

PROSPECTUS FOR
AUL AMERICAN UNIT TRUST
ONEAMERICA[®] FUNDS, INC.



*Products and financial services provided by:
American United Life Insurance Company[®]
P.O. Box 6148, Indianapolis, Indiana 46206-6148*

MAY 1, 2006

Prospectus
AUL American Unit Trust
GROUP VARIABLE ANNUITY CONTRACTS
Offered By

American United Life Insurance Company®
One American Square, Indianapolis, Indiana 46282
(800) 249-6269

Annuity Service Office Mailing Address: P.O. Box 6148, Indianapolis, Indiana 46206-6148

This Prospectus describes group variable annuity contracts (“Contracts”) offered by American United Life Insurance Company® (“AUL” or the “Company”). Any qualified employer, trust, custodian, association, or other entity may enter into the Contracts.

This Prospectus describes Contracts that allow ongoing contributions that can vary in amount and frequency (“Recurring Contribution Contracts”) and Contracts that allow only a single contribution to be made (“Single Contribution Contracts”). All of the Contracts provide for the accumulation of values on either a variable basis, a fixed basis, or both. The Contracts also provide several options for fixed annuity payments to begin on a future date.

A Participant may allocate contributions to the AUL American Unit Trust, a separate account of AUL (the “Variable Account”). The Variable Account is divided into Investment Accounts. These Investment Accounts invest in the corresponding Portfolios offered by the mutual funds. A Contract Participant does not own shares of the mutual fund; instead, a Participant owns units in the Variable Account. For example, if a Participant decides to allocate his contributions to the OneAmerica Value Investment Account, those contributions would buy units of the Variable Account which, in turn, would buy shares of the OneAmerica Value Portfolio. A Participant’s Account Value may fluctuate depending on the investment performance of the underlying mutual fund portfolio. These amounts are not guaranteed. Alternatively, instead of allocating contributions to the Variable Account, a Participant may allocate contributions to AUL’s Fixed Interest Account. These contributions will earn interest at rates that are paid by AUL as described in “The Fixed Interest Account.” A Participant may allocate contributions to one or more of the Investment Accounts, but not all of the Investment Accounts may be available under a specific Contract.

This Prospectus provides information about the Contracts and the Variable Account that a prospective investor should know before investing. Additional information is contained in a Statement of Additional Information (“SAI”) dated May 1, 2006, which has been filed with the Securities and Exchange Commission (the “SEC”). The SAI is incorporated by reference into this Prospectus. A prospective investor may obtain a copy of the SAI without charge by calling or writing AUL at the telephone number or address indicated above. The table of contents of the SAI is located at the end of this Prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of the Prospectus. Any representation to the contrary is a criminal offense.

This Prospectus should be accompanied by a current Prospectus for each fund being considered. Each of these prospectuses should be read carefully and retained for future reference.

The date of this Prospectus is May 1, 2006.

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DEFINITIONS

Various terms commonly used in this Prospectus are defined as follows:

Account Date – The date on which a Participant's initial contribution is credited to a Participant's Account and on which AUL begins to determine account values. It is the date used to determine account years and account anniversaries.

Accumulation Period – The period commencing on a Participant's Account Date and terminating when the Participant's Account is closed, either through withdrawal, annuitization, payment of charges, payment of the death benefit, or a combination thereof.

Accumulation Unit – A unit of measure used to record amounts of increases to, decreases from, and accumulations in the Investment Accounts of the Variable Account during the Accumulation Period.

Annuitant – The person or persons on whose life or lives annuity payments depend.

Annuity – A series of payments made by AUL to an Annuitant or Beneficiary during the period specified in the Annuity Option.

Annuity Commencement Date – The first day of any month in which an Annuity begins under a Contract, which shall not be later than the required beginning date under applicable federal requirements.

Annuity Options – Options under a Contract that prescribe the provisions under which a series of annuity payments are made.

Annuity Period – The period during which Annuity payments are made.

AUL – American United Life Insurance Company®

Beneficiary – The person having the right to the death benefit, if any, payable during the Accumulation Period, and the person having the right to benefits, if any, payable upon the death of an Annuitant during the Annuity Period.

Benefit Responsive – Certain types of Contracts in which withdrawal charges are not applied for payment of benefits associated with retirement, death, disability, certain terminations of employment, unforeseeable emergency, hardship, loans, required minimum distribution under the Internal Revenue Code, or long-term care facility and terminal illness benefit riders.

Business Day – A day on which AUL's Home Office is customarily open for business. Traditionally, in addition to federal holidays, AUL is not open for business on the day after Thanksgiving; but, AUL may not be open for business on other days.

Contract Date – The date shown as the Contract Date in a Contract. It will not be later than the date any contribution is accepted under a Contract, and it is the date used to determine Contract Years and Contract Anniversaries.

Contract Year – A period beginning with one Contract anniversary, or, in the case of the first Contract Year, beginning

on the Contract Date, and ending the day before the next Contract Anniversary. The first Contract Year may, at the request of the Owner, be less than 12 months so that the Contract Year will coincide with the Owner's accounting year. Thereafter, each Contract Year will consist of a 12 month period.

Contributions – Any amount deposited under a Contract by a Participant or by an Owner or other duly authorized entity on behalf of a Participant under a 403(b) Program, a 408 or 408A Program, an Employee Benefit Plan, or a 457 or 409A Program. Depending on the type of Contract, contributions may be made on a recurring basis or on a single premium basis.

Employee Benefit Plan – A pension or profit sharing plan established by an Employer for the benefit of its employees and which is qualified under Section 401 of the Internal Revenue Code.

Employer – An employer, such as a tax-exempt or public school organization with respect to which a Contract has been entered into for the benefit of its employees. In some cases, a trustee or custodian may act as the Owner for Participants. In this case, certain rights usually reserved to the Employer will be exercised either directly by the employees or through such trustee or custodian, who will act as the agent of such employees.

Employer Sponsored 403(b) Program – A 403(b) Program to which an Employer makes contributions on behalf of its employees by means other than a salary reduction arrangement or other 403(b) Program that is subject to the requirements of Title I of the Employee Retirement Income Security Act of 1974, as amended.

Fixed Interest Account – An account that is part of AUL's General Account in which all or a portion of a Participant's Account Value may be held for accumulation at fixed rates of interest paid by AUL. The Fixed Interest Account may not be available under all Contracts.

Funds – A diversified, open-end management investment company commonly referred to as a mutual fund, or a portfolio thereof.

General Account – All assets of AUL other than those allocated to the Variable Account or to any other separate account of AUL.

Home Office – The Annuity Service Office at AUL's principal business office, One American Square, Indianapolis, Indiana 46282.

Investment Account – One or more of the subdivisions of the Variable Account. Each Investment Account is invested in a corresponding Portfolio of a particular Fund. Not all of the Investment Accounts may be available under a particular Contract and some of the Investment Accounts are not available for certain types of Contracts.

Owner – The employer, association, trust, or other entity entitled to the ownership rights under the Contract and in whose name or names the Contract is issued. A trustee,

custodian, administrator, or other person performing similar functions may be designated to exercise an owner's rights and responsibilities under certain Contracts. The term "Owner," as used in this Prospectus, shall include, where appropriate, such a trustee, custodian, administrator, or other person.

Participant – An eligible employee, member, or other person who is entitled to benefits under the Plan or retirement program as determined and reported to AUL by the Owner or other duly authorized entity.

Participant's Account – An account established for each Participant. In some contracts, Participants' Accounts are not maintained.

Participant's Account Value – The current value of a Participant's Account under a Contract, which is equal to the sum of a Participant's Fixed Interest Account Value and Variable Account Value. When the account is established, it is equal to the initial contribution, and thereafter will reflect the net result of contributions, investment performance, charges deducted, loans, and any withdrawals taken.

Participant's Fixed Interest Account Value – The total value of a Participant's interest in the Fixed Interest Account.

Participant's Variable Account Value – The total value of a Participant's interest in the Investment Accounts of the Variable Account.

Participant's Withdrawal Value – A Participant's Account Value minus the applicable withdrawal charge and minus the Participant's outstanding loan balances, if any, and any expense charges due thereon.

Plan – The retirement plan or plans in connection with which the Contract is issued and any subsequent amendment to such a plan.

Valuation Date – Each date on which the Variable Account is valued, which currently includes each Business Day that is also a day on which the New York Stock Exchange is open for trading.

Valuation Period – A period used in measuring the investment experience of each Investment Account of the Variable Account. The Valuation Period begins following the close of one Valuation Date and ends at the close of the next succeeding Valuation Date.

Variable Account – The AUL American Unit Trust, which is a separate account of AUL, whose assets and liabilities are maintained separately from those of AUL's General Account.

Vested – A legally fixed immediate right of ownership.

403(b) Program – An arrangement by a public school organization or a religious, charitable, educational or scientific organization that is described in Section 501(c)(3) of the Internal Revenue Code under which employees are permitted to take advantage of the federal income tax deferral benefits provided for in Section 403(b) of the Internal Revenue Code.

408 or 408A Program – A program of individual retirement accounts or annuities, including a traditional IRA, a simplified employee pension, SIMPLE IRA, or Roth IRA established by an employer, that meets the requirements of Section 408 or 408A of the Internal Revenue Code.

457 or 409A Program – A 457 Program is a plan established by a unit of a state or local government or a tax-exempt organization (other than a church) under Section 457 of the Internal Revenue Code. A 409A Program is a deferred compensation plan that does not qualify as an eligible 457(b) deferred compensation plan.

SUMMARY

This summary is intended to provide a brief overview of the more significant aspects of the Contracts. Later sections of this Prospectus, the Statement of Additional Information, and the Contracts themselves provide further detail. Unless the context indicates otherwise, the discussion in this summary and the remainder of the Prospectus relates to the portion of the Contracts involving the Variable Account. The pertinent Contract and “The Fixed Interest Account” section of this Prospectus briefly describe the Fixed Interest Account.

Purpose of the Contracts

The group variable annuity contracts (“Contracts”) described in this Prospectus were generally designed by AUL for use with group retirement programs that qualify for favorable tax-deferred treatment as retirement programs under Sections 401, 403(b), 408, 408A, 457 or 409A of the Internal Revenue Code. While variable annuities may provide a Contract Owner or a Participant with additional investment and insurance or annuity-related benefits when used in connection with such a tax qualified program, any tax deferral is provided by the program or plan and not the annuity contract. A variable annuity contract presents a dynamic concept in retirement planning designed to give employers and employees and other Participants in programs flexibility to attain their investment goals. A Contract provides for the accumulation of values on a

variable basis, a fixed basis, or both, and provides several options for fixed annuity payments. During the Accumulation Period, the Owner or a Participant (depending on the Contract) can allocate contributions to the various Investment Accounts of the Variable Account or to the Fixed Interest Account. See the Section “The Contracts” later in this Prospectus.

Types of Contracts

AUL offers several types of Contracts that are described in this Prospectus. Recurring Contribution Contracts are available for use in connection with retirement programs that meet the requirements of Sections 401, 403(b), 408, 408A, 457 or 409A of the Internal Revenue Code. AUL also offers single contribution Contracts which are only available for use in connection with retirement programs that meet the requirements of Sections 403(b), 408 and 408A of the Internal Revenue Code.

The Variable Account and the Funds

AUL will allocate contributions designated to accumulate on a variable basis to the Variable Account. See the Section “Variable Account” later in this Prospectus. The Variable Account is currently divided into subaccounts referred to as Investment Accounts. Each Investment Account invests exclusively in shares of one of the portfolios of the following mutual funds:

| <u>Investment Accounts and Corresponding Mutual Fund Portfolios</u> | <u>Class Designation If Any⁽¹⁾</u> | <u>Mutual Fund</u> | <u>Investment Advisor</u> |
|---|---|------------------------|---|
| OneAmerica Asset Director | Class O | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Asset Director | Advisor | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Investment Grade Bond | Class O | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Investment Grade Bond | Advisor | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Money Market | Class O | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Money Market | Advisor | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Socially Responsive Portfolio | Class O | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Socially Responsive Portfolio | Advisor | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Value | Class O | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| OneAmerica Value | Advisor | OneAmerica Funds, Inc. | American United Life Insurance Company® |
| AIM Basic Value | Class A | AIM Growth Series | A I M Advisors, Inc. |
| AIM Basic Value | Class R | AIM Growth Series | A I M Advisors, Inc. |
| AIM Global Equity | Class A | AIM Growth Series | A I M Advisors, Inc. |
| AIM Mid Cap Core Equity | Class A | AIM Growth Series | A I M Advisors, Inc. |
| AIM Mid Cap Core Equity | Class R | AIM Growth Series | A I M Advisors, Inc. |
| AIM Small Cap Growth | Class A | AIM Growth Series | A I M Advisors, Inc. |
| AIM Small Cap Growth | Class R | AIM Growth Series | A I M Advisors, Inc. |
| AIM Energy | Class A | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| (Formerly INVESCO Energy) | | | |
| AIM Energy | Investor | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| (Formerly INVESCO Energy) | | | |
| AIM Financial Services | Class A | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| (Formerly INVESCO Financial Services) | | | |
| AIM Financial Services | Investor | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| (Formerly INVESCO Financial Services) | | | |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|--|---|---|---|
| AIM Global Health Care Fund (Formerly INVESCO Health Sciences) | Class A | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| AIM Global Health Care Fund (Formerly INVESCO Health Sciences) | Investor | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| AIM Leisure (Formerly INVESCO Leisure) | Class A | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| AIM Technology (Formerly INVESCO Technology) | Class A | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| AIM Technology (Formerly INVESCO Technology) | Investor | AIM Sector Funds, Inc. | A I M Advisors, Inc. |
| AIM Dynamics (Formerly INVESCO Dynamics) | Investor | AIM Stock Funds, Inc. | A I M Advisors, Inc. |
| Alger American Balanced | Class O | Alger American Fund | Fred Alger Management, Inc. |
| Alger American Growth | Class O | Alger American Fund | Fred Alger Management, Inc. |
| Alger American Leveraged AllCap | Class O | Alger American Fund | Fred Alger Management, Inc. |
| AllianceBernstein SM International Growth (Formerly AllianceBernstein SM Worldwide Privatization Fund) | Class R | AllianceBernstein SM International Growth Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Mid-Cap Growth | Class R | The AllianceBernstein SM Growth Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Small-Cap Growth | Class R | The AllianceBernstein SM Growth Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Focused Growth & Income | Class R | The AllianceBernstein SM Value Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Global Value | Class R | The AllianceBernstein SM Value Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM International Value | Class R | The AllianceBernstein SM Value Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Small/Mid Cap Value | Class R | The AllianceBernstein SM Value Funds | Alliance Capital Management L.P. |
| AllianceBernstein SM Value | Class R | The AllianceBernstein SM Value Funds | Alliance Capital Management L.P. |
| Allianz CCM Capital Appreciation (Formerly PIMCO CCM Capital Appreciation) | Class R | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz NFJ Small-Cap Value (Formerly PIMCO NFJ Small-Cap Value) | Class R | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz OCC Renaissance (Formerly PIMCO PEA Renaissance) | Class R | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz OCC Renaissance (Formerly PIMCO PEA Renaissance) | Administrative | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz OCC Value (Formerly PIMCO PEA Value) | Class R | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz OCC Value (Formerly PIMCO PEA Value) | Administrative | Allianz Funds | Allianz Dresdner Asset Management of America |
| Allianz RCM Large-Cap Growth (Formerly PIMCO RCM Large-Cap Growth) | Class R | Allianz Funds | Allianz Dresdner Asset Management of America |
| American Century [®] Equity Income | Advisor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Equity Income | Investor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Large Company Value | Advisor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Real Estate | Advisor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Small Cap Value | Advisor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|--|---|---|---|
| American Century [®] Small Cap Value | Investor | American Century [®] Capital Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Ginnie Mae | Advisor | American Century [®] Ginnie Mae Fund | American Century [®] Investment Management, Inc. |
| American Century [®] Equity Growth | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Growth | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Heritage | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Inflation-Adjusted Bond | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] New Opportunities II | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Select | Investor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Ultra [®] | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Ultra [®] | Investor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Vista | Advisor | American Century [®] Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Income & Growth | Advisor | American Century [®] World Quantitative Equity Funds | American Century [®] Investment Management, Inc. |
| American Century [®] Small Company | Advisor | American Century [®] World Quantitative Equity Funds | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Aggressive | Advisor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Aggressive | Investor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Conservative | Advisor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Conservative | Investor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Moderate | Advisor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Moderate | Investor | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Aggressive (substitution class) | | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Conservative (substitution class) | | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] Strategic Allocation – Moderate (substitution class) | | American Century [®] Strategic Asset Allocations, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] VP Capital Appreciation | Class I | American Century [®] Variable Portfolios, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] International Growth | Advisor | American Century [®] World Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Century [®] International Growth | Investor | American Century [®] World Mutual Funds, Inc. | American Century [®] Investment Management, Inc. |
| American Funds [®] AMCAP Fund [®] | Class R3 | American Funds [®] | Capital Research and Management Company |
| American Funds [®] American High-Income Trust SM | Class R3 | American Funds [®] | Capital Research and Management Company |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|---|---|--|--|
| American Funds® Capital World Growth & Income | Class R3 | American Funds® | Capital Research and Management Company |
| American Funds® EuroPacific Growth Fund® | Class R3 | American Funds® | Capital Research and Management Company |
| American Funds® Intermediate Bond Fund | Class R3 | American Funds® | Capital Research and Management Company |
| American Funds® The Growth Fund of America® | Class R3 | American Funds® | Capital Research and Management Company |
| Ariel | | Ariel Mutual Funds, Inc. | Ariel Capital Management, Inc. |
| Ariel Appreciation | | Ariel Mutual Funds, Inc. | Ariel Capital Management, Inc. |
| Calvert Income | Class A | Calvert Income Fund | Calvert Asset Management Company (CAMCO) |
| Calvert New Vision Small Cap | Class A | Calvert New Vision Small Cap Fund | Calvert Asset Management Company (CAMCO) |
| Calvert Social Investment Equity | Class A | Calvert Social Investment Fund | Calvert Asset Management Company (CAMCO) |
| Calvert Social Mid Cap Growth | Class A | Calvert Variable Series, Inc. | Calvert Asset Management Company (CAMCO) |
| Dreyfus Premier Future Leaders | Class T | Dreyfus Growth and Value Funds, Inc. | The Dreyfus Corporation |
| Dreyfus Premier Structured Midcap | Class T | Dreyfus Growth and Value Funds, Inc. | The Dreyfus Corporation |
| Dreyfus Premier New Leaders | Class T | Dreyfus Premier New Leaders, Inc. | The Dreyfus Corporation |
| Dreyfus Premier Worldwide Growth | Class T | Dreyfus Premier Worldwide Growth, Inc. | The Dreyfus Corporation |
| Dreyfus Premier Small Cap Value | Class T | The Dreyfus/Laurel Funds, Inc. | The Dreyfus Corporation |
| Dreyfus Premier Third Century | Class T | The Dreyfus Premier Third Century Fund, Inc. | The Dreyfus Corporation |
| Fidelity® Advisor Diversified International | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Dividend Growth | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Dynamic Capital Appreciation | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Equity Growth | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Equity Income | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2010 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2015 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2020 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2025 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2030 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2035 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom 2040 | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Freedom Income | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Growth & Income | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Growth Opportunities | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor International Capital Appreciation | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Mid Cap | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor New Insights | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Overseas | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® Advisor Small Cap | Class T | Fidelity® Advisor Funds | Fidelity® Management & Research Company |
| Fidelity® VIP Asset Manager SM | Initial | Fidelity® Variable Insurance Products Fund | Fidelity® Management & Research Company |
| Fidelity® VIP Contrafund® | Initial | Fidelity® Variable Insurance Products Fund | Fidelity® Management & Research Company |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|---|---|--|---|
| Fidelity® VIP Equity-Income | Initial | Fidelity® Variable Insurance Products Fund | Fidelity® Management & Research Company |
| Fidelity® VIP Growth | Initial | Fidelity® Variable Insurance Products Fund | Fidelity® Management & Research Company |
| Fidelity® VIP Overseas | Initial | Fidelity® Variable Insurance Products Fund | Fidelity® Management & Research Company |
| Fifth Third Mid Cap Growth | Advisor | Fifth Third Funds | Fifth Third Asset Management, Inc. |
| Fifth Third Multi Cap Value | Advisor | Fifth Third Funds | Fifth Third Asset Management, Inc. |
| Fifth Third Quality Growth | Advisor | Fifth Third Funds | Fifth Third Asset Management, Inc. |
| Fifth Third Strategic Income | Advisor | Fifth Third Funds | Fifth Third Asset Management, Inc. |
| Fifth Third Technology | Advisor | Fifth Third Funds | Fifth Third Asset Management, Inc. |
| Franklin Capital Growth | Class R | Franklin Capital Growth Fund | Franklin Advisers, Inc. |
| Franklin Flex Cap Growth | Class R | Franklin Flex Cap Growth Fund | Franklin Advisers, Inc. |
| Franklin Small-Mid Cap Growth | Class R | Franklin Small-Mid Cap Growth Fund | Franklin Advisers, Inc. |
| Franklin Strategic Income | Class R | Franklin Strategic Series | Franklin Advisers, Inc. |
| Janus Adviser Forty Fund | Class R | Janus Adviser Series | Janus Capital Management, LLC |
| Janus Adviser Growth and Income Fund | Class R | Janus Adviser Series | Janus Capital Management, LLC |
| Janus Adviser Small Company Value Fund | Class I | Janus Adviser Series | Janus Capital Management, LLC |
| Janus Adviser INTECH Risk-Managed Growth | Class I | Janus Adviser Series | Janus Capital Management, LLC |
| Janus Adviser Small Company Value Fund | Class I | Janus Adviser Series | Berger Financial Group LLC |
| Janus Aspen Series Flexible Bond Portfolio | Institutional | Janus Aspen Series | Janus Capital Management LLC |
| Janus Aspen Series Worldwide Growth Portfolio | Institutional | Janus Aspen Series | Janus Capital Management LLC |
| Lord Abbett Small-Cap Blend | Class P | Lord Abbett Blend Trust | Lord, Abbett & Co. LLC |
| Lord Abbett Developing Growth | Class P | Lord Abbett Developing Growth, Inc. | Lord, Abbett & Co. LLC |
| Lord Abbett Mid-Cap Value | Class P | Lord Abbett Mid-Cap Value, Inc. | Lord, Abbett & Co. LLC |
| Lord Abbett Growth Opportunities | Class P | Lord Abbett Research Fund, Inc. | Lord, Abbett & Co. LLC |
| Lord Abbett Small-Cap Value | Class P | Lord Abbett Research Fund, Inc. | Lord, Abbett & Co. LLC |
| MFS® International New Discovery | Class A | MFS® International New Discovery Fund | MFS Investment Management® |
| MFS® Mid Cap Growth | Class A | MFS® Mid Cap Growth Fund | MFS Investment Management® |
| MFS® Strategic Value | Class A | MFS® Strategic Value Fund | MFS Investment Management® |
| MFS® Value | Class A | MFS® Value Fund | MFS Investment Management® |
| Neuberger Berman Fasciano | Advisor | Neuberger Berman LLC | Neuberger Berman Management, Inc. |
| Neuberger Berman Focus | Advisor | Neuberger Berman LLC | Neuberger Berman Management, Inc. |
| Neuberger Berman Millennium | Advisor | Neuberger Berman LLC | Neuberger Berman Management, Inc. |
| Neuberger Berman Partners | Advisor | Neuberger Berman LLC | Neuberger Berman Management, Inc. |
| Old Mutual Columbus Circle Technology & Communications Portfolio (Formerly Liberty Ridge Technology & Communications Portfolio) | Class Z | Old Mutual Insurance Series Funds (Formerly PBHG Insurance Series Funds) | Old Mutual Capital, Inc. ("OMCAP") (Formerly Liberty Ridge Capital, Inc.) |
| Old Mutual Growth Fund (Formerly PBHG Growth) | Class Z | Old Mutual Advisor Funds II (Formerly PBHG Funds) | Old Mutual Capital, Inc. ("OMCAP") (Formerly Liberty Ridge Capital, Inc.) |
| Old Mutual Large Cap Fund (Formerly PBHG Large Cap) | Class Z | Old Mutual Advisor Funds II (Formerly PBHG Funds) | Old Mutual Capital, Inc. ("OMCAP") (Formerly Liberty Ridge Capital, Inc.) |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|--|---|--|--|
| Old Mutual Growth II Portfolio (Formerly Liberty Ridge Growth II Portfolio) | Class Z | Old Mutual Insurance Series Funds (Formerly PBHG Insurance Series Funds) | Old Mutual Capital, Inc. ("OMCAP") (Formerly Liberty Ridge Capital, Inc.) |
| Oppenheimer Developing Markets | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer Global | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer International Bond | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer International Small Company | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer Main Street Opportunity | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer Small & Mid Cap Value | Class N | OppenheimerFunds® | The Manager |
| Oppenheimer Small Cap Value | Class N | OppenheimerFunds® | The Manager |
| PIMCO High Yield | Class R | Pacific Investment Management Series | Pacific Investment Management Company LLC |
| PIMCO High Yield | Administrative | Pacific Investment Management Series | Pacific Investment Management Company LLC |
| PIMCO Total Return | Class R | Pacific Investment Management Series | Pacific Investment Management Company LLC |
| Pioneer Bond | Class R | Pioneer Bond Fund | Pioneer Investment Management, Inc. |
| Pioneer Fund | Class R | Pioneer Fund | Pioneer Investment Management, Inc. |
| Pioneer High Yield | Class R | Pioneer High Yield | Pioneer Investment Management, Inc. |
| Pioneer Mid-Cap Value | Class R | Pioneer Mid-Cap Value | Pioneer Investment Management, Inc. |
| Pioneer Oak Ridge Large Cap Growth | Class R | Pioneer Oak Ridge Large Cap Growth | Pioneer Investment Management, Inc. |
| Pioneer Papp Small and Mid Cap Growth | Class R | Pioneer Papp Small and Mid Cap Growth | Pioneer Investment Management, Inc. |
| Pioneer Small Cap Value | Class R | Pioneer Small Cap Value | Pioneer Investment Management, Inc. |
| Pioneer VCT Fund | | Pioneer Variable Life Contracts Trust | Pioneer Investment Management, Inc. |
| Pioneer VCT Growth Opportunities | | Pioneer Variable Life Contracts Trust | Pioneer Investment Management, Inc. |
| Russell 2010 Strategy Fund | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell 2020 Strategy Fund | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell 2030 Strategy Fund | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell 2040 Strategy Fund | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Aggressive | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Aggressive | Class E | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Balanced | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Balanced | Class E | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Conservative | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Conservative | Class E | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Equity Aggressive | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Equity Aggressive | Class E | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Moderate | Class R3 | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell LifePoints® Moderate | Class E | LifePoints® Funds | Russell Investment Management Co. (RIMCO) |
| Russell Equity I | Class E | Russell Funds | Russell Investment Management Co. (RIMCO) |
| Russell Equity II | Class E | Russell Funds | Russell Investment Management Co. (RIMCO) |
| Russell Equity Q | Class E | Russell Funds | Russell Investment Management Co. (RIMCO) |
| Russell International | Class E | Russell Funds | Russell Investment Management Co. (RIMCO) |
| State Street Equity 500 Index | Class A | State Street Institutional Investment Trust | State Street Bank & Trust Company |
| State Street Equity 500 Index | Class R | State Street Institutional Investment Trust | State Street Bank & Trust Company |
| T. Rowe Price Blue Chip Growth | Class R | T. Rowe Price Blue Chip Growth Fund, Inc. | T. Rowe Price Associates, Inc. |

(1) Please refer to the Fund prospectus for a description of the class designation.

The Variable Account and the Funds (continued)

| Investment Accounts and Corresponding Mutual Fund Portfolios | Class Designation If Any⁽¹⁾ | Mutual Fund | Investment Advisor |
|---|---|---|---|
| T. Rowe Price Equity Income | | T. Rowe Price Equity Income Fund | T. Rowe Price Associates, Inc. |
| T. Rowe Price Equity Income | Class R | T. Rowe Price Equity Income Fund | T. Rowe Price Associates, Inc. |
| T. Rowe Price Growth Stock | Class R | T. Rowe Price Growth Stock Fund, Inc. | T. Rowe Price Associates, Inc. |
| T. Rowe Price European Stock Fund | | T. Rowe Price International Funds, Inc. | T. Rowe Price Associates, Inc. |
| T. Rowe Price International Growth & Income | Class R | T. Rowe Price International Funds, Inc. | T. Rowe Price Associates, Inc. |
| T. Rowe Price International Stock | Class R | T. Rowe Price International Funds, Inc. | T. Rowe Price Associates, Inc. |
| T. Rowe Price Mid-Cap Growth | Class R | T. Rowe Price Mid-Cap Growth Fund, Inc. | T. Rowe Price Associates, Inc. |
| T. Rowe Price Mid-Cap Value | Class R | T. Rowe Price Mid Cap Value Fund, Inc. | T. Rowe Price Associates, Inc. |
| Templeton Foreign | Class R | Templeton Foreign Fund | Templeton Global Advisors Limited |
| Templeton Growth | Class R | Templeton Growth Fund | Templeton Global Advisors Limited |
| Thornburg Core Growth | Class R | Thornburg Investment Trust | Thornburg Investment Management, Inc. |
| Thornburg International Value | Class R | Thornburg Investment Trust | Thornburg Investment Management, Inc. |
| Thornburg Limited-Term Income | Class R | Thornburg Investment Trust | Thornburg Investment Management, Inc. |
| Thornburg Limited-Term US Government | Class R | Thornburg Investment Trust | Thornburg Investment Management, Inc. |
| Thornburg Value | Class R | Thornburg Investment Trust | Thornburg Investment Management, Inc. |
| Vanguard Explorer | Investor | Vanguard Explorer Fund, Inc. | Granahan Investment Management, Inc. Wellington Management, Inc. & The Vanguard Group |
| Vanguard Short-Term Federal | Investor | Vanguard Fixed Income Securities Funds | The Vanguard Group |

(1) Please refer to the Fund prospectus for a description of the class designation.

Each of the Funds has a different investment objective. An Owner or a Participant (depending on the Contract) may allocate contributions to one or more of the Investment Accounts available under a Contract. A Participant's Account Value will increase or decrease in dollar value depending upon the investment performance of the corresponding mutual fund portfolio in which the Investment Account invests. These amounts are not guaranteed. The Owner or the Participant bears the investment risk for amounts allocated to an Investment Account of the Variable Account.

Fixed Interest Account

An Owner or a Participant (depending on the Contract) may allocate contributions to the Fixed Interest Account, which is part of AUL's General Account. Amounts allocated to the Fixed Interest Account earn interest at rates periodically determined by AUL. These rates are guaranteed to be at least equal to a minimum effective annual rate ranging from 1% to 4%, depending on the Contract. See the Section "The Fixed Interest Account" later in this Prospectus.

Contributions

For Recurring Contribution Contracts, contributions may vary in amount and frequency. A Plan may impose maximum and minimum contribution limits depending on the type of Plan. In a Single Contribution Contract, Participants must make contributions of at least \$5,000. See the Section "Contributions under the Contracts" later in this Prospectus.

Transfers

An Owner or a Participant (depending on the Contract) may transfer his or her Variable Account Value among the Investment Accounts or to the Fixed Interest Account at any time during the Accumulation Period, subject to certain restrictions. Similarly, an Owner or a Participant may transfer part or all of his or her Fixed Interest Account Value to one or more of the available Investment Accounts during the Accumulation Period, subject to certain restrictions. For a detailed explanation of transfer rights and restrictions, please refer to the Section "Transfers of Account Value" later in this Prospectus.

Withdrawals

The Participant may surrender or take a withdrawal from the Account Value at any time before the Annuity Commencement Date, subject to the limitations under any applicable Plan, the Contract and applicable law. See the Section "Cash Withdrawals" later in this Prospectus.

Certain retirement programs, such as 403(b) Programs, are subject to constraints on withdrawals and surrenders. See "Constraints on Withdrawals." In addition, distributions under certain retirement programs may result in a tax penalty. See the Section "Tax Penalty" later in this Prospectus. A withdrawal or surrender may also be subject to a withdrawal charge and a market value adjustment. See the Sections "Withdrawal Charge" and "The Fixed Interest Account" later in this Prospectus.

The Death Benefit

If a Participant dies during the Accumulation Period, AUL will pay a death benefit to the Beneficiary. Generally, the amount of the death benefit is equal to the vested portion of the Participant's Account Value minus any outstanding loan balances and any due and unpaid charges on those loans. Some Contracts may contain a provision for a guaranteed minimum death benefit. A death benefit will not be payable if the Participant dies on or after the Annuity Commencement Date, except as may be provided under the Annuity Option elected. See the Sections "The Death Benefit" and "Annuity Options" later in this Prospectus.

Annuity Options

The Contracts provide for several fixed Annuity Options, any one of which may be elected if permitted by the applicable Plan and applicable law. AUL will pay fixed and guaranteed payments under the Annuity Options. See the Section "Annuity Period" later in this Prospectus.

Charges

Depending on the Contract, AUL may deduct certain charges in connection with the operation of the Contracts and the Variable Account. These charges are described below.

Withdrawal Charge

AUL does not impose a sales charge at the time a contribution is made to a Participant's Account under a Contract. If a Participant makes a cash withdrawal or surrenders the Contract, AUL may assess a withdrawal charge (which may also be referred to as a contingent deferred sales charge) where the Participant's Account (or, in some Contracts, the Contract) has not been in existence for a certain period of time. AUL will not assess a withdrawal charge upon the payment of a death benefit under a Contract. Under certain Contracts known as "Benefit Responsive" Contracts, AUL will not impose withdrawal charges under certain circumstances. See the Section "Withdrawal Charge" later in this Prospectus.

Premium Tax Charge

Various states impose a tax on premiums received by insurance companies. AUL assesses a premium tax charge to reimburse itself for premium taxes that it incurs, which are directly related to amounts received for the Participant from the balance applied to purchase an annuity, which usually will be deducted at the time annuity payments commence. Premium taxes currently range from 0% to 3.5%, but are subject to change by such governmental entities. See the Section "Premium Tax Charge" later in this Prospectus.

Asset Charge

AUL deducts a daily charge in an amount not greater than an annual rate of 1.25% of the average daily net assets of each Investment Account of the Variable Account, depending upon your contract. Provided that certain contractual and underwriting conditions are met, some Contracts may have a portion of this charge offset in the form of a credit of

Accumulation Units to Participant Accounts. See the Sections “Asset Charge” and “Variable Investment Plus” later in this Prospectus.

Administrative Charge

AUL may deduct from a Participant’s Account an Administrative Charge equal to a maximum of \$50 per year, deducted quarterly. For some Contracts, the Administrative Charge may be completely waived. The charge is only assessed during the Accumulation Period. An Administrative Charge will not be imposed on certain Contracts if the value of a Participant’s Account is equal to a certain minimum on the quarterly Contract anniversary. See the Section “Administrative Charge” later in this Prospectus.

Additional Charges and Fees

Some Contracts may contain additional charges and fees for services such as loan initiation, non-electronic transfers, distributions, providing investment advice, brokerage window services, guaranteed minimum death benefit and contract termination. See the “Expense Table” and the Section “Additional Charges and Fees” later in this Prospectus.

Expenses of the Funds

Each Investment Account of the Variable Account purchases shares of the corresponding Portfolio of one of the Funds. The price of the shares reflects investment advisory fees and other expenses paid by each Portfolio. In addition, some Funds may charge a redemption fee for short-term trading. Please consult the Funds’ Prospectuses for a description of these fees and expenses.

Ten-Day Free Look

Under 403(b), 408 and 408A Contracts, the Owner has the right to return the Contract for any reason within ten days (or, in some states, twenty days) of receipt. If this right is exercised, the Contract will be considered void from its inception and AUL will fully refund any contributions.

Termination by the Owner

An Owner of a Contract acquired in connection with an Employee Benefit Plan, a 457 or 409A Program, or an Employer Sponsored 403(b) Program may terminate the Contract by sending proper written notice of termination to AUL at its Home Office. Upon termination of such a Contract, the Owner may elect from the payment options offered under the Contract. Under one payment option available under certain Contracts, AUL may assess an investment liquidation charge (or in some Contracts, a Market Value Adjustment) on a Participants’ Fixed Interest Account Withdrawal Value. This option is currently not available to Guaranteed Benefit Employer Sponsored 403(b) Contracts. Under another payment option, AUL will not assess an investment liquidation charge or Market Value Adjustment. However, amounts attributable to the aggregate Withdrawal Values derived from the Fixed Interest Account of all Participants under the Contract shall be paid in six, seven, or eleven approximately equal annual installments, depending on the Contract. For more information on termination by an Owner, including information on the payment options and the investment liquidation charge (or the Market Value Adjustment), see the Section “Termination by the Owner” later in this Prospectus.

Contacting AUL

Individuals should direct all inquiries, notices, and forms required under these Contracts to AUL at the address of the Annuity Service Office provided in the front of this Prospectus.

EXPENSE TABLE

The following tables describe the fees and expenses that you will pay when buying, owning, and surrendering the Contract. The first table describes the fees and expenses that you will pay at the time that you buy the contract, surrender the contract, or transfer Account Value between Investment Accounts. State Premium taxes may also be deducted. See “Premium Tax Charge.” The information contained in the table is not generally applicable to amounts allocated to the Fixed Interest Account or to annuity payments under an Annuity Option.

Participant Transaction Expenses

| | |
|--|----|
| Maximum Deferred Sales Load (withdrawal charge) ⁽¹⁾ | 8% |
|--|----|

Optional Fees (Applicable to Certain Contracts)

| | |
|--|---------|
| Maximum Loan Initiation Fee ⁽²⁾ | \$100 |
| Maximum Charge for Non-Electronic Transfers ⁽³⁾ | \$5 |
| Maximum Charge for Non-Electronic Contributions | \$1,000 |
| Maximum Distribution Fee ⁽⁴⁾ | \$40 |
| Maximum Contract Termination Individual Participant Check Fee ⁽⁵⁾ | \$100 |

The next table describes the fees and expenses that you will pay periodically during the time that you own the Contract, not including Fund expenses.

| | |
|--|----------|
| Maximum administrative charge (per year) ⁽⁶⁾ | \$50 |
| Maximum Brokerage Window Fee ⁽⁷⁾ | \$100 |
| Separate (Variable) Account Annual Expenses (as a percentage of average account value) | |
| Maximum Total Separate Account Annual Expenses (Asset Charge) ⁽⁸⁾ | 1.25% |
| Investment Advice Provider Fee ⁽⁹⁾ | May vary |
| Managed Account Service Fee ⁽⁹⁾ | 1.00% |
| Maximum Plan Sponsor Investment Option Advisory Fee ⁽¹⁰⁾ | \$1,500 |
| Maximum Guaranteed Minimum Death Benefit Option (per year) ⁽¹¹⁾ | 0.20% |

- (1) The withdrawal charge varies based on the Contract. The maximum withdrawal charge is 8% of the Account Value in excess of any 10% free-out in Contracts containing a 10% free-out provision, for the first five years, 4% of the Account Value in excess of any applicable 10% free-out for the next five years, and no withdrawal charge beyond the tenth year. Your charges may be less than the charges described. See the section “Withdrawal Charges” later in this prospectus.
- (2) AUL may assess a Loan Initiation Fee of up to \$100 against the Account of any Participant for whom a Plan loan withdrawal is requested.
- (3) AUL may charge a service fee of up to \$5 for non-electronic transfers between Investment Options, which will either be billed to the Owner or deducted from the Participant’s Account.
- (4) AUL may bill the Owner for a Distribution Fee of up to \$40 for each Participant for whom a withdrawal is made in which the entire Participant Account is distributed in a lump-sum. Alternatively, AUL may assess this Distribution Fee against the affected Participant Accounts if permitted by applicable law, regulations or rulings.
- (5) AUL may bill the Owner a fee of up to \$100 for each Participant for whom an individual check is prepared upon Contract termination. This Fee will not apply to a lump-sum payment to the Owner upon Contract termination. Alternatively, AUL may assess this Fee against the affected Participant Accounts if permitted by applicable law, regulations or rulings.
- (6) The Administrative Charge may be less than \$50.00 per year, based on the size of the Participant’s Account and/or the type of Contract.
- (7) The Brokerage Window is only available with Certain Employer Sponsored contracts at certain asset levels. AUL may bill the owner for this charge or deduct the charge from the Participant’s Account.
- (8) This charge may be less than 1.25% for certain Contracts. A Contract’s Asset Charge may be 0.00%, 0.25%, 0.50%, 0.75%, 1.00% or 1.25%. Furthermore, a portion of the asset charge may be credited back to a Participant’s account in the form of Accumulation Units. The number of Accumulation Units credited will depend on the terms of the Contract and the aggregate variable investment account assets on deposit. Please refer to your Contract for details regarding the Asset Charge applicable to you.
- (9) Investment Advice Provider Fee and Managed Account Service Fee: AUL may bill the Owner for an investment advice provider fee in an amount separately agreed upon by the Owner and the third-party investment advice provider. There is no cost to the Participant when using the basic investment advice service. AUL may also assess an account management fee directly against the Account of each Participant who utilizes the more detailed, hands-on managed accounts service. The fee for the managed account service is one percent of the total account value annually, paid in .25 percent quarterly installments. AUL will forward a portion of the fee to the investment advice provider and may retain a portion of the fee for administrative and distribution services.
- (10) Plan Sponsor Investment Option Advisory Fee: AUL may bill the Owner for a Plan Sponsor Investment Option Fee. If this option is chosen, the maximum fee of \$1,500 applies to plans with assets under \$20,000,000. Plans with assets greater than \$20,000,000 must contact AUL to determine the applicable fee.
- (11) This charge only applies to certain voluntary TDA and IRA Contracts. This fee is deducted quarterly.

EXPENSE TABLE (CONTINUED)

The next table shows the minimum and maximum total operating expenses charged by the Funds that you may pay periodically during the time that you own the contract. More detail concerning each Fund's fees and expenses is contained in the prospectus for each Fund.

| Total Fund Annual Operating Expenses | Minimum | Maximum |
|---|---------|---------|
| (expenses that are deducted from Fund assets, including management fees, distribution and/or service (12b-1) fees, and other expenses*) | 0.245% | 2.05% |

*In addition, some Funds may charge a redemption fee for short term trading in their Fund. Please consult the Fund prospectus for details.

EXAMPLE

The Example is intended to help you compare the cost of investing in the Contract with the cost of investing in other variable annuity contracts. These costs include Participant transaction expenses, Contract fees, separate account annual expenses, and Fund fees and expenses.

The Example assumes that you invest \$10,000 in the contract for the time periods indicated. The Example also assumes that your investment has a 5% return each year and assumes the maximum fees and expenses of any of the funds. Although your actual costs may be higher or lower, based on these assumptions, your costs would be:

(1) If you surrender your contract at the end of the applicable time period:

| <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|---------------|----------------|----------------|-----------------|
| \$1,128 | \$2,103 | \$3,292 | \$6,805 |

(2) If you annuitize at the end of the applicable time period:

| <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|---------------|----------------|----------------|-----------------|
| \$ 402 | \$1,364 | \$2,539 | \$6,411 |

(3) If you do not surrender your contract:

| <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|---------------|----------------|----------------|-----------------|
| \$ 402 | \$1,364 | \$2,539 | \$6,411 |

CONDENSED FINANCIAL INFORMATION

The following table presents Condensed Financial Information with respect to each of the Investment Accounts of the Variable Account for the ten year period from December 31, 1996 or the first deposit (as listed beside the beginning value in the year of inception), whichever is more recent, through December 31, 2005. No information is available for periods prior to these dates.

The following table should be read in conjunction with the Variable Account's financial statements, which are included in the Variable Account's Annual Report dated as of December 31, 2005. The Variable Account's financial statements have been audited by PricewaterhouseCoopers LLP, the Variable Account's Independent Registered Public Accounting Firm.

| <u>Investment Account and Class if any</u> | <u>Accumulation Unit Value At Beginning of Period</u> | <u>Accumulation Unit Value At End of Period</u> | <u>Number of Accumulation Units Outstanding At End of Period</u> |
|---|---|---|--|
| CLASS O UNITS | | | |
| OneAmerica Asset Director | | | |
| 2005 | \$ 3.83 | \$ 4.08 | 15,641,018 |
| 2004 | 3.48 | 3.83 | 14,894,289 |
| 2003 | 2.76 | 3.48 | 13,400,476 |
| 2002 | 2.87 | 2.76 | 13,164,496 |
| 2001 | 2.63 | 2.87 | 12,753,881 |
| 2000 | 2.30 | 2.63 | 10,360,033 |
| 1999 | 2.35 | 2.30 | 11,417,366 |
| 1998 | 2.20 | 2.35 | 12,020,235 |
| 1997 | 1.84 | 2.20 | 10,816,324 |
| 1996 | 1.66 | 1.84 | 10,087,186 |
| OneAmerica Asset Director Advisor | | | |
| 2005 | \$ 1.43 | \$ 1.51 | 726,297 |
| 2004 | 1.42 | 1.43 | 238,572 |
| 2003 | 1.07 (5/01/2003) | 1.42 | 0 |
| OneAmerica Investment Grade Bond | | | |
| 2005 | \$ 2.37 | \$ 2.39 | 12,343,459 |
| 2004 | 2.30 | 2.37 | 12,786,315 |
| 2003 | 2.22 | 2.30 | 13,248,507 |
| 2002 | 2.09 | 2.22 | 14,031,515 |
| 2001 | 1.97 | 2.09 | 10,785,661 |
| 2000 | 1.80 | 1.97 | 7,983,484 |
| 1999 | 1.85 | 1.80 | 7,392,277 |
| 1998 | 1.72 | 1.85 | 7,003,232 |
| 1997 | 1.62 | 1.72 | 4,937,428 |
| 1996 | 1.60 | 1.62 | 4,535,171 |
| OneAmerica Investment Grade Bond Advisor | | | |
| 2005 | \$ 1.05 | \$ 1.05 | 444,127 |
| 2004 | 1.02 | 1.05 | 80,102 |
| 2003 | 1.01 (5/01/2003) | 1.02 | 0 |
| OneAmerica Money Market | | | |
| 2005 | \$ 1.45 | \$ 1.47 | 20,497,268 |
| 2004 | 1.45 | 1.45 | 21,247,118 |
| 2003 | 1.46 | 1.45 | 21,895,488 |
| 2002 | 1.46 | 1.46 | 22,600,885 |
| 2001 | 1.43 | 1.46 | 21,163,682 |
| 2000 | 1.37 | 1.43 | 17,689,664 |
| 1999 | 1.32 | 1.37 | 16,194,739 |
| 1998 | 1.28 | 1.32 | 8,101,398 |
| 1997 | 1.23 | 1.28 | 5,764,433 |
| 1996 | 1.19 | 1.23 | 3,931,272 |
| OneAmerica Money Market Advisor | | | |
| 2005 | \$ 0.98 | \$ 1.00 | 394,611 |
| 2004 | 0.99 | 0.98 | 0 |
| 2003 | 1.00 (5/01/2003) | 0.99 | 0 |
| OneAmerica Value | | | |
| 2005 | \$ 5.03 | \$ 5.46 | 17,500,653 |
| 2004 | 4.43 | 5.03 | 17,430,617 |
| 2003 | 3.29 | 4.43 | 16,240,130 |
| 2002 | 3.58 | 3.29 | 15,896,163 |
| 2001 | 3.25 | 3.58 | 14,015,800 |
| 2000 | 2.80 | 3.25 | 12,597,555 |
| 1999 | 2.86 | 2.80 | 14,055,411 |
| 1998 | 2.70 | 2.86 | 14,376,727 |
| 1997 | 2.11 | 2.70 | 12,586,036 |
| 1996 | 1.79 | 2.11 | 10,589,355 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| OneAmerica Value Advisor | | | |
| 2005 | \$ 1.61 | \$ 1.74 | 567,709 |
| 2004 | 1.30 | 1.61 | 119 |
| 2003 | 1.05 (5/01/2003) | 1.30 | 0 |
| AIM Basic Value Class A | | | |
| 2005 | \$ 1.10 | \$ 1.15 | 261,303 |
| 2004 | 1.01 | 1.10 | 248,793 |
| 2003 | 0.77 | 1.01 | 206,652 |
| 2002 | 1.00 | 0.77 | 153,916 |
| AIM Basic Value R Class | | | |
| 2005 | \$ 1.22 | \$ 1.27 | 9,269 |
| 2004 | 1.12 | 1.22 | 643 |
| 2003 | 1.01 (10/01/2003) | 1.12 | 0 |
| AIM Dynamics (Formerly INVESCO Dynamics) | | | |
| 2005 | \$ 2.17 | \$ 2.37 | 104,346 |
| 2004 | 1.96 | 2.17 | 112,075 |
| 2003 | 1.44 | 1.96 | 77,788 |
| 2002 | 2.18 | 1.44 | 22,734 |
| 2001 | 2.72 | 2.18 | 145 |
| AIM Energy (Formerly INVESCO Energy) | | | |
| 2005 | \$ 1.35 | \$ 2.05 | 368,789 |
| 2004 | 1.00 | 1.35 | 69,703 |
| 2003 | 0.82 | 1.00 | 52,892 |
| 2002 | 0.87 | 0.82 | 47,128 |
| 2001 | 1.10 | 0.87 | 0 |
| AIM Energy (Formerly INVESCO Energy) Class A | | | |
| 2005 | \$ 1.62 | \$ 2.46 | 23,062 |
| 2004 | 1.20 | 1.62 | 469 |
| 2003 | 1.07 (10/01/2003) | 1.20 | 0 |
| AIM Financial Services (Formerly INVESCO Financial Services) | | | |
| 2005 | \$ 1.14 | \$ 1.18 | 99,628 |
| 2004 | 1.06 | 1.14 | 224,049 |
| 2003 | 0.83 | 1.06 | 148,793 |
| 2002 | 0.99 | 0.83 | 75,375 |
| 2001 | 1.03 | 0.99 | 3,556 |
| AIM Financial Services Class A | | | |
| 2005 | \$ 1.36 | \$ 1.41 | 2,129 |
| 2004 | 1.27 | 1.36 | 0 |
| 2003 | 1.00 (4/14/2003) | 1.27 | 0 |
| AIM Global Equity Class A | | | |
| 2005 | \$ 1.35 | \$ 1.46 | 121,156 |
| 2004 | 1.12 | 1.35 | 0 |
| 2003 | 1.00 (9/15/2003) | 1.12 | 0 |
| AIM Global Health Care (Formerly INVESCO Health Sciences) | | | |
| 2005 | \$ 1.07 | \$ 1.15 | 287,496 |
| 2004 | 1.02 | 1.07 | 301,686 |
| 2003 | 0.81 | 1.02 | 152,134 |
| 2002 | 1.10 | 0.81 | 66,034 |
| 2001 | 1.09 | 1.10 | 766 |
| AIM Mid Cap Core Equity Class A | | | |
| 2005 | \$ 1.19 | \$ 1.26 | 748,926 |
| 2004 | 1.06 | 1.19 | 576,403 |
| 2003 | 0.84 | 1.06 | 299,862 |
| 2002 | 1.00 | 0.84 | 92,931 |
| AIM Mid Cap Core Equity R Class | | | |
| 2005 | \$ 1.20 | \$ 1.27 | 391,507 |
| 2004 | 1.07 | 1.20 | 132,136 |
| 2003 | 1.00 (10/01/2003) | 1.07 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| AIM Small Cap Growth Class A | | | |
| 2005 | \$ 1.14 | \$ 1.22 | 72,139 |
| 2004 | 1.08 | 1.14 | 32,156 |
| 2003 | 0.78 | 1.08 | 20,363 |
| 2002 | 1.00 | 0.78 | 65 |
| AIM Small Cap Growth R Class | | | |
| 2005 | \$ 1.13 | \$ 1.20 | 28,170 |
| 2004 | 1.07 | 1.13 | 13,033 |
| 2003 | .98 (10/01/2003) | 1.07 | 0 |
| AIM Technology (Formerly INVESCO Technology) | | | |
| 2005 | \$ 0.68 | \$ 0.69 | 261,489 |
| 2004 | 0.67 | 0.68 | 265,178 |
| 2003 | 0.47 | 0.67 | 183,900 |
| 2002 | 0.91 | 0.47 | 159,525 |
| 2001 | 1.28 | 0.91 | 914 |
| AIM Technology (Formerly INVESCO Technology) Class A | | | |
| 2005 | \$ 1.43 | \$ 1.44 | 7,904 |
| 2004 | 1.40 | 1.43 | 4,422 |
| 2003 | 1.28 (10/01/2003) | 1.40 | 0 |
| Alger American Balanced | | | |
| 2005 | \$ 0.90 | \$ 0.97 | 5,309,729 |
| 2004 | 0.88 | 0.90 | 5,608,418 |
| 2003 | 0.75 | 0.88 | 4,846,307 |
| 2002 | 0.86 | 0.75 | 3,565,920 |
| 2001 | 0.89 | 0.86 | 2,331,733 |
| 2000 | 0.97 | 0.89 | 404,710 |
| Alger American Growth | | | |
| 2005 | \$ 2.28 | \$ 2.52 | 35,493,177 |
| 2004 | 2.19 | 2.28 | 37,865,891 |
| 2003 | 1.64 | 2.19 | 38,799,525 |
| 2002 | 2.48 | 1.64 | 35,535,748 |
| 2001 | 2.85 | 2.48 | 33,303,582 |
| 2000 | 3.38 | 2.85 | 30,678,545 |
| 1999 | 2.56 | 3.38 | 24,826,105 |
| 1998 | 1.75 | 2.56 | 16,282,040 |
| 1997 | 1.41 | 1.75 | 10,920,405 |
| 1996 | 1.26 | 1.41 | 6,674,992 |
| Alger American Leveraged AllCap | | | |
| 2005 | \$ 0.50 | \$ 0.57 | 4,587,833 |
| 2004 | 0.47 | 0.50 | 3,808,431 |
| 2003 | 0.35 | 0.47 | 3,023,797 |
| 2002 | 0.54 | 0.35 | 1,648,485 |
| 2001 | 0.65 | 0.54 | 855,690 |
| 2000 | 0.87 | 0.65 | 48,491 |
| AllianceBernstein Global Value Class R | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.15 | 324,509 |
| AllianceBernstein International Value Class R | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.18 | 1,819 |
| AllianceBernstein Value Fund Class R | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.05 | 3,197 |
| Allianz CCM Capital Appreciation (Formerly Pimco CCM Capital Appreciation) | | | |
| 2005 | \$ 1.18 | \$ 1.27 | 114,696 |
| 2004 | 1.07 | 1.18 | 1,210 |
| 2003 | 1.01 (10/01/2003) | 1.07 | 0 |
| Allianz NFJ Small-Cap Value (Formerly Pimco NFJ Small Cap Value) Class R | | | |
| 2005 | \$ 1.35 | \$ 1.46 | 754,647 |
| 2004 | 1.11 | 1.35 | 171,935 |
| 2003 | 1.00 (10/01/2003) | 1.11 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| Allianz OpCap Renaissance (Formerly Pimco PEA Renaissance) | | | |
| 2005 | \$ 1.27 | \$ 1.21 | 3,997,575 |
| 2004 | 1.11 | 1.27 | 3,862,488 |
| 2003 | 0.71 | 1.11 | 307,847 |
| 2002 | 1.00 | 0.71 | 92,285 |
| Allianz OpCap Value (Formerly Pimco PEA Value) | | | |
| 2005 | \$ 1.22 | \$ 1.24 | 305,559 |
| 2004 | 1.05 | 1.22 | 265,197 |
| 2003 | 0.74 | 1.05 | 95,796 |
| 2002 | 1.00 | 0.74 | 13,833 |
| Allianz OpCap Value (Formerly Pimco PEA Value) Class R | | | |
| 2005 | \$ 1.32 | \$ 1.34 | 229,125 |
| 2004 | 1.15 | 1.32 | 111,878 |
| 2003 | 1.00 (10/01/2003) | 1.15 | 0 |
| American Century® Aggressive | | | |
| 2005 | \$ 1.20 | \$ 1.28 | 1,753,672 |
| 2004 | 1.09 | 1.20 | 1,001,304 |
| 2003 | 0.86 | 1.09 | 318,711 |
| 2002 | 1.00 | 0.86 | 24,395 |
| American Century® VP Capital Appreciation | | | |
| 2005 | \$ 1.38 | \$ 1.67 | 6,566,358 |
| 2004 | 1.30 | 1.38 | 5,804,303 |
| 2003 | 1.09 | 1.30 | 5,921,060 |
| 2002 | 1.41 | 1.09 | 5,554,227 |
| 2001 | 1.98 | 1.41 | 5,183,712 |
| 2000 | 1.84 | 1.98 | 5,192,872 |
| 1999 | 1.13 | 1.84 | 2,434,924 |
| 1998 | 1.17 | 1.13 | 1,905,162 |
| 1997 | 1.23 | 1.17 | 1,970,129 |
| 1996 | 1.30 | 1.23 | 1,785,854 |
| American Century® Conservative | | | |
| 2005 | \$ 1.14 | \$ 1.17 | 728,536 |
| 2004 | 1.07 | 1.14 | 381,857 |
| 2003 | 0.94 | 1.07 | 148,887 |
| 2002 | 1.00 | 0.94 | 33,460 |
| American Century® Equity Growth Advisor | | | |
| 2005 | \$ 1.15 | \$ 1.22 | 302,561 |
| 2004 | 1.00 (05/17/2004) | 1.15 | 48,039 |
| American Century® Equity Income Investor Class | | | |
| 2005 | \$ 1.44 | \$ 1.45 | 2,170,834 |
| 2004 | 1.29 | 1.44 | 1,825,291 |
| 2003 | 1.05 | 1.29 | 1,098,415 |
| 2002 | 1.12 | 1.05 | 460,245 |
| 2001 | 1.05 | 1.12 | 10,717 |
| American Century® Equity Income Advisor | | | |
| 2005 | \$ 1.37 | \$ 1.39 | 392,670 |
| 2004 | 1.24 | 1.37 | 91 |
| 2003 | 1.03 (05/01/03) | 1.24 | 0 |
| American Century® Ginnie Mae | | | |
| 2005 | \$ 1.03 | \$ 1.04 | 177,276 |
| 2004 | 1.01 | 1.03 | 162,057 |
| 2003 | 1.01 (10/01/03) | 1.01 | 0 |
| American Century® Growth Advisor | | | |
| 2005 | \$ 1.16 | \$ 1.20 | 95,130 |
| 2004 | 1.09 | 1.16 | 68,698 |
| 2003 | .95 (10/01/03) | 1.07 | 0 |
| American Century® Income and Growth Investor Class | | | |
| 2005 | \$ 1.07 | \$ 1.11 | 256,142 |
| 2004 | 0.96 | 1.07 | 257,431 |
| 2003 | 0.75 | 0.96 | 108,792 |
| 2002 | 0.94 | 0.75 | 71,607 |
| 2001 | 1.02 | 0.94 | 1,385 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|--|---|---|--|
| American Century® Inflation-Adjusted Bond Advisor | | | |
| 2005 | \$ 1.06 | \$ 1.07 | 896,882 |
| 2004 | 1.00 (05/17/2004) | 1.06 | 271,957 |
| American Century® International Growth Investor Class | | | |
| 2005 | \$ 1.88 | \$ 2.11 | 481,271 |
| 2004 | 1.65 | 1.88 | 393,336 |
| 2003 | 1.34 | 1.65 | 436,240 |
| 2002 | 1.68 | 1.34 | 130,388 |
| 2001 | 2.02 | 1.68 | 120 |
| American Century® Large Company Value Advisor | | | |
| 2005 | \$ 1.45 | \$ 1.48 | 510,254 |
| 2004 | 1.28 | 1.45 | 113,289 |
| 2003 | 1.03 (05/01/03) | 1.28 | 0 |
| American Century® Moderate | | | |
| 2005 | \$ 1.18 | \$ 1.24 | 3,412,427 |
| 2004 | 1.09 | 1.18 | 2,263,698 |
| 2003 | 0.90 | 1.09 | 965,042 |
| 2002 | 1.00 | 0.90 | 205,309 |
| American Century® New Opportunities II Advisor | | | |
| 2005 | \$ 1.17 | \$ 1.21 | 51,638 |
| 2004 | 1.00 (05/17/2004) | 1.17 | 37,424 |
| American Century® Real Estate Advisor | | | |
| 2005 | \$ 1.65 | \$ 1.89 | 191,151 |
| 2004 | 1.29 | 1.65 | 50,800 |
| 2003 | 1.01 (05/01/03) | 1.29 | 0 |
| American Century® Select Investor Class | | | |
| 2005 | \$ 2.10 | \$ 2.10 | 20,250 |
| 2004 | 1.99 | 2.10 | 14,757 |
| 2003 | 1.61 | 1.99 | 107,703 |
| 2002 | 2.11 | 1.61 | 91,651 |
| 2001 | 2.41 | 2.11 | 0 |
| American Century® Small Cap Value | | | |
| 2005 | \$ 1.75 | \$ 1.87 | 3,772,575 |
| 2004 | 1.45 | 1.75 | 3,009,325 |
| 2003 | 1.08 | 1.45 | 1,341,148 |
| 2002 | 1.23 | 1.08 | 515,244 |
| 2001 | 1.08 | 1.24 | 16,826 |
| American Century® Small Company | | | |
| 2005 | \$ 1.93 | \$ 2.03 | 57,584 |
| 2004 | 1.52 | 1.93 | 46,702 |
| 2003 | 1.05 (05/01/03) | 1.52 | 1,070 |
| American Century® Small Cap Value Advisor | | | |
| 2005 | \$ 1.66 | \$ 1.77 | 131,828 |
| 2004 | 1.52 | 1.66 | 78,721 |
| 2003 | 1.01 (05/01/03) | 1.52 | 0 |
| American Century® Strategic Allocation Aggressive Advisor | | | |
| 2005 | \$ 1.39 | \$ 1.47 | 509,829 |
| 2004 | 1.26 | 1.39 | 259,047 |
| 2003 | 1.03 (05/01/03) | 1.26 | 0 |
| American Century® Strategic Allocation Conservative Advisor | | | |
| 2005 | \$ 1.20 | \$ 1.23 | 197,157 |
| 2004 | 1.13 | 1.20 | 71,118 |
| 2003 | 1.02 (05/01/03) | 1.13 | 0 |
| American Century® Strategic Allocation Moderate Advisor | | | |
| 2005 | \$ 1.31 | \$ 1.37 | 1,347,923 |
| 2004 | 1.21 | 1.31 | 586,339 |
| 2003 | 1.03 (05/01/03) | 1.21 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| American Century® Ultra Investor Class | | | |
| 2005 | \$ 2.31 | \$ 2.33 | 309,375 |
| 2004 | 2.11 | 2.31 | 286,247 |
| 2003 | 1.70 | 2.11 | 400,189 |
| 2002 | 2.24 | 1.70 | 316,787 |
| 2001 | 2.43 | 2.24 | 114 |
| American Century® Ultra Advisor | | | |
| 2005 | \$ 1.32 | \$ 1.32 | 394,020 |
| 2004 | 1.21 | 1.32 | 39,386 |
| 2003 | 1.02 (05/01/03) | 1.21 | 0 |
| American Century® Vista Advisor | | | |
| 2005 | \$ 1.12 | \$ 1.21 | 134,549 |
| 2004 | 1.00 (05/17/2004) | 1.12 | 36,669 |
| Ariel | | | |
| 2005 | \$ 1.29 | \$ 1.29 | 1,297,362 |
| 2004 | 1.07 | 1.29 | 1,589,544 |
| 2003 | 0.85 | 1.07 | 360,936 |
| 2002 | 1.00 | 0.85 | 97,409 |
| Ariel Appreciation | | | |
| 2005 | \$ 1.19 | \$ 1.21 | 1,338,481 |
| 2004 | 1.07 | 1.19 | 1,295,388 |
| 2003 | 0.83 | 1.07 | 587,395 |
| 2002 | 1.00 | 0.83 | 82,132 |
| Calvert Income Class A | | | |
| 2005 | \$ 1.18 | \$ 1.21 | 4,664,735 |
| 2004 | 1.05 | 1.18 | 3,691,036 |
| 2003 | 1.01 | 1.05 | 460,417 |
| 2002 | 1.00 | 1.01 | 232,814 |
| Calvert New Vision Small Cap Class A | | | |
| 2005 | \$ 1.09 | \$ 0.98 | 124,291 |
| 2004 | 1.01 | 1.09 | 97,729 |
| 2003 | 0.75 | 1.01 | 38,884 |
| 2002 | 1.00 | 0.75 | 4,870 |
| Calvert Social Investment Equity | | | |
| 2005 | \$ 1.10 | \$ 1.13 | 359,921 |
| 2004 | 1.04 | 1.10 | 403,799 |
| 2003 | 0.86 | 1.04 | 347,485 |
| 2002 | 1.00 | 0.86 | 333,520 |
| Calvert Social Mid Cap Growth | | | |
| 2005 | \$ 2.11 | \$ 2.09 | 5,906,245 |
| 2004 | 1.95 | 2.11 | 6,184,602 |
| 2003 | 1.50 | 1.95 | 5,545,655 |
| 2002 | 2.12 | 1.50 | 4,777,927 |
| 2001 | 2.44 | 2.12 | 4,701,190 |
| 2000 | 2.22 | 2.44 | 4,159,423 |
| 1999 | 2.10 | 2.22 | 2,606,657 |
| 1998 | 1.64 | 2.10 | 2,283,661 |
| 1997 | 1.34 | 1.64 | 1,070,537 |
| 1996 | 1.27 | 1.34 | 940,440 |
| Dreyfus Premier New Leader | | | |
| 2005 | \$ 1.02 | \$ 1.15 | 57,612 |
| 2004 | 1.00 (12/13/2004) | 1.02 | 0 |
| Dreyfus Premier Small Cap Value | | | |
| 2005 | \$ 1.03 | \$ 1.04 | 246 |
| 2004 | 1.00 (12/13/2004) | 1.03 | 0 |
| Dreyfus Structured Midcap | | | |
| 2005 | \$ 1.03 | \$ 1.11 | 96,426 |
| 2004 | 1.00 (12/13/2004) | 1.03 | 0 |
| Dreyfus Premier Third Century | | | |
| 2005 | \$ 1.00 | \$ 1.02 | 2,120 |
| 2004 | 1.00 (12/13/2004) | 1.00 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| Fidelity® Advisor Diversified International | | | |
| 2005 | \$ 1.66 | \$ 1.95 | 243,824 |
| 2004 | 1.42 | 1.66 | 235,525 |
| 2003 | 1.04 (5/01/2003) | 1.42 | 0 |
| Fidelity® Advisor Dividend Growth | | | |
| 2005 | \$ 1.25 | \$ 1.27 | 281,087 |
| 2004 | 1.20 | 1.25 | 34,289 |
| 2003 | 1.02 (5/01/2003) | 1.20 | 0 |
| Fidelity® Advisor Equity Income | | | |
| 2005 | \$ 1.41 | \$ 1.48 | 142,901 |
| 2004 | 1.28 | 1.41 | 42,044 |
| 2003 | 1.03 (5/01/2003) | 1.28 | 0 |
| Fidelity® Advisor Equity Growth | | | |
| 2005 | \$ 1.07 | \$ 1.12 | 1,663 |
| 2004 | 1.00 (5/17/2004) | 1.07 | 0 |
| Fidelity® Advisor Freedom 2010 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.04 | 20,259 |
| Fidelity® Advisor Freedom 2015 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.05 | 93,903 |
| Fidelity® Advisor Freedom 2020 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.05 | 39,697 |
| Fidelity® Advisor Freedom 2025 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.06 | 20,815 |
| Fidelity® Advisor Freedom 2030 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.06 | 22,605 |
| Fidelity® Advisor Freedom 2035 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.06 | 18,695 |
| Fidelity® Advisor Freedom 2040 | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.06 | 16,925 |
| Fidelity® Advisor Growth Opportunities | | | |
| 2005 | \$ 1.10 | \$ 1.18 | 43,832 |
| 2004 | 1.00 (05/17/2004) | 1.10 | 22,265 |
| Fidelity® Advisor International Capital Appreciation | | | |
| 2005 | \$ 1.19 | \$ 1.33 | 1,204 |
| 2004 | 1.00 (5/17/2004) | 1.00 | 0 |
| Fidelity® Advisor Mid Cap | | | |
| 2005 | \$ 1.60 | \$ 1.71 | 188,332 |
| 2004 | 1.00 (05/17/2004) | 1.60 | 137,117 |
| Fidelity® Advisor New Insights | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.18 | 30,002 |
| Fidelity® Advisor Overseas | | | |
| 2005 | \$ 1.19 | \$ 1.34 | 35,351 |
| 2004 | 1.00 (05/17/2004) | 1.19 | 27,501 |
| Fidelity® Advisor Small Cap | | | |
| 2005 | \$ 1.71 | \$ 1.81 | 951,945 |
| 2004 | 1.40 | 1.71 | 156,850 |
| 2003 | 1.04 (5/01/2003) | 1.40 | 0 |
| Fidelity® VIP Asset ManagerSM Initial Class | | | |
| 2005 | \$ 2.00 | \$ 2.05 | 47,580,876 |
| 2004 | 1.92 | 2.00 | 53,440,839 |
| 2003 | 1.65 | 1.92 | 53,469,759 |
| 2002 | 1.83 | 1.65 | 53,227,498 |
| 2001 | 1.93 | 1.83 | 52,427,456 |
| 2000 | 2.03 | 1.93 | 48,253,843 |
| 1999 | 1.85 | 2.03 | 41,549,516 |
| 1998 | 1.63 | 1.85 | 37,109,026 |
| 1997 | 1.37 | 1.63 | 30,831,927 |
| 1996 | 1.21 | 1.37 | 26,868,078 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| Fidelity® VIP Contrafund® | | | |
| 2005 | \$ 3.03 | \$ 3.50 | 30,816,784 |
| 2004 | 2.66 | 3.03 | 27,908,961 |
| 2003 | 2.09 | 2.66 | 24,779,179 |
| 2002 | 2.34 | 2.09 | 22,973,191 |
| 2001 | 2.70 | 2.34 | 21,679,020 |
| 2000 | 2.93 | 2.70 | 20,337,472 |
| 1999 | 2.39 | 2.93 | 17,745,265 |
| 1998 | 1.86 | 2.39 | 13,160,702 |
| 1997 | 1.52 | 1.86 | 8,965,623 |
| 1996 | 1.27 | 1.52 | 4,656,175 |
| Fidelity® VIP Equity-Income | | | |
| 2005 | \$ 2.36 | \$ 2.47 | 11,535,651 |
| 2004 | 2.15 | 2.36 | 12,527,048 |
| 2003 | 1.67 | 2.15 | 12,481,643 |
| 2002 | 2.03 | 1.67 | 12,196,544 |
| 2001 | 2.16 | 2.03 | 12,372,602 |
| 2000 | 2.02 | 2.16 | 11,109,818 |
| 1999 | 1.93 | 2.02 | 10,849,010 |
| 1998 | 1.75 | 1.93 | 9,537,700 |
| 1997 | 1.38 | 1.75 | 6,959,675 |
| 1996 | 1.22 | 1.38 | 4,243,458 |
| Fidelity® VIP Growth | | | |
| 2005 | \$ 2.57 | \$ 2.69 | 49,590,284 |
| 2004 | 2.52 | 2.57 | 55,678,581 |
| 2003 | 1.92 | 2.52 | 54,510,681 |
| 2002 | 2.78 | 1.92 | 52,130,625 |
| 2001 | 3.42 | 2.78 | 51,057,046 |
| 2000 | 3.89 | 3.42 | 46,168,040 |
| 1999 | 2.86 | 3.89 | 38,773,668 |
| 1998 | 2.08 | 2.86 | 32,435,920 |
| 1997 | 1.71 | 2.08 | 26,493,376 |
| 1996 | 1.51 | 1.71 | 22,560,070 |
| Fidelity® VIP High Income | | | |
| 2005 | \$ 1.57 | \$ 1.60 | 14,635,686 |
| 2004 | 1.45 | 1.57 | 16,110,565 |
| 2003 | 1.16 | 1.45 | 17,118,909 |
| 2002 | 1.13 | 1.16 | 16,007,137 |
| 2001 | 1.30 | 1.13 | 15,753,066 |
| 2000 | 1.70 | 1.30 | 12,815,473 |
| 1999 | 1.59 | 1.70 | 11,472,702 |
| 1998 | 1.68 | 1.59 | 11,188,244 |
| 1997 | 1.45 | 1.68 | 8,053,332 |
| 1996 | 1.29 | 1.45 | 6,679,227 |
| Fidelity® VIP Overseas | | | |
| 2005 | \$ 1.86 | \$ 2.19 | 15,890,022 |
| 2004 | 1.66 | 1.86 | 16,014,534 |
| 2003 | 1.17 | 1.66 | 14,430,463 |
| 2002 | 1.49 | 1.17 | 13,464,244 |
| 2001 | 1.91 | 1.49 | 12,518,734 |
| 2000 | 2.39 | 1.91 | 11,353,249 |
| 1999 | 1.70 | 2.39 | 10,272,575 |
| 1998 | 1.52 | 1.70 | 10,099,671 |
| 1997 | 1.38 | 1.52 | 9,308,550 |
| 1996 | 1.24 | 1.38 | 8,245,189 |
| Fifth Third Mid Cap Growth (Advisor) | | | |
| 2005 | \$ 1.12 | \$ 1.23 | 2,316 |
| 2004 | 1.00 (3/1/2004) | 1.12 | 0 |
| Fifth Third Mid Cap Value (Advisor) | | | |
| 2005 | \$ 1.10 | \$ 1.17 | 5,091 |
| 2004 | 1.00 (3/1/2004) | 1.10 | 0 |
| Fifth Third Strategic Income (Advisor) | | | |
| 2005 | \$ 1.09 | \$ 1.08 | 585 |
| 2004 | 1.00 (3/1/2004) | 1.09 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|--|---|---|--|
| Fifth Third Technology (Advisor) | | | |
| 2005 | \$ 1.11 | \$ 1.17 | 42,128 |
| 2004 | 1.00 (3/1/2004) | 1.11 | 0 |
| Franklin Templeton Flex Cap Growth | | | |
| 2005 | \$ 1.23 | \$ 1.29 | 187,889 |
| 2004 | 1.11 | 1.23 | 92,544 |
| 2003 | 1.00 (10/01/2003) | 1.11 | 0 |
| Franklin Templeton Foreign | | | |
| 2005 | \$ 1.28 | \$ 1.40 | 311,886 |
| 2004 | 1.10 | 1.28 | 158,226 |
| 2003 | 1.00 (10/01/2003) | 1.10 | 0 |
| Franklin Templeton Growth | | | |
| 2005 | \$ 1.29 | \$ 1.37 | 2,545,865 |
| 2004 | 1.12 | 1.29 | 259,477 |
| 2003 | 1.00 (10/01/2003) | 1.12 | 0 |
| Franklin Templeton Small-Mid Cap Growth | | | |
| 2005 | \$ 1.18 | \$ 1.28 | 6,061 |
| 2004 | 1.00 (5/17/2004) | 1.18 | 0 |
| Franklin Templeton Strategic Income | | | |
| 2005 | \$ 1.15 | \$ 1.15 | 144,184 |
| 2004 | 1.06 | 1.15 | 991 |
| 2003 | 1.02 (10/01/2003) | 1.06 | 0 |
| Janus Advisor Forty Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.13 | 4,181 |
| Janus Advisor Growth & Income Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.12 | 180,358 |
| Janus Advisor INTECH Risk-Managed Growth | | | |
| 2005 | \$ 1.19 | \$ 1.26 | 26,577 |
| 2004 | 1.07 | 1.19 | 0 |
| 2003 | 1.00 (9/15/2003) | 1.07 | 0 |
| Janus Advisor Small Cap Value | | | |
| 2005 | \$ 1.27 | \$ 1.33 | 2,594 |
| 2004 | 1.10 | 1.27 | 0 |
| 2003 | 1.00 (9/15/2003) | 1.10 | 0 |
| Janus Aspen Series Flexible Bond Portfolio | | | |
| 2005 | \$ 1.54 | \$ 1.56 | 10,936,764 |
| 2004 | 1.50 | 1.54 | 10,737,951 |
| 2003 | 1.43 | 1.50 | 10,695,429 |
| 2002 | 1.31 | 1.43 | 9,258,998 |
| 2001 | 1.23 | 1.31 | 6,419,285 |
| 2000 | 1.17 | 1.23 | 5,236,802 |
| 1999 | 1.17 | 1.17 | 4,442,495 |
| 1998 | 1.08 | 1.17 | 2,204,070 |
| 1997 | 1.00 | 1.08 | 289,354 |
| Janus Aspen Series Worldwide Growth Portfolio | | | |
| 2005 | \$ 1.40 | \$ 1.47 | 30,895,367 |
| 2004 | 1.35 | 1.40 | 35,730,498 |
| 2003 | 1.11 | 1.35 | 35,860,493 |
| 2002 | 1.50 | 1.11 | 34,123,387 |
| 2001 | 1.96 | 1.50 | 32,859,993 |
| 2000 | 2.36 | 1.96 | 28,723,922 |
| 1999 | 1.45 | 2.36 | 17,434,845 |
| 1998 | 1.14 | 1.45 | 8,357,911 |
| 1997 | 1.01 | 1.14 | 2,126,372 |
| Lord Abbett Mid-Cap Value | | | |
| 2005 | \$ 1.02 | \$ 1.09 | 2,177 |
| 2004 | 1.00 (12/13/2004) | 1.02 | 0 |
| Lord Abbett Small-Cap Blend | | | |
| 2005 | \$ 1.04 | \$ 1.16 | 267,565 |
| 2004 | 1.00 (12/13/2004) | 1.04 | 0 |
| Lord Abbett Small-Cap Value | | | |
| 2005 | \$ 1.03 | \$ 1.15 | 64,939 |
| 2004 | 1.00 (12/13/2004) | 1.03 | 0 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|--|---|---|--|
| MFS® International New Discovery | | | |
| 2005 | \$ 1.51 | \$ 1.80 | 1,076,469 |
| 2004 | 1.23 | 1.51 | 567,025 |
| 2003 | 0.84 | 1.23 | 253,507 |
| 2002 | 1.00 | 0.84 | 129,375 |
| MFS® Mid-Cap Growth | | | |
| 2005 | \$ 1.10 | \$ 1.11 | 62,270 |
| 2004 | 0.97 | 1.10 | 46,360 |
| 2003 | 0.72 | 0.97 | 11,263 |
| 2002 | 1.00 | 0.72 | 3,380 |
| MFS® Strategic Value | | | |
| 2005 | \$ 1.17 | \$ 1.15 | 232,125 |
| 2004 | 1.01 | 1.17 | 106,724 |
| 2003 | 0.80 | 1.01 | 51,802 |
| 2002 | 1.00 | 0.80 | 6,914 |
| MFS® Value | | | |
| 2005 | \$ 1.18 | \$ 1.24 | 111,238 |
| 2004 | 1.04 | 1.18 | 2,093 |
| 2003 | 0.84 | 1.04 | 1,114 |
| 2002 | 1.00 (06/01/02) | 0.84 | 0 |
| Neuberger Berman Fasciano Advisor | | | |
| 2005 | \$ 1.22 | \$ 1.24 | 133,264 |
| 2004 | 1.10 | 1.22 | 38,433 |
| 2003 | 1.00 (10/01/2003) | 1.10 | 0 |
| Neuberger Berman Focus Advisor | | | |
| 2005 | \$ 1.12 | \$ 1.10 | 865 |
| 2004 | 1.00 (12/13/2004) | 1.12 | 0 |
| Neuberger Berman Millennium Advisor | | | |
| 2005 | \$ 1.04 | \$ 1.18 | 497 |
| 2004 | 1.00 (12/13/2004) | 1.04 | 0 |
| Neuberger Berman Partners Advisor | | | |
| 2005 | \$ 1.01 | \$ 1.18 | 256,671 |
| 2004 | 1.00 (12/13/2004) | 1.01 | 0 |
| Old Mutual Columbus Circle Technology & Communications (Formerly Liberty Ridge Technology & Communications Portfolio) | | | |
| 2005 | \$ 0.82 | \$ 0.89 | 5,741,050 |
| 2004 | 0.78 | 0.82 | 7,516,210 |
| 2003 | 0.54 | 0.78 | 6,671,788 |
| 2002 | 1.20 | 0.54 | 4,851,848 |
| 2001 | 2.54 | 1.20 | 3,251,322 |
| 2000 | 4.45 | 2.54 | 1,878,426 |
| 1999 | 1.35 | 4.45 | 953,082 |
| 1998 | 1.03 | 1.35 | 214,047 |
| 1997 | 1.00 | 1.03 | 101,585 |
| Old Mutual Emerging Growth (Formerly PBHG Emerging Growth) | | | |
| 2005 | \$ 0.64 | \$ 0.68 | 647 |
| 2004 | 0.65 | 0.64 | 525 |
| 2003 | 0.42 | 0.65 | 552 |
| 2002 | 0.81 | 0.42 | 238 |
| 2001 | 1.01 | 0.81 | 0 |
| Old Mutual Growth II (Formerly Liberty Ridge Growth II Portfolio) | | | |
| 2005 | \$ 0.97 | \$ 1.07 | 3,765,269 |
| 2004 | 0.92 | 0.97 | 4,157,058 |
| 2003 | 0.74 | 0.92 | 4,498,118 |
| 2002 | 1.08 | 0.74 | 4,163,718 |
| 2001 | 1.83 | 1.08 | 4,241,331 |
| 2000 | 2.23 | 1.83 | 4,102,333 |
| 1999 | 1.14 | 2.23 | 1,277,768 |
| 1998 | 1.07 | 1.14 | 412,873 |
| 1997 | 1.00 | 1.07 | 58,505 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| Old Mutual Large Cap Value (Formerly PBHG Large Cap Value) | | | |
| 2005 | \$ 0.90 | \$ 0.91 | 449,026 |
| 2004 | 0.86 | 0.90 | 507,836 |
| 2003 | 0.73 | 0.86 | 297,753 |
| 2002 | 0.98 | 0.73 | 164,156 |
| 2001 | 1.05 | 0.98 | 8,536 |
| Oppenheimer Developing Market Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.36 | 235,406 |
| Oppenheimer International Bond Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.08 | 3,034 |
| Oppenheimer International Small Company Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.28 | 3,097 |
| Oppenheimer Main Street Opportunity Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.08 | 2,741 |
| Oppenheimer Small Cap Value Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.13 | 2,877 |
| Pimco High Yield R Class | | | |
| 2005 | \$ 1.14 | \$ 1.17 | 234,537 |
| 2004 | 1.06 | 1.14 | 47,551 |
| 2003 | 1.01 (10/01/2003) | 1.06 | 0 |
| Pimco High Yield | | | |
| 2005 | \$ 1.29 | \$ 1.33 | 203,927 |
| 2004 | 1.20 | 1.29 | 22,555 |
| 2003 | 0.98 | 1.20 | 0 |
| 2002 | 1.00 (6/01/2002) | 0.98 | 0 |
| Pimco Total Return R Class | | | |
| 2005 | \$ 1.05 | \$ 1.05 | 998,132 |
| 2004 | 1.01 | 1.05 | 256,324 |
| 2003 | 1.01 (10/01/2003) | 1.01 | 0 |
| Pioneer Fund VCT | | | |
| 2005 | \$ 1.17 | \$ 1.23 | 5,368,751 |
| 2004 | 1.10 | 1.17 | 6,289,040 |
| 2003 | 0.89 | 1.10 | 5,994,350 |
| 2002 | 1.22 | 0.89 | 5,460,849 |
| 2001 | 1.36 | 1.22 | 4,874,658 |
| 2000 | 1.55 | 1.36 | 4,652,378 |
| 1999 | 1.43 | 1.55 | 3,549,888 |
| 1998 | 1.16 | 1.43 | 2,034,751 |
| 1997 | 0.98 | 1.16 | 186,090 |
| Pioneer Growth Opportunities VCT | | | |
| 2005 | \$ 1.69 | \$ 1.78 | 14,203,577 |
| 2004 | 1.40 | 1.69 | 15,119,508 |
| 2003 | 0.99 | 1.40 | 13,466,958 |
| 2002 | 1.61 | 0.99 | 12,304,684 |
| 2001 | 1.36 | 1.61 | 11,410,141 |
| 2000 | 1.48 | 1.36 | 9,376,539 |
| 1999 | 1.41 | 1.48 | 7,892,664 |
| 1998 | 1.41 | 1.41 | 6,688,427 |
| 1997 | 0.93 | 1.41 | 1,069,115 |
| Pioneer High Yield Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.06 | 1,839 |
| Pioneer Mid Cap Value Fund | | | |
| 2005 | \$ 1.00 (5/20/2005) | \$ 1.06 | 68,685 |
| Russell 2010 Strategy Fund | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.04 | 102,187 |
| Russell 2020 Strategy Fund | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.05 | 82,986 |
| Russell 2030 Strategy Fund | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.05 | 25,849 |
| Russell 2040 Strategy Fund | | | |
| 2005 | \$ 1.00 (3/1/2005) | \$ 1.06 | 2,065 |
| Russell Lifepoint Aggressive | | | |
| 2005 | \$ 1.16 | \$ 1.23 | 532,194 |
| 2004 | 1.00 (05/17/2004) | 1.16 | 12,397 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|--|---|---|--|
| Russell Lifepoint Balanced | | | |
| 2005 | \$ 1.13 | \$ 1.19 | 1,007,366 |
| 2004 | 1.00 (05/17/2004) | 1.13 | 55,364 |
| Russell Lifepoint Conservative | | | |
| 2005 | \$ 1.04 | \$ 1.06 | 168,264 |
| 2004 | 1.00 (05/17/2004) | 1.04 | 0 |
| Russell Lifepoint Equity Aggressive | | | |
| 2005 | \$ 1.18 | \$ 1.28 | 127,242 |
| 2004 | 1.00 (05/17/2004) | 1.18 | 1,485 |
| Russell Lifepoint Moderate | | | |
| 2005 | \$ 1.08 | \$ 1.11 | 359,112 |
| 2004 | 1.00 (05/17/2004) | 1.08 | 22,813 |
| State Street Equity 500 Index* | | | |
| 2005 | \$ 2.84 | \$ 2.94 | 66,509,154 |
| 2004 | 2.60 | 2.84 | 70,497,847 |
| 2003 | 2.05 | 2.60 | 69,924,821 |
| 2002 | 2.68 | 2.05 | 66,528,028 |
| 2001 | 3.09 | 2.68 | 64,168,583 |
| 2000 | 3.45 | 3.09 | 58,495,675 |
| 1999 | 2.90 | 3.45 | 40,519,791 |
| 1998 | 2.29 | 2.90 | 30,592,950 |
| 1997 | 1.74 | 2.29 | 18,374,733 |
| 1996 | 1.44 | 1.74 | 9,841,199 |
| State Street Equity 500 Index R Class | | | |
| 2005 | \$ 1.00 (6/3/2005) | \$ 1.04 | 100,014 |
| T. Rowe Price Blue Chip Growth | | | |
| 2005 | \$ 1.17 | \$ 1.22 | 32,347 |
| 2004 | 1.09 | 1.17 | 0 |
| 2003 | 1.00 (9/15/2003) | 1.09 | 0 |
| T. Rowe Price Equity Income | | | |
| 2005 | \$ 2.75 | \$ 2.82 | 32,074,795 |
| 2004 | 2.43 | 2.75 | 30,909,884 |
| 2003 | 1.96 | 2.43 | 27,583,106 |
| 2002 | 2.28 | 1.96 | 25,659,444 |
| 2001 | 2.28 | 2.28 | 23,400,668 |
| 2000 | 2.04 | 2.28 | 20,201,701 |
| 1999 | 1.99 | 2.04 | 21,447,550 |
| 1998 | 1.85 | 1.99 | 19,081,441 |
| 1997 | 1.45 | 1.85 | 11,646,682 |
| 1996 | 1.23 | 1.45 | 4,259,154 |
| T. Rowe Price Equity Income R Class | | | |
| 2005 | \$ 1.44 | \$ 1.47 | 906,125 |
| 2004 | 1.27 | 1.44 | 88,880 |
| 2003 | 1.05 (05/01/03) | 1.27 | 0 |
| T. Rowe Price European Stock | | | |
| 2005 | \$ 1.18 | \$ 1.27 | 111,311 |
| 2004 | 1.03 | 1.18 | 77,610 |
| 2003 | 0.76 | 1.03 | 39,113 |
| 2002 | 0.95 | 0.76 | 0 |
| 2001 | 1.08 (05/01/01) | 0.95 | 0 |
| T. Rowe Price Growth Stock Fund R Class | | | |
| 2005 | \$ 1.36 | \$ 1.42 | 3,399,338 |
| 2004 | 1.25 | 1.36 | 542,634 |
| 2003 | 1.03 (05/01/03) | 1.25 | 0 |
| T. Rowe Price International Growth & Income | | | |
| 2005 | \$ 1.70 | \$ 1.94 | 705,104 |
| 2004 | 1.40 | 1.70 | 109,440 |
| 2003 | 1.00 (05/01/03) | 1.40 | 9,120 |
| T. Rowe Price International Stock | | | |
| 2005 | \$ 1.26 | \$ 1.44 | 339 |
| 2004 | 1.13 | 1.26 | 0 |
| 2003 | 1.00 (9/15/2003) | 1.13 | 0 |

*The State Street Equity 500 Index Investment Account first became available in April, 2001 when it was substituted for the Fidelity® VIP Index 500 Investment Account. Information presented in the table for the years 1993 through 2000 is, therefore, that of the Fidelity® VIP Index 500 Account and not of the State Street Equity 500 Index Account.

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| Investment Account and Class if any | Accumulation Unit Value At Beginning of Period | Accumulation Unit Value At End of Period | Number of Accumulation Units Outstanding At End of Period |
|---|---|---|--|
| T. Rowe Price Mid-Cap Growth R Class | | | |
| 2005 | \$ 1.56 | \$ 1.76 | 805,493 |
| 2004 | 1.34 | 1.56 | 374,710 |
| 2003 | 1.04 (05/01/03) | 1.34 | 0 |
| T. Rowe Price Mid-Cap Value | | | |
| 2005 | \$ 1.66 | \$ 1.76 | 686,738 |
| 2004 | 1.40 | 1.66 | 490,289 |
| 2003 | 1.03 (05/01/03) | 1.40 | 936 |
| Thornburg Core Growth | | | |
| 2005 | \$ 1.02 | \$ 1.23 | 316,462 |
| 2004 | 1.00 (12/13/2004) | 1.02 | 0 |
| Thornburg International Value | | | |
| 2005 | \$ 1.05 | \$ 1.22 | 754,674 |
| 2004 | 1.00 (12/13/2004) | 1.05 | 0 |
| Vanguard Explorer | | | |
| 2005 | \$ 2.68 | \$ 2.89 | 2,243,478 |
| 2004 | 2.39 | 2.68 | 2,037,046 |
| 2003 | 1.67 | 2.39 | 1,768,543 |
| 2002 | 2.25 | 1.67 | 1,182,344 |
| 2001 | 2.25 | 2.25 | 0 |
| Vanguard Short-Term Federal | | | |
| 2005 | \$ 1.53 | \$ 1.53 | 489,769 |
| 2004 | 1.52 | 1.53 | 503,873 |
| 2003 | 1.49 | 1.52 | 330,047 |
| 2002 | 1.42 | 1.49 | 122,492 |
| 2001 | 1.37 | 1.42 | 358 |
| CLASS S UNITS | | | |
| OneAmerica Asset Director Class S | | | |
| 2005 | \$ 1.54 | \$ 1.63 | 74,923 |
| 2004 | 1.40 | 1.54 | 49,468 |
| 2003 | 1.11 | 1.40 | 30,173 |
| 2002 | 1.27 | 1.11 | 20,490 |
| 2001 | 1.25 | 1.27 | 17,617 |
| 2000 | 1.13 | 1.25 | 41,667 |
| 1999 | 1.18 | 1.13 | 38,741 |
| 1998 | 1.12 | 1.18 | 35,696 |
| 1997 | 0.98 | 1.12 | 100 |
| OneAmerica Value | | | |
| 2005 | \$ 28.89 | \$ 31.59 | 159,807 |
| 2004 | 25.21 | 28.89 | 177,832 |
| 2003 | 18.43 | 25.21 | 186,000 |
| 2002 | 20.39 | 18.43 | 197,000 |
| 2001 | 18.55 | 20.39 | 242,000 |
| 2000 | 16.04 | 18.55 | 360,000 |
| 1999 | 16.32 | 16.04 | 653,000 |
| 1998 | 15.31 | 16.32 | 841,000 |
| 1997 | 11.77 | 15.31 | 933,000 |
| 1996 | 9.91 | 11.77 | 1,068,000 |
| American Century® Aggressive | | | |
| 2005 | \$ 1.14 | \$ 1.21 | 655,082 |
| 2004 | 1.04 | 1.14 | 503,791 |
| 2003 | 0.82 | 1.04 | 391,860 |
| 2002 | 0.99 | 0.82 | 296,800 |
| 2001 | 1.06 | 0.99 | 335,983 |
| 2000 | 1.14 | 1.06 | 259,144 |
| 1999 | 1.04 | 1.14 | 165,445 |
| 1998 | 1.00 | 1.04 | 138,936 |
| American Century® Conservative | | | |
| 2005 | \$ 1.28 | \$ 1.31 | 507,401 |
| 2004 | 1.21 | 1.28 | 490,742 |
| 2003 | 1.06 | 1.21 | 417,238 |
| 2002 | 1.12 | 1.06 | 369,213 |
| 2001 | 1.12 | 1.12 | 305,510 |
| 2000 | 1.09 | 1.12 | 201,345 |
| 1999 | 1.05 | 1.09 | 200,412 |
| 1998 | 1.00 | 1.05 | 96,638 |

CONDENSED FINANCIAL INFORMATION (CONTINUED)

| <u>Investment Account and Class if any</u> | <u>Accumulation Unit Value At Beginning of Period</u> | <u>Accumulation Unit Value At End of Period</u> | <u>Number of Accumulation Units Outstanding At End of Period</u> |
|--|---|---|--|
| American Century® Moderate | | | |
| 2005 | \$ 1.22 | \$ 1.28 | 1,377,901 |
| 2004 | 1.13 | 1.22 | 1,123,074 |
| 2003 | 0.93 | 1.13 | 903,401 |
| 2002 | 1.05 | 0.93 | 703,283 |
| 2001 | 1.08 | 1.04 | 548,789 |
| 2000 | 1.11 | 1.08 | 372,182 |
| 1999 | 1.04 | 1.11 | 285,562 |
| 1998 | 1.00 | 1.04 | 184,334 |
| AIM Technology | | | |
| 2005 | \$ 0.17 | \$ 0.17 | 184,203 |
| 2004 | 0.16 | 0.17 | 119,120 |
| 2003 | 0.13 | 0.16 | 58,315 |
| 2002 | 0.26 | 0.13 | 5,163 |
| 2001 | 0.46 | 0.26 | 0 |

INFORMATION ABOUT AUL, THE VARIABLE ACCOUNT, AND THE FUNDS

American United Life Insurance Company®

AUL is a stock insurance company existing under the laws of the State of Indiana. It was originally incorporated as a fraternal society on November 7, 1877, under the laws of the federal government, and reincorporated as a mutual insurance company under the laws of the State of Indiana in 1933. On December 17, 2000, AUL converted from a mutual life insurance company to a stock life insurance company ultimately controlled by a mutual holding company, American United Mutual Insurance Holding Company (“MHC”).

After conversion, the insurance company issued voting stock to a newly-formed stock holding company, OneAmerica Financial Partners, Inc. (the “Stock Holding Company”). The Stock Holding Company may, at some future time, offer shares of its stock publicly or privately; however, the MHC must always hold at least 51% of the voting stock of the Stock Holding Company, which in turn owns 100% of the voting stock of AUL. No plans have been formulated to issue any shares of capital stock of the Stock Holding Company at this time. In 2003, the Stock Holding Company issued \$200 million aggregate principal amount of its 7% senior notes due 2033.

AUL conducts a conventional life insurance and annuity business. At December 31, 2005, the OneAmerica Financial Partners, Inc. enterprise, in which AUL is a partner, had assets of \$17,606.7 million and had equity of \$1,194.8 million.

The principal underwriter for the Contracts is OneAmerica Securities, Inc., a wholly owned subsidiary of AUL. OneAmerica Securities, Inc. is registered as a broker-dealer with the SEC.

Variable Account

AUL American Unit Trust was established by AUL on August 17, 1989, under procedures established under Indiana law. The income, gains, or losses of the Variable Account are credited to or charged against the assets of the Variable Account without regard to other income, gains, or losses of AUL. AUL owns the assets in the Variable Account and is required to maintain sufficient assets in the Variable Account to meet all Variable Account obligations under the Contracts. AUL may transfer to its General Account assets that exceed anticipated obligations of the Variable Account. All obligations arising under the Contracts are general corporate obligations of AUL. AUL may invest its own assets in the Variable Account, and may accumulate in the Variable Account proceeds from Contract charges and investment results applicable to those assets.

The Variable Account is currently divided into sub-accounts referred to as Investment Accounts. Each Investment Account invests exclusively in shares of a specific mutual fund or in a specific Portfolio of one of the Funds. Contributions may be allocated to one or more Investment Accounts available under a Contract. Not all of the Investment Accounts may be available under a particular Contract and some of the Investment Accounts are not available for certain types of Contracts. AUL may in the future establish additional Investment Accounts of the Variable Account, which may invest in other Portfolios of the Funds or in other securities, mutual funds, or investment vehicles.

The Variable Account is registered with the SEC as a unit investment trust under the Investment Company Act of 1940 (the “1940 Act”). Registration with the SEC does not involve supervision by the SEC of the administration or investment practices of the Variable Account or of AUL.

The Funds

Each of the Funds is a diversified, open-end management investment company commonly referred to as a mutual fund. Each of the Funds is registered with the SEC under the 1940 Act. Such registration does not involve supervision by the SEC of the investments or investment policies or practices of the Fund. Each Portfolio has its own investment objectives and policies. The shares of each mutual fund Portfolio are purchased by AUL for the corresponding Investment Account at the Portfolio's net asset value per share, i.e., without any sales load. All dividends and capital gain distributions received from a Portfolio are automatically reinvested in such Portfolio at net asset value, unless AUL instructs otherwise. AUL has entered into agreements with the Advisors of A I M Advisor, Inc., Alliance Capital Management L.P., Allianz Dresdner Asset Management of America, American Century® Investment Management, Inc., Ariel Capital Management, Inc., Fifth Third Asset Management, Inc., Berger Financial Group, LLC, Calvert Asset Management Company, Capital Research and Management Company, The Dreyfus Corporation, Fidelity® Management & Research Company, Franklin Advisers, Inc., Russell Investment Management Company (RIMCO), Fred Alger Management, Inc., Janus Capital Management LLC, Old Mutual Capital, Inc. (“OMCAP”), Lord, Abbett & Co. LLC, The Manager, MFS® Investment Management, Neuberger Berman Management, Inc., OneAmerica® Funds, Inc., Pilgrim Baxter & Associates, Ltd., Pacific Investment Management Company LLC, Pioneer Investment Management, Inc., State Street Bank & Trust Company, T. Rowe Price Associates, Inc., Templeton Global Advisors Limited, Thornburg Investment Management, Inc., Granahan Investment Management, Inc., Wellington Management Company and The Vanguard Group under which AUL has agreed to render certain services and to provide information about these funds to its Contract Owners and/or Participants who invest in these Funds. Under these agreements and for providing these services, AUL receives compensation from the Distributor/Advisor of these funds, (or from the Funds if a 12b-1 plan has been approved) ranging from 0.0% until a certain level of fund assets have been purchased to an annual service fee of 0.70% based on the average daily market value of shares owned by the separate account.

The investment advisors of the Funds are listed in the Summary. All of the investment advisors are registered with the SEC as investment advisors. The Funds offer their shares as investment vehicles to support variable annuity contracts. The advisors or distributors to certain of the Funds may advise and distribute other investment companies that offer their shares directly to the public, some of which have names similar to the names of the Funds in which the Investment Account invests. These investment companies offered to the public should not

be confused with the Funds in which the Investment Account invests. The Funds are described in their prospectuses, which accompany this prospectus.

A summary of the investment objective or objectives of each Portfolio of each of the Funds follows. There can be no assurance that any Portfolio will achieve its objective or objectives. More detailed information is contained in the Prospectuses for the Funds, including information on the risks associated with the investments and investment techniques of each Portfolio.

OneAmerica Funds, Inc.

OneAmerica Asset Director – Advisor Class and Class O

Seeking long-term capital appreciation and some income to help cushion the volatility of equity investments. The OneAmerica Asset Director Portfolio invests in assets allocated among publicly traded common stock, debt securities (including convertible debentures) and money market securities utilizing a fully managed investment policy. The composition of the Portfolio will vary from time-to-time, based upon the advisor's evaluation of economic and market trends and the anticipated relative total return available from a particular type of security. Accordingly, at any given time, up to 100% of the Portfolio may be invested in any one sector such as common stocks, debt securities or money market instruments.

OneAmerica Investment Grade Bond – Advisor Class and Class O

Seeking a high level of income with prudent investment risk and capital appreciation consistent with the primary objective. The OneAmerica Investment Grade Bond Portfolio invests primarily in investment grade fixed income securities. The Portfolio may invest no more than 10% of its assets in securities rated less than BBB or Baa (investment grade). It is intended that the Portfolio securities generally will be of sufficient credit quality to provide a high level of protection against loss of principal or interest. The Portfolio may also invest in money market instruments, repurchase agreements, reverse repurchase agreements, dollar-denominated foreign securities and other debt securities that are consistent with the maturity and credit quality criteria.

OneAmerica Money Market – Advisor Class and Class O

Seeking to provide a level of current income while preserving assets and maintaining liquidity and investment quality. The OneAmerica Money Market Portfolio invests in short-term money market instruments of the highest quality that the advisor has determined present minimal credit risk. The Portfolio invests only in money market instruments denominated in U.S. dollars that mature in 13 months or less from the date of purchase. These instruments may include U.S. Government securities, commercial paper, repurchase agreements, reverse repurchase agreements, certificates of deposit and money market funds.

OneAmerica Socially Responsive Portfolio – Advisor Class and Class O

The OneAmerica Socially Responsive Portfolio invests primarily

in equity securities that are selected based on fundamental investment research and long-term growth prospects, attractive relative valuations and sensitivity to socially responsible principles. The Portfolio may invest in companies of any size and may change composition between small, medium and large companies depending on the outlook for the economic environment and the markets.

OneAmerica Value – Advisor Class and Class O

Seeking long-term capital appreciation. The OneAmerica Value Portfolio invests primarily in equity securities selected on the basis of fundamental investment research for their long-term growth prospects. The Portfolio uses a value-driven approach in selecting securities, concentrating on companies which appear undervalued compared to the market and to their own historic valuation levels. Typically, at least 65% of the Portfolio's assets will be invested in common stocks listed on a national securities exchange or actively traded over-the-counter on the NASDAQ National Market System.

FOR ADDITIONAL INFORMATION CONCERNING ONEAMERICA FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE ONEAMERICA FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

AIM Growth Series Fund

AIM Basic Value – Class A and Class R

Seeking to provide long-term growth of capital. The AIM Basic Value Fund invests primarily in equity securities of U.S. companies believed to be undervalued in relation to long-term earning power or other factors. The Fund pursues capital growth by investing in undervalued large and mid-sized companies. Its focus on more stable business values enables it to take advantage of market volatility and investor overreaction to negative news. Investing in mid-sized companies may involve greater risk not associated with investing in more established companies. The Fund may invest up to 25% of its assets in foreign securities that may present risks not associated with investing solely in the United States.

AIM Global Equity (Formerly AIM Global Equity Trends) – Class A

Seeks long-term growth of capital. The AIM Global Equity Fund invests, normally, at least 65% of its total assets in equity securities in the following global industry sectors: consumer products and services, financial services, health care, infrastructure, natural resources, telecommunications and technology. The fund will normally invest in the securities of companies located in at least three different countries, including the United States with no more than 50% of its total assets in any one country, other than the U.S. Of total assets, up to 22 to 20% may be invested in companies located in developing countries.

AIM Mid Cap Core Equity – Class A and Class R

Seeking to provide long-term growth of capital. The AIM Mid Cap Core Equity Fund invests in medium-sized U.S. companies. The Fund seeks growth by applying AIM's GARP (Growth At a Reasonable Price) discipline to the universe of medium-sized companies. Investing in small-and mid-sized

companies may involve greater risks not associated with investing in more established companies. Additionally, small companies may have business risk, significant stock price fluctuations and illiquidity. The Fund may invest up to 25% of its assets in foreign securities that may present risks not associated with investing solely in the United States.

AIM Small Cap Growth – Class A and Class R

Seeking to provide long-term growth of capital. The AIM Small Cap Growth Fund invests in U.S. small-cap companies. The Fund invests in stocks of emerging-growth companies that demonstrate earnings potential. The Fund may invest up to 25% of its assets in foreign securities that may present risks not associated with investing solely in the United States. The Fund may invest up to 35% of its total assets in below-investment-grade debt securities. The Fund seeks to maintain a balance of high quality, growth stocks for stability.

FOR ADDITIONAL INFORMATION CONCERNING AIM GROWTH SERIES FUNDS AND ITS PORTFOLIOS, PLEASE SEE THE AIM GROWTH SERIES PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

AIM Sector Funds, Inc.

AIM Energy – Investor Class and Class A (Formerly INVESCO Energy)

Seeking long-term capital growth. The AIM Energy Fund normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies within the energy sector. These companies include, but are not limited to, oil companies, oil and gas exploration companies, natural gas pipeline companies, refinery companies, energy conservation companies, coal, alternative energy companies, and innovative energy technology companies. The Fund focuses on reasonably priced companies with above-average production volume growth and earnings, cash flow and asset value growth potential independent of commodity pricing. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio. Holdings may be adversely affected by foreign government, federal or state regulations on energy production, distribution and sale.

AIM Financial Services – Investor Class and Class A (Formerly INVESCO Financial Services)

Seeking long-term capital growth. The AIM Financial Services Fund normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies involved in the financial services sector. These companies include, but are not limited to, banks (regional and money-centers), insurance companies (life, property, and casualty, and multilane), investment and miscellaneous industries (asset managers, brokerage firms, and government-sponsored agencies), and suppliers to financial services companies. The Fund focuses on market-driven companies with superior technology to deliver products and services that match their customers' needs. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio.

AIM Global Health Care – Investor Class and Class A (Formerly INVESCO Health Sciences)

Seeking long-term capital growth. The AIM Global Health Care Fund normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies related to health care. These companies include, but are not limited to, medical equipment or supplies, pharmaceuticals, biotechnology, and health care providers and services companies. Within these industries, the Fund focuses on the market leaders that are well positioned to leverage demographic and innovative trends. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio.

AIM Leisure – Class A (Formerly INVESCO Leisure)

Seeks capital growth. The AIM Leisure Fund normally invests at least 80% of its assets in the equity securities and equity-related instruments of companies engaged in the design, production, and distribution of products related to leisure activities. These industries include, but are not limited to, advertising, communications/cable TV, cruise lines, entertainment, recreational equipment, lodging, publishers, restaurants, and selected retailers. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio.

AIM Technology – Investor Class and Class A (Formerly INVESCO Technology)

Seeking long-term capital growth. The AIM Technology Fund normally invests at least 80% of its net assets in the equity securities and equity-related instruments of companies engaged in technology-related industries. These include, but are not limited to, various applied technologies, hardware, software, semiconductors, telecommunications equipment and services, and service-related companies in information technology. Many of these products and services are subject to rapid obsolescence, which may lower the market value of the securities of the companies in this sector. The Fund concentrates on market-leading companies with strong management teams that have solid track records, financial strength and proprietary products or content. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio.

FOR ADDITIONAL INFORMATION CONCERNING AIM SECTOR FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AIM SECTOR FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

AIM Stock Funds, Inc.

AIM Dynamics – Investor Class (Formerly INVESCO Dynamics)

Seeking long-term capital growth. The AIM Dynamics Fund invests at least 65% of its net assets in common stocks of mid-sized companies. The managers define mid-sized companies

as companies that are included in the Russell Midcap Growth Index at the time of purchase, or if not included in that Index, have market capitalizations of between \$2.5 billion and \$15 billion at the time of purchase. The Fund may invest up to 25% of the total assets in foreign securities (measured at the time of purchase). Securities of Canadian issuers and American Depositary Receipts are not subject to this 25% limitation. When the manager believes market or economic conditions are unfavorable, the Fund may assume a defensive position by temporarily investing up to 100% of its assets in high quality money market instruments, such as short-term U.S. government obligations, commercial paper or repurchase agreements.

FOR ADDITIONAL INFORMATION CONCERNING AIM STOCK FUNDS, INC. AND ITS PORTFOLIO. PLEASE SEE THE AIM STOCK FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Alger American Fund

Alger American Balanced Portfolio – Class O

Seeking current income and long-term capital appreciation. The Alger American Balanced Portfolio focuses on stocks of companies with growth potential and fixed income securities, with an emphasis on income-producing securities, which appear to have some potential for capital appreciation. Under normal circumstances, the Portfolio invests in common stocks and fixed-income securities, which include commercial paper and bonds rated within the four highest rating categories by an established rating agency or if not rated, which are determined by the Managers to be of comparable quality. Ordinarily, at least 25% of the Portfolio's net assets are invested in fixed-income securities.

Alger American Growth Portfolio – Class O

Seeking long-term capital appreciation. The Alger American Growth Portfolio seeks long-term capital appreciation by focusing on growing companies that generally have broad product lines, markets, financial resources and depth of management. Under normal circumstances, the Portfolio invests primarily in the equity securities of large companies. The Portfolio considers a large company to have a market capitalization of \$1 billion or greater. This Portfolio is not restricted to any one type of security.

Alger American Leveraged AllCap Portfolio – Class O

Seeking long-term capital appreciation. The Alger American Leveraged AllCap Portfolio, under normal circumstances, invests in the equity securities of companies of any size which demonstrate promising growth potential. The Portfolio can leverage, that is, borrow money, up to one-third of its total assets to buy additional securities. By borrowing money, the Portfolio has the potential to increase its returns. There is the risk that the cost of borrowing money to leverage will exceed the returns for the securities purchased or that the securities purchased may actually go down in value; thus, the Portfolio's value can decrease more quickly than if the Portfolio had not borrowed.

FOR ADDITIONAL INFORMATION CONCERNING THE

ALGER AMERICAN FUND AND ITS PORTFOLIOS, PLEASE SEE THE ALGER AMERICAN FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

AllianceBernstein International Growth Funds

AllianceBernstein International Growth (Formerly Worldwide Privatization) – Class R

The Fund's investment objective is long-term capital appreciation. Under normal circumstances, the Fund will invest at least 80%, and normally substantially all, of its net assets in securities issued by enterprises that are under-going or have undergone privatizations and in securities of companies believed by Alliance to be beneficiaries or privatizations. The Fund takes advantage of investment opportunities, historically inaccessible to U.S. individual investors, that result from the privatization of state enterprises in both established and developing economies. Because privatizations are integral to a country's economic restructuring, securities sold in initial public offerings, often are attractively priced to secure the issuer's transition to private sector ownership. In addition, these enterprises often dominate their local markets and have the potential for significant managerial and operational efficiency gains.

FOR ADDITIONAL INFORMATION CONCERNING THE ALLIANCEBERNSTEIN INTERNATIONAL GROWTH FUNDS AND ITS PORTFOLIOS, PLEASE SEE THE ALLIANCEBERNSTEIN INTERNATIONAL GROWTH FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

The AllianceBernstein Growth Funds

AllianceBernstein Mid-Cap Growth – Class R

The Fund's investment objective is long-term growth of capital and income primarily through investments in common stocks. The Fund normally invests substantially all of its assets in high-quality common stocks that Alliance expects to increase in value. Under normal circumstances, the Fund invests at least 80% of its net assets in common stocks of mid-capitalization of companies. For these purposes, "mid-capitalization companies" are those that, at the time of investment, have market capitalizations with the range of market capitalizations of companies constituting the Russell Midcap® Growth Index. The Fund typically invests in common stocks with market capitalizations between \$1 billion and \$15 billion at the time of purchase.

AllianceBernstein Small-Cap Growth – Class R

The Fund's investment objective is growth of capital by pursuing aggressive investment policies. Current income is incidental to the Fund's objective. The Fund generally invests in a widely diversified portfolio of equity securities spread amount many industries that offer the possibility of above-average earnings growth. Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of smaller companies. For those purposes, "smaller companies" are those that, at the time of investment, fall within the lowest 20% of the total U.S. equity market capitalization (excluding,

for purposes of this calculation, companies with market capitalizations of less than \$10 million). Normally, the Fund invests in about 100-125 companies.

FOR ADDITIONAL INFORMATION CONCERNING THE ALLIANCEBERNSTEIN GROWTH FUNDS AND ITS PORTFOLIOS, PLEASE SEE THE ALLIANCEBERNSTEIN GROWTH FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

The AllianceBernstein Value Funds

AllianceBernstein Focused Growth & Income – Class R

The Fund's investment objective is long-term growth of capital through the application of a disciplined value-oriented investment process. The Fund invests primarily in the equity securities of U.S. companies that Alliance believes are undervalued. Alliance believes that, over time, a company's stock price will come to reflect its intrinsic economic value. Alliance uses a disciplined investment process to evaluate the companies in Alliance's extensive research universe and to identify the stocks of companies that offer the best combination of value and potential for price appreciation. The Fund may invest in companies of any size and in any industry. At different times, the Fund's investment may be in companies with significantly different market capitalizations and with a greater emphasis on particular industries. The Fund expects under normal circumstances to invest primarily in equity securities of about 75 U.S. companies. The Fund may also invest up to 15% of its total assets in securities of non-U.S. issuers.

AllianceBernstein Global Value – Class R

The Fund's investment objective is long-term growth of capital. The Fund will invest primarily in a diversified portfolio of equity securities from around the world, including the United States. The Fund's investment policies emphasize investment in companies that are determined by Alliance to be undervalued, using the Bernstein's fundamental value approach. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental research to identify companies whose long-term earnings power is not reflected in the current market price of their securities.

AllianceBernstein International Value – Class R

The Fund's investment objective is long-term growth of capital. The Fund will invest primarily in a diversified portfolio of non-U.S. equity securities. The Fund's investment policies emphasize investment in companies that are determined by Alliance to be undervalued, using the Bernstein's fundamental value approach. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental research to identify companies whose long-term earnings power is not reflected in the current market price of their securities.

AllianceBernstein Small/Mid Cap Value – Class R

The Fund's investment objective is long-term growth of capital. The Fund invests primarily in a diversified portfolio of equity securities of small- to mid-capitalization U.S. companies. For

purposes of this policy, 'small- to mid-capitalization companies' are those that, at the time of investment, fall within the capitalization range between the smallest company in the Russell 2500™ Value Index and the greater of \$5 billion or the market capitalization the largest company in the Russell 2500™ Value Index. Under normal circumstances, the Fund invests at least 80% of its net assets in these types of securities. The Fund's investment policies emphasize investment in companies that are determined by Alliance to be undervalued, using the Bernstein's fundamental value approach. In selecting securities for the Fund's portfolio, Bernstein uses its fundamental research to identify companies whose long-term earnings power is not reflected in the current market price of their securities.

AllianceBernstein Value – Class R

The Fund's investment objective is longer-term growth of capital. The Fund invests primarily in a diversified portfolio of equity securities of U.S. companies with relatively large market capitalizations that Alliance believes are undervalued. The Fund's investment policies emphasize investment in companies that are determined by Alliance to be undervalued, using the fundamental value approach of Alliance's Bernstein unit ("Bernstein"). In selecting securities for the Fund's portfolio, Bernstein uses its fundamental research to identify companies whose long-term earnings power and dividend paying capability are not reflected in the current market price of their securities.

FOR ADDITIONAL INFORMATION CONCERNING THE ALLIANCEBERNSTEIN VALUE FUNDS AND ITS PORTFOLIOS, PLEASE SEE THE ALLIANCEBERNSTEIN VALUE FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Allianz Funds

Allianz CCM Capital Appreciation – Class R ***(Formerly PIMCO CCM Capital Appreciation)***

Seeks growth of capital. The Allianz CCM Capital Appreciation Fund invests primarily in a portfolio of fundamentally sound larger-cap companies with fair prices and strong growth potential. The fund employs a "growth-at-a-reasonable-price" philosophy, allowing it to invest in companies that exhibit both growth and value characteristics. The fund maintains a relatively low P/E ratio, allowing the fund to invest in companies with earnings that will be able to support their stock prices, which can be especially important in the face of market uncertainty.

Allianz NFJ Small-Cap Value – Class R ***(Formerly PIMCO NJF Small-Cap Value)***

Seeks long-term growth of capital and income. The Allianz NFJ Small-Cap Value Fund invests primarily in undervalued small-capitalization securities. The managers adhere to a strict value discipline, seeking fundamentally sound, dividend-paying small-cap companies that the managers feel are undervalued. This strategy requires that all holdings pay a dividend, which can offer stability during periods of market fluctuation.

***Allianz OCC Renaissance – Class R & Administrative Class
(Formerly PIMCO PEA Renaissance)***

Seeking to provide long-term growth of capital and income. The Allianz PEA Renaissance Fund seeks to achieve its investment objective by normally investing a majority of its assets in common stocks of companies with below-average valuations whose business fundamentals are expected to improve. Although the Fund typically invests in companies with market capitalizations of \$1 billion to \$10 billion at the time of investment, it may invest in companies in any capitalization range. To achieve income, the Fund invests a portion of its assets in income-producing (e.g., dividend-paying) stocks.

***Allianz OCC Value – Class R & Administrative Class
(Formerly PIMCO PEA Value)***

Seeking to provide long-term growth of capital and income. The Allianz PEA Value Fund seeks to achieve its investment objective by normally investing a majority of its assets in common stocks of companies with market capitalizations of more than \$5 billion at the time of investment and below-average valuations whose business fundamentals are expected to improve. To achieve income, the Fund invests a portion of its assets in income-producing (e.g., dividend-paying) common stocks.

***Allianz RCM Large-Cap Growth – Class R
(Formerly PIMCO RCM Large-Cap Growth)***

Seeks long-term capital appreciation. The Allianz RCM Large-Cap Growth Fund invests at least 80% of its total assets in equity securities of U.S. companies with at least \$3 billion in market capitalization. The management team employs a “bottom-up” investment process. The investment process revolves around a company’s growth, quality and valuation.

FOR MORE COMPLETE INFORMATION, INCLUDING INFORMATION ON CHARGES AND EXPENSES, CONCERNING THE ALLIANZ DRESDNER ASSET MANAGEMENT OF AMERICA PORTFOLIOS, PLEASE SEE THE ALLIANZ DRESDNER ASSET MANAGEMENT OF AMERICA FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING

American Century® Capital Portfolios, Inc.

***American Century® Equity Income –
Investor Class and Advisor Class***

Seeking current income and capital growth. The American Century® Equity Income Fund invests primarily in stocks with a favorable dividend-paying history that have prospects for dividend payments to continue or increase. Secondly, the Fund managers look for the possibility that the stock price may increase. The Fund seeks to receive dividend payments that provide a yield that exceeds the yield of the stocks comprising the S&P 500 Index. Under normal market conditions, the managers intend to keep at least 85% of the Fund’s assets invested in income-paying securities and at least 80% of its assets in equity securities.

American Century® Large Company Value – Advisor Class

Seeking long-term capital growth. Income is a secondary

objective. The fund managers of the American Century Large Company Value Fund look for stocks of companies that they believe are undervalued at the time of purchase. The managers use a value investment strategy that looks for companies that are temporarily out of favor in the market. The managers attempt to purchase the stocks of these undervalued companies and hold them until they have returned to favor in the market and their stock prices have gone up.

American Century® Real Estate – Advisor Class

Long-term capital appreciation, with income as a secondary objective. The management team invests in common stocks of real estate investment trusts (REITs), which own income-producing properties such as offices, industrial properties, shopping centers, regional malls, outlet centers, apartments, manufactured homes, lodging/resorts, self storage, and diversified properties. The fund managers focus on individual companies using bottom-up, fundamental analysis including sophisticated earnings models and dividend discount models to identify potential stocks. Sector funds may experience greater short-term price volatility than more diversified equity funds, and are most suitable for the aggressive portion of an investment portfolio.

***American Century® Small Cap Value –
Advisor Class and Investor Class***

Seeking long-term capital growth. Income is a secondary objective. The American Century® Small Cap Value Fund invests primarily in stocks of smaller companies that the managers believe are undervalued at the time of purchase. The managers use a value investment strategy that looks for companies that are temporarily out of favor in the market. The managers attempt to purchase the stocks of these undervalued companies and hold them until they have returned to favor in the market and their stock prices have gone up. Under normal market conditions, the managers intend to keep at least 65% of the Fund’s assets invested in U.S. equity securities at all times.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY CAPITAL PORTFOLIOS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AMERICAN CENTURY CAPITAL PORTFOLIOS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Century® Ginnie Mae Fund

American Century® Ginnie Mae – Advisor Class

Seeks high monthly income and low volatility. The American Century® Ginnie Mae Fund invests 80% of its assets primarily in mortgage-backed securities issued by the Government National Mortgage Association (GNMA or Ginnie Mae). Total return investment strategy focuses on overall performance, compared to income strategies that will buy the highest yielding securities to boost income.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY® GINNIE MAE FUND AND ITS PORTFOLIO, PLEASE SEE THE AMERICAN CENTURY GINNIE MAE FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING. AMERICAN CENTURY® MUTUAL FUNDS, INC.

American Century® Mutual Funds, Inc.

American Century® Equity Growth – Advisor

American Century® Equity Growth Fund seeks capital appreciation. The fund primarily invests in common stocks drawn from a universe of the largest 1500 companies (ranked by market capitalization) traded in the United States. Smaller-capitalization stocks with appropriate growth potential may also be included. The advisor uses a quantitative method to construct a portfolio that may provide a total return greater than that of the S&P 500 Index. The fund may invest in foreign securities.

American Century® Growth – Advisor Class

Seeks long-term capital growth. The American Century Growth Fund invests in large-cap companies that exhibit sustainable accelerating earnings and revenue. The management team adheres to well-defined investment policies: 1) invests at least 75% of assets in large-cap companies, 2) maintains approximately 50-90 holdings, 3) top 10 holdings compose approximately 30% of portfolio assets, 4) non-U.S. holdings will account for less than 20% of assets and 5) a minimum of 90% of the portfolio will be invested in equity securities.

American Century® Heritage – Advisor Class

Seeking long-term capital growth. The fund managers of the American Century® Heritage Fund look for stocks of companies they believe will increase in value over time, using a growth investment strategy developed by American Century. This strategy looks for companies with earnings and revenues that are not only growing, but growing at a successively faster, or accelerating pace. The managers make their investment decisions based primarily on the business fundamentals of the individual companies, rather than on economic forecasts or the outlook for sectors.

American Century® Inflation-Adjusted Bond – Advisor

American Century® Inflation-Adjusted Bond Fund seeks total return. The fund normally invests 80% of assets in inflation-adjusted securities that are backed by the full faith and credit of the U.S. government. These issues are indexed or otherwise structured by the U.S. Treasury to provide protection against inflation. It may invest up to 20% of assets in securities that are not inflation-adjusted and are issued by U.S. government agencies and government-sponsored organizations. The fund maintains no maturity or duration restrictions.

American Century® New Opportunities II – Advisor

American Century® New Opportunities II Fund seeks long-term capital growth. The fund normally invests in stocks of smaller-sized companies it believes will increase in value over time. Management looks for companies with earnings and revenues that are growing at a successively faster, or accelerating, pace. It also includes companies whose growth rates, although still negative, are less negative than prior periods.

American Century® Select – Investor Class

Seeking long-term capital growth. The American Century®

Select Fund invests at least 75% of assets in large-cap companies and maintains approximately 80-120 holdings. Additionally, the management team considers S&P 500 sector weightings when constructing the portfolio. They use a bottom-up stock-picking approach that relies on a proven combination of proprietary technology and fundamental analysis. They invest mainly in U.S. large-cap companies that exhibit sustainable, accelerating earnings; and they attempt to remain fully invested at all times. They utilize a disciplined sell strategy based on deteriorating fundamentals, decelerating growth trends and emergence of more attractive alternate companies.

American Century® Ultra® – Advisor Class and Investor Class

Seeking capital appreciation over time by investing in the common stocks of medium-and large-sized companies that exhibit accelerating growth. The American Century® Ultra® Fund invests primarily in large-sized companies whose operating earnings and revenue are accelerating. The management team builds positions in those companies it considers most likely to sustain earnings acceleration. This Fund may invest an unlimited amount of its assets in the securities of foreign issuers, primarily from developed markets. The Fund may invest in common stocks, convertible securities, preferred stocks, bonds, notes and other debt securities of foreign issuers and debt securities of foreign governments and their agencies.

American Century® Vista – Advisor

American Century® Vista Fund seeks long-term capital growth. The fund invests primarily in companies that management believes will increase in value over time. This strategy looks for companies with earnings and revenues that are growing at an accelerating pace. It normally invests in companies that are medium-sized and smaller at the time of purchase, although it may purchase companies of any size. The fund typically invests in common stocks. It may also purchase domestic and foreign preferred stocks, non-leveraged stock index futures contracts and options, notes, bonds and debt securities. It will generally limit the purchase of debt securities to investment-grade obligations, except for convertible debt securities, which may be rated below investment grade.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY MUTUAL FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AMERICAN CENTURY MUTUAL FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Century® Quantitative Equity Funds, Inc.

American Century® Income & Growth – Investor Class

Seeking long-term capital growth and income is secondary. The American Century® Income & Growth Fund invests in a diversified portfolio of domestic stocks in pursuit of its objective. The Fund is designed to provide a total return and dividend yield greater than the S&P 500 Index. Stocks are selected primarily from the 1,500 largest U.S. publicly traded companies, with no single industry accounting for more than 25% of total assets. Individuals cannot invest directly in any index.

American Century® Small Company – Advisor Class

Seeking capital appreciation by investing primarily in common stocks of small companies. The American Century® Small Company Fund's investment strategy utilizes quantitative management techniques in a two-step process that draws on computer technology. In the first step, the fund managers rank stocks from most attractive to least attractive. This is determined by using a computer model that combines measures of a stock's value, as well as measures of its growth potential. In the second step, the managers use a technique called portfolio optimization, which they believe will provide the optimal balance between risk and expected return.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY® QUANTITATIVE EQUITY FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AMERICAN CENTURY® QUANTITATIVE EQUITY FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Century® Strategic Asset Allocations, Inc.

American Century® Strategic Allocation: Aggressive – Advisor Class and Investor Class

Seeking to provide long-term capital growth with a small amount of income. The American Century® Strategic Allocation: Aggressive Fund asset allocation strategy diversifies investments among equity securities, bonds and cash-equivalent instruments. This investment option may invest in any type of U.S. or foreign equity security that meets certain fundamental and technical standards. American Century Strategic Allocation: Aggressive is generally allocated among the major asset classes as follows: 78% stocks, 20% bonds and 2% cash.

American Century® Strategic Allocation: Conservative – Advisor Class and Investor Class

Seeking to provide regular income and moderate long-term growth. The American Century® Strategic Allocation: Conservative Fund's asset allocation strategy diversifies investments among equity securities, bonds and cash-equivalent instruments. This investment option may invest in any type of U.S. or foreign equity security that meets certain fundamental and technical standards. American Century Strategic Allocation: Conservative is generally allocated among the major asset classes as follows: 45% stocks, 45% bonds and 10% cash.

American Century® Strategic Allocation: Moderate – Advisor Class and Investor Class

Seeking to provide long-term capital growth and some regular income. The American Century® Strategic Allocation: Moderate Fund's asset allocation strategy diversifies investments among equity securities, bonds and cash-equivalent instruments. This investment option may invest in any type of U.S. or foreign equity security that meets certain fundamental and technical standards. American Century Strategic Allocation: Moderate is generally allocated among the major asset classes as follows: 63% stocks, 31% bonds and 6% cash.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY STRATEGIC ASSET ALLOCATIONS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AMERICAN CENTURY STRATEGIC ASSET ALLOCATIONS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Century® Variable Portfolios, Inc.

American Century® VP Capital Appreciation

Seeking long-term capital growth. The American Century® VP Capital Appreciation Fund invests primarily in growth companies that the Fund's investment management believes are growing at an accelerated rate and have a record of at least three years of operation. Risk is spread across a variety of companies and industries. The Fund invests in common stocks (including securities convertible into common stocks and other equity equivalents). The Fund may invest in cash and cash equivalents temporarily or when it is unable to find securities meeting its criteria of selection.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY VARIABLE PORTFOLIOS, INC. AND ITS PORTFOLIO, PLEASE SEE THE AMERICAN CENTURY VARIABLE PORTFOLIOS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Century® World Mutual Funds, Inc.

American Century® International Growth – Advisor Class and Investor Class

Seeking capital growth by investing in equity securities in developed foreign countries. The American Century® International Growth Fund invests in common stocks of foreign companies that management considers to have potential for appreciation. The Fund invests primarily in stocks of companies that demonstrate sustainable earnings and growth acceleration of developed markets and attempts to stay fully invested at all times. Other securities the Fund may invest in are bonds, notes and debit securities of companies and obligations of domestic or foreign governments and their agencies.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. AND ITS PORTFOLIO, PLEASE SEE THE AMERICAN CENTURY WORLD MUTUAL FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

American Funds®

American Funds® Capital World Growth & Income FundSM – Class R3

The fund's investment objective is to provide you with long-term growth of capital while providing current income. It invests, on a global basis, in common stocks that are denominated in U.S. dollars or other currencies.

American Funds® Intermediate Bond Fund of America® – Class R3

The fund's investment objective is to provide you with current

income consistent with its stated maturity and quality standards and preservation of capital. It invests primarily in intermediate-term debt securities with quality ratings of A or better (by either Standard & Poor's Corporation or Moody's Investors Service) or unrated but determined to be of equivalent quality, including securities issued and guaranteed by the U.S. government and securities backed by mortgages or other assets. The fund's aggregate portfolio will have an average effective maturity of no longer than five years.

American Funds® Europacific Growth Fund® – Class R3

The fund's investment objective is to provide you with long-term growth of capital. Normally, the fund will invest at least 80% of its assets in securities of issuers located in Europe and the Pacific Basin.

American Funds® The Growth Fund of America® – Class R3

The fund's investment objective is to provide you with growth of capital. The fund invests primarily in common stocks.

American Funds® AMCAP Fund® – Class R3

The fund's investment objective is to provide you with long-term growth of capital. It invests primarily in stocks of issuers located in the U.S. but may invest in non-U.S. securities to a limited extent. The fund's investment adviser focuses primarily on companies with attributes that are associated with long-term growth, such as strong management, participation in a growing market and a history of above average growth in earnings, revenues, book value, cash flow and/or return on assets.

American Funds® American High-Income TrustSM – Class R3

The fund's primary investment objective is to provide you with a high level of current income. Its secondary investment objective is capital appreciation. The fund invests primarily in higher yielding and generally lower quality debt securities (rated Ba or below by Moody's Investors Service, Inc., or BB or below by Standard & Poor's Corporation or unrated but determined to be of equivalent quality), including those of non-U.S. issuers. The fund may also invest in equity securities that provide an opportunity for capital appreciation.

FOR ADDITIONAL INFORMATION CONCERNING AMERICAN FUNDS®, INC. AND ITS PORTFOLIOS, PLEASE SEE THE AMERICAN FUNDS® PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Ariel Mutual Funds, Inc.

Ariel

Seeking to provide long-term capital appreciation. The Ariel Fund seeks long-term capital appreciation by investing in undervalued smaller capitalization (small-cap) companies in consistent industries that show strong potential for growth. The Fund focuses on companies that share attributes that the Fund's investment adviser believes should result in capital appreciation over time. Those attributes include: quality products or services; experienced, dedicated management; strong balance sheets; and consistent earnings growth. To capture anticipated growth, the Fund generally holds

investments for a relatively long period, usually three to five years. The Fund primarily invests in companies with market capitalizations between \$500 million and \$2.5 billion at the time of purchase.

Ariel Appreciation

Seeking to provide long-term capital appreciation. The Ariel Appreciation Fund seeks long-term capital appreciation by investing in undervalued medium capitalization (mid-cap) firms with growth potential. The Fund focuses on companies that share attributes that the Fund's investment adviser believes should result in capital appreciation over time. Those attributes include: quality products or services; experienced, dedicated management; strong balance sheets; and consistent earnings growth. To capture anticipated growth, the Fund generally holds investments for a relatively long period, usually three to five years. The Fund primarily invests in companies with market capitalizations from \$2.5 billion to \$20 billion at the time of purchase.

FOR ADDITIONAL INFORMATION CONCERNING ARIEL MUTUAL FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE ARIEL MUTUAL FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Calvert Income Fund

Calvert Income – Class A

Seeking to maximize income, to the extent consistent with prudent investment management and preservation of capital through investment in bonds and other income producing securities. The Calvert Income Fund invests in selected investment grade bonds. At least 65% of its assets are invested in fixed-income securities that received one of the following ratings: Aaa, Aa, A or Baa from Moody's Investor Services Inc., AAA, AA, A or BBB from Standard & Poor's Corp. or a comparable rating from Calvert Asset Management Company (CAMCO). These are un-rated securities whose value CAMCO considers comparable to one of the investment-grade ratings listed above. The remaining 35% of the assets may be invested in non-investment-grade securities. These securities involve greater risk of default or price declines (due to changes in the issuers' creditworthiness).

FOR ADDITIONAL INFORMATION CONCERNING CALVERT INCOME FUND AND ITS PORTFOLIO, PLEASE SEE THE CALVERT INCOME FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Calvert New Vision Small Cap Fund

Calvert New Vision Small Cap – Class A

Seeking to provide long-term capital appreciation by investing primarily in small cap stocks that meet the fund's investment. At least 80% of the Calvert New Vision Small Cap Fund's assets will be invested in the common stocks of small-cap companies. Returns in the Fund will be mostly from the changes in the price of the Fund's holdings (capital appreciation). The Fund currently defines small-cap companies as those with market capitalization of \$2 billion or less at the time the Fund initially invests. The Fund invests with the philosophy that long-term rewards to investors will come from those organizations whose

products, services and methods enhance the human condition and the traditional American values of individual initiative, equality of opportunity and cooperative effort.

FOR ADDITIONAL INFORMATION CONCERNING CALVERT NEW VISION SMALL CAP FUND AND ITS PORTFOLIO, PLEASE SEE THE CALVERT NEW VISION SMALL CAP FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Calvert Social Investment Fund

Calvert Social Investment Equity – Class A

Seeking to provide growth of capital through investment in equity securities of issuers within industries perceived to offer opportunities for potential capital appreciation. The Calvert Social Investment Equity Fund invests primarily in the common stocks of large-cap companies having, on average, market capitalization of at least \$1 billion. Investment returns will be mostly from changes in the price of the underlying Fund's holdings (capital appreciation). The subadvisor looks for growing companies with a history of steady earnings growth. Companies are selected based on the subadvisor's opinion that the company has the ability to sustain growth through growing profitability and that the stock is favorably priced with respect to those growth expectations. The Fund invests with the philosophy that long-term rewards to investors will come from those organizations whose products, services and methods enhance the human condition and the traditional American values of individual initiative, equality of opportunity and cooperative effort.

FOR ADDITIONAL INFORMATION CONCERNING CALVERT SOCIAL INVESTMENT FUND AND ITS PORTFOLIO, PLEASE SEE THE CALVERT SOCIAL INVESTMENT FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Calvert Variable Series, Inc.

Calvert Social Mid-Cap Growth – Class A

Seeking long-term capital appreciation. The Calvert Social Mid-Cap Growth Portfolio invests primarily in a non-diversified Portfolio of the stock securities of mid-sized companies that are undervalued but demonstrate a potential for growth.

Investments may also include, but are not limited to, preferred stocks, foreign securities, convertible security bonds, notes and other debt securities. The Fund invests with the philosophy that long-term rewards to investors will come from those organizations whose products, services and methods enhance the human condition and the traditional American values of individual initiative, equality of opportunity and cooperative effort.

FOR ADDITIONAL INFORMATION CONCERNING CALVERT VARIABLE SERIES INC. AND THE CALVERT SOCIAL MID-CAP GROWTH PORTFOLIO, PLEASE SEE THE CALVERT VARIABLE SERIES, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Dreyfus Growth and Value Funds, Inc.

Dreyfus Premier Future Leaders – Class T

The Fund seeks capital growth. To pursue this goal, the Fund normally invests at least 80% of its assets in the stocks of

companies the Advisor believes to be future leaders: small companies characterized by new or innovative products, services or processes having the potential to enhance earnings or revenue growth. Based on current market conditions, the Fund primarily invests in companies with market capitalizations of less than \$2 billion at the time of purchase. However, since the Fund may continue to hold its securities as their market capitalizations grow, a substantial portion of the Fund's holdings can have market capitalizations in excess of \$2 billion at any given time. The Fund's investments may include common stocks, preferred stocks and convertible securities, including those purchased in initial public offerings. In choosing stocks, the Fund uses a blended approach, investing in a combination of growth and value stocks. The Fund managers use a sector management approach, supervising a team of sector managers who each make buy and sell recommendations within their respective areas of expertise.

Dreyfus Premier Structured MidCap – Class T

The fund seeks long-term capital growth. To pursue this goal, the fund normally invests at least 80% of its assets in the stocks of companies included in the S&P 400 Midcap Index or the Russell Midcap Index at the time of purchase. The fund's stock investments may include common stocks, preferred stocks and convertible securities of U.S. and foreign issuers, including those purchased in initial public offerings. The portfolio managers select stocks through a bottom-up, structured approach that seeks to identify undervalued securities using a quantitative screening process. This process is driven by computer models that identify and rank stocks based on: fundamental momentum, relative value, future cash flow, and additional factors, such as trading by company insiders or stock pricing variables and historical information. Next, the portfolio managers select the most attractive of the top ranked securities. The fund will sell a stock which falls below the median ranking, and generally will reinvest the proceeds in a top-ranked security in order to remain fully invested. The fund may, but is not required to, use derivatives, such as futures and options, as a substitute for taking a position in an underlying asset, to increase returns, or as part of a hedging strategy. The fund also may engage in short-selling, typically for hedging purposes, such as to limit exposure to a possible market decline in the value of its portfolio securities.

FOR ADDITIONAL INFORMATION CONCERNING DREYFUS GROWTH AND VALUE FUNDS, INC. AND ITS PORTFOLIOS, PLEASE SEE THE DREYFUS GROWTH AND VALUE FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Dreyfus Premier New Leaders, Inc.

Dreyfus Premier New Leaders – Class T

The Fund seeks to maximize capital appreciation. To pursue this goal, the Fund invests at least 80% of its assets in the stocks of small and midsize companies. Often, these companies are new leaders in their industry, and are characterized by new or innovative products, services or processes with the potential to enhance earnings growth. The Fund's stock investments may include common stocks, preferred stocks and convertible securities, including those purchased in initial public offerings.

The Fund also may invest in foreign stocks. The Fund defines small and midsize companies as companies with market capitalizations of \$10 billion or less at the time of investment. The Fund is not required to maintain an average or median market capitalization of investments within any particular range. In choosing stocks, the Fund uses a blended approach, investing in growth stocks, value stocks, or stocks that exhibit the characteristics of both.

FOR ADDITIONAL INFORMATION CONCERNING DREYFUS PREMIER NEW LEADERS, INC. AND ITS PORTFOLIO, PLEASE SEE THE DREYFUS PREMIER NEW LEADERS, INC PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Dreyfus Premier Worldwide Growth, Inc.

Dreyfus Premier Worldwide Growth – Class T

The fund seeks long-term capital growth consistent with the preservation of capital; current income is a secondary goal. To pursue these goals, the fund normally invests at least 80% of its assets in the common stock of U.S. and foreign companies. The fund will normally invest at least 25% of its assets in foreign companies. The fund focuses on blue chip multinational companies with total market values of more than \$5 billion. The fund employs a buy-and-hold investment strategy, and seeks to keep annual portfolio turnover below 15%. As a result, the fund invests for long-term growth rather than short-term profits.

FOR ADDITIONAL INFORMATION CONCERNING DREYFUS PREMIER WORLDWIDE GROWTH, INC. AND ITS PORTFOLIO, PLEASE SEE THE DREYFUS PREMIER WORLDWIDE GROWTH, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

The Dreyfus/Laurel Funds, Inc.

Dreyfus Premier Small Cap Value – Class T

The Fund seeks investment returns (consisting of capital appreciation and income) that are consistently superior to the Russell 2000 Value Index. To pursue its goal, the Fund normally invests at least 80% of its assets in stocks of small U.S. companies. The adviser uses a disciplined process that combines computer modeling techniques, fundamental analysis and risk management to select undervalued stocks for the Fund. The portfolio is constructed so that its sector weightings and risk characteristics are similar to those of the Russell 2000 Value.

FOR ADDITIONAL INFORMATION CONCERNING THE DREYFUS/LAUREL FUNDS, INC. AND ITS PORTFOLIO, PLEASE SEE THE DREYFUS/LAUREL FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

The Dreyfus Premier Third Century Fund, Inc.

Dreyfus Premier Third Century – Class T

The Fund seeks to provide capital growth, with current income as a secondary goal. The Fund may also invest in foreign securities. To pursue these goals, the Fund invests primarily in

the common stocks of companies that, in the opinion of the Fund's management, meet traditional investment standards and conduct their business in a manner that contributes to the enhancement of the quality of life in America. The Fund's investment strategy combines market economics and fundamental research with a proactive social screening process. The portfolio managers begin by assessing current economic conditions and forecasting economic expectations. Each industry sector of the S&P 500 Index is examined to determine the sector's market capitalized weighting and to estimate the performance of the sector relative to the S&P 500 as a whole. The portfolio managers then evaluate each stock considered to be a potential purchase candidate to determine whether the company enhances the quality of life in America by considering its record in the areas of: a) protection and improvement of the environment and the proper use of our natural resources; 2) occupational health and safety; 3) consumer protection and product purity; and 4) equal employment opportunity. Consistent with its consumer protection screen, the Fund will not purchase shares in a company that manufactures tobacco products.

FOR ADDITIONAL INFORMATION CONCERNING THE DREYFUS PREMIER THIRD CENTURY, INC. AND ITS PORTFOLIO, PLEASE SEE THE DREYFUS PREMIER THIRD CENTURY, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Fidelity® Advisor Funds

Fidelity® Advisor Diversified International – Class T

Capital growth. The Fidelity® Advisor Diversified International Fund normally invests primarily in non-U.S. securities, primarily in common stocks. The fund allocates its investments across countries and regions considering the size of the market in each country and region relative to the size of the international market as a whole.

Fidelity® Advisor Dividend Growth – Class T

Seeks capital appreciation. The Fidelity® Advisor Dividend Growth Fund normally invests at least 80% of assets in equity securities, primarily in common stocks, investing primarily in companies that pay dividends or that Fidelity® Management & Research Company (FMR) believes have the potential to pay dividends in the future. FMR may invest the fund's assets in 'growth' stocks or 'value' stocks or both, and may invest in securities of foreign and domestic issuers.

Fidelity® Advisor Dynamic Capital Appreciation – Class T

Seeks capital appreciation. The Fidelity® Advisor Capital Appreciation Fund normally invests primarily in common stocks of domestic and foreign issuers. The fund may invest in either 'growth' stocks or 'value' stocks or both. In buying and selling securities for the fund, Fidelity® Management & Research Company (FMR) relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position, and economic and market conditions. Factors considered include growth potential, earnings estimates, and management.

Fidelity® Advisor Equity Growth – Class T

Seeks capital appreciation. Fidelity® Management & Research Company (FMR)'s principal investment strategies include: Normally investing at least 80% of assets in equity securities. Normally investing primarily in common stocks. Investing in companies it believes have above-average growth potential (stocks of these companies are often called 'growth' stocks). Investing in domestic and foreign issuers. Using fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

Fidelity® Advisor Equity Income – Class T

Seeks a yield from dividend and interest income that exceeds the composite dividend yield of securities in the S&P 500. The fund will consider the potential for achieving capital appreciation. (Individuals cannot invest directly in any index.) The Fidelity® Advisor Equity Income Fund normally invests at least 80% of assets in equity securities, primarily in income-producing equity securities which tends to lead to investments in large cap 'value' stocks, potentially investing in other types of equity securities and debt securities, including lower-quality debt securities. Invests in domestic and foreign issuers.

Fidelity® Advisor Freedom 2010 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2010. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2010).

Fidelity® Advisor Freedom 2015 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2015. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2015).

Fidelity® Advisor Freedom 2020 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2020. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until

it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2020).

Fidelity® Advisor Freedom 2025 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2025. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2025).

Fidelity® Advisor Freedom 2030 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2030. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2030).

Fidelity® Advisor Freedom 2035 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2035. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2035).

Fidelity® Advisor Freedom 2040 – Class T

Seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. Investing in a combination of Fidelity® equity, fixed-income, and money market/short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2040. Allocating assets among these underlying Fidelity® funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds (approximately five to ten years after the year 2040).

Fidelity® Advisor Freedom Income – Class T

Seeks high total return with a secondary objective of principal preservation. Invests in a combination of Fidelity® equity, fixed-

income, and money market funds (underlying Fidelity® funds) and allocates its assets among these funds according to a stable asset allocation strategy designed for investors already in retirement.

Fidelity® Advisor Growth & Income – Class T

High total return through a combination of capital appreciation and current income. The Fidelity® Advisor Growth & Income Fund normally invests a majority of its assets in common stocks of domestic and foreign issuers, with a focus on those that pay current dividends and show potential for capital appreciation. The fund may also invest in bonds, including lower-quality debt securities, as well as stocks that are not currently paying dividends, but offer prospects for future income or capital appreciation. The fund may invest in either 'growth' stocks or 'value' stocks or both.

Fidelity® Advisor Growth Opportunities – Class T

Seeks to provide capital growth. Normally investing primarily in common stocks of both domestic and foreign issuers. The fund may invest in either 'growth' stocks or 'value' stocks or both.

Fidelity® Advisor International Capital Appreciation – Class T

Seeks capital appreciation. Normally invests primarily in non-U.S. securities, including securities of issuers located in emerging markets. The fund normally invests primarily in common stocks. The fund allocates its investments across different countries and regions considering the size of the market in each country and region relative to the size of the international market as a whole.

Fidelity® Advisor Mid Cap – Class T

Long-term growth of capital. The Fidelity® Advisor Mid Cap Fund normally invests primarily in common stocks. The fund normally invests at least 80% of assets in securities of companies with medium market capitalizations (those with market capitalizations similar to companies in the Russell Mid Cap Index or the Standard & Poor's Mid Cap 400 Index (S&P MidCap 400)). The fund invests in either "growth" stocks or "value" stocks or both. The fund invests in domestic and foreign issuers.

Fidelity® Advisor New Insights – Class T

Seeks capital appreciation. Fidelity® Management & Research Company (FMR)'s principal investment strategies include: Normally investing primarily in common stocks. Investing in securities of companies whose value it believes is not fully recognized by the public. Investing in domestic and foreign issuers. Investing in either "growth" stocks or "value" stocks or both. Using fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments.

Fidelity® Advisor Overseas – Class T

Seeks long term growth of capital. Normally invests at least 80% of the fund's total assets in non-U.S. securities. The fund normally invests primarily in common stocks. The fund allocates investments across countries and regions with

consideration to market size in each country and region relative to the size of the international markets as a whole.

Fidelity® Advisor Small Cap – Class T

Seeks Long-term growth of capital. The Fidelity® Advisor Small Cap normally invests primarily in common stocks. The fund normally invests at least 80% of assets in securities of companies with small market capitalizations (those with market capitalizations similar to companies in the Russell 2000 Index or the Standard & Poor's SmallCap 600 Index). The fund invests in either "growth" stocks or "value" stocks or both. The fund invests in domestic and foreign issuers.

FOR ADDITIONAL INFORMATION CONCERNING FIDELITY® ADVISOR FUNDS CLASS T PORTFOLIOS, PLEASE SEE THE FIDELITY® ADVISOR FUNDS CLASS T PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Fidelity® Variable Insurance Products Fund

Fidelity® VIP Asset ManagerSM Portfolio

Seeking high total return with reduced risk over the long-term. Fidelity® Management & Research Company (FMR)'s principal investment strategies include: Allocating the fund's assets among stocks, bonds, and short-term and money market instruments; maintaining a neutral mix over time of 50% of assets in stocks, 40% of assets in bonds, and 10% of assets in short-term and money market instruments; adjusting allocation among asset classes gradually within the following ranges- stock class (30%-70%), bond class (20%-60%), and short-term/money market class (0%-50%); investing in domestic and foreign issuers; analyzing an issuer using fundamental and/or quantitative factors and evaluating each security's current price relative to estimated long-term value to select investments; and potentially using other investment strategies to increase or decrease the Fund's exposure to changing security prices or other factors that affect security values.

Fidelity® VIP Contrafund® Portfolio

Seeks long-term capital appreciation. Fidelity® Management & Research Company (FMR)'s principal investment strategies include: Normally investing primarily in common stocks; investing in securities of companies whose value it believes is not fully recognized by the public; investing in domestic and foreign issuers; investing in either "growth" stocks or "value" stocks or both; using fundamental analysis of each issuer's financial condition and industry position and market and economic conditions to select investments; and potentially using other investment strategies to increase or decrease the Fund's exposure to changing security prices or other factors that affect security values.

Fidelity® VIP Equity-Income Portfolio

Seeks reasonable income and will also consider the potential for capital appreciation. Seeks a yield that exceeds the composite yield on the securities comprising the Standard & Poor's 500SM Index. (Individuals cannot invest directly in any index.) Fidelity® Management & Research Company (FMR)'s principal investment strategies include: Normally investing at

least 80% of assets in equity securities; normally investing primarily in income-producing equity securities, which tends to lead to investments in large cap “value” stocks; potentially investing in other types of equity securities and debt securities, including lower-quality debt securities; investing in domestic and foreign issuers; using fundamental analysis of each issuer’s financial condition and industry position and market and economic conditions to select investments; and potentially using other investment strategies to increase or decrease the Fund’s exposure to changing security prices or other factors that affect security values.

Fidelity® VIP Growth Portfolio

Seeks to achieve capital appreciation. Fidelity® Management & Research Company (FMR)’s principal investment strategies include: Normally investing primarily in common stocks; investing in companies that it believes have above-average growth potential (stocks of these companies are often called “growth” stocks); investing in domestic and foreign issuers; using fundamental analysis of each issuer’s financial condition and industry position and market and economic conditions to select investments; and potentially using other investment strategies to increase or decrease the Fund’s exposure to changing security prices or other factors that affect security values.

Fidelity® VIP High Income Portfolio

Seeks a high level of current income, while also considering growth of capital. Fidelity® Management & Research Company (FMR)’s principal investment strategies include: Normally investing primarily in income-producing debt securities, preferred stocks, and convertible securities, with an emphasis on lower-quality debt securities; potentially investing in non-income producing securities, including defaulted securities and common stocks; investing in companies in troubled or uncertain financial condition; investing in domestic and foreign issuers; using fundamental analysis of each issuer’s financial condition and industry position and market and economic conditions to select investments; and potentially using other investment strategies to increase or decrease the Fund’s exposure to changing security prices or other factors that affect security values.

Fidelity® VIP Overseas Portfolio

Seeks long-term growth of capital. Fidelity® Management and Research Company (FMR)’s principal investment strategies include: Normally investing at least 80% of assets in non-U.S. securities; normally investing primarily in common stocks; allocating investments across countries and regions considering the size of the market in each country and region relative to the size of the international market as a whole; using fundamental analysis of each issuer’s financial condition and industry position and market and economic conditions to select investments; and potentially using other investment strategies to increase or decrease the Fund’s exposure to changing security prices or other factors that affect security values.

FOR ADDITIONAL INFORMATION CONCERNING FIDELITY® VARIABLE INSURANCE PRODUCTS FUND (“VIP”) AND ITS

PORTFOLIOS, PLEASE SEE THE VIP PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Fifth Third Funds

Fifth Third Mid Cap Growth – Class Advisor

Fifth Third Mid Cap Growth Fund seeks capital growth; income is secondary. The fund normally invests at least 80% of assets in common stocks of companies with market capitalizations between \$500 million and \$10 billion. Management selects investments on the basis of traditional research techniques, including earnings assessments, dividend growth, and volatility of the industry. To achieve its secondary objective of income, the fund may invest up to 20% of assets in common stocks of large capitalization companies, which may pay dividends, small cap companies, as well as convertible securities which pay interest.

Fifth Third Multi Cap Value – Class Advisor

Fifth Third Multi Cap Value Fund seeks total return. The fund normally invests at least 80% of assets in equity securities of multi-cap companies that management believes to be undervalued. Equity securities of multi-cap companies consist of common stock and securities convertible into common stock of companies with market capitalizations of any size. In selecting securities, management will give primary consideration to fundamental factors such as securities having relatively low ratios of share price-to-book value, net asset value, earnings and cash flow.

Fifth Third Quality Growth – Class Advisor

Fifth Third Quality Growth Fund seeks capital growth; income is secondary. The fund normally invests at least 65% of assets in high quality growth companies. The stocks are selected on the basis of historical and projected dividend and earnings growth, debt-to-capital ratios, and quality of management. Most of the companies in which the fund invests are U.S. companies with a market capitalization greater than \$3 billion. It may invest up to 35% of assets in convertible securities and other investments to achieve its secondary objective of providing income.

Fifth Third Strategic Income – Class Advisor

Fifth Third Strategic Income Fund seeks a high level of income consistent with reasonable risk. Achieving capital appreciation is a secondary objective. The fund intends to invest in a wide variety of debt and equity securities, altering composition as economic and market trends change. It normally invests at least 80% of assets in income-producing securities.

Fifth Third Technology – Class Advisor

Fifth Third Technology Fund seeks long-term capital appreciation. The fund invests at least 80% of assets in equity securities of the U.S. and to a lesser extent, foreign technology companies. It invests in companies that are engaged in developing products, processes or services that provide technological advances. The fund generally takes a growth approach to selecting stocks, looking for established companies that appear poised to grow because of new products, technology or management, as well as new

companies that are in the developmental stage. It may also invest up to 20% of assets in other securities, such as corporate and government securities.

FOR ADDITIONAL INFORMATION CONCERNING THE FIFTH THIRD FUNDS AND ITS PORTFOLIOS, PLEASE SEE THE FIFTH THIRDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Franklin Capital Growth Fund

Franklin Capital Growth – Class R

Seeks capital appreciation with a secondary goal of current income. Franklin Capital Growth Fund invests primarily in stocks of leading businesses with strong growth prospects. The fund looks for current and future market leaders, within small, medium- and large-sized companies that meet its investment criteria. Specifically, the fund targets established and emerging industry leaders, investing in stocks of companies it believes will grow at an accelerated pace—companies with solid profit models, visionary management and high barriers to entry such as proprietary, intellectual property and patents. The fund can also invest in some foreign company stocks.

FOR ADDITIONAL INFORMATION CONCERNING FRANKLIN ADVISERS, INC. PORTFOLIOS, PLEASE SEE THE FRANKLIN ADVISERS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Franklin Flex Cap Growth Fund

Franklin Flex Cap Growth – Class R

Seeks capital appreciation. Under normal market conditions, the Franklin Flex Cap Growth Fund invests a majority of the net assets in equity securities of California companies. The Fund has the flexibility to invest in companies located in other states and outside the United States. The managers consider California companies as those that are headquartered or conducting a substantial portion of their operations in, or generating a substantial portion of their revenue from business within, the state of California. The Fund may invest in initial public offerings of securities, and may also invest a small portion of its assets in private or illiquid securities, such as late stage venture capital financings. A significant portion of the Fund's investments is in smaller and midsize companies.

FOR ADDITIONAL INFORMATION CONCERNING FRANKLIN ADVISERS, INC. PORTFOLIOS, PLEASE SEE THE FRANKLIN ADVISERS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Franklin Small-Mid Cap Growth

Franklin Small-Mid Cap Growth – Class R

Franklin Small-Mid Cap Growth Fund seeks long-term capital growth. The fund normally invests at least 80% of assets in equity securities of companies that have market capitalizations not exceeding \$8.5 billion. It may invest the balance of assets in equity securities of larger companies. The fund may also invest in IPO's, and can invest a very small portion of assets in private or illiquid securities.

FOR ADDITIONAL INFORMATION CONCERNING FRANKLIN ADVISERS, INC. PORTFOLIOS, PLEASE SEE THE FRANKLIN ADVISERS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Franklin Strategic Series Fund

Franklin Strategic Income – Class R

Seeks to provide a high level of current income, while maintaining a secondary focus on long-term capital appreciation. Franklin Strategic Income Fund follows a fundamental, value-oriented investment philosophy that seeks to provide investors with broad market exposure to domestic and international fixed income markets. The managers strategically allocate investments across many different sectors of the fixed income universe, including foreign and U.S. government bonds, high-yield and investment-grade corporate bonds, convertible securities and mortgage-backed securities.

FOR ADDITIONAL INFORMATION CONCERNING FRANKLIN ADVISERS, INC. PORTFOLIOS, PLEASE SEE THE FRANKLIN ADVISERS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Janus Adviser Series

Janus Adviser Forty Fund – Class R

(Formerly known as Janus Capital Appreciation Fund)

The Fund seeks long-term growth of capital. The fund pursues its objective by investing primarily in a core group of 20-40 common stocks selected for their growth potential. The Fund may invest in companies of any size, from larger, well-established companies to smaller, emerging growth companies.

Janus Adviser Growth and Income Fund – Class R

The Fund seeks long-term capital growth and current income. The Fund pursues its objective by normally emphasizing investments and common stocks. It will normally invest up to 75% of its assets in equity securities selected primarily for their growth potential, and at least 25% of its assets in securities the portfolio manager believes have income potential. Equity securities make up part of all of this income component if they currently pay dividends of the portfolio manager believes they have potential for increasing or commencing dividend payments. Because of this investment strategy, the Fund is not designed for investors who need consistent income.

Janus Adviser INTECH Risk-Managed Growth – Class I

Long-term growth of capital. The Fund primarily invests in large-sized companies selected for their growth potential, seeking to control risks by applying a mathematical management process and selecting stocks only from a predefined universe of the Fund's benchmark, Russell 1000® Growth Index. The mathematical-based management technique does not attempt to predict the direction of the market, nor does it have a particular view of any particular company in the Fund. Rather, investment decisions are governed by a mathematical investment process that aims to deliver long-term returns better than its benchmark while controlling the risk relative to the benchmark.

Janus Adviser Small Company Value Fund – Class I

Seeks capital appreciation. The Janus Adviser Small Company Value Fund invests, under normal circumstances, at least 80% of its assets in equity securities of small companies whose market capitalization, at the time of initial purchase, is less than the 12-month average of the maximum market capitalization for companies included in the Russell 2000® Index. This average is updated monthly. The Fund primarily invests in the common stocks of small companies whose stock prices are believed to be undervalued by the Fund's subadviser. For the Fund's 80% policy, net assets will take into account borrowings for investment purposes.

FOR ADDITIONAL INFORMATION CONCERNING JANUS ADVISER SERIES AND ITS PORTFOLIOS, PLEASE SEE THE JANUS ADVISER SERIES PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Janus Aspen Series

Janus Aspen Series Flexible Bond Portfolio Income – Institutional Class

Seeking maximum total return consistent with preservation of capital. The Janus Aspen Series Flexible Bond Portfolio invests under normal circumstances, at least 80% of its assets plus the amount of any borrowings for investment purposes in bonds, including, but not limited to, government bonds, corporate bonds, convertible bonds, mortgage-backed securities and zero-coupon bonds. The Portfolio will invest at least 65% of its assets in investment grade debt securities and will maintain an average-weighted effective maturity of five to ten years. The Portfolio will limit its investments in high-yield/high-risk bonds to 35% or less of its net assets. This Portfolio generates total return from a combination of current income and capital appreciation, but income is usually the dominant portion.

Janus Aspen Series Worldwide Growth Portfolio – Institutional Class

Seeking long-term capital growth in a manner consistent with preservation of capital. The Janus Aspen Series Worldwide Growth Portfolio invests primarily in common stocks companies of any size located throughout the world. The Portfolio normally invests in issuers from several different countries, including the United States. The Portfolio may, under unusual circumstances, invest in a single country. The Portfolio may have significant exposure to emerging markets. The Portfolio will limit its investments in high-yield/high-risk securities to 35% or less of its net assets.

FOR ADDITIONAL INFORMATION CONCERNING JANUS ASPEN SERIES AND ITS PORTFOLIOS, PLEASE SEE THE JANUS ASPEN SERIES PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Lord Abbett Blend Trust

Lord Abbett Small-Cap Blend – Class P

The Fund's investment objective is to seek long-term growth of capital by investing primarily in stocks of small companies. The Fund normally invests at least 80% of its net assets, plus the

amount of any borrowings for investment purposes, in equity securities of small companies. A small company is defined as a company having a market capitalization at the time purchase that falls within the market capitalization range of companies in the Russell 2000 Index, a widely used benchmark for a small-cap stock performance.

FOR ADDITIONAL INFORMATION CONCERNING LORD ABBETT BLEND TRUST AND ITS PORTFOLIO, PLEASE SEE THE LORD ABBETT SMALL CAP BLEND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Lord Abbett Developing Growth, Inc.

Lord Abbett Developing Growth – Class P

The Fund's investment objective is long-term growth of capital through a diversified and actively managed portfolio consisting of developing growth companies, many of which are traded over the counter. To pursue its goal, the Fund primarily invests in the common stocks of companies with above-average, long-term growth potential. The Fund uses a bottom-up stock selection process, which means that it focuses on the investment fundamentals of companies, rather than reacting to stock market events. The Fund is broadly diversified over many industries and economic sectors. Normally, the Fund invests at least 65% of its net assets in equity securities of small companies. Equity securities may include common stocks, preferred stocks, convertible securities, warrants, and similar instruments.

FOR ADDITIONAL INFORMATION CONCERNING LORD ABBETT DEVELOPING GROWTH, INC. AND ITS PORTFOLIO, PLEASE SEE THE LORD ABBETT DEVELOPING GROWTH, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Lord Abbett Mid-Cap Value, Inc.

Lord Abbett Mid-Cap Value – Class P

The Fund seeks capital appreciation through investments, primarily in equity securities, which the Advisor believes to be undervalued in the marketplace. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of mid-sized companies, those with a market capitalization of roughly \$500 million to \$10 billion, at the time of purchase. Equity securities in which the Fund may invest include common stocks, convertible bonds, convertible preferred stocks, warrants and similar instruments. In selecting investments, the Fund, using a value approach, tries to identify stocks of companies that have the potential for significant market appreciation, due to growing recognition of improvement in their financial results, or increasing anticipation of such improvement.

FOR ADDITIONAL INFORMATION CONCERNING LORD ABBETT MID-CAP VALUE AND ITS PORTFOLIO, PLEASE SEE THE LORD ABBETT MID-CAP VALUE PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Lord Abbett Research Fund, Inc.

Lord Abbett Growth Opportunities – Class P

The Fund's investment objective is capital appreciation. To pursue this goal, the Fund normally invests at least 65% of its net assets in equity securities of mid-sized companies. A mid-sized company is defined as a company having a market capitalization at the time of purchase that falls within the market capitalization range of companies in the Russell Midcap Index, a widely used benchmark for midcap stock performance. Equity securities may include common stocks, preferred stocks, convertible securities, warrants and similar instruments. In selecting investments, the Fund follows a growth style of investing, which means that the Advisor favors companies that show the potential for strong revenue and earnings growth.

Lord Abbett Small-Cap Value – Class P

The Fund's investment objective is long-term capital appreciation. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of companies with market capitalizations of less than \$2 billion at the time of purchase. Equity securities in which the Fund may invest include common stocks, convertible bonds, convertible preferred stocks, warrants and similar instruments. In selecting investments, the Fund attempts to invest in the securities of smaller, less well-known companies selling at reasonable prices in relation to our assessment of their potential value.

FOR ADDITIONAL INFORMATION CONCERNING LORD ABBETT RESEARCH FUND, INC. AND ITS PORTFOLIOS, PLEASE SEE THE LORD ABBETT RESEARCH FUND, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

MFS® International New Discovery Fund

MFS® International New Discovery – Class A

Seeking to provide capital appreciation. The MFS® International New Discovery Fund invests, under normal market conditions, at least 65% of its net assets in common stocks and related securities, such as preferred stock, convertible securities and depositary receipts of foreign (including emerging market) issuers. The Fund may invest in companies of any size, including equity securities issued by foreign companies with relatively small market capitalizations that the Fund's investment adviser, Massachusetts Financial Services Company (MFS or the adviser), believes are early in their life cycle but have the potential to become major enterprises. Under normal market conditions, the Fund invests in at least three different countries.

FOR ADDITIONAL INFORMATION CONCERNING MFS® INTERNATIONAL NEW DISCOVERY FUND AND ITS PORTFOLIO, PLEASE SEE THE MFS® INTERNATIONAL NEW DISCOVERY FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

MFS® Mid Cap Growth Fund

MFS® Mid Cap Growth – Class A

Seeking to provide long-term growth of capital. The MFS® Mid

Cap Growth Fund invests, under normal market conditions, at least 80% of its net assets in common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts for those securities of companies with medium market capitalization which the Fund's investment adviser, Massachusetts Financial Services Company (referred to as MFS or the adviser), believes have above-average growth potential. Medium market capitalization companies are defined by the Fund as companies with market capitalizations equaling or exceeding \$250 million but not exceeding the top of the Russell Midcap™ Growth Index range at the time of the Fund's investment.

FOR ADDITIONAL INFORMATION CONCERNING MFS® MID CAP GROWTH FUND AND ITS PORTFOLIO, PLEASE SEE THE MFS® MID CAP GROWTH FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

MFS® Strategic Value Fund

MFS® Strategic Value – Class A

Seeking to provide capital appreciation. The MFS® Strategic Value Fund invests, under normal market conditions, at least 65% of its net assets in common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts of companies which the Fund's investment adviser, Massachusetts Financial Services Company (referred to as MFS or the adviser), believes are undervalued in the market relative to their long term potential. This Fund may invest in foreign securities through which it may have exposure to foreign currencies. This Fund has engaged and may engage in active and frequent trading to achieve its principal investment strategies.

FOR ADDITIONAL INFORMATION CONCERNING MFS® STRATEGIC VALUE FUND AND ITS PORTFOLIO, PLEASE SEE THE MFS® STRATEGIC VALUE FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

MFS® Value Fund

MFS® Value – Class A

Seeking to provide capital appreciation and reasonable income. The MFS® Value Fund invests, under normal market conditions, at least 65% of its net assets in income producing equity securities of companies which Massachusetts Financial Services Company (referred to as MFS or the adviser) believes are undervalued in the market relative to their long term potential. Equity securities include common stocks and related securities, such as preferred stocks, convertible securities and depositary receipts for those securities. While the Fund may invest in companies of any size, the Fund generally focuses on undervalued companies with large market capitalizations. The Fund may invest in foreign securities through which it may have exposure to foreign currencies.

FOR ADDITIONAL INFORMATION CONCERNING MFS® VALUE FUND AND ITS PORTFOLIO, PLEASE SEE THE MFS® VALUE FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Neuberger Berman LLC

Neuberger Berman Fasciano – Advisor Class

Seeks long-term capital growth. Neuberger Berman Fasciano Fund seeks to invest in small, undervalued but growing companies, patiently holding them long term until they blossom. To find these stocks, the fund's manager looks for small companies that exhibit solid growth potential and present good value. The manager seeks to invest in companies with strong fundamentals, especially those that generate sufficient cash flow to self-fund their growth. The focus is on companies with easily understood products or services and proven business models. Since small companies tend to have higher volatility and lower liquidity than larger companies, Michael Fasciano seeks to offset these risks through diversification and careful portfolio construction.

Neuberger Berman Focus – Advisor Class

Seeks long-term capital growth. The Neuberger Berman Focus Fund seeks long-term growth of capital. The manager looks for undervalued companies. To pursue this goal, the fund invests principally in common stocks selected from 13 multi-industry sectors of the economy. Factors in identifying these firms may include above-average returns, an established market niche, and sound future business prospects. This approach is designed to let the fund benefit from potential increases in stock prices while limiting the risks typically associated with investing in a small number of sectors.

Neuberger Berman Millennium – Advisor Class

The Fund seeks growth of capital. To pursue this goal, the Fund invests mainly in common stocks of small capitalization companies, which it defines as those with a total market value of no more than \$1.5 billion at the time the Fund first invests in them. The Fund may continue to hold or add to a position in a stock after the issuer has grown beyond \$1.5 billion. The Fund seeks to reduce risk by diversifying among many companies and industries. The managers take a growth approach to selecting stocks, looking for new companies that are in the developmental stage as well as older companies that appear poised to grow because of new products, markets or management.

Neuberger Berman Partners – Advisor Class

The Fund seeks growth of capital. To pursue this goal, the Fund invests mainly in common stocks of mid- to large capitalization companies. The Fund seeks to reduce risk by diversifying among many companies and industries. The manager looks for well-managed companies whose stock prices are undervalued.

FOR ADDITIONAL INFORMATION CONCERNING NEUBERGER BERMAN MANAGEMENT INC. PORTFOLIOS, PLEASE SEE THE NEUBERGER BERMAN MANAGEMENT INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Old Mutual Advisor Funds II (Formerly PBHG Funds)

Old Mutual Emerging Growth Fund – Class Z (Formerly PBHG Emerging Growth)

Seeking long-term growth of capital. Under normal market

conditions, the Old Mutual Emerging Growth Fund invests at least 80% of its assets in securities of small sized companies with market capitalizations generally similar to companies in the Russell 2000® Growth Index at purchase and expects to focus on those growth securities whose market capitalizations or annual revenues are \$500 million or less at the time of purchase. The securities in the Fund are primarily common stocks that Old Mutual Capital, Inc. believes have a strong historical earnings growth and expected earnings high than U.S. market as a whole.

Old Mutual Large Cap Fund – Class Z (Formerly PBHG Large Cap)

Seeking long-term growth of capital and income. Current income is a secondary objective. Under normal conditions, the Old Mutual Large Cap Fund invests at least 80% of its assets in equity securities, such as common stocks, issued by companies with market capitalizations similar to the companies in the S&P 500 Index at the time of purchase and expects to focus on equity securities whose market capitalizations are over \$10 billion at the time of purchase. The securities in the Fund are primarily common stocks that Old Mutual Capital, Inc. believes have sustainable long-term growth prospects but are trading at modest relative valuations given certain financial measurements, such as their price-to-earnings ratios, dividend income potential and earnings power.

FOR MORE COMPLETE INFORMATION, INCLUDING INFORMATION ON CHARGES AND EXPENSES, CONCERNING THE OLD MUTUAL ADVISOR FUNDS II FUNDS, PLEASE CALL 1-800-433-0051 OR WRITE THE OLD MUTUAL ADVISOR FUNDS II FUNDS, FOR A PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Old Mutual Insurance Series Funds (Formerly PBHG Insurance Series Funds)

Old Mutual Columbus Circle Technology & Communications Portfolio – Class Z (Formerly Liberty Ridge Technology & Communications Portfolio)

Seeking long-term growth of capital. Current income is incidental to the portfolio's goal. Under normal market conditions, the Old Mutual Columbus Circle Technology & Communications Portfolio, a non-diversified fund, will invest at least 80% of its assets in common stocks of companies doing business in the technology and communications sector of the market. In addition, the Portfolio is concentrated which means it will invest 25% or more of its total assets in the group of industries within the sector. The Portfolio invests in companies that may be responsible for breakthrough products or technologies or may be positioned to take advantage of cutting-edge developments. The Portfolio's holdings may range from smaller companies developing new technologies or pursuing scientific breakthroughs to large, blue chip firms with established track records in developing, using or marketing scientific advances. Sector funds may experience greater short-term price volatility than more diversified equity funds and are most suitable for the aggressive portion of an investment portfolio.

Old Mutual Growth II Portfolio – Class Z
(Formerly Liberty Ridge Growth II Portfolio)

Seeking capital appreciation. Under normal market conditions, the Old Mutual Growth II Portfolio invests at least 65% of its total assets in growth securities, such as common stocks, of small and medium sized companies with market capitalizations similar to the market capitalizations of companies in the Russell Midcap® Growth Index at the time of purchase and expects to focus on those growth securities whose market capitalization or annual revenues are between \$500 million and \$10 billion at the time of purchase. The securities in the Portfolio are primarily common stocks that Old Mutual Capital, Inc. believes have strong business momentum, earnings growth and capital appreciation potential.

FOR MORE COMPLETE INFORMATION, INCLUDING INFORMATION ON CHARGES AND EXPENSES, CONCERNING THE OLD MUTUAL INSURANCE SERIES FUND, PLEASE CALL 1-800-433-0051 OR WRITE THE OLD MUTUAL INSURANCE SERIES FUND FOR A PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Oppenheimerfunds®

Oppenheimer Developing Markets – Class N

The Fund aggressively seeks capital appreciation. The Fund invests mainly in common stocks of issuers in emerging and developing markets throughout the world. Under normal market conditions, the Fund will invest at least 80% of its net assets plus borrowings for investment purposes, in equity securities whose principal activities are in at least three developing markets. The fund can (but is not required to) invest up to 100% of its total assets in foreign securities. The Fund will emphasize investments in common stocks and other equity securities. The Fund will emphasize investment in growth companies, which can be in any market capitalization range.

Oppenheimer Global – Class N

The Fund seeks capital appreciation. The Fund invests mainly in common stocks of U.S. and foreign companies. The Fund can invest without limit in foreign securities and can invest in any country, including countries with developed or emerging markets. However, the Fund currently emphasizes its investments in developed markets such as the United States, Western European countries and Japan. The Fund does not limit its investments to companies in a particular capitalization range, but currently focuses its investment in mid- and large-cap companies. The Fund is not required to allocate its investments in any set percentages in any particular countries. As a fundamental policy, the Fund normally will invest in at least three countries (one of which may be the United States). Typically, the Fund invests in a number of different countries.

Oppenheimer International Bond – Class N

The Fund's primary objective is to seek total return. As a secondary objective, the Fund seeks income when consistent with total return. The Fund invests mainly in debt securities of foreign government and corporate issuers. Those debt

securities generally referred to as "bonds," include long-term and short-term government bonds, participation interests in loans, corporate debt obligations, "structured" notes and other debt obligations. They may include "zero coupon" or "stripped" securities. Under normal circumstances, the Fund invests at least 80% of its net assets (plus borrowings from investment purposes) in "bonds" and invests in at least three countries other than the United States. The Fund's non-fundamental policy of investing at least 80% of its net assets in "bonds" will not be changed by the Fund's Board of Trustees without first providing shareholders 60 days written notice of the change. The Fund does not limit its investments to securities of issuers in a particular market capitalization or maturity range or rating category, and can hold rated and unrated securities below investment grade. The Fund can invest without limit in securities below investment grade (commonly called "junk bonds") to seek total return and higher income. Therefore, the Fund's credit risks are greater than those funds that buy only investment-grade bonds. The Fund invests in debt securities of issuers in both developed and emerging markets throughout the world.

Oppenheimer International Small Company – Class N

The Fund seeks long-term capital appreciation. The Fund invests mainly in common stock of companies that are domiciled outside the United States or have their primary operations outside the U.S. and have market capitalizations of \$2.5 billion or less. These are described as "small-cap companies." That capitalization parameter is subject to change as the relative market capitalizations of small-cap issuers change over time. The Fund measures that capitalization at the time the Fund buys a security, and it is not required to sell the security if the issuer's capitalization changes. The Fund focuses on stocks of companies that the portfolio managers believe have favorable growth prospects. Under normal circumstances, the Fund will invest at least 80% of its net assets plus borrowings for investment purposes, in equity securities of small-cap companies, and the Fund will invest at least 65% of its total assets in foreign securities. The Fund is not required to invest a set portion of its assets in a particular geographic region or regions or a particular industry or sector.

Oppenheimer Main Street Opportunity – Class N

The Fund seeks long-term capital appreciation. The Fund invests primarily in common stocks of U.S. companies of small, medium and large capitalization ranges.

Oppenheimer Small/Mid Cap Value – Class N

The Fund's objective is to seek capital appreciation. The Fund invests mainly in common stocks of U.S. issuers that have market capitalizations under \$3.0 billion. These are described as 'small-cap' companies. Under normal market conditions it will invest at least 80% of its net assets (plus the amount of any borrowings for investment purposes) in equity securities of 'small-cap' domestic and foreign issuers. The Fund emphasizes equity securities of companies that the portfolio managers believe are undervalued in the market-place.

Oppenheimer Small Cap Value – Class N

The Fund aggressively seeks capital appreciation. The Fund

invests mainly in common stocks of issuers in emerging and developing markets throughout the world. Under normal market conditions, the Fund will invest at least 80% of its net assets plus borrowings for investment purposes, in equity securities whose principal activities are in at least three developing markets. The fund can (but is not required to) invest up to 100% of its total assets in foreign securities. The Fund will emphasize investments in common stocks and other equity securities. The Fund will emphasize investment in growth companies, which can be in any market capitalization range.

FOR ADDITIONAL INFORMATION CONCERNING OPPENHEIMERFUNDS PORTFOLIOS, PLEASE SEE THE OPPENHEIMERFUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pacific Investments Management Series

PIMCO High Yield – Administrative Class & Class R

Seeking to provide maximum total return, consistent with preservation of capital and prudent investment management. The PIMCO High Yield Fund seeks to achieve its investment objective by investing, under normal circumstances, a majority of its assets in a diversified portfolio of high yield securities rated below investment grade but rated at least B by Moody's or S&P, or, if un-rated, determined by PIMCO to be of comparable quality. The remainder of the Fund's assets may be invested in investment grade fixed income instruments. The average portfolio duration of this Fund normally varies within a two- to six-year time frame based on PIMCO's forecast for interest rates. The Fund may invest a portion of its assets in euro-denominated securities and may invest without limit in U.S. dollar-denominated securities of foreign issuers.

PIMCO Total Return – Class R

Seeks maximum total return. The PIMCO Total Return Fund invests primarily in intermediate-term, high quality bonds. The manager employs a variety of value-added strategies to increase the opportunity for total return potential and help reduce portfolio risks. The fund may hold up to 20% of its assets in foreign securities, may at times use futures to replicate bond positions and may invest up to 10% in high-yield securities.

FOR ADDITIONAL INFORMATION CONCERNING PACIFIC INVESTMENTS MANAGEMENT SERIES AND ITS PORTFOLIOS, PLEASE SEE THE PACIFIC INVESTMENTS MANAGEMENT SERIES PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Bond Fund

Pioneer Bond – Class R

To provide current income from an investment grade portfolio with due regard to preservation of capital and prudent investment risk. The fund also seeks a relatively stable level of dividends; however, the level of dividends will be maintained only if consistent with preserving the investment grade quality of the fund's portfolio. The fund invests primarily in; debt securities issued or guaranteed by the U.S. government or its

agencies and instrumentalities, debt securities, including convertible debt, of corporate and other issuers rated at least investment grade at the time of investment, and comparably rated commercial paper, cash and cash equivalents, certificates of deposit, repurchase agreements maturing in one week or less and bankers' acceptances.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER BOND PORTFOLIO, PLEASE SEE THE PIONEER BOND FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Fund

Pioneer Fund – Class R

Reasonable income and capital growth. The fund invests in a broad list of carefully selected, reasonably priced securities rather than in securities whose prices reflect a premium resulting from their current market popularity. The fund invests the major portion of its assets in equity securities, primarily of U.S. issuers. For purposes of the fund's investment policies, equity securities include common stocks, convertible debt and other equity instruments, such as depositary receipts, warrants, rights and preferred stocks.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER FUND PORTFOLIO, PLEASE SEE THE PIONEER FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer High Yield

Pioneer High Yield – Class R

Maximize total return through a combination of income and capital appreciation. Normally, the fund invests at least 80% of its total assets in below investment grade (high yield) debt securities and preferred stocks. These high yield securities may be convertible into the equity securities of the issuer. Debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative. Below investment grade debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher rated debt securities.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER HIGH YIELD PORTFOLIO, PLEASE SEE THE PIONEER HIGH YIELD PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Mid-Cap Value

Pioneer Mid-Cap – Class R

Capital appreciation by investing in a diversified portfolio of securities consisting primarily of common stocks. Normally, the fund invests at least 80% of its total assets in equity securities of mid-size companies, that is companies with market values within the range of market values of companies included in the Russell Midcap Value Index. The fund focuses on issuers with capitalizations within the \$1 billion to \$10 billion range, and that range will change depending on market conditions. The

equity securities in which the fund principally invests are common stocks, preferred stocks, depositary receipts and convertible debt, but the fund may invest in other types of equity securities to a lesser extent, such as warrants and rights. FOR ADDITIONAL INFORMATION CONCERNING PIONEER MID-CAP VALUE PORTFOLIO, PLEASE SEE THE PIONEER MID-CAP VALUE PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Oak Ridge Large Cap Growth

Pioneer Oak Ridge Large cap Growth – Class R

Capital appreciation. Normally, the fund invests at least 80% of its net assets in equity securities of large capitalization U.S. companies. Large capitalization companies have market capitalizations at the time of acquisition of \$3 billion or more. The fund anticipates that the average weighted market capitalization of the companies in the fund's portfolio will be significantly higher than \$3 billion. The equity securities in which the fund principally invests are common stocks, preferred stocks, depositary receipts and convertible debt, but the fund may invest in other types of equity securities to a lesser extent, such as warrants and rights.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER OAK RIDGE LARGE CAP GROWTH PORTFOLIO, PLEASE SEE THE PIONEER OAK RIDGE LARGE CAP GROWTH PORTFOLIO PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Papp Small and Mid Cap Growth

Pioneer Papp Small and Mid Cap Growth – Class R

Long term capital growth. Normally, the fund invests at least 80% of its net assets in equity securities of small and mid-capitalization issuers, that is those with market values, at the time of investment, that do not exceed the market capitalization of the largest company within the S&P Mid Cap 400 Index. The size of the companies in the index may change dramatically as a result of market conditions and the composition of the index. The fund's investments will not be confined to securities issued by companies included in an index. For purposes of the fund's investment policies, equity securities include common stocks, convertible debt and other equity instruments, such as depositary receipts, warrants, rights and preferred stocks.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER PAPP SMALL AND MID CAP GROWTH PORTFOLIO, PLEASE SEE THE PIONEER PAPP SMALL AND MID CAP GROWTH PORTFOLIO PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Small Cap Value

Pioneer Small Cap Value – Class R

Capital growth by investing in a diversified portfolio of securities consisting primarily of common stocks. Normally, the fund invests at least 80% of its net assets in equity securities of small companies. Small companies are those with market values, at the time of investment, that do not exceed the greater

of the market capitalization of the largest company within the Russell 2000 Index or the 3-year rolling average of the market capitalization of the largest company within the Russell 2000 Index as measured at the end of the preceding month. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The size of the companies in the index changes with market conditions and the composition of the index. Pioneer monitors the fund's portfolio so that, under normal circumstances, the capitalization range of the fund's portfolio is consistent with the inclusion of the fund in the Lipper Small-Cap category. For purposes of the fund's investment policies, equity securities include common stocks, convertible debt and other equity instruments, such as depositary receipts, warrants, rights, interests in real estate investment trusts (REITs) and preferred stocks.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER SMALL CAP VALUE PORTFOLIO, PLEASE SEE THE PIONEER SMALL CAP VALUE PORTFOLIO PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Pioneer Variable Life Contracts Trust

Pioneer Fund VCT

Reasonable income and capital growth. The portfolio invests in a broad list of carefully selected, reasonably priced securities rather than in securities whose prices reflect a premium resulting from their current market popularity. The portfolio invests the major portion of its assets in equity securities, primarily of U.S. issuers. For purposes of the portfolio's investment policies, equity securities include common stocks, convertible debt and other equity instruments, such as depositary receipts, warrants, rights, interests in real estate investment trusts (REITs) and preferred stocks.

Pioneer Growth Opportunities VCT

Growth of capital. The portfolio invests primarily in equity securities of companies that Pioneer Investment Management, Inc., the portfolio's investment adviser, considers to be reasonably priced or undervalued, with above average growth potential. For purposes of the portfolio's investment policies, equity securities include common stocks, convertible debt and other equity instruments, such as depositary receipts, equity interests in real estate investment trusts (REITs), warrants, rights and preferred stocks.

FOR ADDITIONAL INFORMATION CONCERNING PIONEER VARIABLE LIFE CONTRACTS TRUST PORTFOLIOS, PLEASE SEE THE PIONEER VARIABLE LIFE CONTRACTS TRUST PORTFOLIO PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

LifePoints® Funds

Russell 2010 Strategy Fund – Class R3

Seeks to provide capital growth and income consistent with its current asset allocation. The Fund pursues this objective by investing in a diversified portfolio initially consisting of approximately 45% stock funds and 55% fixed income funds, with an increasing allocation to fixed income funds over time.

The Fund's allocation to fixed income funds will be fixed at 80% approximately 20 years after the year 2010.

Russell 2020 Strategy Fund – Class R3

Seeks to provide capital growth and income consistent with its current asset allocation. The Fund pursues this objective by investing in a diversified portfolio initially consisting of approximately 55% stock funds and 45% fixed income funds, with an increasing allocation to fixed income funds over time. The Fund's allocation to fixed income funds will be fixed at 80% approximately 20 years after the year 2020.

Russell 2030 Strategy Fund – Class R3

Seeks to provide capital growth and income consistent with its current asset allocation. The Fund pursues this objective by investing in a diversified portfolio initially consisting of approximately 64% stock funds and 36% fixed income funds, with an increasing allocation to fixed income funds over time. The Fund's allocation to fixed income funds will be fixed at 80% approximately 20 years after the year 2030.

Russell 2040 Strategy Fund – Class R3

Seeks to provide capital growth and income consistent with its current asset allocation. The Fund pursues this objective by investing in a diversified portfolio initially consisting of approximately 72% stock funds and 38% fixed income funds, with an increasing allocation to fixed income funds over time. The Fund's allocation to fixed income funds will be fixed at 80% approximately 20 years after the year 2040.

Russell LifePoints® Aggressive – Class R3

Seeks long-term capital appreciation. The fund is a fund of funds that invests in other Russell funds. It pursues its investment objectives by investing in these underlying Russell funds: Diversified Equity Fund, Special Growth Fund, Quantitative Equity Fund, International Securities Fund, Real Estate Securities Fund, and the Emerging Markets Fund.

Russell LifePoints® Balanced – Class R3 and Class E

Seeks moderate levels of current income and long-term capital appreciation. The fund is a fund of funds that invests in other Russell funds. It pursues its investment objectives by investing in these underlying Russell funds: Diversified Equity Fund, Special Growth Fund, Quantitative Equity Fund, International Securities Fund, Diversified Bond Fund, MultiStrategy Bond Fund, Real Estate Securities Fund, and the Emerging Markets Fund.

Russell LifePoints® Conservative – Class R3 and Class E

Seeks high levels of current income and, secondarily, capital appreciation. The fund is a fund of funds that invests in other Russell funds. It pursues its investment objectives by investing in these underlying Russell funds: Diversified Equity Fund, Quantitative Equity Fund, International Securities Fund, Real Estate Securities Fund, Short-term Bond Fund and Emerging Markets Fund.

Russell LifePoints® Equity Aggressive – Class R3 and Class E

Seeks long-term capital appreciation. The fund is a fund of

funds that invests in other Russell funds. It pursues its investment objectives by investing in these underlying funds: Russell Diversified Equity fund, Special Growth fund, Quantitative Equity fund, International Securities fund, Real Estate Securities fund, and the Emerging Markets Fund.

Russell LifePoints® Moderate – Class R3 and Class E

Seeks long-term capital appreciation and high levels of current income. The fund is a fund of funds that invests in other Russell funds. It pursues its investment objectives by investing in these underlying Russell funds: Diversified Equity Fund, Quantitative Equity Fund, International Securities Fund, Short-term Bond Fund, Real Estate Securities Fund, and Emerging Markets Fund.

FOR ADDITIONAL INFORMATION CONCERNING LIFEPOINT® FUNDS, PLEASE SEE THE LIFEPOINT® FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Russell Funds

Russell Equity I – Class E

Seeks to provide long term capital growth. The Equity I Fund invests primarily in common stocks of medium and large capitalization companies, most of which are US based. While market capitalization changes over time and there is not one universally accepted definition of the lines between large, medium and small capitalization, the Fund generally defines large and medium capitalization stocks as those companies represented by the Russell 1000® Index.

Russell Equity Q – Class E

Seeks to provide long term capital growth. The Equity Q Fund invests primarily in common stocks of medium and large capitalization companies which are predominantly US based. The Fund generally pursues a Market-Oriented Style of security selection. Managers select securities from the broad equity market rather than focusing on the growth or value segments of the market. As a result, the Fund holds securities representing a broad section of companies and industries.

Russell Equity II – Class E

Seeks to provide long term capital growth. The Equity II Fund invests primarily in common stocks of small and medium capitalization companies most of which are US based. While market capitalization changes over time and there is not one universally accepted definition of the lines between large, medium and small capitalization, the Fund generally defines medium and small capitalization stocks as those companies represented by the Russell 2500® Index.

Russell International Fund – Class E

Seeks to provide long term capital growth. The International Fund invests primarily in equity securities issued by companies domiciled outside the US and in depositary receipts which represent ownership of securities of non-US companies. The Fund's investments span most of the developed nations of the world (particularly Europe and the Far East) to maintain a high degree of diversification among countries and currencies.

FOR ADDITIONAL INFORMATION CONCERNING RUSSELL FUNDS, PLEASE SEE THE RUSSELL FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

State Street Institutional Investment Trust

State Street Equity 500 Index – Class A and Class R

Seeking to match as closely as possible, before expenses, the performance of the Standard & Poor's 500 Index. (Investors cannot invest directly in an index.) The State Street Equity 500 Index Fund (the Fund), seeks to achieve its investment objective by investing substantially all of its investable assets in a corresponding Portfolio of State Street Master Funds. The Fund intends to invest in all 500 stocks comprising the S&P 500 Index in proportion to their weightings in the S&P 500 Index. However, under various circumstances, it may not be possible or practicable to purchase all 500 stocks in those weightings. In those circumstances, a sample of the stocks in the Index in proportions expected by the adviser to match generally the performance of the S&P 500 Index as a whole may be purchased.

FOR ADDITIONAL INFORMATION CONCERNING TRUST AND THE STATE STREET EQUITY 500 INDEX FUND, PLEASE SEE THE STATE STREET INSTITUTIONAL INVESTMENT TRUST PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price Blue Chip Growth Fund, Inc.

T. Rowe Price Blue Chip Growth – Class R

Seeks long-term growth of capital. Current income is a secondary objective. The fund manager of the T. Rowe Price Blue Chip Growth Fund invests primarily in common stocks of well-established large and medium-sized companies. The manager focuses on “blue chip” companies with the following characteristics a. leading market positions, b. seasoned management teams, c. strong financial fundamentals and d. above-average growth and profitability.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE BLUE CHIP GROWTH, INC. FUND AND ITS PORTFOLIO, PLEASE SEE THE T. ROWE PRICE BLUE CHIP GROWTH FUND, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price Equity Income Fund

T. Rowe Price Equity Income – Retail and Class R

Seeking to provide a relatively conservative way to access substantial dividend income and long-term capital growth. The fund manager of the T. Rowe Price Equity Income Fund invests in common stocks of established companies expected to pay above-average dividends. The fund manager employs a value-oriented investment approach. He focuses on companies with an above-average dividend yield—a positive component of total return. The manager utilizes a thorough “bottom-up” fundamental research evaluation of each holding. Also, the manager will broadly diversify sector exposure seeking to reduce volatility.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE EQUITY INCOME FUND AND ITS PORTFOLIO, PLEASE SEE THE T. ROWE PRICE EQUITY INCOME FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price Growth Stock, Inc.

T. Rowe Price Growth Stock – Class R

Seeking long-term growth of capital and, secondarily, increasing dividend income. The fund manager of the T. Rowe Price Growth Stock Fund invests primarily in common stocks of well-established growth companies. The fund manager focuses on companies having one or more of the following characteristics: 1) Superior growth in earnings and cash flow, 2) Ability to sustain earnings momentum even during economic slowdowns and/or 3) Occupy a lucrative niche in the economy and is able to expand even during times of slow economic growth.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE GROWTH STOCK CLASS, INC. AND ITS PORTFOLIO, PLEASE SEE THE T. ROWE PRICE GROWTH STOCK, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price International Funds, Inc.

T. Rowe Price European Stock – Retail

Seeking long-term growth of capital through investment primarily in common stocks of European companies. Current income is a secondary objective. The T. Rowe Price European Stock Fund invests primarily in European companies. Normally, at least five countries will be represented in the portfolio. Stock selection reflects a growth style. This investment option expects to make substantially all of its investments (normally at least 80% of net assets) in stocks of companies located in the countries listed below, as well as others as their markets develop: Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom. Others: Belgium, Czech Republic, Greece, Hungary, Israel, Poland, Russia and Turkey.

T. Rowe Price International Growth & Income – Class R

Seeking to provide long term growth of capital and reasonable income. The fund manager of the T. Rowe Price International Growth & Income Fund focuses on companies with favorable prospects for capital appreciation that exhibit value characteristics and investments primarily in common stocks of mature, dividend-paying, non-U.S. companies. The fund manager looks to broadly diversify, primarily among the world's developed countries. Securities are chosen based on “bottom-up” research. Country allocation is driven largely by stock selection.

T. Rowe Price International Stock – Class R

Seeks to provide long-term growth of capital. The fund manager of the T. Rowe Price International Stock Fund invests

primarily in the common stocks of established non-U.S. companies, in both developed and emerging markets. The manager will 1) focus on companies capable of achieving and sustaining above-average, long-term earnings growth, 2) favor companies with leading market position, technological leadership or proprietary advantage, and seasoned management, and 3) choose securities based on “bottom-up” research.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE INTERNATIONAL FUNDS, INC. PORTFOLIOS, PLEASE SEE THE T. ROWE PRICE INTERNATIONAL FUNDS, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price Mid-Cap Growth Fund, Inc.

T. Rowe Price Mid-Cap Growth – Class R

Seeking long-term capital appreciation through investments in mid-cap stocks with potential for above-average earnings growth. The Fund will normally invest at least 80% of net assets in a diversified portfolio of common stocks of mid-cap companies whose earnings T. Rowe Price expects to grow at a faster rate than the average company. Mid-Cap companies are defined as those whose market capitalization falls within the range of either the S&P MidCap 400 Index or the Russell Midcap Growth Index. In selecting investments, management generally favors companies that have proven products or services; have a record of above-average earnings growth; have demonstrated potential to sustain earnings growth; operate in industries experiencing increasing demand; or have stock prices that appear to undervalue their growth prospects. While most of the assets will be invested in U.S. common stocks, the portfolio may hold other securities including foreign securities, futures and options in keeping with the Portfolio's objective.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE MID-CAP GROWTH FUND, INC. AND ITS PORTFOLIO, PLEASE SEE THE T. ROWE PRICE MID-CAP GROWTH FUND, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

T. Rowe Price Mid-Cap Value Fund, Inc.

T. Rowe Price Mid-Cap Value – Class R

Seeking long-term growth of capital. The fund manager of the T. Rowe Price Mid-Cap Value Fund invests primarily in the common stocks of mid-sized companies that appear to be undervalued. T. Rowe Price will invest at least 80% of net assets in companies whose market capitalization (number of shares multiplied by share price) falls within the range of the companies in the S&P 400 MidCap Index or the Russell Mid Cap Value Index. The manager focuses on companies with the following: 1) Attractive operating margins, 2) Sound balance sheets and financial management, 3) Stock ownership by management, 4) Significant cash generation and 5) Low stock price relative to assets, earnings, cash flow, or business franchise value.

FOR ADDITIONAL INFORMATION CONCERNING T. ROWE PRICE MID-CAP VALUE FUND, INC. AND ITS PORTFOLIO,

PLEASE SEE THE T. ROWE PRICE MID-CAP VALUE, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Templeton Foreign Fund

Templeton Foreign – Class R

Seeks long-term capital growth. Templeton Foreign Fund, under normal market conditions, invests at least 80% of its net assets mainly in the equity securities of companies located outside the U.S., including emerging markets. The fund may have significant investments in one or more countries or in particular sectors such as technology and financial institutions. Depending on current market conditions, the fund generally invests a portion of its total assets in debt securities of entities located anywhere in the world and may use various derivative strategies to protect its assets.

FOR ADDITIONAL INFORMATION CONCERNING TRUST AND THE TEMPLETON FOREIGN FUND, PLEASE SEE THE TEMPLETON FOREIGN FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Templeton Growth Fund

Templeton Growth – Class R

Seeks long-term capital growth. Templeton Growth Fund, under normal market conditions, invests mainly in the equity securities of companies located anywhere in the world, including emerging markets. In addition to the fund's main investments, depending upon current market conditions, the fund may invest up to 25% of its total assets in debt securities, and the fund may use various derivative strategies seeking to protect its assets. The manager applies a “bottom up,” value-oriented, long-term approach when choosing equity investments.

FOR ADDITIONAL INFORMATION CONCERNING TEMPLETON GROWTH FUND, PLEASE SEE THE TEMPLETON TEMPLETON GROWTH FUND PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Thornburg Investment Trust

Thornburg Core Growth – Class R

The Fund seeks long term growth of capital by investing in equity securities selected for their growth potential. To pursue its goal, the Fund primarily invests in short- and intermediate-duration U.S. Government securities, and securities issued or guaranteed by government sponsored enterprises, which the Fund expects will produce a high level of income.

Thornburg International Value – Class R

The Fund seeks long-term capital appreciation by investing in equity and debt securities of all types. The secondary, nonfundamental goal of the Fund is to seek some current income. The Fund invests primarily in foreign securities and under normal market conditions, invests at least 75% of its net assets in foreign securities. The Fund ordinarily invests in stocks that may be depressed or reflect unfavorable market

perceptions of company or industry fundamentals. The Fund may invest in companies of any size, but invests primarily in the large and middle range of public company market capitalizations. Debt securities may be purchased when the Advisor believes them to be more attractive than equity alternatives. The Fund may purchase debt securities of any maturity and of any quality.

Thornburg Limited-Term Income – Class R

The primary goal of the Fund is to provide as high a level of current income as is consistent, in the view of the Fund's investment adviser, with safety of capital. As a secondary goal, the Fund seeks to reduce changes in its share prices compared to longer term portfolios. The Fund will invest at least 65% of its net assets in obligations of the U.S. Government, and debt securities rated at the time of purchase in one of the three highest ratings of Standard and Poor's or Moody's Investor Service.

Thornburg Limited-Term US Government – Class R

The primary goal of the Fund is to provide as high a level of current income as is consistent with safety of capital. As a secondary goal, the Fund seeks to reduce changes in its share price compared to longer term portfolios.

Thornburg Value – Class R

The Fund seeks long-term capital appreciation by investing in equity and debt securities of all types. The Fund expects to invest primarily in domestic equity securities (primarily common stocks) selected on a value basis. However, the Fund may own a variety of securities, including foreign equity and debt securities and domestic debt securities which, in the opinion of the Fund's investment adviser, offer prospects for meeting the Fund's investment goals. The Fund may invest in companies of any size, but invests primarily in the large and middle range of public company market capitalizations. The Advisor anticipates that the Fund ordinarily will have a weighted average dividend yield, before Fund expense, that is higher than the yield of the Standard & Poor's Composite Index of 500 Stocks.

FOR ADDITIONAL INFORMATION CONCERNING THORNBURG INVESTMENT TRUST AND ITS PORTFOLIOS,

PLEASE SEE THE THORNBURG INVESTMENT TRUST PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Vanguard Explorer Fund, Inc.

Vanguard Explorer – Investor Class

Seeking long-term capital growth. The Vanguard Explorer Fund invests primarily in a diversified group of small-capitalization companies with prospects for above average growth with little or no dividend income. The Fund is subject to market risk. Stock prices overall may decline over short or even extended periods. May invest as much as 20% of its assets in foreign securities and will not invest more than 25% of its assets in any one industry or 5% of the securities in any one company.

FOR ADDITIONAL INFORMATION CONCERNING VANGUARD EXPLORER FUND, INC. AND ITS PORTFOLIO, PLEASE SEE THE VANGUARD EXPLORER FUND, INC. PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

Vanguard Fixed Income Securities Funds

Vanguard Short-Term Federal – Investor Class

Seeking high level current income and preservation of principal. The Vanguard Short-Term Federal Fund invests at least 80% of its assets in short-term bonds issued by U.S. government agencies and instrumentalities, most of which are not backed by the full faith and credit of the U.S. government. The Fund is expected to maintain a dollar weighted average maturity between one and three years. This Fund is subject to interest rate risk, income risk and manager risk.

FOR ADDITIONAL INFORMATION CONCERNING VANGUARD FIXED INCOME SECURITIES FUNDS AND ITS PORTFOLIO, PLEASE SEE THE VANGUARD FIXED INCOME SECURITIES FUNDS PROSPECTUS, WHICH SHOULD BE READ CAREFULLY BEFORE INVESTING.

THERE IS NO ASSURANCE THAT THE STATED OBJECTIVES AND POLICIES OF ANY OF THE FUNDS WILL BE ACHIEVED.

THE CONTRACTS

General

The Contracts are offered for use in connection with retirement programs that meet the requirements of Sections 401, 403(b), 408, 408A, 457 or 409A of the Internal Revenue Code. Certain federal tax advantages are currently available to retirement programs that qualify as (1) self-employed individuals' retirement plans under Section 401, (2) pension or profit-sharing plans established by an Employer for the benefit of its employees under Section 401, (3) annuity purchase plans sponsored by certain tax-exempt organizations or public school organizations under Section 403(b), (4) individual retirement accounts or annuities, including traditional IRA, those established by an employer as a simplified employee pension plan or SIMPLE IRA plan, under Section 408, or a Roth IRA under Section 408A or (5) deferred compensation plans for employees established by a unit of a state or local government or by a tax-exempt organization under Section 457 or 409A.

A Contract is issued to the Owner. Generally, persons eligible to participate in the Owner's Plan are eligible to become Participants under the Contract. In certain Contracts, the

Owner shall be responsible for determining persons who are eligible to become Participants and for designating such persons to AUL. For purposes of determining benefits under a Contract, an account called a Participant's Account is established for each Participant during the Accumulation Period. However, in some Contracts, Participant Accounts are not maintained.

The Owner of the Contract is generally responsible for providing all communications and instructions concerning Participant Accounts to AUL. However, in some instances a Participant may communicate directly with AUL. For example, a Participant in a voluntary (not employer-sponsored) 403(b) Program may request a withdrawal directly from AUL. While the Owner generally is responsible for remitting contributions and instructions for Participants, the Participant may be permitted or required to make certain decisions and elections under the Contract, as specified by the Owner in the Plan, trust, or other appropriate document. The pertinent Plan document and, if applicable, the Employer's plan administrator should be consulted with any questions on benefits under the Contract.

CONTRIBUTIONS AND CONTRACT VALUES DURING THE ACCUMULATION PERIOD

Contributions under the Contracts

Contributions under Recurring Contribution Contracts may be made by or on behalf of a Participant at any time during the Participant's life and before the Participant's Annuity Commencement Date. Contributions must be at least equal to the minimum required contribution under the Plan. In Single Contribution Contracts, the minimum contribution for each Participant is either \$1,000 or \$5,000, depending on the contract. AUL may change the minimum contributions permitted under a Contract, but any such change in the minimum required contribution shall apply only to Participant Accounts established on or after the effective date of the change. AUL may, at its discretion, waive any minimum required contribution.

Annual contributions under any of the Plans are subject to maximum limits imposed by the Internal Revenue Code. See the Statement of Additional Information for a discussion of these limits, or consult the pertinent Plan document.

Ten-Day Free Look

Under 403(b), 408 and 408A Contracts, the Owner has the right to return the Contract for any reason within ten days of receipt. If a particular state requires a longer free look period, Owners in that state will be allowed the longer statutory period to return the Contract. If this right is exercised, the Contract will be considered void from its inception, and any contributions will be fully refunded. In certain contracts, as required by law, a Participant has the same free look period regarding a certificate issued under the Contract.

Initial and Single Contributions

Initial contributions received for a Participant will be credited

to the Participant's Account no later than the end of the second Business Day after it is received by AUL at its Home Office if it is preceded or accompanied by the information necessary for opening the Participant's account. If AUL does not receive the necessary information, AUL will notify the Owner or individual that AUL does not have the necessary information to open the account. If the necessary information is not provided to AUL at the time AUL receives the contribution, AUL will return the contribution to the contributing party within five Business Days. However, in some Contracts, Code Section 401(a) funds received from a prior plan provider which cannot be allocated to Participant accounts will not be returned to the Owner or to the provider, but instead will be allocated to an Owner-level account and invested in those Investment Accounts or Fixed Interest Account ("FIA") approved by the Owner. When the allocation data is received from the prior plan provider, such funds (plus gains/minus losses) are transferred from the Owner-level account to the appropriate Participant account(s).

Allocation of Contributions

Initial and subsequent contributions under the Contracts will be allocated among the Investment Accounts of the Variable Account and the Fixed Interest Account as instructed by the Owner or Participant and as provided by the terms of the Contract. The investment allocation of the initial contribution is to be designated at the time the enrollment is completed to open an account for a Participant. Depending on the type of Contract, the enrollment application specifies that, in the absence of an investment allocation form or other instructions, initial and subsequent contributions shall be allocated to the OneAmerica Money Market Investment Account or to AUL's General Account. Allocation will be made to AUL's General Account only if the OneAmerica Money Market Investment

Option is not available under a particular Contract. A Participant's Account Value that has been initially allocated to the OneAmerica Money Market Investment Account or to AUL's General Account may be transferred to other available investment options upon receipt by AUL at its Home Office of written instructions requesting the transfer. Allocation to any Investment Account or the Fixed Interest Account must be made in 1% increments or in increments permitted by AUL. Neither the Fixed Interest Account nor all of the Investment Accounts may be available under a particular Contract. In addition, some of the Investment Accounts are not available for certain types of Contracts.

Any change in allocation instructions will be effective upon receipt by AUL at its Home Office and will continue in effect until subsequently changed. Changes in the allocation of future contributions have no effect on amounts already contributed on behalf of a Participant. Such amounts, however, may be transferred among the Investment Accounts of the Variable Account or the Fixed Interest Account in the manner described in "Transfers of Account Value."

Subsequent Contributions Under Recurring Contribution Contracts

When forwarding contributions to AUL, the amount being contributed on behalf of each Participant must be specified. The contributions shall be allocated among the Investment Accounts of the Variable Account that are available under a Contract and the Fixed Interest Account (if available) as described above in "Allocation of Contributions." Contributions (other than the initial contribution for each Participant) are credited as of the end of the Valuation Period in which they are received by AUL at its Home Office if AUL has received full payment for the contribution, the information needed to establish the Participant's account, and proper instructions regarding the application and allocation of the contributions among Participants.

Contributions may also be forwarded to AUL electronically. When this method of contribution is used, an allocation list describing the contribution to be allocated to each Participant is sent to AUL by the Owner. AUL processes the allocation list and then initiates an ACH (Automated Clearinghouse) debit on the Owner's account for the amount of the contribution. Following receipt of the funds, a confirmation is sent to the Owner which lists the amount or amounts allocated to each Participant's account and the amount of the ACH debit to the Owner's account. ACH or other electronic payment methods generally allow more efficient and timely processing of contributions. AUL reserves the right to impose an annual charge on Owners who do not elect to use ACH or other electronic payment methods. The fee for manual processing will be \$1,000.

Transfers of Account Value

All or part of a Participant's Variable Account Value may be transferred among the Investment Accounts of the Variable Account that are available under a Contract or to the Fixed Interest Account (if available under a Contract) at any time during the Accumulation Period upon receipt of a proper

written request by AUL at its Home Office, through interactive voice response or through AUL's website.

Generally, there are no limitations on the number of transfers between Investment Accounts available under a Contract or the Fixed Interest Account. See "The Fixed Interest Account" for restrictions on transfers from the Fixed Interest Account. In addition, no charges are currently imposed upon transfers. However, if AUL determines that transfers are being made on behalf of one or more Owners to the disadvantage of other Owners or Participants, the transfer right may be restricted. AUL reserves the right, at a future date, to impose a minimum or maximum transfer amount, to assess transfer charges, to change the limit on remaining balances, to limit the number and frequency of transfers, and to suspend the transfer privilege or the telephone authorization, interactive voice response, or internet based transfers.

Any transfer from an Investment Account of the Variable Account shall be effective as of the end of the Valuation Date in which AUL receives the request in proper form.

Abusive Trading Practices

Late Trading

Some investors attempt to profit from trading in Investment Accounts after the close of the market, but before the Variable Account has actually been priced. Because the market has closed, these investors have actual knowledge of the price of the securities prior to its calculation. They are, therefore, executing trades with information that was not readily available to the market, thereby benefiting financially to the detriment of other Owners and Participants.

AUL prohibits late trading in its Investment Accounts. The Variable Account dates and time stamps all trades from whatever source and allows only those trades received prior to the close of the market to receive that day's unit value. All trades received after this point will receive the next day's calculated unit value.

Market Timing

Some investors attempt to profit from various short-term or frequent trading strategies commonly known as market timing. Excessive purchases and redemptions disrupt underlying portfolio management, hurt underlying fund performance and drive underlying fund expenses higher. These costs are borne by all Owners, including long-term investors who do not generate these costs.

AUL discourages market timing and excessive trading. If you intend to engage in such practices, do not invest in the Variable Account. AUL reserves the right to reject any request to purchase or redeem units which it reasonably determines to be in connection with market timing or excessive trading by an investor or by accounts of investors under common control (for example, related contract owners, or a financial advisor with discretionary trading authority for multiple accounts).

AUL does not always know and cannot always reasonably detect such trading. However, AUL does monitor for excessive short-term trading within its separate accounts. A report is run

daily to identify, at the omnibus level, net trades by Investment Account. Omnibus trades in an individual Investment Account that exceed a certain dollar amount or percentage of assets, as determined by a market timing task force, will identify potential abusive trading. Once a possible abuse is flagged, the individual trades for the previous ten days are reviewed to determine if a similar trade amount was executed in the opposite direction over that period.

If a purchase/redemption match is found, then the blotters for the two trade dates are analyzed to determine if the same Participant has ordered the purchase and redemption. If an individual is identified, the administrative area is notified. Participant trading history is reviewed to determine if the trading activity is indeed abusive short-term trading. If it is determined that the trading activity violates AUL's policy, then the plan sponsor is notified of the trading activity and encouraged to communicate to the participant to cease and desist the activity in question. If the activity continues, the participant's trading privileges may be restricted, as described above.

AUL will not enter into any agreement with any individual, corporation, Plan or other entity that would permit such activity for that entity while discouraging it for other Owners.

Some funds may charge a redemption fee for short term trading in their fund. Furthermore, some funds monitor trading at the omnibus level and enforce their own policies and procedures based on suspected abusive trading. AUL will cooperate and may share Participant level trading information with the funds to the extent necessary to assist in the enforcement of these policies. Please consult the funds' prospectuses for more details.

Participant's Variable Account Value

Accumulation Units

Contributions to be allocated to the Investment Accounts available under a Contract will be credited to the Participant's Account in the form of Accumulation Units. Except for allocation of a Participant's initial contribution, the number of Accumulation Units to be credited is determined by dividing the dollar amount allocated to the particular Investment Account by the Accumulation Unit value for the particular Investment Account at the end of the Valuation Period in which the contribution is received by AUL at its Home Office. The number of Accumulation Units so credited to the account shall not be changed by a subsequent change in the value of an Accumulation Unit, but the dollar value of an Accumulation Unit may vary from Valuation Date to Valuation Date depending upon the investment experience of the Investment Account and charges against the Investment Account.

Accumulation Unit Value

AUL determines the Accumulation Unit value for each Investment Account of the Variable Account on each Valuation Date. The Accumulation Unit value for each Investment Account is established on the inception date. Subsequently, the Accumulation Unit value for each Investment Account is determined by multiplying the Net Investment Factor for the

particular Investment Account by the Accumulation Unit value for the Investment Account as of the immediately preceding Valuation Period. The Accumulation Unit value for each Investment Account may increase, decrease, or remain the same from Valuation Period to Valuation Period in accordance with the Net Investment Factor.

Net Investment Factor

The Net Investment Factor is used to measure the investment performance of an Investment Account from one Valuation Period to the next. For any Investment Account for a Valuation Period, the Net Investment Factor is determined by dividing (a) by (b) and then subtracting (c) from the result where

- (a) is equal to:
 - (1) the net asset value per share of the Portfolio of the Fund in which the Investment Account invests, determined as of the end of the Valuation Period, plus
 - (2) the per share amount of any dividend or other distribution, if any, paid by the Portfolio during the Valuation Period, plus or minus
 - (3) a credit or charge with respect to taxes paid, if any, or reserved for by AUL during the Valuation Period that are determined by AUL to be attributable to the operation of the Investment Account (although no federal income taxes are applicable under present law and no such charge is currently assessed).
- (b) is the net asset value per share of the Portfolio, determined as of the end of the preceding Valuation Period; and
- (c) is a daily charge factor determined by AUL to reflect the fee assessed against the assets of the Investment Account for the asset charge.

Dollar Cost Averaging Program

Contract Owners and Participants who wish to purchase units of an Investment Account over a period of time may do so through the Dollar Cost Averaging ("DCA") Program. The theory of DCA is that greater numbers of Accumulation Units are purchased at times when the unit prices are relatively lower than are purchased when the prices are higher. This has the effect, when purchases are made at different prices, of reducing the aggregate average cost per Accumulation Unit to less than the average of the Accumulation Unit prices on the same purchase dates. However, participation in the DCA Program does not assure a Contract Owner or Participant of greater profits from the purchases under the Program, nor will it prevent or necessarily alleviate losses in a declining market.

Under a DCA Program, the owner deposits premiums into the OneAmerica Money Market Investment Account ("MMIA") or the Fixed Interest Account (if available under the Contract) and then authorizes AUL to transfer a specific dollar amount for a specific length of time from such Account into one or more other Investment Accounts at the unit values determined on the dates of the transfers. This may be done monthly, quarterly, semi-annually, or annually on the last business day of such period. These transfers will continue automatically until the earliest of: the date AUL receives notice to discontinue the Program; until there is not enough money in the MMIA or the

Fixed Interest Account to continue the Program; until the expiration of the length of time selected; or if the transfers are being drawn from the Fixed Interest Account, until the time a transfer would exceed the 20% or 90-day equity wash limitations on transfers from the Fixed Interest Account, if a particular Contract contains the 20% or 90-day restriction.

Currently, the minimum required amount of each transfer is \$100, although AUL reserves the right to change this minimum transfer amount in the future. DCA transfers to the Fixed Interest Account and to the MMIA are not permitted under the DCA Program. At least ten days advance written notice to AUL is required before the date of the first proposed transfer under the DCA Program. AUL offers the DCA Program to Contract Owners and Participants at no charge, and the Company reserves the right to temporarily discontinue, terminate, or change the Program at any time. Contract Owners and

Participants may discontinue participation in the Program at any time by providing written notice to AUL, provided that AUL must receive written notice of such a change at least five days before a previously scheduled transfer is to occur.

Contract Owners or Participants may initially elect to participate in the DCA Program, and if this election is made at the time the Contract is applied for, the Program will take effect on the first monthly, quarterly, semi-annual, or annual transfer date following the premium receipt by AUL at its Home Office. The Contract Owner or Participant may select the month, quarter, or year that the transfers are to be made and such transfers will automatically be performed on the last business day of such period. To participate in the Program, a minimum balance of \$10,000 in the MMIA or in the Fixed Interest Account is required.

CASH WITHDRAWALS AND THE DEATH BENEFIT

Cash Withdrawals

During the lifetime of the Participant, at any time before the Annuity Commencement Date and subject to the limitations under the applicable Plan and applicable law, a withdrawal may be taken from a Participant's Account Value. A withdrawal request will be effective as of the end of the Valuation Date that a proper written request in a form acceptable to AUL is received by AUL at its Home Office.

A withdrawal of a Participant's entire Variable Account Value will result in a withdrawal payment equal to the value of the Participant's Variable Account Value as of the end of the Valuation Period during which a proper withdrawal request is received by AUL at its Home Office, minus any applicable withdrawal charge.

A withdrawal may be requested for a specified percentage or dollar amount of a Participant's Variable Account Value. In some Contracts, the minimum amount that may be withdrawn from a Participant's Variable Account Value in an Investment Account is the lesser of \$500 or the Participant's entire Account Value in the Investment Account as of the date the withdrawal request is received by AUL. A request for a withdrawal will result in a payment by AUL equal to the amount specified in the withdrawal request. Upon payment, the Participant's Variable Account Value will be reduced by an amount equal to the payment and any applicable withdrawal charge subject to any Market Value Adjustment. If a withdrawal is requested that would leave a Participant's Variable Account Value in any Investment Account less than \$500, then such withdrawal request will be treated as a request for a full withdrawal from the Investment Account.

The amount of a withdrawal will be taken from the Investment Accounts and the Fixed Interest Account as instructed. A withdrawal will not be effected until proper instructions are received by AUL at its Home Office.

A withdrawal may result in the deduction of a withdrawal charge and application of a Market Value Adjustment. See "Withdrawal Charge" and "The Fixed Interest Account."

In addition, distributions under certain retirement programs may result in a tax penalty. See "Tax Penalty."

Systematic Withdrawal Service for 403(b), 408, 408A, 457 and 409A Programs

A Participant in a Contract used in connection with a 403(b) plan (other than an Employer Sponsored 403(b) plan) or 408 or 408A Program who is at least age 59 ½ can generally arrange to have systematic cash withdrawals from his or her Account Value paid on a regular monthly, quarterly, or annual basis. Systematic cash withdrawals are also available for Participants in a Contract used in connection with a 457 or 409A Program, but there is no age limitation. Each withdrawal payment must be at least equal to \$100. An application form containing details of the service is available upon request from AUL. The service is voluntary and can be terminated at any time by the Participant or Owner. AUL does not currently deduct a service charge for withdrawal payments, but reserves the right to do so in the future and, similarly, reserves the right to increase the minimum required amount for each withdrawal payment. Systematic withdrawals are not available for some 403(b) Contracts due to the Benefit Responsive features of the Contracts.

Participants will pay a withdrawal charge in connection with the systematic cash withdrawals to the extent the withdrawal charge is applicable. See "Withdrawal Charge" and "Federal Tax Matters."

Constraints on Withdrawals

General

Since the Contracts offered by this Prospectus will be issued in connection with retirement programs that meet the requirements of Section 401, Section 403(b), Section 408, 408A, 409A or Section 457 of the Internal Revenue Code, reference should be made to the terms of the particular Plan or Contract for any limitations or restrictions on cash withdrawals. A withdrawal that results in receipt of proceeds by a Participant may result in receipt of taxable income to the Participant and, in some instances, in a tax penalty. The tax consequences of a withdrawal under the Contracts should be carefully considered. See "Federal Tax Matters."

403(b) Programs

Section 403(b) of the Internal Revenue Code permits public school employees and employees of certain types of charitable, educational, and scientific organizations specified in Section 501(c)(3) of the Internal Revenue Code to purchase annuity contracts, and, subject to certain limitations, to exclude the amount of purchase payments from gross income for federal tax purposes. Section 403(b) imposes restrictions on certain distributions from tax deferred annuity contracts meeting the requirements of Section 403(b) that apply to tax years beginning on or after January 1, 1989.

Section 403(b) requires that distributions from Section 403(b) tax-deferred annuities that are attributable to employee contributions made after December 31, 1988 under a salary reduction agreement not begin before the employee reaches age 59 ½, severs employment, dies, becomes disabled, or incurs a hardship. Furthermore, distributions of income or gains attributable to such contributions accrued after December 31, 1988 may not be made on account of hardship. Hardship, for this purpose, is generally defined as an immediate and heavy financial need, such as paying for medical expenses, the purchase of a principal residence, paying certain tuition expenses, or prevention of foreclosure or eviction.

A Participant in a Contract purchased as a tax-deferred Section 403(b) annuity contract will not, therefore, be entitled to exercise the right of surrender or withdrawal, as described in this Prospectus, in order to receive his or her Account Value attributable to contributions made under a salary reduction agreement or any income or gains credited to such Participant after December 31, 1988 under the Contract unless one of the above-described conditions has been satisfied, or unless the withdrawal is otherwise permitted under applicable federal tax law. In the case of transfers of amounts accumulated in a different Section 403(b) contract to this Contract under a Section 403(b) Program, the withdrawal constraints described above would not apply to the amount transferred to the Contract attributable to a Participant's December 31, 1988 account balance under the old contract, provided that the amounts transferred between contracts qualifies as a tax-free exchange under the Internal Revenue Code. A Participant's Withdrawal Value in a Contract may be able to be transferred to certain other investment alternatives meeting the requirements of Section 403(b) that are available under an Employer's Section 403(b) arrangement.

Texas Optional Retirement Program

AUL intends to offer the Contract within the Texas Optional Retirement Program. Under the terms of the Texas Optional Retirement Program, if a Participant makes the required contribution, the State of Texas will contribute a specified amount to the Participant's Account. If a Participant does not commence the second year of participation in the plan as a "faculty member," as defined in Title 110B of the State of Texas Statutes, AUL will return the State's contribution. If a Participant does begin a second year of participation, the Employer's first-year contributions will then be applied as a contribution under the Contract, as will the Employer's subsequent contributions.

The Attorney General of the State of Texas has ruled that under Title 110B of the State of Texas Statutes, withdrawal benefits of contracts issued under the Optional Retirement Program are available only in the event of a participant's death, retirement, termination of employment due to total disability, or other termination of employment in a Texas public institution of higher education. A Participant under a Contract issued in connection with the Texas Optional Retirement Program will not, therefore, be entitled to exercise the right of withdrawal to receive the Account Value credited to such Participant unless one of the foregoing conditions has been satisfied. The Withdrawal Value of such Participant's Account may, however, be transferred to other contracts or other carriers during the period of participation in the program.

The Death Benefit

If a Participant dies during the Accumulation Period, AUL will pay a death benefit to the Beneficiary upon receipt of due proof of the Participant's death and instructions regarding payment to the Beneficiary. If there is no designated Beneficiary living on the date of death of the Participant, AUL will pay the death benefit in one sum to the estate of the Participant upon receipt of due proof of death of both the Participant and the designated Beneficiary and instructions regarding payment. If the death of the Participant occurs on or after the Annuity Commencement Date, no death benefit will be payable under the Contract except as may be provided under the Annuity Option elected.

The amount of the death benefit equals the vested portion of the Participant's Account Value minus any outstanding loan balances and any due and unpaid charges on those loans. Under Contracts acquired in connection with 408 and 408A Programs and 403(b) Programs other than Employer Sponsored 403(b) Programs, the vested portion of a Participant's Account Value shall be the Participant's entire Account Value. Under Employee Benefit Plans, 409A or 457 Programs and Employer Sponsored 403(b) Programs, the vested portion of a Participant's Account Value is the amount to which the Participant is entitled upon death or separation from service under a vesting schedule contained in the pertinent Plan. If the death benefit is less than a Participant's Account Value, the death benefit shall be paid pro rata from the Investment Accounts and the Fixed Interest Account, and the remainder of the Account Value shall be distributed to the Owner or as directed by the Owner. Prior to such distribution, any remaining Account Value in the Investment Accounts shall be transferred to AUL's General Account or if the Contract so directs, to the OneAmerica Money Market Investment Account. Certain Contracts have a death benefit which is the greater of the Participant's Account Value as of the date the death benefit is calculated or a Guaranteed Minimum Death Benefit ("GMDB") on the Contract anniversary immediately preceding the date of death. In this calculation, the GMDB is increased by any contributions made since the last Contract anniversary and is reduced proportionately to reflect any withdrawals made since the last Contract anniversary. The GMDB is reset on each Contract anniversary and is the greater of (1) the GMDB on the prior Contract anniversary, increased by any prior year contributions, and reduced proportionately to reflect any prior

year withdrawals, and (2) if the Participant is younger than age 81, the Participant's Account Value on the current Contract anniversary. As of the Participant's death, the GMDB will cease to increase or decrease in value.

The death benefit will be paid to the Beneficiary in a single sum or under one of the Annuity Options, as directed by the Participant or as elected by the Beneficiary. If the Beneficiary is to receive annuity payments under an Annuity Option, there may be limits under applicable law on the amount and duration of payments that the Beneficiary may receive, and requirements respecting timing of payments. A tax advisor should be consulted in considering payout options.

Termination by the Owner

An Owner of a Contract funding an Employee Benefit Plan, 409A or 457 Plan, or an Employer-Sponsored 403(b) Plan may terminate the Contract by sending proper written notice to AUL's Home Office. Termination is effective as of the end of the Valuation Date that the notice is received by AUL. Proper notice of termination must include an election of the method of payment, an indication of the person(s) to whom payment is to be made, and the Owner's (and, in some Contracts, the Plan Sponsor's) agreement that AUL will not be held responsible for any losses or claims that may arise against AUL in connection with making the termination payout as requested by the Owner (provided that such an agreement is not prohibited by the Contract or an amendment).

Upon termination of such a Contract, the Owner may direct AUL to pay an amount equal to the Contract's aggregate Variable Account Withdrawal Value (determined as of the end of the Valuation Date that the termination is effective) in a lump-sum.

For Contracts funding Employee Benefit Plans, 409A or 457 Plan, the Owner may direct AUL to pay the Contract's Fixed Interest Account Withdrawal Value in a lump sum [subject to an Investment Liquidation Charge ("ILC") or Market Value Adjustment ("MVA") (see discussion below)] or in seven approximately equal installments over six years (for certain Employee Benefit Plan Contracts) or six approximately equal annual installments over five years (for other Employee Benefit Plan Contracts and for 409A or 457 Plan Contracts).

For Contracts issued prior to 1999 which fund Employer-Sponsored 403(b) Plans, the Owner may direct AUL to pay the Contract's Fixed Interest Account Withdrawal Value in seven approximately equal annual installments over six years.

In Contracts issued prior to 1999 which fund an Employee Benefit Plan or an Employer-Sponsored 403(b) Plan, the Owner may terminate the Contract and elect to receive (within 90 days of written notice by the Owner, and without penalty as defined by law) either:

(1) a lump-sum equal to the Contract's aggregate General Account Withdrawal Value, plus or minus an MVA to the extent allowed, which is determined by AUL as of the calculation date by multiplying a specified percentage times the aggregate General Account Withdrawal Value being paid, or

(2) all amounts invested under the Contract in AUL's General Account as of the date of calculation, excluding any amounts previously used or set aside to purchase annuities, in 11 approximately equal annual installments over a 10-year period (without application of the General Account Withdrawal Charge or an MVA).

Further details regarding options (1) and (2) above and their applicability to a given Contract may be found in a Contract Supplement.

Similar provisions (without application of an MVA) regarding Participant withdrawals apply to some Contracts issued prior to 1999 which fund SEP and SIMPLE IRA Plans.

For some Contracts issued after 1998 that fund Employer-Sponsored 403(b) Plans, no Fixed Interest Account or General Account Withdrawal Value lump-sum option is available, only installment payments. However, AUL may amend these Contracts to permit lump-sum payouts of Fixed Interest Account or General Account funds, subject to a Withdrawal Charge and an MVA, or may otherwise allow such lump-sum payouts if the dollar-weighted average rate of interest AUL credits to amounts withdrawn from the Fixed Interest Account or General Account equals or exceeds the current interest rate credited to new contributions. Termination options may be negotiated with individual Plan sponsors depending on unique or special circumstances.

Until all of the terminating Contract's funds invested in AUL's Fixed Interest Account or General Account have been paid by AUL under any of the installment payments discussed above, the interest rate determined under the Contract will be credited to the remaining Withdrawal Values. Interest will be paid with each installment payment.

When making lump-sum payouts of Fixed Interest Account or General Account funds, AUL applies an ILC or MVA, depending on the Contract. The ILC or MVA is equal to a certain percentage, as described in the Contract, multiplied by the Fixed Interest Account or General Account Withdrawal Value. In some Contracts, the ILC percentage is $6(x - y)$, where "x" is the Current Rate of Interest being credited by AUL to new Contributions as of the date of calculation and "y" is the average rate of interest being credited by AUL to various portions of the aggregate Fixed Interest Account or General Account Account Value as of the date of calculation. In some Contracts, the MVA percentage is $5(x - y)$ when "x" exceeds "y," and is deducted from the amount paid. The MVA percentage is $4(y - x)$ when "y" exceeds "x," and is added to the amount paid. Payment of Fixed Interest Account or General Account amounts may be delayed for up to six months after the effective date of termination.

Termination by AUL

AUL has the right, subject to applicable state law, to terminate any Participant's Account established under a Contract acquired in connection with an Employee Benefit Plan, a 457 or 409A Program, or an Employer Sponsored 403(b) Program at any time during the Contract Year if the Participant's Account Value falls below \$300 (\$200 for an Employer Sponsored 403(b) Program or for a Contract with both 403(b) and 401(a) funds)

during the first Contract Year, or \$500 (\$400 for an Employer Sponsored 403(b) Program or for a Contract with both 403(b) and 401(a) funds) during any subsequent Contract Year, provided that at least six months have elapsed since the Owner's last contribution to the Contract. AUL will give notice to the Owner and the Participant that the Participant's Account is to be terminated. Termination shall be effective six months from the date that AUL gives such notice, provided that any contributions made during the six-month notice period are insufficient to bring the Participant's Account Value up to the applicable minimum. Single Contribution Contracts have a minimum required contribution of \$5,000.

Upon termination of a Participant's Account by AUL, AUL will pay an amount equal to the Participant's Account Value as of the close of business on the effective date of termination (or, if the termination effective date is not a Valuation Date, on the next Valuation Date). Payment of this amount will be made within seven days from such effective date of termination.

AUL may, at its option, terminate any Contract if there are no Participant Accounts in existence under the Contract.

Payments from the Variable Account

Payment of an amount from the Variable Account resulting from a cash withdrawal, transfer from a Participant's Variable Account Value, payment of the death benefit, or payment upon termination by the Owner will be made within seven days from the date a proper request is received at AUL's Home Office. However, AUL can postpone the calculation or payment of such an amount to the extent permitted under applicable law, which is currently permissible only for any period: (a) during which the New York Stock Exchange is closed other than customary week-end and holiday closings, (b) during which trading on the New York Stock Exchange is restricted as determined by the SEC, (c) during which an emergency, as determined by the SEC, exists as a result of which disposal of securities held by the Variable Account is not reasonably practicable, or it is not reasonably practicable to determine the value of the assets of the Variable Account, or (d) for such other periods as the SEC may, by order, permit for the protection of investors. For information concerning payment of an amount from the Fixed Interest Account, see "The Fixed Interest Account" and "Termination by the Owner."

CHARGES AND DEDUCTIONS

Premium Tax Charge

Various states impose a tax on premiums received by insurance companies. Whether or not a premium tax is imposed will depend on, among other things, the Owner's state of residence, the Annuitant's state of residence, and the insurance tax laws and AUL's status in a particular state. Premium tax rates currently range from 0% to 3.5%, but are subject to change by such governmental entities. AUL may assess a premium tax charge on certain Contracts at the time of annuitization to reimburse itself for such premium taxes incurred, which are directly related to amounts received for the Participant from the balance applied to purchase an annuity.

Withdrawal Charge

No deduction for sales charges is made from contributions for a Contract. However, if a cash withdrawal is made or the Contract is terminated by the Owner, then, depending on the type of Contract, a withdrawal charge (which may also be referred to as a contingent deferred sales charge) may be assessed by AUL if the Participant's Account (or, in some Contracts, the Contract) has not been in existence for a certain period of time. For some Contracts, for the first two Contract Years that a Participant's Account exists, the amount withdrawn during a Contract Year that will not be subject to a withdrawal charge is 10% of: (1) the total of all contributions made during the year that the withdrawal is being made, plus (2) the Participant's Account Value at the beginning of the Contract Year. After the first two Contract Years, and until the withdrawal charge has decreased to 0%, the amount withdrawn during a Contract Year that will not be subject to an otherwise applicable withdrawal charge is 10% of the Participant's Account Value at the beginning of the Contract Year in which the withdrawal is being made. Certain Recurring Contribution 403(b) Contracts and Contracts used with 409A and 457

Programs do not contain provisions allowing the 10% free-out since they are "Benefit Responsive" in nature.

The withdrawal charge varies based on the Contract. The maximum withdrawal charge is 8% of Account Value in excess of any 10% free-out in Contracts containing a 10% free-out provision, for the first five years; 4% of Account Value in excess of any applicable 10% free-out, for the next five years; and no withdrawal charge beyond the tenth year. Your charges may be less than the charges described. Please consult your Contract for more details.

Withdrawal charges are not imposed for payment of benefits for retirement provided under "Benefit Responsive" Contracts. Under a Benefit Responsive Contract, withdrawal charges are not imposed for payment of benefits for retirement, death, disability, most terminations of employment, hardship (or unforeseeable emergencies, depending on the Contract), loans, age 70 ½ required minimum distributions, or benefits upon attainment of age 59 ½ (provided that the age 59 ½ benefit is a taxable distribution paid to the Participant and not to any other person or entity, including any alternative or substitute funding medium). Notwithstanding the above, for some 403(b) Benefit Responsive Contracts, withdrawal charges will not be waived if the amount withdrawn is transferred directly by us to another tax-deferred annuity funding vehicle at the Participant's direction.

Under a modified Benefit Responsive Contract, withdrawal charges are not imposed for cash lump-sum payments of death benefits, or, provided the Participant has (1) attained age 55 and has 10 years of service with the employer identified in the Plan, or (2) attained age 62, for the Plan benefits listed in the previous paragraph.

However, even in Benefit Responsive or modified Benefit Responsive Contracts, withdrawal charges (and a Market Value Adjustment in some Employee Benefit Plan and Employer

Sponsored 403(b) Contracts) will be applied to any withdrawal to pay a termination of employment Plan benefit prior to notification of Contract termination if the benefit is payable because of, or the underlying reason for payment of the benefit results in, the termination or partial termination of the Plan, as determined under applicable IRS guidelines. In some Contracts, withdrawal charges and a Market Value Adjustment will apply if the termination of employment occurs after the Plan Sponsor files for bankruptcy protection or ceases operations, or if such benefits exceed 20% of the Contract's Value as of the first day of the Contract Year.

In no event will the amount of any withdrawal charge, when added to any withdrawal charges previously assessed against any amount withdrawn from a Participant's Account, exceed 8.5% of the contributions made by or on behalf of a Participant under a Contract. In addition, no withdrawal charge will be imposed upon payment of a death benefit under the Contract.

The withdrawal charge will be used to recover certain expenses relating to sales of the Contracts, including commissions paid to sales personnel and other promotional costs. AUL reserves the right to increase the withdrawal charge for any Participant Accounts established on or after the effective date of the change.

Asset Charge

AUL deducts a daily charge from the assets of each Investment Account. The charge is equal to an annual rate of 0.00%, 0.25%, 0.50%, 0.75%, 1.00% or 1.25% of the average daily net assets of each Investment Account. (Please refer to your Contract for details regarding the Asset Charge applicable to you.) This amount is intended to compensate AUL for its professional services, administrative services (including systems recordkeeping and Investment Account accounting), case acquisition costs, compliance support, sales office expenses, overhead, sales commissions, annuity purchase rate guarantees, reasonable profit, and other related costs. AUL may use any profit derived from this charge for any lawful purpose, including contract distribution.

Variable Investment Plus

Certain Contracts may have a portion of the Asset Charge offset, but never increased, by Variable Investment Plus (VIP) credits. The credit is calculated each month-end, is applied by AUL to purchase Accumulation Units for each Participant under the Contract, and is reported to Participants as Earnings.

The level of the credit, as a percentage of Investment Account assets, will depend on the aggregate Investment Account assets for the Contract at the end of each month, the amount of the contributions (both first year and for subsequent years), the level of sales expenses under the Contract, and other charges that the Owner has agreed in writing to pay to AUL. Please consult your Contract to determine whether a Variable Investment Plus credit applies to your Contract and, if it does apply, what the factors are for determining the credit.

AUL reserves the right to change the credit factors upon 60 day's notice of such change.

Administrative Charge

AUL may deduct an administrative charge from each Participant's Account equal to a maximum of \$50 per year, deducted quarterly if the account exists on the quarterly Contract anniversary. For some Contracts, the administrative charge may be waived completely. The charge is only assessed during the Accumulation Period. When a Participant annuitizes or surrenders on any day other than a quarterly Contract anniversary, a pro rata portion of the charge for that portion of the quarter will be assessed. The charge is deducted proportionately from the Participant's Account Value allocated among the Investment Accounts and the Fixed Interest Account. An administrative charge will not be imposed under certain Contracts if the value of a Participant's Account is equal to or more than \$35,000 (\$25,000 in some Contracts) on the quarterly Contract anniversary. The purpose of this charge is to reimburse AUL for the expenses associated with administration of the Contracts and operation of the Variable Account.

Additional Charges and Fees

Some Contracts may also contain the following fees:

- (1) **Loan Initiation Fees:** AUL may assess a Loan Initiation Fee of up to \$100 against the Account of any Participant for whom a Plan loan withdrawal is requested.
- (2) **Charge for Non-Electronic Transfers:** AUL may charge a service fee of up to \$5 for non-electronic transfers between Investment Options, which will either be billed to the Owner or deducted from the Participant's Account.
- (3) **Distribution Fee:** AUL may bill the Owner for a Distribution Fee of up to \$40 for each Participant for whom a withdrawal is made in which the entire Participant Account is distributed in a lump-sum. Alternatively, AUL may assess this Distribution Fee against the affected Participant Accounts if permitted by applicable law, regulations or rulings.
- (4) **Brokerage Window:** AUL may bill the Owner or deduct from the Participant's account an annual fee of up to \$100 for a Brokerage Window, available in some employer sponsored plans, which provides the Participant the ability to invest a portion of his or her Account Value in a brokerage account, to be invested in a wide range of mutual funds or other investment vehicles.
- (5) **Contract Termination Individual Participant Check Fee:** AUL may bill the Owner a fee of up to \$100 for each Participant for whom an individual check is prepared upon Contract termination. This Fee will not apply to a lump-sum payment to the Owner upon Contract termination. Alternatively, AUL may assess this Fee against the affected Participant Accounts if permitted by applicable law, regulations or rulings.
- (6) **Investment Advice Provider Fee:** AUL may bill the Owner for an investment advice provider fee in an amount separately agreed upon by the Owner and the third-party investment advice provider. There is no cost to the Participant when using the basic investment advice service. AUL may also assess an account management fee directly against the Account of each Participant who

utilizes the more detailed, hands-on managed accounts service. The fee for the managed account service is one percent of the total account value, paid in .25 percent quarterly installments. AUL will forward a portion of the fee to the investment advice provider and may retain a portion of the fee for administrative and distribution services.

- (7) **Guaranteed Minimum Death Benefit:** AUL may charge a maximum of 0.20% of the Account Value for a Guaranteed Minimum Death Benefit. Some Contracts offer this benefit at no charge. Please consult your Contract for details regarding this benefit and the applicable charge.
- (8) **Plan Sponsor Investment Option Advisory Fee:** AUL may bill the Owner for a Plan Sponsor Investment Option Fee. If this option is chosen, Ibbotson will recommend a plan level investment portfolio based on the Plan Sponsor's unique employee profile. A maximum fee of \$1,500 applies, depending on plan assets. Plans with assets greater than \$20,000,000 must contact AUL to determine the applicable fee.
- (9) **Redemption Fee:** A redemption fee may be charged by the underlying funds to reimburse fund shareholders for expenses associated with short-term trading. Please consult the funds' prospectuses for more details.
- (10) **Non-Electronic Transfer Fee:** AUL may bill the Participant a fee of not more than \$5 for non-electronic transfers.
- (11) **Non-Electronic Contribution Fee:** AUL may bill the Owner a fee of not more than \$1,000 for non-electronic contributions.

Other Charges

AUL may charge the Investment Accounts of the Variable Account for the federal, state, or local income taxes incurred by AUL that are attributable to the Variable Account and its Investment Accounts. No such charge is currently assessed. In certain Contracts, unpaid charges due AUL (for which the Plan is responsible and which the Owner has, in writing, agreed to pay) will be deducted from Participant Accounts if not paid by

the Owner in a timely manner. An Investment Liquidation Charge or a Market Value Adjustment, which applies only to Participants' Fixed Interest Account Values under a Contract, may be imposed upon termination by an Owner of some Contracts acquired in connection with an Employee Benefit Plan, Employer Sponsored 403(b), 409A or 457 Program and upon certain withdrawals in an Employee Benefit Plan Contract. See "Termination by the Owner" and "The Fixed Interest Account."

Variations in Charges

AUL may reduce or waive the amount of the withdrawal charge, the administrative charge, or the Asset Charge for a Contract where the expenses associated with the sale of the Contract or the administrative costs associated with the Contract are reduced. A reduction in the Asset Charge will generally be made by offsetting the charge by applying the Variable Investment Plus Option. As an example, these charges may be reduced in connection with acquisition of the Contract in exchange for another annuity contract or in exchange for another annuity contract issued by AUL. AUL may also reduce or waive these charges on Contracts sold to the directors or employees of AUL or any of its affiliates or to directors or any employees of any of the Funds.

Guarantee of Certain Charges

AUL guarantees that the Asset Charge shall not increase on in-force Contracts. However, the Asset Charge may be increased on future Contracts. AUL also guarantees that the administrative charge will increase only to the extent necessary to recover the expenses associated with administration of the Contracts and operation of the Variable Account.

Expenses of the Funds

Each Investment Account of the Variable Account purchases shares at the net asset value of the corresponding Portfolio of one of the Funds. The net asset value reflects the investment advisory fee and other expenses that are deducted from the assets of the Portfolio. The advisory fees and other expenses are more fully described in the Funds' Prospectuses.

ANNUITY PERIOD

General

On the Annuity Commencement Date, the adjusted value of the Participant's Account may be applied to provide an annuity under one of the options described below. The adjusted value will be equal to the value of the Participant's Account as of the Annuity Commencement Date, reduced by any applicable premium or similar taxes and any outstanding loan balances and unpaid expense charges on those loans.

Generally, the Contracts provide for five annuity options, any one of which may be elected if permitted by the particular Plan or applicable law. A lump-sum distribution may also be elected under most Plans. Other Annuity Options may be available upon request at the discretion of AUL. All Annuity Options are fixed and the annuity payments remain constant throughout

the Annuity Period. Annuity payments are based upon annuity rates that vary with the Annuity Option selected and the age of the Annuitant (except that in the case of Option 5, the Fixed Period Option, age is not a consideration). The annuity rates are based upon an assumed interest rate identified in the Contracts.

Once annuity payments have commenced, a Participant cannot surrender his or her annuity and receive a lump-sum settlement in lieu thereof and cannot change the Annuity Option. If, under any option, monthly payments are less than \$25 each, AUL has the right to make either a lump-sum settlement or to make larger payments at quarterly, semi-annual, or annual intervals. AUL also reserves the right to change the minimum payment amount. AUL will not allow annuitization of a Participant's Account if the total Account

Value is less than the amount specified in the Contract. Should this occur, a Participant will receive the Account Value in a lump-sum settlement.

Annuity payments will begin on the Annuity Commencement Date. No withdrawal charge will be applied on this Date.

A Participant or, depending on the Contract, an Owner on behalf of a Participant, may designate an Annuity Commencement Date, Annuity Option, contingent Annuitant, and Beneficiary on an Annuity Election Form that must be received by AUL at its Home Office at least 30 days prior to the Annuity Commencement Date. AUL may also require additional information before annuity payments commence. During the lifetime of the Participant and up to 30 days prior to the Annuity Commencement Date, the Annuity Option, the Annuity Commencement Date, or the designation of a contingent Annuitant or Beneficiary, if any, under an Annuity Option may be changed. To help ensure timely receipt of the first annuity payment, on the date AUL receives an annuity purchase request, it will transfer the value of a Participant's Account to the Fixed Interest Account if it is available as an Investment Option, or to the OneAmerica Money Market Investment Account if the Fixed Interest Account is not available under the Contract. The Participant's Account Value will remain in the Fixed Interest Account or the Money Market Account (depending on the Contract) until the full Account Value (reflecting gains and losses) is applied to purchase the annuity on the last business day of the month preceding the Annuity Commencement Date. As of the date the annuity is purchased, a Participant's funds are no longer maintained under the Contract.

Annuity Options

Option 1 – Life Annuity

An annuity payable monthly during the lifetime of the Annuitant that ends with the last monthly payment before the death of the Annuitant.

Option 2 – Certain and Life Annuity

An annuity payable monthly during the lifetime of the Annuitant with the promise that if, at the death of the Annuitant, payments have been made for less than a stated period, which may be five, ten, fifteen, or twenty years, as elected, annuity payments will be continued during the remainder of such period to the Beneficiary.

Option 3 – Survivorship Annuity

An annuity payable monthly during the lifetime of the Annuitant, and, after the death of the Annuitant, an amount equal to 50%, 66 ⅔%, or 100% (as specified in the election) of such annuity will be paid to the contingent Annuitant named in the election if and so long as such contingent Annuitant lives.

In some Contracts, an election of this option is automatically cancelled if either the Participant or the contingent Annuitant dies before the Annuity Commencement Date. Another form of benefit would then be elected by the survivor.

Option 4 – Installment Refund Life Annuity

An annuity payable monthly during the lifetime of the Annuitant except, that at the death of the Annuitant, the Beneficiary will receive additional annuity payments until the amount paid to purchase the annuity has been distributed.

Option 5 – Fixed Periods

An annuity payable monthly for a fixed period (not less than 5 years or more than 30 years) as elected, with the guarantee that if, at the death of the Annuitant, payments have been made for less than the selected fixed period, annuity payments will be continued during the remainder of said period to the Beneficiary. This option is not available in all Contracts.

Selection of an Option

Participants should carefully review the Annuity Options with their financial or tax advisors, and reference should be made to the terms of a particular Plan for pertinent limitations respecting annuity payments and other matters. For instance, under requirements for retirement plans that qualify for treatment under Sections 401, 403(b), 408, 409A or 457 of the Internal Revenue Code, annuity payments generally must begin no later than April 1 of the calendar year following the calendar year in which the Participant reaches age 70 ½, provided the Participant is no longer employed. For Options 2 and 5, the period elected for receipt of annuity payments under the terms of the Annuity Option generally may be no longer than the joint life expectancy of the Annuitant and Beneficiary in the year that the Annuitant reaches age 70 ½ and must be shorter than such joint life expectancy if the Beneficiary is not the Annuitant's spouse and is more than 10 years younger than the Annuitant. Under Option 3, if the contingent Annuitant is not the Annuitant's spouse and is more than 10 years younger than the Annuitant, the 66 ⅔% and 100% elections specified above may not be available.

THE FIXED INTEREST ACCOUNT

Contributions or transfers to the Fixed Interest Account become part of AUL's General Account. The General Account is subject to regulation and supervision by the Indiana Insurance Department as well as the insurance laws and regulations of other jurisdictions in which the Contracts or certificates issued under the Contracts are distributed. In reliance on certain exemptive and exclusionary provisions, interests in the Fixed Interest Account have not been registered as securities under the Securities Act of 1933 (the "1933 Act") and the Fixed Interest Account has not been registered as an investment company under the 1940 Act. Accordingly, neither the Fixed Interest Account nor any interests therein are generally subject to the provisions of the 1933 Act or the 1940 Act. AUL has been advised that the staff of the SEC has not reviewed the disclosure in this Prospectus relating to the Fixed Interest Account. This disclosure, however, may be subject to certain generally applicable provisions of the federal securities laws relating to the accuracy and completeness of statements made in the Prospectus. This Prospectus is generally intended to serve as a disclosure document only for aspects of a Contract involving the Variable Account and contains only selected information regarding the Fixed Interest Account. For more information regarding the Fixed Interest Account, see the Contract.

Interest

A Participant's Fixed Interest Account Value earns interest at fixed rates that are paid by AUL. The Account Value in the Fixed Interest Account earns interest at one or more interest rates determined by AUL at its discretion and declared in advance ("Current Rate"), which are guaranteed to be at least an annual effective rate ("Guaranteed Rate") specified in the Contract. AUL will determine a Current Rate from time to time, and any Current Rate that exceeds the Guaranteed Rate will be in effect for a period of at least one year. If AUL determines a Current Rate in excess of the Guaranteed Rate, contributions or transfers to a Participant's Account which are credited to the Fixed Interest Account during the time the Current Rate is in effect are guaranteed to earn interest at that particular Current Rate for at least one year. AUL may declare a different Current Rate for a particular Contract based on costs of acquisition to AUL or the level of service provided by AUL. Transfers from other AUL annuity contracts may be transferred at a rate of interest different than the Current Rate.

Except for transfers from other AUL annuity contracts, amounts contributed or transferred to the Fixed Interest Account earn interest at the Current Rate then in effect. Amounts transferred from other AUL annuity contracts may not earn the Current Rate, but may, at AUL's discretion, continue to earn the rate of interest which was paid under the former Contract. If AUL changes the Current Rate, such amounts contributed or transferred on or after the effective date of the change earn interest at the new Current Rate; however, amounts contributed or transferred prior to the effective date of the change may earn interest at the prior Current Rate or other Current Rate determined by AUL. Therefore, at any given time, various portions of a Participant's Fixed Interest Account Value may be earning interest at

different Current Rates for different periods of time, depending upon when such portions were originally contributed or transferred to the Fixed Interest Account. AUL bears the investment risk for Participant's Fixed Interest Account Values and for paying interest at the Current Rate on amounts allocated to the Fixed Interest Account.

For certain Contracts, AUL reserves the right at any time to change the Guaranteed Rate of interest for any Participant Accounts established on or after the effective date of the change, although once a Participant Account is established, the Guaranteed Rate may not be changed for the duration of that Account.

Withdrawals and Transfers

A Participant (or a Contract Owner on behalf of a Participant) may withdraw his or her Fixed Interest Account ("FIA") value, subject to the provisions of the Contract. This FIA value is determined as of the day the withdrawal is effected, minus any applicable withdrawal charge, plus or minus a Market Value Adjustment in certain Contracts, and minus the Participant's outstanding loan balance(s), if any, and any expense charges due thereon.

A withdrawal may be requested for a specified percentage or dollar amount of the Participant's FIA value. Where a Participant has outstanding loans under a Contract, a withdrawal will be permitted only to the extent that the Participant's remaining FIA Withdrawal Value equals twice the total of the outstanding loans under the Participant's Account.

In some Contracts, the minimum amount that may be withdrawn from a Participant's FIA value is the lesser of \$500 or the Participant's entire FIA value as of the date the withdrawal request is received by AUL at its Home Office. If a withdrawal is requested that would leave the Participant's FIA value less than \$500, then such withdrawal request will be treated as a request for a full withdrawal from the FIA. In other Contracts, withdrawals from a Participant's Account Value may not be made in an amount less than the smaller of \$5,000 or the Participant's entire Account Value. In these Contracts, AUL reserves the right to pay out the Participant's remaining Account Value if a withdrawal reduces the Participant's remaining Account Value to an amount less than \$5,000.

If a Participant has more than one Account, then the Account from which the withdrawal is to be taken must be specified and any withdrawal restrictions shall be effective at an Account level. For a further discussion of withdrawals as generally applicable to a Participant's Variable Account Value and FIA value, see "Cash Withdrawals."

A Participant's FIA value may be transferred from the FIA to the Variable Account subject to certain limitations. Where a Participant has outstanding loans under a Contract, a transfer will be permitted only to the extent that the Participant's remaining FIA Withdrawal Value in the FIA equals twice the total of the outstanding loans under the Participant's Account. A Participant may transfer part or all of his or her FIA value (subject to the outstanding loan provision mentioned above) to

one or more of the available Investment Accounts during the Accumulation Period, provided, however, that if a Participant's FIA value is \$2,500 or more on the first day of a Contract Year, then amounts transferred from the FIA to an Investment Account during any given Contract Year cannot exceed 20% of the Participant's FIA value as of the beginning of that Contract Year. Transfers and withdrawals of a Participant's FIA values will be effected on a first-in, first-out basis. If a Participant has more than one Account, then the Account from which the transfer is to be taken must be specified and any transfer restrictions shall be effective at an Account level.

The 20% restriction on transfers during any given Contract Year from the FIA to an Investment Account shall not apply to some Contracts funding Employer Sponsored 403(b) Programs, Employee Benefit Plans, or 408 SEP or SIMPLE IRA Contracts if: (1) the Owner (or Plan Sponsor) selects the FIA as an Investment Option to Participants under the Contract; and (2) the Owner (or Plan Sponsor) does not select either the OneAmerica Money Market or the Vanguard Short-Term Federal Bond Investment Accounts as available Investment Options to Participants under the Contract. Then, in lieu of the 20% restriction, and following a transfer from the FIA to the Variable Account by a Participant, a transfer back to the FIA shall be allowed only after 90 days have elapsed since the last previous transfer from the FIA.

Except as noted previously, generally, there are no limitations on the number of transfers between Investment Accounts available under a Contract or the FIA. However, if AUL determines that transfers are being made on behalf of one or more Owners to the disadvantage of other Owners or Participants, the transfer right may be restricted.

AUL reserves the right, at a future date, to impose a minimum or maximum transfer amount, to assess transfer charges, to change the limit on remaining balances, to limit the number and frequency of transfers, and to suspend the transfer privilege or the telephone authorization, interactive voice response, or Internet-based transfers.

In addition, in some Contracts, Owner-directed transfers from the FIA are subject to a Market Value Adjustment.

Any transfer from an Investment Account of the Variable Account shall be effective as of the end of the Valuation Date in which AUL receives the request in proper form.

Transfer of Interest Option

Participants may elect to use interest earned in their Fixed Interest Account to purchase Accumulation Units in one or more Variable Accounts. Upon receipt at AUL's Home Office of properly executed written instructions to do so, AUL will, on the last business day of each month and monthly thereafter, use the interest earned in the Fixed Interest Account during that month to purchase Accumulation Units at the corresponding Accumulation Unit Value on each date that a purchase is made. To elect this Option, the Participant must have previously provided AUL with instructions specifying the Variable Investment Account or Accounts to be purchased and a percentage allocation among Investment Accounts if more than one Investment Account has been elected. If no such

instructions are received by AUL, then the Participant's prior investment allocation instructions will be used by AUL to allocate purchases under this Option.

To participate in this Option, a Participant's Fixed Interest Account Value must be greater than \$10,000 and the Participant's Account must have been in existence for a period of at least one year. Amounts transferred out of the Fixed Interest Account under this Option will be considered a part of the 20% maximum amount that can be transferred from the Fixed Interest Account to a Variable Account during any given Contract Year.

Contract Charges

The withdrawal charge will be the same for amounts withdrawn from a Participant's Fixed Interest Account Value as for amounts withdrawn from a Participant's Variable Account Value. In addition, the administrative charge will be the same whether or not a Participant's Account Value is allocated to the Variable Account or the Fixed Interest Account. The Asset Charge will not be assessed against the Fixed Interest Account, and any amounts that AUL pays for income taxes allocable to the Variable Account will not be charged against the Fixed Interest Account. In addition, the investment advisory fees and operating expenses paid by the Funds will not be paid directly or indirectly by Participants to the extent the Account Value is allocated to the Fixed Interest Account; however, such Participants will not participate in the investment experience of the Variable Account. See "Charges and Deductions."

An investment liquidation charge or Market Value Adjustment, depending on the Contract, may be imposed upon termination by an Owner of a Contract and upon certain withdrawals in certain Contracts. See "Termination by the Owner" and "The Fixed Interest Account."

Payments from the Fixed Interest Account

Withdrawals and transfers from the Fixed Interest Account and payment of a death benefit based upon a Participant's Fixed Interest Account Value may be delayed for up to six months after a written request in proper form is received by AUL at its Home Office. During the period of deferral, interest at the applicable interest rate or rates will continue to be credited to the Participant's Fixed Interest Account Value. For information on payment upon termination by the Owner of a Contract acquired in connection with an Employee Benefit Plan, an Employer Sponsored 403(b) Program, or a 409A or 457 Program, see "Termination by the Owner."

Loans from the Fixed Interest Account

A Participant under a 403(b) Program, other than an Employer Sponsored 403(b) Program, who has a Participant Account Value in the Fixed Interest Account may borrow money from AUL using his or her Fixed Interest Account Value as the only security for the loan by submitting a proper written request to AUL's Home Office. A loan may be taken any time prior to the Annuity Commencement Date. The minimum loan that can be taken at any time is \$2,000, unless a lower minimum loan amount is specified by state law or Department of Labor

regulations. The maximum amount that can be borrowed at any time is an amount which, when combined with the largest loan balance during the prior 12 months, does not exceed the lesser of (1) 50% of the Participant's Withdrawal Value in the Fixed Interest Account, or (2) \$50,000. The Participant's Withdrawal Value in the Fixed Interest Account, which must be at least twice the amount of the outstanding loan balance, shall serve as security for the loan, and shall continue to earn interest as described under "Interest." Payment by AUL of the loan amount may be delayed for up to six months. If a Participant has more than one Participant Account invested in the Fixed Interest Account, then the account in which funds are to be held as security for the loan must be specified, and any loan restrictions shall be effective at an Account level.

Interest will be charged for the loan, and will accrue on the loan balance from the effective date of any loan. The interest rate will be declared by AUL at the beginning of each calendar quarter, or, with respect to Contracts or Participants in some states, annually. The interest charged will be determined under a procedure specified in the loan provision of the Contract; the interest rate generally follows the Moody's Corporate Bond Yield Average—Monthly Average Corporates as published by Moody's Investors Service. However, no change from a previously established rate will be made in an amount less than .50% in any periodic adjustment. The Contract should be consulted for more information. The loan balance shall also be subject to a loan expense charge equal to 2% of each loan repayment unless such a charge is prohibited by state law.

Loans to Participants must be repaid within a term of five years, unless the Participant certifies to AUL that the loan is to be used to acquire a principal residence for the Participant, in

which case the term may be longer. Loan repayments must be made at least quarterly. Upon receipt of a repayment, AUL will deduct the 2% expense charge from the repayment and will apply the balance first to any accrued interest and then to the outstanding loan principal.

If a loan either remains unpaid at the end of its term, or if at any time during the Accumulation Period, 102% of the total of all the Participant's loan balances equals the Participant's Withdrawal Value allocated to the Fixed Interest Account, then AUL will deduct these loan balances, as well as an expense charge equal to 2% of the outstanding loan balances, from the Participant's Fixed Interest Account Value to the extent permitted by law. If a Participant has outstanding loans, then withdrawals or transfers to the Variable Account will be permitted only to the extent that the remaining Participant's Withdrawal Value in the Fixed Interest Account equals or exceeds twice the total of any outstanding loans under the Contract. All loan balances plus the 2% expense charge must be paid or satisfied in full before any amount based upon a Participant's Fixed Interest Account Value is paid as a withdrawal, as a death benefit, upon annuitization, or other permitted distribution.

The restrictions or limitations stated above may be modified, or new restrictions and limitations added, to the extent necessary to comply with Section 72(p) of the Internal Revenue Code or its regulations, under which a loan will not be treated as a distribution under a 403(b) Program, or other applicable law as determined by AUL. It should be noted that the Internal Revenue Service has issued regulations which cause the outstanding balance of a loan to be treated as a taxable distribution if the loan is not repaid in a timely manner.

MORE ABOUT THE CONTRACTS

Designation and Change of Beneficiary

The Beneficiary designation will remain in effect until changed. Payment of benefits to any Beneficiary are subject to the specified Beneficiary surviving the Participant. Unless otherwise provided, if no designated Beneficiary is living upon the death of the Participant prior to the Annuity Commencement Date, the Participant's estate is the Beneficiary. Unless otherwise provided, if no designated Beneficiary under an Annuity Option is living after the Annuity Commencement Date, upon the death of the Annuitant, the Annuitant's estate is the Beneficiary.

Subject to the rights of an irrevocably designated Beneficiary, the designation of a Beneficiary may be changed or revoked at any time while the Participant is living by filing with AUL a written beneficiary designation or revocation in such form as AUL may require. The change or revocation will not be binding upon AUL until it is received by AUL at its Home Office. When it is so received, the change or revocation will be effective as of the date on which the beneficiary designation or revocation was signed, but the change or revocation will be without prejudice to AUL if any payment has been made or any action has been taken by AUL prior to receiving the change or revocation.

Reference should be made to the terms of the particular Plan and any applicable law for any restrictions on the beneficiary designation. For instance, under an Employee Benefit Plan or Employer Sponsored 403(b) Program, the Beneficiary (or contingent Annuitant) must be the Participant's spouse if the Participant is married, unless the spouse properly consents to the designation of a Beneficiary (or contingent Annuitant) other than the spouse.

Assignability

In some Contracts, no benefit or privilege under a Contract may be sold, assigned, discounted, or pledged as collateral for a loan or as security for the performance of an obligation or for any other purpose to any person or entity other than AUL.

Proof of Age and Survival

AUL may require proof of age or survival of any person on whose life annuity payments depend.

Misstatements

If the age of an Annuitant or contingent Annuitant has been misstated, the correct amount paid or payable by AUL shall be such as the Participant's Account Value would have provided for the correct age.

Termination of Recordkeeping Services

AUL generally provides Plan recordkeeping services when all of a Plan's funds are held under a Contract. AUL reserves the right to terminate an administrative services agreement for a Plan or a Contract if the Owner elects to allocate Plan assets to investments other than an AUL Contract, or if in AUL's judgment, the Plan's recordkeeping practices impose an administrative or financial burden on AUL. If AUL ceases to

provide Plan recordkeeping for any reason, any administrative services agreement between the Owner and AUL regarding the Owner's Plan, and AUL's responsibilities under such administrative services agreement will automatically cease. Likewise, if an administrative services agreement is terminated by AUL for any reason, individual Participant Accounts will not continue to be maintained under the Contract.

FEDERAL TAX MATTERS

Introduction

The Contracts described in this Prospectus are designed for use by Employer, association, and other group retirement plans under the provisions of Sections 401, 403, 408, 408A, 409A and 457 of the Internal Revenue Code ("Code"). The ultimate effect of federal income taxes on values under a Contract, the Participant's Account, on annuity payments, and on the economic benefits to the Owner, the Participant, the Annuitant, and the Beneficiary or other payee may depend upon the type of Plan for which the Contract is purchased and a number of different factors. The discussion contained herein and in the Statement of Additional Information is general in nature. It is based upon AUL's understanding of the present federal income tax laws as currently interpreted by the Internal Revenue Service ("IRS"), and is not intended as tax advice. No representation is made regarding the likelihood of continuation of the present federal income tax laws or of the current interpretations by the IRS. Moreover, no attempt is made to consider any applicable state or other laws. Because of the inherent complexity of such laws and the fact that tax results will vary according to the particular circumstances of the Plan or individual involved, any person contemplating the purchase of a Contract, or becoming a Participant under a Contract, or receiving annuity payments under a Contract should consult a qualified tax advisor.

AUL DOES NOT MAKE ANY GUARANTEE REGARDING THE TAX STATUS, FEDERAL, STATE, OR LOCAL, OF ANY CONTRACT OR PARTICIPANT'S ACCOUNT OR ANY TRANSACTION INVOLVING THE CONTRACTS.

Tax Status of the Company and the Variable Account

AUL is taxed as a life insurance company under Part I, Subchapter L of the Code. Because the Variable Account is not taxed as a separate entity and its operations form a part of AUL, AUL will be responsible for any federal income taxes that become payable with respect to the income of the Variable Account. However, each Investment Account will bear its allocable share of such liabilities. Under current law, no item of dividend income, interest income, or realized capital gain attributable, at a minimum, to appreciation of the Investment Accounts will be taxed to AUL to the extent it is applied to increase reserves under the Contracts.

Each of the Funds in which the Variable Account invests has advised AUL that it intends to qualify as a "regulated investment company" under the Code. AUL does not guarantee that any Fund will so qualify. If the requirements of

the Code are met, a Fund will not be taxed on amounts distributed on a timely basis to the Variable Account. Were such a Fund not to so qualify, the tax status of the Contracts as annuities might be lost, which could result in immediate taxation of amounts earned under the Contracts (except those held in Employee Benefit Plans and 408 Programs).

Under regulations promulgated under Code Section 817(h), each Investment Account must meet certain diversification standards. Generally, compliance with these standards is determined by taking into account an Investment Account's share of assets of the appropriate underlying Fund. To meet this test, on the last day of each calendar quarter, no more than 55% of the total assets of a Fund may be represented by any one investment, no more than 70% may be represented by any two investments, no more than 80% may be represented by any three investments, and no more than 90% may be represented by any four investments. For the purposes of Section 817(h), securities of a single issuer generally are treated as one investment, but obligations of the U.S. Treasury and each U.S. Governmental agency or instrumentality generally are treated as securities of separate issuers.

Tax Treatment of Retirement Programs

The Contracts described in this Prospectus are offered for use with several types of retirement programs as described in "The Contracts." The tax rules applicable to Participants in such retirement programs vary according to the type of retirement plan and its terms and conditions. Therefore, no attempt is made herein to provide more than general information about the use of the Contracts with the various types of retirement programs. Participants under such programs, as well as Owners, Annuitants, Beneficiaries and other payees are cautioned that the rights of any person to any benefits under these programs may be subject to the terms and conditions of the Plans themselves, regardless of the terms and conditions of the Contracts issued in connection therewith.

Generally, no taxes are imposed on the increases in the value of a Contract by reason of investment experience or Employer contributions until a distribution occurs, either as a lump-sum payment or annuity payments under an elected Annuity Option or in the form of cash withdrawals, surrenders, or other distributions prior to the Annuity Commencement Date.

The amounts that may be contributed to the Plans are subject to limitations that may vary depending on the type of Plan. In addition, early distributions from most Plans may be subject to penalty taxes, or in the case of distributions of amounts contributed under salary reduction agreements, could cause

the Plan to be disqualified. Furthermore, distributions from most Plans are subject to certain minimum distribution rules. Failure to comply with these rules could result in disqualification of the Plan or subject the Participant to penalty taxes. As a result, the minimum distribution rules could limit the availability of certain Annuity Options to Participants and their Beneficiaries.

Below are brief descriptions of various types of retirement programs and the use of the Contracts in connection therewith.

Employee Benefit Plans

Code Section 401 permits business employers and certain associations to establish various types of retirement plans for employees. Such retirement plans may permit the purchase of Contracts to provide benefits thereunder.

If a Participant under an Employee Benefit Plan receives a lump-sum distribution, the portion of the distribution equal to any contribution that was taxable to the Participant in the year when paid is received tax free. The balance of the distribution will be treated as ordinary income. Special ten-year averaging and a capital-gains election may be available to a Participant who reached age 50 before 1986.

Under an Employee Benefit Plan under Section 401 of the Code, when annuity payments commence (as opposed to a lump-sum distribution), under Section 72 of the Code, the portion of each payment attributable to contributions that were taxable to the Participant in the year made, if any, is excluded from gross income as a return of the Participant's investment. The portion so excluded is determined at the time the payments commence by dividing the Participant's investment in the Contract by the expected return. The periodic payments in excess of this amount are taxable as ordinary income. Once the Participant's investment has been recovered, the full annuity payment will be taxable. If the annuity should stop before the investment has been received, the unrecovered portion is deductible on the Annuitant's final return. If the Participant made no contributions that were taxable to the Participant in the year made, there would be no portion excludable.

403(b) Programs

Code Section 403(b) permits public school systems and certain types of charitable, educational, and scientific organizations specified in Code Section 501(c)(3) to purchase annuity contracts on behalf of their employees, and, subject to certain limitations, allows employees of those organizations to exclude the amount of contributions from gross income for federal income tax purposes.

If a Participant under a 403(b) Program makes a withdrawal, the Participant will realize income taxable at ordinary tax rates on the full amount received. See "Constraints on Withdrawal - 403(b) Programs." Since, under a 403(b) Program, contributions generally are excludable from the taxable income of the employee, the full amount received will usually be taxable as ordinary income when annuity payments commence.

408 and 408A Programs

1. Individual Retirement Annuities

Code Sections 219 and 408 permit eligible individuals to

contribute to an individual retirement program, including a Simplified Employee Pension Plans, a Simple IRA plan and a traditional Individual Retirement Annuity/Account. These IRA accounts are subject to limitations on the amount that may be contributed, the persons who may be eligible, and on the time when distributions may commence. In addition, certain distributions from some other types of retirement plans may be placed on a tax-deferred basis in an IRA. Sale of the Contracts for use with IRAs may be subject to special requirements imposed by the Internal Revenue Service. Purchasers of the Contracts for such purposes will be provided with such supplementary information as may be required by the Internal Revenue Service or other appropriate agency, and will have the right to revoke the Contract under certain circumstances.

If a Participant under a 408 Program makes a withdrawal from the Participant's Account, the Participant generally will realize income taxable at ordinary tax rates on the full amount received. Since, under a 408 Program, contributions generally are deductible from the taxable income of the employee, the full amount received will usually be taxable as ordinary income when annuity payments commence.

2. Roth IRA

A Roth IRA under Code Section 408A is available for retirement savings for individuals with earned income. The Contract may be purchased as a Roth IRA. A Roth IRA allows an individual to contribute non-deductible contributions for retirement purposes, with the earnings income tax-deferred, and the potential ability to withdraw the money income tax-free under certain circumstances. Roth IRAs are subject to limitations on the amount that may be contributed, the persons who may be eligible, and the time when distributions must commence. Roth IRAs may not be transferred, sold, assigned, discounted, or pledged as collateral for a loan or other obligation. The annual Premium for a Roth IRA may not exceed certain limits. In addition, a taxpayer may elect to convert an IRA to a Roth IRA, accelerating deferred income taxes on previous earnings in the IRA to a current year.

409A and 457 Programs

Section 457 of the Code permits employees of state and local governments and units and agencies of state and local governments as well as tax-exempt organizations described in Section 501(c)(3) of the Code (excluding churches) to defer a portion of their compensation without paying current taxes in either a 457(b) eligible plan or a 457(f) ineligible plan.

If the Employer sponsoring a 457(b) Program requests and receives a withdrawal for an eligible employee in connection with the Program, then the amount received by the employee will be taxed as ordinary income. Since, under a 457(b) Program, contributions are excludable from the taxable income of the employee, the full amount received will be taxable as ordinary income when annuity payments commence or other distribution is made (governmental) or when paid or made available (non-governmental).

In a 457(f) ineligible plan contributions to the Plan are includible in the employee's gross income when these amounts are no longer subject to substantial risk of forfeiture (i.e., no

longer conditioned upon future performance of substantial services).

The nonqualified deferred compensation plan of any employer who is not eligible to establish a 457 plan - and any 457(f) plan - are subject to Section 409A of the Code. A Section 409A Plan may allow an employee to defer a portion of his compensation without paying current taxes. Such deferrals are taxable when they are no longer subject to a substantial risk of forfeiture.

Tax Penalty

Any distribution made to a Participant from an Employee Benefit Plan, 403(b) Program or a 408 Program other than on account of one or more of the following events will be subject to a 10% penalty tax on the amount distributed:

- (a) the Participant has attained age 59½;
- (b) the Participant has died; or
- (c) the Participant is disabled.

In addition, a distribution from an Employee Benefit Plan will not be subject to a 10% penalty tax on the amount distributed to a Participant after separation from service after attainment of age 55. Distributions received at least annually as part of a series of substantially equal periodic payments made for the life of the Participant will not be subject to a penalty tax. Certain amounts paid for medical care also may not be subject to a penalty tax.

Any permitted distribution from a Participant Account under a 403(b) Program will be subject to a 10% excise tax unless the Participant satisfies one of the exemptions listed above for

Employee Benefit Plans. See “Constraints on Withdrawals – 403(b) Programs.”

Withholding

Distributions from an Employee Benefit Plan under Code Section 401(a) or a 403(b) Program to an employee, surviving spouse, or former spouse who is an alternate payee under a qualified domestic relations order, in the form of a lump-sum settlement or periodic annuity payments for a fixed period of fewer than 10 years, are subject to mandatory federal income tax withholding of 20% of the taxable amount of the distribution, unless the distributee directs the transfer of such amounts to another eligible retirement program. The taxable amount is the amount of the distribution, less the amount allocable to after-tax contributions.

All other types of distributions from Employee Benefit Plans and 403(b) Programs, and all distributions from Individual Retirement Accounts, are subject to federal income tax withholding on the taxable amount unless the distributee elects not to have the withholding apply. The amount withheld is based on the type of distribution. Federal tax will be withheld from annuity payments (other than those subject to mandatory 20% withholding) pursuant to the recipient’s withholding certificate. If no withholding certificate is filed with AUL, tax will be withheld on the basis that the payee is married with three withholding exemptions. Tax on all surrenders and lump-sum distributions from Individual Retirement Accounts will be withheld at a flat 10% rate.

Withholding on annuity payments and other distributions from the Contract will be made in accordance with regulations of the Internal Revenue Service.

OTHER INFORMATION

Voting of Shares of the Funds

AUL is the legal owner of the shares of the Portfolios of the Funds held by the Investment Accounts of the Variable Account. In accordance with its view of present applicable law, AUL will exercise voting rights attributable to the shares of the Funds held in the Investment Accounts at regular and special meetings of the shareholders of the Funds on matters requiring shareholder voting under the 1940 Act.

AUL will exercise these voting rights based on instructions received from persons having the voting interest in corresponding Investment Accounts of the Variable Account and consistent with any requirements imposed on AUL under contracts with any of the Funds, or under applicable law. However, if the 1940 Act or any regulations thereunder should be amended, or if the present interpretation thereof should change, and as a result AUL determines that it is permitted to vote the shares of the Funds in its own right, it may elect to do so.

The person having the voting interest under a Contract is the Owner or the Participant, depending on the type of Plan. Generally, a Participant will have a voting interest under a Contract to the extent of the Vested portion of his or her Account Value. AUL shall send to each Owner or Participant a Fund’s proxy materials and forms of instruction by means of

which instructions may be given to AUL on how to exercise voting rights attributable to the Funds’ shares. In the case of a Contract acquired in connection with an Employee Benefit Plan or an Employer Sponsored 403(b) Program, AUL may furnish the Owner with sufficient Fund proxy materials and voting instruction forms for all Participants under a Contract with any voting interest.

Unless otherwise required by applicable law or under a contract with any of the Funds, with respect to each of the Funds, the number of Fund shares of a particular Portfolio as to which voting instructions may be given to AUL is determined by dividing the value of all of the Accumulation Units of the corresponding Investment Account attributable to a Contract or a Participant’s Account on a particular date by the net asset value per share of that Portfolio as of the same date. Fractional votes will be counted. The number of votes as to which voting instructions may be given will be determined as of the date coinciding with the date established by a Fund for determining shareholders eligible to vote at the meeting of the Fund. If required by the SEC or under a contract with any of the Funds, AUL reserves the right to determine in a different fashion the voting rights attributable to the shares of the Fund. Voting instructions may be cast in person or by proxy.

Voting rights attributable to the Contracts or Participant Accounts for which no timely voting instructions are received

will be voted by AUL in the same proportion as the voting instructions which are received in a timely manner for all Contracts and Participant Accounts participating in that Investment Account. AUL will vote shares of any Investment Account, if any, that it owns beneficially in its own discretion, except that if a Fund offers its shares to any insurance company separate account that funds variable life insurance contracts or if otherwise required by applicable law, AUL will vote its own shares in the same proportion as the voting instructions that are received in a timely manner for Contracts and Participant Accounts participating in the Investment Account.

Neither the Variable Account nor AUL is under any duty to inquire as to the instructions received or the authority of Owners or others to instruct the voting of shares of any of the Funds.

Substitution of Investments

AUL reserves the right, subject to compliance with the law as then in effect, to make additions to, deletions from, substitutions for, or combinations of the securities that are held by the Variable Account or any Investment Account or that the Variable Account or any Investment Account may purchase. If shares of any or all of the Portfolios of a Fund should become unavailable for investment, or if, in the judgment of AUL's management, further investment in shares of any or all Portfolios of a Fund should become inappropriate in view of the purposes of the Contracts, AUL may substitute shares of another Portfolio of a Fund or of a different fund for shares already purchased, or to be purchased in the future under the Contracts. AUL may also purchase, through the Variable Account, other securities for other classes of contracts, or permit a conversion between classes of contracts on the basis of requests made by Owners or as permitted by federal law.

Where required under applicable law, AUL will not substitute any shares attributable to an Owner's interest in an Investment Account or the Variable Account without notice, Owner or Participant approval, or prior approval of the SEC or a state insurance commissioner, and without following the filing or other procedures established by applicable state insurance regulators.

AUL also reserves the right to establish additional Investment Accounts of the Variable Account that would invest in a new Portfolio of a Fund or in shares of another investment company, a series thereof, or other suitable investment vehicle. New Investment Accounts may be established in the sole discretion of AUL, and any new Investment Account will be made available to existing Owners on a basis to be determined by AUL. Not all Investment Accounts may be available under a particular Contract. AUL may also eliminate or combine one or more Investment Accounts or cease permitting new allocations to an Investment Account if, in its sole discretion, marketing, tax, or investment conditions so warrant.

Subject to any required regulatory approvals, AUL reserves the right to transfer assets of any Investment Account of the Variable Account to another separate account or Investment Account.

In the event of any such substitution or change, AUL may, by

appropriate endorsement, make such changes in these and other Contracts as may be necessary or appropriate to reflect such substitution or change. If deemed by AUL to be in the best interests of persons having voting rights under the Contracts, the Variable Account may be operated as a management investment company under the 1940 Act or any other form permitted by law, it may be deregistered under that Act in the event such registration is no longer required, or it may be combined with other separate accounts of AUL or an affiliate thereof. Subject to compliance with applicable law, AUL also may combine one or more Investment Accounts and may establish a committee, board, or other group to manage one or more aspects of the operation of the Variable Account.

Redemption Fees

Some Funds may charge a redemption fee for short-term trading in their Fund. AUL will assess any applicable fee against the Account Value and forward the fee on to the Fund company. Please consult the Fund prospectus to determine whether redemption fees apply to the Fund and for details regarding the fee.

Changes to Comply with Law and Amendments

AUL reserves the right, without the consent of Owners or Participants, to make any change to the provisions of the Contracts to comply with, or to give Owners or Participants the benefit of, any federal or state statute, rule, or regulation, including, but not limited to, requirements for annuity contracts and retirement plans under the Internal Revenue Code and regulations thereunder or any state statute or regulation.

AUL reserves the right to make certain changes in the Contracts. Depending on the Contract, AUL has the right at any time to change the Guaranteed Rate of interest credited to amounts allocated to the Fixed Interest Account for any Participant Accounts established on or after the effective date of the change, although once a Participant's Account is established, the Guaranteed Rate may not be changed for the duration of the Account.

Depending on the Contract, after the fifth anniversary of a Contract, AUL has the right to change any annuity tables included in the Contract, but any such change shall apply only to Participant Accounts established on or after the effective date of such a change. AUL also has the right to change the withdrawal charge and, within the limits described under "Guarantee of Certain Charges," the administrative charge.

Reservation of Rights

AUL reserves the right to refuse to accept new contributions under a Contract and to refuse to accept new Participants under a Contract.

Periodic Reports

AUL will send quarterly statements showing the number, type, and value of Accumulation Units credited to the Contract or to the Participant's Account, as the case may be. AUL will also send statements reflecting transactions in a Participant's

Account as required by applicable law. In addition, every person having voting rights will receive such reports or Prospectuses concerning the Variable Account and the Funds as may be required by the 1940 Act and the 1933 Act.

Legal Proceedings

There are no legal proceedings pending to which the Variable Account is a party, or which would materially affect the Variable Account.

Legal Matters

Legal matters in connection with the issue and sale of the Contracts described in this Prospectus and the organization of AUL, its authority to issue the Contracts under Indiana law, and the validity of the forms of the Contracts under Indiana law have been passed upon by John C. Swhear, Assistant General Counsel of AUL.

Legal matters relating to the federal securities and federal income tax laws have been passed upon by Dechert LLP, Washington, D.C.

STATEMENT OF ADDITIONAL INFORMATION

The Statement of Additional Information contains more specific information and financial statements relating to AUL. The Table of Contents of the Statement of Additional Information is set forth below:

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| LIMITS ON CONTRIBUTIONS TO RETIREMENT PLANS | 3 |
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| FINANCIAL STATEMENTS | 5 |

A Statement of Additional Information may be obtained by calling or writing AUL at the telephone number and address set forth in the front of this Prospectus.

No dealer, salesman or any other person is authorized by the AUL American Unit Trust or by AUL to give any information or to make any representation other than as contained in this Prospectus in connection with the offering described herein.

AUL has filed a Registration Statement with the Securities and Exchange Commission, Washington, D.C. For further information regarding the AUL American Unit Trust, AUL and its variable annuities, please reference the Registration statement and the exhibits filed with it or incorporated into it. All contracts referred to in this prospectus are also included in that filing.

The products described herein are not insured by the Federal Deposit Insurance Corporation; are not deposits or other obligations of the financial institution and are not guaranteed by the financial institution; and are subject to investment risks, including possible loss of the principal invested.

AUL AMERICAN UNIT TRUST

Group Variable Annuity Contracts

Sold By

**AMERICAN UNITED
LIFE INSURANCE COMPANY®**

**One American Square
Indianapolis, Indiana 46282**

PROSPECTUS

Dated: May 1, 2006

OneAmerica® Funds, Inc.
Class O and Advisor Class Shares

One American Square
Indianapolis, Indiana 46282

(800) 249-6269

OneAmerica® Funds, Inc. (the “Fund”) is an open-end management investment company consisting of four separate portfolios:

OneAmerica® Value portfolio

OneAmerica® Investment Grade Bond portfolio

OneAmerica® Money Market portfolio

OneAmerica® Asset Director portfolio

OneAmerica® Socially Responsive portfolio

Each portfolio has its own investment objectives and policies, which are described later in this prospectus. This prospectus describes the Class O and Advisor Class shares of common stock of the portfolios, which are sold only to separate accounts of American United Life Insurance Company® (AUL) to fund investments in variable life and variable annuity contracts issued by AUL. The separate accounts of AUL buy and sell shares of the portfolios according to instructions given by owners or participants in the contracts. The rights of owners and participants are described in the contracts or the certificates for those contracts and in the prospectus for the contracts.

This prospectus should be read in conjunction with the separate account’s prospectus describing the contracts. Please read both prospectuses and retain them for future reference.

Neither the SEC nor any state securities commission has approved or disapproved these securities or found that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

May 1, 2006

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THE PORTFOLIOS

Portfolios Holdings

A description of the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities is available in the Fund's Statement of Additional Information, which is available upon request.

The Value Portfolio

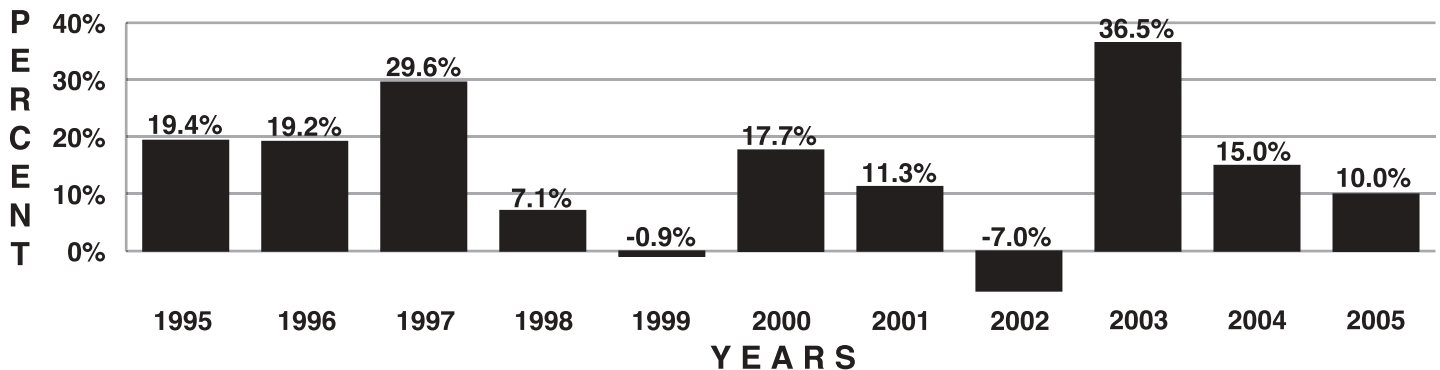
The primary investment objective of the Value portfolio is long-term capital appreciation. The portfolio seeks current investment income as a secondary objective. To do this, the portfolio primarily invests in equity securities that the advisor selects based on fundamental investment research for their long-term growth prospects. The portfolio uses a value-driven approach in selecting portfolio securities.

Normally, at least 65% of the portfolio's assets will be comprised of equity securities listed on a national securities exchange or traded over-the-counter. The portfolio may invest up to 35% of its assets in other instruments and investment techniques such as preferred stock, debentures that can be converted to common stock or that have rights to buy common stock in the future, nonconvertible debt securities, U.S. Government securities, commercial paper and other money market instruments, repurchase agreements and reverse repurchase agreements.

An investment in the portfolio involves investment risk, including possible loss of the principal amount invested. The portfolio is subject to market risk, which is the risk that the market value of a portfolio security may move up and down, sometimes rapidly and unpredictably. This risk may be particularly acute for the portfolio's investments in common stocks and other types of equity securities. The portfolio is also subject to interest rate risk, which is the risk that changes in interest rates will affect the value of its investments. In particular, the portfolio's investments (if any) in fixed income securities generally will change in value inversely with changes in interest rates. Also, an investment by the portfolio in fixed income securities generally will expose the portfolio to credit risk, which is the risk that the issuer of a security will default or not be able to meet its financial obligations.

An investment in the portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The bar chart and table below provide some indication of the risks of investing in the Value portfolio by showing changes in its performance from year to year and by comparing its average annual returns for one, five, and ten years to a broad measure of market performance. The bar chart below shows performance of the fund's Class O shares only, because the fund did not offer Advisor Class shares for the entire periods shown.



During this ten year time period, the Class O shares' highest return for any quarter was 17.1%, which occurred in the 2nd quarter of 2003 and the lowest return for a quarter was -19.2% in the 3rd quarter of 2002.

Since the inception of the Advisor Class, the Advisor shares' highest return for any quarter was 17.0%, which occurred in the 2nd quarter of 2003 and the lowest return for a quarter was -0.9% in the 3rd quarter of 2004.

Performance numbers shown in the Average Annual Total Return table demonstrate the average annual total return of the portfolio as of December 31, 2005, compared to the Standard & Poor's 500 Composite Stock Price Index (the "S&P 500") for one, five, and ten years. The S&P 500 is a capitalization-weighted benchmark of common stock performance. The S&P 500 includes 500 of the largest stocks (in terms of market value) in the United States. Investors

cannot directly invest in an index and unlike the portfolio, an index is unmanaged and does not incur transaction or other expenses. Performance information for the Advisor Class shares represents performance for the fund's Class O shares, adjusted to reflect distribution and/or service (12b-1) fees and other expenses paid by the Advisor Class shares. Although Class O and the Advisor Class shares would have similar annual returns (because all the fund's shares represent interests in the same portfolio of securities), Advisor Class performance would be lower than Class O performance because of the lower expenses paid by Class O shares. The information does not reflect charges and fees associated with a separate account that invests in the portfolio or any insurance contract for which the portfolio is an investment option. These charges and fees will reduce returns. How the portfolio has performed in the past is not an indication of its future performance.

Average Annual Total Returns as of December 31, 2005:

| | <u>One Year</u> | <u>Five Years</u> | <u>Ten Years</u> |
|---------------------|-----------------|-------------------|------------------|
| Value Class O | 9.88% | 12.29% | 13.16% |
| Value Advisor Class | 9.55% | 11.95% | 12.82% |
| S&P 500 | 4.91% | .55% | 9.09% |

Portfolio Expenses

The following expense table indicates the expenses that an investor will incur as a shareholder of the portfolio during the current fiscal year. These expenses are reflected in the share price of the portfolio. The table does not reflect separate account or insurance contract fees and charges.

Class O Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Other Expenses* | 0.11% |
| Total Annual Portfolio Operating Expenses* | 0.61% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.00%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Advisor Class Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Distribution and/or Service (12b-1) Fees | 0.30% |
| Other Expenses* | 0.12% |
| Total Annual Portfolio Operating Expenses* | 0.92% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.30%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Expense Example

Use the following table to compare fees and expenses of the portfolio to other investment companies. It illustrates the amount of fees and expenses an investor would pay assuming (1) a \$10,000 investment, (2) 5% annual return, (3) redemption at the end of each time period, and (4) the portfolio's total operating expenses remain the same, at the 2005 level. It does not reflect separate account or insurance contract fees and charges. If separate account and/or insurance contract fees and charges were reflected, the cost would be higher. Therefore, an investor's actual costs may be different than the costs reflected in the table.

| <u>Portfolio Share Class</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|------------------------------|---------------|----------------|----------------|-----------------|
| Value Class O | \$ 62 | \$ 195 | \$ 340 | \$ 760 |
| Value Advisor Class | 94 | 293 | 509 | 1,128 |

The Investment Grade Bond Portfolio

The primary investment objective of the Investment Grade Bond portfolio is to provide a high level of current income consistent with prudent investment risk. A secondary investment objective is to provide capital appreciation to the extent consistent with the primary objective. To achieve these objectives, the portfolio primarily invests in income producing securities such as corporate bonds, U.S. government debt securities, convertible bonds, mortgage and asset backed securities, and preferred stocks.

The portfolio may invest in bonds of any maturity. The average maturity and type of bonds in the portfolio change based on the advisor's view of market conditions and the likelihood of a

change in the interest rates for the different types of bonds the portfolio buys.

The advisor believes that having mostly investment grade bonds in the portfolio protects investors from the risk of losing principal and interest. However, if the advisor feels that it can take advantage of higher yields offered by bonds that are not investment grade ("junk bonds"), the portfolio may invest up to 10% of its assets in such bonds. Bonds that are not investment grade have a higher risk of losing principal and interest than investment grade bonds.

The Fund has adopted a policy to invest, under normal circumstances, at least 80% of the value of the portfolio's assets in investment grade bonds. The Fund has adopted a policy to

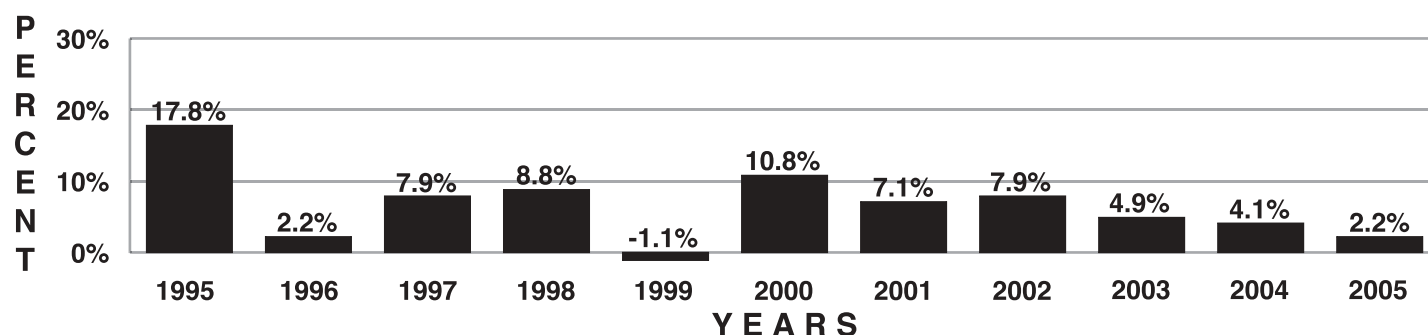
provide the Fund's shareholders with at least 60 days prior notice of any change in this policy.

An investment in the portfolio involves investment risk, including possible loss of the principal amount invested. The portfolio is subject to market risk, which is the risk that the market value of a portfolio security may move up and down, sometimes rapidly and unpredictably. The portfolio is also subject to interest rate risk, which is the risk that changes in interest rates will affect the value of its investments. In particular, the portfolio's investments in fixed income securities generally will change in value inversely with changes in interest rates. Longer-term bonds typically demonstrate the greatest changes in value in response to changes in interest rates. Also, an investment by the portfolio in fixed income securities generally will expose the portfolio to credit risk, which is the risk that the issuer of a security will default or not

be able to meet its financial obligations. Investments in junk bonds are subject to credit risk to a greater degree than more highly-rated, investment grade securities.

An investment in the portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The bar chart and table below provide some indication of the risks of investing in the Investment Grade Bond portfolio by showing changes in its performance from year to year and by comparing its average annual returns for one, five, and ten years to a broad measure of market performance. The bar chart below shows performance of the fund's Class O shares only, because the fund did not offer Advisor Class shares for the entire periods shown.



During this ten year time period, the Class O shares' highest return for any quarter was 4.1%, which occurred in the 3rd quarter of 2001 and the lowest return for a quarter was -2.4% in the 1st quarter of 1996.

Since the inception of the Advisor Class, the Advisor shares' highest return for any quarter was 2.7%, which occurred in the 3rd quarter of 2004 and the lowest return for a quarter was -2.2% in the 2nd quarter of 2004.

Performance numbers shown in the Average Annual Total Return table demonstrate the average annual total return of the portfolio as of December 31, 2005, compared to the Lehman Aggregate Index for one, five, and ten years. The Lehman Aggregate Index is a broad capitalization-weighted benchmark of U.S. investment grade bond performance. The Lehman Aggregate Index includes all investment grade U.S. bond issues (government, corporate, mortgage-backed and asset-backed) with a minimum of \$250 million par value and that have at least one year remaining to maturity. Performance

information for the Advisor Class shares represents performance for the fund's Class O shares, adjusted to reflect distribution and/or service (12b-1) fees and other expenses paid by the Advisor Class shares. Although Class O and the Advisor Class shares would have similar annual returns (because all the fund's shares represent interests in the same portfolio of securities), Advisor Class performance would be lower than Class O performance because of the lower expenses paid by Class O shares. The information does not reflect charges and fees associated with a separate account that invests in the portfolio or any insurance contract for which the portfolio is an investment option. These charges and fees will reduce returns. How the portfolio has performed in the past is not an indication of its future performance.

Investors cannot directly invest in an index and unlike the portfolio, an index is unmanaged and does not incur transaction or other expenses.

Average Annual Total Returns as of December 31, 2005:

| | One Year | Five Years | Ten Years |
|-------------------------------------|----------|------------|-----------|
| Investment Grade Bond Class O | 2.15% | 5.21% | 5.41% |
| Investment Grade Bond Advisor Class | 1.84% | 4.91% | 5.10% |
| Lehman Aggregate Index | 2.43% | 5.87% | 6.16% |

Portfolio Expenses

The following expense table indicates the expenses that an investor will incur as a shareholder of the portfolio during the current fiscal year. These expenses are reflected in the share price of the portfolio. The table does not reflect separate account or insurance contract fees and charges.

Class O Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Other Expenses* | 0.14% |
| Total Annual Portfolio Operating Expenses* | 0.64% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.00%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Advisor Class Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Distribution and/or Service (12b-1) Fees | 0.30% |
| Other Expenses* | 0.14% |
| Total Annual Portfolio Operating Expenses* | 0.94% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.30%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Expense Example

Use the following table to compare fees and expenses of the portfolio to other investment companies. It illustrates the amount of fees and expenses an investor would pay assuming (1) a \$10,000 investment, (2) 5% annual return, (3) redemption at the end of each time period, and (4) the portfolio's total operating expenses remain the same, at the 2005 level. It does not reflect separate account or insurance contract fees and charges. If separate account and/or insurance contract fees and charges were reflected, the cost would be higher. Therefore, an investor's actual costs may be different than the costs reflected in the table.

| Portfolio Share Class | 1 Year | 3 Years | 5 Years | 10 Years |
|-----------------------|--------|---------|---------|----------|
| Investment Grade Bond | | | | |
| Class O | \$ 65 | \$ 204 | \$ 356 | \$ 795 |
| Investment Grade Bond | | | | |
| Advisor Class | 96 | 300 | 520 | 1,154 |

The Money Market Portfolio

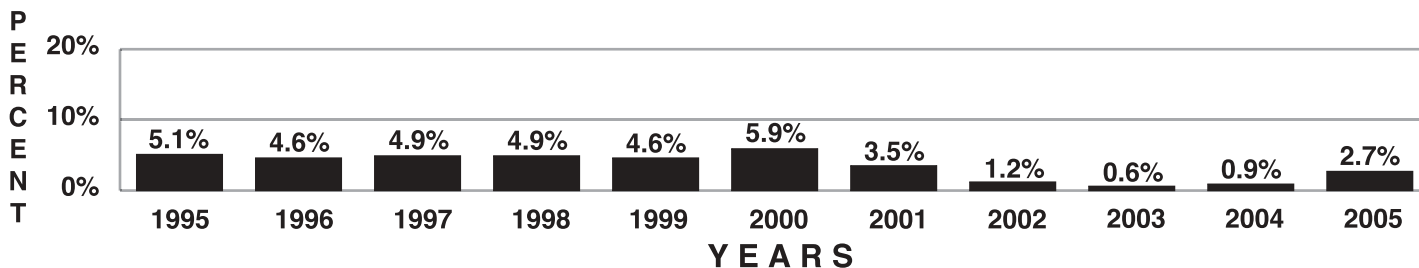
The investment objective of the Money Market portfolio is to provide current income while preserving assets and maintaining liquidity and investment quality. To do this, the portfolio invests in short-term money market instruments of the highest quality that the advisor has determined present minimal credit risk. The portfolio invests only in money market instruments denominated in U.S. dollars that mature in 13 months or less from the date of purchase.

The portfolio is subject to interest rate risk, which is the risk that changes in interest rates will affect the value of its investments. Investments in fixed income securities generally will change in value inversely with changes in interest rates. However, fixed income securities with shorter-terms to maturity, like those in which the portfolio invests, typically demonstrate smaller changes in value in response to changes in interest rates than do longer-term securities. Also, an investment by the portfolio in money market instruments will

expose the portfolio to credit risk, which is the risk that the issuer of a security will default or not be able to meet its financial obligations. However, the portfolio invests only in high-quality instruments that the advisor has determined present minimal credit risk.

An investment in this portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency. Although the portfolio seeks to preserve the value of its investment at \$1 per share, it is possible to lose money by investing in the portfolio.

The bar chart and table below provides some indication of the risks of investing in the Money Market portfolio by showing changes in its performance from year to year and by comparing its average annual returns for one, five, and ten years to a broad measure of market performance. The bar chart and table below shows performance of the fund's Class O shares only, because the fund did not offer Advisor Class shares for the entire period shown.



During this ten year time period, the Class O shares' highest return for any quarter was 1.5%, which occurred in the 4th quarter of 2000 and the lowest return for a quarter was 0.1% in the 1st quarter of 2004.

Since the inception of the Advisor Class, the Advisor shares' highest return for any quarter was 0.8%, which occurred in the 4th quarter of 2005 and the lowest return for a quarter was 0.0% in the 1st quarter of 2004.

Performance numbers shown in the Average Annual Total Returns table demonstrate the average annual total return of the portfolio as of December 31, 2005, compared to the return on 90 Day Treasury Bills for one, five, and ten years. Performance information for the Advisor Class shares

represents performance for the fund's Class O shares, adjusted to reflect distribution and/or service (12b-1) fees and other expenses paid by the Advisor Class shares. Although Class O and the Advisor Class shares would have similar annual returns (because all the fund's shares represent interests in the same portfolio of securities), Advisor Class performance would be lower than Class O performance because of the lower expenses paid by Class O shares. The information does not reflect charges and fees associated with a separate account that invests in the portfolio or any insurance contract for which the portfolio is an investment option. These charges and fees will reduce returns. How the portfolio has performed in the past is not an indication of its future performance.

Average Annual Total Returns as of December 31, 2005:

| | <u>One Year</u> | <u>Five Years</u> | <u>Ten Years</u> |
|----------------------------|-----------------|-------------------|------------------|
| Money Market Class O | 2.71% | 1.78% | 3.36% |
| Money Market Advisor Class | 2.41% | 1.48% | 3.05% |
| 90-Day Treasury Bill | 3.07% | 2.34% | 3.85% |

For the seven day period ended December 31, 2005, the current yield for the portfolio was 3.66% and the effective yield was 3.72%.

Portfolio Expenses

The following expense table indicates the expenses that an investor will incur as a shareholder of the portfolio during the current fiscal year. These expenses are reflected in the share price of the portfolio. The table does not reflect separate account or insurance contract fees and charges.

Class O Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.40% |
| Other Expenses* | 0.11% |
| Total Annual Portfolio Operating Expenses* | 0.51% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.60%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.00%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Advisor Class Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.40% |
| Distribution and/or Service (12b-1) Fees | 0.30% |
| Other Expenses* | 0.11% |
| Total Annual Portfolio Operating Expenses* | 0.81% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.60%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.30%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Expense Example

Use the following table to compare fees and expenses of the portfolio to other investment companies. It illustrates the amount of fees and expenses an investor would pay assuming (1) a \$10,000 investment, (2) 5% annual return, (3) redemption at the end of each time period, and (4) the portfolio's total operating expenses remain the same, at the 2005 level. It does not reflect separate account or insurance contract fees and charges. If separate account and/or insurance contract fees and charges were reflected, the cost would be higher. Therefore, an investor's actual costs may be different than the costs reflected in the table.

| Portfolio Share Class | 1 Year | 3 Years | 5 Years | 10 Years |
|----------------------------|--------|---------|---------|----------|
| Money Market Class O | \$ 52 | \$ 164 | \$ 286 | \$ 641 |
| Money Market Advisor Class | 83 | 259 | 449 | 1,000 |

The Asset Director Portfolio

The investment objective of the Asset Director portfolio is to provide a high total return consistent with prudent investment risk. The investments of the portfolio are not limited to one type of investment as it purchases publicly traded common stocks, fixed income securities, and money market instruments. The makeup of the portfolio changes, based on the advisor's evaluation of economic and market trends and the expected total return from a particular type of security. Therefore, up to 100% of the portfolio may be invested in any one type of investment such as common stocks, fixed income securities, or money market instruments.

Because of the portfolio's flexible investment policy, portfolio turnover may be greater than for a portfolio that does not allocate assets among various types of securities, which may increase the portfolio's expenses.

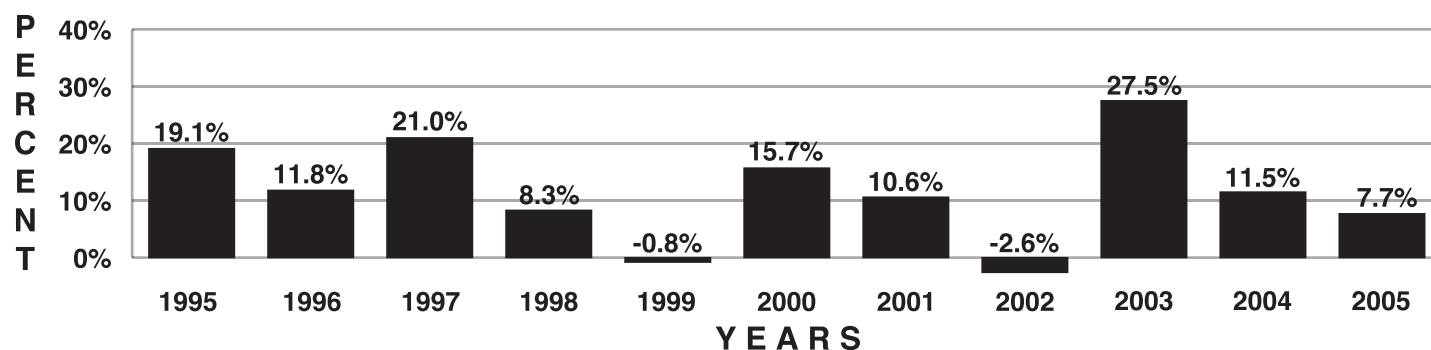
The portfolio can invest up to 10% of its assets in fixed income securities that are rated below investment grade ("junk bonds").

An investment in the portfolio involves investment risk, including possible loss of the principal amount invested. The portfolio is subject to market risk, which is the risk that the market value of a portfolio security may move up and down, sometimes rapidly and unpredictably. This risk may be

particularly acute for the portfolio's investments in common stocks and other types of equity securities. The portfolio also is subject to interest rate risk, which is the risk that changes in interest rates will affect the value of its investments. In particular, the portfolio's investments in fixed income securities generally will change in value inversely with changes in interest rates. Longer-term bonds typically demonstrate the greatest change in value in response to changes in interest rates. Also, an investment by the portfolio in fixed income securities generally will expose the portfolio to credit risk, which is the risk that the issuer of a security will default or not be able to meet its financial obligations. Investments in junk bonds are subject to credit risk to a greater degree than higher rated, investment grade securities.

An investment in the portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

The bar chart and table below provide some indication of the risks of investing in the Asset Director portfolio by showing changes in its performance from year to year and by comparing its average annual returns for one, five, and ten years to two broad measures of market performance. The bar chart below shows performance of the fund's Class O shares only, because the fund did not offer Advisor Class shares for the entire periods shown.



During this ten year time period, the Class O shares' highest return for any quarter was 12.7%, which occurred in the 2nd quarter of 2003 and the lowest return for a quarter was -12.9% in the 3rd quarter of 2002.

Since the inception of the Advisor Class, the Advisor shares' highest return for any quarter was 12.6%, which occurred in the 2nd quarter of 2003 and the lowest return for a quarter was -0.5% in the 1st quarter of 2005.

Performance numbers shown in the Average Annual Total

Return table demonstrate the average annual total return of the portfolio as of December 31, 2005, compared to the S&P 500 and the Lehman Aggregate Index for one, five, and ten years. Investors cannot directly invest in an index and unlike the portfolio, an index is unmanaged and does not incur transaction or other expenses. Performance information for the Advisor Class shares represents performance for the fund's Class O shares, adjusted to reflect distribution and/or service (12b-1) fees and other expenses paid by the Advisor Class shares. Although Class O and the Advisor Class shares would

have similar annual returns (because all the fund's shares represent interests in the same portfolio of securities), Advisor Class performance would be lower than Class O performance because of the lower expenses paid by Class O shares. The information does not reflect charges and fees associated with a

separate account that invests in the portfolio or any insurance contract for which the portfolio is an investment option. These charges and fees will reduce returns. How the portfolio has performed in the past is not an indication of its future performance.

Average Annual Total Returns as of December 31, 2005:

| | <u>One Year</u> | <u>Five Years</u> | <u>Ten Years</u> |
|------------------------------|-----------------|-------------------|------------------|
| Asset Director Class O | 7.67% | 10.53% | 10.73% |
| Asset Director Advisor Class | 7.35% | 10.24% | 10.42% |
| S&P 500 | 4.91% | 0.55% | 9.09% |
| Lehman Aggregate Index | 2.43% | 5.87% | 6.16% |

Portfolio Expenses

The following expense table indicates the expenses that an investor will incur as a shareholder of the portfolio during the current fiscal year. These expenses are reflected in the share price of the portfolio. The table does not reflect separate account or insurance contract fees and charges.

Class O Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Other Expenses* | 0.12% |
| Total Annual Portfolio Operating Expenses* | 0.62% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.00%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Advisor Class Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.50% |
| Distribution and/or Service (12b-1) Fees | 0.30% |
| Other Expenses* | 0.12% |
| Total Annual Portfolio Operating Expenses* | 0.92% |

* For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, cannot exceed 1.30%. Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time.

Expense Example

Use the following table to compare fees and expenses of the portfolio to other investment companies. It illustrates the amount of fees and expenses an investor would pay assuming (1) a \$10,000 investment, (2) 5% annual return, (3) redemption at the end of each time period, and (4) the portfolio's total operating expenses remain the same, at the 2005 level. It does not reflect separate account or insurance contract fees and charges. If separate account and/or insurance contract fees and charges were reflected, the cost would be higher. Therefore, an investor's actual costs may be different than the costs reflected in the table.

| <u>Portfolio Share Class</u> | <u>1 Year</u> | <u>3 Years</u> | <u>5 Years</u> | <u>10 Years</u> |
|------------------------------|---------------|----------------|----------------|-----------------|
| Asset Director Class O | \$ 63 | \$ 199 | \$ 346 | \$ 774 |
| Asset Director Advisor Class | 94 | 293 | 509 | 1,128 |

The Socially Responsive Portfolio

The primary investment objective of the Socially Responsive portfolio is long-term capital appreciation. The portfolio seeks current investment income as a secondary objective. In pursuit of its objectives, the portfolio primarily invests in equity securities that are selected based on fundamental investment research and long-term growth prospects, attractive relative valuations and sensitivity to socially responsible principles. The portfolio may invest in companies of any size and may change composition between small, medium and large companies depending on the outlook for the economic environment and the markets.

The portfolio focuses on securities of companies which are sensitive to socially responsible principles. In particular, the portfolio will typically avoid investments in the following types of companies:

- Companies that are engaged in the manufacture of tobacco;
- Companies that derive a significant portion of their revenues from the manufacture of alcohol;
- Companies that are involved in gambling as a primary line of business;
- Companies whose activities include direct participation in abortion;

and

- Companies that derive a significant portion of their revenues from activities that promote pornography.

Although the portfolio intends to primarily invest in equity securities, it may also invest in other instruments such as preferred stock, convertible and non-convertible debt securities, options and money market instruments.

An investment in the portfolio involves investment risk, including possible loss of the principal amount invested. The

Portfolio Expenses

The following expense table indicates the expenses that an investor will incur as a shareholder of the portfolio during the current fiscal year. These expenses are reflected in the share price of the portfolio. The table does not reflect separate account or insurance contract fees and charges. If it did, the fees and charges would be higher.

Class O Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.70% |
| Other Expenses* | 3.15% |
| Total Annual Portfolio Operating Expenses* | 3.85% |

* Other Expenses are based on estimates. For the current fiscal year, Other Expenses paid by the Portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, will not exceed 1.20% (the "fee cap"). Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time. The Investment Advisor may recoup any fee waivers in subsequent years, up to five years following when the fee waiver occurred, up to the fee cap for Total Annual Portfolio Operating Expenses.

portfolio is subject to market risk, which is the risk that the market value of its portfolio holdings may move up and down, sometimes rapidly and unpredictably. This risk may be particularly acute for the portfolio's investments in common stocks and other types of equity securities. Risks associated with equities of smaller and medium-sized companies may be greater than that of larger companies, especially during periods of economic uncertainty. Investments in foreign companies may also pose a greater risk to the portfolio as the value of foreign companies may be affected by political, economic and social developments in foreign countries and fluctuations in currency exchange rates.

The portfolio is also subject to socially responsible investing risk, which is the risk that, due to the inclusion of social criteria in selecting portfolio securities, the return of the portfolio may be lower than if investment decisions were based solely on investment considerations. The portfolio may entail interest rate risk, which is the risk that changes in interest rates will affect the value of its investments. In particular, the portfolio's investments (if any) in fixed income securities generally will change in value inversely with changes in interest rates. In addition, an investment by the portfolio in fixed income securities generally will expose the portfolio to credit risk, which is the risk that the issuer of a security will default or not be able to meet its financial obligations.

An investment in the portfolio is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Portfolio Performance

Because the portfolio has no investment track record, it has no performance information to serve as a basis for comparison against other mutual funds or against a broad measure of securities market performance, such as an index.

Advisor Class Annual Portfolio Operating Expenses

(expenses that are deducted from fund assets)

| | |
|--|-------|
| Management Fees | 0.70% |
| Distribution and/or Service (12b-1) Fees | 0.30% |
| Other Expenses* | 3.15% |
| Total Annual Portfolio Operating Expenses* | 4.15% |

* Other Expenses are based on estimates. For the current fiscal year, Other Expenses paid by the portfolio are expected to be limited to 0.50%, and Total Annual Portfolio Operating Expenses, after fee waivers and expense reimbursements, will not exceed 1.50% (the "fee cap"). Any fee waiver or expense reimbursement arrangement is voluntary and may be discontinued at any time. The Investment Advisor may recoup any fee waivers in subsequent years, up to five years following when the fee waiver occurred, up to the fee cap for Total Annual Portfolio Operating Expenses.

Expense Example

These examples are intended to help you compare the cost of investing in the portfolio with the cost of investing in other mutual funds. This example assumes that you invest \$10,000 in the portfolio for the time periods indicated and then redeem all of your shares at the end of those periods. The Examples also assume that your investment has a 5% return each year and that the portfolio's operating expenses remain the same. If separate account and/or insurance contract fees and charges were reflected, expenses would be higher. Although your actual costs may be higher or lower, based on these assumptions your cost would be:

| <u>Portfolio Share Class</u> | <u>1 Year</u> | <u>3 Years</u> |
|-----------------------------------|---------------|----------------|
| Socially Responsive Class O | \$ 387 | \$ 1,173 |
| Socially Responsive Advisor Class | 416 | 1,258 |

FINANCIAL HIGHLIGHTS
Per Share Data and Ratios through the Year Ended December 31, 2005

The following information is intended to help investors understand the portfolios' financial performance for the past five years (or since inception, if shown). Per share amounts presented are based on a share outstanding for the periods shown. The total returns in the tables represent an investor's gain (or loss) on an investment in a portfolio (assuming reinvestment of all dividends and distributions). The

information in the tables has been audited by PricewaterhouseCoopers LLP, the fund's Independent Registered Public Accounting Firm, whose report, along with the fund's financial statements, are included in the fund's Annual Report as of December 31, 2005. The Annual Report is available free of charge upon request.

CLASS O
VALUE PORTFOLIO

| | For years ended | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>Dec. 31, 2005</u> | <u>Dec. 31, 2004</u> | <u>Dec. 31, 2003</u> | <u>Dec. 31, 2002</u> | <u>Dec. 31, 2001</u> |
| Per Share Operating Performance: | | | | | |
| Net investment income* | \$ 0.29 | \$ 0.23 | \$ 0.19 | \$ 0.19 | \$ 0.24 |
| Net gain (loss) on investments | 2.11 | 3.10 | 5.78 | (1.47) | (1.77) |
| Total from Investment Operations | <u>2.40</u> | <u>3.33</u> | <u>5.97</u> | <u>(1.28)</u> | <u>2.01</u> |
| Shareholder Distributions: | | | | | |
| Net investment income | (0.29) | (0.18) | (0.18) | (0.18) | (0.23) |
| Realized gain | (1.59) | (1.07) | 0 | (0.53) | (0.96) |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> | <u>(0.02)</u> | <u>0</u> |
| Net increase (decrease) | 0.52 | 2.08 | 5.79 | (2.01) | 0.82 |
| Net asset value at beginning of period | <u>24.25</u> | <u>22.17</u> | <u>16.38</u> | <u>18.39</u> | <u>17.57</u> |
| Net Asset Value at End of Period | <u>\$ 24.77</u> | <u>\$ 24.25</u> | <u>\$ 22.17</u> | <u>\$ 16.38</u> | <u>\$ 18.39</u> |
| Total Return | 9.9% | 15.0% | 36.5% | (7.0%) | 11.3% |
| Supplemental Data: | | | | | |
| Net Assets, end of period (000) | \$ 355,415 | \$ 326,227 | \$ 192,940 | \$ 127,527 | \$ 114,629 |
| Ratio to average net assets: | | | | | |
| Expenses | 0.61% | 0.60% | 0.60% | 0.57% | 0.62% |
| Net investment income | .18% | 1.00% | 1.01% | 1.05% | 1.26% |
| Portfolio Turnover Rate | 17% | 19% | 30% | 11% | 18% |

*Net investment income is calculated based on average shares.

**ADVISOR CLASS
VALUE PORTFOLIO**

| | <i>For the year ended Dec. 31, 2005</i> | <i>For the year ended Dec. 31, 2004</i> | <i>For the period March 31, 2003**** through Dec. 31, 2003</i> |
|---|---|---|--|
| Per Share Operating Performance: | | | |
| Net investment income* | \$ 0.23 | \$ 0.18 | \$ 0.10 |
| Net gain (loss) on investments | <u>2.10</u> | <u>3.06</u> | <u>6.62</u> |
| Total from Investment Operations | <u>2.33</u> | <u>3.24</u> | <u>6.72</u> |
| Shareholder Distributions: | | | |
| Net investment income | (0.25) | (0.15) | (0.12) |
| Realized gain | (1.59) | (1.07) | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> |
| Net increase (decrease) | 0.49 | 2.02 | 6.60 |
| Net asset value at beginning of period | <u>24.16</u> | <u>22.14</u> | <u>15.54</u> |
| Net Asset Value at End of Period | <u>\$ 24.65</u> | <u>\$ 24.16</u> | <u>\$ 22.14</u> |
| | | | |
| Total Return** | 9.6% | 14.6% | 43.3% |
| Supplemental Data: | | | |
| Net Assets, end of period (000) | \$ 9,863 | \$ 2,062 | \$ 5 |
| Ratio to average net assets: | | | |
| Expenses | 0.92% | 0.90% | 0.86%*** |
| Net investment income | 0.90% | 0.82% | 0.76%*** |
| | | | |
| Portfolio Turnover Rate | 17% | 19% | 30% |

*Net investment income is calculated based on average shares.

**The total return is calculated by assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total return for periods less than one year are not annualized.

***Annualized

****Commencement of operations.

CLASS O
MONEY MARKET PORTFOLIO

| | For years ended | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>Dec. 31, 2005</u> | <u>Dec. 31, 2004</u> | <u>Dec. 31, 2003</u> | <u>Dec. 31, 2002</u> | <u>Dec. 31, 2001</u> |
| Per Share Operating Performance: | | | | | |
| Net investment income* | \$ 0.027 | \$ 0.009 | \$ 0.006 | \$ 0.01 | \$ 0.03 |
| Net gain (loss) on investments | 0 | 0 | 0 | 0 | 0 |
| Total from Investment Operations | <u>0.027</u> | <u>0.009</u> | <u>0.006</u> | <u>0.01</u> | <u>0.03</u> |
| Shareholder Distributions: | | | | | |
| Net investment income | (0.027) | (0.009) | (0.006) | (0.01) | (0.03) |
| Realized gain | 0 | 0 | 0 | 0 | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net increase (decrease) | 0 | 0 | 0 | 0 | 0 |
| Net asset value at beginning of period | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> |
| Net Asset Value at End of Period | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> |
| Total Return | 2.7% | 0.9% | 0.6% | 1.2% | 3.5% |
| Supplemental Data: | | | | | |
| Net Assets, end of period (000) | \$ 179,848 | \$ 190,589 | \$ 208,405 | \$ 244,933 | \$ 190,675 |
| Ratio to average net assets: | | | | | |
| Expenses | 0.51% | 0.51% | 0.52% | 0.48% | 0.52% |
| Net investment income | 2.69% | 0.85% | 0.62% | 1.20% | 3.41% |

*Net investment income is calculated based on average shares.

**ADVISOR CLASS
MONEY MARKET PORTFOLIO**

| | <i>For the year ended Dec. 31, 2005</i> | <i>For the year ended Dec. 31, 2004</i> | <i>For the period March 31, 2003**** through Dec. 31, 2003</i> |
|---|---|---|--|
| Per Share Operating Performance: | | | |
| Net investment income* | \$ 0.025 | \$ 0.006 | \$ 0.002 |
| Net gain (loss) on investments | <u>0</u> | <u>0</u> | <u>0</u> |
| Total from Investment Operations | <u>0.025</u> | <u>0.006</u> | <u>0.002</u> |
| Shareholder Distributions: | | | |
| Net investment income | (0.025) | (0.006) | (0.002) |
| Realized gain | 0.00 | 0 | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> |
| Net increase (decrease) | 0 | 0 | 0 |
| Net asset value at beginning of period | <u>1.00</u> | <u>1.00</u> | <u>1.00</u> |
| Net Asset Value at End of Period | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> | <u><u>\$ 1.00</u></u> |
| | | | |
| Total Return** | 2.4% | 0.6% | 0.2% |
| Supplemental Data: | | | |
| Net Assets, end of period (000) | \$ 11,081 | \$ 4,148 | \$ 34 |
| Ratio to average net assets: | | | |
| Expenses | 0.81% | 0.80% | 0.85%*** |
| Net investment income | 2.50% | 0.78% | 0.20%*** |

*Net investment income is calculated based on average shares.

**The total return is calculated by assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total return for periods less than one year are not annualized.

***Annualized

****Commencement of operations.

CLASS O
INVESTMENT GRADE BOND PORTFOLIO

| | For years ended | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>Dec. 31, 2005</u> | <u>Dec. 31, 2004</u> | <u>Dec. 31, 2003</u> | <u>Dec. 31, 2002</u> | <u>Dec. 31, 2001</u> |
| Per Share Operating Performance: | | | | | |
| Net investment income* | \$ 0.46 | \$ 0.46 | \$ 0.48 | \$ 0.56 | \$ 0.66 |
| Net gain (loss) on investments | (0.21) | (0.01) | 0.06 | 0.29 | 0.17 |
| Total from Investment Operations | <u>0.25</u> | <u>0.45</u> | <u>0.54</u> | <u>0.85</u> | <u>0.83</u> |
| Shareholder Distributions: | | | | | |
| Net investment income | (0.46) | (0.42) | (0.50) | (0.49) | (0.63) |
| Realized gain | 0 | 0 | 0 | (0.01) | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> | <u>(0.01)</u> | <u>0</u> |
| Net increase (decrease) | 0.21 | 0.03 | 0.04 | 0.34 | 0.20 |
| Net asset value at beginning of period | <u>11.11</u> | <u>11.08</u> | <u>11.04</u> | <u>10.70</u> | <u>10.50</u> |
| Net Asset Value at End of Period | <u><u>\$ 10.90</u></u> | <u><u>\$ 11.11</u></u> | <u><u>\$ 11.08</u></u> | <u><u>\$ 11.04</u></u> | <u><u>\$ 10.70</u></u> |
| Total Return | 2.1% | 4.1% | 4.9% | 7.9% | 7.1% |
| Supplemental Data: | | | | | |
| Net Assets, end of period (000) | \$ 143,020 | \$ 140,848 | \$ 124,745 | \$ 118,958 | \$ 78,268 |
| Ratio to average net assets: | | | | | |
| Expenses | 0.64% | 0.66% | 0.65% | 0.59% | 0.65% |
| Net investment income | 4.10% | 4.09% | 4.24% | 5.10% | 5.96% |
| Portfolio Turnover Rate | 35% | 55% | 143% | 97% | 95% |

*Net investment income is calculated based on average shares.

**ADVISOR CLASS
INVESTMENT GRADE BOND PORTFOLIO**

| | <i>For the year ended Dec. 31, 2005</i> | <i>For the year ended Dec. 31, 2004</i> | <i>For the period March 31, 2003**** through Dec. 31, 2003</i> |
|---|---|---|--|
| Per Share Operating Performance: | | | |
| Net investment income* | \$ 0.43 | \$ 0.42 | \$ 0.29 |
| Net gain (loss) on investments | (0.22) | 0 | 0.03 |
| Total from Investment Operations | <u>0.21</u> | <u>0.42</u> | <u>0.32</u> |
| Shareholder Distributions: | | | |
| Net investment income | (0.43) | (0.39) | (0.37) |
| Realized gain | 0.00 | 0 | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> |
| Net increase (decrease) | (0.22) | 0.03 | (0.05) |
| Net asset value at beginning of period | <u>11.10</u> | <u>11.07</u> | <u>11.12</u> |
| Net Asset Value at End of Period | <u><u>\$ 10.88</u></u> | <u><u>\$ 11.10</u></u> | <u><u>\$ 11.07</u></u> |
| | | | |
| Total Return** | 1.8% | 3.8% | 2.9% |
| Supplemental Data: | | | |
| Net Assets, end of period (000) | \$ 2,997 | \$ 2,270 | \$ 1,397 |
| Ratio to average net assets: | | | |
| Expenses | 0.94% | 0.96% | 0.99%*** |
| Net investment income | 3.81% | 3.76% | 3.97%*** |
| | | | |
| Portfolio Turnover Rate | 35% | 55% | 143% |

*Net investment income is calculated based on average shares.

**The total return is calculated by assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total return for periods less than one year are not annualized.

***Annualized

****Commencement of operations.

CLASS O
ASSET DIRECTOR PORTFOLIO

| | For years ended | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>Dec. 31, 2005</u> | <u>Dec. 31, 2004</u> | <u>Dec. 31, 2003</u> | <u>Dec. 31, 2002</u> | <u>Dec. 31, 2001</u> |
| Per Share Operating Performance: | | | | | |
| Net investment income* | \$ 0.35 | \$ 0.30 | \$ 0.30 | \$ 0.35 | \$ 0.41 |
| Net gain (loss) on investments | 1.02 | 1.63 | 3.36 | (0.72) | 0.98 |
| Total from Investment Operations | <u>1.37</u> | <u>1.93</u> | <u>3.66</u> | <u>(0.37)</u> | <u>1.39</u> |
| Shareholder Distributions: | | | | | |
| Net investment income | (0.33) | (0.29) | (0.28) | (0.33) | (0.41) |
| Realized gain | (0.67) | (0.75) | 0 | (0.30) | (0.41) |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> | <u>(0.01)</u> | <u>0</u> |
| Net increase (decrease) | 0.37 | 0.89 | 3.38 | (1.01) | 0.57 |
| Net asset value at beginning of period | <u>17.67</u> | <u>16.78</u> | <u>13.40</u> | <u>14.41</u> | <u>13.84</u> |
| Net Asset Value at End of Period | <u><u>\$ 18.04</u></u> | <u><u>\$ 17.67</u></u> | <u><u>\$ 16.78</u></u> | <u><u>\$ 13.40</u></u> | <u><u>\$ 14.41</u></u> |
| Total Return | 7.7% | 11.5% | 27.5% | (2.6%) | 10.6% |
| Supplemental Data: | | | | | |
| Net Assets, end of period (000) | \$ 227,950 | \$ 197,688 | \$ 162,254 | \$ 107,053 | \$ 91,096 |
| Ratio to average net assets: | | | | | |
| Expenses | 0.62% | 0.61% | 0.61% | 0.59% | 0.64% |
| Net investment income | 1.94% | 1.77% | 2.02% | 2.47% | 2.86% |
| Portfolio Turnover Rate | 17% | 31% | 59% | 33% | 39% |

*Net investment income is calculated based on average shares.

**ADVISOR CLASS
ASSET DIRECTOR PORTFOLIO**

| | <i>For the year ended Dec. 31, 2005</i> | <i>For the year ended Dec. 31, 2004</i> | <i>For the period March 31, 2003**** through Dec. 31, 2003</i> |
|---|---|---|--|
| Per Share Operating Performance: | | | |
| Net investment income* | \$ 0.30 | \$ 0.25 | \$ 0.18 |
| Net gain (loss) on investments | <u>1.00</u> | <u>1.66</u> | <u>3.82</u> |
| Total from Investment Operations | <u>1.30</u> | <u>1.91</u> | <u>4.00</u> |
| Shareholder Distributions: | | | |
| Net investment income | (0.29) | (0.27) | (0.19) |
| Realized gain | (0.67) | (0.75) | 0 |
| Return of capital | <u>0</u> | <u>0</u> | <u>0</u> |
| Net increase (decrease) | 0.34 | 0.89 | 3.81 |
| Net asset value at beginning of period | <u>17.66</u> | <u>16.77</u> | <u>12.96</u> |
| Net Asset Value at End of Period | <u><u>\$ 18.00</u></u> | <u><u>\$ 17.66</u></u> | <u><u>\$ 16.77</u></u> |
| | | | |
| Total Return** | 7.3% | 11.4% | 30.8% |
| Supplemental Data: | | | |
| Net Assets, end of period (000) | \$ 15,679 | 6,635 | \$ 223 |
| Ratio to average net assets: | | | |
| Expenses | 0.92% | 0.92% | 0.89%*** |
| Net investment income | 1.66% | 1.50% | 1.61%*** |
| | | | |
| Portfolio Turnover Rate | 17% | 31% | 59% |

*Net investment income is calculated based on average shares.

**The total return is calculated by assuming a purchase of shares on the first day and a sale on the last day of each period reported and includes reinvestment of dividends and distributions. Total return for periods less than one year are not annualized.

***Annualized

****Commencement of operations.

GENERAL INFORMATION ABOUT THE FUND

Management of the Fund

The business and affairs of the fund are managed under the direction of its Board of Directors according to laws of the State of Maryland and the fund's Articles of Incorporation and Bylaws. Information about the directors and the fund's executive officers may be found in the statement of additional information (SAI) under the heading "Management of the Fund."

The Investment Advisor – American United Life Insurance Company®

American United Life Insurance Company® ("AUL") has its principal offices at One American Square, Indianapolis, Indiana, 46282. AUL is a stock insurance company existing under the laws of the State of Indiana. It was originally incorporated as a fraternal society on November 7, 1877, under the laws of the federal government, and reincorporated as a mutual insurance company under the laws of the State of Indiana in 1933. On December 17, 2000, AUL converted from a mutual life insurance company to a stock life insurance company ultimately controlled by a mutual holding company, American United Mutual Insurance Holding Company ("MHC").

After conversion, the insurance company issued voting stock to a newly-formed stock holding company, OneAmerica Financial Partners, Inc. (the "Stock Holding Company"). The Stock Holding Company may, at some future time, offer shares of its stock publicly or privately; however, the MHC must always hold at least 51% of the voting stock of the Stock Holding Company, which in turn owns 100% of the voting stock of AUL. No plans have been formulated to issue any shares of capital stock of the Stock Holding Company at this time. The Stock Holding Company issued \$200 million aggregate principal amount of its 7% senior notes due 2033 in 2003.

AUL conducts a conventional life insurance and annuity business. At December 31, 2005, the OneAmerica Financial Partners, Inc. enterprise, in which AUL is a partner, had assets of \$17,606.7 million and had equity of \$1,194.8 million.

Subject to overall supervision of the Board of Directors, the advisor exercises overall responsibility for the investment and reinvestment of the fund's assets. In so doing, the advisor manages the day-to-day investment operations and the composition of each investment portfolio. These duties include the purchase, retention, and disposition of the securities and cash in accordance with the portfolios' investment objectives and policies as stated in the fund's current prospectus.

Under the Investment Advisory agreement, the advisor is compensated for its services, by a monthly fee based on an annual percentage of the average daily net assets of each portfolio. The annual fees paid by the fund to AUL (by portfolio) are:

| | |
|----------------------------------|------|
| Value portfolio: | .50% |
| Investment Grade Bond portfolio: | .50% |
| Asset Director portfolio: | .50% |
| Money Market portfolio: | .40% |
| Socially Responsive portfolio: | .70% |

From the fees paid to AUL by the fund, AUL would pay any sub-advisor(s) for their services. As of the date of this prospectus, there are no sub-advisors for any of the portfolios.

A discussion regarding the basis of the Board' approval of the Investment Advisory Agreement relating to the portfolio will be available in the Funds' semi-annual report of the fiscal half-year ending June 30, 2006.

AUL or its affiliates may, out of their own resources and at no additional cost to the portfolio or shareholders, pay broker-dealers and other financial intermediaries ("Intermediaries") for providing services to the Fund or to investors. Such payments, commonly referred to as "revenue sharing," do not increase portfolio expenses and are not reflected in the fees and expenses listed in the expense table of this prospectus. The compensation received by Intermediaries via these payments may be more or less than the overall compensation received by the Intermediaries in connection with the sale of other investment products and may influence the products offered or recommended by the Intermediary, including the investment options available under your variable insurance contract. Shareholders may obtain more information about these arrangements, including associated conflicts of interest, from their Intermediary, and should so inquire if they would like additional information. Shareholders also may inquire of an Intermediary how the Intermediary will be compensated for investments made in the portfolio.

The Portfolio Managers

The Value Portfolio

The day-to-day management of the Value portfolio is the responsibility of Kathryn Hudspeth, CFA, Vice President, Equities. Ms. Hudspeth has been the portfolio manager of the Value portfolio since its inception and has been with AUL since 1989. In her role as equity portfolio manager, she is responsible for developing and executing equity investment strategy for the OneAmerica portfolios and AUL's general account. Prior to joining AUL, Ms. Hudspeth was Vice President at Bank One, where she had been responsible for personal trust portfolios, institutional accounts and credit research. The Statement of Additional Information provides additional information about Ms. Hudspeth's compensation, other accounts managed by her, and her ownership of securities in the Fund.

The Investment Grade Bond Portfolio

The day-to-day management of the Investment Grade Bond portfolio is the responsibility of a portfolio management team. The team includes the current team leader, Matthew Hall, CFA, Director, Fixed Income Securities. Mr. Hall has been with the Fund and managed the credit research and review process for

AUL's general account since 2002. Prior to his positions with the Investment Advisor, Mr. Hall was a credit analyst for First Tennessee Bank from 1997 to 2002.

Kent Adams, CFA, Vice President, Fixed Income Securities is also a member of the portfolio management team. Mr. Adams was the sole portfolio manager of the Investment Grade Bond portfolio prior to its management by a team, since its inception and has been with AUL since 1977. Mr. Adams participates in formulating the general strategy for the portfolio.

Michael Bullock, CFA, Vice President, Private Placements, is also a member of the portfolio management team. For the past five years Mr. Bullock has been responsible for managing mortgage-backed securities portfolios for AUL and performing credit research and participating in the management of the Investment Grade Bond portfolio. Mr. Bullock provides input on portfolio strategy and makes investment recommendations, particularly regarding mortgage-backed securities.

John Mason, CFA, Vice President, Marketable Bonds, is also a member of the portfolio management team. Mr. Mason has been with the Fund for nine years and has been with AUL since 1994. He participates in formulating general strategy of the portfolio, with a particular emphasis on corporate bond exposures. He performs research in support of the strategy (economic, industry, relative value, credit).

Craig Lehman, Research Analyst, is also a member of the portfolio management team. Mr. Lehman has been a member of the team and with the Investment Advisor since 2004. He also participates in the credit review and research process for AUL's general account. Mr. Lehman participates in the formulation of general strategy for the portfolio.

Tyler Gentry, CFA, Senior Research Analyst, joined the portfolio's management team in 2005. Mr. Gentry participates in the formulation of general strategy for the portfolio. He also

participates in the credit review and research process for AUL's general account.

There are no limitations on any of the members of the portfolio management team; but, all portfolio decisions are subject to approval by the team.

The Statement of Additional Information provides additional information about each team member's compensation, other accounts managed, and ownership of securities in the Fund.

The Asset Director Portfolio

The day-to-day management of the Asset Director portfolio is the joint responsibility of Kathryn Hudspeth, Vice President, Equities, and the Investment Grade Bond portfolio management team.

The Statement of Additional Information provides additional information about each portfolio manager's compensation, other accounts managed, and ownership of securities in the Fund.

The Socially Responsive Portfolio

The day-to-day management of the Socially Responsive portfolio is the joint responsibility of Kathryn Hudspeth, CFA, Vice President, Equities and Erik Leighton, Senior Research Analyst. Mr. Leighton has been a member of AUL's equity portfolio management team since joining AUL in 2001. He provides input on portfolio strategy and makes investment recommendations. He also performs credit analysis, industry reviews and economic analysis.

The Statement of Additional Information provides additional information about each portfolio manager's compensation, other accounts managed, and ownership of securities in the Fund.

ABUSIVE TRADING PRACTICES

Late Trading. Some investors attempt to profit from trading in funds after the close of the market, but before the fund has actually been priced. Because the market has closed, these investors have actual knowledge of the price of the securities prior to its calculation. They are, therefore, executing trades in the funds with information that is not readily available to the market, thereby benefiting financially to the detriment of other shareholders.

The Fund prohibits late trading in its portfolios. The insurance company separate accounts date and time stamp all trades from whatever source and allow only those trades received prior to the close of the market to receive that day's share value. All trades received after this point will receive the next day's calculated share value.

Market Timing. Some investors attempt to profit from various short-term or frequent trading strategies commonly known as market timing. Excessive purchases and redemptions of Fund shares disrupt portfolio management, hurt Fund performance and drive Fund expenses higher. These costs are borne by all

shareholders, including long-term investors who do not generate these costs.

The Board of Directors of the Fund has approved a policy intended to discourage market timing and excessive trading. If you intend to engage in such practices, do not invest in the shares of the Fund. The Fund reserves the right to reject any request to purchase shares which it reasonably determines to be in connection with market timing or excessive trading by an investor or by accounts of investors under common control (for example, related contract owners, or a financial advisor with discretionary trading authority for multiple accounts).

The Fund does not always know and cannot always reasonably detect such trading, particularly since trading is executed through omnibus account arrangements of insurance company separate accounts. The insurance company's policies and procedures only address market timing after the fact and are not prophylactic measures; they will only prevent market timing going forward once discovered. However, the insurance company does monitor for excessive short term trading within

its separate accounts. A report is run daily to identify, at the omnibus level, net trades by Investment Account. Omnibus trades in an individual Investment Account which exceed a certain dollar amount or percentage of assets will identify potential abusive trading. The dollar amounts and asset percentages are determined by a market timing task force, and are enforced against all participants/policyholders consistently. Once a possible abuse is flagged, the individual trades for the previous ten days are reviewed to determine if a similar trade amount was executed in the opposite direction over that period.

If a purchase/redemption match is found, then the blotters for the two trade dates are analyzed to determine if the same policyholder/participant has ordered the purchase and redemption. If an individual is identified, the administrative area is notified. Policyholder/participant trading history is reviewed to determine if the trading activity is indeed abusive short-term trading. This procedure is enforced against all participants/policyholders consistently.

In the case of an Individual policy, if it is determined that the trading activity violates the Fund's policy, then the policyholder is notified of restrictions on his/her account. The policyholder's access to internet and interactive voice response trades are turned off, and he/she is limited to a specific number of trades per month, as determined by the Task Force.

While these procedures are only triggered in the event that the omnibus level limit is met, there are no exceptions to these procedures and they are followed uniformly once the omnibus level triggers are met.

In the case of group variable annuities, the plan sponsor is notified of the trading activity and encouraged to communicate to the participant to cease and desist the activity in question. If the activity continues, the participant's trading privileges may be restricted, as described above. As with Individual policies, while these procedures are only triggered in the event that the omnibus level limit is met, there are no exceptions to these procedures and they are followed uniformly once the omnibus level triggers are met.

The Fund will not enter into any agreement with any individual, corporation, insurance company separate account or other entity that would permit such activity for that entity while discouraging it for other shareholders.

The Board of Directors of the Fund has considered the potential harm to the shareholders of the Fund and the historical instances of market timing in the Fund and has concluded that assessment of a redemption fee is unwarranted at this time. The Board has concluded that there is insufficient quantifiable damage to impose such a fee. The Board will continue to monitor the situation and may decide to impose a redemption fee in the future.

FURTHER PORTFOLIO INFORMATION; INVESTMENTS; INVESTMENT STRATEGIES AND RISKS

Investments and Investment Strategies

Many of the investment strategies and techniques described in this prospectus are discretionary, and portfolio managers can decide whether or not to use them at any particular time. Other techniques, strategies and investments may be made that are not part of a portfolio's principal investment strategy or strategies. The investment objectives of a portfolio (except the Socially Responsive portfolio) may not be changed without the approval of the shareholders. However, a portfolio's investment policies may be changed by the fund's Board of Directors. All of the portfolios are diversified and will not concentrate their securities purchases in a particular industry or group of industries.

The Value Portfolio

The Value portfolio invests primarily in equity securities selected on the basis of fundamental investment research for their long-term growth prospects. Using a bottom-up approach, the portfolio concentrates on companies which appear undervalued compared to the market and their own historic valuation levels. Both quantitative and qualitative tools are utilized focusing on a "value" based equity strategy.

Important valuation criteria include price to sales, price to cash flow, price to adjusted earnings, profitability, capital adequacy and growth potential. The portfolio also focuses on management ability, insider ownership, industry position and liquidity of the underlying equity issues.

In addition to extensive fundamental analysis, the advisor also

uses technical analysis. Its purpose is not to make investment decisions, but rather to assist in the timing of trading decisions.

When the advisor believes that financial, economic, or market conditions require a defensive strategy, the portfolio may buy more nonconvertible debt securities, U.S. Government securities, commercial paper and other money market instruments, repurchase agreements and reverse repurchase agreements. The portfolio may also buy and sell options on securities and securities indices, although it will do so only for purposes of trying to generate current income or to hedge portfolio risks, and not for speculative purposes.

The Investment Grade Bond Portfolio

The Investment Grade Bond portfolio may also invest in money market instruments and repurchase and reverse repurchase agreements. Additionally, the portfolio may invest in foreign securities including corporate bonds or other fixed income securities that satisfy the portfolio's standards for quality.

The Money Market Portfolio

The advisor determines whether a money market instrument has the required minimal credit risk under procedures adopted by the fund's Board of Directors. An instrument is of the highest quality when:

- * it is a U.S. Government security;

- * it is a security issued by a registered investment company that is a money market fund;
- * it (or a similar short-term obligation from the same issuer) is rated in the highest rating category by two nationally recognized statistical rating organizations, or if rated by only one such organization, if the Board ratifies or approves the purchase; or
- * it is not rated, but the advisor has determined the security to be of comparable quality and the purchase is approved or ratified by the Board.

If the rating of an instrument bought by the portfolio is lowered, the advisor will follow procedures approved by the Board of Directors to determine if the security still presents minimal credit risk. If it does not, it will be sold. Examples of money market instruments that may be bought by the portfolio include: U.S. Government securities, other money market funds, repurchase agreements that mature in seven days or less with Federal Reserve System banks or with dealers in U.S. Government securities, reverse repurchase agreements, certificates of deposit and other obligations of banks or depositories, fixed income securities, commercial paper, and variable amount floating rate notes and master notes.

The Asset Director Portfolio

In pursuing its investment objective, the portfolio may also buy and sell options on securities and securities indices, although it will do so only for purposes of trying to generate current income or to hedge portfolio risks, and not for speculative purposes. The portfolio may enter into repurchase agreements and reverse repurchase agreements.

The Socially Responsive Portfolio

The primary investment objective of the portfolio is long-term capital appreciation. The portfolio seeks current investment income as a secondary objective. The investment objectives of the portfolio are not fundamental and may be changed by the Fund's Board of Directors without the approval of the shareholders.

The portfolio invests primarily in equity securities selected based on strong underlying fundamentals, attractive relative valuations, and long-term growth potential. The Advisor may incorporate technical analysis to assist in the timing of trading decisions. In addition to extensive fundamental analysis, the portfolio focuses on securities of companies which are sensitive to socially responsible principles.

The Advisor may rely on an outside independent authority to assist with its monitoring efforts. The social criteria for the portfolio are not fundamental and may be changed without the approval of shareholders.

The portfolio is diversified and will not concentrate its securities purchases in a particular industry or group of industries. The portfolio is a "multi-capitalization" fund, meaning it may invest in companies of any size, from large, well-established companies to smaller companies with market capitalizations below one billion dollars. The portfolio may change composition between small, medium and large

companies depending on the outlook for the economic environment and the markets.

Normally, the portfolio primarily will invest in equity securities listed on a national securities exchange or traded over-the-counter. However, the portfolio also may invest in other instruments and investment techniques including, without limitation, preferred stock, debentures that can be converted to common stock or that have rights to buy common stock in the future, nonconvertible debt securities, U.S. Government securities, commercial paper and other money market instruments, repurchase agreements, reverse repurchase agreements, and mutual funds. The portfolio may also buy and sell options on securities and securities indices, although it will do so only for purposes of trying to generate current income or to hedge portfolio risks, and not for speculative purposes.

When the Investment Advisor believes that financial, economic, or market conditions require a more defensive strategy, the portfolio may increase its holdings of nonconvertible debt securities, U.S. Government securities, commercial paper and other money market instruments.

General Risks

Each portfolio is, of course, subject to the general risk that its investment objective or objectives will not be achieved, or that a portfolio manager will make investment decisions or use strategies that do not accomplish their intended goals. In addition, the portfolios' investment strategies may subject them to a number of risks, including the following:

Market Risk

Although equities historically have outperformed other asset classes over the long-term, their prices tend to fluctuate more dramatically over the shorter-term. These movements may result from factors affecting individual companies, or from broader influences like changes in interest rates, market conditions, investor confidence or announcements of economic, political or financial information. While potentially offering greater opportunities for capital growth than larger, more established companies, the equities of smaller companies may be particularly volatile, especially during periods of economic uncertainty. These companies may face less certain growth prospects, or depend heavily on a limited line of products and services or the efforts of a small number of key management personnel. Portfolios that may invest primarily in equities, such as the Value, Socially Responsive and Asset Director portfolios may be particularly subject to the potential risks (and rewards) and volatility of investing in equities.

The Asset Director, Investment Grade Bond, Socially Responsive and Value portfolios may invest in equities issued by foreign companies. The equities of foreign companies may pose risks in addition to, or to a greater degree than, the risks described above. Foreign companies may be subject to disclosure, accounting, auditing and financial reporting standards and practices that are different from those to which U.S. issuers are subject. Accordingly, these portfolios may not have access to adequate or reliable company information. In

addition, political, economic and social developments in foreign countries and fluctuations in currency exchange rates may affect the operations of foreign companies or the value of their securities. Risks posed by investing in the equities of foreign issuers may be particularly acute with respect to issuers located in lesser developed, emerging market countries.

Socially Responsible Investing Risks

The Socially Responsive portfolio invests in securities that meet certain fundamental and financial criteria as well as social criteria. Due to the inclusion of social criteria, the portfolio may not pursue opportunities to buy certain securities when it is otherwise advantageous to do so, or may sell certain securities when it is otherwise disadvantageous to do so. As a result, the return of the portfolio may be lower than if investment decisions were based solely on investment considerations.

Interest Rate Risk

Each portfolio may invest in fixed income securities. Generally, the value of these securities will change inversely with changes in interest rates. In addition, changes in interest rates may affect the operations of the issuers of stocks or other equity securities in which the portfolios invest. Rising interest rates, which may be expected to lower the value of fixed income instruments and negatively impact the operations of many issuers, generally exist during periods of inflation or strong economic growth.

Credit Risk

The portfolios' investments, and particularly investments in convertible securities and fixed income securities, may be affected by the creditworthiness of issuers in which the portfolios invest. Changes in the financial strength, or perceived financial strength, of a company may affect the value of its securities and, therefore, impact the value of a portfolio's shares if it invests in the company's securities.

The portfolios may all invest in investment grade fixed income securities; but, the Investment Grade Bond and Asset Director portfolios may also invest in fixed income securities that are not "investment grade," which are commonly referred to as "junk bonds." To a greater extent than more highly rated securities, lower rated securities tend to reflect short-term corporate, economic and market developments, as well as investor perceptions of the issuer's credit quality. Lower rated securities may be especially susceptible to real or perceived

adverse economic and competitive industry conditions. In addition, lower rated securities may be less liquid than higher quality investments. Reduced liquidity may prevent a portfolio from selling a security at the time and price that would be most beneficial to the portfolio.

The advisor attempts to reduce the credit risk associated with lower rated securities through diversification of portfolio investments, credit analysis of issuers in which the portfolios invest, and monitoring broad economic trends and corporate and legislative developments. However, there is no assurance that it will successfully or completely reduce credit risk.

Derivatives Risk

The Value, Investment Grade Bond, Socially Responsive and Asset Director portfolios' use of derivative instruments may involve risks different from, or greater than, the risks associated with investing directly in securities or other traditional investments. Derivatives may be subject to market risk, interest rate risk, and credit risk, as discussed above. Certain derivatives may be illiquid, which may reduce the return of a portfolio if it cannot sell or terminate the derivative instrument at an advantageous time or price. Some derivatives may involve the risk of mispricing or improper valuation, or the risk that changes in the value of the instrument may not correlate well with the underlying asset, rate or index. A portfolio could lose the entire amount of its investment in a derivative and, in some cases, could lose more than the principal amount invested. Also, suitable derivative instruments may not be available in all circumstances, and there is no assurance that a portfolio will be able to engage in these transactions to reduce exposure to other risks.

Defensive Strategy

If the advisor believes that economic or other market conditions, such as excessive volatility or sharp market declines, require taking a defensive position to preserve or maintain the assets of a portfolio, then a portfolio may purchase securities of a different type or types than it ordinarily would purchase, even if such purchases are contrary to the investment objective or objectives of a portfolio. Taking such a defensive position could prevent a portfolio from attaining its investment objectives, or cause it to miss out on some or all of an upswing in the securities market.

Please see the Statement of Additional Information for more detailed information about the portfolios, their investment strategies, and their risks.

PURCHASE AND REDEMPTION OF SHARES

As of the date of this prospectus, shares of the fund are offered only for purchase by one or more separate accounts of AUL to serve as an investment medium for the contracts issued by AUL. Shares of each portfolio may be offered in the future to separate accounts of other affiliated or unaffiliated insurance companies to serve as the underlying investments for variable life and annuity contracts. Owners of the contracts do not deal directly with the fund with respect to acquisition, redemption or transfer of shares and should refer to the contract (or certificate) or, if applicable, the prospectus for the separate account for information on allocation of premiums and on transfers of account value.

Shares of a portfolio may be purchased or redeemed on any day that AUL is open for business. Shares of each portfolio are sold at their respective net asset values (without a sales charge) next computed after receipt and acceptance of a purchase order by AUL at its home office, on behalf of a separate account. The separate accounts invest in shares of the fund in accordance with allocation instructions received from owners and participants of the contracts offered by AUL. Each portfolio reserves the right to reject or refuse, in its discretion, any order for the purchase of shares, in whole or in part. Redemptions will be effected by the separate accounts to meet obligations under the contracts. Redemptions are made at the per share net asset value next determined after receipt of the redemption request by AUL at its home office, on behalf of a separate account. Redemption proceeds normally will be paid within seven days following receipt of instructions in proper form. The right of redemption may be suspended by the fund (1) when the New York Stock Exchange (the "NYSE") is closed (other than customary weekend and holiday closings) or for any period during which trading is restricted; (2) because an emergency exists, as determined by the SEC, making disposal of portfolio securities or valuation of new assets not reasonably practicable; and, (3) whenever the SEC has by order permitted such suspension or postponement for the protection of shareholders.

The portfolios reserve the right to discontinue offering shares at any time, or to cease investment operations entirely.

Net Asset Value

The net asset value per share of each portfolio's Advisor Class and Class O shares is determined by dividing the value of each portfolio's net assets attributable to the class of shares by the number of class shares outstanding. That determination is made once each business day, Monday through Friday, on which the NYSE is open for trading as of the close of the NYSE (normally, 4 p.m., Eastern Standard Time (EST)). Net asset value will not be determined on days that the NYSE is closed, on any federal holidays or on days when AUL is not open for business. Traditionally, in addition to federal holidays, AUL is not open for business on the day after Thanksgiving.

The value of the assets of each portfolio, except the Money Market portfolio, is based on their market prices, with special provisions for assets not having readily available market quotations. If market quotations are not readily available

(which may include closing prices deemed to be unreliable due to subsequent events), the securities will be fair valued using procedures adopted by the Board of Directors. The types of securities for which such fair value pricing may be required include, but are not limited to: foreign securities, where a significant event occurs after the close of the foreign market on which such security principally trades, but before the close of the NYSE, that is likely to have changed the value of such security, or the closing value is otherwise deemed unreliable; securities of an issuer that has entered into a restructuring; securities whose trading has been halted or suspended; fixed income securities that have gone into default and for which there is no current market value quotation; and securities that are restricted as to transfer or resale.

Valuing securities at fair value involves greater reliance on judgment than valuing securities that have readily available market quotations. Fund management makes such determinations in good faith in accordance with the Fund's valuation procedures. Fair value determinations can involve reliance on quantitative models employed by a fair value pricing service. There can be no assurance that the portfolio could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the portfolio determines its net asset value per share.

If market quotations are not readily available (which may include closing prices deemed to be unreliable due to subsequent events), the securities will be fair valued using procedures adopted by the Board of Directors. The types of securities for which such fair value pricing may be required include, but are not limited to: foreign securities, where a significant event occurs after the close of the foreign market on which such security principally trades, but before the close of the NYSE, that is likely to have changed the value of such security, or the closing value is otherwise deemed unreliable; securities of an issuer that has entered into a restructuring; securities whose trading has been halted or suspended; fixed income securities that have gone into default and for which there is no current market value quotation; and securities that are restricted as to transfer or resale.

Valuing securities at fair value involves greater reliance on judgment than valuing securities that have readily available market quotations. Fund management makes such determinations in good faith in accordance with the Fund's valuation procedures. Fair value determinations can involve reliance on quantitative models employed by a fair value pricing service. There can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the time at which the Fund determines its net asset value per share.

The net asset value per share of each portfolio, except the Money Market portfolio, will fluctuate in response to changes in market conditions and other factors. The Money Market portfolio will attempt to maintain a constant net asset value per share of \$1.00, which will not fluctuate in response to changes in market conditions, although there can be no assurance that this will be achieved. The Money Market

portfolio attempts to maintain a constant net asset value per share by using the amortized cost method of valuation for its portfolio securities. This involves valuing a security at cost on the purchase date and thereafter assuming a constant accretion of a discount or amortization of a premium to maturity. See the Statement of Additional Information for a description of certain conditions and procedures followed by the portfolios in connection with amortized cost valuation.

The net asset value per share of each portfolio will fluctuate in response to changes in market conditions and other factors.

Classes of Shares – Class O and Advisor Class Shares

The Fund offers Class O and Advisor Class shares of the portfolios in this prospectus. The Class O shares and the Advisor Class shares are identical in all material respects, except that Advisor Class shares are subject to the fee paid pursuant to the 12b-1 distribution and service plan described below.

Distribution and Servicing (12b-1) Plans – Advisor Class Shares

The fund may pay annual fees of up to 0.30% of each portfolio's average daily net assets attributable to Advisor Class shares as compensation or reimbursement for a variety of services and expenses in connection with the marketing, sale and distribution of Advisor Class shares ("distribution fees") and in connection with personal services rendered to investors ("servicing fees"). These payments are made pursuant to Distribution and Servicing (12b-1) Plans adopted by the fund with respect to the Advisor Class shares of each portfolio. The plan will be operated as a compensation plan.

Because these fees are paid out of a portfolio's assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than other types of sales charges.

TAXATION

Each portfolio intends to qualify and to elect to be taxed as a "regulated investment company" under the provisions of Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code"). If a portfolio qualifies as a "regulated investment company" and complies with the appropriate provisions of the Code, the portfolio will not be liable for federal income tax on income it distributes. The portfolios also intend to comply with the diversification requirements under section 817(h) of the Code that apply to mutual funds underlying variable contracts.

Because the shareholders of the portfolios will be separate accounts, no discussion is included here as to the federal income tax consequences at the shareholder level. For information concerning the federal income tax consequences to purchasers of the variable life insurance policies and variable annuity contracts, see the prospectus for the relevant variable insurance contract. See the Statement of Additional Information for more information on taxes.

We have not authorized anyone to provide you with information that is different from the information in this prospectus. You should only rely on the information in this prospectus or in other information provided to you by us. This prospectus is not an offering by the fund in any jurisdiction in which such offering may not be lawfully made.

There is a statement of additional information that has more information about the fund. It is incorporated by reference and is legally considered a part of this prospectus. The fund also files annual and semi-annual reports with the SEC. These reports provide more information about the portfolios' investments. The annual report also discusses market conditions and investment strategies that significantly affected the portfolios' performance in 2005.

You may request a free copy of the Statement of Additional Information or a copy of the annual or semi-annual reports by writing to us at One American Square, Indianapolis, Indiana 46282 or by calling us at (800) 249-6269. The Statement of Additional Information and the annual and semi-annual reports are not available on the internet, because the Fund does not have a internet website. If you have other questions, call or write us.

Information about the fund can also be reviewed and copied at the SEC's Public Reference Room in Washington, D.C., which may be contacted at 1-202-942-8090. Reports and other information are available on the SEC's Internet site at <http://www.sec.gov>. Copies of this information can be ordered by writing the Public Reference Section of the SEC, Washington, D.C. 20549-0102 or by e-mailing your request to public.info@sec.gov. The SEC will charge a duplicating fee for those services. Please reference the fund's Investment Company Act file number in your correspondence.

The portfolios are not insured by the Federal Deposit Insurance Corporation; are not deposits or other obligations of the financial institution and are not guaranteed by the financial institution; and are subject to investment risks, including possible loss of the principal invested.

OneAmerica® Funds, Inc.
Class O and Advisor Class Shares
Variable Life and Annuity Contracts

Sold By

**AMERICAN UNITED
LIFE INSURANCE COMPANY®**

**One American Square
Indianapolis, Indiana 46282**

PROSPECTUS

Dated: May 1, 2006

Investment Company Filing No. 811-05850

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The prospectus must be preceded or accompanied by current prospectuses for the underlying investment options. Variable annuities issued by American United Life Insurance Company® (AUL) are distributed by OneAmerica® Securities, Inc., member NASD, SIPC, a wholly-owned subsidiary of AUL.



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