Fort Washington Investment Advisors, Inc.

Ultra Short Duration Quarterly Commentary

Fort Washington Ultra Short Duation

1Q17

Highlights

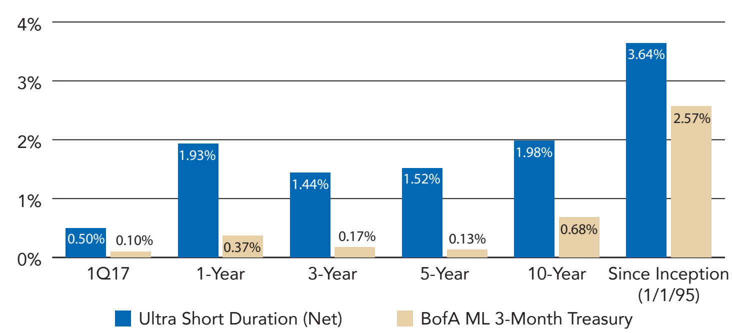
- The strategy returned 0.53% (gross) in the first quarter compared to 0.10% for both the Merrill Lynch 3-Month Treasury Bill Index and the Merrill Lynch 1-Year Treasury Note Index.
- Short-term Treasury rates increased 20 basis points while short duration spreads tightened 5-20 basis points, offsetting much of the move in rates.
- The Treasury curve flattened materially producing a pronounced curve effect, even in ultra short duration strategies – longer, key rate duration exposures performed best.
- Positive security selection within the CMBS and ABS sectors drove outperformance in the strategy with those sectors outperforming the Merrill Lynch short duration indices by 0.49% and 0.23%, respectively.
- Corporate bonds and MBS produced index-like returns.
- A strong risk-on market in the post-election period, dubbed the "Trump trade," has left most sectors fully valued.

Investment Professionals

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

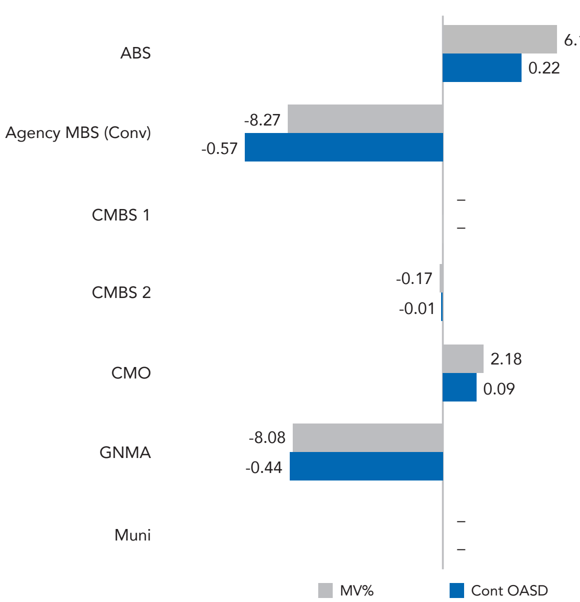
Brent A. Miller, CFA
Assistant Vice President
Senior Portfolio Manager
18 Years Experience

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



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

Sector Analysis (Structured Exposure vs. Index)



Data as of 03/31/17. 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 as of 03/31/17.

Market Overview

Following President Trump's surprise victory on November 8, investors responded by buying risk assets while Treasury yields and the dollar surged. This so-called "Trump trade" was mainly driven by expectations that the pro-growth strategy of the Trump Administration would succeed in restoring economic growth of 3% or more.

On the heels of this optimism, and relatively strong economic data, the Fed raised the fed funds rate 0.25% in March to 1.00%. About a week later House Republicans failed to reach agreement on reform of the Affordable Care Act, and the market settled into a consolidation phase with stocks and bonds taking pause.

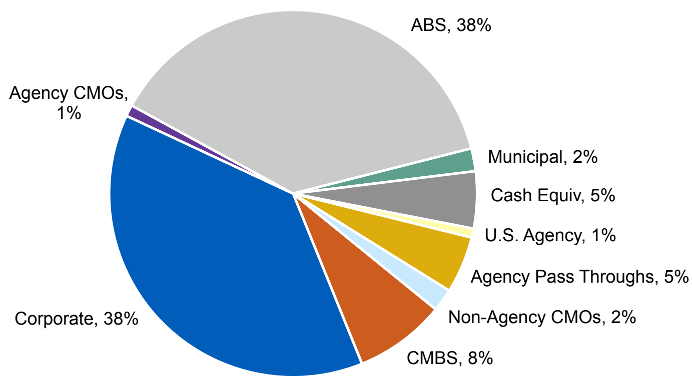
While confidence in the Trump Administration's ability to tackle health care reform, tax reform, and infrastructure spending is on the wane, a global synchronized expansion seems to be gaining credence. The EU is gaining momentum, led by Germany and Britain (despite its vote to exit the EU), while China continues to post strong economic results in the wake of 2016 stimulus measures. This time, the global recovery appears to be self-sustaining, which could continue to provide support to risk assets and allow the Fed to raise interest rates once or twice more in 2017.

Portfolio Statistics

USD Portfolio Characteristics
(as of 03/31/17)[1]

	Composite
Quality	A+
OA Duration	0.67 yr
Weighted Average Life	0.96 yr
Coupon	3.13
YTW	1.90
Convexity	0.01
Number of Issues	853

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 03/31/17. Totals may not equal 100 due to rounding.

Portfolio Activity

Composite changes during the quarter were modest. Corporate bonds and asset-backed securities ("ABS") continue to be the largest exposures in the strategy at 38% each. Short corporate bonds remain attractive in the wake of money market reform in October 2016. Over $1 trillion has migrated out of prime money market funds into government money market funds, creating a technical imbalance in the front end of the corporate bond market. Strategy exposure to this sector will remain high until the market reaches equilibrium. Management continues to find value in select ABS sectors including short duration auto ABS.

Duration positioning is being played from the slightly short side at 0.68 years with management wary of rising short-term rates while also finding value in shorter duration securities. Curve moves tend to have limited impact in the short duration space, but this quarter was likely an exception and provided a boost to those strategies with longer key rate duration exposure.

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	Slightly Positive	• Underlying growth still consistent with 2.0 - 2.5% GDP • Labor market remains solid. Rising wages and income support growth • Trump policy efficacy uncertain. Tax policy and fiscal stimulus will be key • Global synchronous economic recovery may "trump" U.S. policies (tax & fiscal)
Consumer	Positive	• Confidence continues to climb to 16-year high • Debt service low, unemployment low, wages rising, savings high, balance sheets in good shape • Aggregate delinquencies and credit losses remain healthy • Possibility of tax cuts and pro-growth policy further buoys consumer
Financial Conditions	Slightly Positive	• Broad financial conditions remain stable at relatively easy levels • Credit spreads have tightened YTD; still somewhat wide relative to post-crisis tights • Access to capital is abundant • Global central bank policy accommodative; fiscal policy expected to become more supportive • Risk: Execution risks related to fiscal policy. Fed rate hikes risk tightening financial conditions
Valuations	Neutral	• Valuations have richened - most sectors full, or fair, value • Consumer fundamentals supportive - high confidence driven by job growth & wage growth • Spreads vulnerable to volatility 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	• Balance of risks is to higher rates - dependent on near-term fundamentals and progress on tax & fiscal policy • Market pricing consistent with Fed dots for 2017. 2018 still below dots - risk of move upward • Inflation expectations subdued - reflecting policy challenges (tax & fiscal). Risk is higher longer term • Non-U.S. investors less supportive of U.S. Treasuries due to rising Dollar and expected higher rates
Outlook & Positioning	**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 (1-2 more hikes in 2017)**

Source: Fort Washington. The above outlook reflects subjective judgments and assumptions; subject to change at any time. Unexpected events may occur so there can be no assurance that developments will transpire as forecast. This is for informational purposes only and should not be construed as investment advice or a recommendation of any particular security, strategy, or investment product. Past performance is not indicative of future results.

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Ultra Short Duration 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]
Ultra Short Duration (Gross)	0.53%	2.07%	1.13%	1.39%	1.20%	2.57%	2.14%	4.44%	6.02%	-1.61%	2.59%
Ultra Short Duration (Net)	0.50%	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	0.10%	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
Composite Assets ($ Millions)	$902.0	$963.0	$561.6	$688.4	$709.6	$609.8	$385.6	$306.9	$38.6	$43.0	$56.1
Composite % of Firm Assets	1.95%	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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