



# Determining Your Investor Risk Profile



## Accumulate

Grow your wealth while managing risk.

Plan

Protect

Access

NOT A DEPOSIT	NOT FDIC INSURED	NOT GUARANTEED BY ANY BANK
NOT INSURED BY ANY GOVERNMENT AGENCY		MAY LOSE VALUE

# The Next Step to Getting You There

## Selecting Your Model

To select one of our five Asset Allocation Models, work with your registered representative to complete this brief questionnaire.

Your answers will help determine your investment goals and risk tolerance and the Asset Allocation Model that most closely correlates to them.



By purchasing an ONcore variable annuity product, you've taken the first step toward investing for your retirement. The next step is to determine an appropriate asset allocation strategy – one that mirrors your risk tolerance and financial goals.

Proper asset allocation may help encourage potential long-term growth and may help diffuse volatility and enhance your portfolio performance. The Asset Allocation Models discussed here are only examples of the types of investment options you may want to consider. The final decision is yours.

With the help of Fund Evaluation Group (FEG), we are able to provide another value-added feature to our products – multiple Asset Allocation Models for differentiated allocation mixes. Beginning at the asset level, FEG chooses portfolios appropriate to implementing a target model. They continue to evaluate the performance of the portfolio managers and make asset allocations based on style drift, manager performance and variable asset class performance.

With our Asset Allocation Models, your contract values are automatically switched to the most recently updated Asset Allocation Models. We anticipate that FEG will assist in reviewing and refreshing the models on at least an annual basis.

### **How do you establish an asset allocation strategy to help you maintain disciplined investing with minimal downside risk?**

Your registered representative will assist you in completing this questionnaire. Based on your risk tolerance and time horizon, you can choose from five different Asset Allocation Models designed specifically for Ohio National's ONcore products.

Each model is designed to allow for the best possible performance using accurate and complete market data, proven methodology and qualitative experience for different investor objectives.

## We'll Do the Work for You

Keeping the right balance in your portfolio can be time-consuming. When you choose one of our predetermined Asset Allocation Models and appoint Ohio National Investments, Inc. as your limited purpose investment advisor, your portfolio will be rebalanced quarterly to help ensure its original mix and class weightings. Let us take some of the work – and worry – out of keeping your model in check.

By choosing one of the specified Asset Allocation Models, you can take advantage of the opportunity to participate in portfolios that are constructed and managed with the goal of pursuing consistent returns over time.



## About Fund Evaluation Group

Fund Evaluation Group, LLC (FEG) is a full-service investment advisory firm. Established in 1988, the independently-owned firm currently has more than \$27 billion in total client assets under advisement.<sup>1</sup> FEG specializes in designing sophisticated, institutional-caliber portfolios, based upon years of experience constructing and managing portfolios for institutions including university endowments, public and private foundations, corporate retirement plans, and not-for-profit organizations.

FEG's research analysts are uniquely tenured for the industry, with the average analyst possessing more than 10 years of investment experience. Many analysts are considered experts in their disciplines, and have been featured by CNBC, the *Wall Street Journal*, *FundFire*, and *Pensions & Investments*.



<sup>1</sup> as of December 31, 2009  
*Fund Evaluation Group and Ohio National Equities, Inc., are not affiliated.*

# Investor Risk Profile Questionnaire

## Time Horizon Questions

1. Given your current financial plans, when do you first expect to receive distributions from this contract?

I expect to receive distributions:

- A) Less than 2 years
- B) 2-4 years
- C) 5-7 years
- D) 8-10 years
- E) More than 10 years

2. Once you receive your first distribution from this contract, over how many years do you expect distributions to continue?

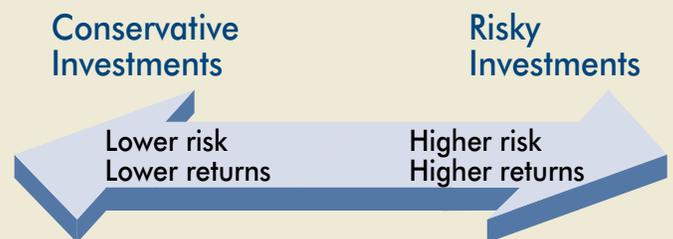
I expect distributions to continue for:

- A) One lump sum
- B) 1-4 years
- C) 5-7 years
- D) 8-10 years
- E) More than 10 years



## Risk Tolerance Questions

3. Investing involves a trade-off between risk and returns. Historically, investments with higher returns are generally associated with greater risk and chance for loss. As one would expect, conservative investments that have lower risk and lower chance for loss, normally offer lower returns.



Based on the above generalized description of investments, which of the following statements best describes your attitude toward risk?

- A) I am most concerned with risk. I am willing to accept the lower returns in order to limit my chance of loss.
- B) I am willing to bear some volatility (risk) and chance for loss in an effort to achieve higher returns, but prefer the majority of my investments to be invested in relatively conservative assets.
- C) I am willing to accept moderate volatility in the value of my investments in order to achieve moderate returns. Minimizing risk and maximizing returns are of equal importance to me.
- D) I wish to achieve moderately high returns on my investments. I am willing to accept large volatility and chance of loss.
- E) I am primarily concerned with maximizing the returns of my investments. I am willing to accept significant fluctuations in the value of my investments and substantial chance of loss.

4. Traditionally, stock markets have experienced large price swings and extended price drops. At the onset of a market downturn, however, it is difficult to tell how long the downturn will last. An investor's ability to "stay the course" in the face of a market downturn is a large factor in investor risk tolerance.

Suppose you are invested in an equity fund that has lost 20 percent of its value over the last year. Similar equity funds lost the same. Which of the following decisions would you be most likely to make?

- A) SELLING all of my shares, in search of a lower risk investment.
- B) SELLING SOME, but not all, of my shares and putting the proceeds into a lower risk investment.
- C) Doing nothing and HOLDING on to my shares with the expectation that the equity fund will recoup its losses and experience future gains.
- D) PURCHASING more shares (since the shares now cost less) with the expectation of future gains.

5. The future performance of a typical investment is not guaranteed. Investors must therefore consider the possible range of return (best and worst case scenarios) and the most likely return (the average).

The table below displays the best, worst, and average possible returns for three hypothetical investments over a three-year holding period. Which portfolio would you feel most comfortable holding?

	Best Case Total Return after Three Years	Average Total Return after Three Years	Worst Case Total Return after Three Years
PORTFOLIO A	11%	6%	-2%
PORTFOLIO B	20%	8%	-7%
PORTFOLIO C	28%	10%	-11%

- A) Portfolio A with a possible return between 11% and -2% after 3 years.
- B) Portfolio B with a possible return between 20% and -7% after 3 years.
- C) Portfolio C with a possible return between 28% and -11% after 3 years.

6. Inflation is the general increase in prices over time. This increase in prices acts to reduce the real returns generated by your investment portfolio.

For example, assume your portfolio had a return of 7 percent last year while the inflation rate was 3 percent. The actual gain would be 4 percent (the real return). To build wealth, the return on investments must exceed inflation over time.

Which of the following statements best describes your feelings about investment volatility with respect to inflation, keeping in mind that higher returns are associated with higher levels of risk?

- A) I am satisfied with maintaining the purchasing power of my investments (achieving returns that keep pace or slightly exceed the inflation rate) in an effort to minimize risk.
- B) I am willing to accept some risk in an effort to achieve returns that slightly exceed the inflation rate.
- C) I am willing to accept significant risk in an effort to achieve returns that significantly exceed the inflation rate.
- D) Achieving high returns that substantially exceed the inflation rate is most important to me, regardless of the potential for losses involved with such investments.

7. The graph below illustrates the gains and losses associated with a hypothetical \$100,000 investment at the end of one year. The portfolio's return will most likely fall somewhere within the minimum and maximum range of values.

Which portfolio are you most comfortable holding in any given year keeping in mind that all values are possible?



- A) Portfolio A with a possible gain of \$16,100 and a possible loss of \$7,200.
- B) Portfolio B with a possible gain of \$22,900 and a possible loss of \$11,200.
- C) Portfolio C with a possible gain of \$29,300 and a possible loss of \$16,000.
- D) Portfolio D with a possible gain of \$35,900 and a possible loss of \$20,100.
- E) Portfolio E with a possible gain of \$42,800 and a possible loss of \$24,200.

8. Investments are differentiated by their risk and return characteristics. Some investments offer potentially high returns, but with a higher chance for loss, while other investments offer relatively modest returns, but with a lower chance for loss.

The risk and return characteristics of investments such as emerging global equities can vary dramatically relative to those investments that focus solely on developed markets. Legal and political risks are largely eliminated when dealing with developed markets, but may play a huge role in the return and risk of investments in global equities.

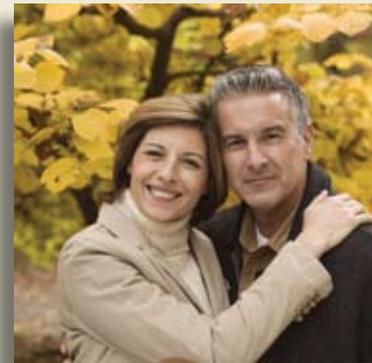
With which of the following statements do you agree most?

- A) Investments whose risk and return characteristics can vary significantly are not attractive to me. I prefer to limit my risk to investments that offer modest returns, are relatively stable and with which I am familiar.
- B) I would like to include investments that offer potentially high returns, knowing that they result in increased risk, but maintain the majority of my investments to those with which I am familiar.
- C) I am comfortable with the types of risk associated with volatile investments and am willing to take on the additional risks that these investments may offer to the extent that they are suitable in an asset allocation strategy.

9. How would you respond to the following statement?

Protecting my portfolio from loss is more important to me than achieving high returns.

Primary Concern is Minimizing Risk		RISK AND RETURN ARE EQUALLY IMPORTANT		Primary Concern is Maximizing Return	
STRONGLY AGREE	AGREE		DISAGREE		STRONGLY DISAGREE
A	B	C	D	E	





## Ohio National Financial Services®

*Annuity Issuer* Life changes. We'll be there.®

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Form 7210 Rev. 7-10

SBA100468

*Variable annuities are sold by prospectuses, which contain more complete information including fees, contingent deferred sales charges and other costs that may apply.*

**Contact your registered representative or visit <http://fundinfo.obionational.com> to obtain current prospectuses. Please read the product and fund prospectuses carefully before you invest or send money. Investors should consider the investment objectives, strategies, risk factors, charges and expenses of the underlying variable portfolios carefully before investing. The fund prospectus contains this and other information about the underlying variable portfolios.**

*Early withdrawals or surrenders may be subject to surrender charges (contingent deferred sales charges). Withdrawals may also be subject to ordinary income tax and, if taken prior to age 59½, a 10 percent federal tax penalty may apply. For tax purposes only, withdrawals will come first from any gain in the contract. Federal and state tax laws in this area are complex and subject to change. Consult your personal tax adviser on all tax matters. Withdrawals may reduce the death benefit, cash surrender value and any living benefit amount. **Any benefits due on the annuity are backed by the claims-paying ability of the issuing insurance company. Such benefits are subject to the financial condition of the issuing insurance company. Guarantees do not apply to the investment performance or account value of the underlying variable portfolios.***

*Variable annuities are long-term investment vehicles designed to accumulate money on a tax-deferred basis for retirement purposes. Upon retirement, variable annuities may pay out an income stream of a series of payments or a lump sum. If you die during the accumulation or payout phase, your beneficiary may be eligible to receive any remaining contract value. Product, product features and rider availability vary by state. Issuer not licensed to conduct business and products not distributed in AK, HI, or NY.*

*There is no additional tax-deferral benefit for contracts purchased in an IRA or other tax-qualified plan because these are already afforded tax-deferred status. An annuity should only be purchased in an IRA or qualified plan if the client values some of the other features of the annuity and is willing to incur any additional costs associated with the annuity.*

*Asset allocation does not assure a profit and does not protect against a loss in declining markets.*