



W&S

Our strength
secures your future.



Western & Southern
Financial Group

2016 ANNUAL REPORT

Chairman's Letter

JOHN F. BARRETT

To Our Clients, Business Partners and Colleagues,

We are pleased to report that the Western & Southern Financial Group completed its 128th year in its best financial condition yet. For the second consecutive year, combined life and health premiums and annuity sales exceeded \$3 billion. For the full year, we earned \$387.7 million of GAAP net income on total revenue of \$3.3 billion.

At year end, the balance sheet was the largest and strongest in our history, as we reached a number of all-time highs. Our owned assets grew 6 percent to a record \$44.7 billion, while total assets under management reached nearly \$67 billion. Our company's net worth of \$8.3 billion was a record high and a 12 percent increase over 2015. With an 18.5 percent capital-to-asset ratio, one of the absolute highest in the life insurance industry, our ability to meet our obligations is bolstered by a rock-solid balance sheet.

For many years, Western & Southern has operated as a "human institution serving human needs." This purpose continues to drive our efforts to secure the financial future of your most important assets — your family and you.

The foundation of our customer focus and outstanding financial strength is built on a unique corporate culture, which we have developed over the past 25 years and now permeates all facets of our company. There are 10 key principles of our culture that guide our actions and fuel our success.

- Create value for all stakeholders.
- Favor the long-term outlook.
- Achieve top-notch performance.
- Be results-driven with a strong work ethic.
- Make sensible decisions.
- Operate with integrity and ethics.
- Keep egos in check.
- Collaborate effectively.
- Execute with urgency, proficiency and passion.
- Be the ideal place for a career.

As 2017 progresses, we are on course to grow our investment management businesses. In early 2017, we reached an agreement with Sentinel Asset Management, Inc., to acquire

certain assets of its investment advisory and management businesses, which will add \$5.5 billion in assets under management to Touchstone Investments, of which approximately \$4.8 billion will be subadvised by Fort Washington Investment Advisors.

Technological advancements continue to rapidly change when and how prospective financial services customers obtain their information and make decisions. In response, Western & Southern continues to invest heavily in new technologies and talent to meet our customers' needs, increase efficiencies and expand our capacity to grow and serve.



Newly formed internal groups are working to enhance the digital experience for our policyholders and other clients across multiple distribution channels. Greater data and analytics capabilities will expand our ability to provide better solutions from Western & Southern member companies to even more customers and business partners nationwide. Executive leadership changes made in early 2016 allow us to more fully leverage the strength of our distribution organizations while streamlining the internal workings of our company. The results have been, to date, very promising.

Client focus has always been at the heart of our business and our culture. The single largest threat to our industry, our company and our customers is overreaching government regulation. We will do our best to protect the interests of our policyholders and other clients from rules and regulations that are counterproductive. We remain steadfast in our commitment to doing what is needed when it is needed to ensure our clients have the financial solutions they need from our family of companies.

Western & Southern's careful, long-term approach to achieve specific financial goals and secure clients' financial futures is *what* we do. Our ever-improving culture — and the principles that guide our actions every single day — is *how* we do it.

In May 2017, I celebrate my 30th anniversary with the company. And what a 30 years it has been. We are on an incredible run, and it is exhilarating to be a part of it.

Over the last 30 years, our total assets have grown from \$3.7 billion to \$45 billion owned. At the same time, our net worth has jumped from \$500 million to \$8.4 billion as of March 31, 2017. Along the way, we started three money management businesses, which are now \$23 billion strong and growing, and we started or acquired four other insurance and annuity businesses and sold two companies.

Our enterprise has transformed itself tremendously from an old-line life insurance company into a diversified financial services organization that is providing true leadership in a world that desperately needs it.

We greatly appreciate your confidence in our company, and we will continue to put our strength to work for you. ■

Sincerely,



John F. Barrett

CHAIRMAN, PRESIDENT AND
CHIEF EXECUTIVE OFFICER

2016 Highlights

FINANCIAL HIGHLIGHTS

- Assets owned reach a record-high \$44.7 billion.
- Record-high net worth of \$8.3 billion and 18.5 percent capital-to-asset ratio strengthen balance sheet.
- Life and health premiums and annuity sales combined exceed \$3 billion for a second straight year.
- Second-best total revenue of \$3.3 billion.
- Second-best GAAP operating income of \$378 million.

SUBSIDIARY HIGHLIGHTS

- **COLUMBUS LIFE INSURANCE COMPANY:** record gains in total life policies sold, with a 12 percent increase, and total annuity premium, which grew 38 percent.
- **EAGLE REALTY GROUP:** record total revenue jumped 11 percent to \$24.1 million.
- **FORT WASHINGTON INVESTMENT ADVISORS:** again named a Best Place to Work by *Pensions & Investments*; 11 of 13 marketed investment strategies outperformed their benchmark indices; outstanding growth in third-party assets.
- **THE LAFAYETTE LIFE INSURANCE COMPANY:** life premium from qualified plans increased 18 percent.
- **TOUCHSTONE INVESTMENTS:** launched two new funds and earned four- or five-star Morningstar ratings for 12 funds.
- **WESTERN & SOUTHERN LIFE:** again named a Top Military Friendly Employer and a Top Military Friendly Spouse Employer.
- **W&S FINANCIAL GROUP DISTRIBUTORS:** second straight year of record fixed indexed and immediate annuity sales.

Achieving Steady Performance

Western & Southern's long-term view on markets and strong, steady financial performance continued to produce solid results.

The shock of England's Brexit and the outcome of the U.S. general election in 2016 produced significant moves in world currencies but measured impact on the economic outlook. U.S. employment continued to show solid job creation, driving unemployment to 4.7 percent with continued downward momentum. With interest rates still at historically low levels, the Federal Reserve raised rates in December



for the first time in 12 months, then again in March 2017 with additional moves expected.

Foreign central banks, however, continued to fuel stable-to-improving economic conditions. This, coupled with strong foreign demand for U.S. risk assets, was the catalyst that propelled markets forward.

Bond Performance a Key Factor.

The general bond market performed very well pre-election only to succumb to a more hawkish Fed and expectations of greater inflation in the future. In addition, high yield markets showed stellar performance as energy prices recovered and recession risk waned under new economic enthusiasm. Shrinking credit spreads more than compensated for rising rates, generating strong double-digit returns for the year.

Western & Southern's highly diversified bond portfolio performed extremely well and is positioned defensively should interest rates rise in the future. Equity markets continued their strong performance with the Dow Jones Industrial Average approaching 20,000 at year end. The Standard & Poor's 500 Index returned 12 percent for the year with the Western & Southern equity portfolio generating an impressive 15.1 percent return on nearly \$2 billion in assets.

The company's ability to take a long-term approach with assets backing surplus moved its total equity to a record high, producing one of the industry's strongest capital-to-asset ratios — a clear indicator of Western & Southern's continued financial strength. ■

Roger M. Lanham
Brendan M. White

SENIOR VICE PRESIDENTS
CO-CHIEF INVESTMENT OFFICERS

Consolidated and Condensed GAAP Income Statement

AMOUNTS IN THOUSANDS

	YEAR ENDED DECEMBER 31, 2016	YEAR ENDED DECEMBER 31, 2015
Revenue		
Insurance premiums and product charges	\$1,414,990	\$1,363,843
Net investment income	1,633,432	1,659,456
Commissions, fees and other income	253,725	281,145
Total revenue	\$3,302,147	\$3,304,444
Benefits and expenses		
Policyholder benefits	\$1,388,628	\$1,323,182
Interest credited to policyholder account balances	699,731	710,201
Other operating expenses	835,821	852,693
Total benefits and expenses	\$2,924,180	\$2,886,076
Operating income*	377,967	418,368
Investment gains and nonoperating charges	180,509	128,122
Income tax expense	170,775	146,294
Net income	\$ 387,701	\$ 400,196

Consolidated and Condensed GAAP Balance Sheet

AMOUNTS IN THOUSANDS

	DECEMBER 31, 2016	DECEMBER 31, 2015
Assets		
Debt securities	\$30,594,475	\$29,111,057
Equity securities	1,992,259	1,899,395
Other invested assets	7,848,135	7,037,591
Other general account assets	2,114,934	2,133,159
Assets held in separate accounts	2,199,766	2,118,852
Total assets	\$44,749,569	\$42,300,054
Liabilities and equity		
Future policy benefits and claims	\$31,333,977	\$30,045,123
Long-term debt	496,762	496,571
Other general account liabilities	2,454,606	2,276,007
Liabilities related to separate accounts	2,199,766	2,118,852
Total liabilities	36,485,111	34,936,553
Total equity	8,264,458	7,363,501
Total liabilities and equity	\$44,749,569	\$42,300,054

* Operating income is defined as net income excluding income tax, net realized investment gains or losses, noncontrolling interest related to capital gains, one-time restructuring charges and discontinued operations.

Producing Solid Results

Western & Southern achieved steady, top-notch performance to deliver another year of solid financial results, including several records.

Western & Southern Financial Group delivered clients and business partners another year of solid financial results in 2016, achieving records for several key financial measures, including life and health premiums, total assets owned and total equity.

The company had its second-best year for GAAP operating income and total revenue. GAAP operating income, a primary measure for managing the company's businesses and evaluating results, was \$378 million. This was earned on total revenue of \$3.3 billion, just slightly down from last year's record.

Reflecting the result of disciplined strategy execution, several Western & Southern member companies recorded all-time highs for GAAP operating income.

GAAP net income was \$387.7 million, slightly lower than last year due to higher income tax expense.



Premiums Top \$1 Billion Again. A record \$1.1 billion of life and health premiums were written, making 2016 the fifth consecutive year of life and health premiums exceeding \$1 billion.

In addition, fixed indexed annuities and immediate annuities saw record sales, driving total annuity sales up 8 percent over last year to \$2.1 billion and the fourth consecutive year-over-year increase. For the second straight year, combined life and health premiums and annuity sales exceeded \$3 billion.

Strong life and health premiums and annuity sales, along with good investment performance and annuity persistency, drove assets owned up 6 percent over 2015 to a record \$44.7 billion. The company ended the year with nearly \$67 billion in assets owned and managed.

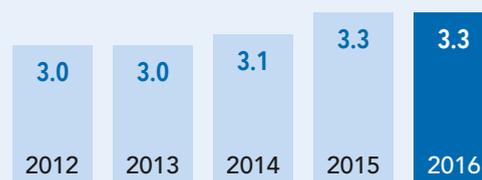
Record Enterprise Equity. Total equity surged 12 percent to end the year at a record \$8.3 billion. The company's GAAP capital-to-asset ratio, an industrywide measure of financial strength, was 18.5 percent. This is more than double the average GAAP capital-to-asset ratio of the 15 largest publicly traded U.S. life companies and a key measure of the company's financial stability and its ability to meet customer needs.

Modest Expense Growth. Western & Southern continued to make investments in its operations to better connect with today's consumers while complying with an increasingly complex regulatory environment. Through these efforts, total expenses have grown at a less than 1.3 percent compound annual growth rate over the past 10 years.

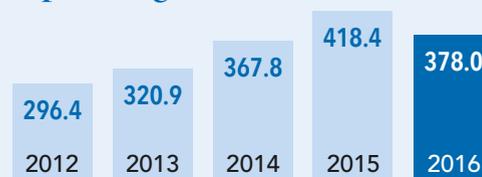
By consistently delivering quality results while continually reinvesting in its businesses with a focus on the long term, Western & Southern has generated the capital and financial strength necessary to ensure the financial security of its customers and other stakeholders. ■

At left, Western & Southern's financial leadership team: **Jonathan D. Niemeyer**, Senior Vice President, Chief Administrative Officer and General Counsel (center) and **Bradley J. Hunkler**, Senior Vice President and Chief Financial Officer (third from right) with (left to right) **Wade M. Fugate**, Vice President and Controller; **David T. Henderson**, Senior Vice President and Chief Risk Officer; **Daniel W. Harris**, Senior Vice President and Chief Actuary; **Daniel R. Larsen**, Vice President and Chief Tax Officer; and **James J. Vance**, Senior Vice President and Treasurer.

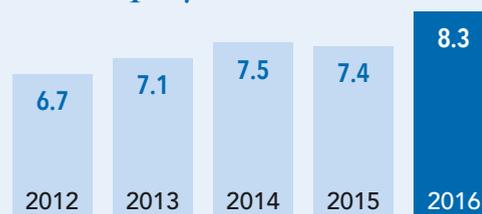
Total Revenue \$ BILLIONS



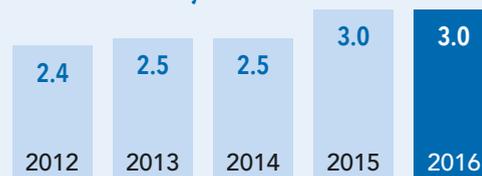
Operating Income \$ MILLIONS



Total Equity \$ BILLIONS



Life and Health Premiums and Annuity Sales \$ BILLIONS



Assets Owned \$ BILLIONS



GAAP Capital-to-Asset Ratio

18.5% Western & Southern

7.9%

Average of 15 Largest Publicly Traded U.S. Life Companies

Pursuing Retirement Confidence

- IFS FINANCIAL SERVICES, INC.
- INTEGRITY LIFE INSURANCE COMPANY / NATIONAL INTEGRITY LIFE INSURANCE COMPANY
- W&S FINANCIAL GROUP DISTRIBUTORS, INC.
- WESTERN-SOUTHERN LIFE ASSURANCE COMPANY
- INSURANCE PROFILLMENT SOLUTIONS, LLC

Western & Southern continued to deliver valuable solutions to help Americans achieve their long-term retirement goals.

Meeting Challenges. Retirees today live longer than earlier generations — potentially decades beyond their last paycheck. Yet fewer receive retirement income from traditional pension plans. Long-term interest rates, meanwhile, remain near historical lows, and intermittent market volatility continues to impact the value of their hard-earned savings.

With 128 years of operating history, consistently high ratings for financial strength and stability from independent rating agencies and one of the life insurance industry's strongest financial positions, Western & Southern Financial Group continues to present a compelling choice for individuals and families seeking to secure their long-term retirement goals amid a challenging regulatory environment.

Creating Certainty. W&S Financial Group Distributors, Inc., works to help address the challenge of creating retirement income certainty.

As the wholesale distribution arm for multiple Western & Southern affiliates,

it distributes annuities and life insurance through broker-dealers, financial planners, independent agents and financial institutions. Total premium generated through W&S Financial Group Distributors in 2016 exceeded \$1.7 billion, a 5 percent increase over 2015.



Retirement security is a two-stage endeavor: accumulating assets and sustaining income. In light of the dual challenge, the role of annuities is significant in helping individuals attain and maintain their desired standard of retirement living.

Continued strong sales attest to the value customers recognize in annuity products issued by Western & Southern member companies. Indextra®, a fixed indexed annuity from Integrity Life Insurance



Mark E. Caner

PRESIDENT, W&S FINANCIAL GROUP DISTRIBUTORS, INC.

Company, helps retirement savers with asset accumulation, while IncomeSource®, a single premium immediate annuity from Integrity Life and National Integrity Life Insurance Company, helps individuals sustain their income during retirement. Each produced record sales in 2016 for a second consecutive year.

Moving Forward.

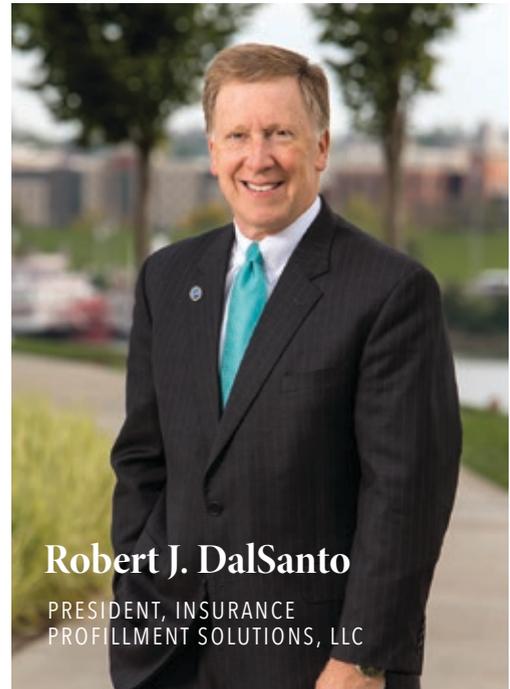
Insured retirement income products, which respond to the evolving needs

of customers by delivering long-term value, continue to position Western & Southern favorably to sustain its growth and customer focus in the years ahead. ■

“Western & Southern Financial Group continues to present a compelling choice for individuals and families seeking to secure their long-term retirement goals.”

Jill T. McGruder

PRESIDENT & CHIEF EXECUTIVE OFFICER, IFS FINANCIAL SERVICES, INC.; SENIOR VICE PRESIDENT AND CHIEF MARKETING OFFICER, WESTERN & SOUTHERN FINANCIAL GROUP



Robert J. DalSanto

PRESIDENT, INSURANCE PROFILLMENT SOLUTIONS, LLC

Insurance Profillment Solutions, LLC, provides banks an online, multi-carrier portal that helps them sell life insurance to customers not only in their branch offices but also online.

Using IPS's digital life insurance platform (myLifeApp.com), customers who prefer self service can research different types of insurance, product features, coverage and company ratings and compare customized quotes from multiple companies — all with impartial, real-time access to IPS consultants via online chat, email or telephone.

IPS offers a robust, multi-channel life insurance product suite designed to answer challenging customer needs. In addition to offering a wide range of customer solutions, IPS provides customized life insurance quotes for a bank's lending, high-net-worth and wealth transfer customers, leveraging advanced underwriting technologies to significantly accelerate policy approval times. ■

Delivering Practical Solutions

- WESTERN & SOUTHERN LIFE
- W&S AGENCY GROUP

W&S Agency Group's execution of its People, Technology, Product and Multi-Channel Access strategies bolstered its efforts to deliver practical, customer-focused financial solutions made simple for the middle market.

People First. The People strategy executed by W&S Agency Group, a division of and the field sales force for Western & Southern Life, focused on creating a culture that attracts, rewards, develops and retains best-in-class associates at every level. As part of this initiative, strategies were designed to help its financial representatives in better analyzing customer needs and presenting financial solutions desired by their clients.

An enhanced leadership development program delivered centralized training on the company's new sales processes, enhanced technology tools and the key principles that define Western &

Southern Life's culture. These efforts fueled a 20 percent improvement in field sales agent retention in 2016 over the prior year.

Leveraging Technology. During 2016, W&S Agency Group effectively leveraged technology to help make complex financial solutions easier to understand and to support field representatives in providing a superior customer experience. New needs-analysis software used by its financial representatives delivered a deeper client understanding of their path to financial security through insurance, investments and other financial solutions.

A new brokerage platform provided registered representatives access to a high-level picture of the accounts under their supervision. For the seventh straight year, W&S Brokerage Services, Inc.,¹ Western & Southern Life's brokerage subsidiary supporting W&S Agency Group's registered representatives, achieved record sales with an 11 percent increase over 2015.

A new customer communication system merged call center and field customer support areas onto one platform to ensure a consistent client experience.

Responsive Product Solutions. Western & Southern Life continued to build and enhance its product solutions to address the needs of middle-income Americans.

The expanded product solutions helped fuel a 7 percent increase in the average face amount of life insurance purchased. Total placed premium also increased by 8 percent over 2015. In addition, a new Simple Choice whole life policy with paid-up additions riders further differentiated Western & Southern Life and expanded options to help

W&S AGENCY GROUP Strategies





“W&S Agency Group has built a strategy to support the organization in taking the right actions to achieve its vision of delivering greater value to clients.”

Troy D. Brodie

SENIOR VICE PRESIDENT, WESTERN & SOUTHERN LIFE
PRESIDENT, W&S AGENCY GROUP

meet the needs across a wider spectrum of clients in the middle market.

Enhanced Consumer Access.

Development of a consolidated consumer website commenced in 2016 as a foundation for future digital marketing activities. Customer First, a customer relationship management platform, was introduced to deliver a seamless customer experience in the field and through the Client Relationship Center, Western & Southern Life’s home office call center. The company also continued to grow its field sales force to strengthen support in areas with higher concentrations of existing and prospective customers in the middle market.

Once again, *GI Jobs* recognized the company as a Top Military Friendly® Employer for the fifth consecutive year and a Top Military Friendly® Spouse Employer for the third consecutive year.²



Employee engagement supporting the customer experience delivered through its call center earned a Platinum Award from Loyalty 360™, an association for loyalty marketers.³



DALBAR, Inc., the nation’s leading financial services market research firm, recognized Western & Southern Life as one of the top three life insurance companies for contact center customer service,⁴ further evidence of the company’s continued focus on delivering practical financial solutions through distinguished customer service. ■

¹ Member FINRA and SIPC.

² VictoryMedia.com, Nov. 10, 2016, and Jan. 12, 2017.

³ Loyalty360.org, December 2016.

⁴ DALBAR, Inc., Service Quality Measurement Program, Insurance Service Evaluation 2016 (Dalbar.com).

Building Enduring Relationships

■ COLUMBUS LIFE INSURANCE COMPANY

Columbus Life continued to achieve consistent growth and lasting success by forging new paths while maintaining its unwavering commitment to high-quality, personal relationships with independent producers.

Through continuous growth, consistent products, enduring strength and innovative technology, Columbus Life Insurance Company created solutions throughout 2016 that benefited both independent producers and their clients. Moreover, the company is action-oriented, continuously striving to innovate and improve all aspects of its business to support future growth.

Continuous Growth. Columbus Life achieved consistent and extended growth in 2016 even as the life insurance industry generally lagged. With overall industry growth expected at about 2 percent,¹ Columbus Life flourished above the industry by increasing its contracted agencies and rewarding relationships with existing producers. Those efforts produced:

- 24 percent increase in new business life premium.
- 12 percent increase in total life policies sold.
- 38 percent increase in annuity premium.

Competitive Products. In 2016, Columbus Life continued to refine its products to meet changing client needs.



With its superior financial strength, the company ranks as one of the strongest carriers of fixed indexed annuity and indexed universal life (IUL) products in the industry.

In its first full year of selling Advantage — its fixed indexed annuity — the company produced the second-best year ever for annuity business in its 110-year history. Two new allocation options introduced for Advantage added to the product's extremely strong account base. The company's Indexed Explorer *Plus*® IUL product also continued to provide solid growth for the company. Both products respond directly to growing client demand for more options for premium allocation according to client needs and risk tolerance.

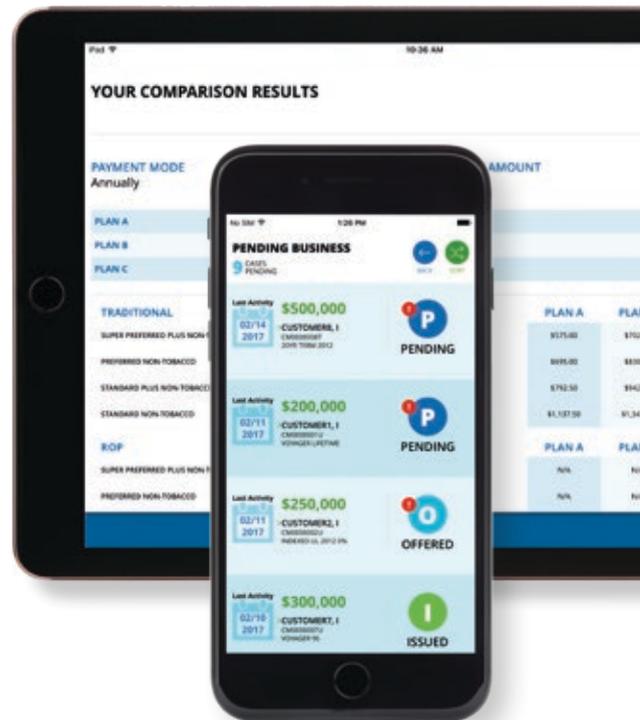
Enduring Strength. The entire financial services industry faced a changing regulatory environment in 2016. Even in uncertain times, Columbus Life remains steadfast with solid financial strength. Throughout its history, the company has consistently received superior ratings for its financial strength, including more than 75 years of ratings of A+ or better from A.M. Best.²

When it comes to the regulatory environment, Columbus Life embraces the same spirit of discovery that has guided its overall success. Understanding that new regulations present opportunities, as well as challenges, the company will continue seeking new ways to enhance relationships with its producers and their clients.

Innovative Technology. Columbus Life continually sets itself apart from competitors with a persistent focus on developing technology that allows producers to do business faster and easier.

The company introduced two mobile-optimized websites with fresh designs and content updates — an updated producer extranet and a modernized public website at ColumbusLife.com. It also introduced its second mobile app — CLIC Mobile — in January 2016 to provide its producers updates on pending business and the ability to accept policy offers from their mobile devices.

Columbus Life expanded its social media presence on Facebook and LinkedIn to broaden producer and client access to the Columbus Life story. It also continued its popular Life Insights YouTube video series featuring insights and expertise for financial professionals by financial professionals.



Looking ahead, Columbus Life will continue to emphasize top-notch service and loyalty to independent producers. Tirelessly striving to improve, placing emphasis on growth and discovery, and working to get better every day will allow Columbus Life to continue growing and fostering meaningful, long-term relationships. ■

“Columbus Life is action-oriented, continuously striving to innovate and improve all aspects of its business to support future growth.”

J. J. Miller

PRESIDENT AND CHIEF EXECUTIVE OFFICER,
COLUMBUS LIFE INSURANCE COMPANY

1 LIMRA U.S. Retail Individual Life Insurance Sales Report, Q4 2016.
2 Best's Review, July 2014.

Affirming Top Reputation

■ THE LAFAYETTE LIFE INSURANCE COMPANY

Lafayette Life earned the business of independent producers with highly personalized service and products tailor-made for the affluent market.

The Lafayette Life Insurance Company has built a reputation for offering products and services for the affluent, mass affluent and small business markets in a highly personalized style designed to meet the needs of independent producers.

In 2016, the company's total annuity sales topped \$181 million, in part due to the prior year's introduction of a new single premium fixed indexed annuity, Marquis SP. GAAP assets increased 8 percent over the prior year, achieving a new record of \$5.2 billion. Pre-tax operating income experienced a modest increase while total life premiums increased to nearly \$400 million. While retirement plan sales remained level, Lafayette Life produced an 18 percent increase in life premium from qualified plans.

Enhanced Product Benefits. Lafayette Life's products were enhanced to deliver additional benefits to producers and policyowners.

■ **Accelerated Death Benefit PLUS**, a new living benefits rider, allows policy owners another way to access the cash value in their life insurance policies in a tax-advantaged way and is automatically included on dividend-paying whole life policies with no additional premium.



“Lafayette Life continues to expand its ability to help both producers and policyholders better prepare for a financially secure and successful future.”

Bryan C. Dunn

PRESIDENT AND CHIEF EXECUTIVE OFFICER,
THE LAFAYETTE LIFE INSURANCE COMPANY

- **Marquis SP**, introduced in late 2015, was enhanced with additional allocation options to provide clients greater flexibility.
- **Marquis SP-dedicated Illustration Software** was installed, allowing independent producers to easily show clients the annuity's costs, benefits and features.
- **Level Premium Paid-Up Additions Rider** was enhanced with extended issue ages and premium duration, allowing policy owners to obtain better performance from their life insurance policies.

Next-Level Support Now. Lafayette Life made a number of advances in training and support designed to help producers sharpen their competitive edge.

The company's new online library of on-demand multimedia training materials continues to expand with a wider range of topics in text, video and podcast formats.

The Advanced Markets team responded to increased demand for retirement planning by introducing a comprehensive retirement income planning system and delivering

webinars on retirement income, estate and business planning.

The company's Retirement Services division conducted two-day pension schools for producers new to serving retirement clients and began development of a new advanced pension school for 2017.

Technology-Enabled Service and Communication.

Collaboration among Lafayette Life's marketing, technology, product, sales and operations areas spurred advances in policyowner, producer and back-office support in 2016.

Foremost was the launch of a new policyowner website offering customers powerful self-service features and enhanced access to policy information through improved navigation and site aesthetics.

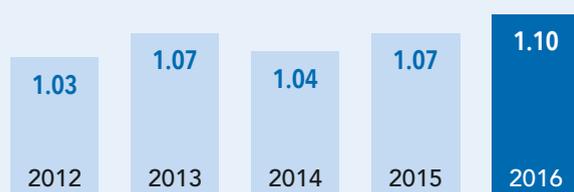
Refinements to the policyowner communication process leveraged the latest software for electronic correspondence delivery. Online capabilities were expanded to support producers' policy proposal submissions to the company's Retirement Services division from virtually any traditional or mobile device. The company also added electronic functionality to enhance producers' ability to provide clients in-force illustrations to aid policy adjustments and changes.

By focusing all its resources — human, financial, information and technology — on supporting its independent producers and their clients, Lafayette Life continues to expand its ability to help both producers and policyholders better prepare for a financially secure and successful future. ■

Western & Southern Financial Group 2016 Life and Health Highlights

Total Life and Health Premiums

\$ BILLIONS



Total Life and Health Reserves

\$ BILLIONS



Enterprise At a Glance

Company Information	Products and Solutions
Western & Southern Mutual Holding Company	Mutual insurance holding company; sole shareholder of Western & Southern Financial Group.
Western & Southern Financial Group, Inc.	Holding company; sole shareholder of The Western and Southern Life Insurance Company and The Lafayette Life Insurance Company.
The Western and Southern Life Insurance Company (Western & Southern Life and W&S Agency Group)	Whole life, juvenile term life, critical illness, accident insurance and personalized needs analysis.
Western-Southern Life Assurance Company	Universal life, fixed annuities, term life, single premium life, retirement strategies and personalized needs analysis.
W&S Brokerage Services, Inc.¹	Registered broker-dealer for Western & Southern Life field agents selling mutual funds and variable annuity products.
Columbus Life Insurance Company	Universal life, survivorship universal life, indexed universal life, term life, fixed and immediate annuities, and retirement and business planning.
Eagle Realty Group, LLC	Real estate investment management (asset management, mortgage loans, equity investments and real estate development) and property management services.
Fort Washington Investment Advisors, Inc.²	Investment management capabilities, including fixed income, public equities, private equity and multi-strategy portfolios.
IFS Financial Services, Inc.	Fixed, immediate, indexed and variable annuities; mutual funds; life insurance; and wealth preservation programs.
Insurance Profillment Solutions, LLC	Comprehensive life insurance fulfillment services for customers of partner banks.
Integrity Life Insurance Company	Fixed, immediate, indexed and variable annuities.
National Integrity Life Insurance Company	Fixed, immediate and variable annuities, and life insurance.
Touchstone Investments[®]	Mutual funds subadvised by seasoned institutional asset managers.
W&S Financial Group Distributors, Inc.	Fixed, immediate, indexed and variable annuities, and life insurance.
The Lafayette Life Insurance Company	Whole life, term life, fixed and indexed annuity products, and pension products and services.

Markets Served and Distribution Channels	Contact Information
	westernsouthern.com 877-FOR-WSFG
Approximately 52,000 individuals nationwide are licensed to sell products and services from Western & Southern member companies.	westernsouthern.com 877-FOR-WSFG
Individuals, families and businesses in the middle-income market. 137 field offices nationwide, plus WSLife.com and Client Relationship Center. Licensed in the District of Columbia and all states except AK, CT, ME, MA, NH, NY and VT.	wslife.com 800-936-1212
Individuals, families and businesses in the middle-income market and bank clients nationwide. Licensed in the District of Columbia and all states except AK, ME, NH, NY and RI.	wslife.com 800-936-1212
Middle-income market through Western & Southern Life's field agent sales team, W&S Agency Group.	wslife.com 800-333-5222, ext. 8301
Individuals, families and businesses in the affluent and upper middle-income markets through a nationwide network of independent producers. Licensed in the District of Columbia and all states except NY.	columbuslife.com 800-677-9696
Corporations, real estate developers, individual real estate investors and not-for-profit organizations.	eaglerealtygroup.com 800-361-7040
Public and corporate pension plans, corporate operating and development funds, insurance companies, mutual fund subadvisory, religious orders, universities, Taft Hartley plans, foundations and endowments, and high-net-worth individuals and their families.	fortwashington.com 888-244-8167
Broker-dealers, financial planners, independent agents and banks.	513-362-8000, option 7
Bank customers purchasing life insurance through bank branches, the internet and direct marketing channels.	iprofillment.com 866-590-0161
Broker-dealers, independent agents and banks. Licensed in the District of Columbia and all states except NY.	wsfincialpartners.com 800-325-8583
Broker-dealers, independent agents and banks. Licensed in ME, NH, NY and VT.	wsfincialpartners.com 800-433-1778
Broker-dealers, financial planners, registered investment advisors, consultants, retirement plan sponsors, institutions, wealth managers and private banks.	touchstoneinvestments.com 800-638-8194
Broker-dealers, independent agents and banks.	wsfincialpartners.com 800-926-1702
Individuals in the affluent and mass affluent markets, and small and medium-size businesses through a nationwide network of independent producers. Licensed in the District of Columbia and all states except NY.	lafayettelife.com 800-243-6631

1 Member FINRA and SIPC. 2 Registered Investment Advisor.

Maintaining Long-Term Vision

■ FORT WASHINGTON INVESTMENT ADVISORS, INC.

Fort Washington achieved one of the firm's strongest performances in its history¹ during a year when political news dominated headlines and market volatility increased.

Founded in 1990 as the primary investment arm of Western & Southern Financial Group, Fort Washington Investment Advisors, Inc., has steadily navigated a variety of market conditions to continue to deliver solid results for its clients.

With nearly \$49 billion in assets under management,² the firm manages capital in a diverse array of investment styles covering a wide range of asset classes. This breadth of experience affords Fort Washington a well-informed view across the investment landscape.

This perspective was essential to successful investing in 2016. In the first half of the year, markets were volatile primarily due to plummeting oil prices and an economic slowdown in China. Both stabilized by midyear.

During the second half of the year, stocks rallied in the wake of surprise outcomes in the United Kingdom with the Brexit vote and in the United States following Donald Trump's presidential victory, which raised the possibility of comprehensive tax reform and reduced regulation.

Fort Washington's focus on risk

management and maintaining a long-term perspective resulted in all the firm's marketed institutional investment strategies delivering positive absolute returns with the large majority beating their benchmark indices.³ Fort Washington realized \$1.3 billion of gross inflows or commitments during 2016, bringing its five-year compound annual growth rate of third-party assets under management to 10.8 percent.



Going Beyond the Expected. The most significant reasons for Fort Washington's success are the caliber of its professionals and the culture of intellectual camaraderie in which they operate to build relationships and serve clients. The firm further enriched its capabilities by hiring new associates across multiple departments during the year, including the private equity and private client teams.

Recognized Among Peers. In 2016, Fort Washington was recognized by *Pensions & Investments* as one of the Best Places to Work in Money Management. The rankings were based on an employee engagement and satisfaction survey as well as an employer questionnaire about the firm's policies and practices. The firm's appearance on the list three out of the last four years is a tribute to its team spirit and passion for serving its exceptional clients.

Strategic Initiatives. Fort Washington strengthened its ability to serve clients in 2016 and positioned itself for continued growth by enhancing its data governance capabilities and installing a new technology platform within its Private Client Group.

The firm also introduced two new investment strategies. Among the strategies it had been incubating, the large capitalization version of its Focused Equity strategy and the Emerging Markets Debt strategy both reached three-year anniversaries with strong results.

Looking Forward. As a long-term investor, Fort Washington sees a bright future for the global economy but is not naïve to the inevitability of short-term disruptions. As always, the professionals at Fort Washington will continue to guide and serve clients with diligence in the years ahead. ■

1 Reflected by growth in assets under management and relative performance of marketed strategies.
2 As of Dec. 31, 2016. Includes assets under management by Fort Washington Investment Advisors, Inc., of \$45.6 billion and \$3.3 billion in commitments managed by Fort Washington Capital Partners Group, a division, and Peppertree Partners LLC, a subsidiary.
3 Absolute return: returns not relative to a benchmark.

“The most significant reasons for Fort Washington’s success are the caliber of its professionals and the culture of intellectual camaraderie in which they operate.”

Maribeth S. Rahe

PRESIDENT AND CHIEF EXECUTIVE OFFICER,
FORT WASHINGTON INVESTMENT ADVISORS, INC.

FORT WASHINGTON INVESTMENT ADVISORS Assets Under Management

\$ BILLIONS

10.8% FIVE-YEAR UNAFFILIATED CAGR*



* Compound Annual Growth Rate

Global Shocks: An Investment Guide for Turbulent Markets, by author **Nicholas P. Sargen**, chief economist and senior investment advisor for Fort Washington and parent company Western & Southern Financial Group, was published in 2016. The book explores Sargen's views on asset bubbles and market turmoil. In addition to delivering informed market insights on Fort Washington's blog (blog.fortwashington.com), Sargen seeks to give investors a solid framework for understanding the behavior of financial markets. ■



Delivering Sustainable Growth

■ TOUCHSTONE INVESTMENTS

Touchstone strengthened its position to maintain growth despite market volatility and elevated investor and advisor apprehension.

Despite market volatility due to headline events and subsequent elevated investor and advisor apprehension, Touchstone Investments continued to strengthen its position for sustainable growth through strategic initiatives and fund lineup expansion in 2016.

Consistent Performance. Nearly half of all Touchstone Funds®, excluding asset allocation funds, ranked in the top third of their

respective asset classes on a one-year and/or three-year basis based on total return percentile rank. Two Touchstone Funds were rated five stars overall and 10 were rated four stars by Morningstar.¹

At year end, the company's 2016 assets under management were \$14.2 billion while sales for the year were \$4.3 billion.

As investors searched for income in an uncertain interest rate environment, Touchstone Flexible Income Fund, sub-advised by ClearArc Capital, Inc., offered a growing number of clients an alternative to traditional fixed income as well as many other niche income portfolios, and it garnered the highest net flows.



Distinctively Active. Active Share², a measurement of the percentage of a fund's holdings that differ from those of the benchmark, is a vital part of Touchstone's mutual fund framework. More than 85 percent of its equity funds exhibit a high level of Active Share. This is important because there is empirical evidence that a fund cannot outperform its benchmark if its composition mimics that of the benchmark.

However, to further differentiate its approach to fund management, Touchstone transformed its brand identity in 2016 to Distinctively Active, advocating Active Share as a starting point but recognizing that several other critical elements are necessary to ensure a fund is truly active.

Distinctively Active signifies a robust approach to portfolio construction that uses stand-alone, actively managed investment strategies or serves as a complement to passive strategies — both advantageous in helping position investor portfolios for sustainable growth. Its elements include skill when selecting portfolio companies, confidence with emphasis on the portfolio managers' best ideas, the right opportunity set, patience with focus on a long-term horizon, and expenses incurred for active exposure, supported by the firm's proprietary evaluation as well as academic research.

Experience and Expertise.

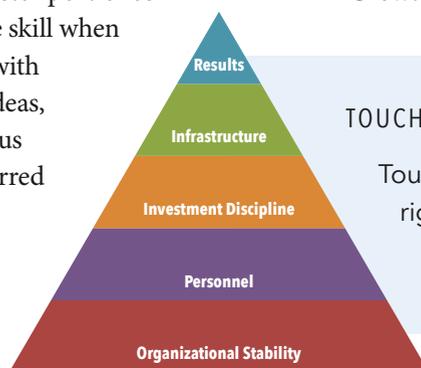
Touchstone's mission is to provide investors with distinctively active, results-oriented investment expertise from independent, best-in-class institutional money managers. Touchstone's team of investment professionals is responsible for the selection and monitoring of independent money managers using a due diligence process commensurate with the rigorous standards and robust guidelines typically employed by sophisticated institutional investors.

In a testament to its reputation, Touchstone was tapped for

thought leadership by national media in 2016 with coverage in *The Wall Street Journal*, *The New York Times* and *Barron's*, among others.

Steady Growth. The Touchstone Funds continue to deliver investors access to a variety of asset classes, including U.S. equity, global/international equity, U.S. fixed income, diversified income and alternative investment funds.

Touchstone enhanced its fund offerings during 2016, adding two equity funds when it adopted two funds from DSM Capital Partners — Touchstone Large Company Growth Fund and Touchstone Global Growth Fund.



TOUCHSTONE'S **Proprietary Model**

Touchstone applies a consistent, rigorous discipline in evaluating and monitoring its elite roster of subadvisors.

The firm expanded existing relationships with three subadvisors by adding Touchstone International Growth Fund, subadvised by Apex Capital Management, and by appointing Copper Rock Capital Partners to Touchstone Emerging Markets Small Cap Fund and LMCG Investments to Touchstone Small Cap Value Fund.

Touchstone anticipates continued growth in 2017 and beyond and remains committed to achieving its goal of delivering investors solid performance over time through varying economic climates. ■

“Touchstone Investments continues to strengthen its position for sustainable growth through strategic initiatives and fund lineup expansion.”

Steven M. Graziano

PRESIDENT, TOUCHSTONE INVESTMENTS

¹ Morningstar Direct, Dec. 31, 2016.

² Active Share is not a performance measure. A high level of Active Share does not ensure outperformance of a fund relative to its benchmark index.

Driving Company Growth

■ EAGLE REALTY GROUP, LLC

Diversification through real estate equity investments and commercial mortgage loans placed by Eagle remained an important driver of growth for Western & Southern and its member companies.

Eagle Realty Group, LLC, the real estate subsidiary of Western & Southern Financial Group, continued to help drive Western & Southern's growth by offering a range of products and services that meet clients' financial and strategic needs in the real estate sector.

Eagle operates across the United States in serving Western & Southern and its member companies. All of its third-party investment services are provided through Eagle Realty Capital Partners, LLC,

a registered investment advisor the firm established in early 2016.

Eagle had a record year in 2016, both in terms of revenue and profitability:

- Total revenue of \$24.1 million, an 11 percent increase over 2015, and net income of \$14.3 million.¹
- Committed to or closed 20 new equity investments in 2016, with total acquisition and development costs of \$954 million.
- Mortgage loan portfolio ended 2016 above \$2 billion with no loans in default.

Equity Investments. Eagle experienced significant growth in its equity investment portfolio in 2016. The portfolio grew to \$3.6 billion in assets under management at



year end, representing a 12 percent increase over 2015.¹

Operating income of the portfolio was \$28.7 million and realized gains were \$59.4 million. Investments sold in 2016 generated \$19.9 million in cumulative capital gains.¹

Eagle's portfolio growth, with an emphasis on opportunistic investments, saw unprecedented levels of transaction and development activity, with more than 36 new investments, financing, sales and leases valued at \$1.16 billion. Eagle continues to be a preferred investor for numerous developers across the country. The company entered 2017 with 45 projects under development in 27 markets with 20 joint venture development partners.

Debt Investments. Eagle's 2016 mortgage loan commitment activity included 32 commercial loan transactions totaling more than \$558 million. Its mortgage loan portfolio significantly outperformed treasury yields and the Bank of America Merrill Lynch Single-A US Corporate Index, the benchmark against which the company gauges its performance. The weighted average mortgage portfolio balance of \$1.82 billion generated investment income to Western & Southern affiliates of \$93.6 million.

Corporate Facilities. The facilities and property management teams continued to maintain and accommodate the property needs of Western & Southern and its member companies at its Cincinnati home office and field office locations nationwide.



Eagle Realty Group's current projects include elite hotels in Cincinnati's historic Lytle Park District (above) and at The Banks development on the Ohio riverfront.

Queen City Square, a 1 million-square-foot office complex and Western & Southern's largest real estate investment in Cincinnati, achieved 96 percent occupancy with the opening of French fine dining Restaurant L and soon-to-open Wild Eggs with its first downtown Cincinnati location.

As Cincinnati's first LEED® Gold certified office tower, Great American Tower at Queen City Square received ENERGY STAR® designation for the sixth consecutive year. This independent certification verifies that the building has met strict energy performance standards set by the U.S. Environmental Protection Agency.² LEED is the nation's preeminent program for the design, construction and operation of high performance green buildings.

Eagle's real estate services' lease transaction volume in 2016 increased 75 percent over 2015, resulting in better located, more efficient and less costly occupancy expenses for Western & Southern. ■

“Eagle Realty Group enhances Western & Southern’s growth by offering a range of products and services in the real estate sector.”

Mario San Marco

PRESIDENT, EAGLE REALTY GROUP, LLC

¹ As of Dec. 31, 2016. Includes regulatory assets managed by Eagle Realty Capital Partners, LLC, of \$48.5 million.

² ENERGY STAR®, March 15, 2017, U.S. Environmental Protection Agency and U.S. Department of Energy, www.energystar.gov.

Managing Expenses Effectively

Outstanding expense management through people, processes and technology helped Western & Southern serve customers with greater efficiency.

Expense management is an important component of Western & Southern Financial Group's consistent financial performance. The company follows a shared services approach to functions common to many of its businesses to help reduce overall operating expenses, avoid redundancy and maximize operational efficiencies and effectiveness.

By sharing integrated and scalable resources across member companies, Western & Southern delivers a broad range of financial solutions and high-quality customer service efficiently while executing

a robust growth strategy. The following Shared Services teams are vital to Western & Southern's success.

Actuarial provides risk management to Western & Southern and its member companies. This includes life and annuity product design and pricing, financial projections and reporting, valuation and risk analysis.

Corporate Financial Planning advances Western & Southern's long-term financial strength by providing rigorous financial planning and business analytics.

Human Resources recruits, develops and retains top-tier associates and manages associate benefits programs, on-site food services and security teams.

Information Technology develops,



Karen R. Chamberlain, Senior Vice President and Chief Information Officer;
Phillip E. King, Vice President and Auditor;
Lisa B. Fangman, Senior Vice President, Insurance Operations.



Linda M. Lake, Vice President, Human Resources;
Stephen G. Hussey, Jr., Vice President, Compensation and Benefits; Co-Heads of Human Resources.

maintains and secures the technology architecture, infrastructure, business systems and data vital to current and future organizational growth, customer satisfaction, profitability and a sustainable competitive advantage.

Insurance Operations supports customer service and provides high-quality back-office services and fulfillment for insurance and annuity products to enhance sales force productivity and profitability.

Internal Audit provides independent, objective assurance and consulting that deliver a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Law provides legal advice to Western & Southern and its member companies and ensures compliance with insurance and investment industry regulations.

Marketing & Digital Center of Excellence delivers digital, experiential and analytic capabilities to increase enterprise agility to attract and retain profitable customers and business partners.



Todd A. Lee, Vice President, Marketing & Digital Center of Excellence;
Kim R. Chiodi, Senior Vice President, Public Relations and Corporate Communications;
Noreen J. Hayes, Senior Vice President and Chief Culture Officer.

Public Relations and Corporate Communications delivers communications, media relations, sponsorship engagement and social media; graphic design and audiovisual services; travel and event management; document development and administration; and printing and mail services. ■

Enhancing the W&S Experience.

Western & Southern has an unwavering commitment to developing rewarding, lifetime relationships with clients and business partners.

To maintain focus on the company's vision in a world of increasing expectations regarding where, when and how products and services are accessed and purchased, Western & Southern established a new Marketing & Digital Center of Excellence.

This group is executing a multi-year strategy to enhance the digital experience for customers and clients across multiple distribution channels. It is also driving the company's efforts to further develop analytic capabilities to expand the availability of products and services through Western & Southern member companies to serve more customers and business partners.

- **Digital:** Develop industry-leading capabilities to deliver a seamless experience for clients and advisors.
- **Experience:** Define a clear vision of the future experience by uniquely understanding customer and advisor needs.
- **Analytics:** Deliver robust analytical tools and data that enable actionable, data-driven decisions.

These efforts will further position Western & Southern to meet the evolving needs of its customers and business partners. ■

Making Cincinnati Great Together

Western & Southern demonstrated its community commitment by supporting causes that advance health care, improve education, promote the arts and drive community vitality.

In 2016, Western & Southern Financial Group, its associates and the corporate foundation invested more than \$10.6 million in donations and sponsorships in the Greater Cincinnati area.

Community Sponsorships. Western & Southern's community sponsorships raise funds for worthy causes while creating memorable, fun and exciting traditions for Greater Cincinnatians of all ages.

In 2016, the company once again sponsored the Western & Southern Open, a US Open Series tennis tournament. The 2016

tournament hosted 187,106 fans for nine days of world-class tennis and top-notch hospitality, while the Greater Cincinnati area was showcased to fans around the world through TV broadcasts on ESPN and the Tennis Channel.

In addition to the positive publicity it brings to our region, the tournament generates an estimated \$48.7 million annually in regional economic impact and has helped raise more than \$10 million for local nonprofits, including Cincinnati Children's Hospital Medical Center, the Barrett Cancer Center and Tennis for City Youth, since 1974.

And 2016 marked the second year the company sponsored the Western & Southern/WEBN Fireworks display, a Cincinnati tradition for 40 years. More than 500,000 viewers gathered along the Ohio

River to celebrate the last blast of summer and raise funds for the Freestore Foodbank.

The company continued its sponsorship of three Cincinnati events that encourage health and fitness: the Thanksgiving Day Race, benefiting the Ronald McDonald House and numerous other charities; the National Multiple Sclerosis Society's Walk MS, supporting MS research to find a cure; and Ride Cincinnati, a family bicycling event advancing local cancer research.

During the 2016 holiday season, Western & Southern sponsored the Crib of the Nativity for the 77th year, continuing a Cincinnati tradition that benefits The Salvation Army.



John F. Barrett, Chairman, President and Chief Executive Officer, presents the W&S Open trophy to 2016 men's singles champion Marin Čilić of Croatia.



Health and Human Services. Western & Southern helps drive the vitality of its hometown by donating to local causes that improve health care and provide basic resources to those who need it most. In 2016, the corporate foundation donated \$2.4 million to local nonprofits promoting health and human services.

Associates and the corporate foundation pledged and donated more than \$1.3 million to United Way, making Western & Southern the sixth largest corporate campaign in the city. The company and associates also completed two local Habitat for Humanity houses.

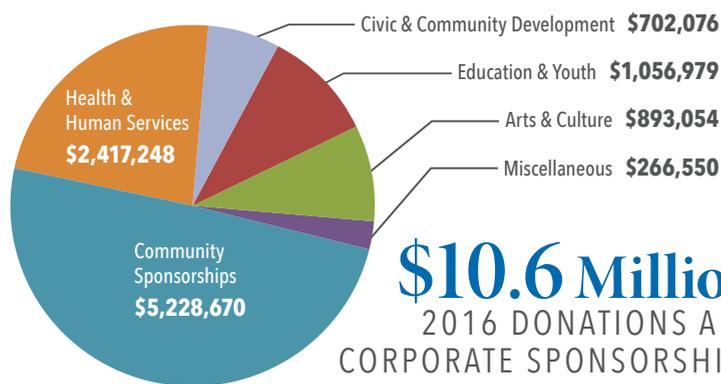
Education and Youth. Western & Southern invested in the next generation of Greater Cincinnatians with the donation of more than \$1 million to nonprofits promoting education and youth development.

Associates donated their time and, along with the corporate foundation, gave nearly \$32,000 to Junior Achievement. The company also presented the 10th annual Dr. Lawrence C. Hawkins Educator of the Year Award, a \$10,000 gift to an outstanding Cincinnati Public Schools educator, and matched associate donations to 19 colleges and universities.

Arts and Culture. Western & Southern continued its tradition of promoting the local arts community. The corporate foundation partnered with associates to contribute

\$308,054 to Greater Cincinnati's ArtsWave campaign. The company also made significant contributions to the Taft Museum of Art and the revitalization of Music Hall.

Civic and Community Development. In 2016, Western & Southern donated more than \$700,000 to local nonprofit partners that promote civic and community development. Donations to the Cincinnati Zoo and various parks, recreation and beautification projects furthered the company's mission to make Cincinnati great together. ■



\$10.6 Million
2016 DONATIONS AND
CORPORATE SPONSORSHIPS

Categories of causes and needs supported by Western & Southern's corporate foundation, associates, charitable fundraising campaigns and community sponsorships.

Living the Western & Southern Culture

With its customer-centered focus, Western & Southern continued to create the ideal place to do business and invest in a long-term career.

At Western & Southern Financial Group, we believe a strong, positive culture is one of the most important attributes a successful organization must possess. A company's culture is its unique way of operating based on the organization's values and guiding principles.

The Western & Southern culture defines how we work with our clients, our business partners and our associates. It provides a competitive advantage that enables us to win in an intensely competitive industry.

A Critical Success Factor. Western & Southern has been building and nurturing its corporate culture for many years. Our culture has been critical to our financial success, enabling us to honor our commitments to our clients, customers and associates and to positively impact our communities. It creates an outstanding place for our associates to invest their careers, offering each associate the opportunity to achieve career objectives and contribute in a significant way to our collective future.

The impact of our culture is maximized when our associates use its principles to guide their actions and decisions, such as favoring the long-term outlook and making decisions based on fact and data.

Solidifying Our Culture. In 2016, we launched a major campaign to ensure each of our associates has a clear understanding of our corporate culture. Monthly communications about our 10 Guiding Principles were followed by a series of engaging activities, including opportunities to recognize colleagues and teams across the company who live the culture.

This focus on solidifying our culture is contributing to the company's growth, resulting in outstanding solutions for our clients' needs and greater opportunities for our associates and business partners. If we believe in and live our culture every day, we will prosper, even in the most difficult times. At the end of the day, our culture is the key to our success. ■

10 GUIDING PRINCIPLES OF OUR CULTURE

CREATE VALUE FOR STAKEHOLDERS

FAVOR LONG-TERM OUTLOOK

ACHIEVE TOP-NOTCH PERFORMANCE

**BE RESULTS-DRIVEN/
HAVE A STRONG WORK ETHIC**

MAKE SENSIBLE DECISIONS

OPERATE WITH ETHICS & INTEGRITY

KEEP EGOS IN CHECK

COLLABORATE EFFECTIVELY

**EXECUTE WITH URGENCY,
PROFICIENCY AND PASSION**

BE THE IDEAL PLACE FOR A CAREER

Senior Leadership

WESTERN & SOUTHERN COMPANIES

John F. Barrett, Chairman,
President & Chief Executive Officer

SENIOR VICE PRESIDENTS

Karen A. Chamberlain, Chief Information Officer

Kim R. Chiodi, Public Relations

Lisa B. Fangman, Insurance Operations

Daniel W. Harris, Chief Actuary

Noreen J. Hayes, Chief Culture Officer

D. Todd Henderson, Chief Risk Officer

Bradley J. Hunkler, Chief Financial Officer

Roger M. Lanham, Co-Chief Investment Officer

Jill T. McGruder, Chief Marketing Officer

Jonathan D. Niemeyer, Chief Administrative
Officer & General Counsel

Nicholas P. Sargen, Chief Economist &
Senior Investment Advisor

James J. Vance, Treasurer

Brendan M. White, Co-Chief
Investment Officer

VICE PRESIDENTS

Edward J. Babbitt, Government Relations

Keith T. Clark, M.D., Medical Director

Stephen G. Hussey, Jr., Co-Head,
Human Resources

Wade M. Fugate, Controller

Kevin L. Howard, Deputy General Counsel

Phillip E. King, Auditor

Linda M. Lake, Co-Head, Human Resources

Todd A. Lee, Marketing & Digital
Center of Excellence

Daniel R. Larsen, Chief Tax Officer

Bruce W. Maisel, Chief Compliance Officer

Western & Southern Mutual Holding Company
Western & Southern Financial Group, Inc.
The Western and Southern Life Insurance Company
Western-Southern Life Assurance Company

OTHER MEMBER COMPANIES

Columbus Life Insurance Company

J. J. Miller, President & Chief Executive Officer

Steven J. Sanders, Chief Marketing Officer

Eagle Realty Group, LLC

Mario San Marco, President

Thomas M. Stapleton, Senior Vice President

Fort Washington Investment Advisors, Inc.

Maribeth S. Rahe, President &
Chief Executive Officer

Roger M. Lanham, Co-Chief Investment Officer

Brendan M. White, Co-Chief Investment Officer

IFS Financial Services, Inc.

Jill T. McGruder, President & Chief Executive Officer

Insurance Profillment Solutions, LLC

Robert J. DalSanto, President

Integrity Life Insurance Company **National Integrity Life Insurance Company**

Jill T. McGruder, President &
Chief Executive Officer

Touchstone Investments

Steven M. Graziano, President

W&S Financial Group Distributors, Inc.

Mark E. Caner, President

The Lafayette Life Insurance Company

Bryan C. Dunn, President & Chief Executive Officer

Lawrence R. Silverstein, Chief Marketing Officer

W&S Agency Group

Troy D. Brodie, President

W&S Brokerage Services, Inc.

Troy D. Brodie, President

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Chairman of the Board,
President and Chief Executive Officer,
Western & Southern Financial Group
(Cincinnati)



HERBERT R. BROWN

Former Senior Vice President, Western &
Southern Financial Group (Cincinnati)

JAMES N. CLARK

Former Executive Vice President, Chief Financial
Officer and Secretary, Western & Southern
Financial Group (Cincinnati)

THE HONORABLE JO ANN DAVIDSON

Former Speaker, Ohio House of Representatives
(Columbus, Ohio)



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Chairman and Chief Executive Officer, Kirby Risk
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Executive Director, Indianapolis Motor Speedway
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(Indianapolis)

ROBERT B. TRUITT

President and Chief Executive Officer, Ash Access
Technology, Inc. (Lafayette, Indiana)



THE HONORABLE GEORGE H. WALKER, III

Former U.S. Ambassador to Hungary; Former
Chairman, President and Chief Executive Officer,
Stifel Financial Corp. and Stifel Nicolaus and Co.,
Inc. (St. Louis)

THOMAS L. WILLIAMS, ESQ.

President, North American Properties, Inc.
(Cincinnati)

JOHN P. ZANOTTI, ESQ.

Chairman, Integrated Media Technologies, Inc.
(Los Angeles)



Donald J. Wuebbeling serves as Secretary and Counsel. All board members serve on one or more of the boards of Western & Southern Mutual Holding Company, Western & Southern Financial Group, Inc., and The Western and Southern Life Insurance Company.

In Memoriam



THE HONORABLE GEORGE V. VOINOVICH joined the Western & Southern board of directors in 2011 shortly after retiring from the United States Senate, where he served from 1999 to January 2011. Serving on the board until his passing on June 11, 2016, Sen. Voinovich brought the same degree of compassion for people and fiscal sensibility that defined his more than four decades of public service.

In addition to serving two terms in the United States Senate, he served two terms as Governor of Ohio and three terms as Mayor of Cleveland. He was considered one of the leading American voices on the challenges of the Balkans and Eastern Europe. He was truly a great American and an exemplary public servant.



DONALD A. BLISS began his career in 1951 at Northwestern Bell in Phoenix, progressing through management and executive positions to become chief executive officer. He served in the U.S. Navy from 1952 to 1954. He remained with Northwestern Bell until he became chief executive officer of U.S. West Communications in 1983 when the two companies merged. He retired in 1994. His involvement with corporate, civic and professional organizations in Arizona was extensive, including service on the Governor's Office of Employment and Training Implementation Task Force and the Phoenix Public/Private Homeless Task Force, where he started the Greater Phoenix Economic Council to help attract quality businesses and grow Greater Phoenix's competitiveness.

A Western & Southern board member from 1998 until his passing on June 30, 2016, he provided wise counsel, careful analysis of issues and high integrity.

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An investor should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. The prospectus and the summary prospectus contain this and other information about the fund. To obtain a prospectus or a summary prospectus, contact your financial advisor or download and/or request one at TouchstoneInvestments.com/literature-center or call Touchstone at 800-638-8194. Please read the prospectus and/or summary prospectus carefully before investing. Touchstone Funds are distributed by Touchstone Securities, Inc., a registered broker-dealer and member FINRA/SIPC.

Investment return and principal value of an investment in a fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds and separate accounts) with at least a 3-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive five stars, the next 22.5% receive four stars, the next 35% receive three stars, the next 22.5% receive two stars, and the bottom 10% receive one star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% 3-year rating for 36-59 months of total returns, 60% 5-year rating/40% 3-year rating for 60-119 months of total returns, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent 3-year period actually has the greatest impact because it is included in all three rating periods.

Class A Shares star ratings do not include any front-end sales load and are intended for those investors who have access to such purchase terms.

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RATINGS

Industry ratings from the four major rating agencies — A.M. Best, Standard & Poor's, Fitch and Moody's — are solid indicators of a company's financial strength and stability. Following are the ratings for Western & Southern life insurance subsidiaries.

A.M. Best

Superior ability to meet ongoing insurance obligations (second highest of 16 ratings; rating held since June 2009)

A+
SUPERIOR

Standard & Poor's

Very strong financial security characteristics (third highest of 21 ratings; rating held since July 2013)

AA
VERY STRONG

Fitch

Very strong capacity to meet policyholder and contract obligations on a timely basis (third highest of 21 ratings; rating held since June 2009)

AA
VERY STRONG

Moody's

Excellent financial security (fourth highest of 21 ratings; rating held since February 2009)*

Aa3
EXCELLENT

Comdex Ranking

The Comdex Ranking is a composite of all the ratings a company has received from the major rating agencies. It ranks insurers on a scale of 1 to 100 (where 1 is the lowest) in an effort to reduce confusion over ratings because each rating agency uses a different scale.*

96
OUT OF
100

The ratings are correct as of May 1, 2017, and are subject to change. Ratings refer to the claims-paying ability of the insurance company and do not reflect the performance or safety of any investment product. The rating agencies listed above are independent of each other and use proprietary evaluation criteria and rating scales.

* The Lafayette Life Insurance Company is not rated by Moody's.



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