experience

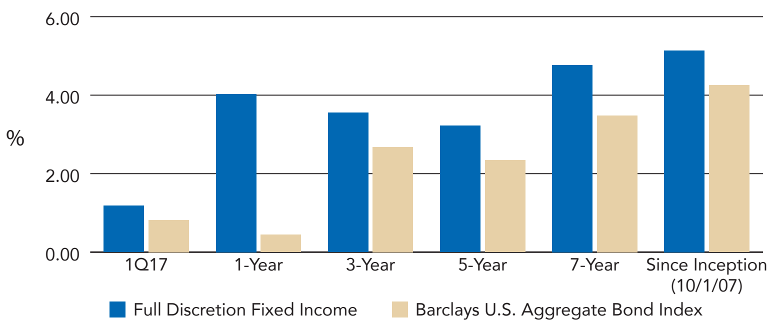
Daniel J. Carter, CFA
Vice President
Senior Portfolio Manager
21 Years Experience

Bradley D. Sikora
Product Specialist – Fixed Income
6 Years Experience

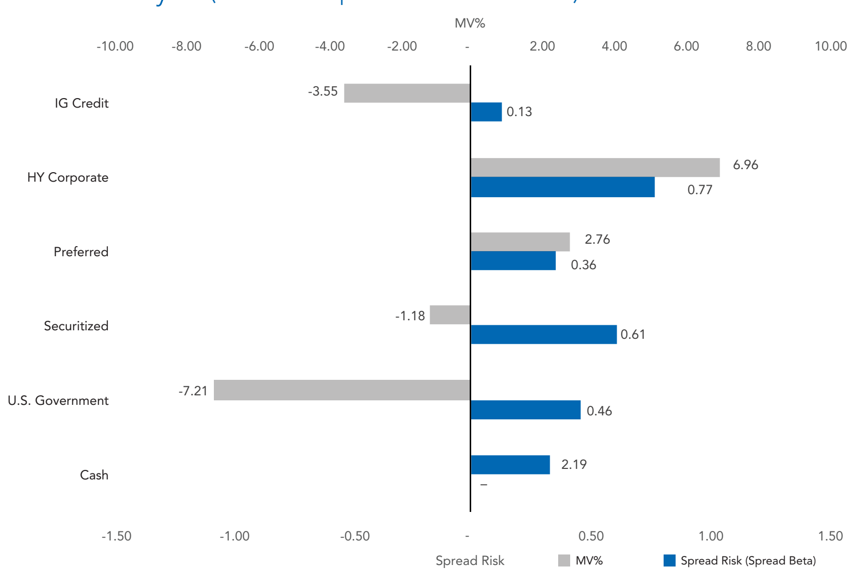
The two lead Portfolio Managers are supported by the dedicated research teams of Global Investment Grade Credit, Securitized Assets, Leveraged Credit, and Emerging Markets, as well as the Chief Economist and Chief Investment Officers.

Source: Fort Washington Investment Advisors. Past Performance is not indicative of future results.

Historical Performance (Annualized Net Return as of March 31, 2017)

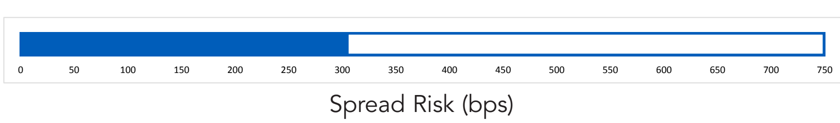


Sector Analysis (Portfolio Exposure vs. Benchmark)



Source: Barclays Point. For illustrative purposes only; this illustrates the portfolio's allocation of dollars (grey) and risk (blue) compared to the benchmark. Information is subject to change at any time without notice. Index is the Barclays U.S. Aggregate Bond Index. This should not be considered investment advice or a recommendation of any strategy, product, or particular security. See disclosures for important information about derivatives. This supplemental information complements the Full Discretion Composite Presentation as of 03/31/17.

Current Risk Budget



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Market Overview

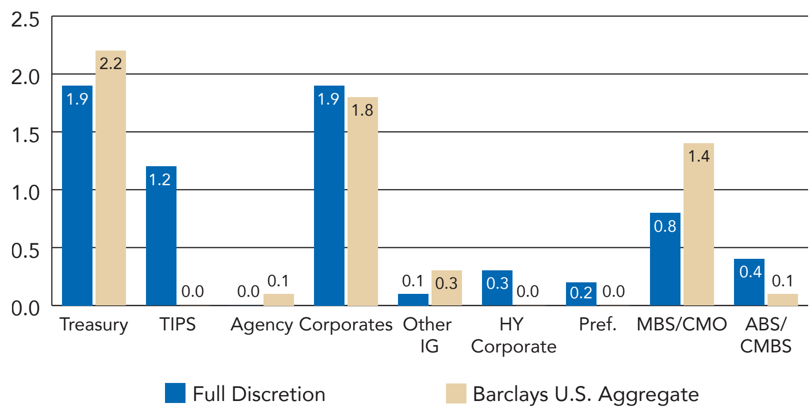
Growth in the U.S. continues to expand near trend growth (~2-2.5%) with solid underlying fundamentals. The labor market continues to be strong providing confidence that the U.S. consumer can continue to support growth. Broad financial conditions remain easy and supportive of risk assets and growth. Spreads are near long-term averages while access to capital is abundant. Global central bank policy is generally accommodative (and stable) and fiscal policy is expected to become more supportive. Domestically, the Fed is becoming less accommodative as they raised their target rate 1.00% in March while the market is pricing in an additional +35 basis points of hikes in 2017. Expectations of further hikes have eased following the failure of congress to pass the proposed replacement for the ACA.

Portfolio Statistics

Characteristics

	Full Discretion Composite	Barclays U.S. Aggregate
Effective Duration	6.70	5.93
Yield to Worst	2.96	2.61
Effective Maturity	10.23	8.17
Average Quality	A1/A2	AA1/AA2

Contribution to Duration



Source: Barclays POINT, Bloomberg. Sector and duration allocation are subject to change at any time. Quality distribution subject to change. See the appendix for important information about derivatives. Totals may not equal 100 due to rounding. This supplemental information complements the Full Discretion Fixed Income Composite Presentation as of 3/31/17.

Portfolio Activity

The team made several tactical shifts to interest rate exposure throughout the quarter, yet generally maintained a duration neutral to defensive bias versus the benchmark. However, the team's outlook on rates shifted slightly from negative to neutral as expectations to make tangible progress on fiscal policy and push tax reform through congress were reduced. Overall, the active management of interest rate positioning contributed to outperformance.

The team maintained its overweight bias to the 10-year part of the curve during the quarter. This part of the curve remained relatively attractive to other maturities as it had yet to recover from the sell-off experienced during the fourth quarter of 2016.

The strategy maintained an overweight to risk assets, holding the Risk Budget target at 30% of max. As a result, allocation of risk to High Yield, Investment Grade Corporate Bonds, and Securitized Assets was stable.

Outlook

Factor	Outlook	Comments
Financial Conditions	Slightly Positive	• Credit spreads modestly wider since last month – remain near post-crisis tights • Global central bank policy generally accommodative and fiscal policy to become more supportive • Market expectations of Fed rate hikes have declined after the failed healthcare bill • Absent a sizable tax bill, market pricing to fewer hikes seems appropriate • Risks: Execution risks related to fiscal expansion / Fed rate hikes will likely cause tightening as year progresses
Economic Growth	Slightly Positive	• Soft data has been much stronger than expected – have yet to see meaningful pickup in hard data • Labor market remains solid which should support overall economic growth • Risk of expected fiscal boost disappointing in terms of scale and timing has increased • Moving forward on policy will be key to realizing increased expectations built into markets
Valuations	Credit: Neutral	• Spreads reflect improved technical supply, strong rate-driven demand, improved economic outlook • Commodity-related sectors fully recovered
	Rates: Neutral	• Near-term and medium term: market pricing in ~35 bps of 2017 rate hikes. Markets have moderated due to failure to pass AHCA and likely impact on future legislation • Long-term: inflation expectations remain subdued, creating upside risk in nominal yields from current levels. Upside risk to long-term yields over a longer horizon from a rise in inflation expectations
Market Sentiment	Neutral	• No apparent imbalances

Macro Summary	Position	
Risk Budget	30%	• Broad financial conditions remain stable at easy levels – supportive of growth and risk assets. Economic fundamentals are solid yet not consistent with an increase from post-crisis trend. Recession risk is low and anticipated default rate has been reduced significantly. Valuations have adjusted to a more positive outlook, particularly within High Yield credit. We are still comfortable with risk assets due to improved growth prospects and potential global recovery. Tactically, we are maintaining a neutral bias for interest rates – positioning for both higher and lower interest rates

Source: Fort Washington. This is for informational purposes only and should not be construed as investment advice. Outlook reflects subjective judgments and assumptions subject to change without notice. Unexpected events may occur, there can be no assurance that developments will transpire as forecast. Past performance is not indicative of future results. The Risk Budget is a tool utilized by the investment team focusing on how much risk to take relative to a benchmark. After evaluating the maximum spread risk we believe to be allocable to a portfolio and current market conditions, we determine how much of that risk to allocate to the portfolio. Risk is defined by the sensitivity of the portfolio to the market.

Full Discretion Composite Performance and Disclosures

	1Q17	12/31/16	12/31/15	12/31/14	12/31/13	12/31/12	12/31/11	12/31/10	12/31/09	12/31/08	12/31/07[1]
Full Discretion Fixed Income (Gross)	1.27%	6.62%	1.11%	5.26%	-0.93%	6.78%	10.09%	9.54%	15.64%	-3.99%	2.43%
Full Discretion Fixed Income (Net)	1.18%	6.16%	0.71%	4.84%	-1.38%	6.30%	9.60%	9.05%	15.11%	-3.99%	2.43%
Barclays U.S. Aggregate	0.82%	2.65%	0.55%	5.97%	-2.03%	4.22%	7.84%	6.54%	5.93%	5.24%	3.00%
Full Discretion Fixed Income 3-Year Annual Standard Deviation[2]	—	3.03%	3.07%	2.99%	3.06%	2.49%	3.00%	—	—	—	—
Barclays Aggregate 3-Year Annual Standard Deviation[2]	—	2.98%	2.88%	2.63%	2.71%	2.38%	2.78%	—	—	—	—
Dispersion[3]	—	—	—	—	—	—	—	—	—	—	—
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ millions)	$612.3	$606.9	$310.4	$308.9	$293.4	$297.5	$276.2	$251.0	$229.0	$199.5	$207.7
Composite % of Firm Assets	1.32%	1.33%	0.72%	0.69%	0.67%	0.70%	0.73%	0.69%	0.77%	0.80%	0.76%

Composite inception date: 10/01/07 and Composite creation date: 07/01/15.

[1]2007 returns are partial-year returns, reflecting the composite inception date of 10/01/07. [2]The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean. [3]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 returns for those portfolios held in the composite during the full measurement period.

Past performance is not indicative of future results.

Fort Washington's Full Discretion Fixed Income strategy uses explicit measures of value and risk as a guide to investment decisions. Combined with intensive fundamental research, the portfolio management team believes this provides the best opportunity for excess return.

The Full Discretion Composite includes all fixed income accounts above $50MM with the ability to invest in High Yield (at least 30%) and have the unrestricted ability to invest in Investment Grade Securities across all durations relative to the Bloomberg-Barclays U.S. Aggregate. Accounts within this composite may also have the ability to hold derivatives. These investments, whether or not traded on an established market, include but are not limited to options, notional principal contracts, futures or forward contracts, VIX futures; and options on futures, forward contracts, or debt obligations. Investments made in derivatives are used in line with the portfolio's risk exposure, allowing for the portfolio to reduce its exposure to an existing position or increase exposure within the portfolio's guidelines. Derivatives involve risks in addition to the risks of underlying securities, including liquidity, interest rate, market, credit, and management. Investing in derivatives could lose more than the amount invested.

Effective 10/22/15, the Full Discretion Fixed Income fee is 0.40% for the first $100 million and 0.35% for amounts in excess of $100 million for separate accounts, and 0.40% for the commingled vehicle. The benchmark for this composite is the Barclays 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. Fort Washington has been independently verified for the periods 7/1/94 - 12/31/15. 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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