

Lincoln Financial Advisors Corporation

Form ADV, Part 2A

March 30, 2012

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This brochure provides information about the qualifications and business practices of Lincoln Financial Advisors Corporation. If you have any questions about the contents of this brochure, please contact us at (800) 237-3813. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Lincoln Financial Advisors Corporation also is available on the SEC's website at: www.adviserinfo.sec.gov.

Summary of Material Changes (Form ADV, Part 2A – Item 2)

The United States Securities and Exchange Commission (“SEC”), the regulator with whom Lincoln Financial Advisors is registered, requires that a disclosure brochure called the Form ADV, Part 2A be provided to clients and filed with the SEC. That brochure was provided to you in 2011 or at the time that you established your relationship with your LFA representative. If there are any updates or changes to the brochure since the last annual filing with the SEC, the SEC requires LFA to send a statement summarizing those changes to clients annually. This statement is being sent for that purpose; however, none of the changes would be considered material to a client’s decision to conduct business with LFA.. Changes that were incorporated into the brochure and included for the 3/30/12 filing with the SEC are:

1. The section of the document that describes solicitor programs was consolidated and now refers clients to the ADV 2A disclosure brochures of the main programs for which LFA acts as a solicitor.
2. The section regarding retirement plan services was updated to reflect the addition of certain services currently being offered on a limited basis.
3. The description of LFA’s Premier Manager asset management program was updated to include portfolio strategists, which also involved new fee disclosures.
4. The technology service provider for LFA’s Premier series of asset management programs changed from FundQuest to Envestnet Portfolio Solutions, reflecting Envestnet’s acquisition of FundQuest.

If you would like another copy of this brochure or any other Lincoln Financial Advisors Corporation brochure, please download it from the SEC web site at www.adviserinfo.sec.gov, or you may contact Lincoln Financial Advisors Corporation at (800) 237-3813 or lfaria@lfg.com.

Table of Contents (Form ADV, Part 2A – Item 3)

Cover Page	1
Summary of Material Changes	2
Advisory Business	4
Fees and Compensation	46
Performance-Based Fees and Side-By-Side Management	47
Types of Clients	47
Methods of Analysis, Investment Strategies and Risk of Loss	47
Disciplinary Information.....	48
Other Financial Industry Activities and Affiliations	48
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	49
Brokerage Practices	49
Review of Accounts	50
Client Referrals and Other Compensation	50
Custody	50
Investment Discretion	51
Voting Client Securities	51
Financial Information.....	51
Privacy Policy	52

ADVISORY BUSINESS (Form ADV, Part 2A – Item 4)

Lincoln Financial Advisors Corporation (“LFA”) is an investment advisor registered with the United States Securities and Exchange Commission (the “SEC”). LFA was incorporated in 1968, and has been registered with the SEC as an investment advisor since 1992.

LFA is wholly owned by The Lincoln National Life Insurance Company (“LNL”), which is wholly owned by Lincoln National Corporation (“LNC”). Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

LFA offers a wide variety of investment advisory programs and services. These services are sometimes marketed using the name Sagemark Consulting, a division of Lincoln Financial Advisors. Investment advisor representatives of LFA, including those who use the name Sagemark Consulting (together, “LFA Representatives”) assist clients in achieving their financial goals by providing personalized financial planning services and investment solutions. LFA is committed to helping clients focus on their goals and assisting clients in planning for their futures. LFA uses sophisticated support systems to help clients determine the right financial strategy to suit their individual needs. In addition, LFA provides clients with the investment solutions necessary to implement their financial plans.

As of 12/31/11, LFA managed \$7,655,460,009 of client assets on a non-discretionary basis. LFA did not manage any assets on a discretionary basis as of 12/31/11, but may do so if written authorization is provided by a client.

Below is a detailed description of LFA’s financial planning process and investment advisory services, including fees and compensation:

Financial Planning Services

Overview:

LFA Representatives provide financial planning services through a written planning agreement. Planning is focused on specific areas and based upon each client’s individual financial situation and personal or business objectives. The degree of detail and sophistication of the financial planning services provided varies according to the individual client’s circumstances. Each client is provided with a written summary of the work undertaken. Plans are usually completed within six months of contract date.

In all matters, LFA’s planning services are analytical and advisory only, and do not include any tax, legal, accounting or other professional services.

The Process:

You will meet with an LFA Representative. Your LFA Representative will gather all information necessary to understand your financial situation. The information gathered will include your current financial status, future goals and objectives, and attitudes towards risk. Once the related documents, supplied by you, are reviewed, your financial data is analyzed and observations are made based upon your current financial circumstances. Problems are identified and specific financial planning strategies are recommended and presented to you in a written report for your consideration.

One or more of the following areas will be addressed in your financial plan:

Personal Financial Planning:

- Ⓐ Estate Planning - During the estate planning process your LFA Representative provides investment advice to enable you to make informed decisions with respect to property ownership, distribution of assets, estate tax reduction, and tax payment. Based on your current situation and your future goals, your LFA Representative will review your estate plan, discuss planning techniques, and suggest alternative strategies when appropriate. The estate planning process involves a discussion of gifting, trust implementation, wills, etc., and the disposition of business interests. Tax consequences and their implications are identified and evaluated.
- Ⓐ Retirement Planning - The retirement planning process includes an analysis of your current situation, a written discussion about alternative planning strategies, and techniques that can be used to assist you in accumulating wealth for retirement income, or in the appropriate distribution of assets following retirement. Tax consequences and tax implications are identified and evaluated.
- Ⓐ Investment Planning - During the investment planning process your LFA Representative evaluates your existing investments, analyzes your current economic circumstances and tax characteristics, and reviews your risk tolerance. This process includes an analysis of your current asset allocation and investment income. Tax consequences and tax implications are also identified and evaluated. Once your current situation has been reviewed, your LFA Representative will recommend strategies and investment accumulation techniques. The strategies and techniques recommended are designed to assist you with the selection of an appropriate asset allocation strategy in light of your investment objectives. The strategies and techniques outlined in the Investment Plan are designed to assist you with the achievement of stated investment goals at an appropriate risk level for you.

Business Owner Planning:

- Ⓐ Business Succession Planning - The business succession planning process includes an analysis of the current state of your business, as well as your goals for the future of your business. Once the current state of your business and your future goals are determined, your LFA Representative will provide alternatives and strategies addressing the continuity or disposition of your business upon your retirement, death, disability, or decision to sell. Tax consequences and their implications are also identified and evaluated.

- Ⓐ Executive Compensation Planning - The focus of executive compensation planning is the analysis and recommendation of various compensation strategies to attract, retain and reward key employees of the business. This planning may also include the business owner as well. Objectives of the business owner and the financial structure of the business will be reviewed and taken into account in the analysis and recommendations. Tax consequences and tax implications are identified and evaluated.
- Ⓐ Executive Financial Services - LFA may contract with businesses and/or associations to provide financial planning services to their executives, partners, members and/or directors. In these instances, each individual will be provided with a personal financial plan as described above. Fees charged would be calculated based on the same criteria as the personal financial planning fees described in the Planning Fees section. Fees are generally paid by the business or the association.
- Ⓐ Nonqualified Deferred Compensation Planning – LFA also offers financial planning services on nonqualified benefits planning. The plan is summarized in a written document delivered to you, which reflects your current situation and an analysis of alternative ways to accomplish your objectives. For a nonqualified deferred compensation program, the analysis contains alternative methods to informally “fund” the program, including an overview of the accounting treatment of these methods and a recommendation on the appropriate method of “funding” for that employee.

Renewal Plans:

After the first anniversary of the initial contract, you may wish, or the LFA Representative may suggest, that the planning contract be renewed. You may elect to have a written summary prepared or have your LFA Representative provide additional financial planning services.

Other Types Of Planning Services

Client Consultation Services

Overview:

Consultation services are provided on a more limited basis than the services included with a full financial plan, and may be limited to an isolated issue or specific area(s) of concern. Consultation services are offered to clients who want general investment advice or guidance relating to one or more of the following areas:

- Ⓐ A review of the client’s current investment portfolio and a discussion of a generic asset allocation not involving any specific investment recommendations.
- Ⓐ A review of a new or current issue regarding a portion of the client’s current plan, addressing one or more of the following areas: estate planning, retirement planning, investment planning, business succession planning, or college planning.

Process:

Your LFA Representative will carefully review all relevant materials pertaining to your specific consultation. The LFA Representative will then provide a consultation that reflects your current financial circumstances, your personal objectives, and recommendations for you to consider. The consultation services provided by your LFA Representative are limited to the advice given and the information discussed during the single consultation and any related follow up, and do not require an in-depth financial plan. If you would like a more detailed financial plan, you should enter into a financial planning relationship with LFA.

Seminars:

LFA may provide seminars to groups of employees, associates, and other organized groups. The seminars focus on various areas of financial planning, such as estate planning, investment planning, retirement planning, and business succession planning. Seminars are held on a negotiated fee basis. The investment information provided with this service is not intended to meet the objectives of each individual client.

Planning Fees and Compensation (Form ADV, Part 2A – Item 5)

Overview:

Planning fees are charged according to various factors such as the income and net worth of the client and the complexity of the client’s assets. The fee may depend on whether the service is made available by an employer as an employee benefit and/or whether the fee is for a new contract or the renewal of an existing contract. All planning fees are based on the specific planning services provided to the client and the complexity of the client’s financial situation and goals.

Personal Financial Planning Fees

A fixed fee is specified in the planning contract, and a down payment of up to 100% of the total fee is billed to the client when the contract is signed. The balance of the fee, if any, is payable upon delivery of the financial plan. Fees charged to clients typically range from \$1,500 to \$75,000, or more. However, because situations affecting the planning process may change, fees may be re-negotiated and adjusted with the client’s consent. Based on the client’s individual financial situation and personal or business objectives, financial planning services may be provided in separate phases with a different fee charged for each phase. The individual phases and applicable fees would be based on the various components of the planning process, such as data collection, definition of objectives, and recommendations on specific areas of the plan.

Client Consultation Fees:

A flat fee is charged for the consultation services and specified in the consultation contract. The fee may be based upon an hourly rate, multiplied by an approximate number of hours, but cannot be paid as a retainer fee for future services to be determined. The fee will be determined and billed when the client signs the contract. Fees charged for these services typically range from \$75 to \$250 an hour, but may be higher depending on the complexity of the situation. Fees are negotiable at the discretion of LFA and the LFA Representative.

Seminar Fees:

Seminar fees are charged either as a flat fee for a group of attendees, or a flat amount per attendee. Fees are usually paid up front and are due upon completion of the seminar. The seminar agreement is terminated automatically upon the earlier of the completion of the seminar and the payment of the fee to LFA; or the cancellation of the seminar and the return of the fee, if one has been paid, to the payor.

Termination of Planning Services:

All Financial Planning contracts may be terminated without penalty at the discretion of the client, within five (5) business days after the date that the contract is signed. If the client is dissatisfied with the focus or specificity of the plan, LFA will make appropriate changes to the plan at no additional cost, or at LFA's sole discretion, refund part or all of the fee which the client has paid. The client must make the request in writing within ten days of delivery of the plan.

Implementation:

The services included in the planning process are limited to recommending strategies for the client to consider. Clients are in no way obligated to implement any recommendations, and are not obligated to do so through a LFA Representative. The implementation of any recommended strategies is entirely at the client's discretion.

In addition to creating plans for clients, LFA Representatives offer insurance and investment products issued or managed by other Lincoln affiliates, as well as insurance and investment products of unaffiliated firms. To minimize potential conflicts between the LFA Representative's roles in the sale of products, the plan contains only generic recommendations regarding general types of insurance and investment products. In the financial planning process, the LFA Representative does not make recommendations regarding the purchase of specific insurance or investment products.

If a client chooses to implement their financial plan through LFA, the LFA Representative will be acting as a sales person in the sale of investment and insurance products, and may provide investment advice in connection with the management of client assets. A client who makes the decision to implement the product recommendations in their plan through LFA and its affiliates (the Lincoln Companies), will have access to a broad portfolio of insurance and investment products. Insurance products may include life insurance, disability and annuity products manufactured by Lincoln Companies and other unaffiliated companies. Investment products accessible through LFA Representatives are restricted to products approved for sale by LFA. LFA, in its role as investment advisor, also offers asset management and wrap-fee investment programs.

If any of the Lincoln Companies or an unaffiliated company acts as an issuer, underwriter, distributor or advisor with respect to a product or program sold to clients, LFA earns compensation from such sale. In addition, these products and programs contain charges and commissions payable to the representatives involved. LFA and/or its representatives may also receive incentive awards for the recommendation of investment products, and/or "12b-1" distribution fees from investment companies in connection with the investment of client assets.

Investment Advisory Services

Overview:

LFA provides investment advisory services through its core asset management programs. Other asset management services may be provided on a limited basis. In certain programs, including LineSolutions, Premier Plus, and SEI, LFA acts as an investment advisor and provides continuous and ongoing advisory services, primarily on a non-discretionary basis. In LFA's other core programs, as well as in asset management programs offered through limited arrangements as described below, LFA generally acts as a solicitor in recommending other investment advisors or money managers to clients. When acting as a solicitor, LFA does not act in a fiduciary capacity for the client. For additional information on each program and the role of LFA and its Representatives, please see the disclosure brochure and/or Form ADV, Part 2A and Part 2B for the applicable asset management program or investment advisor.

The disclosure brochures describing all of LFA's investment advisory services, and all of LFA's wrap fee disclosure brochures can be found at the SEC's public disclosure website, www.adviserinfo.sec.gov. These brochures may also be requested by contacting LFA at (800) 237-3813 or by sending us an email at lfaria@lfg.com.

LFA's Core Asset Management Programs

A brief description of LFA's primary asset management services (Core Asset Management Programs) follows:

LINCOLN PREMIER PLUS ASSET MANAGEMENT PROGRAM

Overview:

The Lincoln Premier Plus Asset Management Program (“Premier Plus”) is sponsored by LFA, and offers personalized investment advisory services and assistance in determining investment objectives and asset allocation. Services offered through Premier Plus include asset allocation, investment selection and/or separate account manager recommendations, periodic account reviews, and performance reporting.

Your LFA Representative will assist you in evaluating your investment objectives, goals and risk tolerance. Once these criteria have been evaluated, your LFA Representative will assist you in choosing various investments and/or separate account managers. Based on your specific investment needs, your LFA Representative will manage your account on an ongoing basis using investments that may include: mutual funds, exchange traded funds, stocks, bonds, options, and variable annuity and insurance products.

Your LFA Representative will periodically review your account and recommend the rebalancing and/or reallocation of the investments in your account, primarily on a non-discretionary basis. You may impose reasonable limitations or restrictions on the investment selection, which must be in writing and may include, as an example, restrictions on the purchase of particular securities, industries, or asset classes. You may designate your LFA Representative as your agent and attorney-in-fact strictly for the purposes of the purchase and sale of securities and other investments on a discretionary basis upon completion of a written authorization and upon approval from LFA.

You may also select professional portfolio management firms (“Portfolio Managers”) for the individual management of your accounts. Through an agreement with Envestnet Portfolio Solutions, Inc. (“EPS”), LFA provides access to various Portfolio Manager(s) who provide discretionary management services based on the investment style you select, subject to certain minimum account sizes. The Portfolio Manager will direct the investment and reinvestment of your assets in the Premier Plus account. You may impose reasonable restrictions on the purchase of specific securities or types of securities. While the Portfolio Managers(s) can often accommodate reasonable restrictions, they reserve the right to accept or reject such restrictions for any reason. Under certain circumstances, you may request direct contact with a Portfolio Manager. However, these consultations occur at the discretion of each manager.

Process:

Your LFA Representative will consult with you and gather financial information such as: financial goals, risk tolerance, liquidity needs, age, occupation, income, net worth, tax considerations and other factors which might impact how your account is allocated. Your LFA Representative may also use various questionnaires and software to assist you in identifying your investment objectives and risk tolerance. The information gathered will be used to assist you in determining an appropriate core asset allocation strategy and model portfolio. Premier Plus offers a series of core asset allocations which correspond with specific investment objectives.

In certain instances you and your LFA Representative may choose to select a concentrated strategy. The concentrated strategy may be designed to address specific economic and tax concerns you may have, taking into account your other investments which may be held outside of Premier Plus.

Once an asset allocation or concentrated portfolio strategy has been determined, your LFA Representative will present you with a written Investment Strategy Report, and will assist you in selecting the appropriate investment and/or Portfolio Managers for your strategy. If you select a concentrated strategy you will not receive an Investment Strategy Report. Your core asset allocation will be composed of various asset classes based on your selected strategy. This strategy may be implemented by establishing a Core Account, in which mutual funds, stocks, bonds, exchange-traded funds, variable annuities, and/or other general securities may be purchased, held, and sold. Your LFA Representative may also recommend that you select one or more Portfolio Managers to manage your assets by investing in stocks, bonds, and/or other general securities.

Your LFA Representative will monitor your account and periodically discuss its performance and review your current allocation with you. Your LFA Representative will also be available to answer any questions you may have. Not all Portfolio Managers calculate and report performance on a uniform and consistent basis, and LFA does not review or make any representations as to the accuracy of the stated performance.

You will open a Premier Plus brokerage account (“Account”) with an introducing broker-dealer (“Broker”) in your name. You will fund the Account through depositing cash or transferring securities into the Account. If particular securities cannot be held and/or sold by the Broker, you must liquidate these securities prior to transferring them into the Account. LFA, in its capacity as a broker-dealer registered with the SEC, may be the Broker on the Account.

Physical custody of all Premier Plus Accounts will be maintained by a designated custodian (“Custodian”). The Custodian will perform various custodial functions, such as the crediting of interest and dividends on Account assets and the crediting of principal on called or matured securities.

The Custodian will send confirmations of each purchase and sale to you, LFA, EPS, Portfolio Manager (as applicable), and your LFA Representative, unless you elect to suppress immediate transaction confirmations. For any month where there is activity in the Account, Custodian will send you an account statement showing transactions and positions held in your Account as of the statement date.

The Custodian shall execute purchase and sale orders received from Portfolio Manager and/or your LFA Representative and perform clearance of these transactions. The Custodian will also provide administrative services for Premier Plus Accounts, including charging and debiting Account fees, sending checks, and processing deposits, withdrawals, and transfer requests.

If you elect to use discretionary Portfolio Managers, each Manager will invest your assets according to parameters set for each Portfolio. Based on your financial profile (including any reasonable restrictions that you may request), the Portfolio Manager will have full authority to supervise and direct the investment of assets in your account without prior consultation except as set forth below. Your core asset allocation will be composed of various asset classes based on your selected Portfolio. The securities used to implement the strategy will typically be general securities. You will authorize the Portfolio Manager to perform the trades required to manage the Premier Plus accounts. With separate accounts, all transactions in Premier Plus accounts are initiated by the Portfolio Manager.

EPS selects Portfolio Managers for the program by evaluating certain quantitative and qualitative data. Portfolio Managers are reviewed and analyzed by EPS both on an initial and ongoing basis. This information may include: rates of return, standard deviation of returns, risk-adjusted returns, assets under management, investment philosophy, adherence to investment style, business reputation, stability of management and investment staff, regulatory history, and experience and capability in managing wrap accounts. EPS periodically reviews the Portfolio Managers to facilitate the addition of new managers to the program. If EPS determines that a Manager fails to meet one or more of the above referenced criteria, EPS may replace that Manager. Portfolio Managers may be affiliated with LFA. LFA may also independently review and analyze the Portfolio Managers and recommend their addition or removal from the program.

LFA's review and selection of EPS was based on their ability to provide an overall set of services necessary to administer the program, which may include a variety of functions such as investment management, research, technology, and administrative support. If LFA, through its ongoing evaluation of EPS, determines that EPS is no longer able to perform these services effectively, LFA may replace EPS with another service provider or discontinue the program.

EPS will send you quarterly performance reports describing your account performance and positions, and monitor the holdings in your account based on your selected Portfolio. Performance on quarterly reports is prepared using the modified dietz calculation method.

Each LFA Representative will generally offer Premier Plus through a particular brokerage platform, which includes a specific Broker and Custodian. In order to participate in Premier Plus using the services of your LFA Representative, you must authorize and direct that your Premier Plus Account(s) is to be opened with Broker and Custodian. By directing the execution of all transactions through a particular broker-dealer, you may pay different commission amounts than other clients of LFA or EPS that do not direct the use of a particular broker-dealer. In directing all transactions through Broker, you may not necessarily obtain commission rates and execution as favorable as other broker-dealers.

Your Premier Plus account may be adjusted periodically to keep your asset allocation and investments in line with your stated objectives. Your overall financial condition will be evaluated at least annually to identify any changes in your situation and to determine whether any new circumstances would require a change in your investment objective and/or portfolio. Should your financial situation or investment objectives change and you wish to modify your investment objectives and/or account restrictions at any time, please notify your LFA Representative. Any relevant changes will be communicated to your Portfolio Manager(s), if applicable. If you elect a new Model Portfolio, you will sign a new Statement of Investment Selection, which will be provided to EPS, who will manage your account according to the new Portfolio.

You may terminate your Premier Plus agreement at any time upon written notice to LFA and/or your LFA Representative.

Special Notice Regarding Plans Governed by ERISA:

Clients or plans opening Premier Plus accounts that are governed by The Employee Retirement Income Security Act of 1974, as amended ("ERISA") may only purchase "no transaction fee" mutual funds that are not affiliated with LFA. Accounts governed by ERISA may not use Portfolio Managers and are not eligible to purchase certain investments that may otherwise be available to non-ERISA accounts, including but not limited to, stocks, bonds, exchange-traded funds, mutual funds that charge transaction fees, and mutual funds issued or managed by an affiliate of LFA or Broker.

Evaluating the Cost of a Wrap-Fee Program:

Portfolio management services, if purchased separately, may cost more or less than they would under a "wrap fee," as described below. Your LFA Representative may receive more or less compensation than they would have if you used another program or paid separately for investment advice, brokerage and other services. Therefore, your LFA Representative may have a financial incentive to recommend this program over other programs or services. Factors affecting the total cost of the services would include, but are not limited to, the costs of separate professional account management services, frequency or volume of trading, or lack of trading activity, and the costs of trading.

Lincoln Premier Plus Asset Management Program Fees and Compensation (Form ADV, Part 2A – Item 5):

LFA charges an annual advisory fee (“Account Fee”) based on a percentage of each account’s assets under management. In addition, transaction fees may apply to certain mutual funds, stocks, bonds and other investments. The minimum account size is normally \$50,000. Clients with Program Accounts exceeding \$50,000 may open additional accounts under \$50,000 with a minimum of \$25,000. The minimum account size for Program Accounts that use Portfolio Managers ranges from \$100,000 to \$500,000, depending on the investment objectives and Portfolio Managers that you choose. Depending on certain circumstances, these minimums may be negotiable at the discretion of LFA and the Portfolio Manager. In most cases, a minimum fee or asset level will be required. Fees may be negotiable based on various factors including, but not limited to, your investment objectives, family or other related accounts, assets under management and the investment strategy employed.

Account Fees are billed quarterly, generally in arrears, based on the average daily balance of the account for the entire billing period. There may be situations when Account Fees are billed quarterly in advance, in which case the fee is based on the average daily balance of the previous quarter. Account Fees will be deducted from the account according to the authorization in the Client Services Agreement. There may be other fees to cover execution, brokerage and custodial costs. Account Fee schedules are as follows:

Lincoln Premier Plus Fee Schedule

<u>Assets Under Management</u>	<u>Annual Fee Not To Exceed</u>
First \$500,000	2.25%
Next \$500,000	1.75%
Above \$1,000,000	1.50%
Minimum fee for Premier Plus Accounts	0.50%

Lincoln Premier Plus Reduced Fee Schedule

This fee schedule applies to cases in which you have paid a sales charge and LFA was paid a commission in the past three years on assets to be included in the account.

<u>Assets Under Management</u>	<u>Annual Fee Not To Exceed</u>
First \$500,000	1.75%
Next \$500,000	1.25%
Above \$1,000,000	1.00%
Minimum fee for Premier Plus Accounts	0.50%

In addition to the Account Fee stated above, the Broker may charge transaction fees (“Transaction Charges”) on certain securities, as well as other charges for activities in the account that you request. These Transaction Charges and other charges are governed by your brokerage account agreement with Broker. Any Transaction Charges will be clearly noted on your confirmations. You will authorize Broker and Custodian to deduct all Transaction Charges and other charges from your Account.

The Broker will charge a short-term trading fee each time a “no transaction fee” mutual fund is sold or exchanged that has been held less than 60 days, in addition to what the mutual fund charges. (Please see applicable mutual fund prospectus for any Short Term Redemption Fees specific to the fund.)

Program Account assets may be invested in shares of mutual funds, unit investment trusts or exchange traded funds that will be included in calculating the value of the Program Account(s) for calculating fees. Shares of mutual funds, unit investment trusts and exchange traded funds will be subject to additional management fees and other expenses, and may be subject to “12(b)-1” fees to offset distribution expenses as described in the prospectuses of those funds. These amounts may be paid by the investment companies, but are ultimately borne by you, and therefore you may indirectly pay duplicate advisory fees and other charges on these investments. Transactions in mutual funds, unit investment trusts and exchange traded funds in the Account(s) could be subject to ongoing compensation in the form of 12(b)-1 fees or other compensation from the fund, which may be paid by the mutual funds to Broker and Custodian, each of which may in turn pay some or all of this compensation to LFA. The amount of a mutual fund’s 12(b)-1 fees is included among normal fund expenses and is listed in the fund’s prospectus. The amount of fees paid to LFA on assets held in Fidelity Advisor mutual funds is generally higher than the fees on assets in other mutual funds. If you invest in a variable annuity, it will be included in the value of the Accounts used to calculate fees. Variable annuities contain investment options that are subject to additional management fees, and mortality and expense charges. The annuity company may pay a portion of its fees or other compensation to LFA, Broker and Custodian.

LFA, your LFA Representative, EPS, Broker, Custodian, Portfolio Manager(s), if applicable, and any investment advisors who provide investment recommendations to Portfolio Manager(s) in connection with the performance of their services, will share in the Account Fees. LFA and your LFA Representative may recommend mutual funds, variable annuities, or other investments that are managed and/or distributed by affiliates of LFA, and those affiliates may receive separate and typical compensation. LFA and your LFA Representative may recommend Portfolio Managers which are affiliates of LFA, and these Portfolio Managers may use mutual funds or other investment advisors that are affiliates of LFA, and these affiliates will be compensated accordingly.

The Account Fee paid by you includes a portion for LFA and your LFA Representative, and this amount may be more than your LFA Representative would receive if you used other programs. Account Fees charged may vary by office and by LFA Representative. Certain LFA Representatives may provide similar services for fees that are different from those charged by other LFA Representatives. Additionally, the amount of the fee paid to LFA and/or your LFA Representative may vary based on the types of investments and/or Portfolio Managers used. A higher percentage of the fee is paid to LFA on individual stocks, bonds, certain mutual funds, and/or other holdings. LFA may use some or all of its portion of the Account Fee to pay for the cost of offering these investments in the program. Your LFA Representative receives less compensation on assets held in individual stocks, bonds and certain other investments. The portion of the total fee paid to LFA may increase based on the total value of your Program Accounts.

Account Fees generally include most charges of LFA and various unaffiliated service providers, including fees for: asset allocation advice, investment management, reporting, and certain brokerage and custodial charges. LFA may pay a portion of the total fee to unaffiliated service providers and/or investment advisors for services such as: obtaining, coordinating and monitoring Portfolio Managers, investment consulting, performance reporting, and other services.

Fees will not be charged on the basis of a share of capital gains or capital appreciation of Program assets, except to the extent that your fees are based on a percentage of the fair market value of the assets in your Account(s).

Individual fixed income securities may have markups or markdowns. LFA will not retain any portion of these charges. A portion of these charges may be paid to LFA by Broker or various third-parties. Additional fees may include: outside custodial fees; IRA/QRP custodial fees; transfer taxes; dividend reinvestment costs; odd-lot differentials; handling charges; electronic fund and wire transfer fees; and any other charges imposed by law or otherwise agreed to.

Portfolio Manager may liquidate any existing assets transferred into a Program Account that they manage. The liquidation of some assets, whether they are sold prior to or after they are transferred into the account, may result in charges to you. Certain mutual funds carry surrender charges, back-end sales loads or transaction fees which may be charged upon liquidation. You are responsible for any charges associated with your holdings. The sale of securities may result in a capital gain or loss situation for you. These liquidations as well as ongoing sales may have a negative effect on your tax situation. You are responsible for monitoring the cost basis and realized gains and losses from Program Account transactions.

You agree that LFA may withhold any tax to the extent required by law, and may pay such taxes to the appropriate governmental authority.

LINCOLN PREMIER MANAGER ASSET MANAGEMENT PROGRAM

LFA is the sponsor of the Premier Manager asset management program ("Premier Manager"), an investment advisory program offered primarily to individuals, corporations, pension and profit sharing plans, trusts, estates, charitable organizations, banks and other entities. LFA may allow its investment adviser representatives ("IARs"), advisory representatives of affiliated investment advisers, or advisory representatives of independent registered investment advisers (collectively with IARs, "Advisers"), to offer the investment advisory services described here to their clients and potential clients. Through a written agreement with Envestnet Portfolio Solutions, Inc. ("EPS"), an investment adviser registered with the SEC, LFA has engaged EPS to provide various administrative and investment management services for clients electing the Premier Manager investment programs.

Premier Manager provides clients access to continuous management services for investment portfolios through the following investment management programs:

- (i) The Premier Manager Mutual Fund Program, consisting of mutual fund portfolios managed by EPS.
- (ii) The Premier Manager Strategist Program, consisting of mutual fund and/or exchange traded fund ("ETF") portfolios managed by EPS pursuant to the investment recommendations of one or more third-party asset allocation providers (each, a "Strategist").

Accounts in the Premier Manager program (each, a "Program Account") will be held at Pershing LLC ("Pershing") with LFA serving as introducing broker-dealer, or at National Financial Services LLC ("NFS") with Fidelity Brokerage Services LLC ("Fidelity") serving as introducing broker-dealer. Pershing will serve as custodian for retirement accounts held at Pershing, while Fidelity Management Trust Company will serve as custodian for retirement accounts held at NFS.

The minimum investment amount varies by the investment strategy selected, and may vary further by the Strategist selected by Client. Generally, the investment minimums are as follows:

- (i) \$50,000 for the Premier Manager Mutual Fund Program
- (ii) \$50,000 for each Strategist selected for the Premier Manager Strategist Program

Actual minimum investment amounts for any investment strategy or Strategist may be higher or lower than listed above. The minimum investment requirements may be negotiable at the discretion of LFA, and at the discretion of EPS or Strategist as applicable.

Once the client selects an Adviser and enters into an advisory relationship, the Adviser will request information from the client regarding the client's financial background, investment experience, investment objectives, and risk tolerance, among other things, in determining the suitability and appropriateness of Premier Manager for the client. A client should promptly contact their Adviser any time the client's financial situation or investment objectives change, or if any of the information previously provided to the Adviser has materially changed. The Adviser can then determine whether the account and its investments remain appropriate, or if any changes should be recommended.

Once an advisory relationship is established, there are no restrictions on a client's ability to contact LFA or the Adviser. The Adviser will contact the client periodically to determine if there have been any changes in the client's financial information so that the investment strategy of the Program Account may be adjusted accordingly. The Adviser will share the information provided by the client with EPS, and EPS will base its investment recommendations on the information provided by the client.

Investment Strategies and Analysis (Form ADV, Part 2A – Item 8)

LFA's investment services generally cover exchange-listed, over-the-counter and foreign securities, ETFs, warrants, fixed income securities, options, variable life and annuity contracts, corporate debt, municipal securities, U.S. Treasury and government agency bonds, unit investment trusts, commercial paper, CDs, and mutual fund shares. Certain mutual funds, annuity and insurance products, and other managed investment products, including money market funds, may be managed or distributed by an affiliate of LFA.

Within the Premier Manager program, EPS offers various investment strategies for consideration by a client based on the client's needs and objectives, investment time horizon, risk tolerance and other relevant factors. EPS's research team uses a number of analytical tools and software applications in developing its asset allocation and investment strategies. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes and correlation among asset class returns. EPS will propose a strategy that includes asset allocation and investment portfolio recommendations for the asset classes. A client may elect one or more strategies offered by EPS that is aligned with the client's objectives and risk tolerance. For more information on EPS's investment management services, please see EPS's ADV, Part 2A and/or disclosure brochure.

For the Premier Manager Mutual Fund program, EPS will create an asset allocation portfolio consisting of one or more mutual funds based on the investment strategy selected by the client. Within this program, a client may select one of the Active Passive Portfolios, portfolios consisting entirely or substantially of EPS's proprietary mutual funds, the ActivePassive Funds®. EPS is the investment adviser to the ActivePassive Funds and receives a management fee from each fund, which varies by fund and is described in the ActivePassive Funds' prospectus. EPS does not receive additional compensation for Program Accounts managed in an Active Passive Portfolio. The Premier Manager Mutual Fund program is a fully discretionary mutual fund wrap program managed by EPS, offering model portfolios with various risk and return profiles. Once the client's assets are invested, EPS may add, remove or replace mutual funds at its discretion.

For the Premier Manager Strategist Program, EPS will manage asset allocation portfolios consisting of mutual funds and/or ETFs based on the investment recommendations of the Strategist(s) selected by the client. Each Strategist shall be retained by EPS pursuant to an agreement with each Strategist for portfolio management services on terms and in the manner that EPS deems appropriate. For each Strategist, EPS has entered into a licensing agreement, whereby EPS performs model management, administrative and/or trading duties pursuant to the direction of the Strategist. In such case the Strategist is acting in the role of an investment model provider with respect to a client, and not as an investment adviser.

Clients that participate in the Premier Manager program will grant full discretionary investment authority to EPS as further described in the client services agreement. EPS will generally use this grant of discretion to invest in, hold and sell shares in various mutual funds and/or ETFs; to liquidate any "in kind" assets that are transferred into the program; and to liquidate sufficient assets to pay program fees when necessary and advisable.

Specific information regarding the terms of the discretionary trading authority granted to EPS is found in the applicable client services agreement and supporting documentation that a client receives in connection with the Premier Manager program.

Fees (Form ADV, Part 2A – Item 5)

The client will be assessed a fee for the services provided through the Premier Manager program based on an annual percentage of the client's assets held in the program (the "Program Fee"). Program Fees are generally charged quarterly, in arrears based on the average daily balance of the Program Account during the quarter, but Program Fees may also be charged in advance based on the average daily balance of the Program Account for the previous quarter for some accounts. The Program Fee calculation methodology applicable to any specific account is described in the applicable client services agreement. In either case, the initial fee is prorated to the end of the quarter if the account is opened on any day other than the first day of a quarter. Program Fees will be debited from the client's Program Account, or such other account that the client designates for the purpose of payment of fees. The maximum annual Program Fee is 3.00% of client's assets under management. Fees are negotiated with each client based on the size and complexity of each client's circumstances. Each Adviser will negotiate with each client to determine the fees to be charged; therefore fees may vary among Advisers and clients, and some Advisers may charge higher fees than other Advisers for similar services. Program Fees will be debited from the account in accordance with the client authorization in the client services agreement. There is a minimum annual Program Fee charged per Program Account for participation in the Program.

The Program Fee paid by the client includes the LFA advisory fees, the Adviser's fees, and EPS's administrative and management fees. Depending on the program selected, a portion of the program fees may be paid to a Strategist, broker-dealer and/or custodian to compensate each of them for their respective services. Fees charged by each entity providing services to the program vary based on the program selected, investment products used, and the size of the account and/or household, among other factors. For certain investment strategies such as those involving ETFs, the custodian and/or broker-dealer may charge an asset-based fee to account for trading costs, or transaction-based charges may apply. This may be included in the Program Fee or may be assessed as a separate charge or charges by the custodian or broker-dealer. The standard range of asset-based fees for each party is as follows:

LFA:	up to 0.20% of account assets
EPS:	up to 0.18% of account assets
Strategists:	up to 0.50% of account assets
Custodian:	up to 0.38% of account assets

Actual fees assessed to a specific client or account will vary, and will be disclosed in the statement of investment selection signed by the client upon election of services under the Premier Manager program. Fees will not be charged on the basis of a share of capital gains or capital appreciation of a client's funds or any portion of a client's funds. Other costs that may be assessed to the Client and that are not part of the Program Fee include retirement account maintenance fees, retirement account termination fees, fees for portfolio transactions executed away from broker-dealer, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, and other fees and charges customary to securities brokerage accounts. Transaction fees may apply when certain assets are liquidated prior to EPS commencing investment management services.

For some investment strategies, EPS will purchase predominantly mutual funds that participate in the applicable custodian's designated no transaction fee ("NTF") program. At times, these NTF mutual funds may elect to cease participation in the NTF program. When that occurs a client may be assessed a transaction fee with the liquidation of that particular fund. Some mutual funds may impose a short-term redemption fee upon liquidation of a mutual fund position if that particular position was not held for a sufficient amount of time as described and outlined in the individual mutual fund's prospectus. Neither LFA, Adviser, nor EPS determine or receive any portion of the short-term redemption fee imposed by a mutual fund.

In addition to the program fee and transaction charges noted above, Client may also incur certain charges imposed by third parties in connection with the investments made through Program Accounts. These may include, but are not limited to, the following: mutual fund or money market 12b-1 and subtransfer fees, mutual fund or money market management fees and administrative expenses, certain deferred sales charges on previously purchased mutual funds transferred into the account, other transaction charges and service fees, and other charges permitted or required by law. LFA and Adviser may receive a portion of these fees. Further information regarding charges and fees assessed by a mutual fund is available in the appropriate prospectus.

General Fee Information

Clients may terminate an advisory relationship within five business days of signing an advisory agreement without penalty or thereafter upon written notice to LFA. A Program Account may be terminated, by either party, upon receipt of written notice to the other parties. Upon termination, any prepaid, unearned fees will be refunded to the client on a prorated basis, and any earned, unpaid fees will be payable immediately. A client could invest in mutual funds and other investment products directly, without the services of LFA or Adviser. In that case, the client would not receive the services provided by LFA or Adviser, which are designed, among other things, to assist the client in determining which mutual funds or other investments are appropriate to each client's financial condition and objectives. A client should review both the fees charged by the mutual funds and other investment products and the fees charged and services provided by LFA and Adviser to better understand the total amount of fees to be paid by the client and thereby evaluate the advisory services being provided.

Premier Manager accounts are held at Pershing or through Fidelity at NFS as described above, and clients must generally use the selected custodian or an affiliate thereof for execution services. EPS will have the authority to effect transactions for the Program Accounts with or through another broker, dealer or bank if EPS believes that "best execution" of transactions may be obtained through such other broker, dealer or bank, including any broker-dealer that is affiliated with LFA, Adviser or EPS. LFA serves as introducing broker dealer on Premier Manager accounts held at Pershing. Through its clearing relationship with Pershing, LFA will receive certain revenue related to assets held, transactions, and activity in Program Accounts. LFA may also receive revenue from Fidelity with respect to assets held and transactions processed through Fidelity. In either case, such revenue may include a portion of any transaction charge assessed to a client or Adviser, asset-based revenue from mutual funds designated by Pershing or Fidelity as "No Transaction Fee" mutual funds, revenue from cash balances held in certain money market mutual funds designated as "cash sweep" vehicles, and other revenue from mutual funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. LFA, the Adviser, Pershing, Fidelity and EPS and each of their respective affiliates may share in these fees. The availability of these fees from Pershing and Fidelity may be a factor in negotiating the client's annual account fee.

In considering the investment programs described in this brochure and the brokerage-related services provided by LFA, the selected broker-dealer, the selected custodian, and EPS and their respective affiliates, a prospective client should be aware that the program

may cost a client more or less than purchasing the services separately from other advisers or broker-dealers. The factors that should be considered by a prospective client include the size of a client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses, if any, the anticipated level of trading activity and the amount of advisory fees for managing the client portfolio. Advisers recommending Premier Manager will receive compensation as a result of a client's participation in the program. The amount of the compensation may be more than what the Adviser would receive if the client participated in other investment programs or paid separately for investment advice, brokerage and other services. Therefore, the Advisers, LFA and their respective principals and affiliates may have a financial incentive to recommend Premier Manager over other programs or services. The Adviser, LFA and their respective principals and affiliates may recommend buying and selling securities for their own accounts or for the accounts of other clients which differ from advice given or actions taken in providing advisory services to the Program Account.

Clients will receive transaction confirmations for each transaction that occurs in their Program Account unless the client elects to waive receipt of transaction confirmations. Clients also receive a monthly activity statement from the custodian for every month in which qualifying activity takes place, as well as a performance report describing account performance and positions from EPS on a quarterly basis. LFA urges clients to review the statements provided by the custodian in conjunction with the Premier Manager performance reports.

The review and selection of EPS as a service provider and investment management provider was based on its ability to provide an overall set of services necessary to administer the program, which may include a variety of functions such as investment management, research, technology, and administrative support. If LFA, through its ongoing relationship with EPS, determines that EPS is no longer able to perform these services effectively, LFA may recommend the replacement of EPS or discontinue the program.

LINCOLN PREMIER UMA ASSET MANAGEMENT PROGRAM

Overview:

The Lincoln Premier Unified Managed Account Asset Management Program ("Premier UMA") is sponsored by LFA, and Envestnet Portfolio Solutions, Inc. ("EPS") is the investment manager. Premier UMA offers personalized investment advisory services and assistance in determining investment objectives and asset allocation.

Based on information you provide, your LFA Representative will assist you in evaluating your investment objectives, goals and risk tolerance. Your LFA Representative will then recommend a model portfolio ("Model Portfolio" or "Portfolio"). Once you choose a Portfolio, EPS will select the specific investments and actively manage them according to that Portfolio. Premier UMA seeks to achieve your investment objectives and financial goals. EPS uses strategic asset allocation to select and manage investments on a discretionary basis.

LFA provides investment advisory services such as asset allocation and periodic reviews of the account based on the Model Portfolio, including performance results, goals and objectives. EPS provides investment management and advisory services, including investment allocation, selection, and monitoring, and performance reporting.

The Premier UMA program is a professionally managed portfolio that may contain many types of investments, such as stocks, bonds, mutual funds, and exchange-traded funds ("ETFs") selected by EPS based on information you provide all within a single account. EPS acts as investment manager for all Premier UMA accounts. EPS has arrangements with other investment advisors who provide research services ("Research Providers"). EPS will at times obtain security rankings and/or purchase and sale recommendations from Research Providers to assist them in managing assets.

EPS's discretion in the program account is subject to the terms and conditions of the Client Services Agreement, including any reasonable restriction on investments you request. EPS has unlimited discretion to make changes to investments in the Premier UMA program, within the parameters of the selected portfolio model. This includes discretion to replace or reduce securities, mutual funds, ETFs, or Research Providers. When Research Providers are used, EPS will consider the recommendations of each Research Provider regarding security rankings and/or model portfolios in order to help achieve the objectives in the Statement of Investment Selection. While EPS intends to manage the assets according to the strategy and recommendations of the Research Provider being used, your specific holdings may vary at any time from the Research Provider's recommendations.

Process:

Your LFA Representative will consult with you and gather financial information such as: financial goals, risk tolerance, liquidity needs, age, occupation, income, net worth, tax considerations and other factors which might impact how your account is allocated. Your LFA Representative may also use various questionnaires and software to assist you in identifying your investment objectives and risk tolerance. After evaluating these criteria, your LFA Representative will recommend a Model Portfolio. Premier UMA offers seven core asset allocation Model Portfolios, which correspond with specific investment objectives. Each Model Portfolio is offered on either a tax sensitive or non-tax sensitive basis depending on your specific account needs. Your LFA Representative will give you a strategy report showing the asset allocation of the recommended Portfolio ("Statement of Investment Selection" or "SIS") You will sign the SIS accepting the recommended Portfolio. The SIS will be provided to EPS, who will manage your account according to the selected Portfolio.

You will open a Premier UMA brokerage account ("Account") with an introducing broker-dealer ("Broker") in your name. You will fund the Account by depositing cash or transferring securities. If particular securities cannot be held and/or sold by Broker, you must liquidate

these securities before transferring the assets into the Account. LFA, in its capacity as a broker-dealer, may be Broker on the Account.

Physical custody of all Premier UMA Accounts will be maintained by a designated custodian (“Custodian”). Custodian will perform all custodial functions, such as crediting interest and dividends, and crediting principal on called or matured securities.

Each LFA Representative will generally offer Premier UMA through a particular brokerage platform, which includes a specific Broker and Custodian. In order to participate in Premier UMA using the services of your LFA Representative, you must direct that your Premier UMA Account(s) are to be opened with Broker and Custodian.

Custodian will send confirmations of each purchase and sale to you, LFA, EPS and your LFA Representative, unless you elect to suppress immediate transaction confirmations. For any month where there is Account activity, Custodian will send you a statement showing transactions and positions held in the Account as of the statement closing date. Custodian will execute purchase and sale orders received from EPS and/or Broker and perform clearance of these trades. Custodian will also provide administrative services on Premier UMA Accounts, which includes deducting Account fees, sending checks, processing deposits, withdrawals, and transfers, and any processes you instruct.

EPS will invest the assets based on the parameters of each Portfolio. Subject to any limitations you describe in your responses to the financial profile or other analysis (including any reasonable investment restrictions that you may place), EPS will have full authority to supervise and direct the investment of Account assets without prior consultation except as noted below. Your core asset allocation will be composed of various asset classes based on your selected Portfolio. EPS will implement the strategy using no-load and/or load waived mutual funds, stocks, bonds, and ETFs. You will authorize EPS to perform the trades required to manage the Premier UMA accounts. EPS will initiate all transactions in Premier UMA accounts. EPS will send you quarterly performance reports describing your account performance and positions, and monitor the holdings in your account based on your selected Portfolio.

The Premier UMA account is managed according to the Portfolio you select. EPS will rebalance the Account as needed. However, this typically occurs when the Portfolio has deviated from its target asset allocation by more than 10% for thirty consecutive market days or more.

LFA serves as the primary sponsor of Premier UMA and is responsible for, among other things: (1) the suitability of the Premier UMA account for you; (2) confirming with you the accuracy and completeness of the information in the Profile and Investment Strategy Report; and (3) compliance with regulations on sales, marketing and disclosures.

The review and selection of EPS was based on their ability to provide an overall set of services necessary to administer the program, which may include a variety of functions such as investment management, research, technology, and administrative support. If LFA, through its ongoing relationship with EPS, determines that EPS is no longer able to perform these services effectively, LFA may recommend the replacement of EPS or discontinue the program.

Your LFA Representative will monitor your account and review your current allocation and periodically discuss your account’s performance with you. Your LFA Representative will also be available to answer any questions you may have.

EPS will adjust your Premier UMA account periodically to keep your account’s asset allocation and investments in line with your stated objectives. Your overall financial condition will be evaluated at least annually to identify any changes in your situation and determine if any new circumstances warrant a change in your investment objective and/or portfolio. Should your financial situation or investment objectives change and you wish to modify your investment objectives and/or account restrictions at any time, please notify your LFA Representative. Any relevant changes will be communicated to EPS, if applicable. If you elect a new Model Portfolio, you will sign a new SIS, which will be provided to EPS. EPS will then manage your account based on the new Portfolio selected.

You provide LFA, your LFA Representative, and EPS with the necessary authorization to perform their obligations in Premier UMA. Neither your LFA Representative nor LFA takes discretion on any assets in your Premier UMA account. Neither EPS, LFA, nor your LFA Representative have the authority or ability to make deposits, withdrawals, transfers or any other non-trading decisions without authorization from you, except for charging advisory fees as described below. You must authorize and approve all such actions.

Premier UMA accounts are reviewed as agreed upon by you and your LFA Representative, as transactions occur, or as requested by you. Your LFA Representative will also receive quarterly reports on your account. You will receive confirmation statements if any trades are placed and a monthly statement for every month where activity takes place. You will also receive a quarterly performance report.

Special Notice Regarding Plans Governed by ERISA:

Accounts governed by ERISA (The Employee Retirement Income Security Act) will not generally be accepted in Premier UMA. If an ERISA account is accepted, investments selected by EPS will be limited to “no transaction fee” mutual funds that are not affiliated with LFA. ERISA accounts may not use Portfolio Managers and are not eligible to purchase certain investments that may otherwise be available to non-ERISA accounts, including but not limited to, stocks, bonds, exchange-traded funds, mutual funds that charge transaction fees, and mutual funds issued or managed by an affiliate of LFA or Broker.

Evaluating the Cost of a Wrap-Fee Program:

Portfolio management services, if purchased separately, may cost more or less than they would under a “wrap fee,” as described below.

Your LFA Representative may receive more or less compensation than they would have if you used another program or paid separately for investment advice, brokerage and other services. Therefore, your LFA Representative may have a financial incentive to recommend this program over other programs or services. Factors affecting the total cost of the services would include, but are not limited to, the costs of separate professional account management services, frequency or volume of trading, or lack of trading activity, and the costs of trading.

Lincoln Premier UMA Asset Management Program Fees and Compensation (Form ADV, Part 2A – Item 5):

The minimum account size for Premier UMA is \$250,000. The maximum program fee is 3%. Fees and minimum account size may be negotiated based on the size and complexity of each your circumstances, including factors such as your investment objectives, family or other related accounts, assets under management and investment strategy. Fees and minimum account size are negotiated at the discretion of LFA, your LFA Representative, EPS, Broker and Custodian.

LFA charges an annual program fee based on a percentage of the average daily balance in your account for the quarter. Premier UMA fees cover various services, including investment management, custody, transactions, performance reporting, consulting, activity reporting, and tax reporting. The fee includes charges for the services of LFA, your LFA Representative, EPS, Broker, and Custodian, and all brokerage charges, except for IRA and Qualified Retirement Plan account termination fees, outgoing account transfer fees, and certain other administrative fees customary to a brokerage account.

Fees are billed quarterly, generally in arrears, based on the average daily balance of the account for the entire billing period. There may be situations where fees are billed quarterly in advance. The manner in which fees will be deducted from the account is described in the Client Services Agreement and authorized by you. There may be other fees to cover execution, brokerage and custodial costs. LFA may receive revenue related to assets held, transactions, and activity in Accounts. This revenue may include a portion of any transaction fees charged to you, asset-based revenue from NTF mutual funds, revenue from cash balances held in certain money market funds designated as “cash sweep” vehicles, and other revenue from mutual funds paid under Rule 12(b)-1 under the Investment Company Act of 1940. LFA, your LFA Representative, Broker, Custodian, EPS, and each of their respective affiliates may share in these fees. The availability of these fees may be a factor in negotiating your annual program fee.

The total fee paid by you includes a portion for LFA and your LFA Representative. The amount of this fee may be more than your LFA Representative would receive if you used other programs. Fees charged may vary by office and by LFA Representative. Certain LFA Representatives may provide similar services for fees that are different from those charged by other LFA Representatives. The portion of the total fee paid to LFA may increase based on the total value of your accounts in the program.

The Custodian pays revenue to LFA for providing certain support services. This revenue, which is based on the amount of mutual fund assets held in Premier UMA accounts, may be used by LFA to offset the costs of administering the program.

Fees generally include charges of LFA and various unaffiliated service providers, including fees for asset allocation advice, investment management, reporting, and certain brokerage and custodial charges. LFA may pay a portion of the total fee to unaffiliated service providers and/or investment advisors, including EPS, for services such as investment consulting, performance reporting, and other services.

Fees will not be charged on the basis of a share of capital gains or capital appreciation of your funds or any portion of your funds.

Additional fees may include: outside custodial fees; IRA/QRP custodial fees; transfer taxes; dividend reinvestment costs; odd-lot differentials; handling charges; electronic fund and wire transfer fees; and any other charges imposed by law or otherwise agreed to.

Each mutual fund, money market fund, unit investment trust, ETF, or similar investment vehicle in the Account has its own internal fees and expenses, including 12(b)-1 fees, which are listed in each prospectus. These fees and expenses are separate from the Advisory Fee and are established by the board of directors of each investment vehicle, and are subject to change from time to time. Please see the prospectus for further details. A portion of these fees may be paid to LFA, your LFA Representative, Broker and Custodian, and may be used to offset the costs of administering the program.

All existing securities in your account, with the exception of any mutual funds that already meet the allocation for the Portfolio, will be sold by EPS. EPS will use the proceeds to purchase the pre-selected no-load and/or load waived mutual funds for your Portfolio. The liquidation of some assets, whether they are sold before or after they are transferred into the account, may result in charges to you. Certain mutual funds carry surrender charges, back end sales loads or transaction charges which may be assessed upon liquidation. You are responsible for any charges associated with your holdings. All transaction charges will be clearly noted on your confirmation statements. There may also be markups or markdowns on individual fixed income securities. Neither LFA nor your LFA Representative will retain any portion of surrender charges, back-end sales loads, markups or markdowns. These charges are governed by your brokerage account agreement with Broker. The sale of securities may result in a capital gain or loss for you. Liquidations may have a negative effect on your tax situation. You are responsible for monitoring the cost basis and realized gains and losses on the transactions in your account.

Trades in securities that generally trade in “dealer markets,” such as fixed-income securities, may be executed through broker-dealers other than LFA, and the net purchase or sale prices shown on trade confirmations may reflect commissions, dealer markups or markdowns, and spreads. LFA may withhold any tax to the extent required by law, and may pay such taxes to the appropriate governmental authority.

LINC SOLUTIONS PROGRAM

Overview:

The LincSolutions Program (the “Program”) offers personalized investment advisory services and assistance in determining investment objectives and developing a strategic asset allocation. Through an analysis of the client’s overall financial circumstances, goals, objectives and risk tolerance, LFA assists the client in choosing an asset allocation using the appropriate investments and/or separate account managers. LFA provides portfolio monitoring and performance reporting on an ongoing basis, and will periodically review the client’s account with respect to performance results, goals and objectives, and offer recommendations on future investment management decisions. All advisory services provided by LFA are offered on a non-discretionary basis, and provide flexibility in order to assist each client in achieving their unique investment objectives and financial goals.

Process:

An LFA Representative will consult with you and, through the use of various questionnaires and software tools, will assist you in determining your financial objectives. Your LFA Representative will gather financial profile information such as the purpose of your account, your primary objective, risk tolerance, liquidity needs, age, occupation, income, net worth, tax considerations and other issues which might impact how your account is allocated. The financial information gathered by your LFA Representative will be used to assist you in accurately defining your investment objectives and risk tolerance by taking into account your unique financial circumstances, preferences, constraints, and goals.

After determining your investment objectives, liquidity needs, risk tolerance, and time horizon, your LFA Representative will perform an assessment of your current investments and evaluate the impact of economic and market conditions on your portfolio. This information will be used to develop recommendations for an asset allocation strategy and individual investment plan that will be summarized in a written Investment Policy Statement. In developing your personalized investment strategy, your LFA Representative will work with you to select separate account managers and/or securities such as mutual funds, stocks, bonds, exchange-traded funds and alternative investments to match your unique investment needs. If you elect to accept the recommendations, you will sign the Investment Policy Statement and initiate the implementation of your personalized investment strategy.

If you choose to have any of your assets managed by separate account managers, your LFA representative will provide any relevant documentation about your account to the manager(s). You should notify your LFA Representative if you wish to place any restrictions on the management of your account. While the managers can often accommodate reasonable restrictions, they reserve the right to accept or reject such restrictions for any reason. Under certain circumstances, you may request direct contact with a manager. However, such consultations occur at the discretion of each manager.

Your LFA Representative will provide you with quarterly performance reports and a monthly statement for every month in which trading activity takes place. These reports will assist you in monitoring the results of your investment account in relation to your particular goals and objectives stated in your Investment Policy Statement. Your LFA Representative will also monitor your account, and will periodically review your current allocation and account performance as agreed upon between you and your LFA Representative or as requested by you. Based on account performance and upon changes in your overall financial circumstances, your LFA Representative will assist you in making future decisions regarding the selection of investments and/or separate account managers. As often as is determined to be necessary, but at least annually, your overall financial condition will be evaluated to identify any changes in your situation and to determine whether any new circumstances warrant a change in your investment objective and/or your portfolio. Should your financial situation or investment objectives change and you wish to modify your investment objectives and or account restrictions at any time please notify your LFA Representative. Any relevant changes will be communicated to your separate account managers, if applicable. Your LFA Representative will also be available to answer any questions you may have.

Neither your LFA Representative nor LFA takes discretion over any assets in your account. Your LFA Representative must always obtain your authorization before placing any transactions. Furthermore, neither your LFA Representative nor LFA has the authority or ability to make deposits, withdrawals, transfers or any other non-trading decisions without your authorization and approval, with the exception of the charging of advisory fees, as discussed later.

How Separate Account Managers are Selected (Form ADV, Part 2A – Item 8):

The separate account managers available in the Program are chosen through a detailed due diligence and screening process designed to assess the managers’ investment philosophy, methodology and technical procedures. The program utilizes managers with varying investment styles who generally possess or exhibit:

- α Specifically stated goals
- α Identifiable and consistent investment strategies
- α A proven track record
- α Manageable amounts of money under management

At the beginning of the due diligence process, available managers are identified through various third-party resources, referrals, and independent advisors. Managers who do not have the minimum credentials required for completing the due diligence process are

eliminated, based on a review of the following types of information: performance, fees, legal problems, staff turnover, asset flow, etc. This phase of the process also includes an initial interview with the manager, if necessary.

Managers who meet these requirements must complete a detailed and comprehensive questionnaire, which is reviewed by independent analysts for factors such as: style adherence, performance dispersion, consistency, experience of key professionals, historical and projected asset growth, etc. Additional analysis occurs for tax sensitive and socially responsible managers. This phase of the process frequently entails visitations and in-depth manager interviews. An independent due diligence committee scrutinizes the data and makes final selections.

The managers are also reviewed to determine the methodology used in calculating performance and the standards that are being applied. A reasonable effort is made to ensure that investment managers' performance composites are calculated in conformance with industry standards. Not all managers calculate and report performance on a uniform and consistent basis, and LFA does not review or make any representations as to the accuracy of the stated performance.

Key data on the managers' performance are updated on an ongoing basis, and client accounts and managers are monitored for factors such as: performance, dispersion of returns, allocations, cash positions, restrictions, and style. The data is compared to benchmarks and indices to evaluate relative performance. Telephone interviews occur on a regular basis to obtain portfolio updates. Important components of the data are made available to your LFA Representative in reports, bulletins, and manager profiles. Underperforming managers are placed on watch lists, which target them for additional scrutiny and due diligence.

A structured, proactive process is used to recommend the replacement of a manager, which may occur for various reasons such as: managing inconsistently with their stated style and philosophy, significant performance variances from their benchmark over a market cycle, the departure of a professional who was key to the performance record of the firm, and serious regulatory problems or compliance issues.

Tax considerations are also important, and managers are available in both taxable and tax-exempt markets.

Evaluating the Cost of a Wrap-Fee Program:

Portfolio management services, if purchased separately, may be more or less than if paid for on a wrap fee basis as described above. Similarly, the compensation received by your LFA Representative may be more or less than that which would be received if you used another program or paid separately for investment advice, brokerage and other services. Therefore, a possible financial incentive to recommend the wrap-fee program over other programs or services may exist. Factors affecting the total cost of the services include, but are not limited to, the costs of separate professional account management services (non-wrap rate which may be higher), frequency (volume) of trading, or lack of trading activity, and the associated costs of trading.

The Program exclusively uses LFA as introducing broker-dealer and National Financial Services Corporation (NFS) as custodial and clearing broker-dealer, and in order to participate in the Program, you must direct the use of LFA and NFS for these purposes. By directing the execution of all transactions through a particular broker-dealer, you may pay more or less in commissions than other clients of LFA or the managers that do not direct the use of a particular broker-dealer. In directing all transactions through LFA, neither LFA nor the managers shall negotiate commission rates and other transaction costs, and you may not necessarily obtain commission rates and execution as favorable as those of other broker-dealers.

Program Fees and Compensation (Form ADV, Part 2A – Item 5):

LFA charges an annual advisory fee based on a percentage of each account's assets under management. Fees are billed quarterly in advance based upon the market value of the assets under management, including accrued interest, at the beginning of each calendar quarter. Fees will be debited from the account in accordance with your authorization in the Advisory Services Agreement. Fees are generally negotiable, and may be based upon a number of factors including, but not limited to, your investment objectives, family or other related accounts, assets under management and the investment strategy employed. The maximum fee is 3% of assets under management. The minimum amount required to open an account in the Program is negotiable and may vary across different LFA Representatives.

The total fee paid by you includes a portion for LFA and the LFA Representative. The amount of this compensation may be more than the LFA Representative would receive if you participated in other programs. Additionally, this compensation may vary based on the types of securities or mutual funds held in the Program account. A higher percentage of the account fee is retained by LFA on individual stocks, bonds, and mutual funds. The account fee retained may be used by LFA to offset the cost of offering these securities in the Program.

LFA may pay a portion of the total fee paid by you to unaffiliated service providers and/or investment advisors, including but not limited to, FDX Advisors, Inc. ("FDX"), for providing services such as obtaining, coordinating and monitoring the services of separate account managers, investment consulting, performance reporting, and other services.

The review and selection of FDX was based on their ability to provide an overall set of services necessary to administer the program, which may include a variety of functions as listed above. If LFA, through its ongoing relationship with FDX, determines that FDX is no longer able to perform these services effectively, LFA may recommend the replacement of FDX or discontinue the program.

The portion of the total fee that is retained by LFA may increase based on the total value of client accounts in the Program.

Additional Fees:

Fees generally include most charges of LFA and various unaffiliated service providers, including fees for investment management services, reporting, and custodial charges by National Financial Services Corporation (NFS). Additional fees may include: outside custodial fees; IRA/QRP custodial fees; transfer taxes; dividend reinvestment costs; odd-lot differentials; handling charges; electronic fund and wire transfer fees; and any other charges imposed by law or otherwise agreed to. In addition, transaction fees, mark-ups or mark-downs, and other charges to cover execution, brokerage and custodial costs may apply to certain mutual funds, stocks, bonds and other securities. A portion of these additional fees and charges may be paid to LFA by NFS or various third parties.

Wrap fees paid by you do not cover management and distribution expenses charged by mutual funds, money market funds, or unit investment trusts. Certain mutual funds may also charge service fees such as 12(b)-1 fees, a portion of which may be received by NFS and/or LFA. The amount of mutual fund's 12(b)-1 fees is included among normal mutual fund expenses, which are charged to the mutual fund and are reflected on the fund's financial statement. Please consult the appropriate prospectus for further details. LFA receives a portion of this revenue from NFS based on the amount of assets held in these funds. This revenue may be used to offset the costs of administering the Program.

Any existing securities that are transferred into an account managed by a separate account manager may be liquidated by that manager. The liquidation of some assets, whether sold before or after being transferred into the account, may result in charges to you. Certain mutual funds carry surrender charges, back-end sales loads or transaction charges which may be assessed upon liquidation. You are responsible for any charges associated with your holdings. The sale of securities may result in a capital gain or loss for you. Liquidations may have a negative effect on your tax situation. You are responsible for monitoring the cost basis and realized gains and losses associated with the transactions in your account.

Trades in securities that customarily trade in "dealer markets," such as fixed income securities, may be executed through broker-dealers other than LFA, and, the net purchase or sale prices reflected on trade confirmations may reflect commissions, dealer "mark-ups" or "mark-downs," and spreads. LFA may withhold any tax to the extent required by law, and may pay such taxes to the appropriate governmental authority.

LINCOLN MANAGED ASSETS PROGRAM

Lincoln Managed Assets Program ("LMAP" or the "Program") is a wrap-fee program, sponsored by LFA. LFA has partnered with Independent Portfolio Consultants, Inc. ("IPC") so that IPC may function as a consultant to LFA in performing due diligence on participating investment management providers ("Investment Managers"), and providing additional services in support of LMAP. LFA's review and selection of IPC was based on IPC's ability to provide an overall set of services in support of LMAP, including investment management, investment manager due diligence, research, technology and administrative support. If LFA, through its ongoing evaluation of IPC and LMAP, determines that IPC is unable to perform these services effectively, LFA may replace IPC with another service provider or discontinue the program.

IPC has arranged with Managed Account Services, LLC ("MAS") to act as the broker-dealer with respect to client accounts. MAS uses First Clearing, LLC ("First Clearing") on a fully-disclosed basis for clearing and custody services for LMAP accounts. LMAP is designed for individuals and institutional clients who prefer to have their portfolio professionally managed in a personalized manner, and seek professional assistance in determining appropriate investment objectives, based on their investment goals, preferences and constraints. Clients in the Lincoln Managed Assets Program are able to have direct contact and discussion with the Investment Manager responsible for their account(s).

IPC is headquartered in Boca Raton, Florida, and has been registered as an investment advisor with the SEC since 2002. IPC has a history of supporting wrap-fee programs by employing a highly skilled group of experienced professionals, supported by an exceptional client services team. Individuals associated with IPC that provide these services are licensed, qualified and authorized to provide advisory services as investment adviser representatives.

LFA has arranged with IPC to provide research services and assist LFA in recommending appropriate Investment Managers, as well as to provide ongoing evaluation of the Investment Manager. IPC provides administrative support including account opening and servicing functions to LMAP accounts. IPC also provides various reports, including the client's quarterly report to assist the LFA Representative in the review of the client's account(s).

Lincoln Managed Assets Program Services:

An LFA Representative will consult with the client and assist the client in determining his or her financial objectives, by taking into account the client's unique financial circumstances, including preferences, constraints, goals, risk tolerance and tax status. Working with IPC, the LFA Representative will recommend an investment plan, assist the client in determining the appropriate amount of assets to be invested, evaluate the impact of economic and market conditions on the client's current portfolio, and perform an assessment of the client's current investments. After considering factors that may include the client's investment objectives, liquidity needs, risk tolerance, time horizon and the potential impact pertaining to inflation and taxation, as well as any client preference or aversion to specific

industries, the LFA Representative, working with IPC, will present the client with a written Investment Policy Statement outlining an asset mix appropriate to the client's situation.

The LFA Representative will work with the client to select a professional investment manager(s) whose style and abilities are appropriate for the client's investment needs. The LFA Representative, working with IPC, will recommend one or more Investment Managers, which the LFA Representative believes is appropriate, to manage the client's investment account and provide investment management services. Once the client has elected to establish an investment account, he or she will select a professional manager(s) and sign an investment agreement between the client and the selected Investment Manager(s). This agreement outlines the terms by which the account is to be managed. Included in the investment management agreement is a statement of investment objectives, which outlines the client's investment objectives. If the client's financial situation or investment objectives change and the client wishes to modify the investment objectives and or account restrictions at any time, the client should notify their LFA Representative.

The Program's full range of customized services described above may also be referred to as the "full-service" account provided by LMAP.

Multiple Strategy Portfolio Services

Investment Philosophy and Style

Multiple Strategy Portfolio ("MSP") is an investment strategy that uses investment models that provide for additional diversified management using various equity asset classes and strategies. A model is a master investment portfolio. Client portfolios are designed to look like and attempt to replicate the master investment portfolio.

The IPC MSP Model portfolios use "asset allocation strategies," which consider the historic rates of return of different asset classes over long periods of time. An asset class is a broad group of individual securities or investments that have similar characteristics, such as risk or market capitalizations.

These multiple diversified strategies are contained in a single custodial account, hence the name "Multiple Strategy Portfolio." The primary purpose for investing into an MSP is to provide further diversification to the client's portfolio, without significantly increasing the expected equity sector volatility in the process. Certain clients participating in LMAP, who are able to meet minimum asset size standards, may choose to have a portion of their assets invested in an MSP account.

IPC uses model portfolios provided by other registered investment advisers ("Model Managers") in managing the portfolio. The Model Managers will act as either a Sub-Adviser or Research Provider to IPC in the MSP investment styles and strategies. As the coordinating manager of the Sub-Advisers and of the MSP Model portfolios ("Overlay Portfolio Manager"), IPC has discretion over the MSP account. However, under certain circumstances and at the client's request, IPC may also act as a manager in an MSP account without a Sub-Adviser relationship.

The philosophy of the MSP is to create model portfolios based upon the investment strategies selected by the client utilizing "specialty" asset classes. For purposes of the MSP, specialty asset classes are generally identified as "small capitalization," "mid capitalization," "tactical asset allocation," "international investment," "global" and "real estate investment" strategies. IPC's overlay management makes these specialty asset classes accessible to clients via model management for two reasons:

- (1) In terms of asset size, each specialty asset class portfolio makes up a significantly smaller percentage of the client portfolio than the LMAP "full-service" asset class portfolios described above. It would be difficult for a quality Investment Manager to provide a high level of customized service to these small portfolios, which generally makes these asset classes unavailable in the "full service" version of LMAP.
- (2) Broad diversification, a key element of specialty asset class portfolios, is typically delivered in a highly disciplined manner. Consequently, specialty asset class portfolios are, by their own design, less tax-sensitive and less customized. When it is time to sell a small cap stock with disappointing news or an international stock based in a country which just became politically unstable, the stock is sold. Investment decisions consistently override all other portfolio considerations, including tax-sensitivity.

IPC selects the Model Manager Models for the MSP based upon their specialized management styles and strategies. The securities selected for the client's MSP are chosen by the Model Manager from that particular manager's investment model or focus list (or by IPC based upon the client's Statement of Investment Policy if no Sub-Adviser or Research Provider relationship exists). Changes in a model portfolio are based upon the Model Manager's Investment Policy, Research and/or Focus Committees' decisions.

While both cash and securities may be used to establish MSP accounts, it is the intent of IPC that all securities so received be

liquidated prior to, or simultaneous with, the purchase of securities for the account.

MSP-One Account Solution Services for Client Relationships Under \$1,500,000

Objective of MSP-One Account Solution

The MSP-One Account Solution (“MSP-OAS”) is designed to provide managed account services for those clients who:

- (1) are seeking a broader level of portfolio diversification than that available through the “full-service” Program for the level of financial assets they are seeking to place under professional management, and
- (2) are seeking to have all their assets, by title, managed in one account.

This type of an account and the services provided may be better suited for clients with less than \$1,500,000 of financial assets available for investments, depending upon the client’s goals and objectives.

In the MSP-OAS, IPC provides three separate and distinct Model Manager solutions or options for managing client accounts.

- The first solution is an all capitalization, individual common stock portfolio investment strategy provided by Blue Shores Capital. Blue Shores Capital (“BSC”) is a proprietary money management division of IPC.
- The second solution is an actively managed all capitalization, core equity ETF investment strategy. The core equity ETF strategy is a model supplied by a non-affiliated investment advisor, who will act as the Sub-Adviser to IPC. IPC will act as the Overlay Portfolio Manager for the core equity ETF investment strategy.
- The third solution is a Model Manager Portfolio designed to provide diversification for accounts up to \$1,500,000 in assets. The model portfolios, based upon managers participating in the asset allocation models, consist of allocating various manager strategies to create one account. Thus, each of the managers strategies selected will represent a portion of the account. The strategies are provided by Investment Managers who act as Sub-Advisers to IPC. This third solution requires a minimum of two investment strategies and a minimum account size of \$500,000.

The risk associated with this Model Manager Portfolio strategy allocation, depending upon the size of the account, is that a balanced account with only two strategies may be limited to one large capitalization equity investment strategy. Thus, while the fixed income sector is broadly diversified through the Sub-Adviser’s use of Exchange Traded Funds (ETFs) for fixed income, the equity sector will be limited to one large capitalization growth, value or core equity strategy. Consequently, such an account with two strategies may not provide the client with the equity diversification that other investment products would provide, including various combinations of equity mutual funds. However, a \$500,000 all equity account will provide the Client with the diversification of two different equity strategies within one account.

When appropriate, and requested by the Client, all three One Account Solutions may use fixed income ETFs. Fixed income ETFs can be used to create a balanced account approach, whereby the account has a combination of both equity and fixed income securities. The LFA Representative, generally working in conjunction with IPC Consultants, will assist each client in the selection of the investment strategy that is appropriate for the client’s investment objectives.

Emerging Manager Multiple Strategy Portfolio Services

Emerging Manager MSP Investment Philosophy

The Emerging Manager MSP is specifically designed to provide managed account services to those clients who seek additional equity diversification by utilizing one or more emerging manager styles or strategies in an MSP account. The Emerging Manager MSP is an investment strategy that uses investment models that are able to provide for additional diversified management using various asset classes and strategies provided by investment firms considered to be “Emerging Managers” (described below). For clarification, an investment model is a master investment portfolio. Client portfolios are designed to look like and attempt to replicate the master investment portfolio of the Emerging Manager’s style or strategy. However, there

may be other considerations that may impact the investment process and performance. Such other consideration could include: (1) the size of the client's account(s); (2) the presence or absence of investment restrictions; (3) the timing of trades and (4) the presence of deposits and withdrawals.

Emerging Managers are defined differently by various entities and those definitions change over time. Most definitions revolve around assets under management, performance history, employee ownership and minority ownership. The review of Emerging Managers is generally dynamic and complex and simply using a quantitative data base as a selection method may not be appropriate. For a number of reasons, qualitative insight plays a prominent role, particularly at the start.

Emerging investment firms tend to be companies where investment performance takes precedence over asset-gathering, where niche or innovative investment strategies are designed to capture unrecognized market inefficiencies. Management of emerging investment firms are generally highly motivated to succeed through ownership structures representing financial incentives as well as the psychological incentives of working within an entrepreneurial culture. Emerging investment firms frequently are still emerging precisely because they emphasize performance over asset-gathering – in fact, the very reasons why these companies offer significant potential often are the same reasons why they have not yet been widely used.

There are three main reasons that potential clients may choose to consider Emerging Managers: (1) Empirical data suggests that some small firms outperform their larger counterparts; (2) Emerging Managers may have more drive to succeed, often to the benefit of their investors; (3) The nimbleness of Emerging Managers may allow them to take advantage of market opportunities. However, there is no guarantee that by engaging an Emerging Manager that any of these reasons will actually be realized in the performance results of a client's portfolio.

These Emerging Manager multiple diversified strategies are contained in a single custodial account, hence the name "Multiple Strategy Portfolio." The primary purpose for adding an MSP is to provide further diversification to the client's portfolio.

IPC uses model portfolios provided by Emerging Managers who are registered investment advisers. However, CbF Advisors, LLC ("CbFA") will act as Sub-Adviser to IPC in the Emerging Manager MSP investment styles and strategies. IPC has entered into a strategic alliance with CbFA. CbFA will use the services of Clearbrook Investment Consulting ("CIC"), a related company and an SEC-registered investment advisor, for Emerging Manager research and due diligence.

CIC has a 25-year history as an institutional consultant with over \$30 billion of assets under consultation. CIC has a dedicated Emerging Manager research effort. As a related company, CbFA has full and timely access to the CIC Emerging Manager research and due diligence data base. IPC, in conjunction with CbFA, will use this proprietary information to select appropriate Emerging Managers for IPC's Emerging Manager MSP. CbFA will negotiate the Emerging Manager sub-advisory contracts and arrange for the Emerging Manager portfolio models to be delivered to IPC. As Overlay Portfolio Manager, IPC has discretion over the Emerging Manager MSP account(s).

While both cash and securities may be used to establish an MSP accounts, it is the intent of IPC that all securities so received be liquidated prior to, or simultaneous with, the purchase of securities for the account.

Tax-Transition Management Portfolio Services

Tax-Transition Management Investment Philosophy

Tax-Transition Management ("TTMP") is an investment management strategy designed to provide tax-efficiencies for clients who seek to minimize their capital gains when changing investment strategies or advisors. The strategy's objective is to transition clients' portfolios from significant, low-cost basis, or concentrated common stock positions to pre-determined, targeted, diversified portfolios of common stocks in a highly tax-sensitive and efficient manner. The speed of the transition is dependent upon the client's annual capital gains budget. As portions of the low-cost basis stock positions are sold, the proceeds are reinvested in the common stock positions as identified in the targeted portfolio.

LFA, through IPC, assists the client in developing a Statement of Investment Policy and an asset allocation guideline, while the client sets their capital gains budget for the transition. IPC provides various investment styles using other registered investment advisers who act as Sub-Advisers to IPC. LFA, through IPC, assists the client to customize their targeted portfolio based upon the client's risk tolerances and objectives.

IPC employs an Overlay Tax-Transition Portfolio Manager as a Sub-Adviser who monitors and coordinates the trading done within each of the investment styles to ensure that decisions are being made in the most tax-efficient manner. The Overlay Tax-Transition Portfolio Manager also monitors and estimates the tracking error between a client's current portfolio and the customized targeted portfolio. Once the concentrated position is completely liquidated, the client's current portfolio will match the selected Sub-Advisers' investment styles within the targeted portfolio.

IPC selects the Sub-Advisers for this product based upon their specialized management styles and strategies. The securities selected for the client's Tax-Transition Management Portfolio are chosen by the Sub-Adviser from that particular manager's investment model or focus list. All changes in a Sub-Advisers portfolio are based upon the Sub-Adviser's Investment Policy, Research and/or Focus Committees' decisions.

Lincoln Managed Assets Program Fees (Form ADV, Part 2A – Item 5):

LMAP is an advisory wrap-fee program offering the services of various independent managers that will manage the client's account on a discretionary basis. The fee schedule applicable to an LMAP Account is determined based on the type and size of the account as set out below. Except as otherwise noted, fees are calculated per Investment Manager, for each account, based upon an overall client relationship (i.e. total amount of assets and accounts to be managed).

All fees are negotiable based upon a number of factors including, but not limited to, the client's objective, family or other related accounts, amount of assets under management, the anticipated level of transactions, the number of Investment Managers and the investment strategy(ies) employed. The fees are billed monthly in arrears, based upon the market value of the assets under management (without reduction for any margin debit) including accrued interest, at the end of each calendar month. Fees will be automatically debited from the account in accordance with the client authorization as described in the Letter Agreement with LFA and/or the Investment Advisory Agreements for the MSP, MSP-OAS, Emerging Manager MSP or Tax-Transition Management Portfolio services.

The fees include the costs associated with consulting and advisory research and including:

- Developing a client's Statement of Investment Policy
- Assisting the client in the selection of Investment Managers, Styles and Strategies
- Professional investment management services
- Monitoring of Investment Managers review services
- Performance monitoring and reporting
- Ongoing Consulting and advisory services
- Due diligence (except as noted below in Section 6, entitled "Portfolio Manager Selection and Evaluation")

The fees also include brokerage commissions on the purchase and sale of securities, if MAS acts as broker, and custody charges, if MAS' selected clearing firm is the custodian. Additional fees may be incurred for transactions executed other than through MAS or if a custodian other than MAS is used. Managed Account Services, LLC is a securities broker-dealer registered with FINRA, and is a member of the Security Investors Protection Corporation ("SIPC"). The primary business of MAS is as a securities broker-dealer.

The initial fee covers the period from the inception date through the last day of the first billing month and will be pro-rated accordingly. Thereafter, the client will be charged on a monthly basis in arrears. The monthly fee will be calculated based on the market value of the account on the last business day of the billing cycle and will become due the first business day following the month for which the fee is charged.

In the event an account does not maintain a sufficient cash or money market fund balance to cover LMAP's fee, the client may deposit additional funds (subject to certain restrictions for IRA and qualified retirement plan accounts) within five days, or MAS may, at its discretion, sell securities held in the account sufficient to cover fees.

For clients subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") or other tax qualified accounts, the receipt of compensation and fees referred to in this Brochure are subject to the restrictions imposed by ERISA and any applicable exemption thereto.

The total fee paid by the client includes a portion for LFA, a portion for IPC, a portion to cover brokerage and custodial costs, and the fee of the Investment Manager, Model Manager and/or Emerging Manager. LFA will earn more for MSP-One Account Solution Accounts in LMAP than the fees stated below. IPC has agreed to pay LFA 0.05% ("5 basis points") from its portion of the client's fees, in regard to MSP-One Account Solution for client accounts opened after December 31, 2010. For example, if the client's fee is 2.25%,

IPC receives 1.25% of the fee and LFA receives 1.00% of the fee. IPC then pays LFA an additional 5 basis points so that LFA's total fee is 1.05% and IPC's total fee is 1.20%. Applicable fee schedules are as follows:

LMAP Annual Fee Schedules

Equity Accounts

	Market Value Of Account	Client Fee	LFA	Investment Manager	IPC
First	\$ 500,000	2.500 %	1.000 %	0.750 %	0.750 %
Next	\$ 1,500,000	2.250 %	0.900 %	0.750 %	0.600 %
Next	\$ 3,000,000	1.750 %	0.750 %	0.500 %	0.500 %
Next	\$ 5,000,000	1.500 %	0.650 %	0.500 %	0.350 %
Next	\$ 10,000,000	1.250 %	0.500 %	0.400 %	0.350 %

Balanced Accounts

	Market Value Of Account	Client Fee	LFA	Investment Manager	IPC
First	\$ 500,000	2.500 %	1.200 %	0.500 %	0.800 %
Next	\$ 1,500,000	2.000 %	1.000 %	0.500 %	0.500 %
Next	\$ 8,000,000	1.500 %	0.750 %	0.400 %	0.350 %
Next	\$ 10,000,000	1.250 %	0.625 %	0.300 %	0.325 %

Preferred Equity/Balanced Accounts (over \$1,000,000)

	Market Value Of Account	Client Fee	LFA	Investment Manager	IPC
First	\$ 1,000,000	1.750 %	0.775 %	0.500 %	0.475 %
Next	\$ 1,000,000	1.650 %	0.760 %	0.500 %	0.390 %
Next	\$ 3,000,000	1.500 %	0.750 %	0.400 %	0.350 %
Next	\$ 5,000,000	1.250 %	0.580 %	0.400 %	0.270 %
Next	\$ 10,000,000	1.000 %	0.450 %	0.300 %	0.250 %

Equity Opportunistic Accounts

	Market Value Of Account	Client Fee	LFA	Investment Manager	IPC
First	\$ 1,000,000	1.750 %	0.775 %	0.550 %	0.425 %

Next	\$	1,000,000	1.650 %	0.760 %	0.550 %	0.340 %
Next	\$	3,000,000	1.500 %	0.750 %	0.550 %	0.200 %
Over	\$	5,000,000	Negotiable			

Equity Tax-Transition Management Accounts

Market Value Of Account		Client Fee	LFA	IPC
First	\$1,000,000	1.950%	0.775%	1.175%
Next	\$1,000,000	1.850%	0.760%	1.090%
Next	\$3,000,000	1.700%	0.750%	0.950%
Next	\$5,000,000	1.450%	0.580%	0.870%
Next	\$10,000,000	1.200%	0.450%	0.750%

Under certain circumstances, fixed income accounts using laddered bond portfolios and equity accounts holding qualified replacement assets are available at negotiated rates of one half the fee schedule for fixed income accounts and equity accounts, respectively.

Fixed Income Accounts

Market Value Of Account		Client Fee	LFA	Investment Manager	IPC
First	\$ 1,000,000	1.250 %	0.400 %	0.350 %	0.500 %
Next	\$ 4,000,000	1.000 %	0.350 %	0.300 %	0.350 %
Next	\$ 5,000,000	0.750 %	0.300 %	0.250 %	0.200 %
Next	\$ 10,000,000	0.625 %	0.250 %	0.250 %	0.125 %

Preferred Fixed Income Accounts (over \$1,000,000)

Market Value Of Account		Client Fee	LFA	Investment Manager	IPC
First	\$ 1,000,000	1.050 %	0.350 %	0.350 %	0.350 %
Next	\$ 2,000,000	1.000 %	0.350 %	0.300 %	0.350 %
Next	\$ 2,000,000	0.900 %	0.300 %	0.300 %	0.300 %
Next	\$ 5,000,000	0.800 %	0.300 %	0.250 %	0.250 %
Next	\$ 10,000,000	0.650 %	0.250 %	0.250 %	0.150 %

Fixed Income Plus Accounts

Fixed Income Plus Accounts are designed for clients who wish to invest most of their assets in fixed income investments, in

conjunction with a smaller investment in equity securities. (The account is designed to contain not more than a 20% equity allocation at cost; however, the equity portion of the account may increase to approximately 30% of the account as a result of market appreciation.) The total fee for a Fixed Income Plus Account is determined by applying the Equity Account Fee Schedule to the equity portion and the Fixed Income Fee Schedule to the fixed income and cash equivalent portion.

Multiple Strategy Portfolio Accounts

Clients will pay an annual fixed fee of 1% of assets under management in an MSP account plus \$2,500 per individual investment strategy selected. However, the emerging market investment strategy fee can be waived if it is part of an international investment strategy allocation. Generally, fees are not negotiable for the MSP and individual investment strategies. Exceptions are made for the Exchange-Traded Funds managed portfolios and portfolios managed by IPC without a Sub-Adviser arrangement. While fees are generally not negotiable within the MSP, IPC and LFA may negotiate such fees on a case-by-case basis. LFA receives approximately 40% and IPC 60% of the annual fee for the investment advisory and management services provided.

Fees with respect to the portion of a client's LMAP account not invested in the Multiple Strategy Portfolio will be calculated as set out in one of the other above stated fees schedules. Assets invested in the Multiple Strategy Portfolio Accounts will **not** be considered in establishing fees applicable to those other assets. For example, a client has \$1,500,000 of investable assets and allocates \$500,000 to an MSP account and \$1,000,000 to an all equity "full-service" account. The MSP fee schedule would apply to the \$500,000 and the Equity Preferred Accounts fee schedule would apply to the \$1,000,000 account.

Multiple Strategy Portfolio-One Account Solution

Market Value			
Of Account	Client Fee	LFA	IPC
First \$ 250,000	2.250%	1.000%	1.250%
Next \$ 250,000	2.250%	1.500%	0.750%
Next \$ 500,000	1.750%	1.200%	0.550%
Thereafter	Negotiable		

While fees are generally not negotiable within the MSP-One Account Solution, IPC and LFA may negotiate such fees on a case by case basis

Emerging Manager Multiple Strategy Portfolio Accounts

Market Value	Maximum	Maximum	
Of Account	Client Fee	LFA Fee	IPC
First \$1,000,000	2.000%	0.800%	1.200%
Next \$1,000,000	1.750%	0.750%	1.000%
Over \$2,000,000	Negotiable		

Asset Retention Incentive Program

Once the aggregate value of the client accounts in the Program exceeds five hundred million dollars and an individual client account has been retained in the Program for a minimum of one year, IPC will pay a portion of its fees relating to the individual client account, excluding the MSP, MSP-OAS, Emerging Manager MSP and TTMP Accounts, to LFA. This incentive does not affect the amount of fees paid by the client. IPC's portion of the fees relating to the individual client account will decrease and LFA's portion will increase by the following amounts:

Market Value of Account	Incentive Amount
\$ 0 to \$499,999	0%
\$ 500,000 to \$1,999,999	5% of IPC's Fees
\$ 2,000,000 to \$3,999,999	10% of IPC's Fees
\$ 4,000,000 and greater	15% of IPC's Fees

Additional Client Fees

The fee charged for participation in the LMAP ("Program Fee") listed in this Brochure (including the Multiple Strategy Portfolio, MSP-OAS, Emerging Manager MSP and Tax-Transition Management Portfolio services) is known as a "wrap-fee." The Program Fee covers the cost of most services provided by LMAP, Investment Managers, Sub-Advisers, Model Managers and Emerging Managers including fees for program operations, MAS custodial charges and all brokerage commissions of MAS. The Program Fees do not include: (1) custodial fees for assets held outside MAS; (2) account maintenance or trustee fees charged for MAS (or their clearing agent, First Clearing) on qualified retirement plan, IRA, cash management or similar accounts; (3) transfer taxes; (4) dividend reinvestment costs; (5) odd-lot differentials; (6) foreign receives and delivers; (7) safekeeping fees or (8) any other charges imposed by law or otherwise agreed to with regard to client accounts. These fees will be charged to client accounts in addition to the Program Fees.

As with most wrap-fees, the Program Fee does not cover the management, distribution and other fees and expenses incurred by mutual funds, money market funds, unit trusts, exchange-traded funds or closed-end funds held in a client's account. These fees are described in the prospectus of each respective investment product and are paid to the fund's investment advisers and other service providers, but ultimately are borne by all shareholders.

Neither does the Program Fee cover debit balances with MAS, any other custodian fees, nor margin interest on such margin debit balances. To the extent that margin is used, fees will be calculated on the total market value of the account without the reduction of any debit balance. Trades in securities that customarily trade in "dealer markets," such as fixed income securities, may be placed through broker-dealers other than MAS, and, accordingly, the net purchase or sale prices reflected on client confirmations of such trades may reflect commissions or dealer "markups" or "markdowns" charged and "spreads" earned by such other broker-dealers. This is also true when Investment Managers select broker-dealers other than MAS for some, or all, of their trade executions.

IPC and the client agree that MAS may withhold any tax to the extent required by law, and may remit such taxes to the appropriate governmental authority. Additionally, the cash that is in the client's Account awaiting investment may be placed in money market funds with management expenses and distribution fees which are paid under distribution plans adopted by the funds pursuant to Rule 12b-1 under the Investment Company Act of 1940. To the extent consistent with ERISA, MAS may receive all or a portion of those distribution fees from the funds.

Evaluating the Cost of the LMAP Wrap-Fee Program

Portfolio management services, if purchased separately, may cost more or less than if paid for on a wrap-fee basis as described in this Brochure. Similarly, the compensation received by the LFA Representative recommending the services may be more or less than they would have received had the client participated in another program or paid separately for investment advice, brokerage services, custodial and other services. Therefore, LFA and LFA Representatives may have a possible financial incentive to recommend the wrap-fee program over other programs or services.

However, in evaluating a wrap-fee arrangement to determine if the wrap-fee charged is more or less than the aggregate cost of such services, if they were to be provided separately, a client should recognize the following. The brokerage transactions are made "net" of commissions (i.e., without commissions) and a portion of the wrap-fee is generally considered as being in lieu of commissions. Additionally, the client should consider the level of activity (trading volume or frequency) in a client account, the value of custodial and other brokerage services, the associated cost of trading, the advisory services and consulting services provided under this arrangement, including professional account management services.

Account Requirements and Types of Clients (Form ADV, Part 2A – Item 7):

Minimum Account Size; Account Termination

Generally, the minimum dollar relationship size for each manager within LMAP is \$1,000,000, with the exception of the MSP, MSP-OAS, Emerging Manager MSP and Tax-Transition Management Program. The maximum number of individual accounts permitted in a \$1,000,000 relationship is three. The minimum account size is \$250,000 within a relationship.

An MSP Account is available to Clients who have opened an LMAP “full-service” account (i.e., a non-MSP type account) with at least \$1,000,000 under management. In order to open an MSP account, a Client must have a minimum investment of \$500,000 for the MSP account. The MSP is an accommodation offered to further diversify a Client’s other LMAP investments and is not offered as a stand-alone service or product. LFA and IPC reserve the right to terminate a Client’s account within the MSP, if that Client fails to maintain a “full-service” managed account within LMAP.

The MSP minimum account size is \$500,000. However, within the MSP account, the average minimum investment per style or strategy is \$250,000. For example, a client may have selected two investment styles within an MSP, one style with \$400,000 while the other style is invested with \$100,000, totaling \$500,000. The two investments meet the average minimum investment requirement of \$250,000.

The MSP-One Account Solution minimum account size is \$200,000 and the fee is generally based upon the size of the account and not the relationship. However, the One Account Solution – Model Manager Portfolio has a minimum account size of \$500,000 and an account average strategy allocation requirement of \$250,000.

The Emerging Manager MSP minimum account size is \$500,000. However, within the Emerging Manager MSP account the minimum investment per style or strategy is \$250,000. The maximum number of styles or strategies permitted within the Emerging Manager MSP is four (4).

Additionally, the Emerging Manager MSP is not a stand-alone product, but rather a diversifier to clients who have at least \$1,000,000 of current equity holdings, exclusive of equities within the Emerging Manager MSP. Current equity holdings considered may, or may not, be under IPC consultation and/or the introducing LFA Representative’s direction.

The minimum account size for the Tax-Transition Management Portfolio is \$2,000,000.

The minimum and maximum constraints may be waived at LFA’s and IPC’s discretion. Although LFA’s and IPC’s general business practice is not to terminate accounts based on reduction in account value, LFA and IPC reserve the right to terminate an account that drops below the required minimum size.

Either LFA or the client may terminate the management agreement(s) upon thirty (30) days’ prior written notice. In addition, the client has the right to terminate the agreement(s) at no cost (excluding market fluctuations or possible tax ramifications in event of a liquidation), upon written notice to LFA, any time within five (5) business days after the effective date in which the client signed the agreement(s). If participation in a wrap-fee program is terminated by either LFA or the client, a pro-rata fee from the date of termination through the end of the previous billing period will be billed.

Types Of Clients

Clients may include, but are not limited to, individuals, pension and profit sharing plans, trusts, estates, charitable or non-profit organizations, corporations, municipalities and Wealth Management Companies. Tax-qualified, pension and profit sharing plans or other retirement vehicles subject to ERISA or the Internal Revenue Code of 1986, as amended are subject to special rules.

Portfolio Manager Selection and Evaluation (Form ADV, Part 2A – Item 8):

Investment Manager Due Diligence

Selection of Investment Managers Available in the Program

LFA has arranged with IPC to provide research services and assist LFA in recommending appropriate Investment Managers, as well as to provide ongoing evaluation of Investment Managers.

The Investment Managers available in LMAP are chosen by IPC through a detailed assessment of the Investment Managers investment philosophy, style, methodology and technical procedures. The program uses Investment Managers with varying investment styles and geographic locations. The Investment Managers chosen for LMAP generally possess or exhibit:

- Specifically stated goals
- Identifiable and consistent investment strategies
- A proven track record
- An appropriate level of assets under management
- Upon acceptance to LMAP, claim compliance to the Global Investment Performance Standards* (“GIPS®”) (except for MSP, MSP-OAS, Emerging Manager MSP and TTMP)

*The Global Investment Performance Standards (“GIPS®”) are a set of standardized, industry-wide ethical principles that provide investment firms with guidance on how to calculate and report their investment results to prospective clients. The GIPS® standards are voluntary and are based on the fundamental principles of full disclosure and fair representation of investment performance results. Claiming compliance with the GIPS® standards demonstrates a firm-wide commitment to ethical best practices and that the firm employs strong internal control processes. The GIPS® Executive Committee promotes the adoption and implementation of GIPS®, believing that global standardization of investment performance reporting gives investors around the world the additional transparency they need to compare and evaluate investment managers.

After IPC determines that the above parameters have been satisfied, IPC’s review continues. This review which may include, but is not limited to, the development of a company profile, analysis of the organization and its procedures and an assessment of the firm’s adherence with regard to some of the general requirements and disclosures of the Advisers Act. An evaluation of the following may also be completed: (1) the company’s compliance with industry standards; (2) operations; (3) marketing and client support services; (4) growth characteristics and (5) regulatory/compliance history.

The review of the Investment Manager’s performance record is an important component of the due diligence process. IPC conducts performance reviews to determine: (1) the methodology used in calculating performance, (2) the standards that are being applied and (3) the methods by which the performance composites that are used in the program are constructed. Generally, Investment Managers indicate that performance is presented in conformity with the Global Investment Performance Standards. However, not all Investment Managers calculate and report performance in a similar manner. Inquiries are made by IPC into the methodology used in order to gain an understanding that the composite performance of the style for which IPC engaged the Investment Manager is calculated in a prudent manner and in compliance with applicable rules and regulations. While IPC reasonably believes such performance numbers are accurate, neither LFA nor IPC independently verify nor attest to the stated performance of any Investment Manager.

Other resources that may be used to identify and monitor Investment Managers include the database services, Form ADV, other disclosure documents, detailed questionnaires completed by each Investment Manager and on-site visits to each Investment Manager.

Due diligence will also be conducted by IPC on the Model Manager except for Blue Shores *Capital*, a division of IPC. However, the MSP, MSP-One Account solution and Tax-Transition management services may not include the due diligence specific to a performance composite as it relates to the management style. This may result, for example, as some Model Managers contract with various investment firms (“contracted firms”) to provide the Model Managers model. However, the Model Manager may not have many individual clients of their own, if any, which is a requirement to create their own performance composite. Currently, per industry regulations, such Model Managers are not permitted to show other (contracted firm) clients as their clients.

IPC’s due diligence effort with respect to the Emerging Managers is strictly confined to IPC performing due diligence on CIC’s Emerging Manager due diligence process.

LMAP’s equity Investment Managers’ investment strengths and styles fall within the broadly defined categories of growth, core, value and yield/value; however, a commitment to preservation of capital, liquidity and investment quality is key to each. Fixed income management is based on investing in a diversified selection of high quality bonds that provide satisfactory levels of income.

Tax considerations are important, and Investment Managers are used in both taxable and tax-exempt markets.

Ongoing Evaluation of Investment Managers in the Program

Ongoing Investment Manager due diligence reviews are also a part of IPC's services within the Program. The extent of the review is determined by, among other things, the length of time the Investment Manager has been in LMAP and changes in Investment Manager's personnel or processes. Also, information is obtained from each Investment Manager concerning specific composite performance results for each quarter. In addition, periodic visits are made to each of the management companies to review the firm and update information.

IPC may decide the Investment Manager is no longer be appropriate for the Program for various reasons; including, but not limited to: (1) deviation from its stated style and philosophy, (2) performance that varies significantly from its stated benchmark over a market cycle, (3) the loss of key firm personnel, (4) the development of material regulatory problems or compliance issues, or (5) failure to claim compliance with the Global Investment Performance Standards (GIPS®), except as noted above for the MSP, MSP-OAS, Emerging Manager MSP and TTMP. In such cases, the LFA Representative, in consultation with IPC, or IPC, through communication with the LFA Representative, may recommend that the client select a different Investment Manager.

An Investment Manager will not be recommended for termination from the program solely for having short-term performance that is sub-par in relation to market performance if they have maintained their stated investment style and philosophy, even if such strategy is currently not popular.

Investment Manager Selection

Selection of Investment Managers for Client Portfolios

The LFA Representative, working with independent consultants from IPC, will recommend an individual portfolio strategy. Together, they assist each client in the selection of one or more of the available Investment Managers and the appropriate styles/strategies that best meet the client's investment objectives. Recommendations are based upon information gathered while developing an investment policy for the client. Typically, the following are reviewed: the client's investment objectives and goals, net worth, current income, future income needs, liquidity needs, risk tolerances, tax considerations, current investment structure and other specific needs if communicated by the client. An assessment is made based upon economic and market conditions in relation to the information reviewed above. A recommendation as to the client's appropriate Statement of Investment Policy is developed from the assessment.

To assist in the selection of Investment Managers and Model Managers, IPC makes available to prospective clients and their LFA Representatives Investment Manager Profiles and other information such as performance information. The investment descriptions, performance, and other information are based on data provided by or received from the Investment Managers and Model Managers. Additionally, IPC makes available investment profiles and performance information, if any, on the Emerging Managers participating in the Emerging Manager MSP. The investment descriptions, performance and other information are based on data received from CbFA, CIC and the Emerging Manager.

While IPC reasonably believes this information to be accurate, IPC does not independently verify or attest to any Investment Manager's, Model Manager's or Emerging Manager's performance. Additionally, IPC does require Investment Managers, but not the Model Managers or Emerging Managers participating in the MSP or the Emerging Manager MSP only, to present their performance data in conformity with the Global Investment Performance Standards (GIPS®). Performance information may not be calculated on a uniform and consistent basis.

Ongoing Evaluation of Investment Managers for Client Portfolios

Performance for each account in LMAP is calculated and reported to the client by IPC in conformance with industry standards that IPC believes are reasonable. Discrepancies between account performance and Investment Manager, Model Manager or Emerging Manager composite performance may occur as a result of an account's individual investment guidelines and/or restrictions. The performance of client account(s) may deviate from the Investment Manager's, Model Managers or Emerging Manager's composite performance for the accounts it manages in the same style because of the size of the client's account(s), the presence or absence of investment restrictions, the timing of trades and the presence or absence of cash deposits and withdrawals.

The LFA Representative along with IPC may believe the Investment Manager, Model Manager or Emerging Manager may no longer be appropriate for the client for various reasons; including, but not limited to:

- the results based upon IPC's Ongoing Evaluation of Investment Managers in LMAP (as described above in that section) where the Investment Manager would be terminated in LMAP or as recommended by CbFA for Emerging Manager MSP styles and strategies,
- the Investment Manager's deviation from its stated style and philosophy within a client's account,
- Investment Manager continuously deviates from the investment mandate in the client's Statement of Investment Policy, unless client authorizes such changes,
- performance that varies significantly from the client's stated benchmark over a market cycle,
- the development of material regulatory problems or compliance issues, or
- change(s) in client circumstances

In such cases, the LFA Representative in consultation with IPC, or IPC through communication with the LFA Representative, may recommend that the client select a different Investment Manager.

If a client believes the Investment Manager they have chosen is no longer meeting their investment needs and objectives, and decides to change Investment Managers, IPC's Ongoing Consulting Group will work the LFA Representative and the client to establish an updated Statement of Investment Policy and recommend a new Investment Manager. However, the client should be aware that a new Investment Manager might not accept all or any of the securities acquired by the former Investment Manager; therefore, liquidation of the portfolio may result in tax consequences for the client.

Performance Based Fees & Side-By-Side Management (Form ADV, Part 2A – Item 6):

Neither IPC nor LFA charge advisory fees on a share of the capital appreciation of the assets in a client's account (so called performance-based fees). The advisory fee compensation is charged only as described above in Section 4. Services, Fees and Compensation.

Investment Strategies and Risk of Loss (Form ADV, Part 2A – Item 8):

Risk may be defined as the chance that an investment's actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. The reason for this is that investors need to be compensated for taking on additional risk.

Market risk is defined as the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, commodity prices, and other relevant market rate or price changes (e.g., equity prices).

There can be no assurance that any investment, investment strategy or the investment asset allocation selected will be profitable or successful in achieving its investment objectives. Clients should understand the primary risk of investing in securities involves a loss of capital and should be prepared to bear such a loss. Investment in securities comes with inherent risks in exchange for a return on that investment as described above. In general, an investor may lose a portion of their principal and experience volatility in the value of that principal over time for various reasons as outlined below. This list is representative of many risks and is not necessarily a complete indication of all the risks a client may assume.

1. Fixed Income Securities (Bonds)

Fixed income securities are debt obligations of the issuer. The market value (price) of those obligations can vary over time for various reasons such as those listed below:

- Fixed Income Securities:** An investment strategy that invests in fixed income securities includes corporate bonds, government bonds, municipal bonds, other debt instruments, Exchange-Traded Funds and mutual funds that invest in these securities. Issuers generally pay a fixed, variable or floating interest rate and must also repay the amount borrowed at maturity. Some debt instruments, such as zero-coupon bonds, do not pay current interest, but are sold at a discount from their face value. Prices of fixed income securities generally decline when interest rates rise and rise when interest rates fall.

Investment strategies that invest in U.S. Government securities include securities issued or guaranteed by the U.S. Treasury; issued by a U.S. Government agency; or issued by a Government-Sponsored Enterprise (GSE). U.S. Treasury securities include direct obligations of the U.S. Treasury (*i.e.*, Treasury bills, notes and bonds). U.S. Government agency bonds are backed by the full faith and credit of the U.S. Government or guaranteed by the U.S. Treasury (such as securities

of the Government National Mortgage Association (GNMA or Ginnie Mae)). GSE bonds are issued by certain federally-chartered but privately-owned corporations, but are neither direct obligations of, nor backed by the full faith and credit of, the U.S. Government. GSE bonds include: bonds issued by Federal Home Loan Banks (FHLB), Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) and the Federal National Mortgage Association (FNMA or Fannie Mae).

- b. **Duration Risk:** Duration is a measure of sensitivity of the change in market value to a given change in interest rates over time. Longer duration bonds, which typically have longer maturities, have more sensitivity to interest rate changes than short duration bonds. Additionally, longer-term debt and zero-coupon bonds are more sensitive to interest rate changes than debt instruments with shorter maturities.
- c. **Credit Risk:** Fixed income securities are also subject to *credit risk*, which is the chance that an issuer will fail to pay interest and/or principal on time. Many fixed income securities receive credit ratings from Nationally Recognized Statistical Rating Organizations (NRSROs). These NRSROs assign ratings to securities by assessing the likelihood of issuer default. Changes in the credit strength of an issuer may reduce the credit rating of its debt investments and may affect their value. High-quality debt instruments are rated at least AA or its equivalent by any NRSRO or are unrated debt instruments of equivalent quality. Issuers of high-grade debt instruments are considered to have a very strong capacity to pay principal and interest. Investment-grade debt instruments are rated at least Baa or its equivalent by any NRSRO or are unrated debt instruments of equivalent quality. Baa-rated securities are considered to have adequate capacity to pay principal and interest, although they also have speculative characteristics. Lower-rated debt securities tend to pay higher interest and are more likely to be adversely affected by changes in economic conditions than higher-rated debt securities.

An issuer suffering an adverse change in its financial condition could cause a lowering of the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Investment strategies investing in lower quality debt securities, although generally having a higher yield, are more susceptible to these problems and their value may be more volatile.

Non-Investment Grade Debt: Credit risk is more pronounced for investments in fixed-income securities that are rated below Investment Grade or which are of comparable quality. The risk of default may be greater and the market for these securities may be less active, making it more difficult to sell the securities at reasonable prices, and also making valuation of the securities more difficult.

2. *Equity Securities (Stocks)*

Stocks generally represent an ownership share in a company. The market value (price) of those ownership shares fluctuate over time.

- a. **Equity Securities Risk:** Equity securities include common stocks, preferred stocks, convertible securities, mutual funds and Exchange-Traded Funds that invest in these securities. Equity markets can be volatile. Stock prices rise and fall based on changes in an individual company's financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.
- b. **Loss of Capital:** An owner of stock can lose some or all of their investment.
- c. **Risk Related to Company Size:** Investment strategies that include investing in mid, small and micro capitalization companies generally involves greater risks than investment strategies investing in larger, more established companies, and possibly have a higher probability of experiencing a loss of principal in exchange for potentially higher growth. The market may value companies according to size or market capitalization rather than financial performance. As a result, if mid-cap, small-cap or micro-cap investing is out of favor, these holdings may decline in price, even though their fundamentals are sound. They may be more difficult to buy and sell, subject to greater business risks and more sensitive to market changes than larger capitalization securities. However, the pattern of their volatility may be different than those of larger stocks; and, therefore, may have diversification benefits, possibly reducing the overall portfolio volatility.
- d. **Foreign Securities Risk:** Investments in foreign securities involve certain risks that differ from the risks of investing in domestic securities. Adverse political, economic, social or other conditions in a foreign country may make the securities of that country difficult or impossible to sell. It is more difficult to obtain reliable information about some foreign securities. The costs of investing in some foreign markets may be higher than investing in domestic markets.

- However, some of this investment risk may be reduced by investing in foreign securities typically through American Depositary Receipts (“ADRs”). ADRs are certificates deposited with a U.S. bank that represent the right to own a foreign security. Since ADRs are traded in U.S. markets and the issuers are subject to the same auditing, accounting and financial reporting standards as domestic securities, owning ADRs has advantages over owning other foreign securities.
 - Other risks an investor should be aware of when selecting an investment strategy that invests in foreign or international securities are:
- e. **Currency Risk** – the risk that the U.S. Dollar’s exchange rate versus other currencies may change, thus increasing or decreasing the value of the stock once exchanged back into U.S. Dollars.
 - f. **Political or Sovereign Risk** – Countries outside the U.S. have different legal, economic and political structures that can affect the value of investments in those countries.
 - g. **Emerging Markets:** Investment strategies that invest in emerging international markets may experience additional risks beyond those listed above. Emerging markets may have less developed legal, economic and political structures that are in the process of emerging, and, therefore, may experience additional volatility beyond that of more economically developed countries.

Economies in Emerging Markets generally are heavily dependent upon international trade and, accordingly, have been, and may continue to be, affected adversely by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been, and may continue to be, affected adversely by economic conditions in the countries in which they trade. Because of the special risks associated with investing in Emerging Markets, investments in such securities should be considered speculative. Investors in such strategies are advised to consider carefully the special risks of investing in emerging market securities.

The risk also exists that an emergency situation may arise in one or more developing markets, as a result of which trading of securities may cease or may be substantially curtailed and prices for an investment strategy’s securities in such markets may not be readily available. Investors should note that changes in the political climate in Emerging Markets may result in significant shifts in the attitude to the taxation of foreign investors. Such changes may result in changes to legislation, the interpretation of legislation, or the granting to foreign investors the benefit of tax exemptions or international tax treaties. The effect of such changes can be retrospective and can (if they occur) have an adverse impact on the investment return of the investment strategy.

3. *REITs*

- a. **REITs:** Real estate investment trusts, known as REITs, are entities that invest in different kinds of real estate or real estate related assets, including shopping centers, office buildings, hotels, and mortgages secured by real estate. There are basically three types of REITs:
 - Equity REITs, the most common type of REIT, invest in or own real estate and potentially make money for investors from rents they collect as well as from price appreciation;
 - Mortgage REITs lend money to owners and developers or invest in financial instruments secured by mortgages on real estate; and
 - Hybrid REITs are a combination of equity and mortgage REITs.

The Internal Revenue Code lists the conditions a company must meet to qualify as a REIT. For example, the company must pay 90% of its taxable income to shareholders every year. It must also invest at least 75% of its total assets in real estate and generate 75% or more of its gross income from investments in, or mortgages on, real property.

Investing in real estate and real estate investment trusts (REITs) involve special risks, such as: limited liquidity, changes in tax laws, tenant turnover or defaults, competition, casualty losses and use of leverage. Real estate values may fluctuate based on economic and other factors. An investment in real estate or REITs may not be suitable for all investors, and there are no assurances that the investment objectives of any real estate program or strategy will be attained.

4. *Exchange-Traded Funds*

- a. **Exchange-Traded Fund (“ETF”) Risk:** ETFs are open-end investment companies, unit investment trusts or depository receipts that may hold portfolios of bonds, stocks, commodities and/or currencies that are commonly designed, before expenses, to closely track the performance and/or yield of (i) a specific index, (ii) a basket of securities, commodities or currencies, or (iii) a particular commodity or currency. The types of indices sought to be replicated by ETFs most often include domestic equity indices, fixed income indices, sector indices and foreign or international indices. ETF shares are traded on exchanges and are traded and priced throughout the trading day. ETFs permit an investor to purchase a selling interest in a portfolio of stocks throughout the trading day. Because ETFs trade on an exchange, they may not trade at Net Asset Value (“NAV”), which is the value of the underlying securities after expenses. Sometimes, the prices of ETFs may vary significantly from the NAVs of the ETFs’ underlying securities. Additionally, if an investor decides to redeem ETF shares rather than selling them on a secondary market, the investor may receive the underlying securities which must be sold in order to obtain cash.

Also, ETFs consisting of bonds and bond funds will generally decrease in value as interest rates rise. ETFs consisting of commodities exhibit their own unique potential risk as these markets have historically been extremely volatile. Inverse ETF funds should lose money when their benchmark indexes rise – a result that is opposite from traditional mutual funds. Inverse ETF funds also entail certain risks, including inverse correlation, leverage, market price variance and short sales risks.

Voting Client Securities (Form ADV, Part 2A – Item 17):

LFA does not accept authorization to receive or vote proxies on behalf of clients, and does not permit LFA Representatives to do so. However, clients in the Program will generally provide authorization to IPC and/or Investment Managers to receive and vote proxies on the client’s behalf, unless the client elects to retain those rights.

Within the MSP, MSP-OAS, Emerging Managing MSP and Tax-Transition Management Portfolios, IPC, as a matter of policy and as a fiduciary to our Clients, has responsibility for voting proxies consistent with the best economic interests of the Clients. IPC’s policy and practice includes the implementation of a Proxy Voting Service for corporate actions and client proxies. Clients may retain the right to vote any proxies or take action relating to specified securities held in the Account provided the client gives timely, written prior notice to IPC. Clients are provided the option to vote their proxies in the Investment Management Agreements and Investment Advisory Agreements. IPC makes the information available to clients about the voting of proxies for their portfolio securities upon request. A copy of IPC’s policy and voting information may be obtained by writing to: Independent Portfolio Consultants, Inc., Attention: Compliance, 5002 T-Rex Avenue, Suite 225, Boca Raton, FL 33431.

Client Information Provided to Portfolio Managers

Investment Policies And Investment Manager Communications

For each account, an investment management agreement is signed between the client and the Investment Manager or IPC as the Overlay Portfolio Manager. This agreement outlines the terms by which the client’s account is to be managed. Attached to the LMAP “full-service” account investment management agreement is a statement of investment objectives that outlines the client’s investment objectives. This includes such information as: the purpose of the account, the client’s primary investment objective, tolerance for risk, liquidity needs, age, occupation, income, net worth and other special considerations that would impact how the client desires the account to be managed. This information is passed on to the Investment Manager(s) selected by the client. However, the MSP, MSP-OAS, Emerging Manager MSP and TTMP accounts are managed by IPC and no information is provided to the Model Manager(s) or Sub-Adviser(s). Although the information described above in this paragraph is not included in the MSP, MSP-OAS, Emerging Manager MSP and TTMP investment management agreements, IPC uses this information, if provided, in making recommendations to the client.

If a client’s financial situation or investment objectives change and a client wants to modify their investment objectives and or account restrictions at any time, the client should notify the LFA Representative. On a quarterly basis, the client will be reminded to provide the LFA Representative with any information regarding significant changes to the client’s financial condition and other information that may change the investment objectives. IPC will communicate this to the client’s Investment Manager(s) or Overlay Portfolio Manager. This information typically requires the completion of a new Investor Profile Questionnaire and may require an update to the client’s Statement of Investment Policy which if changed will be provided to the Investment Manager.

The client will also receive a quarterly performance report, which the client can review with the LFA Representative as often as is determined to be necessary, but at least annually. This report can be used to assist the client in monitoring the results of the client’s investment account in relation to their particular goals and objectives stated in the Statement of Investment Policy. The LFA Representative will consult with the client concerning the Investment Manager(s)’s investment performance, and assist the client in making future investment management decisions, based both on account performance and upon changes in the client’s overall financial

circumstances. IPC's Ongoing Consulting Group works with the LFA Representative to set up and coordinate client reviews of their LMAP accounts. If deemed appropriate, the LFA Representative may recommend that the client select a new Investment Manager.

LMAP also provides Investment Managers but not Sub-Advisers with electronic access to client portfolio holdings on a regular basis. Investment Managers may access client portfolio statements that are balanced and reconciled monthly. Additionally, the electronic access enables the Investment Manager to view client accounts daily and includes a list of the client's holdings, a cash ledger of activity in the account for the current month, as well as a performance report for the client's portfolio. Also, LMAP provides the Investment Manager with access to an electronic copy of the client's quarterly portfolio report and the personalized LMAP consulting letter as described below.

Client Contact with Portfolio Managers

If the client chooses, he or she may meet with their Investment Manager directly to review the account objectives and performance. The LFA Representative, through the IPC Ongoing Consulting Group, coordinates the conferences or meetings with their Investment Manager(s). The Investment Manager is the person who is making the investment decisions pertaining to the client's account on a day-to-day basis. Clients may communicate directly with their Investment Manager(s), consistent with the reasonable constraints of the Investment Manager's business.

However, the MSP, MSP-One Account Solution, Emerging Manager MSP and Tax-Transition Management Portfolio services described above in Section 4 do not provide the client with the following services:

- direct contact with the Sub-Adviser, Model Manager or Emerging Manager
- an extensive amount of individual portfolio customization, in-depth, coordinated tax planning or
- the ability to consider previously existing holdings

For these accounts, the client's LFA Representative and IPC Consultant will meet or conference with the client, at the client's request, to review their account objectives and performance. They will also work with the client to develop their objectives and investment strategies. Additionally, client's input is primarily limited to decisions about the target amount of cash equivalents in the investment policy target allocation, and the individual security and any other reasonable restrictions on the account. While an initial client presentation, via a telephone conference call, may be provided by a specific Model Manager, ongoing client consultation will be provided primarily by an IPC Consultant and the LFA Representative.

Brokerage Executions (Form ADV, Part 2A – (Item 12):

The wrap-fees charged under LMAP cover brokerage execution at no additional charge for trades executed by MAS and/or its clearing entity, First Clearing (MAS and First Clearing, collectively, "MAS Trading"). Wrap-fees do not cover charges resulting from trades effected with or through broker-dealers other than MAS Trading or their agents nor mark-ups nor mark-downs by such other broker-dealers.

Brokerage Transactions

The program's policy is to not accept advisory Clients' instructions for directing a Client's brokerage transactions to a particular broker-dealer.

Investment Managers in LMAP are generally free to consider MAS Trading's trading capability versus other brokers' trading capability. However, IPC anticipates that most trades will be placed through MAS Trading for execution because of their execution capabilities and because the wrap-fee paid by Clients covers trade charges only when trades are executed through MAS Trading or their agents. Wrap-fees do not cover charges resulting from trades effected with, or through, broker-dealers other than MAS Trading or their agents nor mark-ups nor mark-downs by such other broker-dealers. Further, it is expected that Investment Managers would typically consider trades executed via MAS Trading are without commissions or retail mark-ups or mark-downs when comparing the cost of trading for equity securities with other brokers. IPC would expect such a comparison by an Investment Manager would generally result in a decision to execute most trades through MAS Trading.

IPC has full discretion in the management of accounts in its capacity as a Portfolio Manager or Overlay Portfolio Manager for the MSP, MSP-OAS, Emerging Manager MSP and Tax-Transition Management accounts. Clients direct IPC to use the brokerage services offered by MAS Trading to effect transactions for the Client's account. IPC may use another broker or dealer to effect transactions for the account when it reasonably believes it can achieve best execution by using such other broker or dealer. However, because commissions for transactions executed by MAS Trading are included in the wrap-fee the Client pays, IPC will not seek to negotiate commission rates with MAS Trading and will use MAS Trading to execute most, if not all, transactions for the account. However, if IPC believes that it would not be able to achieve best execution on a securities transaction by placing trades for the Client's account through MAS Trading, IPC may execute securities transactions through another broker-dealer, and the account will pay separate transaction costs.

Review Of Client Accounts (Form ADV, Part 2A – Item 13):

On a daily basis, account activity is reviewed by IPC for exceptions (entries that are not consistent with the Client account) and violations of client restrictions. Each LMAP account is balanced and reconciled by IPC, at least monthly, against the client's custodian's statement. The IPC Manager of Advisory Operations is responsible for overseeing this activity.

On a quarterly basis, the IPC's Consulting Group reviews each actively managed account relationship. These individuals review accounts to look at asset allocation, holdings, performance, as well as industry, sector and issue concentrations and for general adherence to an Investment Manager's stated style. Any discrepancies noted will be reviewed with the Investment Manager. Other items reviewed may include the risk profile of the portfolio, the client's objectives and performance versus a comparable benchmark. The IPC Manager of Advisory Operations & Performance Analyst is also responsible for reviewing the performance for all accounts. Any account performance that significantly varies from a comparable benchmark is flagged. Accounts are also reviewed for dispersion characteristics. An inexplicable or unsatisfactory response from the Investment Manager may subject them to a review by the Vice President of Due Diligence.

Account reviewers follow IPC's policies and procedures that are reasonably designed to detect or prevent violation of a client's investment guidelines. If an issue is raised during a review, an inquiry must be made until such issue is resolved. If warranted, an in-depth review may be followed by a discussion with the Investment Manager, LFA, and/or the LFA Representative and, finally, with the client (if requested by LFA or the LFA representative).

The client's LFA Representative will review the client's investment objectives, and on at least an annual basis, will inquire if the client's financial situation or investment objectives have changed. The client's LFA Representative, through communication with the client, is expected to monitor the management of the account's assets for appropriateness, given the client's stated investment objectives and risks.

On a monthly basis, the Overlay Portfolio Manager(s) for the Multiple Strategy Portfolio ("MSP") and the Emerging Manager MSP accounts is responsible for reviewing these MSP accounts for performance dispersion. If there is unexpected dispersion among client accounts utilizing the same strategy, the transactions and/or security positions may be reviewed to determine the reason for the unexpected dispersion. On a quarterly basis, IPC's composite strategy performance results are compared to the performance results that the Model Manager and Emerging Manager Models achieved in their direct managed accounts which are reported in the Model Manager's composite results. Any significant divergence of MSP strategy results, as compared to Model Manager or Emerging Manager composite results, will be reviewed in order to determine if the divergence is logical, or if the divergence may be due to a problem with the implementation of the Model Manager's or Emerging Manager's Model portfolio.

On a daily basis, the MSP-One Account Solution ("MSP-OAS") accounts are also reviewed for exceptions and restrictions by IPC. Each account is balanced and reconciled by IPC at least monthly, if not daily, against the client's custodian. On a monthly basis, MSP-OAS accounts are reviewed for performance dispersion. If there is unexpected dispersion among client accounts utilizing the same strategy, the transactions and/or security positions may be reviewed to determine the reason for the unexpected dispersion. Also, accounts are reviewed to compare the current asset allocation between cash, equities and bonds to the client's target allocation as determined by the Statement of Investment Policy ("SOP"). When an asset class is out of the predefined allowable range, the MSP-OAS Overlay Portfolio Manager will work to bring the asset allocation back towards its target allocation.

Client Reporting

LMAP clients are provided a quarterly report that includes portfolio analysis, portfolio performance, asset allocation, portfolio holdings, capital gains and losses report and a cash ledger detailing account transactions for the quarter. MSP, MSP-OAS and Emerging Manager MSP clients are provided a quarterly report that includes portfolio performance, asset allocation, portfolio holdings, capital gains and losses and contributions, withdrawals and income transactions for the quarter. The reports are generated following the quarters ending March 31st, June 30th, September 30th and December 31st.

LMAP also makes available quarterly, a personalized LMAP consulting letter for the LFA Representatives' clients. The purpose of the consulting letter is to provide clients with a meaningful framework within which to review their portfolio's recent quarterly performance, as well as the last 12 months' performance and inception-to-date performance, if available. The quarterly consulting letter is not provided for the MSP, MSP-OAS or Emerging Manager MSP accounts.

Portfolio performance is calculated and reported by IPC independently of the Investment Manager(s) (except for the MSP, MSP-OAS and Emerging Manager MSP as described above). This third-party consultation about performance allows for a system of checks and balances when reporting a client's performance. IPC follows industry standards in the calculation of performance information for a

client's account.

Clients generally receive confirmation of transactions, as well as monthly statements, from MAS (produced by First Clearing) in accordance with their LMAP agreement(s). If the client has selected a custodian other than MAS, the nature and frequency of reports will be determined by the agreement between the client and the custodian. LFA strongly urges clients to compare the information on their LMAP statement with the statement from their custodian. If clients have any questions about their statements, please call their LFA Representative or contact IPC Client Services at 561-912-1040 or 800-346-4570.

Electronic Access of Communications

As an LMAP advisory client, the client may consent to electronic delivery of account communications ("Account Communications") at LFA and IPC's discretion. IPC will provide this delivery of Account Communications by giving clients access to their IPC account information via IPC's internet site utilizing an access password and account number. This may include all current and future advisory account statements, trade confirmations, notices, disclosures, regulatory communications, and other information, documents, data, and records regarding client's IPC account. However, IPC is not able to provide electronic access or delivery of the client's custodian statements and information. This consent to electronic delivery, when given, will be effective immediately and will remain in effect unless, and until, revoked. Clients may revoke this consent at anytime and request paper copies by writing to: Independent Portfolio Consultants, Inc., Attention: Compliance, 5002 T-Rex Avenue – Suite 225, Boca Raton, FL 33431.

Custody (Form ADV, Part 2A – Item 15):

LMAP accounts are held through Managed Account Services, LLC as introducing broker-dealer. MAS uses First Clearing on a fully-disclosed basis for clearing and custody services. First Clearing, a non-bank affiliate of Wells Fargo & Company, produces account statements and trade confirmations, and provides IPC with other recordkeeping, operational, clearing and custodial services. First Clearing is a member of FINRA, SIPC, the New York Stock Exchange, the NASDAQ Stock Market and other major regional stock exchanges. Clients who maintain securities accounts with MAS through First Clearing, are protected by SIPC up to \$500,000 for cash and securities, with a limit of \$250,000 for cash awaiting reinvestment. First Clearing also provides coverage in excess of the \$500,000 SIPC limits through its policy with Lloyds of London Syndicate, the underwriter of this additional protection. This additional protection covers missing securities and cash in client brokerage accounts up to a firm aggregate limit of \$1 billion, of which \$1.9 million may cover cash awaiting reinvestment at the individual account level. However, this protection does not cover market losses. Assets held at outside custodians are not protected by First Clearing's SIPC coverage or the additional insurance. Additionally, custody fees may be incurred if a custodian other than MAS is used. Neither LFA nor IPC maintains physical custody of clients' funds or securities.

SEI INVESTMENTS

Background:

SEI Investments, Inc. (SEI) is a publicly traded financial services firm dedicated to helping clients effectively manage their financial assets. SEI has been an institutional consultant to large institutional investors for over 30 years.

Overview:

The SEI Programs are sponsored by SEI Investments, an investment adviser located in Oaks, PA. SEI has a research and development focus. Through the SEI Programs, the client will have access to institutional money managers, which will actively manage the account on a continuous basis. SEI will monitor the managers on a daily basis. The client will receive a monthly consolidated statement, quarterly performance reports and an annual tax report. SEI monitors every trade their managers make every day to make sure that no style drift occurs that would generate uncompensated risk. SEI offers an investment management approach that uses actively managed asset allocation to help meet the client's objectives. SEI offers a style-specific, multi-manager investment approach to help achieve more predictable long-term performance. The client portfolio will be designed with a diversified asset allocation to provide flexibility to address client needs. SEI's Programs may use global diversification and tax-efficient strategies to help reduce realized capital gains and tax liability. SEI uses multiple style-specific specialist managers to help reduce risk.

α **The SEI Managed Account Program** - is an investment program that uses research and institutional money managers to manage investments. This approach seeks to minimize uncompensated risk and surprises, and helps maximize consistent performance. The SEI Managed Accounts Program offers portfolio customization and tax management to high net-worth individuals and institutional. SEI's Managed Accounts Program is for clients who may have existing securities to incorporate into a diversified, tax-efficient portfolio. This integrated program is comprised of money managers hired to manage individual portfolios of stocks or bonds based on specific investment styles. The client can hire a stand-alone manager starting with a \$250,000 minimum, or multiple managers through a structured portfolio. SEI provides portfolio structure recommendations with asset classes and investment styles based on the account size, desired asset allocation mix, tax sensitivity and the client's need for global, institutional or domestic investments.

α **The SEI Mutual Fund Program** - is a comprehensive approach that uses actively managed asset allocation portfolios to help meet

client investment objectives. The SEI Mutual Fund Program offers the opportunity to invest in institutional mutual funds and get both low-cost pricing and consistency of management discipline. The goal of SEI's mutual funds is to avoid style drift from one area of the market to another, and to make sure that the asset allocation selected by the client remains consistent over time.

The SEI Process:

Your LFA Representative will meet with you and obtain all necessary financial data and investment profile information to assist you in determining your risk tolerance. Your LFA Representative will work with SEI to design a specific strategy to match your investment objectives, time horizon, and risk profile. Your LFA Representative will assess your current financial situation, resources, projected income and investments. You and your LFA Representative will define your investment objectives, set time frames and make some assumptions about the economy in general and investing in particular. Once your LFA Representative has gathered your financial information, they will summarize it in writing and present a Statement of Investment Policy, which is designed to assist you in reaching your financial goals within your time horizon. You and your LFA Representative will agree on a strategy based on your risk tolerance and time horizon. Unless otherwise decided, your portfolio will be automatically re-balanced to its original allocation on a monthly basis. Once you have selected your portfolio model, you and your LFA Representative will select managers to support the model. Your portfolio will be designed to manage risk through diversification by asset class and investment style. You will select the SEI Portfolio with the assistance of your LFA Representative. SEI recommends the use of multiple managers, since this approach helps maximize diversification and manage risk.

Once your strategy has been selected and implemented, SEI, as advisor to the SEI Fund and your Managed Account Assets, will select and hire the mutual fund sub-advisors and portfolio managers. SEI will have complete investment authority over the Managed Account Assets to carry out the investment strategy in your portfolio. SEI will continuously review the performance of all managers and investments to ensure that the assets are managed in accordance with your selected investment style. In the SEI Mutual Fund Program, SEI will make re-allocation recommendations to LFA, and LFA will implement them on a discretionary basis if deemed appropriate. LFA will exercise this discretionary authority at a corporate level for all clients in this program. You will receive a monthly statement for your entire portfolio showing all account activity. Your LFA Representative will contact you on a regular basis, but no less than annually, to review your portfolio and compare its performance with your investment objectives.

SEI Fees and Compensation (Form ADV, Part 2A – Item 5):

LFA charges a fee based on a percentage of assets under management. The fee is billed quarterly in arrears. The annual fee will not exceed 1.75%. Fees are negotiable. In the SEI Mutual Fund Program, the fee reflects charges for all advisory services. Any separate charges for custodial and trading services are listed in the Client Services Agreement between you and SEI. In the SEI Managed Accounts Program, the fee reflects the services provided by LFA, which are described in the Managed Accounts Investor Application. Please see SEI's Form ADV Part 2A for further information on services and fees.

GENWORTH FINANCIAL WEALTH MANAGEMENT, INC.

LFA offers asset allocation and advisory services sponsored by Genworth Financial Wealth Management, Inc. ("Genworth") LFA may offer these services under a referral model or an adviser model. Under the referral model, LFA Representatives may solicit clients for Genworth's asset allocation and advisory services. Under the adviser model, LFA and its Representatives may offer Genworth's asset allocation system, in which clients are introduced to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities. Clients may also invest in model portfolios of mutual funds, exchange traded funds, and variable annuity sub-accounts created and maintained by institutional investment strategists.

Clients will sign an investment advisory agreement giving Genworth or another portfolio strategist full discretionary authority to manage the client's assets. The client will authorize Genworth to open a brokerage account for the client at either Genworth, one of its affiliates, or any other custodian that Genworth chooses. This discretion includes the authority to:

- α determine the initial and ongoing asset allocation of the client's assets
- α buy and sell securities and other investments for client accounts
- α select broker-dealers to execute these transactions; and
- α hire other investment advisers to provide advice to Genworth and manage some or all of client assets; and
- α replace these investment advisers as Genworth chooses.

LFA and its Representatives do not have any responsibility or authority to buy or sell securities in client accounts, choose the initial or ongoing allocation of client assets, or select other investment advisers.

The LFA Representative will consult with the client to assess their financial situation, identify investment objectives, and determine whether Genworth's services offered by Genworth may be appropriate for the client. This consultation may include collecting financial information through an application and suitability questionnaire, and assisting the client in identifying financial objectives and appropriate investment programs. Any information collected through this process may be shared between LFA, the LFA Representative, Genworth, any investment advisers selected by Genworth, the custodian, and any other parties performing services in the Program. Genworth

and/or its affiliates and service providers are responsible for creating and sending reports to clients, including transaction reporting, performance reporting, and tax reporting.

For Genworth programs under the referral model, the client may pay an Initial Consulting Fee (“ICF”) of up to 1.5% of their initial investment and any future investment of \$2,000 or more. Up to 1.0% of this fee will be paid to LFA. This fee is negotiable and may vary among clients. The client will also pay an ongoing investment management fee (“Management Fee”) that varies by program, which includes a maximum fee of 1.35% payable to LFA. Genworth’s fees may vary due to different factors, including the type of program, portfolio, and/or asset allocation, as well as the size of the account and/or overall client relationship. Genworth’s fees may be negotiable under certain conditions. LFA’s portion of the fee is negotiable, and may vary among clients.

The Management Fee is calculated and billed quarterly in advance based on the value of the assets in the client’s account on the last day of the previous calendar quarter. For new accounts, the Program Fee is prorated when the account is opened for the rest of the quarter. The custodian bills the client’s account for the Initial Consulting Fee and Management Fee, keeps its portion for custodial services, and pays the rest of the Program Fee to Genworth, who then pays LFA and any Portfolio Advisers and service providers. LFA will keep part of the fee, and will also pay a portion to the LFA Representative. LFA may also receive additional compensation from Genworth and its affiliates for providing administrative services to Genworth clients and accounts, and for its promotional and marketing efforts in soliciting clients for Genworth. LFA may also receive cash and non-cash payments from Genworth and its affiliates for meetings, training, and support of education and marketing initiatives.

Clients may pay more or less for services in Genworth’s asset management programs than if they purchased similar services separately. The fees for these programs may be higher or lower than investment advisory fees charged by Genworth or LFA to other clients for similar services. The amount of compensation received by LFA may be more or less than what it would receive if the client used other programs or paid separately for Genworth’s services. Therefore, LFA may have a financial incentive to recommend Genworth over other programs or services.

In addition to the fees for Genworth’s programs, there may be other costs not included in these fees, such as dealer mark-ups, costs associated with the purchase and sale of certain mutual funds, mutual fund expenses including 12(b)-1 fees, odd-lot differentials, exchange or auction fees, transfer taxes, costs for transactions executed other than by the custodian, electronic fund and wire transfers, SEC fees, other charges mandated by law, and any record keeping and reporting fees charged to IRA and other retirement plan accounts.

For more information please consult Genworth’s Form ADV, Part 2A and/or the disclosure brochure for the Genworth programs.

Privately Managed Portfolios Service (“PMP”):

Under the PMP service, Genworth manages client assets in a portfolio of securities on a fully discretionary basis. These portfolios are offered in a variety of equity styles with various risk management strategies and levels, which the client selects with assistance from the LFA Representative. The account minimum is \$250,000, although smaller accounts may be accepted at Genworth’s discretion.

Genworth will use one or more investment advisers (“Portfolio Advisers”) to recommend securities for purchase and sale in the client’s account. Securities and other investments will be invested, reinvested, and reallocated on an ongoing basis. The client may pay an Initial Consulting Fee as described above, and will also pay an ongoing Management Fee of up to 2.8%, including a maximum fee of 1.35% payable to LFA.

GMS Portfolio Service:

Under the GMS service, Genworth manages client assets in a portfolio of securities on a fully discretionary basis. These portfolios are offered in five equity styles with various risk levels, which the client selects with the assistance of the LFA Representative. The account minimum is \$50,000, although smaller accounts may be accepted at Genworth’s discretion. Genworth will use one or more investment advisers (“Portfolio Advisers”) to recommend securities for purchase and sale within the client’s account. Equity investments in GMS accounts are not adjusted on an ongoing basis, but will generally only be adjusted after one year plus at least one day. Genworth currently plans to readjust GMS equity holdings each calendar year. Under “Opportunistic” investment objectives, securities may be bought and sold more frequently. The client may pay an Initial Consulting Fee as described above, and will also pay an ongoing Management Fee of up to 2.7%, including a maximum fee of 1.35% payable to LFA.

Actively Managed Protection Service (“AMP Service”):

Genworth’s AMP Service is available with certain GMS and PMP services and is included in some Mutual Fund Services. The AMP Service is designed to reduce a portion of a portfolio’s losses each year that result directly from a significant decline in the overall stock market. The AMP Service is designed to allow clients to participate in some portion of a significant rise in the overall stock market. The AMP Service is not a guarantee against losses or a guarantee of limitation of losses. Genworth may or may not be successful in achieving the investment objective of loss reduction for any client in any year. Election of the AMP Service will likely have the result of reducing the portfolio’s ability to benefit from the rise in the overall stock market.

Mutual Fund, Exchange Traded Fund and Variable Annuity Accounts:

Genworth has contracted with a number of institutional investment management firms (“Strategists”) to create a variety of asset allocation model portfolios (“Models”) from open-end mutual funds. Genworth has also contracted with certain Strategists to create additional Models from Exchange Traded Funds (“ETFs”) or variable annuity sub-accounts from certain variable annuity companies. Genworth

has identified a broad range of mutual funds for the Strategists to use in the mutual fund Models, and provides Strategists access to a broad range of ETFs for use in the ETF models. In addition, each of the variable annuity companies has established various sub-accounts as described in its variable annuity Prospectus. The mutual funds are either no-load funds or funds that may be purchased through the Program at net asset value without sales charges. Variable annuity accounts are subject to the terms and conditions of the Prospectus provided to the Client by the variable annuity company, and may or may not involve the payment of a commission to LFA. LFA is not affiliated with Genworth or the Strategists. Strategists, mutual funds, ETFs, variable annuity sub-accounts, and variable annuity issuers may be added or removed from the Program at Genworth's discretion. The Strategists will select and monitor the performance of the mutual funds, ETFs and variable annuity sub-accounts in their Models and will periodically adjust the portfolios based on their investment strategies. The LFA Representative will help Client choose the Model(s) and the Strategist(s). The Client chooses the Strategist(s) and the Model(s), as well as the mutual funds, ETFs or variable annuity sub-accounts for their account. The Client will be able to periodically make changes in the selected Model(s) in accordance with the Strategist's rebalancing decisions or otherwise.

Mutual fund and ETF investments made through the Program will be held by a Custodian who will maintain the Client's account and make transactions at the Client's direction. Variable annuity sub-accounts will be held based on the terms and conditions in the Prospectus given to the Client by the variable annuity company. The minimum investment required in the Genworth program is generally \$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for ETF accounts.

Privately Managed Accounts:

Genworth has contracted with a number of institutional investment management firms ("Investment Managers") to provide discretionary management services to Clients. Genworth has also contracted with Callan Associates to select and monitor certain Investment Managers which Callan has designated as "Best of Class" managers. Callan will provide services in developing and maintaining multi-manager model portfolios using these "Best of Class" managers, including portfolios corresponding to six Risk/Return Profiles ranging from conservative to aggressive.

In developing multi-manager portfolios using Investment Managers, Callan may also select a limited number of mutual funds in certain asset classes where it has determined that this is appropriate. The mutual funds may include both no-load and load-waived mutual funds.

The LFA Representative will assist the Client in selecting one or more Investment Manager and/or mutual funds based on their investment objectives. The Client may or may not select Callan "Best of Class" managers and/or follow a model portfolio developed by Callan. The standard minimum investment per Investment Manager will generally be \$100,000 – \$250,000, and will depend on the Custodian and Investment Manager(s) selected for the account. Genworth may accept certain investments below these minimums at its discretion. Certain Investment Managers may also require minimum investments greater than \$250,000.

All investments will be held by a Custodian who will maintain the Client's account and make transactions at the direction of the Client and the Investment Manager(s) that the Client selects. The Client will pay the Custodian directly for all expenses from transactions in the account, based on a separate agreement between the Client and the Custodian. Each of the Client's investments will be held by the Custodian in the Client's name in a separate account. The Client will receive confirmations of each security bought and sold for their account (either separately or as part of a monthly statement), and copies of the Prospectus and all reports issued by the Client's mutual funds. The Client will also retain all documentation of ownership, such as voting power and other rights as owner of the securities. However, the Client may give the right to vote proxies to any or all of the Investment Managers selected by the Client at the Client's discretion. The Client will be able to consult jointly with their LFA Representative and the Investment Manager concerning the management of their account.

Fees and Compensation (Form ADV, Part 2A – Item 5):

For Mutual Fund, ETF, and Variable Annuity Accounts, the Client will pay LFA an Overall Investment Advisory Fee. This fee includes a Program Fee that LFA will pay to Genworth and others.

The Overall Investment Advisory Fee is listed in the Client Services Agreement signed by the Client and LFA. The maximum Overall Investment Advisory Fee for all accounts will not be more than 2.00% annually. In addition to the Overall Investment Advisory Fee, Clients in Privately Managed Accounts will also pay an investment management fee directly to the Investment Manager(s). The fee charged by each investment Manager will be listed on the Investment Manager Designation form included in the Client Services Agreement that the Client signs. Fees will vary by Investment Manager; a complete list of Investment Manager fee schedules is available by request. Client fees are payable quarterly, in advance, based on assets under management. Clients may terminate Genworth accounts at any time and receive a full pro-rated refund of any unearned fees. LFA may receive additional administrative fees from Genworth, as well as payments for meetings, training and marketing support. Genworth may also reimburse LFA Representatives quarterly for certain marketing and/or business development expenses.

For further information on the Genworth Program and associated fees, please see Genworth's Form ADV, Part 2A or disclosure brochure.

MORNINGSTAR INVESTMENT SERVICES

LFA offers clients the Morningstar® Managed Portfolios Program ("Program") sponsored by Morningstar Investment Services, Inc. ("MIS") This investment advisory program includes:

- ⌚ mutual fund asset allocation and focused strategy portfolios (“Mutual Fund Portfolios”)
- ⌚ exchange traded fund strategy portfolios (“ETF Strategy”); and
- ⌚ select stock basket strategy portfolios (“Stock Baskets”).

The minimum initial investment to open an account is \$50,000 for the Mutual Fund Portfolios and \$100,000 for the ETF Strategy and Stock Baskets Portfolios. Some Stock Basket Portfolios have a \$250,000 minimum investment requirement. The Client will sign an Investment Management Agreement giving MIS discretionary authority to buy and sell mutual funds, exchange traded funds, and general securities, as appropriate, in order to invest and manage the Client’s assets based on the Client’s selected portfolio and any restrictions. Rebalancing will typically occur quarterly, while reallocating will occur as often as MIS considers necessary. MIS and LFA will not maintain custody of mutual fund shares. Typically an unaffiliated custodian or transfer agent will hold these shares. The ETF Strategy and Stock Basket accounts are held at Pershing LLC with LFA acting as introducing broker-dealer. Pershing will directly charge the client’s account for custody and clearing charges on the transactions in the ETF Strategy and Stock Baskets programs. Clearing and custody fees are charged quarterly in advance as follows:

<u>Account Assets</u>	<u>Clearing Fee</u>
First \$250,000	0.25%
Next \$250,000	0.10%
Next \$500,000	0.08%
Next \$1,000,000	0.07%
Next \$3,000,000	0.06%
Over \$5,000,000	0.05%

In the Mutual Fund Portfolios, the client will pay a maximum annual fee (“Account Fee”) of 1.50%. The maximum client fee for ETF Strategy accounts is 1.41%, and 1.65% for Stock Baskets. The Account fee is paid quarterly in arrears based on the average account value during the quarter. MIS will be paid for their investment advisory services as a percentage of assets. In addition, MIS will delegate certain services to LFA, such as assisting each client in completing a questionnaire and other account opening forms, determining suitability, contacting the client at least annually to find out any changes in their financial situation, and acting as liaison between MIS and the client. For these services, LFA will receive a portion of the fee paid by the client. LFA’s portion of the fee will not be more than 1.10% annually.

Mutual funds and exchange traded funds also have their own advisory fees and expenses. As a shareholder of these funds, the client will pay their proportionate share of these fees. Clients may invest in the mutual funds, exchange traded funds, or general securities directly without participating in the MIS Program (and therefore without paying the Program fee). However, they would not receive the advisory and other services provided by MIS and LFA.

For more information concerning the Morningstar® Managed Portfolios Program, please see MIS’s Form ADV, Part 2A or disclosure brochure.

Solicitor Programs

LFA offers some asset management programs on a “solicitor” basis, where LFA refers a client to a third party investment adviser with whom LFA maintains an agreement for providing client referrals. In these cases, LFA and the LFA Representative receive referral fees for making the referral, which are generally referred to as “Solicitor Fees”. In most cases the Solicitor Fees are calculated as a percentage of the client assets that the third party investment adviser manages, however, there may be instances where the Solicitor Fees are determined in some other fashion. The Solicitor Fees are disclosed to clients and prospective clients in accordance with SEC Rule 206(4)-3, which governs the payment of fees for client referrals. In most cases, LFA and the LFA Representative maintain an ongoing relationship with referred clients and may meet with clients periodically to assist the client in monitoring the account(s) managed by the third party, and to discuss other financial matters that may pertain to the client.

The third party investment advisers to which LFA refers clients most often are:

- Brinker Capital Inc.
- Symmetry Partners LLC
- Mount Yale Asset Management LLC
- Hanlon Investment Management Inc.
- Curian Capital LLC
- Genworth Financial Wealth Management Inc.

For more information on these program, please refer to the Form ADV Part 2A and related disclosure documents for the investment adviser and program in question. These documents can be found at www.adviserinfo.sec.gov

Limited Arrangements

LFA may offer other asset management programs in addition to those listed above on a limited basis. This may occur where there is a regional need or when a representative joins LFA and is using another firm for asset management services. A general description of the services provided in these programs (Limited Arrangements) follows:

Investment Advisory Programs

Overview:

LFA offers certain asset management programs sponsored by other investment advisors and managers. These programs follow the same general format and fee structure as the programs described above. When acting as a solicitor in referring clients to other advisors, LFA does not act in a fiduciary capacity for the client. For additional information, please see the disclosure brochure for the specific program.

Investment Advisory Program Process:

LFA will usually assist the client in completing a questionnaire to gather information about the client's current financial situation, financial goals and attitudes toward risk. These questionnaires will help to review the client's situation and enable LFA to recommend an initial asset allocation based on the client's specific needs and goals. Most of the asset management firms provide LFA with model portfolio recommendations. LFA may use model portfolios with no-load mutual funds or individual securities provided by the investment advisory firm to offer their asset management services to LFA's clients. The LFA Representative will usually present the client with an investment strategy report or statement that summarizes the program's recommendations based on the information provided by the client. The LFA Representative will, if appropriate, suggest modifications to the model to address the client's needs. The client may generally place reasonable restrictions on investments. Once the client selects their asset allocation, the portfolio will be implemented using the mutual funds or securities offered through the investment manager's program. LFA will manage the accounts, usually on a non-discretionary basis, although in some situations, LFA may take discretion. Duties are listed in the client agreement and the investment manager's Form ADV Part 2A and/or Disclosure Brochure. LFA will monitor the client's portfolio and when appropriate, suggest adjustments based on changes in economic conditions or the client's financial circumstances. As economic or market changes occur, the investment manager may suggest changes in the initial allocation. If the client's financial situation changes, the client should notify the LFA Representative, who will notify the investment manager and/or assist the client in determining if a different model portfolio would be appropriate.

Investment Advisory Fees and Compensation (Form ADV, Part 2A – Item 5):

Most Investment Advisory Fees are charged as an "all-inclusive" fee based on assets under management. This generally includes a portfolio management fee, brokerage costs, and investment advice. Most fees are billed in arrears. Some programs may bill forward. Please see the applicable client agreement for additional information. Fees are usually negotiable. Some programs may charge an "un-bundled" fee. In these cases the client may pay a separate fee for asset management services and investment advice. The client may also be charged brokerage costs for transactions in the client's account in addition to the advisory fees. All fees will be explained in detail in the applicable program's form ADV Part 2A, Disclosure Brochure, and/or Client Agreement.

Investment Supervisory Services:

In limited cases, LFA Representatives may provide fee-based investment advisory services, such as asset allocation, investment recommendations, account monitoring, and reporting outside of asset management programs. Fees for these services are usually billed forward on a quarterly basis. Fees will be disclosed in the Investment Supervisory Agreement. In some cases a minimum fee or account size may apply. Fees may vary based on the type of plan needed, complexity of the client's situation and the location of the LFA Office. Fees are usually negotiable. Please see the section on "General Information on Fees" for further fee information.

LFA Referral Services:

LFA, through its advisory representatives, may refer clients to various investment advisors.

LFA Referral Services Process:

In most instances, the LFA Representative will assist the client in selecting an investment advisory firm, and assist the client in completing an investment profile questionnaire and new account paperwork. The investment advisory firm will then manage the client's account, usually on a discretionary basis, based on the client's investment objectives.

LFA Referral Services Fees and Compensation:

LFA does not directly charge the client a fee for these services. The investment advisory firm pays LFA a referral fee. LFA's share of the investment advisory fee typically ranges between 25% to 100% of the total fee paid by the client. LFA's exact share of the fee will be disclosed to the client in the appropriate Disclosure Letter at the time of the referral. All referral fees will be received based on applicable SEC and state rules.

Retirement Plan Consulting Program:

LFA offers consulting and advisory services for employer-sponsored retirement plans that are designed to assist plan sponsors of employee benefit plans (“Sponsor(s)”). LFA may also assist Sponsors with enrollment and/or providing investment education to plan participants and beneficiaries. LFA provides these retirement plan services (“Retirement Plan Services”) through its IARs, and may charge a fee for the Retirement Plan Services, as described in this Form ADV Part 2A and the Retirement Plan Consulting Agreement (“Agreement”).

Retirement Plan Services are either ERISA Fiduciary Services or ERISA Non-fiduciary Services. ERISA Nonfiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). When delivering ERISA Fiduciary Services, LFA will perform those services to the plan as a fiduciary under ERISA Section 3(21)(A)(ii) and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any ERISA Fiduciary Services, LFA will solely be making recommendations to the Sponsor and the Sponsor retains full discretionary authority or control over assets of the plan. Sponsor may engage LFA to perform the Retirement Plan Services by providing information about the plan, including the plan design, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers, and by executing an Agreement. LFA will provide Sponsor a copy of this Form ADV Part 2A or a comparable brochure and the Agreement for review. The Agreement describes the terms of the arrangement between LFA and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged by LFA. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to LFA before LFA performs any Retirement Plan Services. A description of the Retirement Plan Services is as follows.

ERISA Fiduciary Services

Plan Sponsor Services

☐ Recommendations to establish or revise the Plan’s Investment Policy Statement (“IPS”)

IAR will review with the Plan Fiduciary the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, IAR will recommend investment policies to assist the Plan Fiduciary in establishing an appropriate IPS. If the Plan has an existing IPS, IAR will review it for consistency with the plan objectives. If the IPS does not represent the objectives of the Plan, IAR will recommend to the Plan Fiduciary revisions that will establish investment policies that are congruent with the Plan’s objectives.

☐ Recommendations to Select and Monitor the Plan’s Designated Investment Alternatives (“DIAs”)

Based on the Plan’s IPS or other guidelines established by the Plan, IAR will review the investment options available to the Plan and will make recommendations to assist the Plan Fiduciary in selecting the DIAs to be offered to Plan participants. Once the Plan Fiduciary selects the DIAs, IAR will provide reports, information and recommendations, on a quarterly basis or upon reasonable request, to assist the Plan Fiduciary in fulfilling the Plan Fiduciary’s duty to monitor the Plan’s investments. If the IPS criteria require an investment to be removed, IAR will provide information, analysis and recommendations to assist the Plan Fiduciary with the evaluation of replacement investment alternatives.

☐ Recommendations to select and monitor Qualified Default Investment Alternative(s) (“QDIA”)

Based on the Plan’s IPS or other guidelines established by the Plan, IAR will review the investment options available to the Plan and will make recommendations to assist the Plan Fiduciary in selecting the Plan’s QDIA(s) for Plan participants that fail to direct the investment of their accounts. Once the Plan Fiduciary selects the QDIAs, LFA will provide reports, information and recommendations, on a quarterly or upon reasonably requested basis, to assist the Plan Fiduciary in fulfilling its duty to monitor the QDIAs. If the IPS criteria require a QDIA to be removed, IAR will provide information, analysis and recommendations to assist the Plan Fiduciary with the evaluation of replacement investment alternatives.

☐ Recommendations to Allocate and Rebalance Model Asset Allocation Portfolios (“Model Portfolios”)

Based on the Plan’s IPS or other investment guidelines established by the Plan, IAR will review the investment options available to the Plan and will make recommendations to assist the Plan Fiduciary in the creation and maintenance of Model Portfolios. Once the Plan Fiduciary approves the Model Portfolios, IAR will provide reports, information and recommendations regarding the DIAs on a

periodic basis, to assist the Plan Fiduciary in fulfilling its duty to monitor the Model Portfolios. If the IPS criteria require an investment to be removed from the Model Portfolios, IAR will provide information, analysis and recommendations to assist the Plan Fiduciary with the evaluation of replacement investment alternatives to be included in the Model Portfolios. Upon reasonable request, IAR will provide recommendations to the Plan Fiduciary to rebalance the Model Portfolios to maintain the desired allocations.

IAR will not provide any instructions to Recordkeeper with respect to the creation, maintenance, or rebalancing of Model Portfolios. All instructions regarding Model Portfolios must be provided to Recordkeeper by Sponsor or Plan Fiduciary.

☐ Recommendations to Select and Monitor Investment Managers

Based on the Plan's IPS or other guidelines established by the Plan, IAR will review the potential investment managers available to the Plan and will make recommendations to assist the Plan Fiduciary in selecting one or more investment managers. Once the Plan Fiduciary approves an investment manager, IAR will provide, on a periodic basis, reports, information and recommendations to assist the Plan Fiduciary in fulfilling its duty to monitor the Plan's investment managers. If the IPS criteria require an investment manager to be removed, IAR will provide information and analysis to assist the Plan Fiduciary with the evaluation of replacement investment managers.

ERISA Non-Fiduciary Services

Plan Sponsor Services

☐ Educating and Supporting Plan Fiduciary / Committee

IAR will assist the Plan Fiduciary with the establishment and ongoing support of the Plan committee and will recommend protocols designed to promote procedural prudence in the Plan Fiduciary's management and administration of the Plan. The Plan Fiduciary is solely responsible for appointing and removing Plan committee members. On an as needed basis, IAR may provide education to Plan committee members on their fiduciary duties and assist the Plan committee with the coordination of regular meetings.

IAR may also provide the Plan Fiduciary with legislative and regulatory updates to notify the Plan Fiduciary about current and proposed examination initiatives. IAR may assist the Plan Fiduciary in evaluating the Plan's procedures in light of any such updates.

☐ Assisting with the Plan's Investment Policy Statement ("IPS")

IAR will provide training and information to the Plan Fiduciary regarding investment theories such as investment objectives, risk and return characteristics, historical return and prospectus information on investment alternatives available through the Plan's provider. IAR may provide the Plan Fiduciary with information concerning historical differences in rates of return between asset classes and asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles. The Plan Fiduciary may use the information provided by IAR to establish investment criteria in the Plan's IPS, and/or to determine the number of investment alternatives and/or investment styles to offer as Designated Investment Alternatives ("DIAs") and/or Model Portfolios.

☐ Assisting With Investment Reporting and Analysis

IAR may provide the Plan Fiduciary with investment performance reports and related information that the Plan Fiduciary may consider in the management and evaluation of the Plan's investments in accordance with the Plan's IPS and the Plan Fiduciary's duty to monitor the investments of the Plan. The Plan Fiduciary retains decision-making authority to select, remove, and/or replace Plan investments.

☐ Assisting With Evaluation of Plan Service Providers

IAR may assist the Plan Fiduciary in the selection and monitoring of the Plan's service providers. LFA may utilize third-party tools and publicly available data to assist the Plan Fiduciary with benchmarking the fees charged by a service provider. The Plan Fiduciary retains final decision-making authority with respect to the selection, removal and/or replacement of the Plan's service providers. These services may include one or more of the following:

- IAR may recommend procedures to track the receipt and evaluation of disclosures provided by “covered” service providers under ERISA 408(b)(2);
- IAR may assist the Plan Fiduciary with creating formal requests for proposals from prospective service providers; the collection and evaluation of information received in response to such requests; and coordinating final interviews and presentations;
- IAR may assist Plan Sponsor with a plan conversion or merger of services; and/or
- IAR may act as a liaison with the Plan’s third party service providers on behalf of Plan Sponsor.

☐ Assisting With Benchmarking Peer Groups

IAR may help the Plan Fiduciary compare the Plan’s structural metrics against the metrics of comparable retirement plans (e.g. Participation levels, employer contributions, vesting time frames, loan availability, etc.). The Plan Fiduciary will retain final decision-making authority with respect to the structure and features of the Plan.

Participant Services

☐ Employee Enrollment and Investment Education

IAR will conduct periodic group enrollment and education meetings with employees and educational meetings with Plan participants and beneficiaries. IAR may provide information and materials that inform a participant or beneficiary about the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of preretirement withdrawals on retirement income, the terms of the Plan, or the operation of the Plan. IAR may also provide educational information concerning the Plan’s designated investment alternatives (“DIAs”) (e.g., general asset classes, investment objectives and philosophies, risk and return characteristics, historical return information, and/or related prospectuses of the Plan’s DIAs).

IAR may also provide information and materials that inform a participant or beneficiary about: (i) general financial and investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment; (ii) historical differences in rates of return between different asset classes (e.g., equities, bonds, or cash) based on standard market indices; (iii) effects of inflation; (iv) estimating future retirement income needs; (v) determining investment time horizons; and (vi) assessing risk tolerance.

The information and materials described above relate to the Plan and Plan participation, without reference to the appropriateness of any individual DIA for a particular participant or beneficiary under the Plan, or are general financial and investment information that have no direct relationship to the Plan’s DIAs. The information, therefore, does not contain either “advice” or “recommendations” within the meaning of 29 CFR 2510.3–21(c)(1)(i). Accordingly, the furnishing of such information does not constitute the rendering of “investment advice” for purposes of section 3(21)(A)(ii) of ERISA.

☐ Participant Retirement Readiness Consulting

IAR may conduct group meetings with Plan participants and beneficiaries to provide education on assessing retirement income needs. Using tools available through the Plan or approved third parties, IAR will assist Plan participants and beneficiaries in conducting “gap” analysis to determine whether their current investment objectives and savings rates are sufficient to provide for future income needs during retirement. IAR may provide assistance to Plan participants and beneficiaries in creating retirement income plans.

The information and materials described above relate to the Plan and Plan participation, without reference to the appropriateness of any individual DIA for a particular participant or beneficiary under the Plan or are general financial and investment information that have no direct relationship to the Plan’s DIAs. The information, therefore, does not contain either “advice” or “recommendations” within the meaning of 29 CFR 2510.3–21(c)(1)(i). Accordingly, the furnishing of such information does not constitute the rendering of “investment advice” for purposes of section 3(21)(A)(ii) of ERISA.

☐ Participant Education on Plan Expenses and Fee Analysis

On an as needed basis, IAR may conduct group meetings with Plan participants and beneficiaries to provide education concerning the services and fees disclosed to Plan participants by Plan Fiduciary in accordance with ERISA 404(a)(5). IAR may use information provided by Plan Fiduciary relating to the services provided and compensation received by the Plan’s other service providers to educate Plan participants. Upon request, IAR may assist the Plan Fiduciary in establishing protocols and procedures for the intake, tracking and resolution of Plan participant inquiries.

POTENTIAL ADDITIONAL RETIREMENT SERVICES PROVIDED OUTSIDE OF THE AGREEMENT

In providing Retirement Plan Services, LFA and its IARs may establish a client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation: 1) as a result of a decision by the participant or beneficiary to purchase services from LFA not involving the use of plan assets; 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or 3) through an Individual Retirement Account rollover (“IRA Rollover”). LFA IARs will not, however, solicit services from plan participants or beneficiaries when providing Retirement Plan Services. If LFA is providing Retirement Plan Services to a plan, IARs may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate agreement that excludes any investment advice on plan assets (but may consider the participant’s or beneficiary’s interest in the plan in providing that service). If a plan participant or beneficiary desires to affect an IRA Rollover, LFA may provide the participant or beneficiary with a written explanation of the options available to the plan participant or beneficiary. Any decision to affect the rollover or about what to do with the rollover assets remains that of the participant or beneficiary alone.

Fees for the Retirement Plan Services (“Fees”) are negotiable, and Sponsor may be charged a fee based on a percentage of plan assets, an hourly rate or a flat dollar amount. Sponsor may specify whether to pay the Fees directly or may authorize the plan’s recordkeeper or custodian to pay LFA from plan assets. If Fees are to be charged on an ongoing basis, they will be billed quarterly in arrears. If the fee is not hourly, the initial Fee will be prorated based upon the number of days remaining in the initial quarterly period from the date of execution of the Agreement. If the Fee is based on a percentage of plan assets, the initial Fee will be based upon the market value of the plan assets at the close of business on the last business day of the initial quarterly period. Thereafter, the quarterly portion of any annual asset-based Fees will be based upon the market value of the plan assets at the close of business on the last business day of the previous calendar quarter (without adjustment for anticipated withdrawals by plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets). If the Agreement is terminated prior to the end of a quarter, LFA will be entitled to a quarterly fee, prorated for the number of days in the quarter prior to the effective date of termination, and for asset-based fees, based on the market value of the plan assets at the close of business on the effective date of termination. Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by LFA, the Fees charged may be more or less than those of other similar service provider. All fees paid to LFA for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds, and other investment vehicles to their shareholders. Those fees and expenses are described in each investment’s prospectus, and will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by LFA are designed to, among other things, assist the client in determining which Manager(s) are most appropriate to each client’s financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the Manager, the plan’s other service providers and the fees charged by LFA to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

LFA and its affiliates may provide securities brokerage, recordkeeping or other Retirement Plan Services to plans and receive variable compensation for those services. A conflict of interest may arise where LFA recommends the Retirement Plan Services of those affiliates. LFA, its employees, and its IARs benefit from the compensation paid to LFA, and may directly or indirectly receive a portion of the fees and other compensation paid by Retirement Plan Services clients. Those clients may also use other products or Retirement Plan Services available from or through LFA and in such case pay additional compensation. This practice creates a potential conflict of interest that may give LFA and its IARs an incentive to recommend Retirement Plan Services based on the compensation received. Additionally, fees and commissions may also be higher for some brokerage products, services or Retirement Plan Services, and the remuneration and profitability to LFA, its IARs and affiliates resulting from transactions involving some accounts may be greater than the remuneration and profitability resulting from other accounts, products or Retirement Plan Services. LFA addresses these conflicts through disclosure in this ADV and additional disclosures concerning compensation we may receive, directly or indirectly. LFA will also offset or refund additional compensation when required by law.

All investments involve risk and investment performance can never be predicted or guaranteed. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance and other factors. Using any benchmark or index in connection with the Retirement Plan Services is no promise that the performance of the plan’s particular investments will experience the same results, including the results shown on the various reports that are delivered as part of the Retirement Plan Services. Sponsor or the plan

participants and beneficiaries retain all investment discretion over plan assets provided to them by the plan. Each is free to make his or her own investment decisions. No one is required to accept any assistance or follow any recommendations provided as part of the Retirement Plan Services. If the plan selects Investment Adviser's Service to allocate or rebalance among model portfolios or to recommend investment managers, the responsible Sponsor or participant or beneficiary can freely change allocations or managers. LFA may use or provide to Sponsor data or information provided by third parties when providing Retirement Plan Services. While LFA reasonably believes that the information or data is reliable, it does not promise that it is accurate, current or consistently available. Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a retirement plan receiving the Retirement Plan Services.

As part of the Retirement Plan Services to Provide Recommendations to Select and Monitor Investment Managers, Qualified Default Investment Alternative(s) ("QDIA") or Designated Investment Alternatives ("DIAs"), LFA may provide Sponsor a list of investments, including mutual funds, to consider as options for the plan, and may provide a list of investment managers to manage the assets of the plan. Any list is for informational purposes only and Sponsor retains full authority to select all plan investments, and should not be considered a primary basis for the Sponsor's decision.

LFA will consider information provided by Sponsor about the plan when assisting with or making recommendations about the plan's IPS. It is important that that information be accurate and current. Changes in the information will impact what assistance or recommendations may be made so it is important that LFA be accurately informed.

Any report containing a proposed asset allocation model is based upon a number of factors which may include the demographics of plan participants, current asset allocations and the value of the assets. LFA may change asset allocations and investment options within the model portfolios and has no obligation to revise the report or otherwise advise Sponsor if a model or any of LFA's assumptions change in the future. The analyses and suggested asset allocations contained in the reports may be based on historical financial data, assumptions about future financial trends (including market appreciation or decline, rates of return and risks for various asset classes), assumptions about applicable laws and regulations, and appropriate financial planning strategies. Any projections, analyses or other information contained in or with the reports regarding various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. The reports do not provide advice regarding the plan's specific securities investments. Therefore, it is important for Sponsor to monitor current events, such as changes in tax laws or in the financial markets, which may affect Sponsor's decisions about the plan. The return rates and dollar figures contained in the report may not include all investment expenses; thus, any results shown may be reduced by such costs. Also, where applicable (and only as indicated) assumptions as to federal income tax rates, state income tax rates, and estate taxes reflected in the report would only be general estimates.

FEES AND COMPENSATION (Form ADV, Part 2A – Item 5)

Fee schedules and other compensation are included in the description of each advisory program and service above. In certain circumstances, all fees and account minimums may be negotiable.

In programs that use portfolio managers, a portion of the total fee up to 0.85% of assets under management may be paid to the portfolio manager for their services. The amount may vary by program and by manager.

A client agreement to which LFA is a party may generally be terminated at any time, by either party, for any reason on 30 days written notice. Any prepaid, unearned fees will be refunded, and any unpaid fees will be due.

Fees charged may vary by office and by LFA Representative. Certain LFA Representatives may provide comparable services for fees that are different from those charged by other LFA Representatives.

All fees paid to LFA for investment advisory services are separate from the fees and expenses charged by mutual funds to their shareholders. These mutual fund fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client can invest in a mutual fund directly without the services of LFA. In that case, the client would not receive the services provided by LFA, such as assisting the client in determining which investments are most appropriate to their financial condition and objectives. The client should review the fees charged by both the funds and LFA to fully understand the total amount being paid and evaluate the services being provided.

LFA Representatives may receive additional compensation and/or incentive awards for reaching certain levels of assets under management in the investment advisory programs, or generating a certain amount of fee revenue in a certain period. The client will not be charged any additional fees due to these circumstances. However, the receipt of additional compensation presents a conflict of interest and may affect the judgment of the LFA Representative.

Most LFA Representatives are Registered Representatives of LFA in its capacity as a broker/dealer, and licensed agents of The Lincoln National Life Insurance Company ("LNL"). In most cases, the LFA Representative may recommend products that are managed and/or sold by Lincoln companies. The LFA Representative may receive additional compensation on these products, provided that these products are suitable for the client's objectives. Additionally, Lincoln companies will profit from any sales of their products to clients of LFA. This presents a conflict of interest and gives LFA and its Representatives an incentive to recommend investment products based on the compensation received, rather than on a client's needs. All of this information is fully disclosed in writing to the client at the time of entering into an advisory contract.

LFA, LNL and their affiliated companies have suitability requirements, as well as regulatory and compliance rules and procedures which must be followed. In addition, LFA maintains a supervisory system that includes conducting periodic supervisory and compliance inspections and audits.

In most instances, LFA Representatives may only recommend products offered through LFA where LFA has a selling agreement with the product sponsors. This does not generally include "no-load" mutual funds or non-registered insurance or annuity products.

Clients have the option to purchase investment products recommended by LFA and its Representatives through other brokers or agents that are not affiliated with LFA.

Commissions and other compensation for the sale of investment products provide the primary compensation for LFA and many of its Representatives.

LFA does not generally reduce its advisory fees to offset any applicable commissions or markups.

LFA may receive revenue from various mutual fund companies, broker-dealers, investment advisors and/or their affiliates in connection with its investment advisory programs and services. The amounts LFA receives may vary depending on the particular investment. LFA Representatives may act as agents of the companies whose products they sell, and may provide services to you on their behalf. LFA Representatives may be compensated by LFA and/or the product manufacturer via commissions, asset-based fees, and/or other compensation which may be built into the costs and charges of the product.

In some cases, LFA Representatives receive more compensation when placing Lincoln Financial Group manufactured products, and may qualify for additional compensation based on the volume of those sales over time. LFA Representatives are also eligible for additional compensation and/or other incentives based on factors such as sales volume of certain Lincoln products, the length of time that clients keep assets in the products, and/or the profitability of the products. They may also receive compensation based on the sales of Lincoln products by other Representatives. LFA Representatives may also participate in benefit programs whose costs are partially reimbursed by Lincoln affiliates, and/or which are based on sales volume of Lincoln products. LFA-affiliated companies may also benefit financially from the sale of Lincoln life insurance, annuity, mutual fund and asset management products offered by LFA Representatives.

Some experienced new planners moving their practices to LFA have been offered loans based on future sales of products and services offered by LFA, including both Lincoln and non-Lincoln products and services. In the past, some loans were offered based on Lincoln Financial Group products alone. The repayment of these loans may be fully or partly waived based on reaching certain sales levels, or may be funded by additional compensation for these sales.

Because of the way products are priced and marketed, LFA Representatives may also receive higher compensation for the sales of products offered by companies not affiliated with Lincoln Financial Group.

Depending on which product and/or service you purchase, you may also receive additional materials which disclose important information, such as product prospectuses, applications, and disclosure brochures.

LFA has agreements with certain sponsors and custodians of advisory programs in which they provide compensation and expense reimbursements to LFA in support of the training, education and marketing support required of these products. In addition, LFA may impose certain administrative costs in connection with these programs. The method, timing and amount of payments vary by program and sponsor, and may include a direct reimbursement of certain expenses, payment of a specified dollar amount to participate in certain conferences, payment of a fee or service charge for a transaction, or a payment of a percentage of assets under management. These payments may include fees in connection with securities transactions, transaction or account-based administrative or service charges, and may include payments of 12(b)-1 fees or other asset-based fees from money market funds and other mutual funds. Payments calculated as a percentage of assets under management range from 0% to 0.25%. Administrative charges, if applicable, range from 0.05% to 0.25%. Sponsors of these programs may also directly pay for certain educational and training costs of LFA Representatives, and send their employees to meetings to provide education and training on these programs.

LFA, its Representatives, and clients may also receive the benefit of certain services provided by program sponsors and custodians. These services may include performance reporting, statement creation and delivery, technology systems including online access to account information, fee liquidation, notification and payment services, marketing material and other services related to the management of investment advisory accounts. Some of these services may involve additional charges to LFA, its Representatives, or to clients, while others are packaged and available as part of an investment advisory program without itemization of the cost of each product or service.

LFA has relationships with both affiliated and non-affiliated companies that may provide additional revenue and marketing support as well as education and training to LFA Representatives for the sale of various mutual fund, annuity, life insurance and alternative investment products. This revenue and marketing support does not affect the compensation to any LFA Representative or manager. For current

information regarding specific revenue and marketing support, including a list of product sponsors, please go to: www.lfa-sagemark.com.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (Form ADV, Part 2A – Item 6)

LFA and its Representatives do not charge fees based on a share of capital gains or capital appreciation of client assets.

TYPES OF CLIENTS (Form ADV, Part 2A – Item 7)

LFA generally may provide investment advice to individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, corporations or other business, and state or municipal government entities. Requirements for opening and maintaining an account, such as minimum account size, are listed above in the description for each advisory program or service, if applicable.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (Form ADV, Part 2A – Item 8)

LFA provides financial consulting using both fundamental and technical approaches to financial planning. The financial plans provide analysis and advice in the following areas: investments, cash management, risk management, retirement planning and estate planning.

LFA Representatives perform analysis for asset management programs, which are provided to clients. This analysis relies on research reports and information provided by third parties who are contracted to provide such information.

In the financial planning process, LFA's Representatives will assist clients, through the use of approved questionnaires and software, in identifying their financial objectives. LFA Representatives will recommend asset allocation strategies made up of different categories of financial assets in order to address specific client-identified economic and tax concerns. For all asset management programs used by LFA, the specific security analysis methods, sources of information and investment strategies depend upon and are determined by the applicable third party asset management vendors or process selected by the client. Investing in securities involves risk of loss that clients should be prepared to bear.

DISCIPLINARY INFORMATION (Form ADV, Part 2A – Item 9)

Below is a description of legal or disciplinary events that may be material to a client or prospective client's evaluation of LFA and its advisory business:

- Ⓐ On March 16, 2007, the Rhode Island Securities Department entered into a Consent Agreement with LFA. LFA employed two investment adviser representatives from October 2005 to June 2006 who regularly met with clients and provided investment advisory services at an office location in Rhode Island. The representatives were not properly licensed or exempt from licensing in the state of Rhode Island. The Securities Department took the position that this activity constituted conduct in violation of Section 7-11-203 of RIUSA and the rules promulgated thereunder. On June 24, 2006 applications for licensure for the representatives were submitted to Rhode Island and became effective on June 25, 2006. LFA paid an administrative penalty in the amount of \$5,000.
- Ⓐ On October 9, 2006, LFA entered into a Consent Agreement with the North Dakota Securities Department and paid a civil penalty of \$4,000. In March 2001, LFA, through one of its agents, conducted four securities transactions in the state when the agent was not registered in the state. North Dakota took the position that LFA was in violation of N.D.C.C., Section 10-04-10(2).
- Ⓐ On September 30, 2003, the Nevada Securities Division issued a Letter of Acceptance, Waiver and Consent ("AWC") to LFA for failure to comply with NRS 90.360.2, 90.392.1 and 90.310. A Registered Representative of LFA began conducting business from her residence in Nevada on or about April, 1996; however, LFA did not register the address as a branch in Nevada until March 13, 2003. LFA signed the AWC on October 17, 2003, agreeing to properly license all branch offices in Nevada and to properly withdraw the registrations when branches closed. LFA paid a civil penalty in the amount of \$5,000 on October 20, 2003.
- Ⓐ On February 16, 2011 the Financial Industry Regulatory Authority ("FINRA") notified LFA of its acceptance of a Letter of Acceptance, Waiver and Consent (the "Letter") signed and submitted to FINRA by LFA on December 21, 2010. The Letter noted that between 2007 and 2009 LFA failed to adequately protect customer records and information in the firm's client portfolio management system and allowed certain employees to access its web-based customer account system by using shared log-on credentials without establishing adequate procedures and without controlling or monitoring who had access to the common log-on credentials. As a result of the foregoing, LFA violated Rule 30 of Regulation S-P, NASD Rules 3010, 2110 and FINRA Rule 2010. LFA was censured and fined \$150,000, and the fine was paid in full on February 23, 2011.
- Ⓐ On August 16, 2005 the National Association of Securities Dealers ("NASD") notified LFA of its acceptance of a Letter of Acceptance, Waiver and Consent (the "Letter") signed and submitted to the NASD by LFA on August 5, 2005. The Letter noted the following regarding NASD Rules 2110 and 2830(K): LFA, in connection with an agreement between mutual fund complexes and LFA's clearing firms, received from one or both of its clearing firms, directed brokerage commission payments that involved the use of trading commissions to generate payments for participation in LFA's preferred partner program. LFA was censured and fined \$950,000. The Fine was paid in full on August 29, 2005.
- Ⓐ On July 1, 2005 the NASD notified LFA of its acceptance of a Letter of Acceptance, Waiver and Consent (the "Letter") signed and submitted to the NASD by LFA on 5/23/2005. The Letter noted the following: (1) from approximately 7/21/2001 until 8/31/2003 LFA received notice of 12 events that were subject to reporting requirements and failed to report to the NASD within 10 business

days after it knew of the events in violation of NASD Rules 2110 and 3070(B); (2) from approximately 7/21/2001 until 8/31/2003, LFA received 345 written customer grievances and failed to report 206 to the NASD by the 15th day of the month following the calendar quarter in which the complaints were received in violation of NASD Rules 2110 and 3070(C); and (3) LFA failed to prepare and maintain adequate written supervisory procedures to ensure compliance with NASD Rule 3070(C) in violation of NASD Rules 2110 and 3010.

LFA implemented procedures to file all requisite disclosures under NASD Rules 2110 and 3070 and has prepared adequate written supervisory procedures in compliance with Rule 3070(C). LFA executed the Letter on 5/23/05 and agreed to pay any monetary sanctions imposed upon notice from the NASD Finance Department. On July 15, 2005 LFA paid the NASD \$75,000 for full payment of the fine issued in connection with the Letter.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (Form ADV, Part 2A – Item 10)

LFA is a registered broker-dealer, and its investment advisor representatives are also generally registered representatives of LFA.

LFA's principal business is as a broker-dealer selling investment products and services, including stocks, bonds, mutual funds, annuities, insurance products and options. LFA and its executive officers spend the majority of their time with these business activities. Some of LFA's executive officers are also officers of The Lincoln National Life Insurance Company and Lincoln Life & Annuity Company of New York. The proportion of time spent on each of these activities cannot be readily determined.

If a client needs certain types of products or services that are not offered by LFA, LFA may refer the client to various third party entities that provide these products or services. LFA may be paid referral fees paid by these third parties. Examples of these types of products and/or services may include business valuation, foundation formation, tax strategies, and other services.

LFA is affiliated with the following companies due to common ownership by Lincoln National Corporation:

- The Lincoln National Life Insurance Company (insurance company)
- Lincoln Life & Annuity of New York (insurance company)
- LFA, Limited Liability Company (insurance agency)
- Lincoln Financial Distributors, Inc. (broker-dealer)
- Lincoln Financial Securities Corporation (broker-dealer, investment advisor, and insurance agency)
- Lincoln Financial Investment Services Corporation (broker-dealer)
- Lincoln Investment Advisors Corporation (investment advisor)
- First Penn-Pacific Life Insurance Company
- California Fringe Benefit and Insurance Marketing Corporation (insurance agency)
- JPSC Insurance Services, Inc.
- LFD Insurance Agency, LLC (insurance agency)
- Lincoln Financial Group Trust Company, LLC (trust company)
- Lincoln Investment Management Company (investment adviser)
- Westfield Assigned Benefits Company (insurance agency)

Conflicts of interest may be created by financial incentives and/or compensation arrangements between LFA and its affiliates. These conflicts of interest and the steps taken by LFA to address them are described above in the section on "Fees and Compensation."

LFA may recommend or select other investment advisors for clients and receive compensation directly or indirectly from those advisors. This creates a material conflict of interest in that LFA and its Representatives have a financial incentive to recommend advisors based on compensation paid. These conflicts of interest and the steps taken by LFA to address them are described above in the section on "Fees and Compensation."

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (Form ADV, Part 2A – Item 11)

LFA has adopted an Investment Advisor Code of Ethics, and all investment adviser representative and certain other individuals defined as "access persons" are required to understand and follow its provisions. Through this Code, LFA strives to ensure high standards of professional excellence and ethical conduct among its associates. The Code is aligned with Lincoln Financial Group's long standing shared values of: Integrity, Commitment of Excellence, Responsibility, Respect, Fairness, Diversity and Employee Ownership. LFA will provide a copy of its Code of Ethics to any client or prospective client on request. If you would like a copy of LFA's Investment Advisor Code of Ethics, please call (800) 237-3813, extension 3056, or e-mail us at: lfaria@lfg.com.

LFA may engage in principal transactions mainly involving debt securities. These securities may be recommended to LFA's clients on a fully disclosed basis, and are conducted on a "riskless transaction" basis. Under these circumstances, LFA may buy or sell securities it

recommends to its clients as a principal. All of this information is fully disclosed.

LFA, its Representatives, and/or other associated persons may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to clients. This could create a conflict of interest in that LFA Representatives may have an incentive to put their own interests ahead of clients. Personal securities transactions by LFA Representatives are recorded and monitored by LFA.

BROKERAGE PRACTICES (Form ADV, Part 2A – Item 12)

LFA Representatives generally recommend LFA as broker-dealer for investment products. However, the client is under no obligation to purchase products from LFA or the LFA Representative, as described in the advisory contract. The client pays the same fee for advisory services whether or not products are purchased from the LFA Representative. The client also pays the same price and commissions for products whether or not LFA provided a financial plan to the client.

LFA's advisory business does not generally include blocking trades, negotiating commissions, or obtaining volume discounts. Lower commissions or better execution may be achieved elsewhere. Different commissions may be charged to different clients.

In certain circumstances, Representatives may recommend brokers other than LFA. In most cases, the other broker would be recommended because of the role they play in an asset management program. Not all advisors require clients to direct brokerage. By directing brokerage, LFA may not be able to achieve most favorable execution of client transactions, and this practice may cost clients more money.

For additional information on conflicts of interest created by the recommendation of LFA as a broker-dealer, or the recommendation of certain other broker-dealers for asset management programs, including compensation arrangements between LFA and other broker-dealers, please see the section on "Fees and Compensation" above.

In the Lincoln Managed Assets Program, Managed Account Services LLC serves as introducing broker-dealer. First Clearing, LLC will serve as the clearing broker-dealer and custodian.

In the Lincoln Premier Series programs, Fidelity Institutional Wealth Services serves as the broker-dealer, with its affiliate, National Financial Services serving as custodian for most accounts. Lincoln Premier Series accounts may also be held with LFA serving as introducing broker-dealer and Pershing LLC serving as custodian.

In the SEI Asset Management Programs, SEI Investments will execute trades in client accounts. SEI Trust Company will serve as custodian.

In the LincSolutions program, accounts will be held through LFA in its capacity as an introducing broker-dealer, and National Financial Services serving as clearing agent and custodian.

In the Brinker Capital Asset Management Programs (Destinations, Core, UMA and Crystal Strategies), Brinker Capital will execute and clear trades in client accounts. For Brinker's Core Asset Manager Program, National Financial Services will serve as custodian. For Brinker Destinations, these services are provided by Fidelity Institutional Wealth Services.

REVIEW OF ACCOUNTS (Form ADV, Part 2A – Item 13)

In the financial planning process, all recommendations are generally reviewed by Director of Planning or their designee. After the first anniversary of the plan, the client may request or the LFA Representative may recommend that the contract be renewed to update the financial plan. In this case, the LFA Representative will gather current financial information and provide a written analysis, which will be reviewed based on the same process.

Accounts in asset management programs are reviewed as agreed upon by the LFA Representative and client, as transactions occur, or as requested by the client. Additionally, LFA Representatives receive quarterly reports of client accounts. LFA's management also receives quarterly performance reports for some programs. These reports are reviewed by LFA and may be discussed with the LFA Representative, if applicable. When necessary, they are reviewed with the client.

Financial Planning clients receive a completed financial plan. Clients in asset management programs receive confirmations as activity occurs and/or monthly statements of account activity. Asset management programs provide written reports to clients at least quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION (Form ADV, Part 2A – Item 14)

For a description of the economic benefits received by LFA and its Representatives from entities who are not clients, as well as conflicts of interest created by those benefits and how they are addressed, please see the section on "Fees and Compensation" above.

Solicitor Relationships

Overview:

LFA may pay referral fees to solicitors based on a written agreement if allowed by SEC and state regulations. A document describing the relationship will be provided to the client at or before the client signs an advisory contract. The amount of the solicitor fee may vary

based on different factors, such as the types of services performed by the solicitor. The solicitor's fee does not increase the fees paid by the client. Clients are obtained primarily through the efforts of LFA's Representatives.

Solicitor Relationship Process:

The solicitor will give the client a copy of LFA's Form ADV Part 2A and Part 2B, or Disclosure Brochure, and a separate Disclosure Letter. The Disclosure Letter will describe the relationship between LFA and the solicitor, and the compensation that the solicitor is being paid to refer the client to LFA. In order for the solicitor to receive the referral fees, the client must confirm in writing that they have received a copy of LFA's Disclosure Brochure and the Disclosure Letter.

Solicitor Fees:

LFA will pay the solicitor a referral fee which will come from the advisory fee charged to the client. The advisory fee will not be increased due to the solicitor's relationship with LFA.

CUSTODY (Form ADV, Part 2A – Item 15)

LFA does not generally provide custodial services for client assets. However, in certain cases where clients have authorized LFA to deduct advisory fees from their brokerage accounts, LFA may be considered to have access to cash in those accounts.

Clients will receive account statements from the broker-dealer or other qualified custodian that holds their accounts, and clients should carefully review these statements. It is important to compare the information on these statements with reports you receive from LFA. Please note that there may be minor variations due to calculation methods. If you have any questions, please contact your LFA Representative.

LFA and its Representatives do not generally take possession of client funds or securities. However, under very limited circumstances, certain LFA Representatives may provide services that require access to client accounts to perform functions such as bill paying. While LFA and its Representatives do not accept authority to take possession of client assets, this level of account access may be considered "custody" under SEC rules. These accounts are held with qualified custodians.

INVESTMENT DISCRETION (Form ADV, Part 2A – Item 16)

LFA generally provides investment management services on a non-discretionary basis, meaning that LFA obtains client authorization before entering any buy or sell orders in client accounts, aside from the ability to approve or reject quarterly reallocations in the SEI Mutual Fund Program. LFA will provide investment management services on a discretionary basis, where client consent is not needed prior to entering buy and sell orders in an account, only when written authorization providing discretionary authority is granted by such client. In any event, discretionary authority is limited to trading, and will not extend to money movement, including the withdrawal of funds from the client's account.

VOTING CLIENT SECURITIES (Form ADV, Part 2A – Item 17)

LFA does not accept authority to vote client securities or proxies. Clients will receive their proxies or other solicitations directly from their custodian, unless the client has provided proxy voting authority to a third party such as an investment manager. If you have any questions regarding a particular solicitation, please contact your LFA Representative.

FINANCIAL INFORMATION (Form ADV, Part 2A – Item 18)

LFA does not have any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.

LINCOLN FINANCIAL ADVISORS CORPORATION[®] PRIVACY PRACTICES NOTICE LINCOLN FINANCIAL SECURITIES CORPORATION[®] PRIVACY PRACTICES NOTICE

Lincoln Financial Advisors Corporation and Lincoln Financial Securities Corporation (both a part of Lincoln Financial Network or LFN) are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. **We do not sell your personal information to third parties.** We share your personal information with third parties as necessary to provide you with the products or services you request and to administer your business with us. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. This Notice explains our information sharing arrangement and provides information on how to contact us if you have questions regarding our privacy practices.

INFORMATION WE MAY COLLECT AND USE

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; or to tell you about our products or services we believe you may want and use. The type of personal information we collect depends on the products or services you request and may include the following:

- **Information from you:** When you submit your application or other forms, you give us information such as your name; address; Social Security number; and your financial; health; and employment history.
- **Information about your transactions:** We keep information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment history.
- **Information from outside our family of companies:** If you are purchasing insurance products, we may collect information from consumer reporting agencies such as your credit history; credit scores; and driving and employment records. With your authorization, we may also collect information, such as medical information from other individuals or businesses.
- **Information from your employer:** If your employer purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

HOW WE USE YOUR PERSONAL INFORMATION

We may share your personal information within our companies and with certain service providers as allowed by law. They use this information to process transactions you have requested; provide customer service; and inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, registered representatives; reinsurers and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law.

When you apply for one of our products, we may share information about your application with credit bureaus. We also may provide information to group policy owners, regulatory authorities and law enforcement officials and to others when we believe in good faith that the law requires disclosure. In the event of a sale of all or part of our businesses, we may share customer information as part of the sale. **We do not sell or share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.**

SECURITY OF INFORMATION

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. Our employees are authorized to access your information only when they need it to provide you with products, services, or to maintain your accounts. Employees who have access to your personal information are required to keep it confidential. Employees are trained on the importance of data privacy.

WHEN REGISTERED REPRESENTATIVES LEAVE LINCOLN FINANCIAL NETWORK

We understand that the relationship you have with your registered representative is important to you. If your registered representative's affiliation with Lincoln Financial Network ends and he or she chooses to move to a different broker-dealer, or if your registered representative's relationship with LFN is terminated, your LFN registered representative may be allowed to take with him or her copies of all client and account documentation (including but not limited to: account applications; customer statements; and other pertinent forms related to your account), so your registered representative is able to continue the relationship with you and service your account through his or her new firm. LFN will also retain copies of your client and account documentation. You do not need to take action if it is your choice to allow your LFN registered representative to keep copies of your confidential information should he or she leave our firm.

If you do not want your registered representative to keep copies of your confidential information should he or she decide to end the relationship with Lincoln Financial Network in the future, you have the right to opt out. If your account with us is a joint account, we will treat the opt out request by a joint account owner as applying to all owners on the account. If you choose to opt out now; at any time in the future; or wish to withdraw your opt out request, contact us by phone at 800-248-2285. If it is your choice to opt out there will be a 30-day period before your opt out will take effect.

If you have questions about your personal information we have on file, your request should be directed to:

Lincoln Financial Network
Attn: Privacy Reply
One Granite Place
Concord, NH 03301-3258

Please include all account numbers you maintain with LFN with your correspondence.

*This information applies to the following Lincoln Financial Network companies:

Lincoln Financial Advisors Corporation
Lincoln Financial Securities Corporation
JPSC Insurance Services, Inc.
LFA, Limited Liability Company