

Asset Allocation

Identifying the Investment Mix



A prospectus must accompany or precede this material.



A member of Western & Southern Financial Group

Issuers: Integrity Life Insurance Company | National Integrity Life Insurance Company

The Importance of Investment Allocation

Wondering what mix of investment options suits you as you prepare to live in retirement? How you create your investment strategy is all about you and your preferences.

Before you start ... take account of your financial goals as they relate to your time horizon. Consider your tolerance for market fluctuations. Then develop a strategy that fits your investment objectives.

Selecting from among the numerous investment options available within a variable annuity from Integrity Life Insurance Company and National Integrity Life Insurance Company may be challenging. This brochure helps with that task. It first assists in determining your investment personality and then identifies a mix of investment options that may suit your personality.



Choosing investments for your variable annuity is easy using the models created by Morningstar.

Decide and Diversify

Different asset classes, such as equities (stocks), fixed income (bonds) and alternative investments, vary in their growth and risk characteristics. How you decide to invest your money — where and in what proportions — determines your asset allocation.

While spreading investments across multiple asset classes with different characteristics may smooth out market fluctuations and potentially improve investment results, it doesn't assure a profit or eliminate the risk of loss.

Investment Classes At-a-Glance

- Fixed Income: Bonds
- Equities: Domestic Stocks
- International Equities: International Stocks
- Alternatives: Funds seeking investments (e.g., commodities and real estate) whose movements have low correlation to those of stocks and bonds

We Team Up with Morningstar to Help You Determine Your Asset Allocation

To help determine your preferences, you can use a leading provider of asset allocation services — Morningstar Investment Management LLC. If you invest in a variable annuity from our company, a strategic asset allocation service from Morningstar is available at no additional cost to help you identify the mix of asset categories that pursue the balance of growth potential and return stability you want.

To help you take advantage of their expertise, Morningstar provides a series of questions that can lead to a model portfolio aligned to your investor personality. Turn the page and begin by considering your expectations for the timing and stability of your investment.

Why Morningstar?

Morningstar Investment Management LLC ("Morningstar") is part of the Morningstar Investment Management group of Morningstar, Inc., and is a leading independent provider of asset allocation, manager selection, and portfolio construction services. The company leverages its innovative academic research to create customized investment advisory solutions that help investors meet their goals. Morningstar Investment Management LLC is a registered investment advisor and a wholly owned subsidiary of Morningstar, Inc.

Step 1. Gauge Your Investor Profile



First, let's find out what kind of an investor you are. The following questions examine your investment profile. Answer these questions and add the points next to each of your answers. The sum will lead you to an asset allocation model that may align with your investor preferences.

Time Horizon

1. When do you expect to withdraw money from this annuity?

- a. Immediately (0 points)
- b. 1 to 5 years (2 points)
- c. 6 to 10 years (6 points)
- d. 11 years or more (8 points)
- e. Never (10 points)

____ Points

2. How long do you want withdrawals to last?

- a. I plan to take a lump sum (0 points)
- b. 1 to 5 years (1 point)
- c. 6 to 10 years (4 points)
- d. 11 years or more (8 points)
- e. I do not plan to take withdrawals (10 points)

____ Points

____ **TIME TOTAL (SUM OF QUESTIONS 1–2)**

Tolerance for Market Fluctuations (Risk)

Some investors are willing to accept short-term losses as a trade-off for potentially higher long-term gains. Which response best represents your attitude toward this statement?

3. "I'm willing to experience large and frequent short-term losses if it increases the likelihood of achieving long-term gains."

- a. Strongly Agree (14 points)
- b. Agree (10 points)
- c. Disagree (4 points)
- d. Strongly Disagree (0 points)

____ Points

4. To maintain money's buying power, investment returns must keep pace with inflation. Generally, greater returns are achieved by accepting greater risk. Which statement best reflects your attitude toward inflation and risk?

- a. My main goal is to avoid loss even though I may only keep pace with inflation. (0 points)
- b. My main goal is to earn slightly more than inflation while taking on a low level of risk. (5 points)
- c. My main goal is to increase my portfolio value so I'm willing to accept short-term losses but not comfortable with the extreme performance shifts of the most aggressive investments. (9 points)
- d. My main goal is to maximize my portfolio value so I'm willing to take on extreme performance shifts and risk levels that have the potential of significant loss. (14 points)

____ Points

5. In 2008, the US stock market declined 37% during the financial crisis. How did you react?
- a. I was very worried and sold a substantial portion of my investments. (0 points)
 - b. I was uncomfortable and sold some of my investments. (5 points)
 - c. I was very concerned but decided to wait a year before adjusting my portfolio. (10 points)
 - d. I was concerned but maintained my long-term investment strategy and did not adjust my portfolio. (15 points)

____ Points

6. What amount of risk are you comfortable with?
- a. I am not concerned with frequent and sometimes large market drops and losses. (15 points)
 - b. I can handle declines in my investments a few times each year. (11 points)
 - c. I am fine with middle-of-the-road returns because I prefer not to see my investments decline too often. (7 points)
 - d. I am willing to accept lower returns in order to keep my investments stable. (3 points)
 - e. I am not comfortable with losses and would rather earn lower returns than lose money. (0 points)

____ Points

7. Which statement best describes your investment philosophy?
- a. I want a low level of risk and investments designed for more consistent but most likely lower returns. (0 points)
 - b. I don't mind periodic fluctuations but prefer to avoid investments that have big losses. (7 points)
 - c. I would accept investments that frequently lose value for a chance to earn higher average returns. (14 points)

____ Points

8. Investments with higher risk have a higher chance of short-term loss. Typically, the reward for higher risk is higher return over the long term. What's your focus — increasing returns or reducing risk?
- a. Increasing returns. (14 points)
 - b. Primarily increasing returns while also reducing risk and loss. (10 points)
 - c. Primarily reducing risk while also increasing returns. (5 points)
 - d. Reducing risk and loss. (0 points)

____ Points

9. If you were offered the choices below, which would you choose?
- a. Accept \$10,000 now. (0 points)
 - b. Play a game with a 90% chance of winning \$20,000 and a 10% chance of winning nothing. (7 points)
 - c. Play a game with a 50% chance of winning \$50,000 and a 50% chance of winning nothing. (14 points)

____ Points

____ RISK TOTAL (SUM OF QUESTIONS 3–9)

The Risk Tolerance Questionnaire presented is available through a license agreement between Morningstar Investment Management LLC and Western & Southern Financial Group. Its sole purpose is to assist you in determining your general attitudes towards investment risk. This questionnaire does not consider all factors necessary in making an investment decision (e.g., personal and financial information and investment objective). In no way should this questionnaire be viewed as advice or establishing any kind of advisory relationship with Morningstar. Morningstar does not endorse and/or recommend any specific financial product that may be used in conjunction with the asset allocation models that are presented. Please consult with your Financial Professional and obtain the financial product's prospectus (or its equivalent) and read it carefully prior to investing.

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Step 2. Consider Your Portfolio Recommendation



Next, find your risk total in the left column and your time total in the top row based on your results. Where they intersect is an asset allocation model portfolio representative of your personal investor profile.

Risk Total	Time Total					
	1-2	3	4-5	6	7	8+
0-12	Conservative	Conservative	Conservative	Conservative	Conservative	Conservative
13-29	Conservative	Moderate-Conservative	Moderate-Conservative	Moderate-Conservative	Moderate-Conservative	Moderate-Conservative
30-44	Conservative	Moderate-Conservative	Balanced	Balanced	Balanced	Balanced
45-60	Conservative	Moderate-Conservative	Balanced	Moderate	Moderate	Moderate
61-83	Conservative	Moderate-Conservative	Balanced	Moderate	Moderate-Aggressive ¹	Moderate-Aggressive ¹
84-100	Conservative	Moderate-Conservative	Balanced	Moderate	Moderate-Aggressive ¹	Aggressive

¹ Note: Model portfolio is not available with certain optional benefits. Contact a financial professional for details.

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Added Considerations as You Proceed

Where do your scores point you? If your Risk and Time totals intersect to indicate a Conservative, Moderate, Moderate-Aggressive or Aggressive investment approach, take some added considerations into account as you review the model portfolios on the following pages.

Conservative and Aggressive Profiles

While there is no direct portfolio match if your profile indicates Conservative or Aggressive, this may simply be a matter of degree. Modified approaches may address your profile:

- **Conservative:** Consider increasing the 60% fixed income allocation of the Moderate-Conservative model portfolio or combining various durations of guaranteed rate options. Lifestyle funds using exchange-traded funds also may be worth considering.
- **Aggressive:** If your scores only narrowly indicate an Aggressive investment profile, consider whether the Moderate-Aggressive portfolio may suit you.

Alternatives Expand Your Portfolio Choices

Wider diversification with alternative investments seeks to manage risk and make performance more consistent:

- **Moderate or Moderate-Aggressive:** These model portfolios provide an additional choice of whether to invest in alternative investments. As non-traditional investment options, alternatives seek to provide broader diversification against the risk of market volatility. Diversification may help manage market fluctuations and yield a more stable portfolio over time. It does not however assure a profit or eliminate the risk of loss. Alternative investments in a variable annuity carry special risk considerations and are not appropriate for all investors.

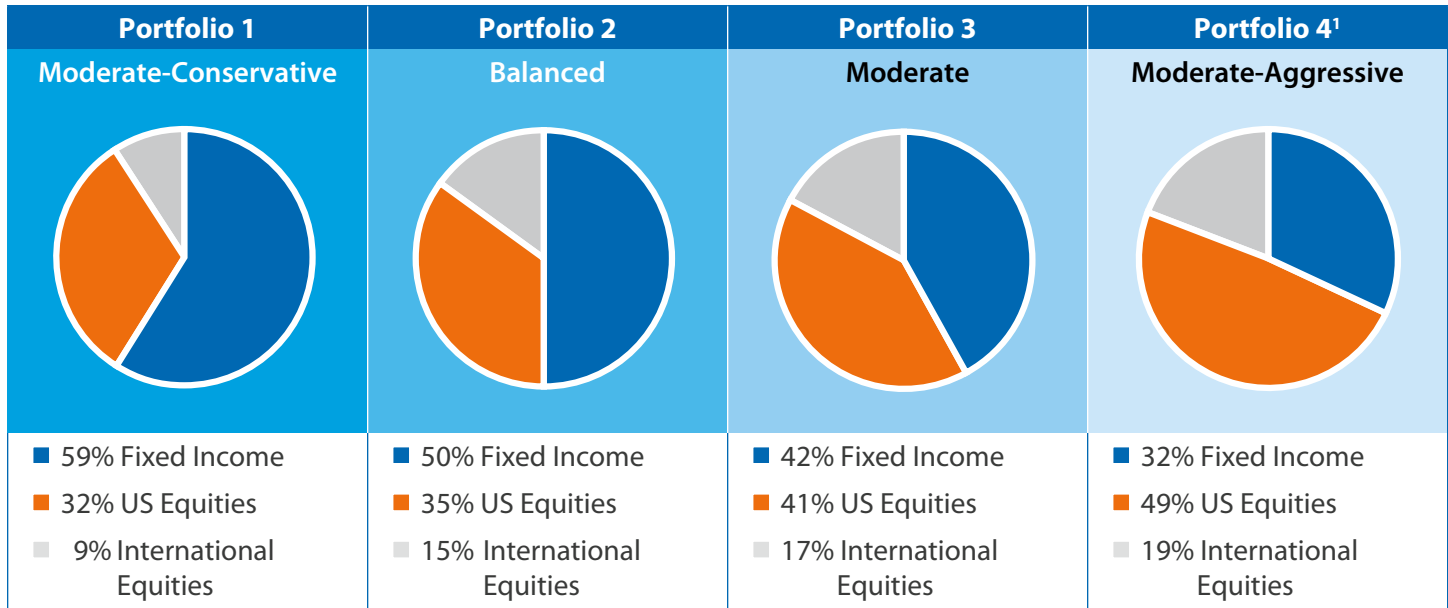
Whatever your investment profile, it's essential to work with your financial professional to devise a portfolio appropriate for you.

How you create your investment strategy is all about you and your personal choices.

Step 3. Choose a Portfolio



Now that you know a model that makes sense for you, let Morningstar identify the asset allocation mix so you can select the appropriate investments for your portfolio.



Personal and Professional

Morningstar is in the business of asset allocation and portfolio construction for all investment phases, from accumulation to retirement. It has created a range of model portfolios appropriate to various investor profiles. Now you determine an investment mix that suits your specific objectives.

The use of model portfolios for investment decisions does not assure or guarantee performance results. You should discuss the suitability of any model portfolio for your investment needs with your financial professional periodically. For complete information, including all charges and expenses, please consult the product and fund prospectuses.

Note: Morningstar analyzes models annually. Models can and do change. However, the investment allocations you choose for your annuity do not change automatically to reflect this. Review your investment portfolio regularly and adjust as needed.

¹ Note: Model portfolio is not available with certain optional benefits. Contact a financial professional for details.

Step 4. Select Investment Options



Determine the Integrity or National Integrity variable annuity investment options that correspond with your model portfolio.

Investment Option	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4
	Moderate-Conservative	Balanced	Moderate	Moderate-Aggressive
American Funds IS New World Fund	–	–	2%	2%
BlackRock Capital Appreciation V.I. Fund	2%	3%	4%	4%
BlackRock Global Allocation V.I. Fund	8%	5%	–	–
Fidelity VIP Bond Index Portfolio	22%	18%	19%	14%
Fidelity VIP Disciplined Small Cap Portfolio	–	–	2%	2%
Fidelity VIP Growth Portfolio	4%	2%	4%	6%
Fidelity VIP International Index Portfolio	3%	5%	7%	8%
Fidelity VIP Total Market Index Portfolio	5%	7%	7%	7%
FT Franklin Growth & Income VIP	9%	10%	8%	9%
FT Mutual Shares VIP Fund	3%	2%	5%	9%
FT Templeton Foreign VIP Fund	–	3%	3%	3%
Invesco V.I. American Value Fund	4%	7%	6%	9%
Invesco V.I. Comstock Fund	5%	6%	9%	8%
Invesco V.I. EQV International Equity Fund	2%	3%	3%	3%
PIMCO VIT Low Duration Portfolio	8%	6%	–	–
PIMCO VIT Total Return Portfolio	25%	23%	21%	16%
Total	100%	100%	100%	100%

Know Your Risks

All investing involves risk including the possible loss of principal. There can be no assurance the portfolio will achieve its investment objectives. The portfolio invests in equities which are subject to market volatility. In addition to the general risks of investing, the portfolio is subject to additional risks including investing in bond and debt securities, which includes credit risk, prepayment risk and interest rate risk. When interest rates rise, bond prices generally fall. Securities rated below investment grade are more sensitive to economic, political and adverse development changes. International equities involve risks of foreign and emerging market exposure. Foreign investments carry the associated risks of economic and political instability, market liquidity, currency volatility and differences in accounting standards. Exposure to the commodities markets may subject the portfolio to greater volatility than investments in traditional securities. Real estate companies including REITS may be more volatile and less liquid.

Please see the prospectus for a complete discussion of risks.



Western & Southern: Our Strength. Your Future.

**Financial
Strength**

**1888
Heritage**

Built on a heritage dating to 1888, Western & Southern Financial Group (Western & Southern) today stands strong. As a dynamic family of diversified financial services providers, Western & Southern has demonstrated resolve and resiliency throughout challenging economic cycles. Our financial strength continues to be the cornerstone of our success. We are proud of our strong industry ratings, which you can check at WSFinancialPartners.com/ratings. Western & Southern remains committed to helping safeguard your future well-being with our strength, stability and full range of risk management financial solutions.

WSFinancialPartners.com

A variable annuity is a long-term investment for retirement. An insurance company accepts premiums and provides future income or a lump sum to the contract owner by contractual agreement. Contract limitations, fees and charges include, but are not limited to, mortality and risk expense charges, administrative fees, sales and surrender charges, and added charges for optional benefits. Withdrawals may be subject to charges, and may reduce annuity contract benefits and values.

Product issuer **Integrity Life Insurance Company**, Cincinnati, OH, operates in DC and all states except NY where issuer **National Integrity Life Insurance Company**, White Plains, NY, operates. Securities offered by **Touchstone Securities, Inc.**,* Cincinnati, OH. W&S Financial Group Distributors, Inc. (doing business in CA as W&S Financial Insurance Services) is an affiliated life insurance agency of the issuer. Issuer has sole financial responsibility for its products. All companies are members of Western & Southern Financial Group, Cincinnati, OH. *A registered broker-dealer and member FINRA/SIPC.

Payment of benefits under the annuity contract is the obligation of the insurance company issuing the annuity. Guarantees are based on issuer claims-paying ability. Product and feature availability, and benefit provisions vary by state. Contact a financial professional for details and limitations. Interest rates are declared by the issuer at annual effective rates, taking into account daily interest compounding.

Western & Southern member companies and agents do not offer legal or tax advice. For tax information, see an attorney or tax advisor. Variable annuities are tax-deferred insurance products. If you invest through a tax-advantaged plan (e.g., IRA or 401(k) rollover), you receive no added tax advantage or deferral from an annuity. Earnings and pre-tax premium payments are subject to income tax at withdrawal. Withdrawals before age 59½ are generally subject to charges and taxes, including a 10% IRS penalty tax.

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There is no guarantee of the investment performance or safety of variable annuity investment options. Investment return and principal value of an investment in a variable annuity fluctuate, so units, when redeemed, may be worth more or less than their original cost.

Investors should carefully consider the investment objectives, risks, charges and expenses of the contract and the underlying investment options. This and other information is contained in the product and the underlying fund prospectuses and, if available, summary prospectuses. For prospectuses, call 800.325.8583 or visit WSFinancialPartners.com. Please read the prospectuses carefully before investing.

No bank guarantee • Not a deposit • May lose value • Not FDIC/NCUA insured • Not insured by any federal government agency

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