

Ohio National Investments, Inc.
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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 keith_dwyer@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

Pursuant to 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 will further provide you with other ongoing disclosure information about material changes and a new Brochure as necessary.

You may request a copy of our current Brochure at any time, without charge, by contacting Keith Dwyer, Chief Compliance Officer at 877-781-6392 or keith_dwyer@ohionational.com.

Additional information about ONII 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

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.

As of December 31, 2019, ONII has \$9,376,104,159 in assets under management. ONII manages \$9,316,642,641 in the Ohio National Fund and \$59,461,518 in National Security's general account. All assets are discretionary, exercised in a manner consistent with the stated investment objectives of each portfolio of Ohio National Fund and the investment policy of the general account of National Security.

Item 5 – Fees and Compensation

When providing advisory services to the portfolios of the Ohio National Fund (the "Portfolios"), ONII charges and receives advisory fees determined as a percentage of net assets. ONII's fees are negotiable and will vary based on investment style and other factors. Because ONII's fees are negotiable, the actual fee paid by any client or group of clients may differ from those set forth below, and may vary from year to year. The net asset value of Portfolios reflects the advisory fees and other expenses that are deducted from the assets of the Portfolio.

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
ON Janus Henderson Venture Portfolio	0.80% of first \$150 million 0.75% of next \$150 million 0.70% of next \$300 million 0.65% over \$600 million
ON Janus Henderson Enterprise Portfolio	0.85% of first \$100 million 0.80% of next \$100 million 0.75% of next \$300 million 0.70% over \$500 million

ON Janus Henderson Forty Portfolio	0.73% of first \$100 million 0.68% of next \$400 million 0.63% over \$500 million
ON S&P 500® Index Portfolio	0.40% of first \$100 million 0.35% of next \$150 million 0.33% over \$250 million
ON 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
ON International Equity ON Foreign Portfolio	0.72% of first \$200 million in the aggregate 0.70% of next \$800 million in the aggregate 0.66% over \$1 billion in the aggregate
ON Federated 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
ON Nasdaq 100® Index Portfolio	0.40% of first \$100 million 0.35% of next \$150 million 0.33% over \$250 million
ON BlackRock Balanced Allocation Portfolio	0.58% 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
ON BlackRock Advantage Small Cap Growth Portfolio	0.78% of first \$100 million 0.75% of next \$400 million 0.70% over \$500 million
ON BlackRock Advantage Large Cap Core Portfolio	0.64% of first \$500 million 0.62% over \$500 million
ON BlackRock Advantage Large Cap Growth Portfolio	0.66% of first \$500 million 0.64% over \$500 million
ON BlackRock Advantage Large Cap Value Portfolio	0.67% of first \$500 million 0.65% over \$500 million
ON S&P MidCap 400® Index Portfolio	0.40% of first \$100 million 0.35% of next \$150 million 0.33% over \$250 million
ON Risk Managed Balanced Portfolio	0.90% of first \$500 million 0.75% over \$500 million
ON Conservative Model Portfolio	0.40% of portfolio assets
ON Moderately Conservative Model Portfolio	0.40% of portfolio assets
ON Balanced Model Portfolio	0.40% of portfolio assets
ON Moderate Growth Model Portfolio	0.40% of portfolio assets
ON Growth Model Portfolio	0.40% of portfolio assets

Pursuant to the Investment Advisory Agreement between ONII and Ohio National Fund, if the total expenses applicable to any Portfolio during any calendar quarter (excluding taxes, brokerage commissions, interest expense and management fees) exceed 1%, on an annualized basis, evaluated quarterly, of such Portfolio's average daily net asset value, ONII will reimburse the Portfolio for such excess expenses. There were no expense reimbursements associated with this agreement during the year ended December 31, 2019.

ONII has contractually agreed to reimburse Ohio National Fund to the extent that the annual ordinary operating expenses of the five ON Model Portfolios, excluding: portfolio transaction and other investment related costs (including brokerage fees and commissions); taxes; borrowing costs (such as interest and dividend expenses on securities sold short); fees and expenses associated with investments in derivative instruments (including for example option and swap fees and expenses); any amounts payable pursuant to a distribution or service plan adopted in accordance with Rule 12b-1 under the Investment Company Act of 1940; any administrative and/or shareholder servicing fees payable pursuant to a plan approved by the Board of Directors of Ohio National Fund; expenses incurred in connection with any merger or reorganization; extraordinary expenses (such as litigation expenses, indemnification of Ohio National Fund officers and Directors and contractual indemnification of Portfolio service providers); and other expenses that the Directors agree have not been incurred in the ordinary course of the Portfolio's business, exceed the following percentages of the average daily net assets (the "Expense Limitation Agreement").

<u>Portfolio</u>	<u>Operating Expense Limit</u>
ON Conservative Model Portfolio	0.92%
ON Moderately Conservative Model Portfolio	1.00%
ON Balanced Model Portfolio	1.00%
ON Moderate Growth Model Portfolio	1.07%
ON Growth Model Portfolio	1.14%

This arrangement will continue at least through April 30, 2020, and may only be terminated with the consent of the Board of Directors. Under the Fee Waiver Agreement, the Adviser is entitled to reimbursement of the excess expense payments paid by it in the three years following the date the particular expense payment occurred, but only if such reimbursement can be achieved without exceeding the applicable Annual Limit in effect at the time of the expense payment or the reimbursement.

ONII's advisory fees are subject to negotiation. None of the fees are payable in advance of any services being rendered. Advisory fees are calculated based on assets under management determined daily throughout the month and billed to Ohio National Fund on a monthly basis. The advisory agreement may be terminated by Ohio National Fund at any time, without the payment of any penalty, on 60 days' written notice. Such termination may be initiated by the Ohio National

Fund'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 sub-advisory agreements, ONII pays the sub-advisers as follows:

Portfolio Name	Sub-adviser Name	Annual Fees
ON Janus Henderson Venture Portfolio	Janus Capital Management	0.55% of the first \$150 million 0.45% over \$150 million
ON Janus Henderson Enterprise Portfolio	Janus Capital Management	0.60% of the first \$100 million 0.55% of the next \$100 million 0.50% over \$200 million
ON Janus Henderson Forty Portfolio	Janus Capital Management	0.40% of the first \$100 million 0.35% of the next \$400 million 0.30% over \$500 million
ON S&P 500® Index Portfolio	Geode Capital Management	0.01% on all assets
ON BlackRock Advantage Large Cap Core Portfolio ON BlackRock Large Cap Growth Portfolio ON BlackRock Advantage Large Cap Value Portfolio ON BlackRock Balanced Allocation Portfolio (Equity)	BlackRock Investment Management	0.20% of the first \$500 million in the aggregate 0.18% over \$500 million in the aggregate
ON International Equity Portfolio ON Foreign Portfolio	BlackRock Investment Management	0.32% of the first \$200 million in the aggregate 0.30% over \$200 million in the aggregate

ON Federated 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
ON Nasdaq-100® Index Portfolio	Geode Capital Management	0.05% of the first \$100 million 0.04% of the next \$150 million 0.03% over \$250 million
ON BlackRock Advantage Small Cap Growth Portfolio	BlackRock Investment Management	0.40% of the first \$250 million 0.35% over \$250 million
ON S&P MidCap 400® Index Portfolio	Geode Capital Management	0.039% of the first \$100 million 0.038% of the next \$150 million 0.037% of the next \$250 million 0.036% of the next \$500 million 0.035% over \$1 billion
ON Risk Managed Balanced Portfolio	Janus Capital Management	0.35% of the first \$500 million 0.25% over \$500 million
ON Risk Managed Balanced Portfolio	AnchorPath Financial	0.20% of the first \$500 million 0.15% 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).

Item 7 – Types of Clients

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.

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.

Under its investment management agreements, ONII provides investment advice and invests the assets of the Ohio National Fund and National Security. ONII follows the client's investment policies and is subject to the supervision of its board of directors. ONII manages the assets of the National Security general account and has retained other portfolio managers, or sub-advisers, to manage some of the Portfolios of the Ohio National Fund. The Portfolios are managed in a variety of investment strategies and invest in various types of securities depending on their investment

strategy. ONII implements the investment programs by executing the purchase and sale of securities or overseeing those functions performed by the sub-advisers.

Each sub-adviser is free to employ the method of analysis that it believes is most appropriate to implement the investment strategy of their sub-advised portfolios. For more details on their methodologies, refer to the Ohio National Fund prospectus or the ADV of the respective sub-adviser. ONII employs the following methods of analysis for the Bond Fund, fixed income portion of the OMNI Portfolio, the general account of National Security, and Model Portfolios (the portfolios or accounts it directly advises).

Fixed income:

ONII's method of analysis and investment strategy employs a top down and bottom up approach. From a top down perspective, the strategy is to construct a diversified portfolio with a duration similar to the benchmark. The portfolio is diversified by corporate industries and by individual companies. Portfolio characteristics are managed relative to the benchmark to meet the portfolio's objectives. From a bottom up perspective, Ohio National employs fundamental credit analysis within a relative value framework. Credit ratios and cash flows are reviewed for individual companies and compared to other potential investment options available. The portfolio is constructed by investing in individual securities that are perceived to provide an appropriate return for the credit risk being taken, to meet the objectives of the portfolio. Some investments are made in securities that are not included in the benchmark, within the parameters outlined in the prospectus, in order to enhance the return of the portfolio.

Model Portfolios:

There are currently five Model Portfolios in the Ohio National Fund. Each Model Portfolio is a Fund of Funds that invests in a carefully selected combination of underlying funds based on each Portfolio's target asset allocation.

ONII develops the Model Portfolios' asset allocation strategies based on the individual Portfolios' investment strategies. Once a target asset allocation is determined, a Model Portfolio will invest in shares of underlying funds based on that Portfolio's particular asset allocation strategy, desired level of asset class exposure, and the investment style, risk profile, and performance of the underlying funds. The underlying funds include, but are not limited to, other Ohio National Fund portfolios that are also advised by the Portfolio's Adviser. This process often results in the inclusion of an investment option in a Model Portfolio based on its specific asset class exposure or other specific optimization factors, even where other investment options have better historical performance.

ONII reassesses the Model Portfolios' asset allocation strategies periodically, but no less frequently than quarterly, based on each Portfolio's investment objective. ONII may add or delete asset classes, add or delete underlying funds, and/or revise the target and actual weightings among the asset classes and the underlying funds without notice or shareholder approval. Furthermore, ONII will

periodically rebalance the weightings in the underlying funds to each Portfolio's current asset allocation strategy.

Although the Model Portfolios 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 a Model Portfolio than if the owner had not participated. A Model Portfolio may perform better or worse than any single investment option or asset class or other combinations of investment options or asset classes. Performance is dependent upon the performance of the 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.

Although the Model Portfolios are intended to optimize returns given various levels of risk tolerance, underlying portfolio, market and asset class performance will likely differ in the future from the historical performance and assumptions upon which the Model Portfolios are based, which could cause the Model Portfolios to be ineffective or less effective in reducing volatility.

Investment Strategies

National Security has one general account seeks the following objectives and strategies:

- Maximization of income without exposing surplus to excessive liability, preservation of capital, and integration of the investment portfolio into overall corporate objectives, including asset-liability management, liquidity and income requirements.

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

- ON Bond Portfolio - High level of income and opportunity for capital appreciation consistent with preservation of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in corporate debt securities.
- ON BlackRock Balanced Allocation Portfolio - High level of long-term total return consistent with preservation of capital by investing, under normal circumstances, up to 75% of its total assets in equity securities and will maintain a minimum of 25% of its total assets in fixed income securities.
- ON International Equity Portfolio - Long term growth of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in non-U.S. equity securities and equity like instruments of companies that are

components of, or have characteristics similar to the companies included in the MSCI EAFE Index (Net-USD).

- ON Foreign Portfolio - Long-term growth of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in non-U.S. equity securities and equity like instruments of companies that are components of, or have characteristics similar to the companies included in the MSCI EAFE Index (Net-USD).
- ON Janus Henderson Forty Portfolio – Long-term capital growth by investing primarily in domestic and foreign equity securities (including common stock and preferred stock) selected for growth potential.
- ON Janus Henderson Venture Portfolio - Long-term capital appreciation by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in stocks of small capitalization companies.
- ON Janus Henderson Enterprise Portfolio - Long-term total return by investing, under normal circumstances, at least 50% of its net assets (plus borrowings for investment purposed, if any) in equity securities of mid-cap companies with public stock market capitalizations (based upon shares available for trading on an unrestricted basis) within the range of the market capitalization of companies constituting the Russell Midcap Growth Index at the time of investment. The portfolio primarily invests in publicly-traded U.S. securities.
- ON S&P 500® Index Portfolio - Total return approximating that of the Standard & Poor's 500® Index (S&P 500® Index), at a risk level consistent with that of the S&P 500® Index by investing, under normal circumstances, more than 80% of its net assets (plus borrowings for investment purposed, if any) in securities included in the S&P 500® Index. .
- ON BlackRock Advantage Large Cap Value Portfolio - Growth of capital by investing at least 80% of its net assets (plus borrowings for investment purposes, if any) in stocks of large capitalization companies with market capitalizations at the time of investment that are within the range of market capitalizations of the companies in the Russell 1000 Value Index for the previous 12 months.
- ON Federated High Income Bond Portfolio - High current income by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in lower rated corporate debt obligations commonly referred to as "junk bonds". The Portfolio's investments are generally rated Ba or lower by Moody's, or BB or lower by Standard & Poor's or Fitch.

- ON Nasdaq-100® Index Portfolio - Long-term growth of capital by investing, under normal circumstances, more than 80% of its net assets (plus borrowings for investment purposed, if any) in the common stocks of companies composing of the Nasdaq-100® Index.
- ON BlackRock Advantage Large Cap Core Portfolio - Long-term growth of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in common stocks of the 1,000 largest publicly traded U.S. companies in terms of market capitalization.
- ON BlackRock Advantage Small Cap Growth Portfolio - Long-term growth of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in stocks of small capitalization companies within a market capitalization at the time of investment that is no greater than the largest market capitalization of a company in the Russell 2000 Index for the previous 12 months.
- ON S&P MidCap 400® Index Portfolio - Total return approximating that of the Standard & Poor's MidCap 400® Index (S&P MidCap 400® Index), including reinvestment of dividends, at a risk level consistent with that of the S&P MidCap 400® Index by investing, under normal circumstances, more than 80% of its net assets (plus borrowings for investment purposed, if any) in the securities included in the S&P MidCap 400® Index.
- ON BlackRock Advantage Large Cap Growth Portfolio – Long-term growth of capital by investing, under normal circumstances, at least 80% of its net assets (plus borrowings for investment purposed, if any) in stocks of large capitalization companies.
- ON Risk Managed Balanced Portfolio – Long-term capital growth, consistent with preservation of capital and balanced by current income. The Portfolio invests in a balanced portfolio of equity and fixed-income securities and a risk management portfolio intended to enhance the risk adjusted return of the Portfolio.
- ON Conservative Model Portfolio – Current income and preservation of capital. The Portfolio is a fund of funds that pursues its investment objective by investing in underlying mutual funds. Under normal circumstances, the Portfolio intends to have investment exposure to various asset classes within the following target asset allocation ranges: U.S. Equity 0-25%, International Equity 0-10%, and Fixed Income 65-90%.
- ON Moderately Conservative Model Portfolio – Current income and moderate growth of capital with a greater emphasis on current income. The Portfolio is a fund of funds that pursues its investment objective by investing in underlying mutual funds. Under normal circumstances, the Portfolio intends to have investment exposure to various asset classes within the following target asset allocation ranges: U.S. Equity 20-40%, International Equity 5-20%, and Fixed Income 30-70%.

- ON Balanced Model Portfolio – A balance between growth of capital and current income with a greater emphasis on growth of capital. The Portfolio is a fund of funds that pursues its investment objective by investing in underlying mutual funds. Under normal circumstances, the Portfolio intends to have investment exposure to various asset classes within the following target asset allocation ranges: U.S. Equity 25-50%, International Equity 10-25%, and Fixed Income 25-50%.
- ON Moderate Growth Model Portfolio – Growth of capital and moderate current income with a greater emphasis on growth of capital. The Portfolio is a fund of funds that pursues its investment objective by investing in underlying mutual funds. Under normal circumstances, the Portfolio intends to have investment exposure to various asset classes within the following target asset allocation ranges: U.S. Equity 40-60%, International Equity 15-35%, and Fixed Income 10-30%.
- ON Growth Model Portfolio – Growth of capital and some current income. The Portfolio is a fund of funds that pursues its investment objective by investing in underlying mutual funds. Under normal circumstances, the Portfolio intends to have investment exposure to various asset classes within the following target asset allocation ranges: U.S. Equity 50-80%, International Equity 15-45%, and Fixed Income 0-15%.

The investment advisory agreement authorizes ONII, at its expense, to employ one or more sub-advisers, subject to the approval of the Board of Directors of the Ohio National Fund. Under the sub-advisory agreements, each sub-adviser operates under the supervision of ONII to manage the assets of the respective portfolio(s) in accordance with the investment objectives, policies, and restrictions for those portfolios. Each of the sub-advisory agreements may be terminated by either the respective sub-adviser, ONII or Ohio National Fund's Board of Directors as detailed in the contracts. Each agreement will terminate automatically in the event of its assignment. ONII has entered into sub-advisory agreements with the following registered investment advisers:

(a) Federated Investment Management Company ("Federated") is located in Pittsburgh, Pennsylvania and is affiliated with Federated Investors, Inc. Federated manages the assets of the ON Federated High Income Bond Portfolio of the Ohio National Fund.

(b) Janus Capital Management LLC ("Janus") is located in Denver, Colorado. Janus manages the assets of the ON Janus Henderson Forty, ON Janus Henderson Enterprise and ON Janus Henderson Venture Portfolios as well as the equity and fixed-income portion of the ON Risk Managed Balanced Portfolio of the Ohio National Fund.

(c) BlackRock Investment Management, LLC ("BlackRock") is located in Princeton, New Jersey. BlackRock manages the assets of the ON BlackRock Advantage Large Cap Core, ON BlackRock Advantage Small Cap Growth, ON BlackRock Advantage Large Cap Growth, and the ON

BlackRock Advantage Large Cap Value, as well as the equity portion of the ON BlackRock Balanced Allocation Portfolio of the Ohio National Fund.

(d) AnchorPath Financial, LLC ("AnchorPath") is located in Stamford, Connecticut. AnchorPath manages the risk managed portion of the ON Risk Managed Balanced Portfolio of the Ohio National Fund.

(e) Geode Capital Management, LLC ("Geode") is located in Boston, Massachusetts. Geode manages the assets of the ON Nasdaq 100® Index, ON S&P MidCap 400® Index and ON S&P 500® Index Portfolios of the Ohio National Fund.

Risk of Loss

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 its sub-advisers may result in loss, including the original principal amount invested. Risks of investing in the portfolios include, but are not limited to the following:

Market Risk - A security's price may change in response to changes in conditions in securities markets in general. Markets tend to move in cycles with periods of rising prices and periods of falling prices. They can decline for many reasons, including adverse political or economic developments domestically or abroad, changes in investor psychology, or heavy institutional selling. In the case of debt securities, changes in the overall level of interest rates affect the security's price.

Sector Risk - A certain sector may not perform as well as companies in other sectors or the market as a whole. When a portfolio concentrates its investments in a sector, it is more susceptible to any adverse economic, business or other developments generally affecting companies in that sector.

Issuer Risk - The value of a security may decline for reasons related to the issuer, such as earnings stability, overall financial soundness, management performance and reduced demand for the issuer's goods or services.

Debt Securities Risk - Debt securities risk includes interest rate risk, credit risk and liquidity risk. With interest rate risk, prices of fixed-income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as the demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the prices of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. A portfolio that invests in debt securities is subject to credit risk since it may lose money if the issuer or guarantor of a fixed income security is unable or unwilling to make scheduled interest or principal payments, which may reduce the portfolio's income and the market value of the security. A portfolio that invests in debt securities is also exposed to liquidity

risk, which occurs if it may not be able to sell some or all of its securities at desired prices or may be unable to sell the securities at all.

Lower-Rated Debt Securities Risk - Bonds rated below investment grade (also called “junk bonds”) are subject to greater levels of credit and liquidity risks. They are considered primarily speculative with respect to the issuer’s continuing ability to make principal and interest payments.

Liquidity Risk - A portfolio may not be able to sell some or all of its securities at desired prices or may be unable to sell the securities at all.

Restricted and Illiquid Securities Risk - Restricted securities are subject to restrictions on resale under federal securities law. Under criteria established by the Board of Directors, certain restricted securities are deemed to be liquid. The Directors consider the following criteria in determining the liquidity of restricted securities: the frequency of trades and quotes for the security; the number of dealers willing to purchase or sell the security, and the number of other potential buyers; dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace trades.

Derivatives Risk - Derivatives can be highly volatile and involve risks in addition to the risks of the underlying referenced securities. Using derivatives can increase fund losses and reduce opportunities for gains when market prices, interest rates or the derivative instruments themselves behave in a way not anticipated by a portfolio that uses derivatives. Derivatives may be difficult to sell, unwind or value, and the counterparty may default on its obligations to a portfolio that uses derivatives. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index and a portfolio that uses derivatives could lose more than the principal amount invested. In addition to investing in derivatives to implement its strategy, a portfolio may also use derivative instruments for hedging purposes, in an attempt to reduce the risk of loss from falling stock prices or lower foreign currency valuations, increased interest rates or other adverse market developments. There can be no assurance that a hedging technique will work as intended. Portfolio performance may be diminished by the added cost of the derivative instruments.

High Portfolio Turnover Risk - High portfolio turnover is generally defined as more than 100% turnover of a portfolio’s securities in a given year. Portfolios with high portfolio turnover rates will incur higher transactions expenses, thereby decreasing overall return. In addition, there is a possibility that a portfolio with a high turnover rate will sell some securities before their market values reach full potential. Conversely, high portfolio turnover may frequently occur following a change of portfolio managers or a change in the portfolio’s investment strategy. In such cases, the high portfolio rate may only be temporary. Other portfolios may be managed in such a manner that high portfolio turnover rates will be expected every year.

Small and Midsize Capitalization Company Risk - Small and midsize capitalization company stock prices tend to be more volatile, and the stock tends to be less liquid, than those of larger, better established companies. In addition, small and midsize companies may be particularly affected

by interest rate increases, as they may find it more difficult to borrow money to continue or expand operations, or may have difficulty in repaying any loans. Small and midsize capitalization companies are also sometimes more subject to failure.

Foreign Investments Risk - Foreign investments involve risks not normally encountered with domestic securities. These include political, regulatory and economic instability in some countries, changes in currency rates and market inefficiencies. The laws of some foreign countries may limit a portfolio's ability to invest in securities of certain issuers organized under the laws of those countries.

Emerging Markets Risk - Securities issued or traded in emerging markets generally entail greater risks than securities issued or traded in developed markets. Emerging market countries may have relatively unstable governments and may present the risk of nationalization of business, expropriation, confiscatory taxation or, in certain instances, reversion to closed market, centrally planned economies.

Value Strategy Risk - Because the portfolio managers are assessing intrinsic value of companies, their assessment of value may be incorrect and the securities may be appropriately priced by the market. In such cases the expected return for such securities may be lower than expected.

Growth Strategy Risk - Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions of the issuing company's growth of earnings potential. Also, since growth companies usually invest a high portion of earnings in their business, growth stocks may lack the dividends of value stocks that can cushion stock prices in a falling market.

Risk Management Strategy Risk - While some Portfolios will invest in derivatives to implement a risk management strategy, there can no assurance that the strategy will work as intended. The portfolio's performance could be worse than if the portfolio had not employed its risk management strategy. Use of derivative instruments could reduce, instead of enhance, the risk adjusted return of the portfolio.

Fund-of-Funds Structure Risk - When a portfolio invests directly in underlying funds, all risks associated with the eligible underlying funds apply to the portfolio. To the extent a portfolio invests more of its assets in one underlying fund than another, the portfolio will have greater exposure to the risks of that underlying fund. Because the portfolio invests in underlying funds, you will bear your proportionate share of expenses of the Portfolio and indirectly of the underlying funds, resulting in an additional layer of expenses. The Adviser may be subject to potential conflicts of interest in the selection of and allocation among the underlying funds because the Adviser serves as investment adviser to certain of the underlying funds, and because the fees paid to the Adviser (or its affiliates) by certain underlying funds may be higher than fees paid by other underlying funds.

Conflicts of Interest Risk - Although some portfolios follow a strategy using options to manage the risk of holding equity securities, which the Adviser believes is consistent with the interests of shareholders, aspects of the strategy of the portfolio attempting to limit the downside exposure and reduce the volatility of the portfolio may be deemed to present a conflict of interest for the Adviser and its parent, The Ohio National Life Insurance Company (with its affiliates, "Ohio National Life"). Shares of the portfolio are offered only to the separate accounts of Ohio National Life, which use portfolio shares as an underlying investment for variable annuity and variable life insurance contracts. Ohio National Life has financial obligations to holders of variable contracts arising from guarantee obligations under the variable contracts and certain optional benefit riders. Limiting downside exposure and reducing volatility of the portfolio have the effect of mitigating the financial risks to which Ohio National Life is subjected by providing these guaranteed benefits. If the strategy is successful in limiting downside exposure and reducing volatility, Ohio National Life expects to benefit from a reduction of the risks arising from its guarantee obligations, to reduce its costs to purchase hedge investments to manage the risks of its guarantee obligations, and to reduce its regulatory capital requirements associated with its guarantee obligations. As a result, Ohio National Life's interest in managing risks within the portfolio may at times conflict with the interests of contract owners having guaranteed benefits, who may be prevented from achieving higher returns due to the portfolio's use of risk management techniques.

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 Ohio National Fund's prospectuses. No assurance can be given that a Portfolio will achieve its investment objective or will not lose money. Owners should read the Ohio National Fund's prospectuses carefully before investing.

Item 9 – Disciplinary Information

ONII is 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. Additionally, ONII is not subject to any legal matters.

Item 10 – Other Financial Industry Activities and Affiliations

ONLIC owns 100% of the common stock of ONII. The Ohio National Fund is a related person of ONII in that, as of December 31, 2019: 96.9% of the voting securities of Ohio National Fund are owned by ONLIC; 1.8% of such securities are owned by ONLIC's wholly-owned subsidiary, Ohio National Life Assurance Corporation; 1.3% 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 Ohio National Fund are the only source of ONII's income from its investment advisory business.

ONII has entered into a service agreement with ONLIC with respect to the Ohio National Fund. The Ohio National Fund is also a party to its respective service agreements. Under the terms of the agreement, 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 agreement. These personnel members include all of ONII's officers. ONII reimburses ONLIC for the expenses. The service agreement may be terminated on 60 days' written notice by the board of directors of the investment company or by a vote of a majority of the investment company's outstanding voting securities. The agreement may be terminated by ONII or by ONLIC on 90 days' written notice to the investment company and the other party. The agreement will terminate automatically in the event of its assignment. The agreement must be approved by the shareholders of the Ohio National 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 of the investment company or by a vote of a majority of such investment company's outstanding voting securities.

Of the personnel that perform services on behalf of ONII, five (5) are Registered Representatives of its affiliate broker/dealers, The O.N. Equity Sales Company and/or Ohio National Equities, Inc. Such persons are not actively involved in soliciting or recommending securities to clients and currently have no clients.

Under the investment advisory agreements, ONII provides investment advice and invests Ohio National Fund's assets. ONII follows the investment policies of Ohio National Fund and is subject to the supervision of its Board of Directors. ONII also provides executive officers for Ohio National Fund. In addition, ONII furnishes to Ohio National Fund, or pays its expenses for, clerical and administrative service, office space and other facilities and equipment. The Ohio National Fund pays 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 ONLIC and its affiliates are subject to competing interests that have the potential to influence its decision making with regard to the Model Portfolios. ONII includes within the Model Portfolios certain portfolios which it advises, resulting in additional investment advisory fees to ONII. This provides ONII with incentive to include Ohio National Fund Portfolios in the Model Portfolios. ONII primarily relies upon the recommendations of the Asset Allocation Committee to develop and update the Model Portfolios.

Item 11 –Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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

Pursuant to Rule 204A-1 of the Investment Advisers Act, 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.

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, to reasonably prevent conflicts of interest between ONII and its clients.

Certain affiliated accounts 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's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Keith Dwyer 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. However, sub-advisers will participate in these types of transactions within the limits of the rules. 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, some securities are 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 its sub-adviser has an incentive to select a broker-dealer based on the research, products or services it receives 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 2019, certain sub-advisers of ONII 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.

Item 13 – Review of Accounts

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. Short-term debt securities are also compared to the market values 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.

Item 14 – Client Referrals and Other Compensation

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

Item 15 – Custody

Client cash and securities are maintained by an unaffiliated, qualified custodian. Clients should receive statements from the qualified custodian at least quarterly. ONII encourages clients to carefully review such statements.

Item 16 – Investment Discretion

ONII has discretionary authority for managing the assets of the Ohio National Fund and the National Security general account. 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 Fund for which ONII exercises voting authority and discretion.

Proxy voting has been delegated to the Adviser by the Fund's Board of Directors. The Adviser shall vote proxies relating to the securities owned by the Fund in accordance with these proxy voting policies established by the Fund's Board of Directors, subject to the continued review and oversight of the Board of Directors.

The Adviser has established a Proxy Committee to implement these policies, and to develop and maintain the Adviser's Proxy Voting Guidelines, which are also approved by the Board of Directors. The Proxy Committee makes the decision whether to vote on a proposal and, if so, how to vote, in each case based on and pursuant to these policies.

These policies require proxy voting only for proposals that the Adviser believes may have an impact on the long term economic value of the securities involved, or may otherwise affect the interests of the Fund's shareholders and underlying contract owners. It is not necessary to vote all proxies, and the Adviser has the discretion to limit voting to those proxy proposals that the Adviser believes may have such an impact. Generally, such proposals would include proposals that affect a company's capital structure (such as mergers, acquisitions and corporate restructurings), affect voting rights or preferences, involve shareholder rights plans or other anti-takeover proposals, involve authorization of additional capital or debt, or involve equity compensation plans.

The Fund has engaged Glass Lewis & Co. to obtain, vote, and record proxies in accordance with the approved Proxy Voting Guidelines. For proxy proposals that require case-by-case direction from the Proxy Committee, due to their non-routine, complex, or subjective nature, Glass Lewis provides the Proxy Committee with research and analysis that it has obtained or formulated. The Proxy Committee may use such information, along with other sources of information, for guidance in making its voting decisions. To the extent the Adviser chooses to vote on proxy proposals on matters that are clearly defined and directed by objective and observable parameters as prescribed by the Proxy Voting Guidelines, Glass Lewis & Co. is given discretion by the Adviser to vote without further guidance from the Proxy Committee.

In all cases, the Proxy Committee and Adviser are obligated to vote in the interests of shareholders and underlying contract owners. If a potential conflict arises between the interests of the Adviser (or members of the Proxy Committee) and those of the shareholders and underlying contract owners, the Proxy Committee shall refer the issue to the Board to decide whether to vote and how to vote. The committee may also refer issues to the Board whenever the committee sees fit or when a majority of the committee is unable to resolve an issue.

Item 18 – Financial Information

Registered investment advisers are required to provide you with certain information or disclosures about their 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.