



Western & Southern  
Financial Group

## ■ CHAIRMAN'S LETTER / JOHN F. BARRETT

### To Our Friends and Business Partners:

Thank you for your interest in our company. We are pleased to report that 2014, our 126th year, was the best yet.

For the full year, our GAAP net income reached \$395.2 million, driven by record operating income of \$367.8 million resulting from strong returns on investments and record fee income generated by our asset management businesses. This was accomplished despite the volatile market conditions, unusually low interest rates and a slow growth economy.

We ended 2014 with consolidated (owned) assets reaching a record \$42.8 billion, while total assets owned and managed exceeded \$70 billion for the first time. Net worth totaled a record \$7.5 billion, up from \$7.1 billion at year-end 2013.

Our GAAP capital-to-asset ratio, a true measure of a company's financial strength, was a robust 17.5 percent. This continues to be more than double the average of the 15 largest publicly traded U.S. life companies and is clear evidence of our exceptionally strong financial position at the top of our industry.

This extraordinary financial strength helps to protect our policyholders and clients, especially during the toughest of times. It also provides financial flexibility, which enables us to move quickly should an opportunity materialize. For the foreseeable future, we will continue to pursue organic growth but are always looking for tuck-in businesses to purchase.



Just over 25 years ago, our company was a strong but relatively small regional life insurance company with \$5 billion in total assets. A shared vision and a passion for our work have helped us create a highly diversified financial services enterprise. Today, we deliver a broad range of products, services and solutions serving multiple markets across numerous distribution channels.

The key to our ability to deliver ever-improving results is our unique can-do culture. Founded on the principles of hard work, dedication, sensible

decision-making and teamwork, our culture guides our actions and makes it possible to achieve success in almost any economic environment. As our company grows, these principles combine with our outstanding financial strength and the continuous improvement of our businesses and competencies to move us forward.

We stress and reward behavior compatible with our culture. Our leadership team is driving our company's evolution into one of the finest financial services organizations in the world. At the core of our success is a dedicated and highly knowledgeable workforce committed to building and sustaining long-term client relationships.

This is an exciting journey, and if we continue to respect our values, innovate and take great care of our clients, we will enjoy fantastic results well into the future. Together, we will continue to build this unique and wonderful enterprise.

We greatly appreciate your support.

Sincerely,



**JOHN F. BARRETT**

Chairman, President and  
Chief Executive Officer

## OUR CULTURE

We have developed a unique culture that permeates all facets of our corporate headquarters. It is defined by hard work, sensible decision making, teamwork, collegiality, top-notch performance of our responsibilities and the continuous upgrading of our businesses and our competencies.

We stress quality in all that we do, and we favor the long-term outlook over the short term. While we are proud of our ever-improving financial and market performance, there is little room for arrogance, greed or ego. Simply put, we are passionate about our business and believe in getting better every day.

We will continue to create outstanding value for our policyholders and clients and continue to be the ideal place for a long-term career for our colleagues.



## ABOUT THE COVER

The gears on the cover signify the various member companies within our enterprise working together to build the strength, endurance and growth vital to helping protect the financial futures of our clients, business partners and associates.



■ YEAR IN REVIEW / STEVEN K. KREIDER

# Weathering Market Surprises

Western & Southern Financial Group's investment portfolios continued to move the company forward despite unexpected U.S. economic hurdles.

Investors faced several surprises in 2014. The first was a steep decline in U.S. bond yields that reversed most of the rise in the previous year. It occurred despite a strengthening in the U.S. economy as economic growth averaged 4 percent annualized in the final three quarters, and job growth approached 3 million workers, the largest increase since 1999. The catalyst was a weakening of economic activity abroad, especially in Japan and the eurozone, causing their bond yields to plummet.

The second surprise was a plunge in oil prices of about 50 percent during the second half of the year. It occurred as oil production from the United States surged while oil demand softened globally.

"Western & Southern's capital cushion plays an important role as the company navigates the low-yield environment."

These developments, in turn, led the Bank of Japan and the European Central Bank to take steps to combat the risk of deflation. Meanwhile, the Federal

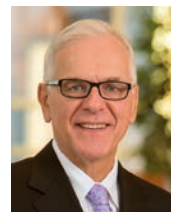
Reserve completed its program of quantitative easing, and the U.S. dollar strengthened against most currencies.

**BALANCE SHEET STRENGTHENS.** Western & Southern's balance sheet strengthened as the market value of its investment portfolio rose by \$1.2 billion to approach \$38.5 billion. The company benefited from especially strong performance in its investments in real estate, midstream energy and emerging markets debt. The high yield, structured and investment-grade credit investments also produced positive results.

Western & Southern's capital cushion plays an important role as the company navigates the low-yield environment. It delivers a foundation for bearing risk in credit and for increasing the scope of activities in these markets. The rise in market volatility in the second half of 2014 pushed spreads wider, and the company moved judiciously to increase exposure, mitigating the decline in government bond yields. ■



**STEVEN K. KREIDER** (above) joined Western & Southern and its investment management member company, Fort Washington Investment Advisors, Inc., in May 2014 as senior vice president and chief investment officer. He oversees investment activities for all assets under management with Western & Southern, Fort Washington and its divisions and subsidiaries. Kreider replaces **NICHOLAS P. SARGEN** (below), who transitioned to chief economist and senior investment advisor to continue to bolster the company's business through his economic expertise and contributions to the media, various affiliates and selected clients.



## CONSOLIDATED AND CONDENSED GAAP INCOME STATEMENT

Amounts in thousands

	YEAR ENDED DECEMBER 31, 2014	YEAR ENDED DECEMBER 31, 2013
<b>Revenue</b>		
Insurance premiums and product charges	\$1,123,311	\$1,060,102
Net investment income	1,655,626	1,635,413
Commissions, fees and other income	305,615	284,758
Total revenue	<u>\$3,084,552</u>	<u>\$2,980,273</u>
<b>Benefits and expenses</b>		
Policyholder benefits	\$1,087,835	\$1,047,705
Interest credited to policyholder account balances	727,342	749,650
Other operating expenses	901,531	862,020
Total benefits and expenses	<u>\$2,716,708</u>	<u>\$2,659,375</u>
Operating income*	367,844	320,898
Investment gains and nonoperating charges	208,556	275,642
Income tax expense	181,162	187,509
Net income	<u>\$ 395,238</u>	<u>\$ 409,031</u>

## CONSOLIDATED AND CONDENSED GAAP BALANCE SHEET

Amounts in thousands

	DECEMBER 31, 2014	DECEMBER 31, 2013
<b>Assets</b>		
Debt securities	\$29,800,683	\$28,717,018
Equity securities	2,320,064	2,329,438
Other invested assets	6,338,806	6,192,576
Other general account assets	2,121,415	1,916,707
Assets held in separate accounts	2,190,624	2,103,913
Total assets	<u>\$42,771,592</u>	<u>\$41,259,652</u>
<b>Liabilities and equity</b>		
Future policy benefits and claims	\$29,858,489	\$29,065,751
Long-term debt	499,380	502,688
Other general account liabilities	2,717,477	2,503,537
Liabilities related to separate accounts	2,190,624	2,103,913
Total liabilities	<u>35,265,970</u>	<u>34,175,889</u>
Total equity	<u>7,505,622</u>	<u>7,083,763</u>
Total liabilities and equity	<u>\$42,771,592</u>	<u>\$41,259,652</u>

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

■ FINANCIAL HIGHLIGHTS

# Achieving Record Performance

Western & Southern Financial Group picked up right where it left off in 2013, once again producing record financial results.

Western & Southern achieved back-to-back record years in several key financial measurements in 2014, including GAAP operating income, total revenue, assets owned and managed, operating earnings per full-time employee and total equity.

In addition, following last year's record, the company had its second-best year for GAAP net income, earning \$395.2 million. These results are a testament to Western & Southern's long-term approach to managing its business.

**RECORD OPERATING INCOME.** GAAP operating income, a primary measure in managing the company's businesses and evaluating results, was \$367.8 million, a 15 percent increase over 2013 and a new record. This was earned



**ROBERT L. WALKER** (center), Senior Vice President and Chief Financial Officer, with (from left) **DANIEL R. LARSEN**, Vice President and Chief Tax Officer; **BRADLEY J. HUNKLER**, Vice President and Chief Accounting Officer; **JAMES J. VANCE**, Vice President and Treasurer; and **DAVID T. HENDERSON**, Vice President and Chief Risk Officer.

on total revenue of \$3.1 billion, also a record, largely the result of strong investment performance along with fee income generated by the company's growing asset management businesses.



Assets owned reached \$42.8 billion, also a record and a \$1.5 billion increase over the prior year. Total assets owned and managed ended the year at \$70.1 billion, an increase of \$2.6 billion and another record.

Member companies likewise did not miss a beat as several achieved all-time record highs for GAAP operating income.

### SALES TREND UPWARD.

For the second straight year, Western & Southern experienced increasing annuity sales of \$1.49 billion, a 5 percent increase over 2013.

With just over \$1 billion in life and health premiums, the company achieved its third consecutive year of life and health premiums exceeding \$1 billion. Mutual fund sales closed the year at \$5.3 billion.

Focused efforts to streamline operations and improve

processes and procedures is an important part of the Western & Southern culture. One way to measure efficiency is operating income per full-time employee, which grew by 17 percent to \$171,400 per employee, a new record.

### INDUSTRY-LEADING CAPITAL STRENGTH.

Western & Southern ended the year with a record \$7.5 billion in total equity, a 6 percent increase over year-end 2013. Its capital-to-asset ratio, an industrywide measure of capital adequacy, was 17.5 percent, more than double the average capital-to-asset ratio of the 15 largest publicly traded U.S. life companies.

This 2014 operating performance solidifies how Western & Southern has generated the capital and financial strength



necessary to help protect the security and financial needs of its customers, clients and other stakeholders, while maintaining the flexibility to reinvest in its business and seize potential opportunities to ensure the company's continued growth. ■

### Operating Income

\$ MILLIONS

296.4	320.9	367.8
2012	2013	2014

### Total Equity

\$ BILLIONS

6.7	7.1	7.5
2012	2013	2014

### GAAP Capital-to-Asset Ratio

8.6%	15 Largest Publicly Traded U.S. Life Companies
17.5% Western & Southern	

### Assets Owned and Managed

\$ BILLIONS

	MANAGED	OWNED	TOTAL
2012	20.3	40.0	60.3
2013	26.3	41.2	67.5
2014	27.3	42.8	70.1

### Operating Income per Full-Time Employee

138,200	147,000	171,400
2012	2013	2014



■ WESTERN & SOUTHERN LIFE

# Serving the Middle Market

A superior customer experience is the focal point of Western & Southern Life's commitment to serving middle-income Americans.



"Western & Southern Life enhanced its focus on the middle market in 2014 through the execution of a simple and clear customer-focused strategy."

**TROY D. BRODIE**

President, W&S Agency Group and  
W&S Brokerage Services, Inc.

Guided by its vision – customer-focused financial services made simple for the middle market – The Western and Southern Life Insurance Company (Western & Southern Life) continues to focus efforts on meeting the needs of the middle market, defined as households with annual income of \$40,000-\$140,000.

With an eye toward consistently providing a superior customer experience, the company enhanced its focus on the middle market in 2014 through the execution of a simple and clear customer-focused strategy.

**CUSTOMER-FOCUSED.**

The launch of Customer First, a program rewarding associate suggestions that improve the customer experience, proved to be a catalyst as the company's call center experienced a 46 percent increase in direct sales over 2013. This was attributed, in part, to the implementation of more than 75 suggestions throughout the year.

A new needs-based fact-finding tool, the *Collaborative Discovery Guide*, is helping Western & Southern Life financial



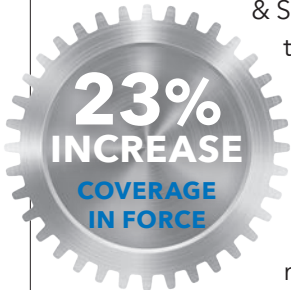
representatives pinpoint client needs. The average life insurance face amount (coverage in force) grew 23 percent over the last two years.

For the fourth consecutive year, the company experienced improved policy persistency. Lapse rates for its total recurring life and health insurance business have decreased 18 percent over this four-year period.

**DELIVERING FINANCIAL SOLUTIONS.** Recognizing middle-income Americans' growing need for a broad range of investment solutions, Western & Southern Life, through its brokerage subsidiary, expanded its national network of registered representatives

licensed to sell variable insurance products and mutual funds by 54 percent over two years.

W&S Brokerage Services, Inc.,<sup>1</sup> achieved record results for the fifth straight year with more than \$83.5 million in sales, a 33 percent increase over 2013. It also began offering tax-advantaged 529 college savings plans, further contributing to its success.



**MAKING IT SIMPLE.**

Western & Southern Life's **financial translator™** branding and marketing initiative, featuring Western & Southern spokesperson Cris Collinsworth, positions the company's financial representatives as approachable professionals who eliminate jargon and help middle-income Americans make sense of complicated financial matters. The initiative earned recognition from the Insurance and Financial Communicators Association as the top marketing campaign in the country in 2014.

**SERVING THE MIDDLE MARKET.**

A clear understanding of America's middle market has helped the company establish processes, products and financial solutions that respond to the market's needs. The implementation of targeted prospecting activities by the company's financial representatives has helped drive growth in its market penetration in this segment to an all-time high. The percentage of sales to new households increased 16 percent and the average life premium per sale increased 13 percent, both since 2012.

The company is also proud to offer outstanding career opportunities in communities

across the country. It launched a redesigned candidate selection and onboarding process for its new financial representatives, which helps ensure that the business acumen and work ethic of those hired align with the needs and expectations of the middle market. It also enhanced its field sales operating model to deliver greater flexibility while continuing to ensure a consistent customer experience across offices.

The company remains committed to hiring military veterans. For the third consecutive year, Western & Southern Life was named a Top Military Friendly Employer by *GI Jobs* magazine.



Additionally, the company received its first recognition from *GI Jobs* as a Top Military Spouse Employer. Western & Southern Life

also signed a statement with the Employer Support of the Guard to affirm the company's commitment to support associates serving in the Guard and Reserve. ■

<sup>1</sup> Member FINRA and SIPC.

■ COLUMBUS LIFE INSURANCE COMPANY

# Building Enduring Relationships

Innovative technology, competitive products, direct relationships and a rich tradition continue to drive success at Columbus Life.

Columbus Life Insurance Company saw significant gains throughout 2014, most notably in life insurance. First year target life premium grew by 8 percent, and nearly every product line achieved sales growth, including:

- 24 percent increase in indexed universal life premium;
- 22 percent increase in guaranteed universal life premium; and
- 10 percent increase in annuity premium.

## COMPETITIVE PRODUCTS.

Columbus Life strives to strengthen its product features to meet the changing needs of consumers. The company introduced an enhanced living benefits rider that includes a flexible payout option with higher maximums and residual death benefit protection. This rider provides a way to help protect clients and their families should an unexpected illness or accident occur.

**STREAMLINED BUSINESS PROCESSES.** Adoption rates continue to rise for Columbus Life's iGO e-App®



"Columbus Life continually strengthens its product features to meet the changing needs of consumers, and our enhanced rider helps protect clients and their families."

**J. J. MILLER**

President, Columbus Life Insurance Company

electronic application, which allows producers to submit life insurance applications to the home office quickly, easily and

in good order. In 2014, nearly 30 percent of new applications were submitted via iGO e-App, and these policies were placed in

force 21 percent faster than those placed via paper application.

Technology also plays a key role in Columbus Life's home office systems. Updates were completed to the producer extranet to make doing business with the company easier, faster and more efficient.

Mobile-friendly features and new functionality were added to give producers more detail on the status of current and pending business.

Most important, the firm launched a new section that provides producers online access to client activity on in-force policies. Producers now receive updates when clients experience in-force policy activity and are

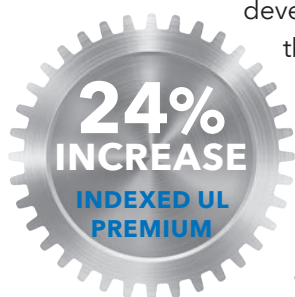
notified when clients contact Columbus Life's call centers.

**ENHANCED MOBILE APPS.** As the number of producers relying on mobile devices to do business increases, Columbus Life continues to develop technology that supports today's on-the-go professional.

Use of the company's mobile apps for producers and consumers grew steadily over the past year. Downloads of Columbus Life's Tax Guide app increased more than 30 percent as producers leveraged its calculators and tax tables to address client challenges. Use of the CLIC Quote app continued

to grow as well among financial representatives who need to quickly calculate premium prices for Columbus Life products while on the move.

**REACHING DIVERSE MARKETS.** Columbus Life continues to expand its business with sustained growth and success in the Asian-American market. To appeal to this growing market, Columbus Life launched a series of videos on YouTube designed to inspire and bring together Asian-American financial professionals and their clients. The *Columbus Life Lessons* series at [YouTube.com/ColumbusLife](http://YouTube.com/ColumbusLife) includes six videos featuring Asian Americans sharing definitive life lessons in their native Chinese or Korean. ■



## WESTERN & SOUTHERN FINANCIAL GROUP

# 2014 Life & Health Highlights

### Total Life & Health Premiums

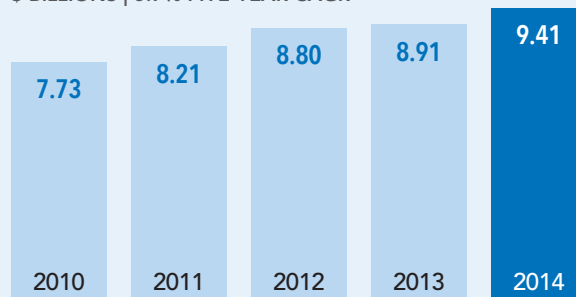
\$ MILLIONS | 4.8% FIVE-YEAR CAGR\*

\* Compound Annual Growth Rate



### Total Life & Health Reserves

\$ BILLIONS | 5.7% FIVE-YEAR CAGR\*



■ THE LAFAYETTE LIFE INSURANCE COMPANY

# Delivering Exceptional Service

Lafayette Life advanced its legacy as an industry leader providing high-quality products, outstanding financial strength and exceptional service in 2014.



"Lafayette Life is building on its hallmark of financial strength and stability, while continuing to support independent producers."

**BRYAN C. DUNN**

President, The Lafayette Life Insurance Company

Small businesses looking for comprehensive retirement solutions had to look no further than The Lafayette Life Insurance Company's Retirement Services team for new and innovative ways to provide enhanced benefits packages to their employees.

The Retirement Services team has over 30 years of experience customizing plans to help meet employee needs for retirement income and distribution planning, while offering attractive tax advantages to employers.

As a result of this ongoing dedication and industry leadership, sales of retirement plans grew by 38 percent, and revenue from plan administrative services increased by 35 percent in 2014. Additionally, Lafayette Life saw a 21 percent increase in annuity premium and a 6 percent increase in life premium, both from qualified plans, further enhancing the company's strength.

**ONGOING FINANCIAL EXCELLENCE.** Lafayette Life furthered its reputation of strength with solid financial



results during 2014. Total life premium topped \$385 million while total annuity premium reached \$160 million.

Strong sales and good persistency drove up Lafayette Life's GAAP assets by more than 6 percent, reaching a new company high of \$4.5 billion.

Pre-tax GAAP operating income increased 21 percent over the prior year.

**EXPANDED PRODUCT OFFERINGS.** Whole life insurance offers guaranteed death benefit protection, guaranteed cash value accumulation and guaranteed level premiums over a lifetime. In addition, tax deferral advantages and guaranteed income payout options differentiate whole life insurance from most other types of financial assets, making it an important component in many comprehensive financial plans.

In 2014, Lafayette Life expanded its whole life portfolio by releasing 10 Pay Whole Life, a limited payment policy that offers a lifetime of protection. The company furthered its legacy of delivering competitive products and peace of mind by paying a \$46.1 million dividend allocation to its participating policyholders – the most in company history.



The company also was able to meet growing demand among consumers for retirement income with indexed annuities that offer tax-deferred growth, guaranteed surrender values, access to funds, lifetime income and beneficiary protection.

**SUPERIOR PRODUCER PARTNERSHIPS.** An array of exciting new tools and practices from Lafayette Life are aimed at supporting independent producers.

- **Sales Support Materials:** Customizable brochures and flyers were created to help producers and business owners enhance their retirement benefits packages with Lafayette Life's products and services. A new Social Security kit provided insight into maximizing Social Security benefits.
- **Value-Added Webinars:** Informational webinars provided in-depth training on products, advanced sales concepts and retirement services.
- **Retirement Services Pension Schools:** Pension schools hosted nationwide enhanced producers' proficiency in the pension market.

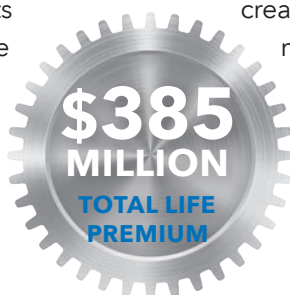
These initiatives helped Lafayette Life achieve another excellent recruiting year with a 9 percent increase in new general agencies signing on to sell its products.

**ENHANCED TECHNOLOGY.** Lafayette Life continued to leverage technology to enhance its service. It expanded its product offering for the iGO e-App® online application system, streamlining the application and new business processes for additional whole life and term products.

A new in-force illustration system was implemented to deliver instant access to up-to-date information online.

Videos detailing the value of the company's products, services and resources were also created to enhance marketing efforts. Looking ahead, Lafayette Life is building on its hallmark of financial strength and stability, while continuing to support independent producers

by leveraging technology and providing high-touch personal relationships, competitive products and proven sales support. ■



- INTEGRITY LIFE INSURANCE COMPANY
- NATIONAL INTEGRITY LIFE INSURANCE COMPANY
- W&S FINANCIAL GROUP DISTRIBUTORS, INC.
- WESTERN-SOUTHERN LIFE ASSURANCE COMPANY

# Guarding Retirement Assets

Western & Southern Financial Group continued to play a greater role in helping Americans generate and protect their retirement income.

W&S Financial Group Distributors, Inc., wholesale distributor of annuities and life insurance from Western & Southern member companies, has helped Americans invest, protect and manage risk for their retirement and legacy since 1990. Banks, broker-dealers and independent advisors – working through W&S Financial Group Distributors – in turn help individuals, families and businesses address wealth accumulation, protection and distribution needs.

Financial professionals frame solid client solutions from the product offerings of Integrity Life Insurance Company, National Integrity Life Insurance Company and Western-Southern Life Assurance Company.

**STRONG SALES.** Capitalizing on improved alignment of products, resources and relationships, W&S Financial Group Distributors delivered a successful sales year. Total premium increased 9 percent over 2013 to \$1.2 billion.



“Financial professionals frame solid client solutions from the product offerings of our annuity subsidiaries.”

**JILL T. McGRUDER**

President and Chief Executive Officer,  
Integrity Life Insurance Company and  
National Integrity Life Insurance Company;  
Chief Executive Officer, W&S Financial Group  
Distributors, Inc., and Touchstone Investments

## ENHANCED SOLUTIONS.

A new chapter in Western & Southern's history of product innovation began in late September with the launch of Indextra®. Issued by Integrity Life, the single premium deferred fixed indexed annuity provides contract owners the opportunity to earn interest associated with specific indices and to secure access to retirement income that cannot be outlived.

Indextra delivers a selection of allocation options. Among them is an allocation option that reflects the performance of the GS Momentum Builder® Multi-Asset Class (GSMAC) Index, a custom-designed index from recognized global investment bank Goldman, Sachs & Co. Using a rules-based volatility-control feature, it seeks to minimize volatility and smooth returns in both up and down market cycles.

Indextra sales exceeded expectations, a strong sign that financial professionals and their clients valued its timely introduction and competitive advantages, particularly the allocation option associated with the GSMAC Index.



## EXPANDED PORTFOLIO.

For more than two decades, W&S Financial Group Distributors has connected leading financial institutions nationwide with exceptional products and services from Western & Southern member companies. Over that time, it has earned a reputation as a leading distributor of fixed annuities.

Recognizing the evolving demands of the competitive environment, however, W&S Financial Group Distributors has strategically expanded its product portfolio and subsequently diversified its revenue streams. One result was a 95 percent increase in premium from single premium immediate annuities (SPIAs) in 2014. SPIAs not only are designed to provide a predictable, sustainable stream of payouts, but they also are one of the few financial products that can guarantee an income that cannot be outlived.

IncomeSource®, a competitively priced SPIA issued and guaranteed by Integrity Life and National Integrity Life, delivers protected retirement income for consumers seeking to assure their long-term financial well-being.



**MARK E. CANER**  
President, W&S Financial  
Group Distributors, Inc.

## STRENGTH BREEDS CONFIDENCE.

Demand for income certainty in retirement continues to grow. Western & Southern's commitment to its annuity business – underpinned by its long tradition of stability, reliability and prudence – serves as a source of certainty, security and peace of mind for its customers and their financial representatives. ■

# Enterprise At a Glance

Company Information	Products and Services
<b>Western &amp; Southern Mutual Holding Company</b>	Mutual insurance holding company; sole shareholder of Western & Southern Financial Group.
<b>Western &amp; Southern Financial Group, Inc.</b>	Holding company; sole shareholder of The Western and Southern Life Insurance Company and The Lafayette Life Insurance Company.
<b>The Western and Southern Life Insurance Company (Western &amp; Southern Life)</b>	Whole life, juvenile term life, critical illness, accident insurance and personalized needs analysis.
<b>Western-Southern Life Assurance Company (Western &amp; Southern Life)</b>	Universal life, fixed annuities, term life, single premium life, retirement strategies and personalized needs analysis.
<b>W&amp;S Agency Group (Western &amp; Southern Life)</b>	Life insurance, annuities, mutual funds, retirement strategies and health insurance products.
<b>W&amp;S Brokerage Services, Inc.<sup>1</sup></b>	Registered broker-dealer for Western & Southern Life field agents selling mutual funds, variable and indexed annuity products, and variable universal life.
<b>Columbus Life Insurance Company</b>	Universal life, variable universal life, survivorship universal life, indexed universal life, term life, fixed and immediate annuities, and retirement and business planning.
<b>Eagle Realty Group, LLC</b>	Real estate investment management (asset management, mortgage loans, equity investments and real estate development); and property management services.
<b>Fort Washington Investment Advisors, Inc.<sup>2</sup></b>	Investment management capabilities, including fixed income, public equities, private equity and multi-strategy portfolios.
<b>IFS Financial Services, Inc.</b>	Fixed, immediate, indexed and variable annuities; mutual funds; life insurance; and wealth preservation programs.
<b>Insurance Profillment Solutions, LLC</b>	Comprehensive life insurance fulfillment services for customers of partner banks.
<b>Integrity Life Insurance Company</b>	Fixed, immediate, indexed and variable annuities.
<b>National Integrity Life Insurance Company</b>	Fixed, immediate, indexed and variable annuities and life insurance.
<b>Touchstone Investments®</b>	Mutual funds subadvised by seasoned institutional asset managers.
<b>W&amp;S Financial Group Distributors, Inc.</b>	Fixed, immediate, indexed and variable annuities and life insurance.
<b>The Lafayette Life Insurance Company</b>	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 44,000 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. 165 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. 165 field offices nationwide, plus WSLife.com and Client Relationship Center. Licensed in the District of Columbia and all states except AK, ME, NH, NY and RI.	wslife.com (800) 936-1212
Individuals, families and businesses in the middle-income market. 165 field offices nationwide, plus WSLife.com and Client Relationship Center.	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 mass affluent 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 ME, NH, NY and VT.	wsfinancialpartners.com (800) 325-8583
Broker-dealers, independent agents and banks. Licensed in ME, NH, NY and VT.	wsfinancialpartners.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.	wsfinancialpartners.com (800) 926-1702
Middle- and upper-middle income individuals, and small- and medium-size businesses. Licensed in the District of Columbia and all states except AK and NY.	lafayettelife.com (800) 243-6631

1 Member FINRA and SIPC. 2 Registered Investment Advisor.

■ TOUCHSTONE INVESTMENTS

# Cultivating Fund Excellence

Touchstone further positioned itself for sustainable growth through strong performance in 2014.



"Touchstone serves as a partner to financial intermediaries by delivering product solutions, programs and tools."

**STEVEN M. GRAZIANO**  
President, Touchstone Investments

Touchstone Investments' mission is to provide investors with investment expertise from best-in-class institutional money managers to whom the company outsources management of its family of mutual funds.

## **STRONG PERFORMANCE.**

Touchstone's team of investment professionals is responsible for the selection and monitoring of independent subadvisors following a rigorous due diligence process commensurate with the standards and guidelines employed by sophisticated institutional investors.

Over half of all Touchstone Funds®, excluding asset allocation and money market funds, ranked in the top third of their respective asset class on a one-year and/or three-year basis. Twelve Touchstone Funds were rated four or five stars overall by Morningstar.<sup>1</sup>

## **ACTIVE SHARE PARTNER.**

Touchstone introduced new brand positioning, Your Active Share Partner™, to reinforce its commitment to delivering differentiated equity investment

opportunities to its clients. Active Share and active management are vital parts of Touchstone's framework, as demonstrated by the fact that it does not offer passive or index funds, and 100 percent of its equity funds are considered actively managed based on the Active Share metric.<sup>2</sup>

Active Share measures the portion of an equity fund's holdings that differs from its benchmark index. It is Touchstone's belief that a fund cannot outperform the benchmark if its composition mimics that of the benchmark.<sup>3</sup> Active Share is an important part of Touchstone's manager evaluation and fund analysis as the firm strives to identify managers who build high-conviction equity portfolios to subadvise its funds.

### POSITIONED FOR GROWTH.

In 2014, Touchstone's assets under management grew to \$20.6 billion while operating income grew 94 percent to \$27.7 million. This was due to streamlining operations and achieving scale across several funds as a result of two prior fund acquisitions, which enhanced profitability.

Touchstone believes strongly in the added value delivered by financial advisors to individual investors and the institutional marketplace.

It serves as a partner to financial intermediaries, including broker-dealers, registered investment advisors and financial planners, by delivering product solutions, programs and tools to help them cultivate, build and manage their businesses. As a result, several Touchstone Funds became available on broker-dealer investment and advisory platforms, positioning them for future growth.

Touchstone and its funds continued to garner national media attention from *U.S. News & World Report*, *The Wall Street Journal*, *Investment News*, and others.

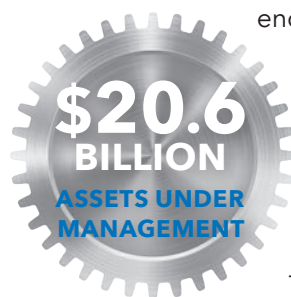
### PROVEN EXPERTISE.

Touchstone's institutional asset managers are known and respected for proficiency in their specific area of investment

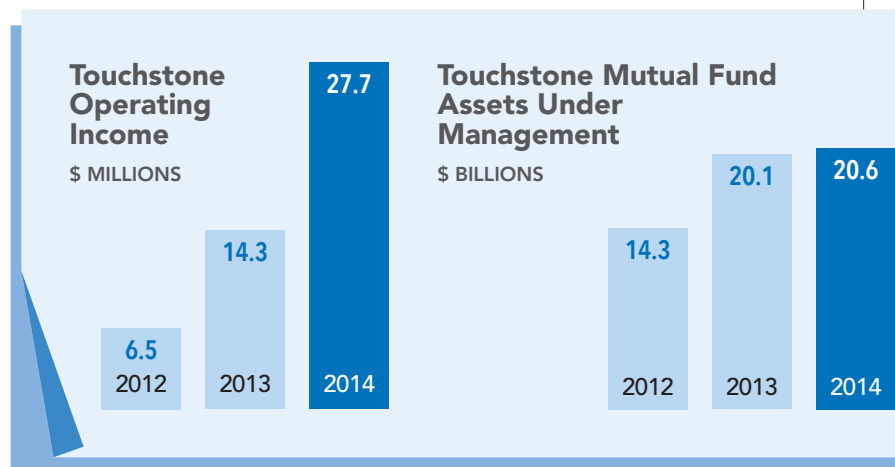
expertise. Typically the average investor does not have access to this level of experience.

The Touchstone Funds encompass a variety of asset classes, including U.S. equity, global/international equity, U.S. fixed income, international fixed income, asset allocation and alternative investment funds.

Touchstone remains committed to its goal of building a results-oriented company that strives to deliver investors solid performance over time and through varying economic climates. ■



1 Morningstar Direct, Dec. 31, 2014.  
 2 Martijn Cremers, Antti Petajisto, "How Active is Your Fund Manager? A New Measure That Predicts Performance," International Center for Finance of the Yale School of Management, March 2009.  
 3 Active Share is not a performance measure. A high level of Active Share does not assure outperformance of a fund relative to its benchmark index.





■ FORT WASHINGTON INVESTMENT ADVISORS, INC.

# Impacting Client Results

Fort Washington continued its success in 2014 by achieving new milestones, adding new strategies and finding new ways to drive growth.

Founded in 1990, Fort Washington Investment Advisors, Inc., is Western & Southern Financial Group's primary investment arm, serving institutional clients and their consultants, private equity investors, and individuals and families with an investment-centered culture and disciplined, long-term perspective.

The firm is the largest money manager of institutional assets in the Cincinnati region<sup>1</sup> and one of the 500 largest money managers in the world.<sup>2</sup>



## STEVEN K. KREIDER

Chief Investment Officer, Western & Southern Financial Group and Fort Washington Investment Advisors, Inc.

## MARIBETH S. RAHE

President and Chief Executive Officer, Fort Washington Investment Advisors, Inc.

### CAPITALIZING ON

**MOMENTUM.** The firm's continued success was the result of robust sales, additional contributions from existing clients and several new client relationships. Gross inflows or commitments totaled \$1.1 billion while assets under management reached \$47.9 billion.<sup>3</sup>



The raising of two private equity funds within Fort Washington Capital Partners Group contributed significantly. Each had the largest third-party, limited partner base for their respective categories of any fund raised by the firm since entering the private equity business in 1999.

Fort Washington crossed new borders with its first international investment mandate from the world's fourth largest pension fund, which is based in Asia. This represents a notable step in the evolution of the firm whose clientele was almost exclusively regional when it was founded in 1990.

### CELEBRATING MILESTONES.

The flagship High Yield Fixed Income strategy celebrated its 20th anniversary with its lead portfolio manager at the helm since inception.

Another major milestone was the hiring of Steven K. Kreider as chief investment officer. After successfully leading the investment team through historically difficult markets, former Chief Investment Officer Nicholas P. Sargen transitioned to a new role at Fort Washington as chief economist and senior investment advisor.



### ACCELERATING GROWTH.

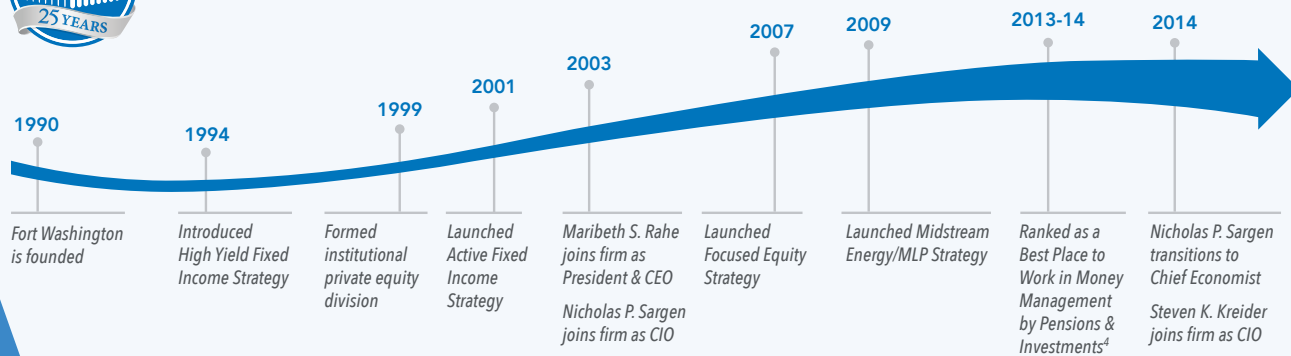
Fort Washington explored new ways to serve its clients and accelerate its growth. It launched a strategy in the Midstream Energy/MLP sector and enhanced its bench strength with new professionals supporting many of the firm's strategies, operations, compliance and marketing.

The firm's core values continue to drive its culture of excellence. For the second consecutive year, it was voted a Best Place to Work in Money Management by *Pensions & Investments*.<sup>4</sup>

As 2015 unfolds, Fort Washington looks to continue delivering value-added service and results-focused expertise to help clients achieve their investment objectives. ■



## HISTORICAL HIGHLIGHTS



1 Cincinnati Business Courier 2014-2015 Book of Lists.

2 Pensions & Investments/Towers Watson World 500 Ranking of Money Managers.

3 Assets as of Dec. 31, 2014. Includes assets under management by Fort Washington Investment Advisors, Inc., of \$45 billion and \$2.9 billion in commitments managed by Fort Washington Capital Partners Group, a division, and Peppertree Partners LLC, a subsidiary.

4 Pensions & Investments' annual ranking is done in conjunction with a third-party survey and requires firms to complete both an employer and employee survey.

- **EAGLE REALTY GROUP, LLC**
- **INSURANCE PROFILLMENT SOLUTIONS, LLC**

# Building Strong Partnerships

Western & Southern Financial Group delivers value through nontraditional services such as real estate investment, property management, and prospecting, sales and fulfillment for banks.



## **MARIO SAN MARCO**

President, Eagle Realty Group, LLC

## **ROBERT J. DALSANTO**

President, Insurance  
Profillment Solutions, LLC

**EAGLE REALTY GROUP, LLC**, is a real estate investment and property management company operating across the United States. It offers a range of products and services that satisfy financial and strategic client needs in the real estate sector.

In 2014, Eagle experienced record results for the year with total revenue of \$20 million, a 41 percent increase over 2013, and pre-tax income of \$11.3 million, a 100 percent increase.

The company oversaw portfolios consisting of more

than 10.1 million square feet of real estate throughout the nation valued in excess of \$3.3 billion.

It committed to or closed 19 new equity and debt investments with total acquisition and development costs of \$838 million and expected returns of 10.1

percent to 20.8 percent. Its joint venture development and construction activity increased 36 percent over 2013.

Eagle continued to lead its life insurance industry peers in mortgage performance with a 5.77 percent yield on a \$1.4 billion portfolio, helping to maintain Western & Southern's competitive advantage, and \$333 million in new loans via 23 transactions with an average bond equivalent yield of 4.89 percent.

It provided creative, cost-effective and timely real estate solutions in support of Western & Southern's headquarters in Cincinnati and the field offices of subsidiary Western & Southern Life. The number of lease extensions, relocations, expansions, creations, closures and renovations increased by 60 percent in 2014, making it a strong year for growth.

Eagle continued to provide world-class property management services to the Queen City Square complex in downtown Cincinnati and its office and retail tenants.

Early in 2014, Eagle began seeking institutional investors for a minority share in Queen City Square, a process that continues. In December, Queen City Square tower was chosen by

chef Jean-Robert de Cavel and eminent Maitre d' Richard Brown as the location of a new French fine dining restaurant.

**INSURANCE  
PROFILLMENT  
SOLUTIONS, LLC,**

in response to rapidly changing consumer-buying behaviors, has evolved its business to help banks capture an increasing wallet share of life insurance sales.

It serves as a direct-to-consumer insurance "superstore" that provides partner banks the ability to sell life insurance to customers who rarely visit branch offices.

Leveraging banks' targeted marketing efforts, including banner ads and customized email offers, IPS serves as a

technology-enabled

contact center to provide bank customers multi-carrier life insurance solutions and the tools they need to determine their

insurance needs prior to

viewing multiple competitive quotes from a variety of insurance carriers.

Bank customers then work directly with IPS licensed agents to ensure they receive an

insurance solution customized to meet their needs.

One key to IPS's success continues to be its ability to sell, submit and place

insurance business

using technology that puts it at the forefront of its industry, including automated paramedical scheduling, electronic submission

of policy applications, and electronic communications to shorten the time needed to complete an insurance purchase.

IPS is an integral part of a broad insurance suite of life insurance solutions that Western & Southern offers its partner banks. Those solutions include wealth transfer, both permanent and term life insurance protection solutions, and insurance to protect consumers from the costs of critical illnesses.

While IPS primarily offers term insurance solutions from other carriers, it creates insurance relationships that can create the opportunity to deliver other Western & Southern insurance solutions – now and in the future. ■





■ SHARED SERVICES

# Ensuring Profitable Growth

Western & Southern Financial Group leverages talent, technology and innovation to manage expenses and ensure profitable growth.

By sharing integrated and scalable resources needed across its member companies, Western & Southern reduces overall operating expenses, avoids redundancy and maximizes operating efficiencies. This enables it to implement a robust growth strategy while delivering effective financial solutions and high-quality customer service efficiently.

The following Shared Services teams are integral 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** delivers financial analysis and strategizing, asset management and control, and risk management services.

**HUMAN RESOURCES** recruits, develops, engages and retains top-tier talent and manages associate benefits programs, on-site food services and security teams.

**INFORMATION TECHNOLOGY** develops, 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.

**PHILLIP E. KING**

Vice President and Auditor

**DANIEL W. HARRIS**

Vice President and Chief Actuary

**CONSTANCE M. MACCARONE**

Senior Vice President, Insurance Operations

**KAREN A. CHAMBERLAIN**

Senior Vice President and Chief Information Officer

**KIM R. CHIODI**

Senior Vice President, Human Resources

**NOREEN J. HAYES**

Senior Vice President and Chief Culture Officer

**JONATHAN D. NIEMEYER**

Senior Vice President and General Counsel

**MICHAEL J. LAATSCH**

Vice President, Public Relations and Corporate Communications





### **INSURANCE OPERATIONS**

supports customer service and provides the highest-quality back-office services for insurance and annuity products to enhance sales force productivity and profitability.

**INTERNAL AUDIT** provides independent, objective assurance and consulting that delivers a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

**LAW** provides expert legal counsel and representation, product compliance and regulatory support services.

### **PUBLIC RELATIONS AND CORPORATE COMMUNICATIONS**

delivers travel and event management; purchasing; document development and

administration; printing and mail services; communications, media relations, and marketing; website development and support; and graphic design and audiovisual services. ■

### **EXPENSE MANAGEMENT HIGHLIGHTS**

Efficient expense management is fundamental to Western & Southern's continued success. Highlights from 2014 include:

- Reduced printing expenditures by \$1.29 million annually with in-house printing division.
- Saved \$1 million annually in expenses related to dispute resolution.
- Realized \$130,000 annual expense reduction with use of advanced data capture scanning technology.
- Achieved \$120,000 annual cost savings with further refinements to underwriting standards.



■ CORPORATE CITIZENSHIP

# Driving Community Vitality

Western & Southern continues to help grow and sustain the vitality of Greater Cincinnati and the region through philanthropy and volunteerism.

In 2014, the company, its associates and its corporate foundation gave \$9.6 million in donations and sponsorships primarily throughout the Greater Cincinnati region.

**HEALTH & HUMAN SERVICES.**

Support for Greater Cincinnati’s medical and nonprofit infrastructure continues as a strong priority.



The foundation of this effort is the

annual United Way campaign. In 2014, Western & Southern’s corporate campaign ranked No. 6 in the city with more than \$1.3 million pledged.

The company’s foundation and its Willie’s Walkers associate team – the largest in the nation – contributed more than \$50,000 to the National Multiple Sclerosis Society’s Walk MS, an event the company has sponsored for 22 years.

A significant donation to the Cincinnati Fire Department funded technology to allow first responders to document and share patient data – even live video – with emergency room physicians at area hospitals, a first in the nation.



A \$520,000 donation to Habitat for Humanity of Greater Cincinnati supported the construction of eight homes to benefit low-income families.

**EDUCATION & YOUTH.**

Western & Southern focused resources on schools and youth programs that help prepare tomorrow’s workforce. Associate volunteers mentored students at several partner schools. The company continued to recognize the best local educators with the eighth annual \$10,000

Dr. Lawrence C. Hawkins Educator of the Year Award.

In addition, Western & Southern funded community educational resources, including the Greater Cincinnati Zoo & Botanical Garden and more than 50 schools and nonprofit youth programs. It also matched associate donations to colleges and universities nationwide.

**ARTS & CULTURE.**

The arts are integral to a vibrant community. Western & Southern associates and its corporate foundation donated more than \$255,000 to the 2014 ArtsWave campaign, making it the sixth largest corporate campaign in the city.

The company also made gifts to many arts organizations, including Cincinnati Symphony Orchestra, Cincinnati Opera, Contemporary Arts Center and Taft Museum.

**CIVIC & COMMUNITY.**

Western & Southern helped raise funds for local medical institutions and other civic and community causes through several high-profile sponsorships.







Through Strike Out Cancer and Tackle Cancer partnerships with Cincinnati Reds baseball and University of Cincinnati Bearcats football, respectively, Western & Southern donated \$35,000 to the UC Barrett Cancer Center.

Its title sponsorship of Ride Cincinnati, an annual family-friendly pledge bike ride, also benefited the UC Barrett Cancer Center by helping generate more than \$302,000 for breast cancer research.

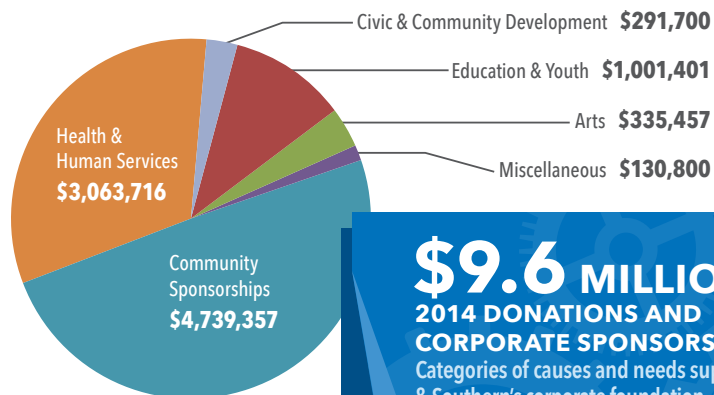
The Western & Southern Thanksgiving Day Race, which the company began sponsoring in 2013, drew more than 15,000 walkers and runners to downtown Cincinnati and raised much-needed funds for local charities, schools, and medical and human services programs.

With Western & Southern's support, the Western & Southern

Open drew record attendance of nearly 192,000, attracted more than 67 million television viewers worldwide and generated an estimated \$48.7 million in regional economic impact. The tournament, which is a US Open Series tennis tournament that benefits Tennis for Charities, continues to be an effective platform for promoting Greater Cincinnati while creating an

unforgettable experience for tennis fans.

The company's involvement with the local chapter of the National Association for the Advancement of Colored People and the National Urban League helped both organizations deliver educational and community engagement initiatives throughout Cincinnati in 2014. ■



**\$9.6 MILLION**  
**2014 DONATIONS AND CORPORATE SPONSORSHIPS**

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

■ CORPORATE CULTURE

# Doing Business the Right Way

For over 126 years, Western & Southern and its affiliates have helped our clients enhance and protect their financial futures by providing responsive, competitive life, health, retirement savings and investment solutions and services.

The nature of our products demands that we achieve exemplary performance over the long term to keep our promises to our clients and policyholders. We recognize our unique corporate culture as the key element in sustaining our position as one of the strongest entities in our industry.

The foundation for our culture is our commitment to do business the right way. We operate with the highest level of respect, integrity and ethics, always putting the needs of our clients first. We are passionate about delivering outstanding service to our clients, constantly searching for innovative,

powerful strategies, products and solutions to meet their ever-evolving needs.

We hire and develop associates who are driven to excel, use astute judgment to make sensible decisions, and have an uncompromising work ethic. Equally important is our ability to keep our egos in check and demonstrate concern for our customers and our business partners. We enjoy working with one another, understanding that, in order to build something bigger than ourselves, we need to collaborate effectively. This results in a supportive camaraderie that lends a spirit of pride, achievement and

complete personal fulfillment to our many accomplishments.

We value the support we receive from our constituents. Doing business the right way means that we are concerned not only about our needs, but about the needs of our business partners. We treasure long-term, loyal relationships and find them to be a critical element to our success.

We appreciate the communities that partner with us in achieving our business objectives. Our corporate support of community initiatives, combined with the generosity and dedicated community service of our associates, has earned a reputation for Western & Southern Financial Group as one of our country's most engaged corporate citizens.

Our focus on maintaining and enhancing our corporate culture has enabled us to forge lasting, fulfilling relationships with each of our business constituencies, and it has helped solidify our continued growth as the provider of choice in the markets we serve. ■

The foundation for our culture is our commitment to do business the right way. We operate with the highest level of respect, integrity and ethics, always putting the needs of our clients first. We are passionate about delivering outstanding service to our clients, constantly searching for innovative, powerful strategies, products and solutions to meet their ever-evolving needs.



# Senior Management

## Western & Southern Financial Group

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

### Senior Vice Presidents

**Karen A. Chamberlain**, Chief Information Officer

**Kim R. Chiodi**, Human Resources

**Noreen J. Hayes**, Chief Culture Officer

**Constance M. Maccarone**, Insurance Operations

**Jonathan D. Niemeyer**, General Counsel

**Steven K. Kreider**, Chief Investment Officer

**Nicholas P. Sargen**, Chief Economist & Senior Investment Advisor

**Robert L. Walker**, Chief Financial Officer

### Vice Presidents

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

**Daniel W. Harris**, Chief Actuary

**David T. Henderson**, Chief Risk Officer

**Bradley J. Hunkler**, Chief Accounting Officer

**Phillip E. King**, Auditor

**Michael J. Laatsch**, Public Relations

**Daniel R. Larsen**, Chief Tax Officer

**Bruce W. Maisel**, Chief Compliance Officer

**Larry R. Silverstein**, Chief Underwriter

**James J. Vance**, Treasurer

## 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

## Fort Washington Investment Advisors, Inc.

**Maribeth S. Rahe**, President & Chief Executive Officer

**Steven K. Kreider**, Chief Investment Officer

## IFS Financial Services, Inc.

**Jill T. McGruder**, President & Chief Executive Officer

## Insurance Profillment Solutions, LLC

**Robert J. DalSanto**, President

## Touchstone Investments

**Steven M. Graziano**, President

## W&S Financial Group Distributors, Inc.

**Mark E. Caner**, President

## Integrity Life Insurance Company

## National Integrity Life Insurance Company

**Jill T. McGruder**, President & Chief Executive Officer

## The Lafayette Life Insurance Company

**Bryan C. Dunn**, President & Chief Executive Officer

**Lawrence J. O'Brien**, Chief Marketing Officer

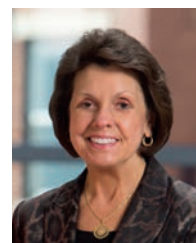
## W&S Agency Group

**Troy D. Brodie**, President & Chief Marketing Officer

## W&S Brokerage Services, Inc.

**Troy D. Brodie**, President

**NOREEN J. HAYES** retired from her role in Human Resources in 2015 after more than 24 years with Western & Southern. She continues to support the organization as senior vice president and chief culture officer, a new position.



Senior officers may serve within one or more member companies.

# Board of Directors



## FRONT ROW From Left

### HERBERT R. BROWN

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

### DONALD A. BLISS

Former Vice President, U.S. West Communications; Former Chief Executive Officer, Northwestern Bell (Phoenix)

### JOHN F. BARRETT

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

### THE HONORABLE GEORGE V. VOINOVICH

Former United States Senator and Ohio Governor (Cleveland)

### JO ANN DAVIDSON

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

## BACK ROW From Left

### JOHN P. ZANOTTI

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

### THOMAS L. WILLIAMS, ESQ.

President, North American Properties, Inc. (Cincinnati)

### ELIZABETH A. SMITH, ESQ.

Executive Director, Indianapolis Motor Speedway Foundation, Inc.; Former Partner, Ice, Miller (Indianapolis)

### JAMES N. CLARK

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

### JAMES K. RISK, III

Chairman and Chief Executive Officer, Kirby Risk Corporation (Lafayette, Ind.)

### 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)

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.

Company and product names are registered trademarks owned by Western & Southern Financial Group or its subsidiaries.

Guarantees are based on the claims-paying ability of the insurer.

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Cris Collinsworth is a compensated endorser.

**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](http://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 investor's shares, when redeemed, may be worth more or less than their original cost.

For each U.S.-domiciled fund with at least a 3-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. Within each asset class, the top 10% of funds in each 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. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted-average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. Funds offer multiple classes of shares which are invested in a common portfolio. Each share class may have a different combination of sales charges and fees and, therefore, may have different performance characteristics.

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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 at the time this report was printed.

## 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 April 29, 2015, 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 and has a Comdex Ranking of 97.



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