Fort Washington Investment Advisors, Inc.

Ultra Short Duration Quarterly Commentary

Fort Washington Ultra Short Duation

Highlights

- The strategy returned 0.54% (gross) in the third quarter compared to 0.27% for the Merrill Lynch 3-Month Treasury Bill Index and 0.25% for the Merrill Lynch 1-Year Treasury Note Index.
- Short-term Treasury rates increased 5-10 basis points while short duration spreads tightened 5-10 basis points, offsetting the move in rates and producing coupon-like returns.
- The Treasury curve continued flattening with longer-term rates unchanged.
- Positive security selection within the CMBS, ABS, and corporate sectors drove outperformance in the strategy with those sectors outperforming the Merrill Lynch short duration indices by 0.44%, 0.19%, and 0.03% respectively.
- With GDP rebounding in Q2 and the synchronized global expansion gaining momentum, risk assets continued to perform well. Valuations in most sectors are full or fair value, but likely to remain so in the near term.

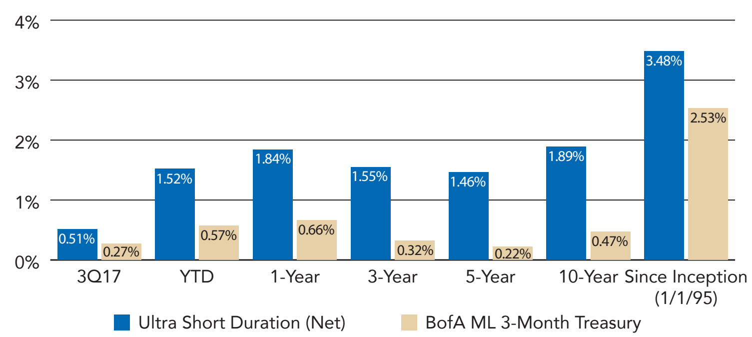
3Q17

Investment Professionals

Scott D. Weston
Managing Director
Senior Portfolio Manager
25 Years Experience

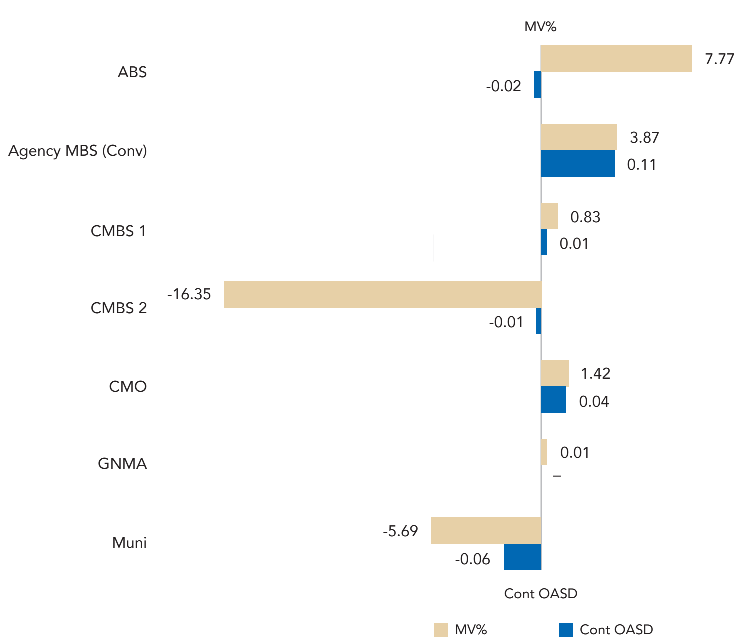
Brent A. Miller, CFA
Assistant Vice President
Senior Portfolio Manager
18 Years Experience

Historical Performance (Annualized Net Return as of September 30, 2017)



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

Sector Analysis (Structured Exposure vs. Index)



Data as of 09/30/17. Source: Barclays Point. Custom index is for risk analysis and represents the long-term strategic allocation for Fort Washington's Ultra Short Duration composite and is comprised of the following Barclay's sub-indices (all securities < 1.5 year option adjusted spread duration): 20% U.S. Aggregate CMBS, 20% U.S. Corporate, 25% U.S. ABS, 5% U.S. MBS Ex-Hybrid ARM, 15% U.S. MBS Hybrid ARM, 5% Municipal and 10% U.S. Treasury Bill 1-3 Month. For illustrative purposes only. Information subject to change at any time without notice. Actual results may vary. This should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. This supplemental information complements the Ultra Short Duration Composite Presentation.

Market Overview

Equities, high yield bonds, and other risk assets posted another strong showing in the third quarter. They have been supported throughout this year by a synchronized global expansion, low inflation and interest rates, solid corporate profits, and low default rates. Many people are surprised by what has happened in the markets considering the political acrimony in Washington, D.C., the failure of the White House and Republican-controlled Congress to repeal and replace Obamacare, and heightened tensions between the United States and North Korea. Indeed, in the wake of these developments, many investors are wondering how long the market calm will last.

There was notable news from the Federal Reserve as plans were announced to scale back its $4.5 trillion portfolio gradually, which met market expectations. The Fed will likely raise the funds rate by 25 basis points in December, and President Trump will announce his decision on the next Fed Chair this quarter.

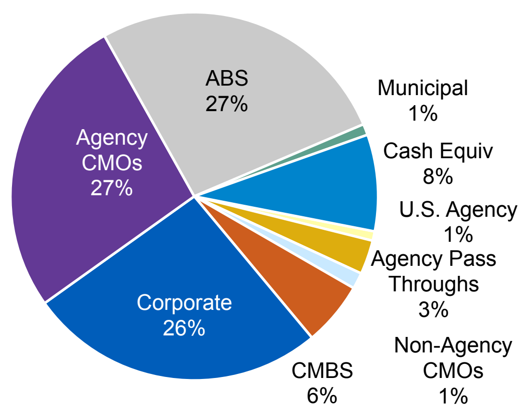
Against this backdrop, risk assets such as equities and high yield bonds performed strongly in the third quarter, posting returns of 4.5% for the S&P 500 Index and 2% for the ML High Yield Index, respectively. This boosted their year-to-date returns to 14.2% and 7%. Volatility, as measured by the CBOE VIX Index, has declined to all-time lows while credit spreads versus Treasuries have narrowed to their cyclical lows. Most financial assets appear fully or fairly valued. The appetite for risk remains strong and liquidity is plentiful.

Portfolio Statistics

USD Portfolio Characteristics
(as of 09/30/17)[1]

	Composite
Quality	A+
OA Duration	0.66 yr
Weighted Average Life	1.14 yrs
Coupon	2.86
YTW	2.00
Convexity	-0.02
Number of Issues	926

Composite Sector Allocation



[1]Source: Fort Washington; Characteristics are subject to change without notice. This supplemental information complements the Ultra Short Duration Composite Presentation as of 09/30/17. Totals may not equal 100 due to rounding.

Portfolio Activity

Significant portfolio growth was tactically invested in cash and equivalent securities. With the curve relatively flat inside of 5 years, generally tight spreads across all sectors and the Fed likely to raise interest rates in December, we prefer to overweight cash – currently 11% vs. a more typical allocation of 5%. Commercial paper and variable rate demand notes are comparatively attractive, earning yields close to 1.5% (vs. 5-year Treasury at 1.94%).

The strategy's three largest exposures continue to be Asset Backed Securities, Corporate bonds, and Commercial Mortgage Backed Securities at 37%, 33% and 10%, respectively. Short corporate bonds remain attractive in the wake of money market reform in October 2016 and the resulting supply/demand imbalance. Off-the-run ABS is one of the few segments of the market offering value on an opportunistic basis. And CMBS, which has generated some of the strongest returns in recent quarters, remains attractive but is difficult to source.

Interest rate risk decreased slightly during the quarter to a duration of 0.67 years. Duration positioning tends to be a function of relative value across the curve and currently there is little value in longer tenor securities. Additionally, management is wary of rising short-term rates and intends to maintain low exposure to the 2 to 5-year key rate duration buckets given that those rates remain susceptible to heightened volatility.

Risk positioning is neutral. With full valuations and flat credit curves we are generally moving up in quality in non-government sectors. To offset this up-in-quality bias, we continue to increase exposure to non-government sectors given relatively strong underlying consumer and economic fundamentals.

Outlook

Factor	Outlook	Comments
Economy	Positive	• Underlying growth still consistent with 2.0 - 2.5% GDP – recent data shows slight acceleration • Labor market consistently adding jobs / provides confidence consumer can support growth • Inflation reversed recent down trend/remains low. EUR inflation firming & capacity utilization high • Global synchronous recovery has overshadowed Trump policies (though tax reform has momentum)
Consumer	Positive	• Fundamentals remain supportive - Confidence near cycle highs • Debt service low, unemployment low, wages rising, savings high, balance sheets in good shape • Delinquencies normal or low depending on sector • Possibility of significant tax cuts and infrastructure spending lessening
Financial Conditions	Positive	• Broad financial conditions remain stable near easiest levels of 2017 • Credit spreads at YTD tights and close to 2014 levels in many asset classes • Global central bank policy accommodative but has taken a more hawkish tone • Market expectations for Fed rate hikes lagging fundamentals
Valuations	Neutral/Negative	• Valuations have richened - most sectors full, or fair, value • Low volatility, sound economic fundamentals and ample liquidity are supportive of tight spreads • Spreads vulnerable to volatility and shifts in liquidity, but downside move is likely transient
Sentiment/Technicals	Positive	• Structured products markets well bid - no apparent imbalances • Corporate demand is strong but could suffer from higher rates • Liquidity excellent
Interest Rates	Slightly Negative	• Valuations more in line with fundamentals after recent sell-off • Balance of risks is to higher rates • Market expectations for inflation/growth remain shallow • At the margin, Non-U.S. investors less supportive of US Treasuries
Outlook	**Neutral**	**• Spreads in most markets appear full and susceptible to volatility - but downward moves transient** **• Consumer and economic fundamentals supportive for structured products & high quality corps** **• Financial conditions supportive, global recovery offsetting U.S. policy uncertainty** **• Near-term neutral on rates, longer-term position for higher rates (1 more hike in 2017)**

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Ultra Short Duration Composite Performance and Disclosures

	3Q17	YTD	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]
Ultra Short Duration (Gross)	0.54%	1.60%	2.07%	1.13%	1.39%	1.20%	2.57%	2.14%	4.44%	6.02%	-1.61%	2.59%
Ultra Short Duration (Net)	0.51%	1.52%	1.98%	1.02%	1.28%	1.10%	2.45%	2.02%	4.38%	5.92%	-1.74%	2.44%
Merrill Lynch 3-Month Treasury Index	0.27%	0.57%	0.34%	0.04%	0.03%	0.05%	0.11%	0.10%	0.13%	0.20%	2.05%	4.99%
Ultra Short Duration 3-Year Annual Standard Deviation[1]	—	—	0.24%	0.24%	0.31%	0.33%	0.60%	0.94%	—	—	—	—
Merrill Lynch 3-Month Treasury Index 3-Year Annual Standard Deviation[1]	—	—	0.05%	0.02%	0.02%	0.03%	0.03%	0.03%	—	—	--	—
Dispersion[2]	—	—	—	—	—	—	—	—	—	—	—	—
Number of Accounts	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5	≤5
Composite Assets ($ Millions)	$1,133.5	$1,133.5	$963.0	$561.6	$688.4	$709.6	$609.8	$385.6	$306.9	$38.6	$43.0	$56.1
Composite % of Firm Assets	2.37%	2.37%	2.11%	1.31%	1.53%	1.62%	1.44%	1.10%	0.85%	0.13%	0.17%	0.20%

Composite inception and creation date: 01/01/95.

[1]The 3-Year annualized ex-post standard deviation is calculated using monthly returns to measure the average deviations of returns from its mean.

[2]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 Ultra Short Duration strategy seeks to achieve superior return on short-term investments and to employ an active sector rotation process identifying relative value within the short-term marketplace. Typical securities utilized include government bonds, corporate bonds, commercial paper, municipal bonds, and asset-backed bonds. Portfolio characteristics include average maximum duration of one year, maximum duration per security of 5 years with all securities rated investment grade at time of purchase.

All fee-paying, fully discretionary portfolios, managed in the Ultra Short Duration style with a minimum of $5 million under our management are included in this composite. Effective 01/22/14, the Ultra Short Duration strategy fee schedule is 0.20% on the first $25 million and 0.15% on the next $25 million and over. 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 benchmark for this composite is the Merrill Lynch 3-Month Treasury Index. The Merrill Lynch 3-Month Treasury Index measures the returns of the 3-month Treasury Bills. The benchmark returns include interest income, but as an unmanaged fixed income index, does not include transaction fees (brokerage commissions), and no direct comparison is possible. The composite is invested primarily in ultra short term, investment grade debt obligations, and its average effective portfolio duration will normally be one year or less.

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. 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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