Fort Washington Investment Advisors, Inc.

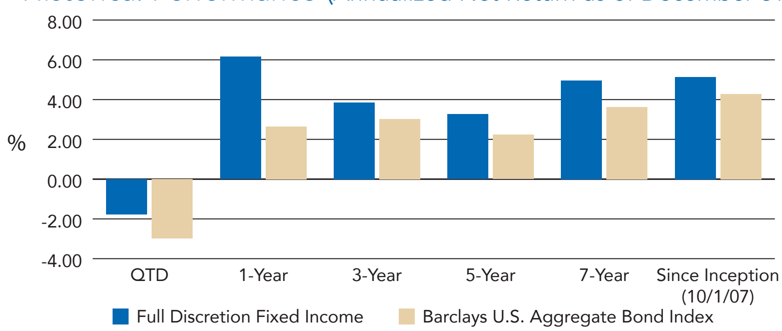
Full Discretion Fixed Income Quarterly Commentary

Fort Washington Full Discretion Fixed Income

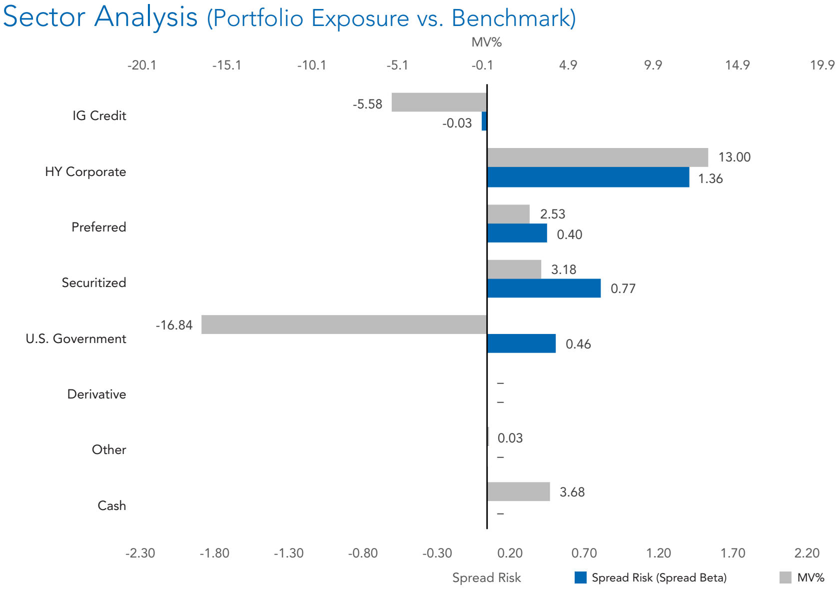
Highlights

- The Barclays Aggregate Index, returned -2.98% in the fourth quarter, bringing performance for 2016 to 2.65%. The strategy outperformed by 129 basis points during the quarter and 397 basis points for the year.
- The strategy's allocation to High Yield contributed to performance as spreads tightened significantly during the quarter.
- Within Investment Grade Corporate Bonds, positive allocation effects drove the marginal outperformance of the sector as an overweight to Midstream and underweight to non-corporate sectors was additive.
- Positive security selection within Structured Securities was the main driver of the sector's outperformance.
- Prior to the U.S. Presidential election, the investment team preferred to take indirect exposure to rates through TIPS as valuations for breakeven rates were relatively more attractive in our view than direct exposure through Treasurys. Post-election, direct exposure to rates became more attractive as valuations in 10-year breakevens reached what we believed to be fair value. In total, shifting duration positioning at the overall portfolio level through short-term trades in TIPS and Treasurys contributed to the strategy's outperformance.

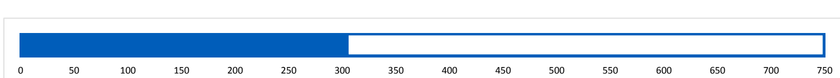
Historical Performance (Annualized Net Return as of December 31, 2016)



Sector Analysis (Portfolio Exposure vs. Benchmark)



Current Risk Budget



Spread Risk (bps)

4Q16

Investment Professionals

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

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

Bradley D. Sikora
Product Specialist – Fixed Income
5 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.

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 12/31/16.

303 Broadway, Suite 1200, Cincinnati, OH 45202-4220 • tel 513.361.7600 • fax 513.361.7605 • FortWashington.com

Market Overview

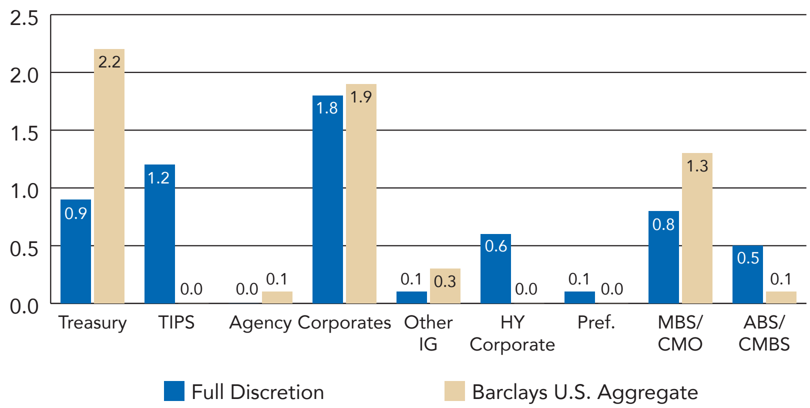
Growth in the U.S. continues to expand near trend growth (~2-2.5%) with underlying fundamentals — including the labor market and wage growth — remaining steady. Consumer spending averaged 3.5% in the second half of the year and the drag from private investment and trade lessened during the fourth quarter. Financial conditions are tighter following the Presidential election, primarily due to an increase in the USD, but remain easy overall and supportive of economic 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 to 0.75% in December while the market is pricing in at least two additional hikes in 2017.

Portfolio Statistics

Characteristics

	Full Discretion Composite	Barclays U.S. Aggregate
Effective Duration	5.40 yrs	5.89 yrs
Yield to Worst	3.35%	2.61%
Effective Maturity	9.45 yrs	8.19 yrs
Average Quality	A2/A3	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 disclosures for important information about derivatives. This supplemental information complement the Full Discretion Composite Presentation for 12/31/16.

Portfolio Activity

The strategy was slightly short duration relative to the benchmark at the end of quarter. However, the portfolio managers actively manage interest rate exposure through tactical trades to capture short-term opportunities. In general, these moves were positive on performance.

The team did not maintain a yield curve bias during the year and movements along the curve generally did not have a meaningful impact on performance. However, given recent movements in interest rates, the strategy is overweight the 10-year portion of the curve. The 10-year experienced the largest movements in the recent sell off, making it attractive relative to other maturities.

The strategy maintained an overweight to risk assets throughout the quarter, holding the Risk Budget target at 40% of max. As a result, allocation of risk to High Yield, Investment Grade Corporate Bonds, and Securitized Assets was stable.

After quarter end, the team adjusted the Rise Budget target to 30% in response to significant spread tightening particularly in High Yield credit Our current macro views and justification for the adjustments are detailed in the outlook.

Outlook

Factor	Outlook	Comments
Financial Conditions	Slightly Positive	• Little Change — remain tighter post election due to strong USD, but still relatively easy • Credit spreads at long-term average — access to capital is abundant • Global central bank policy is accommodative (and stable) and fiscal policy to become more supportive • Risks: Execution risks related to fiscal expansion/Fed rate hikes will likely cause tightening as year progresses
Economic Growth	Slightly Positive	• Underlying growth consistent with ~2-2.5% GDP — consumer spending averaged 3.5% in 2H2016 • Labor market remains solid with wages and income rising — which should support growth • Expectations have increased post-election — tax reform and fiscal support expected to be focus • Effects of expected policy changes likely to materialize late 2017 and 2018 — moving forward on policy will be key to realizing increased expectations built into markets
Valuations	Rates: Neutral	• Spreads modestly attractive given fundamental outlook for economy and policy expectations • Commodity-related sectors continue to recover but stabilizing
	Rates: Slightly Negative	• Near-term: market has priced in 50+ bps of rate hikes in 2017, consistent with Fed dots. 2018 and beyond market expectations have converged to Fed dots, but still remain lower • Medium-term: growth expectations have increased, but inflation expectations remain subdued. Upside in yields most likely as a result of increasing inflation expectations
Market Sentiment	Negative	• Market sentiment reflecting optimism surrounding potential for growth • Will be cautious with allocation to risk assets given extreme bullishness

Macro Summary	Position	
Risk Budget	30%	• Economic outlook remains Slightly Positive. Financial conditions remain positive for growth and risk assets. Economic expectations continue to increase due to prospects for deregulation, tax reform and fiscal stimulus. The labor market is expected to remain solid with wage growth approaching historical averages, which should continue to support consumer spending. Interest rates have adjusted higher to reflect these updated conditions, but further upside remains if economy evolves as expected. **Recession risk is low and anticipated default rate has been reduced significantly.** Valuations have generally adjusted to the more positive outlook, particularly within High Yield credit. Conclusion: modestly overweight risk assets; positioning for higher rates due to rising inflation expectations

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

	4Q16	YTD	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)	-1.69%	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)	-1.78%	6.16%	0.71%	4.84%	-1.38%	6.30%	9.60%	9.05%	15.11%	-3.99%	2.43%
Barclays U.S. Aggregate	-2.98%	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)	$606.9	$606.9	$310.4	$308.9	$293.4	$297.5	$276.2	$251.0	$229.0	$199.5	$207.7
Composite % of Firm Assets	1.33%	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 - 12/31/14. 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.

Fort Washington Investment Advisors, Inc.

A member of Western & Southern Financial Group

303 Broadway, Suite 1200, Cincinnati, OH 45202-4220
tel 513.361.7600 • fax 513.361.7605 • FortWashington.com