

A QUARTER REVIEW:

As expected, monetary policy became the central focus of bond investors to begin 2022. Entering the year investors had been expecting a gradual pace of tightening as economic growth slowed returning to more normal pre-pandemic growth. However, more persistent inflation led the Fed to become more hawkish, forcing investors to quickly adjust expectations. As a result, the two-year Treasury rate rose 161 basis points during the quarter, the fourth highest quarterly move since 1982. Despite the persistent inflation, long-end treasury rates remained well anchored near the Fed's estimate of the terminal rate, signaling the market and Fed agree on more sanguine medium to longer-term economic growth. Volatility was also not contained to rates, as investment grade corporate spreads widened 23 basis points during the quarter. While it is unusual, credit spreads and interest rates have moved together during prior periods of abrupt policy transitions. The good news is these periods are typically short lived and absent near-term deterioration in economic fundamentals can prove to be an attractive opportunity.

CONTRIBUTORS	DETRACTORS
CORPORATE SECURITY SELECTION	CORPORATE OVERWEIGHT
	MBS ALLOCATION

ATTRIBUTION			
	JOHNSON	ICE BofA Merrill Lynch US Corp & Govt, 1-3 Year Index	DIFFERENCE
DURATION	-1.92%	-1.55%	-0.37%
NON-PARALLEL	-1.18%	-1.12%	-0.07%
OTHER RATES	0.09%	0.13%	-0.04%
SECTOR/QUALITY	-0.24%	-0.07%	-0.17%
SELECTION	0.04%	-0.27%	0.31%
INCOME	0.38%	0.30%	0.08%

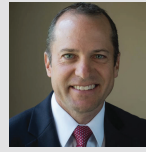
PERFORMANCE						
	QTD	1YR	3YR	5YR	7YR	10YR
JOHNSON (GROSS)	-2.88%	-3.14%	1.09%	1.52%	1.49%	1.53%
JOHNSON (NET)	-2.94%	-3.38%	0.84%	1.26%	1.23%	1.28%
ICE BofA Merrill Lynch US Corp & Govt, 1-3 Years	-2.58%	-2.95%	1.02%	1.27%	1.16%	1.12%

PERFORMANCE SUMMARY:

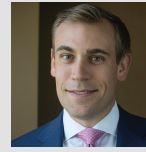
As a result of the unusual market volatility most major bond indices suffered their worst quarterly declines in over 30 years, with the Johnson Short Duration Fixed Income strategy returning -2.94% net of fees versus the ICE BofA Merrill Lynch 1-3 Year Corp & Govt Index of -2.58%. Duration was a modest headwind to performance as rates rose, however this was partially offset by our higher level of income relative to the index. Within the strategy's Government bond allocation, our shorter duration positioning within Treasuries was beneficial as rates rose the most in the two to three year part of the curve, while our slightly longer duration positioning within the corporate sector detracted from performance. Credit spreads also widened throughout the quarter, which acted as a further headwind given our overweight to spread sectors. This was mostly offset, however, by our high-quality corporate security selection. MBS underperformed duration matched Treasuries during the quarter as the Fed communicated plans to reduce the size of its balance sheet. While overtime we believe MBS adds favorable portfolio characteristics, our modest non-benchmark allocation was an additional headwind to performance during the quarter.

MARKET OUTLOOK AND PORTFOLIO POSITIONING:

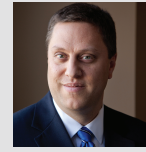
Despite the challenging start to the year, the outlook for fixed income returns going forward has improved greatly. Persistent inflation and increasingly tough talk from the Fed have caused one of the sharpest and fastest interest rate adjustments in history. As a result, the yield on our Short Duration Fixed Income strategy is now over 2.50%, near its highest level since the Financial Crisis. We continue to believe the macroeconomic environment will normalize to pre-pandemic growth and inflation trends. At the same time, the market is now pricing in the equivalent of ten additional rate hikes over the next year, nearly the full rate hike cycle according to the Fed's projection. As a result, we continue to target a neutral to slightly long portfolio duration across portfolios. While growth is likely to normalize, economic fundamentals in the near term remain healthy. The widening of credit spreads during the quarter has presented an opportunity to reaffirm our overweight to high-quality, low beta corporates by selectively adding to our favorite names at attractive valuations. As markets continue to adjust to the change in monetary policy, we continue to believe that our disciplined approach remains well positioned to weather possible bouts of market volatility.

OUR FIXED INCOME STRATEGY TEAM:

Jason Jackman, CFA
President,
Chief Investment Officer,
Principal



Brandon Zureick, CFA
Director & Portfolio
Manager,
Principal



Michael Leising, CFA
Chief Investment
Officer-Fixed Income,
Portfolio Manager,
Principal



David Theobald, CFA
Senior Portfolio Manager,
Principal

1965
ESTABLISHED

\$5.2B
INSTITUTIONAL
ASSETS UNDER
MANAGEMENT
(As of 03.31.21)

Our primary objective across all duration mandates is to outperform the market with comparable volatility by utilizing our proprietary and unique Quality Yield approach and the deep experience and continuity of our investment team.

For more information on our products and services, please contact a member of the our Sales & Client Service Team at 513.389.2770 or info@johnsonasset.com.

PORTFOLIO SUMMARY

	JOHNSON	ICE BofA Merrill Lynch US Corp & Govt, 1-3 Year Index
COUPON	2.74%	1.71%
YIELD TO MATURITY	2.59%	2.38%
WEIGHTED AVG. MATURITY (IN YEARS)	2.46	1.95
WEIGHTED AVG. DURATION (IN YEARS)	2.24	1.88



Johnson Asset Management (JAM) is a division of Johnson Investment Counsel, Inc. ("JIC"), an independent and privately owned Midwestern based investment advisory firm registered with the Securities and Exchange Commission. Johnson Asset Management manages institutional separate account portfolios for a wide variety of for-profit and nonprofit organizations, public agencies, public and private retirement plans, and personal trusts of all sizes. It may also serve as sub-adviser for mutual funds. JIC's fees are available upon request and may be found in our Form ADV Part 2A. Performance data quoted herein represents past performance. Past performance does not guarantee or indicate future results. All data is current as of March 31, 2022 unless otherwise noted. Returns and net asset value will fluctuate. To determine if this strategy is appropriate for you, carefully consider the investment objectives, risk factors, and expenses before investing. Individual account management and construction will vary depending on each client's investment needs and objectives. Investments employing JIC's strategies are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by any Bank or any Bank affiliate, and MAY lose value, including possible loss of principal. Johnson Asset Management claims compliance with the Global Investment Performance Standards. The Short Duration Fixed Income composite includes all fee paying, fully discretionary, actively managed institutional fixed income portfolios with a minimum value of \$500,000 and an investment objective of short duration, investment grade taxable fixed income. The benchmark for this composite is the ICE BofA Merrill Lynch 1-3 Year G/C Index. The ICE BofA Merrill Lynch 1-3 Year Corporate/Government Bond Index includes publicly issued U.S. Treasury debt, U.S. government agency debt, taxable debt issued by U.S. states and territories and their political subdivisions, debt issued by U.S. and non-U.S. corporations, non-U.S. government debt and supranational debt. JAM's policies for valuing portfolios, calculating performance and preparing compliant presentations, as well as a complete list of composite descriptions are available upon request. Please contact our office at 513.389.2770 or 3777 West Fork Road, Cincinnati, OH 45247. All returns reflect the reinvestment of investment income (dividends and/or interest) and capital gains. Valuations and returns are stated in U.S. dollars. Trade date accounting is used. Portfolio returns are calculated using time weighted return methodology on a monthly basis. Net returns shown reflect gross performance less the highest fee schedule for this strategy. Actual client returns would also be reduced by brokerage commissions, custodial fees, and other client paid expenses detailed in JIC's Form ADV Part 2A.