



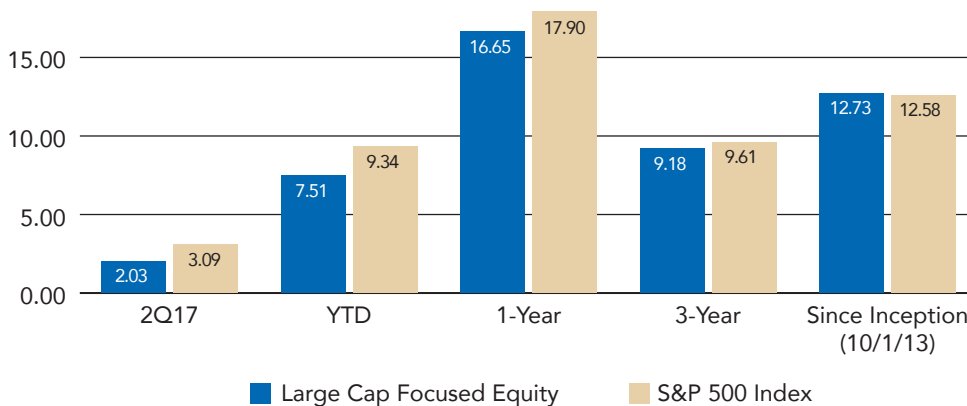
Fort Washington Large Cap Focused Equity

Highlights

- Consumer and business confidence remained high despite stalled healthcare legislation that delayed passage of a tax bill.
- Low volatility and expectations of strong profit growth were the key drivers of the market.
- The sector that led the market higher was Health Care while Information Technology, Industrials, and Financials increased more than the broader index.
- Sectors that lagged their respective peers include Industrials, Information Technology, Financials, Energy, and Materials.
- While underperforming the index, the Large Cap Focused Equity strategy returned 2.04% (gross) during the quarter.

Historical Performance

Annualized Net Return as of June 30, 2017



2Q17

Investment Professionals

**James E. Wilhelm, Jr.**  
Managing Director  
Head of Public Equity  
Senior Portfolio Manager  
24 Years Experience

**Sunit Gogia**  
Vice President  
Portfolio Manager  
Senior Equity Research Analyst  
10 Years Experience

**Kevin M. Bass**  
Senior Equity Research Analyst  
19 Years Experience

**Michael A. Benoit, CFA**  
Senior Equity Research Analyst  
20 Years Experience

**E. Craig Dauer, CFA**  
Senior Equity Research Analyst  
26 Years Experience

**John A. Wiegand, CFA**  
Senior Equity Research Analyst  
23 Years Experience

Market Overview

The U.S. equity indices continued to broadly move higher in the second quarter of 2017 as the S&P 500 Index increased 3.01% to another record high. Low volatility and expectations of strong profit growth were the key drivers of the market. Consumer and business confidence remained high despite stalled healthcare legislation that delayed passage of a tax bill. The sector that led the market higher was Health Care while Information Technology, Industrials, and Financials increased more than the broader index. Energy stocks declined, driven by a decline in global oil prices during the quarter while Telecommunication Services also fell in value.

Source: Fort Washington.  
This supplemental information complements the Large Cap Focused Equity Composite Presentation as of 06/30/17. Past performance is not indicative of future results.

## Portfolio Activity

During the quarter, weightings in the Information Technology and Consumer Discretionary sectors were increased while weightings in Consumer Staples and Health Care were decreased. Cash holdings were relatively unchanged at 4.7% from the first quarter. One new addition to the strategy was initiated, and two positions were eliminated. Each change was made in order to improve the overall risk/reward of the portfolio.

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

The sector that outperformed its respective peers was Consumer Discretionary. Sectors that lagged its respective peers included

Industrials, Information Technology, Materials, Energy, Financials, and Health Care. Stock selection accounted for all of the underperformance. Sector allocation was a positive contributor given the underweight in Energy while cash holdings detracted from performance given the positive move in the market.

Stocks adding the most to performance were a leading operator of restaurants in China that benefits from economies of scale, a diversified provider of health care products that benefits from economies of scale, and a leading provider of information technology services that benefits from economies of scale and customer captivity. Stocks detracting the most from performance were a leading media and entertainment company that has a diversified asset base, a scaled distributor of a broad base of semiconductor and electrical components, and a leading energy service company with economies of scale and a highly recurring customer base.

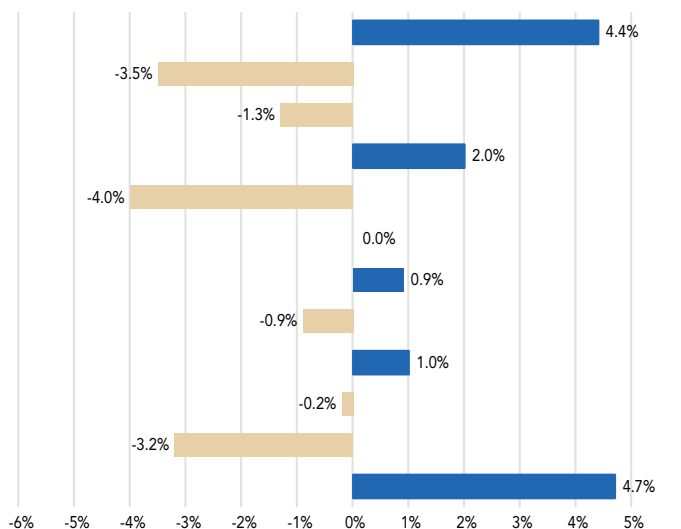
## Top Ten Holdings

Name	Sector	Layer of Value	% of Portfolio
Berkshire Hathaway	Financials	Franchise Value	6.8%
Amazon.com	Consumer Discretionary	Franchise Value	4.6%
Alphabet	Information Technology	Franchise Value	4.2%
Apple	Information Technology	Franchise Value	4.0%
Bank of New York Mellon	Financials	Franchise Value	3.5%
Novartis	Health Care	Earnings Power Value	3.3%
Microsoft	Information Technology	Franchise Value	3.1%
Oracle	Information Technology	Franchise Value	3.0%
General Electric	Industrials	Franchise Value	3.0%
Bristol-Myers Squibb	Health Care	Franchise Value	2.8%
			<b>38.3%</b>

Source: Fort Washington. Partial list of holdings in portfolio by percent. This supplemental information complements the Large Cap Focused Equity Composite Presentation as of 06/30/17. 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 Large Cap Focused Equity Composite for complete disclosure. The above data is rounded for informational purposes.

## Sector Over/Underweight vs. S&P 500<sup>1</sup>

As of 06/30/17



Sector	Portfolio Weight
Consumer Discretionary	16.7%
Consumer Staples	5.6%
Energy	4.7%
Financials	16.6%
Health Care	10.5%
Industrials	10.3%
Information Technology	23.2%
Materials	1.9%
Real Estate	4.0%
Telecommunications	2.0%
Utilities	0.0%
Cash	4.7%

**Max % per industry = 25%**

Source: Fort Washington. Data above includes cash. This supplemental information complements the Large Cap Focused Equity Composite Presentation. Portfolio characteristics are estimates as of the reported date and are subject to change at any time without notice. <sup>1</sup>See Large Cap Focused Equity composite for complete disclosure.

## Portfolio Characteristics

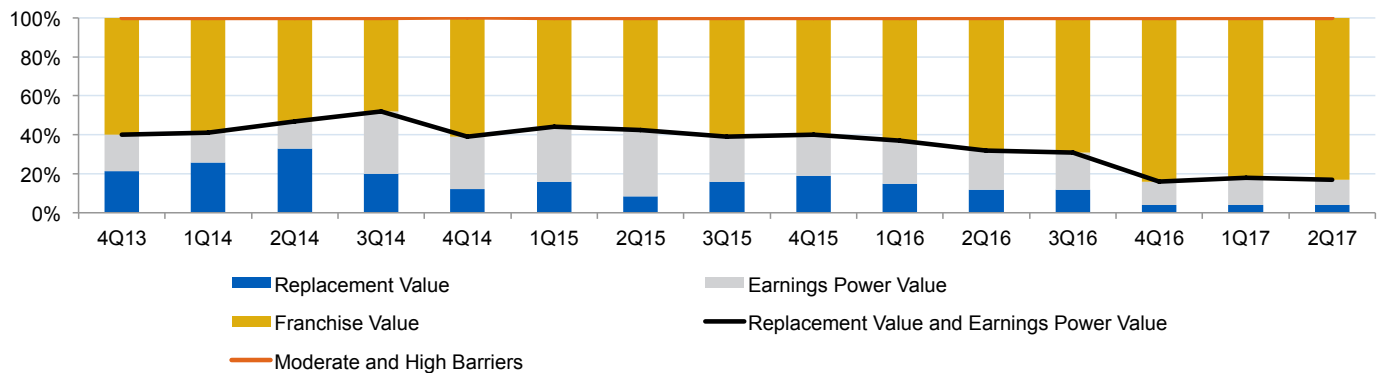
Replacement Value, Earnings Power Value, Franchise Value <sup>1</sup>	4%	13%	83%
Weighted average excess return <sup>2</sup>	~891 bps above the cost of capital		
Barriers to entry (none, moderate, high) <sup>1</sup>	0%	53%	47%
Price to intrinsic value (weighted average)	\$0.81		
Small, mid, large cap % <sup>1</sup>	0%	4.7%	95.2%
International %	9.1%		
Number of holdings	40		
Cash position	4.7%		

<sup>1</sup>Excludes cash.

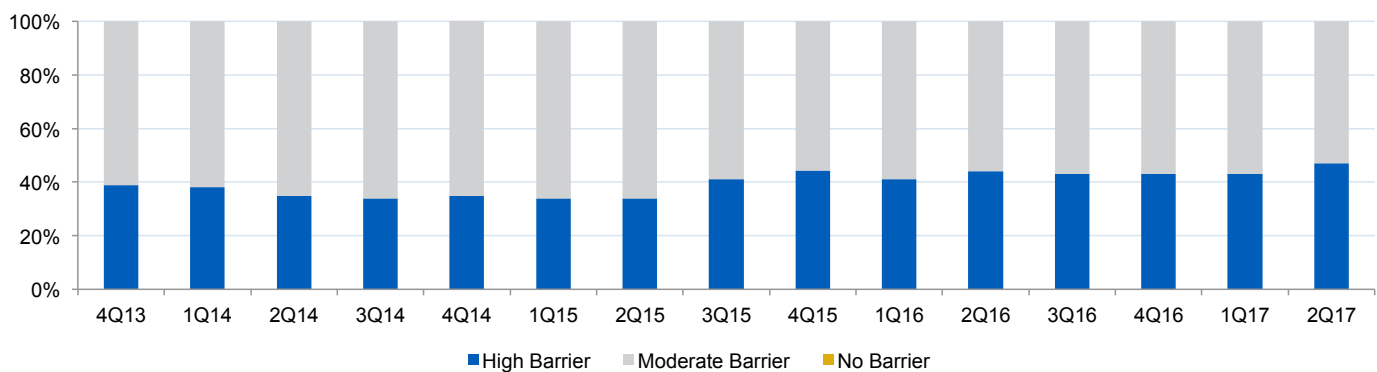
<sup>2</sup>Returns on capital vs. cost of capital (ex financials). Source: Fort Washington. This supplemental information complements the Large Cap Focused Equity Composite Presentation. Portfolio characteristics are as of the reported date and are subject to change at any time without notice. See Large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

## Outlook

As we are getting later in the cycle, we continue to increase the quality of the overall portfolio as measured by the weighted average return on capital (e.g., financials) for companies held in the composite. This key metric currently stands at 880 basis points above the cost of capital, which is as wide a spread as we have experienced since inception of the product and is well above the long term average for the strategy. Those excess returns on capital are protected because 100% of the portfolio is invested in business that we believe have strong barriers to entry.

We continue to find more opportunities in larger cap companies as our weighted average market cap is currently \$220 billion, which is also at an all-time high. Given our belief that there is little margin of safety in the market in general, we believe the portfolio is attractively positioned at this point as according to our estimates it is trading at 81 cents on the dollar.

## Composite Performance Disclosures

	2Q17	YTD	12/31/16	12/31/15	12/31/14	12/31/13
Large Cap Focused Equity (Gross)	2.04%	7.53%	13.71%	4.21%	9.01%	13.03%
Large Cap Focused Equity (Net)	2.03%	7.51%	13.66%	4.16%	8.96%	13.02%
S&P 500 Index	3.09%	9.34%	11.96%	1.38%	13.69%	10.51%
Large Cap Focused Equity 3-Year Annual Standard Deviation <sup>2</sup>	—	—	11.04%	—	—	—
S&P 500 Index 3-Year Annual Standard Deviation <sup>2</sup>	—	—	10.59%	—	—	—
Dispersion <sup>3</sup>	—	—	—	—	—	—
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets (\$ millions)	\$72.4	\$72.4	\$68.6	\$62.7	\$60.2	\$55.3
Composite % of Firm Assets	0.15%	0.15%	0.15%	0.15%	0.13%	0.13%

Composite inception and creation date: 10/01/13.

<sup>1</sup>2013 returns are partial-year returns, reflecting the composite inception date of 10/01/13. <sup>2</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>3</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 returns for those portfolios held in the composite during the full measurement period. The benchmark for this composite is the Standard and Poor's 500 Index.

Past performance is not indicative of future results. Please see performance disclosures on the next slide.

The Fort Washington Large Cap Focused Equity strategy is a large-cap concentrated, value oriented strategy that invests in businesses with a market capitalization greater than \$5 billion. The strategy 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 large cap 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 Large Cap Focused Equity strategy is to outperform the S&P 500 Index over a full market cycle.

All fee-paying, fully discretionary portfolios managed in the Large Cap style, with a minimum of \$1 million under our management, are included in this composite. Effective 01/22/14, the Large Cap strategy fee schedule is as follows: 0.65% on the first \$25 million, 0.60% on the next \$25 million, 0.55% on the next \$50 million and over.

The benchmark for this composite is the Standard and Poor's 500 Index. 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.

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**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