

Ohio National Investments, Inc.
One Financial Way, Cincinnati, OH 45242
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3/30/2012

This Brochure provides information about the qualifications and business practices of Ohio National Investments, Inc. (“ONII”). If you have any questions about the contents of this Brochure, please contact us at 877-781-6392 and/or dennis_taney@ohionational.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

ONII is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about ONII also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There have been no material changes since this Brochure's last amendment, dated March 31, 2011.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on material changes, at any time, without charge.

Currently, our Brochure may be requested by contacting Dennis Taney, Chief Compliance Officer at 877-781-6392 or dennis_taney@ohionational.com.

Additional information about Ohio National Investments, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with ONII who are registered, or are required to be registered, as investment adviser representatives of ONII.

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Item 4 – Advisory Business

Ohio National Investments, Inc. (“ONII”) is the investment adviser to mutual funds sponsored by ONII's parent, The Ohio National Life Insurance Company (“ONLIC”). Currently, ONII has one registered investment company client, Ohio National Fund, Inc. (“Ohio National Fund”), and one insurance company client, National Security Life and Annuity Company (“National Security”). ONII has been in business since 1996.

Asset Allocation Models

ONII also provides an asset allocation service to clients of ONLIC and Ohio National Life Assurance Corporation (“ONLAC”) (together “Ohio National Life”) and National Security. In providing the Asset Allocation Models, ONII acts as an investment advisor in developing and maintaining the Asset Allocation Models and updating client contracts, as described more fully below.

The Service – Asset Allocation Models

The Asset Allocation Models are a service that Ohio National Life offers at no additional cost for use within certain variable annuity contracts issued by Ohio National Life and its affiliate, National Security. Asset allocation refers to the distribution of investments among various asset classes. This is done to help attain an investment goal. The Asset Allocation Models help variable contract owners decide how they should allocate their variable contract values among the available investment options. The theory behind asset allocation is that diversification among asset classes can help reduce volatility over the long term, although, that may not always be the case.

As part of the service, ONII has developed several Asset Allocation Models (“Models”), each based on different profiles of an investor's willingness to accept investment risk. The investment advisory relationship is established between ONII and the contract owner upon the return of the executed Investment Advisory Agreement to ONII and the selection of a Model. Prior to the receipt of the Investment Advisory Agreement the contract owner only has a static allocation to the mutual funds that make up the various Asset Allocation Models. If a contract owner decides to subscribe to the asset allocation model service and selects one of the Models, the initial purchase payment (in the case of a new variable contract application) or existing contract values, as applicable, will be allocated to the underlying investment options according to the Model picked by the contract owner. Subsequent purchase payments, if allowed under the applicable variable annuity contract, will also be allocated according to the then current Model, unless the contract owner instructs Ohio National Life otherwise in writing. Ohio National Life will rebalance the contract values quarterly to maintain the current allocations of the Model, since changes in the net asset values of the underlying mutual fund portfolios in each Model will change the contract owner's asset allocation over time. If a contract owner subscribes to the Asset Allocation Models, and has other contract values outside of the Models, only the portfolios within his or her Model will be rebalanced.

If a contract owner subscribes to the Asset Allocation Models, ONII will serve as the contract owner's investment adviser for the limited purposes of development of the Asset Allocation Models and the periodic update of the Models.

On a periodic basis (typically annually) or when ONII believes appropriate, the Asset Allocation Models are evaluated and the Models are updated. Upon 30 days' advance notice, ONII will automatically reallocate the contract values or purchase payments, as applicable, for subscribers to the Asset Allocation Models, unless the owner has instructed ONII otherwise.

As of December 30, 2011, ONII has \$6,576,275,954 in assets under management. ONII manages \$2,302,648,613 in the Fund, \$4,225,760,654 in the Asset Allocation Models and \$47,866,687 in National Security's general account.

Item 5 – Fees and Compensation

Asset Allocation Models

ONII does not charge fees for use of the Asset Allocation Models. The Asset Allocation Models are a service that Ohio National Life offers at no additional cost for use within variable annuity contracts issued by Ohio National Life and its affiliate, National Security. Contract owners will pay fees and expenses under the terms of their variable contracts. For information regarding those fees and expenses, you should refer to the prospectus that describes the pertinent variable contract. Owners indirectly bear the expenses of the Portfolios to which they allocate their contract values. The net asset value of the Portfolios reflects the investment advisory fees and other expenses that are deducted from the assets of the Portfolio. The advisory fees and other expenses are not fixed or specified under the terms of the variable contracts, and they may vary from year to year. The fees and expenses for Portfolios in the Asset Allocation Models are described in their respective fund prospectuses.

Mutual Funds

As compensation for its services under the investment advisory agreements, ONII is paid the following fees:

From the Ohio National Fund, ONII receives the following fees:

Portfolio Name	Annual Fees
Equity Portfolio	0.79% of first \$200 million 0.74% of next \$800 million 0.70% over \$1 billion
Money Market Portfolio	0.30% of first \$100 million 0.25% of next \$150 million 0.23% of next \$250 million 0.20% of next \$500 million 0.15% over \$1 billion

Small Cap Growth Portfolio	0.90% of first \$150 million 0.80% of next \$150 million 0.75% over \$300 million
Mid Cap Opportunity Portfolio	0.85% of first \$100 million 0.80% of next \$100 million 0.75% of next \$300 million 0.70% over \$500 million
Capital Appreciation Portfolio	0.80% of first \$100 million 0.75% of next \$300 million 0.65% of next \$600 million 0.60% over \$1 billion
Millennium Portfolio	0.80% of first \$150 million 0.75% of next \$150 million 0.70% of next \$300 million 0.65% over \$600 million
Aggressive Growth Portfolio	0.80% of first \$100 million 0.75% of next \$400 million 0.70% over \$500 million
S&P 500 Index Portfolio	0.40% of first \$100 million 0.35% of next \$150 million 0.33% over \$250 million
Bristol Portfolio	0.80% of first \$100 million 0.70% of next \$400 million 0.65% over \$500 million
Bond Portfolio	0.60% of first \$100 million 0.50% of next \$150 million 0.45% of next \$250 million 0.40% of next \$500 million 0.30% of next \$1 billion 0.25% over \$2 billion
Omni Portfolio	0.60% of first \$100 million 0.50% of next \$150 million 0.45% of next \$250 million 0.40% of next \$500 million 0.30% of next \$1 billion 0.25% over \$2 billion
International Portfolio	0.85% of first \$100 million 0.80% of next \$100 million 0.70% over \$200 million

Capital Growth Portfolio	0.90% of first \$100 million 0.85% of next \$100 million 0.80% of next \$300 million 0.75% over \$500 million
Strategic Value Portfolio	0.75% of first \$100 million 0.70% of next \$400 million 0.65% over \$500 million
International Small-Mid Company Portfolio	1.00% of first \$100 million 0.90% of next \$100 million 0.85% over \$200 million
High Income Bond Portfolio	0.75% of first \$75 million 0.70% of next \$75 million 0.65% of next \$75 million 0.60% over \$225 million
Nasdaq 100 Index Portfolio	0.40% of first \$100 million 0.35% of next \$150 million 0.33% over \$250 million
Income Opportunity Portfolio	0.80% of first \$200 million 0.75% of next \$300 million 0.70% over \$500 million
U.S. Equity Portfolio	0.75% of first \$200 million 0.70% of next \$300 million 0.65% over \$500 million
Balanced Portfolio	0.65% of first \$200 million 0.60% of next \$300 million 0.55% over \$500 million
Bryton Growth Portfolio	0.85% of first \$100 million 0.75% of next \$400 million 0.70% over \$500 million
Bristol Growth Portfolio	0.80% of first \$100 million 0.70% of next \$400 million 0.65% over \$500 million
Target VIP and Target Equity/Income Portfolios	0.60% of first \$100 million 0.55% of next \$400 million 0.50% over \$500 million

ONII is presently waiving any of its fees in excess of 0.25% for the Money Market Portfolio.

The investment advisory agreements also provide that if the total expenses applicable to any portfolio of the Ohio National Fund during any calendar quarter (excluding taxes, brokerage commissions, interest and investment advisory fees) exceed 1%, on an annualized basis of such portfolio's average daily net asset value, ONII will reimburse said portfolios for expenses in excess of 1%.

ONII's advisory fees are subject to negotiation. None of the fees are payable in advance of any services being rendered. ONII bills the Fund on a monthly basis. The agreements described above may be terminated by the investment company party (the Ohio National Fund) at any time, without the payment of any penalty, on 60 days' written notice. Such termination may be initiated by the investment company party's board of directors or, as to any portfolio, by the vote of a majority of such portfolio's outstanding securities.

ONII's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to ONII's fee, and ONII shall not receive any portion of these commissions, fees, and costs.

The Brokerage Practices section (Item 12) further describes the factors that ONII considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

For services rendered to National Security, ONII charges the company for actual expenses incurred in the delivery of services including manpower, brokerage commissions and research services, all in accordance with Regulation No. 33, 11 NYCRR 91 of the New York Insurance Department.

ONII has sub-advisory agreements in place with multiple investment advisers to manage the assets of certain portfolios of the Ohio National Fund.

In accordance with the agreements, ONII pays the sub-advisors as follows:

Portfolio Name	Sub-advisor Name	Annual Fees
Equity Portfolio	Legg Mason Capital Management	0.40% of the first \$200 million 0.38% over \$200 million
Small Cap Growth Portfolio	Janus Capital Management	0.60% of the first \$150 million 0.50% over \$150 million
Mid Cap Opportunity Portfolio	Goldman Sachs Asset Management, L.P.	0.60% of the first \$100 million 0.55% of the next \$100 million 0.50% over \$200 million
Capital Appreciation Portfolio	Jennison Associates, LLC	0.75% of the first \$10 million 0.50% of the next \$30 million 0.35% of the next \$25 million 0.25% of the next \$335 million 0.22% of the next \$600 million 0.20% over \$1 billion

Millennium Portfolio	Neuberger Berman Management LLC	0.55% of the first \$150 million 0.50% of the next \$150 million 0.40% over \$300 million
Aggressive Growth Portfolio	Janus Capital Management	0.55% of the first \$100 million 0.50% of the next \$400 million 0.45% over \$500 million
Bristol Portfolio	Suffolk Capital Management, LLC	0.45% of the first \$100 million 0.40% of the next \$400 million 0.35% over \$500 million
Omni Portfolio	Suffolk Capital Management, LLC	0.30% of the first \$100 million 0.25% of the next \$150 million 0.225% of the next \$250 million 0.20% of the next \$500 million 0.15% of the next \$1 billion 0.125% over \$2 billion
International Portfolio	Federated Global Investment Management Corp.	0.40% of the first \$200 million 0.35% over \$200 million
Capital Growth Portfolio	Eagle Asset Management, Inc.	0.59% of the first \$100 million 0.55% of the next \$100 million 0.50% over \$200 million
Strategic Value Portfolio	Federated Equity Management Company	0.50% of the first \$35 million 0.35% of the next \$65 million 0.25% over \$100 million
International Small-Mid Company Portfolio	Federated Global Investment Management Corp.	0.75% of the first \$100 million 0.65% over \$100 million
High Income Bond Portfolio	Federated Investment Management Company	0.50% of the first \$30 million 0.40% of the next \$20 million 0.30% of the next \$25 million 0.25% over \$75 million
Income Opportunity Portfolio	ICON Advisers, Inc.	0.55% of the first \$200 million 0.50% of the next \$300 million 0.45% over \$500 million
U.S. Equity Portfolio	ICON Advisers, Inc.	0.50% of the first \$200 million 0.45% of the next \$300 million 0.40% over \$500 million
Balanced Portfolio	ICON Advisers, Inc.	0.40% of the first \$200 million 0.35% of the next \$300 million 0.30% over \$500 million
Bryton Growth Portfolio	Suffolk Capital Management, LLC	0.50% of the first \$100 million 0.45% of the next \$400 million 0.40% over \$500 million

Bristol Growth Portfolio	Suffolk Capital Management, LLC	0.45% of the first \$100 million 0.40% of the next \$400 million 0.35% over \$500 million
Target VIP and Target Equity/Income Portfolios	First Trust Advisors LP	0.35% of the first \$500 million 0.25% over \$500 million

Item 6 – Performance-Based Fees and Side-By-Side Management

ONII does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

The portfolio manager for the Bond Portfolio and the bond portion of the Omni Portfolio is also responsible for purchasing bonds for the general accounts of ONLIC, ONLAC and National Security (collectively, the "insurance companies"). Occasionally, the portfolio manager will request a bond purchase for the portfolios and the general accounts of the insurance companies together. If the bond order is only partially filled, the bonds are not allocated on pro rata basis to the accounts. Smaller accounts are frequently allocated a higher percentage of the amount (greater than their pro rata share). For the smaller accounts, this percentage can be as high as 100% of the original amount requested. If the small accounts received an allocation that was less than requested in a bond offering, it would be difficult to add to the position or to dispose of it because the position would be an odd lot. For the reasons stated, management believes that it is uneconomical and impractical for a small account to receive a very small allocation of bonds that would result if the total amount of bonds was allocated pro rata. Overall, management believes the allocation policy for bonds is fair to the portfolios.

Item 7 – Types of Clients

In addition to the Asset Allocation Models, ONII is the investment advisor to a mutual fund sponsored by ONII's parent company, ONLIC. Other than participants in the Asset Allocation Models, ONII has two clients, one of whom is a registered investment company, the Ohio National Fund, and one of whom is an insurance company, National Security.

ONII does not have a minimum account size for the Asset Allocation Models.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

The Asset Allocation Models

There are currently five Asset Allocation Models. Each model is comprised of a carefully selected combination of investment options, including the portfolios of Ohio National Fund and other mutual funds that sell their shares to insurance company separate accounts, and in some cases, pension plans. A list of all of the available portfolios is included in the variable contract product prospectus.

Ohio National Fund is a registered open-end investment company that consists of multiple Portfolios. ONII is the investment adviser to Ohio National Fund. ONII and the Fund have retained other portfolio managers, or sub-advisers, to manage some of the Portfolios of the Fund. The Portfolios are managed in a variety of investment strategies and may invest in various types of securities depending on their investment strategy, including, among others, U.S. and non-U.S. equity and fixed income securities. The Portfolios of the Fund are only available as an underlying investment option for the variable annuity and variable life insurance products issued by Ohio National Life and its affiliates. Portfolios may be added to or eliminated from the Fund in the future. Information regarding the Fund and the investment strategies of the Fund's Portfolios is available in the Fund's prospectus. For more complete information on each Portfolio, including a discussion of the Portfolio's investment techniques and the risks associated with its investments, see the Fund's prospectus. No assurance can be given that a Portfolio will achieve its investment objective. Owners should read the Fund's prospectus carefully before investing.

Other mutual funds are also available in the Models. Those funds are not affiliated with Ohio National Life or ONII, but are managed in a fashion similar to that detailed above.

Development of the Asset Allocation Models is a multi-step process. First, an optimization analysis is performed to determine the breakdown of asset classes. After the asset class exposures are known, a determination is made of how available investment options can be used to implement the asset class level allocations. The investment options are selected by evaluating the asset classes represented by the underlying Portfolios and combining investment options to arrive at the desired asset class exposures. The Portfolio-specific analysis uses historical returns-based style analysis and asset performance and regression and attribution analyses. It may also include portfolio manager interviews. Based on this analysis, investment options are selected in a way intended to optimize potential returns for each Model, given a particular level of risk tolerance.

This process could result in the inclusion of an investment option in a Model based on its specific asset class exposure or other specific optimization factors, even where another investment option may have better historical performance. In addition, Portfolios of Ohio National Fund may be used in a Model, even where a comparable Portfolio of another mutual fund has better historical performance.

Periodic Updates of the Asset Allocation Models and Notices of Updates

Each of the Asset Allocation Models are evaluated periodically (generally, annually) to assess whether the combination of the investment options within each Model should be changed to optimize the potential

return for the level of risk tolerance intended for the Model. As a result of the periodic analysis, each Model may change and investment options may be added to a Model (including investment options not currently available), or investment options may be deleted from a Model.

When the Asset Allocation Models are updated, ONII will provide contract owners 30 days advance notice. After that period, ONII will automatically reallocate a contract owner's contract value (and subsequent annuity purchase payments, if applicable) in accordance with any changes to the selected Model. This means the allocation of the variable contract owner's contract value, and potentially the investment options in which the variable contract owner is invested, will automatically change and the owner's contract value (and subsequent variable contract purchase payments, if applicable) will be automatically reallocated among the investment options in the updated Model (independently of any automatic rebalancing the contract owner may have selected). In order to participate in the Asset Allocation Models, contract owners are required to grant ONII limited discretionary investment authority to periodically reallocate the owner's contract value (and subsequent Variable contract purchase payments, if applicable) in accordance with the updated version of the Asset Allocation Model selected.

When the Asset Allocation Models are updated, ONII or Ohio National Life will send owners written notice of the updated Models at least 30 days in advance of the date ONII intends the updated version of the Model to be effective. Owners should carefully review these notices. If an owner wishes to accept the changes in his or her selected Model, the owner will not need to take any action, as his or her contract value (or subsequent variable contract payments, if applicable) will be reallocated in accordance with the updated Model automatically. If an owner does not wish to accept the changes to the selected Model, the owner can change to a different Model or withdraw from the Asset Allocation service. Some of the riders available under the variable contracts require the owner to participate in the Asset Allocation Models. If an owner purchased any of these riders, the riders will terminate if the owner withdraws from the Asset Allocation Models or allocates any portion of their subsequent variable contract payments or contract value to an investment option that is not currently in their Model (as more fully described in each rider).

Selecting an Asset Allocation Model

An owner needs to determine which Asset Allocation Model is best for his or her circumstances. Neither ONII nor Ohio National Life will make this decision for the contract owner. An owner should consult with his or her registered representative on this decision. The registered representative can help the owner determine which Model is best suited to the owner's financial needs, investment time horizon, and willingness to accept investment risk. An owner should periodically review these factors with his or her registered representative to determine if the owner should change Models to keep up with changes in his or her personal circumstances. The registered representative can assist the owner in completing the proper forms to subscribe to the Asset Allocation Models or to change to a different Model. An owner may, in consultation with his or her registered representative, utilize analytical tools made available by ONII and Ohio National Life, including an investor profile questionnaire, which asks questions intended to help an owner or his or her registered representative assess the owner's financial needs, investment time horizon, and willingness to accept investment risk. While Ohio National Life may assist the owner, it is the owner's decision, in consultation with his or her registered representative, to select a Model or to change to a different Model, and neither ONII nor Ohio National Life bears any responsibility for this decision. Owners may change to a different Model at any time with a proper written request or by telephone or

electronic instructions provided a valid telephone/electronic authorization is on file with Ohio National Life.

Asset Allocation Models - Risks

Although the Models are designed to optimize returns given the various levels of risk, there is no assurance that a Model portfolio will not lose money or that investment results will not experience volatility. Investment performance of an owner's contract value could be better or worse by participating in an Asset Allocation Model than if the owner had not participated. A Model may perform better or worse than any single investment option or asset class or other combinations of investment options or asset classes. Model performance is dependent upon the performance of the component investment options (and their underlying Portfolios). The timing of the owner's investment and the frequency of automatic rebalancing may affect performance. The owner's contract value will fluctuate, and when redeemed, may be worth more or less than the original cost.

An Asset Allocation Model may not perform as intended. Although the Models are intended to optimize returns given various levels of risk tolerance, Portfolio, market and asset class performance may differ in the future from the historical performance and assumptions upon which the Models are based, which could cause the Models to be ineffective or less effective in reducing volatility.

Periodic updating of the Asset Allocation Models can cause the underlying Portfolios to incur transactional expenses to raise cash for money flowing out of the Portfolios or to buy securities with money flowing into the Portfolios. These expenses can adversely affect performance of the pertinent Portfolio and the Models.

Mutual Fund

Under the investment advisory agreement, ONII provides investment advice and invests the Ohio National Fund's assets. ONII follows the investment policies of the fund and is subject to the supervision of the board of directors of the fund. ONII and the fund have retained other portfolio managers, or sub-advisers, to manage some of the Portfolios of the Fund. The Portfolios are managed in a variety of investment strategies and may invest in various types of securities depending on their investment strategy, including, among others, U.S. and non-U.S. equity and fixed income securities. The Portfolios of the Fund are only available as an underlying investment option for the variable annuity and variable life insurance products issued by Ohio National Life and its affiliates. Portfolios may be added to or eliminated from the Fund in the future. Information regarding the Fund and the investment strategies of the Fund's Portfolios is available in the Fund's prospectus. For more complete information on each Portfolio, including a discussion of the Portfolio's investment techniques and the risks associated with its investments, see the Fund's prospectus. No assurance can be given that a Portfolio will achieve its investment objective or will not lose money. Owners should read the Fund's prospectus carefully before investing. ONII implements the Fund's investment programs by executing the purchase and sale of securities for the Ohio National Fund or overseeing those functions performed by the sub-advisers. ONII also provides executive officers for the Ohio National Fund.

The Ohio National Fund consists of twenty-four separate investment portfolios that seek the following objectives and strategies:

- Equity Portfolio - Long-term growth of capital by investing at least 80% of its assets in equity securities.
- Money Market Portfolio - Maximum current income consistent with preservation of capital and liquidity by investing in high quality money market instruments.
- Bond Portfolio - High level of income and opportunity for capital appreciation consistent with preservation of capital by investing primarily in intermediate-term and long-term fixed income securities.
- Omni Portfolio - High level of long-term total return consistent with preservation of capital by investing in stocks, bonds, and money market instruments.
- International Portfolio - Total return on assets by investing at least 80% of its assets in securities of foreign companies.
- Capital Appreciation Portfolio – Long-term capital growth by investing primarily in common stocks of established companies with either current or emerging earnings growth not fully appreciated or recognized by the market.
- Millennium Portfolio - Maximum capital growth by investing primarily in common stocks of small sized companies.
- International Small-Mid Company Portfolio - Long-term growth of capital by investing at least 80% of its assets in equity securities of foreign small and mid-cap companies.
- Aggressive Growth Portfolio – Long-term capital growth by investing primarily in domestic and foreign equity securities selected for growth potential.
- Small Cap Growth Portfolio - Long-term capital appreciation by investing at least 80% of its net assets in stocks of small companies.
- Mid Cap Opportunity Portfolio - Long-term total return by investing at least 80% of its net assets in equity securities of mid-cap companies, primarily those that are strategically positioned for long-term growth.
- S&P 500[®] Index Portfolio - Total return that approximates the total return of the Standard & Poor's 500[®] Index, at a risk level consistent with that of the Standard & Poor's 500[®] Index.
- Strategic Value Portfolio - Growth of capital and income by investing primarily in securities of high dividend yielding, undervalued stocks with dividend growth potential.
- High Income Bond Portfolio - High current income by investing at least 80% of its net assets in lower rated corporate debt obligations commonly referred to as "junk bonds". The Portfolio's

investments are generally rated Baa or lower by Moody's, or BBB or lower by Standard & Poor's or Fitch.

- Capital Growth Portfolio – Long-term capital appreciation by investing in and actively managing equity securities of small cap growth companies.
- Nasdaq-100[®] Index Portfolio - Long-term growth of capital by investing primarily in stocks that are included in the Nasdaq-100[®] Index. Unlike the other Portfolios of the Fund, the Nasdaq-100[®] Index Portfolio is a non-diversified portfolio for purposes of Section 5(b) of the Investment Company Act of 1940.
- Bristol Portfolio - Long-term growth of capital by investing primarily in common stocks of the 1,000 largest publicly traded U.S. companies in terms of market capitalization.
- Bryton Growth Portfolio - Long-term growth of capital by investing primarily in common stocks of growth-oriented U.S. companies smaller than the 500 largest publicly traded U.S. companies in terms of market capitalization.
- U.S. Equity Portfolio – Capital appreciation with a secondary objective of capital preservation to provide long term growth by investing at least 80% of its net assets in equity securities traded in the U.S. within under-priced sectors and industries.
- Balanced Portfolio – Capital appreciation and income by investing normally up to 75% of its assets in equity securities within under-priced sectors and industries while maintaining a minimum of 25% of its assets in fixed income securities.
- Income Opportunity Portfolio – Modest capital appreciation and maximization of realized gains by investing within equity securities traded in the U.S.
- Target VIP Portfolio – Above average total return by investing in the common stocks of companies which are identified by a model that applies separate uniquely specialized strategies.
- Target Equity/Income Portfolio – Above average total return by adhering to a disciplined, quantitative investment process that incorporates two distinct strategy methodologies.
- Bristol Growth Portfolio – Long-term growth of capital by investing primarily in common stocks of the 1,000 largest publicly traded U.S. companies in terms of market capitalization.

Investing in securities involves risk of loss that clients should be prepared to bear. While we believe our investment strategies are designed to optimize returns given various levels of risk, there is no assurance that the investment objective or goal will be achieved. Some investment decisions made by ONII or one of its sub-advisers may result in loss, which may include the original principal amount invested. You must be able to bear the various risks involved in investing, which may include market risk, liquidity risk, interest rate risk, currency risk, and financial risk, among others. Please carefully read the Fund's prospectus for more information about the risks involved with investing in the Fund.

The investment advisory agreements authorize ONII, at its expense, to employ one or more sub-advisors, subject to the approval of the board of directors of the Ohio National Fund. The investment advisory agreements also require ONII to perform ongoing due diligence of any sub-advisor in order to assure continuing quality of performance. ONII has entered into sub-advisory agreements with the following registered investment advisors:

(a) Federated Global Investment Management Corp. (“Federated Global”) is located in New York, New York and is affiliated with Federated Investors, Inc. Federated Global manages the assets of the International and International Small-Mid Company Portfolios of the Ohio National Fund.

(b) Federated Equity Management Company (“Federated Equity”) and Federated Investment Management Company (“Federated Investment”) are located in Pittsburgh, Pennsylvania and are affiliated with Federated Investors, Inc. Federated Equity manages the assets of the Strategic Value Portfolio and Federated Investment manages the assets of the High Income Bond Portfolio.

(c) Jennison Associates LLC (“Jennison”) is located in New York, New York and is controlled by The Prudential Insurance Company of America. Jennison manages the assets of the Capital Appreciation Portfolio of the Ohio National Fund.

(d) Neuberger Berman Management LLC (“Neuberger”) is located in New York, New York and is currently controlled by Neuberger Berman Group LLC. Neuberger manages the assets of the Millennium Portfolio of the Ohio National Fund.

(e) Janus Capital Management LLC (“Janus”) is located in Denver, Colorado. Janus manages the assets of the Aggressive Growth and Small Cap Growth Portfolios of the Ohio National Fund.

(f) Eagle Asset Management, Inc. (“Eagle Asset”) is a Florida corporation and is located in St. Petersburg, Florida. Eagle Asset is owned by Raymond James & Associates, Inc. and its affiliates provide a wide range of financial services to retail and institutional clients. Eagle Asset manages the assets of the Capital Growth Portfolio of the Ohio National Fund.

(g) Goldman Sachs Asset Management, L.P. (“GSAM”) is located in New York, New York. The general partner of the partnership is The Goldman Sachs Group, Inc. GSAM manages the assets of the Mid Cap Opportunity Portfolio of the Ohio National Fund.

(h) Legg Mason Capital Management (“Legg Mason”) is located in Baltimore, Maryland and is a wholly-owned subsidiary of Legg Mason, Inc. Legg Mason manages the assets of the Equity Portfolio of the Ohio National Fund.

(i) Suffolk Capital Management, LLC (“Suffolk”) is located in New York, New York and is 83% owned by Ohio National Financial Services, the parent company of The Ohio National Life Insurance Company. Suffolk manages the assets of the Bristol, Bryton Growth, and Bristol Growth Portfolios, as well as the equity portion of the Omni Portfolio of the Ohio National Fund.

(j) First Trust Advisors LP (“First Trust”) is located in Chicago, Illinois. First Trust manages the assets of the Target VIP and Target Equity/Income Portfolios of the Ohio National Fund.

(k) ICON Advisers, Inc. (“ICON”) is located in Greenwood Village, Colorado. ICON manages the assets of the U.S. Equity, Balanced and Income Opportunity Portfolios of the Ohio National Fund.

Under the sub-advisory agreements, each sub-adviser agrees to manage the assets of the respective portfolio(s) in accordance with the investment objectives, policies, and restrictions for those portfolios. Each sub-adviser is required to daily provide ONII and the custodian(s) of the portfolios with documentation to enable ONII and the custodian(s) to perform their administrative responsibilities. Each sub-adviser is also required to maintain all applicable records and render reports as may be required by ONII or the board of directors of the Ohio National Fund. ONII pays the sub-advisers in accordance with the fee schedule provided in response to Item 5 for their services to the Ohio National Fund.

Each of the sub-advisory agreements may be terminated by either the respective sub-advisor or ONII, without the payment of any penalty, on 90 days' written notice to the other party and to the Ohio National Fund. Or on 60 days' notice to the sub-advisor and ONII, the sub-advisory agreements may be terminated by the investment company's board of directors or by a vote of the majority of the Portfolio's outstanding voting securities. Each agreement will terminate automatically in the event of its assignment.

ONII has entered into service agreements with ONLIC with respect to the Ohio National Fund, effective May 1, 1996. The Ohio National Fund is also a party to its respective service agreements. Under the terms of these agreements, ONLIC has agreed to furnish ONII, at cost, such research facilities, services and personnel as may be needed by ONII in order for it to perform its obligations under the investment advisory agreements. ONII reimburses ONLIC for the expenses. The relationships among ONII, ONLIC and the Ohio National Fund have been identified in response to said Item 10. The service agreements may be terminated on 60 days' written notice by the board of directors of the investment company party or by a vote of a majority of the investment company's outstanding voting securities. The agreements may be terminated by ONII or by ONLIC on 90 days' written notice to the applicable investment company and the other party. The agreements will terminate automatically in the event of their assignment. The agreements must be approved by the shareholders of the Ohio National Fund and The Dow® Fund before taking effect. They will continue in effect only so long as such continuation is approved at least annually either by the board of directors/managers of the applicable investment company or by a vote of a majority of such investment company's outstanding voting securities.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ONII or the integrity of ONII's

management. ONII has no disciplinary history and consequently is not subject to any disciplinary disclosures.

Item 10 – Other Financial Industry Activities and Affiliations

Ohio National Life owns 100% of the common stock of ONII. The Ohio National Fund is a related person of ONII in that, as of December 30, 2011: 94.3% of the voting securities of Ohio National Fund are owned by Ohio National Life; 4.5% of such securities are owned by Ohio National Life's wholly-owned subsidiary, Ohio National Life Assurance Corporation; 1.2% of such securities are owned by National Security. The Ohio National Fund is also a signatory to the sub-advisory agreements between Ohio National Fund and ONII. Fees received under the Advisory Agreement for the Fund and National Security are the only source of ONII's income from its investment advisory business.

ONII is also affiliated with Suffolk, the sub-adviser for the Omni, Bristol, Bryton Growth, and Bristol Growth Portfolios of the Ohio National Fund. Ohio National Financial Services, Inc. owns 100% of ONLIC, the parent company of ONII, and also owns 83% of the voting securities of Suffolk.

Under the investment advisory agreements, ONII provides investment advice and invests the Ohio National Fund's assets. ONII follows the investment policies of the Fund and is subject to the supervision of the board of directors. ONII also provides executive officers for the Ohio National Fund. In addition, ONII furnishes to the Ohio National Fund, or pays its expenses for, clerical and administrative service, office space and other facilities and equipment. The Ohio National Fund pay corporate expenses incurred in its own operations, including taxes, certain printing costs, brokerage commissions on portfolio transactions, custodial fees, auditing fees, legal fees, registration fees, directors' fees and shareholders' meetings.

ONII and Ohio National may be subject to competing interests that have the potential to influence its decision making with regard to Asset Allocation Models. Although ONII primarily relies upon the recommendations of an independent third-party analytical firm to develop and update the Asset Allocation Models, ONII holds the ultimate decision-making authority. ONII may recommend that the firm specifically consider or exclude any underlying funding option. ONII may advocate for the inclusion within the Asset Allocation Models of certain portfolios which it advises and/or which its affiliate, Suffolk, sub-advises. The decision to include certain proprietary portfolios in the Asset Allocation Models may be based on an attempt to eliminate large, disruptive and potentially detrimental redemptions from the Fund during model reconstitution. Additionally, including one of the Ohio National Fund's portfolios provides an investment advisory fee to ONII. Further, including the Ohio National Fund's Omni, Bristol, Bryton Growth or Bristol Growth Portfolios, provides a sub-advisory fee to ONII's affiliate, Suffolk, as well as an advisory fee to ONII. This may provide ONII with incentive to use an Ohio National Fund Portfolio as part of an Asset Allocation Model. In addition, ONII may believe that selected Portfolios may benefit from additional assets. As adviser to Ohio National Fund, ONII monitors

the performance of the Ohio National Fund, and may, from time to time, recommend to that Fund's Board of Directors a change in portfolio management firm or strategy or closure or merger of a Portfolio, all of which could impact a Model. Other than to require exclusion of a Portfolio that is expected to be liquidated, merged or otherwise closed, ONII does not limit the number of Portfolios in a Model, the percent that any Portfolio represents in a Model, or which Portfolios may be selected. ONII believes that its primary reliance on the recommendations of an independent third-party analytical firm to develop and update the Models reduces or eliminates the potential for ONII to be influenced by these competing interests, but there can be no assurance of this.

ONII and Ohio National Life are under no contractual obligation to continue this service and have the right to terminate or change the Asset Allocation Models at any time.

Item 11 – Code of Ethics

ONII has adopted a Code of Ethics which mandates high standards of business conduct and professionalism and establishes rules of conduct for the Advisor's employees. A copy of the Advisor's Code of Ethics is available to customers or prospective customers upon request.

ONII has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at ONII must acknowledge the terms of the Code of Ethics annually, or as amended.

ONII anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which ONII has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which ONII, its affiliates and/or clients, directly or indirectly, have a position of interest. ONII's employees and persons associated with ONII are required to follow ONII's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of ONII and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for ONII's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of ONII will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of ONII's clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between ONII and its clients.

Certain affiliated accounts may trade in some fixed income securities with client accounts on an aggregated basis when consistent with ONII's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. ONII will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled equity orders will be allocated in accordance with ONII's allocation policies as outlined under Item 6 of this brochure. Any exceptions will be explained on the Order.

ONII's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Dennis Taney at (877) 781-6392.

It is ONII's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

ONII, in its discretion and consistent with the investment policies and restrictions of the Ohio National Fund, will regularly buy and sell the portfolio securities for the Ohio National Fund and select the brokers to handle such transactions. In selecting brokers, ONII will attempt to place purchase and sale orders with the primary objective of obtaining the most favorable security price consistent with good brokerage service. The cost of securities transactions will consist primarily of brokerage commissions or dealer or underwriter spreads.

Occasionally, securities may be purchased directly from the issuer. For securities traded primarily in the over-the-counter market, ONII, where possible, will deal directly with dealers who make a market in the securities unless better prices and execution are available elsewhere. In selecting brokers or dealers, ONII will consider such factors as the value, quality, efficiency of execution and research, statistical, quotation and valuation services provided. ONII or its sub-advisers may use a broker whose commission for effecting a securities transaction is in excess of the commission another broker would charge, if ONII or the sub-adviser determines, in good faith, that the commission rate is reasonable in relationship to the value of brokerage and research services provided. Factors considered in making such evaluation include quality of execution and the quality and timeliness of research services. When client brokerage commissions are used to obtain research, products or services, ONII or the sub-adviser receives a benefit

because they do not have to produce or pay for the research, products or services. Therefore, ONII or the sub-adviser may have an incentive to select a broker-dealer based on the research, products or services they may receive rather than on the client's interests. Specific research services furnished by executing brokers include: advice, either directly or through publications or writings, as to the value of securities; the advisability of investing in, purchasing or selling securities; the availability of securities or purchasers or sellers of securities; analyses and reports concerning issuers, industries, securities, economic factors and trends; and portfolio strategies. The research, products or services received through these types of arrangements will benefit all client accounts of ONII or the sub-adviser.

Although ONII did not direct client transactions to a particular broker-dealer in return for the receipt of research, products or services during fiscal year 2011, certain sub-advisers of ONII, including Suffolk, did. Each sub-adviser, engaging in these types of transactions, has established policies and procedures to review, monitor and evaluate the execution services of the broker-dealers that they utilize, their commissions paid and the types of benefits received. Specifically, Suffolk has established a Broker Review Committee to monitor, review and evaluate their trade execution, commission rates, total commissions paid, and the research, products and services received through directed brokerage. This activity is reviewed by the Compliance Departments of Suffolk and ONII.

Item 13 – Review of Accounts

Except for participation in the Asset Allocation Models, each of ONII's investment advisory accounts are reviewed each business day by one or more of ONII's President, Vice-President, portfolio manager or a sub-adviser. Each portfolio security owned by a client company, other than short-term debt securities, is reviewed, as are various items being considered for purchase by a client account. Subsequent to purchase, short-term debt securities which are carried by client accounts at amortized cost are reviewed in the event of a change in a nationally recognized statistical rating organization's quality rating for such an item, a change in creditworthiness of an issuer, or a change in prevailing interest rates of more than 100 basis points during a seven day period. Short-term debt securities are also marked to the market weekly.

At each meeting of the board of directors of the Ohio National Fund and National Security, ONII's investment advisory personnel furnish reports regarding each account's portfolio and its performance, as well as reports of the general economic climate, the markets' outlook and proposed investment strategy.

Asset Allocation Models

Each of the Asset Allocation Models are evaluated periodically (generally, annually) to assess whether the combination of the investment options within each Model should be changed to better seek to optimize the potential return for the level of risk tolerance intended for the Model. As a result of the periodic analysis, each Model may change and investment options may be added to a Model (including investment options not currently available), or investment options may be deleted from a Model.

When the Asset Allocation Models are updated, upon 30 days' advance notice, ONII will automatically reallocate a contract owner's contract value (and subsequent annuity purchase payments, if applicable) in

accordance with any changes to the Model the contract owner has selected. This means the allocation of the variable contract owner's contract value, and potentially the investment options in which the variable contract owner is invested, will automatically change and the owner's contract value (and subsequent variable contract purchase payments, if applicable) will be automatically reallocated among the investment options in the updated Model (independent of any automatic rebalancing the contract owner may have selected). In order to participate in the Asset Allocation Models, contract owners are required to grant ONII limited discretionary investment authority to periodically reallocate the owner's contract value (and subsequent variable contract purchase payments, if applicable) in accordance with the updated version of the Asset Allocation Model selected.

When the Asset Allocation Models are updated, ONII or Ohio National Life will send owners written notice of the updated Models at least 30 days in advance of the date ONII intends the updated version of the Model to be effective. Owners should carefully review these notices. If an owner wishes to accept the changes in his or her selected Model, the owner will not need to take any action, as his or her contract value (or subsequent variable contract payments, if applicable) will be reallocated in accordance with the updated Model automatically. If an owner does not wish to accept the changes to the selected Model, the owner can change to a different Model or withdraw from the Asset Allocation service. Some of the riders available under the variable contracts require the owner to participate in the Asset Allocation Models. If an owner purchased any of these riders, the riders will terminate if the owner withdraws from the Asset Allocation Models or allocates any portion of their subsequent variable contract payments or contract value to an investment option that is not currently in their Model (as more fully described in each rider).

Participants in the Asset Allocation Models receive quarterly statements that provide information about the investment options within the selected model.

Item 14 – Client Referrals and Other Compensation

ONII does not receive, nor does it pay, any fees for client referrals.

Item 15 – Custody

Asset Allocation Models

ONLIC and National Security, ONII's affiliates, are deemed to have custody of client assets, maintained in the Separate Accounts of the insurance companies. ONLIC and National Security provide participants in the Asset Allocation Models quarterly statements. ONII encourages participants to carefully review such statements.

Mutual Funds

The cash and securities for the Ohio National Fund are maintained by an unaffiliated, qualified custodian.

Item 16 – Investment Discretion

Asset Allocation Models

If a contract owner subscribes to the Asset Allocation Models, ONII will serve as the contract owner's investment adviser for the limited purposes of development of the Asset Allocation Models and periodic update of the Models. ONII primarily relies on the recommendations of an independent third-party analytical firm to develop and update the Models. However, ONII retains ultimate discretionary authority for selecting the portfolios included in the Asset Allocation Models.

Mutual Fund

ONII has discretionary authority for managing the assets of the Ohio National Fund. With such authority, ONII is able to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for each fund.

When selecting securities and determining amounts, ONII observes the investment policies, limitations and restrictions of the funds for which it advises. Additionally, ONII's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions are provided to ONII in writing. Investment guidelines and restrictions related to the Ohio National Fund can be reviewed in the Fund's prospectus and Statement of Additional Information.

Item 17 – Voting Client Securities

ONII has adopted written Proxy Voting Policies and Procedures that govern how it votes proxies relating to securities owned by the Funds for which ONII exercises voting authority and discretion.

ONII votes proxies for securities owned by the Funds in accordance with policies and procedures established by the Fund board of Directors. Proxy votes are cast in favor of proposals that ONII believes will enhance the long-term value of the securities. Generally, this means voting for proposals that ONII believes will improve the management of the company, increase the rights or preferences of the voted

securities, and/or increase the chance that a premium offer would be made for the company or for the voted securities.

On matters relating to corporate transactions, ONII generally votes proxies related to proposed mergers, capital reorganizations and similar transactions based upon its analysis of the proposed transaction. ONII votes proxies in contested elections of directors based upon its analysis of the opposing slates and their respective business strategies. Some transactions may also involve proposed changes to the company's corporate governance, capital structure or management compensation. ONII votes on such changes based on its evaluation of the proposed transaction or contested election. ONII generally votes proxies to enhance the value of the shares of stock held in client accounts. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, and maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect.

The Fund's Board has established a Proxy Committee in order to implement these policies and ONII's Proxy Voting Guidelines, also approved by the Board, and to determine how the fund or its designated proxy voting agent should vote proxies with respect to issues not clearly addressed by those guidelines and policies. The Proxy Committee shall refer issues to the Board whenever the committee sees fit or when a majority of the committee is unable to resolve an issue.

The Board has authorized ONII to hire an independent third-party to obtain, vote, and record proxies in accordance with the Proxy Committee's directions. The Proxy Committee directs the firm by means of the Proxy Voting Guidelines. The third-party firm may vote any proxy as directed in the Proxy Voting Guidelines without further direction from the Proxy Committee. Additionally, the firm may make determinations required to implement the Proxy Voting Guidelines. Whenever the Proxy Voting Guidelines require case-by-case direction for a proposal, the firm is required to provide the Proxy Committee with all information it has obtained regarding the proposal. The Proxy Committee then provides specific voting directions to the firm.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain information or disclosures about ONII's financial condition. ONII has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.