

Investment Objective: The Bond Portfolio seeks to obtain a high level of income and opportunity for capital appreciation consistent with preservation of capital.

Investment Strategy: This portfolio seeks to attain its objective by investing primarily in intermediate-term and long-term fixed-income securities. At least 80 percent of the total assets of this portfolio (exclusive of cash and government securities) will be invested in:

1. Publicly traded, investment grade, non-convertible corporate debt securities issued by United States corporations and assigned within the four highest bond ratings by Moody's or Standard & Poor's, and
2. Corporate debt securities used for short-term investment and limited to the top grade of these two rating services.

Up to 20 percent of the total assets of this portfolio may be invested in:

1. Securities having high potential for capital appreciation;
2. Preferred stocks, convertible securities and securities carrying warrants to purchase equity securities; and
3. Debt securities issued by U.S. banks and savings and loan associations which at the

date of investment have capital, surplus and undivided profits as of the date of their most recent financial statements in excess of \$100 million.

Portfolio Manager: The portfolio manager of the Bond Portfolio is Philip Byrde. Philip Byrde has been vice president, fixed income securities, for Ohio National Life since 2002. Mr. Byrde has earned the CFA and CPA designations. He has a BS degree in accounting and a MBA degree, both from Indiana University.

Risks associated with investing in a bond portfolio include interest rate risk, credit risk, and inflation risk. Increases in interest rates for fixed-income investments also generally affect bond prices because as interest rates rise, bond prices fall.

Top Portfolio Holdings*

1. U.S. Treasury Note, 2.375%, 09/30/14
 2. U.S. Treasury Note, 3.375%, 11/15/19
 3. Kroger Co., 6.400%, 08/15/17
 4. Safeway, Inc., 6.350%, 08/15/17
 5. Computer Sciences Corp., 6.500%, 03/15/18
 6. Union Electric Co. 6.400%, 06/15/2017
 7. Commonwealth Edison Co. 5.950%, 08/15/2016
 8. Kraft Foods, Inc. 6.125%, 02/01/2018
 9. Anadarko Petroleum Corp. 5.950%, 09/15/2016
 10. Waste Management, Inc. 6.100%, 03/15/2018
- Total Dollar Weighted % of Portfolio** 12.2%

Top Sector Weightings*

1. Financials 27.7%
2. Utilities 15.7%
3. Consumer Staples 8.3%
4. Energy 8.3%
5. Industrials 7.7%
6. Consumer Discretionary 6.8%
7. Telecommunication Services 4.3%
8. Health Care 3.5%
9. Materials 2.3%
10. Information Technology 2.2%

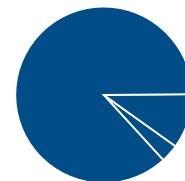
Portfolio Facts

Net Assets \$148.0 Million
Inception Date 11/2/82

Benchmark

BofA Merrill Lynch U.S. Corporate Master Index

Portfolio Composition



86.8% Corporate Bonds
9.9% Cash & Equivalents
3.3% U.S. Treasury Obligations

For registered products this information must be preceded or accompanied by prospectuses. Variable products 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.ohionational.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.

Variable products, and their underlying portfolios, are not insured or guaranteed by the FDIC or any other government agency, are not a deposit and are subject to risk, including loss of principal. Variable annuities are long-term investment vehicles designed for retirement purposes. Withdrawals from annuities are subject to applicable surrender charges, ordinary income tax, and if taken prior to age 59½, a 10 percent federal tax penalty may apply. Variable life insurance is an insurance product with investment features. It is most appropriate when there is a need for life insurance protection. If tax-free loans are taken, and the policy lapses, a taxable event may occur. Loans and withdrawals from life insurance policies that are classified as modified endowment contracts may be subject to tax at the time the loan or withdrawal is made. Loans and withdrawals reduce the death benefit, cash surrender value and any living benefit amount. Consult a qualified tax adviser regarding individual circumstances.

Variable annuities are sold by prospectuses.

Product availability varies by state.

Some portfolios contain different investments than similarly named retail funds offered by the portfolio manager. Investment results may be higher or lower.

* The information presented regarding the portfolio's holdings, weightings and composition are accurate as of the date indicated and are subject to change at any time.