



Lincoln Investment Planning, LLC  
Investment Advisory Disclosure Brochure

**As of March 31, 2023**

Principal Office:

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You may also visit us on the web at [www.lincolninvestment.com](http://www.lincolninvestment.com).

This Brochure provides information about the qualifications and business practices of Lincoln Investment Planning, LLC, a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). If you have any questions about the contents of this brochure, please contact us at (800) 242-1421. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Furthermore, registration with the SEC does not imply a certain level of skill or training.

Additional information about Lincoln Investment Planning, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

**This section provides us the opportunity to highlight for you the material changes to our Lincoln Investment Planning, LLC Form ADV 2A and Form 2A Appendix I since our last annual amendment in March 2022.**

This information is being provided so that you can continue to make informed decisions about the advisory services provided to you by Lincoln Investment Planning, LLC.

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 5: Fees and Compensation:**

Effective March 31, 2023, Lincoln Investment's Planning Services Brochure has been retired and all planning services related information has been incorporated into Lincoln Investment's Form ADV 2A.

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 5, Fees and Compensation and Form ADV 2A Appendix I Item 4, Services, Fees and Compensation:**

### **Third-Party Payments to Lincoln Investment**

#### **Payments from Third-Parties relating to Lincoln Investment's Solutions Premier Platform Assets**

**12b-1 & Shareholder Services Fees.** For a material portion of client assets held on Lincoln Investment's Solutions Premier platform, Lincoln Investment utilizes Matrix Settlement & Clearance Services, LLC ("MSCS" or "Omnibus Clearing Company") to clear its client mutual fund transactions on an omnibus basis and SS&C Market Services, Inc. ("SS&C") to provide sub-accounting services. Lincoln Investment pays each of MSCS and SS&C for the omnibus clearing, custody and sub-accounting services provided, pursuant to agreements with each of MSCS and SS&C. The MSCS and SS&C expenses associated with a specific account are referred to as direct expenses ("Direct Expenses"). Under the agreements, MSCS shares with Lincoln non-distribution related fees paid to them by the funds such as sub-transfer agent, administrative, sub-accounting, and other shareholder services fees ("Shareholder Services Fees"). Shareholder Services Fees are typically an asset-based portion of the cost built into the internal expense of a fund that is shared with broker-dealers and other financial intermediaries who perform services on behalf of the fund and clients. Shareholder Services Fees are not paid by all funds and the amount of the shareholder services fees can vary depending on the fund and the share class of the fund that is purchased and held.

For Solutions Premier accounts, Lincoln Investment will aggregate any 12b-1 fees received from a third-party provider, including mutual fund companies, and apply the amount of 12b-1 fees against future advisory fee calculations for that account. Effective April 1, 2023, for Solutions Premier accounts, Lincoln Investment will deduct Direct Expenses from any Shareholder Services Fees received that are attributable to a specific account and process a credit against future advisory fee calculations for that account ("Shareholder Services Credits"). An account will not be assessed Direct Expenses in excess of the amount of Shareholder Services Credits applicable to that account. Shareholder Services Fees are not paid by all funds and the amount of the Shareholder Services Fees and Shareholder Services Credits can vary depending on the fund and the share class of the fund that is purchased and held. Lincoln Investment mitigates the conflict associated with the receipt of 12b-1 fees by disclosing them to you and including them in the Third-Party Credit against your advisory fee. We mitigate the conflict associated with the receipt of Shareholder Services Fees and the deduction of Direct Expenses by disclosing this to you and including Shareholder Services Credits as a Third-Party Credit against your advisory fee.

12b-1 fees along with Shareholder Services Credits are collectively referred to as "Third Party Credits." Any Third Party Credits will first be applied against the Premier Fee, then against the Asset Management Program Fee. The crediting process will continue each month that Lincoln Investment receives Third Party Credits relating to your advisory account. The timing of Lincoln Investments' receipt and crediting of Third Party Credits varies depending on the type of Third Party Credit. Amounts credited, if any, can vary and will be reflected each month on the Premier Account statement in the Summary of Fees section.

Not all funds available on Solutions Premier are cleared through an Omnibus Clearing Company; some are cleared directly with the fund. The decision to clear a mutual fund through an Omnibus Clearing Company or not clear through an Omnibus Clearing Company creates a conflict of interest to Lincoln Investment to choose the most advantageous clearing arrangement for each fund, based on the anticipated expenses and revenues of Lincoln Investment. For a list of funds available on the Solutions Premier platform and whether they are cleared through an Omnibus Clearing Company or cleared directly, go to

<https://www.lincolninvestment.com/Disclosures> and select the link for the *Lincoln Investment Solutions Premier Mutual Fund Availability List*.

Other financial services firms and third-parties could offer the same or similar money market funds and cash deposit bank options at a lower overall cost to the investor than is available through your Lincoln Investment account, or you could invest directly with the fund provider. Lincoln Investment mitigates these conflicts by disclosing them to you.

### **Third Party Payments from Pershing LLC**

**Pershing Revenue Sharing and Expense Credit with Lincoln Investment.** For advisory accounts held on Pershing LLC's platform, Pershing provides a credit against expenses to Lincoln Investment, as introducing broker-dealer, based on the total asset value of all accounts maintained on the Pershing platform and based on the total number of investor accounts on Pershing, pursuant to a written agreement with Pershing LLC. This revenue does not vary with respect to the investment choices/recommendations made in your Pershing account. Lincoln Investment does not refund or offset this third-party payment against advisory fees paid by clients whose advisory assets are on Pershing. Overall, the expense credits received by Lincoln Investment from Pershing for 2022 represented less than one percent of Lincoln Investment's total advisory revenue. The receipt of these expense credits creates a conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts. We do not believe this revenue is material to Lincoln Investment. This revenue is not shared with your Advisor.

**Pershing Margin Participation.** For advisory and brokerage accounts held on Pershing's platform, Lincoln Investment, as introducing broker-dealer, marks up the base interest rate pursuant to a written agreement with Pershing LLC resulting in a higher margin interest rate to you. This mark-up will not exceed 2.25% above the base interest rate. The receipt of revenue sharing with Pershing creates a conflict of interest to Lincoln Investment to use Pershing as custodian over other custodians that do not permit us to mark-up the fees or limit the amount. Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing it with your Advisor.

**Pershing Non-Purpose Loan Markups.** For advisory and brokerage accounts held on Pershing's platform, Lincoln Investment, as introducing broker-dealer, marks up the base interest rate pursuant to a written agreement with Pershing LLC resulting in a higher non-purpose loan interest rate to you. This mark-up will not exceed 0.75% above the base interest rate. The receipt of revenue sharing with Pershing creates a conflict of interest to Lincoln Investment to use Pershing as custodian over other custodians that do not permit us to mark-up the fees or limit the amount. Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing it with your Advisor.

**Account Service Fees.** Lincoln Investment establishes brokerage commission schedules for its advisory and brokerage accounts. For advisory accounts held on Pershing's platform, Pershing charges account service fees for which Lincoln Investment, as introducing broker-dealer, has added a mark-up that ranges from 0% to 100%. These account service fees are identified in the Lincoln Investment Platform Fees and Disclosures - Accounts Held at Pershing. The receipt of these fees creates a conflict of interest for Lincoln Investment since it creates an incentive for Lincoln Investment to continue to use Pershing as custodian over other custodians that do not permit us to mark-up the account service fees or limit the amount. We mitigate this conflict by disclosing it to you and by not sharing the mark-ups with your Advisor.

In aggregate, the third-party payments and expense credits from Pershing LLC to Lincoln Investment described above represented less than one percent of Lincoln Investment's total advisory revenue in 2022. The receipt of these third-party payments and expense credits create a conflict of interest to Lincoln Investment to use Pershing as a

custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts. We do not believe this revenue is material to Lincoln Investment. Lincoln Investment mitigates these conflicts by disclosing it to you and not sharing them with your Advisor.

## **Sales & Marketing Support Revenue**

Lincoln Investment receives Sales and Marketing Support as described below and includes Flat Fee Sponsors, Other Sales Support and Asset and Sales Based Sponsors (collectively, “Sales and Marketing Support”). In order to minimize the conflicts associated with the receipt of these fees, Lincoln Investment does not receive Flat Fee Sponsor and Other Sales Support payments that are based on the amount of advisory account assets or advisory account transactions with a particular sponsor, or that are based on ERISA advisory account assets. However, Flat Fee and Other Sales Support Sponsors can compensate Lincoln Investment from assets of the mutual fund, the fund’s investment adviser, distributor or other fund affiliate’s assets. While payments out of the fund’s investment adviser, distributor or other fund affiliate’s revenues or profits are not directly paid from the fund’s assets, fund affiliate revenues or profits can, in part, be derived from fees earned for services provided to and paid for by the fund. Payments out of fund assets can lower investor returns and performance over time. Lincoln Investment can also receive Shareholder Services Fees from the same fund families and investment advisers that provide Sales and Marketing Support. These sources of payments are a conflict of interest to Lincoln Investment to recommend and promote those funds, fund families, investment advisers, distributors or other fund affiliates over others that do not provide Sales and Marketing Support or that provide lower amounts of Sales and Marketing Support.

**Flat Fee Sponsors.** Lincoln Investment has partnered with a select group of third-party money managers and product sponsors who pay to assist Lincoln Investment in the training and education of Lincoln Investment’s Advisors, at Lincoln Investment sponsored events, on such topics as advisory products and services, practice management, tools and technology, consumer education and policies, rules and regulations. These sponsors provide financial support to Lincoln Investment in the form of a flat-dollar amount that may be amended annually and is not based on the sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund’s investment adviser, distributor or other affiliate’s assets. Payments made out of fund assets can lower investor returns and performance over time. Advisors do not share in any portion of these payments so as to mitigate any conflict for an Advisor to recommend one product or money manager over another. This financial support allows Lincoln Investment to defray or offset costs associated with Lincoln Investment sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a conflict of interest.

All Flat Fee Sponsors do not pay Lincoln Investment the same amount, and depending on the amount of the payment from the Flat Fee Sponsor, the access to Lincoln Investment sponsored events may differ. For example, Lincoln Investment holds a number of sales conferences both nationally and regionally throughout the year to educate advisors. The higher the annual flat fee payment, the more events the Flat Fee Sponsor will be invited to attend. Flat Fee Sponsors have more opportunities than other product sponsors and money managers that are not Flat Fee Sponsors to market to and educate Advisors, which could pose a conflict to Advisors to offer these sponsors’ products or services over others. Advisors do not share in any portion of these payments so as to mitigate any such conflict.

In 2022, the financial support from Flat Fee Sponsors paid to Lincoln Investment, as allocated across all investment advisory assets with Lincoln Investment Planning, LLC and its affiliate, Capital Analysts, LLC did not exceed one percent of total revenue for either of the affiliated registered investment advisers and in aggregate was less than one percent of the combined revenue for both affiliated registered investment advisers. We do not believe that these revenues are material. In 2022, Flat Fee Sponsors who compensated Lincoln Investment with a flat fee payment, and offer a fund or advisory program that could be used in your advisory account, in order from highest to lowest payment were Russell Investments, Clark Capital Management, Meeder Funds, PIMCO Funds, American Funds, JPMorgan Funds, Lord Abbett, Federated Investors, Franklin Templeton Group, Security Benefit Life, Prudential and Nationwide.

**Other Sales Support.** From time to time, product sponsors and third-party money managers assist Advisors in their sales and marketing efforts by subsidizing certain Advisor costs, such as client meetings or workshops, mailings, administrative expenses and technology support. The amount received from any one product sponsor

or third-party money manager in 2022 did not exceed \$10,000. The sales support presents a conflict of interest in that it could incentivize an Advisor to offer one product or money manager over another that does not provide these subsidies or provides lesser amounts. To mitigate the conflict of interest presented by these payments and subsidies, the amount is approved by Lincoln Investment and is monitored to ensure that it is not too frequent or excessive. Also, Advisors are invited from time-to-time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor or money manager. This presents a conflict of interest that could incentivize an Advisor to offer one product or money manager over another that does not offer these meetings or seminars. Lincoln Investment must grant permission to our Advisors to attend any meeting or seminar hosted by a product or advisory service sponsor. Lincoln Investment approves events that are limited to education or due diligence only and allows the product sponsor to provide meals, hotel accommodations and reimbursement to the Advisor, through Lincoln Investment, for travel expenses only. The education of our Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you.

**Ancillary Sales & Marketing Support Revenue paid to Lincoln Investment that is not tied to your Advisory assets or the platform where your Advisory assets are held, but is tied to the Non-Advisory assets or transactions in which you may invest**

**Asset and Sales Based Sponsors.** In connection with non-investment advisory (non-fee-based) assets of our investors, and in addition to the compensation described above, Lincoln Investment receives Sales and Marketing support from product sponsors, mutual fund companies, insurance companies and other third-party providers to assist in the marketing and sales efforts of employees and Advisors (“Asset and Sales Based Sponsors”). The support provided by these sponsors is based on brokerage-only (non-investment advisory) assets and brokerage transactions and not based on your advisory account assets or ERISA advisory assets. We receive compensation from these sponsors in various forms, including as a flat fee, a percentage of the amount of brokerage assets held by investors, a percentage of sales, or any combination of these methods. The amounts of these payments can vary by the type of product and by provider and can include, but are not limited to, distribution fees and shareholder service fees. In some cases, Asset and Sales Based Sponsors pay additional marketing payments to Lincoln Investment to cover fees to attend conferences. Additionally, some Asset and Sales Based Sponsors make a monthly or quarterly payment or additional monthly or quarterly payment based on the assets you hold in a fund or variable insurance product over a period of time. As you may have both a brokerage account and an advisory account with us, we want you to understand that Lincoln Investment will receive Sales and Marketing Support based on assets or sales in connection with your brokerage account assets and transactions. The Asset and Sales Based Sponsors payments present a conflict of interest to Lincoln Investment to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not or that provide lesser amounts.

The following is a list of Asset and Sales Based Sponsors in order of high to low total compensation paid to Lincoln Investment as broker-dealer based on non-fee based account assets or sales in 2022: Invesco Investment Services, Security Benefit Life, Franklin Templeton Group, Lincoln National Life, Jackson National Life Ins Co, Allianz, Athene, Prudential, Brighthouse Financial, AXA Equitable Life Insurance Company, Mewbourne Development Corporation, Voya Mutual Funds, Black Creek Capital Markets, Pershing and Meeder Funds. The Asset and Sales based Compensation in 2022 was less than \$2.5 million dollars from these product sponsors and represented less than one percent of the total revenues of Lincoln Investment. We are disclosing this information to you as certain providers and products offered by the providers shown above could be available within our investment advisory offerings.

Pershing LLC, as clearing firm for accounts introduced by Lincoln Investment, shares with Lincoln Investment a nominal amount of asset-based revenue it receives from certain mutual fund companies in non-advisory accounts. As the revenue received from Pershing is non-advisory related and not material, Lincoln Investment is disclosing the conflict that we receive this revenue rather than list each mutual fund product that generated the compensation to the firm.

## Other Conflicts and Potential Conflicts

**Sales Contests.** Lincoln Investment offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, new investors, initiation of periodic contributions, total fee-based assets and net sales of fee-based programs. These contests can provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services, offer you advisory services managed by the IM&R Team and your Advisor over third-party advisory services and to conduct additional business in order to be eligible. Top achievers in these contests are eligible to receive Lincoln Investment-sponsored trips, awards, cash prizes, bonus commissions, bonus payments, club points, monetary donations in their name to a charity of their choice or other nominal prizes subject to applicable law. To mitigate the conflicts of interest presented by these incentives, no contest is offered which will award the Advisor based upon a specific investment product or on a specific third-party product sponsor. Brokerage commissions and brokerage assets associated with Massachusetts residents are excluded from Lincoln Investment's sales contests consistent with applicable state law. For Massachusetts' residents, this creates a financial incentive for your Advisor to recommend advisory services over brokerage services. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors. In our capacity as an investment adviser, Lincoln Investment and its Advisors recognize they have a fiduciary duty to investment advisory clients. Although Lincoln Investment does not offer specific product sales incentives for securities products, issuers of non-securities insurance products, such as fixed annuity issuers, can offer sales incentives to Advisors in the form of cash bonuses and trips if certain sales thresholds are met. You should ask your Advisor about these incentives at the time of sale.

**Loans and Advances.** On occasion, Lincoln Investment extends a loan, provides a bonus, provides a commission/fee advance and pays for an Advisor's practice management services to assist your Advisor in transitioning to the firm and/or running his or her business. Sometimes these loans or advances are forgiven (waived) or reduced, in whole or in part, interest rates reduced, and/or a bonus provided if an Advisor remains affiliated with the firm or achieves certain sales or assets under management thresholds, revenue targets, production levels, client transfer goals, client retention goals and certain practice management goals or conditions. These practices present a conflict of interest in that the Advisor has a financial incentive to affiliate with and remain affiliated with the firm during the repayment period in order to receive these benefits over other firms that do not offer these incentives or offer a similar level of incentives. These practices also present a conflict in that the Advisor has a financial incentive to generate more business and achieve certain sales, revenue or asset management thresholds in order to satisfy or reduce the amount of the loans or advances. In situations where a sales, production, revenue, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in your Advisor's Form ADV 2B Supplement (BIO Brochure), which is required to be delivered by the Advisor to every client. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

Additionally, Lincoln Investment can extend a loan or advance to an Advisor for which repayment is required, which creates a conflict for the Advisor to generate more business in order to repay the loans or advances to the firm during the repayment period. Additionally, some Advisors receive benefits as they transition to the firm and/or for running their business, which can include but is not limited to, technology services, administrative support, licensing, insurance and administrative fees and reimbursement of fees associated with transitioning accounts. These practices present a conflict of interest in that the Advisor has a financial incentive to affiliate with and remain affiliated with the firm over other firms that do not offer these incentives or offer a similar level of incentives. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**Advisor Referral Program.** Lincoln Investment compensates Advisors who have referred another financial professional to the firm if that referred financial professional then decides to affiliate with Lincoln Investment or an affiliate. This creates an incentive for Advisors to affiliate with our firm over others that do not offer similar compensation. We do not believe that this practice presents a material conflict of interest.

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 5, Fees and Compensation:**

**Other Conflicts and Potential Conflicts**

**Solutions Premier Asset Level Payment.** Any Advisors who meet specified thresholds of total assets on Solutions Premier are eligible to receive additional compensation from Lincoln Investment ("Solutions Premier Asset Level Payment" or "ALP"). Certain associated Advisors are eligible to aggregate their Solutions Premier assets toward ALP thresholds to share individually or collectively in ALP from Lincoln Investment. If your Advisor receives all or a portion of ALP, this could result in your Advisor receiving up to 0.06% greater asset-based compensation than what is indicated as the Financial Advisor Fee in your Investment Advisory Agreement, for a total of up to 1.30%. The payment of ALP to an Advisor, including your Advisor, has no impact on the total client fee paid by you for the selected offering. ALP payments to an Advisor from Lincoln Investment create a conflict of interest for Advisors, including your Advisor or other Advisors with whom they are associated, to recommend Solutions Premier over other platforms for which they would not receive additional compensation in the form of ALP. These payments also create a conflict of interest for Lincoln Investment to compensate Advisors, including your Advisor or other Advisors with whom they are associated, in order to maintain or increase assets on the Solutions Premier platform over other platforms for which Lincoln Investment receives less revenue. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**Other Asset Level Payments (Available to Certain Advisors).** Certain Advisors are eligible to receive, directly or indirectly, additional compensation from Lincoln Investment when specified thresholds of total assets are met by that Advisor and other Advisors with whom they are associated ("Other Asset Payment" or "OAP"). OAP creates a conflict of interest for the Advisor to recommend certain offerings, including advisory services managed by the IM&R Team and the Advisor, over others for which they would not receive additional compensation in the form of OAP. These payments to your Advisor directly or indirectly would result in your Advisor receiving greater compensation than what is indicated as the Financial Advisor Fee in your Investment Advisory Agreement. The payment of OAP to an Advisor, including your Advisor, has no impact on the total client fee paid by you for the selected offering. These payments also create a conflict of interest for Lincoln Investment to compensate Advisors in order to maintain or increase assets managed by the IM&R Team and the Advisor, over other advisory services or platforms where Lincoln Investment receives less revenue. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**The following is provided as an update to Lincoln Investment's Form ADV 2A Item 14: Client Referrals and Other Compensation and Form ADV 2A Appendix I Item 9, Additional Information:**

**Client Referrals and Other Compensation.** For details regarding other compensation received by Lincoln Investment and your Advisor and associated conflicts of interest, see *Item 5: Fees and Compensation* in the section titled "Other Compensation to Lincoln Investment and Our Conflicts of Interest."

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#### Brochure Supplement(s) Included:

- Lincoln Investment Wrap Fee Program Brochure (Form ADV Part 2A Appendix I)
- Investment Management & Research Team Brochure Supplement (Form ADV Part 2B)



## Item 4: Advisory Business

*This section describes our firm, the advisory services we offer, how we tailor your portfolio to your individual needs, which of our advisory services allows you to impose investment restrictions and the total amount of assets we manage.*

### **Our Firm**

**Who we are...** Based in the suburbs of Philadelphia, Lincoln Investment Planning, LLC (“Lincoln” or “Lincoln Investment”) was established in 1968 with a focus on the retirement planning needs of educators and employees of non-profit organizations utilizing 403(b) and 457 retirement plans. Lincoln Investment was registered with the SEC as an investment adviser in 1978. Over the years, we have expanded our range of investment advisory services to include individual retirement accounts (IRAs), ERISA plans and the non-retirement investment and insurance needs of our clients and their businesses.

Lincoln Investment is both a broker-dealer and a SEC registered investment adviser with a network of registered representatives and investment adviser representatives (Advisors) located throughout the United States. Most Advisors are not employees of Lincoln Investment; but independent contractors, contracted to offer and perform the services of Lincoln Investment.

Lincoln Investment is wholly-owned by Lincoln Investment Capital Holdings, LLC, a Delaware limited liability company. Lincoln Investment is under common ownership and control with Capital Analysts, LLC, a SEC registered investment adviser. Advisors may be dually registered with one or both of these investment advisers and can offer their services. Advisory offerings and pricing vary among the registered investment advisers. We refer to these companies jointly as The Lincoln Investment Companies.

### **Our Advisory Services**

**What we offer...** Lincoln Investment offers the following investment advisory services. A more detailed description of each service is provided under the corresponding headings below, as well as in Item 5: *Fees and Compensation*.

- I. Your Financial Advisor’s Services: Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**
- II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**
- III. Third Party Managed Model and Third-Party Custom Portfolios**
- IV. Periodic Investment Consulting**
- V. Financial Planning Services**
- VI. ERISA Retirement Plan Advice**

In choosing one or more of the services above, your Advisor will work with you to assess your needs and investment objectives. You will be asked to complete a confidential investor profile, or a similar questionnaire or application, providing personal and financial information to assist in this assessment. Your Advisor will collect information including, but not limited to, your investment goals, income requirements, time horizon and tolerance for risk in order to tailor his or her recommendations to your needs and objectives. Our goal is to provide you with the most appropriate investment advisory service or services to help you meet your financial goals.

**Our Fiduciary Role...** Lincoln Investment and your Advisor assume a fiduciary duty to provide you with investment recommendations that are in your best interest. This fiduciary duty extends to all advisory accounts that you maintain with us, but such fiduciary duty does not extend to brokerage or other non-advisory accounts or investments. The level of monitoring in your advisory account will depend on the advisory program you select, your advisory agreement with us and your Advisor. If Lincoln Investment or your Advisor have been granted full discretionary trading authority over your advisory account assets, Lincoln Investment or your Advisor will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other non-discretionary advisory accounts, you and your Advisor will review your advisory account’s objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the

opportunity to recommend changing or maintaining the objectives or investments in your account. See your investment advisory agreement for the level of discretion granted to Lincoln Investment or your Advisor.

### **Investment Advice Provided to Certain Retirement and Tax-Advantaged Accounts**

When we and/or your Advisor provides investment advice to you regarding your Covered Retirement Plans, Lincoln Investment and your Advisor are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us and your Advisor to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we and your Advisor must: meet a professional standard of care when making investment recommendations (give prudent advice); not place our financial interests ahead of yours when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures reasonably designed to ensure that we give advice that is in your best interest; charge no more than is reasonable for our services; and give you basic information about conflicts of interest. Covered Retirement Plans include the following account types: Individual Retirement Account (IRA); Individual Retirement Annuity; Roth IRA, Beneficiary IRA, Beneficiary Roth IRA; SEP-IRA, SARSEP, SIMPLE IRA; One-Participant 401(k); Health Savings Account; Archer Medical Savings Account; Coverdell Education Savings Account; and Accounts held by ERISA Title I Plan participants/beneficiaries with authority to direct the distribution of assets from their account. When we provide investment advice to your Covered Retirement Plan as described in this paragraph, we will disclose to you the types of services to be provided and material facts relating to conflicts of interest that are associated with the recommendations made to you. These disclosures are provided to you in various documents, including The Lincoln Investment Companies Investor Agreement and Disclosure Handbook, Lincoln Investment’s Form CRS and its affiliated investment adviser, Capital Analysts’ Form CRS, your Advisor’s BIO Brochure (Form ADV Part 2B), account applications, prospectuses and specific platform disclosure documents and the Investment Advisory Disclosure Brochure of Lincoln Investment (Form ADV Part 2A and Wrap Fee Program Brochure).

Lincoln Investment and your Advisor offer advisory services on a number of different platforms and custodians. Available platforms or custodians can differ depending upon the tax type of your account(s), your employer if you are a participant in an employer plan, the investment types you choose, the account custodian you wish to work with, the advisory programs you prefer and the pricing you wish to pay.

Lincoln Investment offers both non-Wrap Fee Programs and Wrap Fee Programs. A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Lincoln Investment and your Advisor for their services and to pay the transaction and clearing costs associated with transactions in your advisory account. The Lincoln Investment Wrap Fee Programs are detailed in the Lincoln Investment Wrap Fee Program Brochure (Form ADV Part 2A Appendix I) attached. You should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account. A non-Wrap Fee Program is an investment advisory program in which you pay an unbundled fee to compensate Lincoln Investment and your Advisor for their services as well as transaction and clearing costs associated with your advisory account as described in this brochure.

### **I. Your Financial Advisor’s Services: Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**

Your Advisor’s role is to earn and maintain a relationship with you to provide you financial and life planning consultation, as needed by you, as well as investment advice services which include assisting you in the determination of the appropriate advisory investments and programs for you and conversing with you on an as-needed or as requested basis to ensure that the investments and programs continue to meet your stated objectives and needs. Some advisors may also provide supplemental reports on a periodic basis to assist you in evaluating the effectiveness of the investments and advisory program(s). Advisors may provide periodic non-discretionary investment advice to their clients or, certain approved Advisors, provide ongoing discretionary management to their clients. Either way, your Advisor has the responsibility to make recommendations or select securities based on your needs and objectives. All advice is geared to meet your risk tolerance, income, any investment restrictions and tax management objectives, if applicable.

Advisors provide periodic non-discretionary advice to their clients in fee-based Advisor Managed Model Portfolios and Client Custom Portfolios, unless an Advisor has been granted the authority to manage the

account on a discretionary basis. For those Advisors who have been granted the authority to manage accounts on a discretionary basis, discretionary authority may be exercised within Advisor Managed Model Portfolios, where your account is managed to the stated objectives of the model portfolio, or Client Custom Portfolios, a custom advisor managed portfolio constructed and managed to meet your specific objectives. Discretionary authority means your Advisor has the authority to decide on the securities to purchase, sell or trade in your account without prior consultation with you. Your investment advisory agreement will identify whether you have granted your Advisor discretionary authority on your account.

Each Advisor follows his or her own investment discipline, and may or may not establish a minimum investment amount. The fees charged by Advisors for Advisor Managed Model or Client Custom Portfolios will vary depending on the consultation services, platform utilized and the individual Advisor's fees and services. Most Advisors manage or advise mutual fund-only portfolios, while some may manage or advise portfolios containing stocks, ETFs, ETNs, bonds, or options. Consult with your Advisor to learn more about the advisory services and fees he or she offers. Your Advisor's education, licenses and professional designations are described in Form ADV Part 2B Brochure Supplement ("Form ADV Part 2B Brochure Supplement" or "Financial Professional BIO Brochure"), a copy of which your Advisor will provide to you.

<i>Advisor Managed Model Portfolio and Client Custom Portfolio Offerings</i>				
<b>Advisory Offering</b>	<b>Discretionary Program</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Advisor Managed Program (Model Portfolios and/or Client Custom Portfolios)	No	Depends on platform and individual Advisor	Mutual funds	Lincoln Investment; Matrix Trust Company; Pentegra Trust Company; Security Benefit
Advisor Managed Program (Model Portfolios and/or Client Custom Portfolios)	Varies - Your Advisor can act with discretionary authority, but only if he or she has been (1) approved by Lincoln Investment for discretion; and (2) authorized in writing by you.	Depends on platform and individual Advisor	General Securities such as, but not limited to, mutual funds, stocks, bonds, ETFs, ETNs, and options	Charles Schwab & Co., Inc.; Fidelity Brokerage Services, LLC; Fidelity Investments Institutional Operations Company; Nationwide; Pershing LLC; Prudential; SEI Private Trust Company; TD Ameritrade Clearing, Inc.; T.Rowe Price

## **II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**

Lincoln Investment offers a number of in-house managed Asset Management Programs comprised primarily of mutual funds on Lincoln Investment's Solutions Premier platform and other custodial platforms as shown in the table below. Lincoln Investment also offers an in-house managed exchange-traded fund (ETF) Asset Management Program on Pershing LLC's custodial platform. See Lincoln Investment's Wrap Fee Brochure for information about the Adaptive Intelligence Models (AIM) ETF Asset Management Program. Lincoln Investment manages variable annuity sub-accounts; however, the variable annuity programs are closed to new investors and contributions. These programs are managed to meet the stated objective of the portfolio, thus the term "Model Portfolio." When you choose a Lincoln Investment Asset Management Program Model Portfolio, you will authorize Lincoln Investment to make discretionary asset allocation decisions in your account based on the discipline and risk level of the Model Portfolio chosen. Lincoln Investment has engaged third-party asset managers to provide Lincoln Investment with Model Portfolios in alignment with each model's stated discipline and risk level (Sub-Advisers). Each Sub-Adviser appointed by Lincoln Investment offers various disciplines of investing. Based on information provided by you, your Advisor will make a recommendation to you as to the appropriate Asset Management Program and risk level for you. Although the management authorization of your account remains with Lincoln Investment, Lincoln Investment relies on the expertise and management disciplines of its Sub-Advisers, when they are engaged, to provide Model Portfolios that align to

each model's stated discipline and risk level. Lincoln Investment, however, retains the authority to change Sub-Advisers at any time. If a Sub-Adviser or Model Portfolio ceases to be available or is removed from Lincoln Investment's offerings, Lincoln Investment will notify you in writing and indicate, if appropriate, an alternative Asset Management Program.

<i>Lincoln Investment Managed Model Portfolio Offerings</i>				
<b>Discipline</b>	<b>Advisory Offering</b>	<b>Minimum Investment</b>	<b>Investment Types<sup>2</sup></b>	<b>Custodian of Assets</b>
Strategic	Dividend Income	\$25,000	Mutual funds	Lincoln Investment
Strategic	Lincoln Strategic	\$10,000	Mutual funds	Lincoln Investment; Fidelity Investments Institutional Operations Company <sup>1</sup>
Strategic	Lincoln Strategic Vanguard	\$150/ \$10,000 <sup>5</sup>	Mutual funds	Lincoln Investment
Strategic	Progressive Asset Management <sup>3</sup>	\$150/ \$10,000 <sup>5</sup>	Mutual funds	Lincoln Investment; TD Ameritrade Clearing, Inc.; TIAA <sup>1</sup>
Strategic	Progressive Asset Management ESG <sup>4</sup>	\$25,000	Mutual funds, (primarily ESG funds, but non-ESG funds can also be utilized) <sup>6</sup>	Lincoln Investment
Tactical	Adaptive Intelligence Models (AIM) Active	\$150/ \$10,000 <sup>5</sup>	Mutual funds (primarily actively managed funds, but passive managed funds can also be utilized)	Lincoln Investment; TD Ameritrade Clearing, Inc.
Tactical	Adaptive Intelligence Models (AIM) Index	\$150/ \$10,000 <sup>5</sup>	Index funds, (primarily passive managed funds, but active managed funds can also be utilized)	Lincoln Investment; TD Ameritrade Clearing, Inc.
Tactical	Adaptive Intelligence Models (AIM) ESG	\$150/ \$10,000 <sup>5</sup>	Mutual funds, (primarily ESG funds, but non-ESG funds can also be utilized) <sup>6</sup>	Lincoln Investment
Tactical	Adaptive Intelligence Models (AIM) Hybrid	\$25,000	Mutual funds or index mutual funds may be used, passive and active	Lincoln Investment
Tactical	Adaptive Intelligence Models (AIM)	N/A <sup>7</sup>	Varies based on Plan Sponsor; Mutual funds or index mutual funds may be used, passive and active	Fidelity Investments Institutional Operations Company <sup>1</sup> ; TIAA <sup>1</sup>

<sup>1</sup> Mutual funds utilized will vary based on the restrictions imposed by the employer retirement plan sponsor, where applicable.

<sup>2</sup> Group fixed annuity contracts are available within certain employer retirement plan accounts.

<sup>3</sup> The Progressive Asset Management Program adds additional diversification to your portfolio as your account value meets higher thresholds. For portfolios up to \$25,000, your portfolio is managed using five asset class allocations; For portfolios between \$25,000 and \$50,000, your portfolio is managed using eight asset class allocations; For portfolios between \$50,000 and \$100,000, your portfolio is managed using twelve asset class allocations; For portfolios over \$100,000, your portfolio is managed using fourteen or more asset class allocations.

<sup>4</sup> Progressive Asset Management ESG utilizes a uniform number of asset classes in portfolios for all account values over the investment minimum.

<sup>5</sup> Periodic Investment Plan minimum of \$150 or \$10,000 lump sum investment minimum.

<sup>6</sup> See *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* for more information on Environmental, Social and Governance (“ESG”) investing and our ESG model portfolios.

<sup>7</sup> Minimum investment for AIM Asset Management Program accounts custodied at TIAA is \$10,000 lump sum with no Periodic Investment Plan minimum.

<b><i>Sub-Advisers to Lincoln Investment Managed Model Portfolio Offerings (Each Sub-Adviser offers multiple risk level Model Portfolios)<sup>1</sup></i></b>				
<b>Discipline</b>	<b>Sub-Adviser</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Strategic	Capital Research and Management Company (American Funds)	\$10,000	Mutual Funds	Lincoln Investment
Strategic	Russell Investments	\$10,000	Mutual Funds	Lincoln Investment
Tactical	Advanced Asset Management Advisors, Inc.	\$10,000	Mutual Funds	Lincoln Investment
Tactical	Calvert Research and Management	\$25,000	Mutual Funds	Lincoln Investment
Tactical	Clark Capital Management Group (CCMG)	\$150/ \$10,000 <sup>2</sup>	Mutual Funds	Lincoln Investment; TD Ameritrade Clearing, Inc.; TIAA
Tactical	DoubleLine Capital LP	\$10,000	Mutual Funds	Lincoln Investment; TD Ameritrade Clearing, Inc.; TIAA
Tactical	Franklin Templeton Investments	\$10,000	Mutual Funds	Lincoln Investment
Tactical	ICON Advisers, Inc.	\$10,000	Mutual Funds	Lincoln Investment
Tactical	J.P. Morgan Investment Management Inc.	\$25,000	Mutual Funds	Lincoln Investment; TD Ameritrade Clearing, Inc.; TIAA
Tactical	Meeder Advisory Services, Inc.	\$10,000	Mutual Funds	Lincoln Investment
Tactical	Pacific Investment Management Company (PIMCO)	\$25,000	Mutual Funds	Lincoln Investment

<sup>1</sup> Model portfolios are available only to residents of the United States.

<sup>2</sup> Periodic Investment Plan minimum of \$150 for CCMG Multi-Strategy 50/50 model or \$10,000 lump sum investment minimum, all other CCMG models are \$10,000 lump sum investment minimum only.

You are responsible to notify your Advisor of any changes in your financial situation, risk tolerance or investment objectives, and to let us know of any investment restrictions that you wish to impose so that your Advisor can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, Lincoln Investment Managed Model Portfolios may not be the appropriate advisory service for you, as they generally cannot be customized to certain investment restrictions.

Please refer to *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* for a description of the primary investment strategies utilized in Lincoln Investment Managed Model Portfolios.

### III. Third-Party Managed Model and Third-Party Custom Portfolios

#### *Co-Adviser*

Lincoln Investment, as Co-Adviser, works with third-party money managers and platform providers to provide you with access to their professional investment management services. Neither Lincoln Investment nor your Advisor performs the ongoing discretionary asset management in your portfolio; this is done by the third-party money manager. As Co-Adviser, Lincoln Investment, through your Advisor, is responsible to work with you to collect all necessary information and documentation, to assist you in selecting the appropriate investment strategy offered by the money manager and to answer any questions you may have about the money manager or the managed portfolio. Lincoln Investment and your Advisor assess a separate fee for its services in addition to the third-party money manager or third-party platform provider's fee. Please review your investment advisory agreement and the Form ADV 2A of the third-party money manager for further information regarding the advisory fee for your selected manager(s) and the portion of the fee that is paid to Lincoln Investment and your Advisor.

<i>Lincoln Investment as Co-Adviser</i>			
<b>Platform Provider</b>	<b>Third-party money managers Offered</b>	<b>Lincoln's Role</b>	<b>Custodian of Assets</b>
Aspire Financial Services & Pentegra Retirement Services	Ladenburg Thalmann Asset Management; Verity Asset Management	Assist Client in the Selection and Review of Third-Party Money Managers/Models	Pentegra Trust Company; Matrix Trust Company
AssetMark	AssetMark, Aris and Savos and Various Independent Money Managers– Ask for current approved list of money managers	Assist Client in the Selection and Review of Third-Party Money Managers/Models	AssetMark Trust Company; TD Ameritrade Clearing, Inc.; Charles Schwab & Co., Inc.; Pershing LLC
Brinker Capital Investments, LLC	Brinker and Various Independent Money Managers– Ask for current approved list of money managers	Assist Client in the Selection and Review of Third-Party Money Managers/Models	Fidelity Brokerage Services, LLC; National Financial Services
Goelzer Investment Management, Inc.	Goelzer	Assist Client in the Selection and Review of Models	Fidelity
Lockwood Advisors, Inc.	Managed Account Link and Separately Managed Account Program - Ask for current approved list of money managers	Assist Client in the Selection and Review of Third-Party Money Managers	Pershing LLC
Morningstar	Morningstar	Assist Client in the Selection and Review of Models	Charles Schwab & Co., Inc.; Pershing LLC
Orion Portfolio Solutions (formerly FTJ FundChoice)	Orion Portfolio Solutions and Various Independent Money Managers– Ask for current approved list of money managers	Assist Client in the Selection and Review of Third-Party Money Managers/Models	TD Ameritrade Clearing, Inc.; Matrix Trust Company
SEI Investment Management Co.	SEI and Various Money Managers offered through SEI's Managed Account Solutions program– ask for current approved list of money managers	Assist Client in the Selection and Review of Third-Party Money Managers/Models	SEI Private Trust Company

Not all third-party money managers or platform providers are available to all Advisors or all clients, and are subject to change.

#### *Promoter*

Advisors and Lincoln Investment may also act as a Promoter and introduce you to a third-party money manager. In Promoter relationships, we are not acting as a Co-Adviser. For this introduction, the third-party money manager will pay Lincoln Investment a Promoter/Referral Fee, which we will share with your Advisor.

This fee, which is typically an ongoing portion of the fee collected from you by the manager, must be disclosed to you at the time of the introduction in a Disclosure Statement. In some instances, Lincoln Investment and your Advisor share in the money manager's advisory fee; in other instances, Lincoln Investment may assess a separate fee for our referral in addition to the money manager's fee. Please refer to the Disclosure Statement provided to you at the time of the referral to determine the fee paid to Lincoln Investment and your Advisor. Please review the money manager's ADV Part 2A for more information about their advisory fees.

The following table is a list of third-party money managers for which Lincoln Investment and your Advisor can act as Promoter for all non-ERISA clients:

<i><b>Third-Party Managers For Whom Lincoln Investment Acts as a Promoter</b></i>	
AssetMark	CLS Investment
Bernstein Private Wealth Management	Meeder Advisory Service
Brinker Capital	Resources Investment Advisors

Not all third-party money managers or platform providers are available to all Advisors or all clients, and are subject to change.

#### **IV. Periodic Investment Consulting**

Advisors may, for a fee, provide periodic investment analysis or advice on assets held at a custodian other than a custodian with which Lincoln Investment has an advisory relationship; for example, your 401(k) assets held within your employer's plan. Advisors may assist you in diversifying and risk-adjusting your entire household of investments. You will enter into a separate written Planning Services Agreement before any services are performed. Once the investment analysis or advice is delivered, the Planning Services Agreement ends and your Advisor will be unable to provide to you monitoring of assets that are not held at a custodian with which Lincoln Investment has an advisory relationship. You will need to re-engage with your Advisor for future analysis or advice. Advisors may charge you for these services through a flat or hourly fee.

#### **V. Financial Planning Services**

Advisors may offer comprehensive or limited financial planning services for a fee. Financial planning services may include, but are not limited to, retirement, college, tax, business succession planning or insurance needs analysis and assistance with estate distribution matters. Financial planning services are generally provided to you by your Advisor on a flat fee or hourly fee basis. You will enter into a separate written Lincoln Investment Planning Services Agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon.

Many Advisors have earned professional designations that enhance their qualifications to offer these planning services, but Lincoln Investment does not require the Advisor to maintain a professional designation in order to offer financial planning services. Ask your Advisor about his or her professional designations or see their Form ADV 2B Brochure Supplement, which provides their career biographical information and the professional designations earned.

##### *Information Regarding CFP® Certificants*

If your Advisor is a CFP® certificant, he or she acknowledges his or her responsibility to adhere to the standards established in CFP Board's Standards of Professional Conduct, including the duty of care of a fiduciary, as defined by CFP Board. If you become aware that his or her conduct may violate the Standards, you may contact the CFP Board at [www.CFP.net/complaint](http://www.CFP.net/complaint). The Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, Certified Financial Planner™ and federally registered CFP (with flame design) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

While providing financial planning services, Lincoln Investment and Advisor shall act in the capacity of a fiduciary to you. This means that Lincoln Investment and the Advisor will, while engaged in providing financial planning services to you, make recommendations in your best interest and not subordinate your

interests to our own. During the course of providing these services, Advisor will make reasonable inquiry into your objectives, and have a reasonable belief that the advice given will be in your best interest. Lincoln Investment and Advisor shall also make full and fair disclosure to you of all material facts relating to any inherent conflicts in the advice that will be given. Our fiduciary duty ends with the delivery of the planning services engaged under your Planning Services Agreement or the expiration of the term of your Planning Services Agreement, whichever occurs first, at which point your Advisor will be unable to provide ongoing monitoring of the plan implementation to you unless you enter into a separate advisory agreement with us.

Clients are in no way obligated to implement their planning services. In addition, clients who wish to implement their planning services are not obligated to do so through Lincoln Investment. Should the client choose to implement the recommendations contained in the client's plan, the implementation of those recommended strategies is entirely at the client's discretion. All other fee-based services, such as asset-based investment advice or asset management services through Lincoln Investment would require that you enter into a separate written investment advisory agreement.

The following financial planning services may be performed for a fee by your Advisor.

#### **Financial Planning Services for Individuals:**

- **Cash Flow and Balance Sheet Planning.** During this process the Advisor will gather information from the client to aid in preparing and analyzing the client's current financial state. This process will include the preparation and analysis of the client's personal balance sheet and cash flow statement. The client's personal balance sheet is a statement of financial position which shows the client's assets, liabilities and net worth as of a given date. The client's statement of cash flow shows the client's income and expenses for a given time period. Both personal financial statements are essential to the planning process as it would be difficult to help an individual achieve their financial goals and objectives without them.
- **Estate Planning.** During the estate planning process, the Advisor provides advice to enable the client to make informed decisions with respect to property ownership and distribution of assets, in light of current federal and state estate tax rules. Based upon the client's current situation and their future goals, the Advisor will review the client's current estate plan, work with the client's estate planning attorney and suggest alternative strategies when appropriate. The estate planning process involves a discussion of gifting, trusts, wills 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 the client's current financial situation, expected retirement date and income needed at retirement. The Advisor will present planning strategies and techniques that can be used to assist the client 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 planning process, the Advisor will evaluate the client's existing investments to provide an overview analysis of current holdings. This process includes an analysis of the client's current asset allocation, investment income and/or growth, tax consequences and tax implications, when applicable. Once the client's current holdings have been reviewed, the Advisor may recommend strategies and investment accumulation/distribution techniques. The strategies and techniques recommended are designed to assist the client with the selection of the appropriate asset allocation strategy necessary to meet their investment objectives and may provide the client with investment categories considered by the Advisor to be in the best interest of the client. The strategies and techniques outlined in the investment plan are designed to assist the client with the achievement of stated investment goals at the most appropriate risk level for the client. In certain situations, the Advisor will include a written Investment Policy Statement as part of the Investment Plan, which states the client's needs and goals and encompasses a policy under which these goals are to be achieved. Implementation of the recommendations is at the discretion of the client.
- **Insurance Planning and Risk Management.** During the insurance planning and risk management process, the Advisor will help analyze and assess the client's exposure to major



risks that could have a significant adverse impact on the client's financial picture, such as premature death, disability or the need for long-term care. Advice is provided on the costs and benefits of available financial products that exist to reduce such risks. Current insurance coverage will be reviewed and analyzed.

- **Tax Planning.** During the tax planning process, the Advisor will work with the client and their tax and/or legal professionals, as Lincoln Investment does not offer tax or legal advice on such topics as timing of gifts, property transfers, receipt of social security income and minimum distribution requirements from retirement accounts to minimize tax obligations.
- **Employee Benefit Plan Review.** During the employee benefit plan review process, the Advisor will review and analyze the benefits provided to the client from their employer. Employee benefits such as retirement plans and insurance will be reviewed to see how they fit into the client's overall financial situation.

#### **Financial Planning Services for Business Owners:**

- **Business Succession Planning.** The business succession planning process includes an analysis of the current state of the business and the client's goals, as a business owner, for the future of the client's business. Once the current state of the client's business and their goals for the future of the business have been determined, alternatives and strategies addressing the continuity or disposition of the client's business upon their retirement, death, disability or decision to sell are provided. 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 in the business. This planning may also include the business owner. Objectives of the business owner and the financial and legal structure of the business will be reviewed and taken into consideration in the analysis and recommendations. Tax consequences and tax implications are identified and evaluated. In all matters, planning services are analytical and advisory only, and do not include any legal, accounting or other professional services.
- **Nonqualified Deferred Compensation Planning.** Services are offered to clients with regard to nonqualified benefits planning for employees. Such plans will reflect their current situation and an analysis of alternative ways to accomplish their compensation objectives. With respect to a nonqualified deferred compensation program, the analysis contains alternative methods to informally "fund" the program, including an overview of the accounting treatment of such alternative methods within the program and a recommendation as to the appropriate method of "funding" for that employee.

In addition, an Advisor may perform certain administrative services on behalf of clients for a nominal fee.

**Monitoring or updating of plan will only occur if client implements plan recommendations through Advisor under a separate advisory agreement. Lincoln Investment does not provide tax or legal advice. Please consult with your personal attorney and tax accountant.**

#### **VI. ERISA Retirement Plan Advice**

Lincoln Investment and its Advisors provide investment advice to sponsors of ERISA retirement plans, as well as education and enrollment services to eligible participants of the plans. At the plan level, Lincoln Investment assists the responsible plan fiduciary in analysis, selection, and monitoring of investment options made available to plan participants. Lincoln Investment may recommend its Lincoln Investment Managed Model Portfolios, which are managed on a discretionary basis by Lincoln Investment, Advisor Managed Model Portfolios or Custom Portfolios, which are managed on a non-discretionary basis by the plan's Advisor, a Sub-Advisor or a third-party money manager. Advisors of Lincoln Investment may also assist eligible participants of these plans in education and enrollment. Lincoln Investment may also assist the responsible plan fiduciary in the selection of a product sponsor's program or third-party platform. Below is a list of approved platforms.

<b><i>ERISA Approved Third-Party Advisers and Platforms</i></b>	
ADP Alerus Alliance Bernstein American Funds – Recordkeeper Direct Ameritas Advantage Elite - Annuity Ascensus Aspire Financial Services AssetMark Retirement Services CUNA (formerly CPI) Employee Fiduciary Empower Retirement (Great West) Fidelity Advisors IFP/Montgomery Retirement Advisors Invesco J. P. Morgan Retirement Link John Hancock K Trade Lincoln Financial – Director Manchester Advisors Mass Mutual Mutual of Omaha Nationwide Newport Group	OneAmerica Oppenheimer PAi – RIA PayChex PenServ Pershing Pinnacle Financial Group PNC Retirement Solutions Principal Financial ProTPA – RIA SBL – Variflex Securian SEI Private Trust Spectrum Employee Benefits – RIA Summit Benefit Solutions/July Business Services – RIA Sunwest Pensions – RIA The Pacific Financial Group T. Rowe Price The Standard Transamerica Ubiquity Voya (ING)

## **Assets Under Management**

As of December 31, 2022, Lincoln Investment and its Advisors managed or advised over \$15.9 billion in advisory assets:

- \$7.68 billion in advisory assets on a discretionary basis, and
- \$8.22 billion in advisory assets on a non-discretionary basis

## **Item 5: Fees and Compensation**

*This section provides to you a description of our advisory fees, how and when these advisory fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled, "Other Costs That You May Incur." Details regarding other compensation received by Lincoln Investment and your Advisor and associated conflicts of interest are described in the section titled "Other Compensation to Lincoln Investment and Our Conflicts of Interest."*

For all advisory services offered by Lincoln Investment, the specific manner in which advisory fees are calculated and charged is described in your Investment Advisory Agreement. In your agreement, you also authorize Lincoln Investment to directly debit advisory fees from your account. Advisory fees are in most cases automatically deducted on a monthly basis in advance from the money market or cash positions or by liquidating assets held within the account. Lincoln Investment can waive or negotiate advisory fees at our sole discretion.

When you engage Lincoln Investment, your costs will depend on the Program(s) and custodian selected, your Advisor's fee, whether the account will be comprised of mutual funds or ETFs that have their own internal expenses and they have transaction costs, and whether you choose a Wrap or non-Wrap Fee Program.

### **I. How You Compensate Your Advisor and Lincoln Investment; Advisor Consulting, Client Custom Portfolios and Advisor Managed Model Portfolios**

Your Advisor is compensated for investment advice by an advisory fee that is based on the value of the assets in your advisory account ("Financial Advisor Fee"). This advisory fee continues for as long as you maintain

your account with your Advisor. This fee provides access to your Advisor for financial and life planning consultation, as requested by you, which includes assisting you in the determination of the appropriate investment advisory investments and advisory programs for you and conversing with you on an as-needed or as requested basis to ensure that the investments and programs continue to meet your stated objectives and needs. Your Advisor has a choice of platforms to recommend for the custody of your assets. The advisory fee for advisory services offered to you can differ by Advisor, whether the Advisor is providing consultation, asset management or advice, what investments are available on the platform (e.g., a mutual fund only or mutual fund and other general securities offerings) and whether the asset advice to be provided by the Advisor is with or without discretionary authority.

Your Advisor's fee is negotiable at the Advisor's sole discretion and to a maximum fee that is established by Lincoln Investment. Your Advisor will share in all or a portion of the Financial Advisor Fee based on their payout schedule with Lincoln Investment. The maximum annual Financial Advisor Fee that your Advisor can charge for his/her services is 1.25% of the assets being advised or managed for accounts opened after July 1, 2020, with the exception that the maximum annual Financial Advisor Fee an Advisor can charge in a Solutions Premier account is 1.24%.

The specific fee and billing parameters for your managed or advised portfolio is provided within the investment advisory agreement you sign prior to the start of advisory services. Consult with your Advisor to learn more about the advisory services and fees he or she offers.

In addition to the Financial Advisor Fee, Lincoln Investment assesses an asset-based advisory Program Sponsor Fee; combined, the Financial Advisor Fee and the Program Sponsor Fee are referred to as the Premier Fee. Lincoln Investment may waive or negotiate the Program Sponsor Fee at our sole discretion.

In addition to the Financial Advisor Fee described above, Lincoln Investment makes certain payments to your Advisor upon meeting certain requirements, including, but not limited to, attaining or maintaining asset or new account enrollment thresholds. For additional details regarding these payments including the criteria for selection and associated conflicts of interest, see *Other Compensation to Lincoln Investment and Our Conflicts of Interest*.

The Financial Advisor Fee and advisory Program Sponsor Fees for offerings on platforms other than Solutions Premier vary and will be disclosed in the investment advisory agreement. Below is the Premier Fee Schedule.

**Premier Fee (Annual Fee Applied to the Assets in Your Solutions Premier Account)**

<b>Assets in Account</b>	<b>Maximum Financial Advisor Fee</b>	<b>Lincoln Program Sponsor Fee</b>	<b>Maximum Annual Premier Fee</b>
First \$500,000	1.24%	0.29%	1.53%
Next \$500,000	1.02%	0.27%	1.29%
Over \$1,000,000	0.85%	0.24%	1.09%

**II. Lincoln Investment Asset Management Programs: Model Portfolios Managed by Lincoln Investment**

If you choose a Lincoln Investment managed model portfolio, you will pay an Asset Management Program Fee to Lincoln Investment. The Asset Management Program Fee is in addition to the Premier Fee described above. If you have assets custodied on the Solutions Premier platform in more than one Asset Management Program, you may qualify for a lower Asset Management Program Fee. Please refer to "How to Get a Reduced Advisory Fee" later in this Brochure. Below is the Fee Schedule for the Asset Management Programs that Lincoln Investment offers on its Solutions Premier platform.

**Asset Management Program Fee (Annual Fee Applied to Assets in Any Solutions Premier Asset Management Programs)**

<b>Assets in Program</b>	<b>Annual Asset Management Program Fee</b>
First \$500,000	0.30%
Next \$500,000	0.28%
Over \$1,000,000	0.25%

Sub-Advisers offered on our Solutions platform do not charge Lincoln Investment for managing one or more of our Programs; instead, these Sub-Advisers are compensated directly or indirectly by their affiliated mutual funds that are utilized in their Model Portfolios. The underlying mutual funds that are utilized in Lincoln Investment Asset Management Program Model Portfolios are unaffiliated with Lincoln Investment. Lincoln Investment has employed its Investment Management and Research (“IM&R”) team to manage its Model Portfolios and to oversee the Asset Management Program Model Portfolios provided by Sub-Advisers.

The IM&R team has final approval on all portfolio decisions related to Lincoln Investment’s Model Portfolio offerings and is described in more detail in the ADV 2B Brochure Supplement accompanying this brochure.

### **III. Third-Party Managed Model and Third-Party Custom Portfolios**

#### *Co-Adviser*

Lincoln Investment, as Co-Adviser, works with third-party money managers to provide you with access to their investment advisory services. In some instances, a portion of the Advisory Fee charged by the third-party money manager is paid to Lincoln Investment and your Advisor; in other instances, your Advisor may add on a fee to the money manager’s fee for certain assigned services provided as Co-Adviser. Please review your investment advisory agreement and the Form ADV 2A of the third-party money manager for further information regarding the advisory fee for your selected manager(s) and the portion of the fee that is paid to Lincoln Investment and your Advisor.

#### *Promoter*

Advisors and Lincoln Investment may also act as a Promoter and introduce you to a third-party money manager. For this introduction, the third-party money manager will pay Lincoln Investment a Promoter/Referral Fee, which we will share with your Advisor. This fee, which is typically an ongoing portion of the fee collected from you by the manager, must be disclosed to you at the time of the introduction in a Disclosure Statement. In some instances, Lincoln Investment and your Advisor share in the money manager’s advisory fee; in other instances, Lincoln Investment may assess a separate fee for our referral in addition to the money manager’s fee. Please review the Disclosure Statement provided to you at the time of the referral to determine the fee we are paid and the third-party money manager’s ADV Part 2A for more information about their advisory fees.

### **IV. Periodic Investment Consulting**

Advisors may, for a fee, provide periodic investment analysis or advice on assets held at a custodian other than a custodian with which Lincoln Investment has an advisory relationship; for example, your 401(k) assets held within your employer’s plan. Advisors may assist you in diversifying and risk-adjusting your entire household of investments. You will enter into a separate written Planning Services Agreement before any services are performed. Once the investment analysis or advice is delivered, the Planning Services Agreement ends, and your Advisor will be unable to provide to you ongoing monitoring of assets that are not held at a custodian with which Lincoln Investment has an advisory relationship. You will need to re-engage with your Advisor for future analysis or advice. Advisors may charge you for these services through a flat or hourly fee.

### **V. Financial Planning**

Financial Planning services are generally provided to you by your Advisor on a flat fee or hourly fee basis. You will receive a written fee for services agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon. For the Planning Services offered by Lincoln Investment’s Advisors, the specific manner in which you compensate your Advisor is described in your Planning Services Agreement. Fees may be quoted as either

hourly or a flat fee for services to be rendered. Fees are negotiable and can vary based on the type and level of service provided. Advisors will take the following factors into consideration when determining the fee to be assessed to you:

1. The amount of time the Advisor expects to spend completing the particular services and providing related advice.
2. The complexity of your financial planning issues and needs.
3. The extensiveness and complexity of the data to be collected in order to perform the services.
4. Your net worth or value of investment accounts and/or other assets that are the subject of the Planning Services.
5. Special circumstances related to a life change, marital status, health or special income needs, or growth or decline of a personal business.

Ask your Advisor for their fees for Planning Services. Each office, and in some instances each Advisor of Lincoln Investment, has his/her own fee schedule; therefore, the cost of similar services by another Advisor may be higher or lower than the fee schedule quoted by your Advisor. Fees may also vary among clients due to the complexity of the planning or the depth of the services provided. Thus, a client's quoted fee may be higher or lower than the fee quoted to another client.

#### **Additional Information Regarding Paying for Services**

Your Advisor decides how he/she will be compensated for the Planning Services. It can be collected in full or in part in advance of services rendered, but no later than 30 days after services are rendered or delivery of the completed plan. You may be entitled to a refund of unearned Fees paid in advance, if any, taking into account the time, effort and extent of planning services already performed by the Advisor for you prior to receipt of your written notice to terminate the Planning Services Agreement.

#### **VI. ERISA Retirement Plan Advice**

Fees for advice and services provided to ERISA retirement plans are negotiable between Lincoln Investment, the Advisor and the plan sponsor. For plans governed by ERISA, compensation arrangements may involve the offset or refunding of any indirect compensation received by Lincoln Investment that could be deemed a prohibited transaction relating to the assets or transactions in the plan, such as 12b-1 fees. Compensation will be described in the 408(b)(2) disclosure provided when your ERISA account is established.

#### **Additional Information Regarding Fee Billing**

For Solutions Premier, the Asset Management Program Fee and Premier Fee (Lincoln's Program Sponsor Fee plus your Financial Advisor's Fee) are automatically deducted from your account monthly, in advance of services provided, based on the value of your account assets as of the close of business on the last business day of the preceding month.

An expense within some mutual fund share class offerings is a Mutual Fund Distribution Fee, also called a 12b-1 fee, which is paid to your broker-dealer. For advisory accounts on the Solutions Premier platform, the amount of the 12b-1 fee received by Lincoln Investment will be applied as a credit against your next monthly Premier Account advisory fee (further described below). For advisory accounts held on the Pershing LLC platform, the amount of the 12b-1 fee received by Lincoln Investment will be refunded directly to your Pershing account. This fee-offset or crediting of 12b-1 fees will alleviate the conflict of interest associated with Lincoln Investment receiving this third party compensation and will also reduce the expense to you associated with purchasing a mutual fund share class which includes a 12b-1 fee expense. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee expense that the fund does not share with your broker-dealer custodian or that your broker-dealer custodian does not share with Lincoln Investment. Whether you receive and the manner in which you receive this credit depends on the platform where your advisory assets are held.

For a material portion of client assets held on Lincoln Investment's Solutions Premier platform, Lincoln Investment utilizes Matrix Settlement & Clearance Services, LLC ("MSCS" or "Omnibus Clearing Company") to clear its client mutual fund transactions on an omnibus basis and SS&C Market Services, Inc. ("SS&C") to provide sub-accounting

services. Lincoln Investment pays each of MSCS and SS&C for the omnibus clearing, custody and sub-accounting services provided, pursuant to agreements with each of MSCS and SS&C. The MSCS and SS&C expenses associated with a specific account are referred to as direct expenses ("Direct Expenses"). Under the agreements, MSCS shares with Lincoln non-distribution related fees paid to them by the funds such as sub-transfer agent, administrative, sub-accounting, and other shareholder services fees ("Shareholder Services Fees"). Shareholder Services Fees are typically an asset-based portion of the cost built into the internal expense of a fund that is shared with broker-dealers and other financial intermediaries who perform services on behalf of the fund and clients. Shareholder Services Fees are not paid by all funds and the amount of the shareholder services fees can vary depending on the fund and the share class of the fund that is purchased and held.

For Solutions Premier accounts, Lincoln Investment will aggregate any 12b-1 fees received from a third-party provider, including mutual fund companies, and apply the amount of 12b-1 fees against future advisory fee calculations for that account. Effective April 1, 2023, for Solutions Premier accounts, Lincoln Investment will deduct Direct Expenses from any Shareholder Services Fees received that are attributable to a specific account and process a credit against future advisory fee calculations for that account ("Shareholder Services Credits"). An account will not be assessed Direct Expenses in excess of the amount of Shareholder Services Credits applicable to that account. Shareholder Services Fees are not paid by all funds and the amount of the Shareholder Services Fees and Shareholder Services Credits can vary depending on the fund and the share class of the fund that is purchased and held.

12b-1 fees along with Shareholder Services Credits are collectively referred to as "Third Party Credits." Any Third Party Credits will first be applied against the Premier Fee, then against the Asset Management Program Fee. The crediting process will continue each month that Lincoln Investment receives Third Party Credits relating to your advisory account. The timing of Lincoln Investments' receipt and crediting of Third Party Credits varies depending on the type of Third Party Credit. Amounts credited, if any, can vary and will be reflected each month on the Premier Account statement in the Summary of Fees section.

For assets held on the Solutions Premier platform, Lincoln Investment does not assess 1) pro-rata fees for deposits or accounts opened during the month or 2) pro-rata refunds for withdrawals or terminations. If the calculated advisory fees less Third-Party Credits are less than \$1.00 in any one month, the fees will be waived and not deducted. For assets held on the Pershing platform, Lincoln does not assess 1) pro-rata fees for deposits or 2) pro-rata refunds for withdrawals, but will assess a pro-rata fee for accounts opened during the month and issue pro-rata refunds for terminations. For Lincoln Investment sponsored programs on Pershing, Lincoln Investment will not refund fees that total less than \$5.00. See your investment advisory agreement for pro-rata fee assessments and refunds thresholds, as these vary by platform and program.

For assets held on the Solutions Premier platform, the Premier Fee on non-discretionary assets will be deducted from the money market/cash position or highest value position held within the non-discretionary portion of Your Account. The Premier Fee and Asset Management Program Fee on discretionary Asset Management Program assets will be deducted from the money market/cash position or highest value position held within each managed model. For assets held on the Pershing platform, advisory fees will be deducted from available cash or cash equivalent assets. An investor may terminate Lincoln Investment's or its Advisor's advisory services at any time upon written notice to us. For assets held on the Solutions Premier platform, Lincoln Investment's receipt of notice of your death will immediately terminate all services along with the Premier Fee and Asset Management Program Fee, if applicable, though an executor or other authorized representative may have the ability to continue services under a new or modified agreement. Clients remain responsible to pay fees for services performed but not yet billed.

For assets held on platforms other than Solutions Premier and Pershing, see your investment advisory agreement for billing details, including the frequency of fees assessment as well as whether your fee is assessed in advance or arrears of services rendered, as these vary by platform. Threshold levels for initial and interim billing for deposits and withdrawals can vary based on platform and program.

You could purchase products or services similar to those offered by Lincoln Investment separately from our affiliated investment adviser, Capital Analysts, LLC or from any financial services provider. Lincoln Investment offers some employer sponsored retirement plans, current and former employees, its Advisors and family members a discount or waiver of some or all fees.

## How to get a Reduced Advisory Fee on the Solutions Premier Platform

If you have assets in more than one Lincoln Investment Solutions Premier Account custodied with Lincoln Investment, Lincoln Investment aggregates all Solutions Premier account assets under your Social Security Number and applies the applicable advisory fee associated with the aggregate of all Solutions Premier assets to all advisory program billings. You may also be eligible for a fee discount through participation in a Billing Discount Group, where your Premier account(s) is/are linked to your related or affiliated investors' Premier account(s) in order to aggregate account assets to afford all in the group the potential for lower advisory fees, should your aggregated Solutions Premier Advisory Assets exceed \$500,000. Lincoln Investment offers fee reductions on assets above \$500,000 and a further fee reduction on assets over \$1 million. Once all Premier assets under your Social Security Number and those in your Discount Group are aggregated, you may be eligible for a fee reduction if your total assets exceed these amounts. You should consult with your Advisor to determine Discount Group eligibility and complete a Request for Participation in a Discount Group:

*Example - If you are NOT in a Discount Group: A client has \$300,000 in assets in one of Lincoln Investment's Discretionary Asset Management Programs and her spouse has \$300,000 in another Lincoln Investment Discretionary Asset Management Program. When Lincoln Investment calculates the advisory fee for each client, it will utilize \$300,000 as the asset base in each account, and neither client will be eligible for the fee break for assets above \$500,000.*

*Example - If you ARE in a Discount Group: A client has \$300,000 in assets in one of Lincoln Investment's Discretionary Asset Management Programs and her spouse has \$300,000 in another Lincoln Investment Discretionary Asset Management Program. Provided the client and her spouse have completed a Request for Participation in a Discount Group, when Lincoln Investment calculates the advisory fee for each account, it will utilize \$600,000 as the asset base in each account and will apply the applicable breakpoint fee associated with assets above \$500,000 to each Program's advisory assets.*

## Wrap Fee Programs

A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Lincoln Investment and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in your advisory account. As the Solutions Premier platform has no transaction costs to buy or sell securities, it is not deemed a Wrap Fee Program. Lincoln Investment does, however, offer Wrap Fee Programs on some third-party platforms, such as Pershing LLC. A Wrap Fee is not based directly upon the actual transaction or execution costs of the transactions in your account. Depending on the underlying investments and amount of transactions you expect in your account, a Wrap Fee account may cost you more or less than if you chose a Solutions Premier account or another Lincoln Investment advisory program that does not charge a Wrap Fee, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all transaction costs). In general, you should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account. For further information regarding Lincoln Investment's Wrap Fee Programs in Lincoln Investment's Wrap Fee Program Brochure (Form ADV Part 2A Appendix I) attached.

On third party platforms, there may be transaction costs associated with acquiring or selling securities. If you expect to do significant trading in your account, a Wrap Fee may be a more cost efficient advisory account fee arrangement for you. Transaction Fee (TF) and No Transaction Fee (NTF) mutual funds are available on many of the third party provider platforms, such as Pershing, Fidelity, TD Ameritrade and Schwab. Mutual funds with no transaction fees can have higher expense ratios, which can adversely affect the long-term performance of your portfolio when compared to share classes of the same fund with lower internal expenses. If a Transaction Fee fund is selected, you will be assessed a ticket charge, unless you are in a Wrap Fee program or on the Solutions Premier platform. If you wish to consider a Wrap Fee program, Lincoln offers a Wrap Fee program on Pershing, and for a limited number of advisors, on Schwab. See Lincoln Investment's Wrap Fee Brochure for more information.

## Other Costs That You May Incur

Total advisory fees paid and other costs associated with your portfolio impact the overall performance of your portfolio. It is important to review these costs when making your advisory and investment decisions.

Costs may include the following:

1. **Mutual Fund 12b-1 Distribution Fees.** An expense within some mutual fund share class offerings is a Mutual Fund Distribution Fee, also called a 12b-1 fee, which is paid to your broker-dealer. For advisory accounts on the Solutions Premier platform, the amount of the 12b-1 fee received by Lincoln Investment will be applied as a credit against your next monthly Premier Account advisory fee (further described below). For advisory accounts held on the Pershing LLC platform, the amount of the 12b-1 fee received by Lincoln Investment will be refunded directly to your Pershing account. This fee-offset or crediting of 12b-1 fees will alleviate the conflict of interest associated with Lincoln Investment receiving this third-party compensation and will also reduce the expense to you associated with purchasing a mutual fund share class, which includes a 12b-1 fee expense. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee expense that the fund does not share with your broker-dealer custodian or that your broker-dealer custodian does not share with Lincoln Investment. Whether you receive and the manner in which you receive this credit depends on the platform where your advisory assets are held.
2. **Internal Expenses.** Internal management fees and other fund fees or expenses are charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds, ETFs and annuity companies charge a fee for the management and operations of their offerings. Higher internal expenses can adversely affect the long-term performance of your portfolio when compared to share classes of the same fund that assess lower internal expenses. For more complete information regarding the internal expenses of an investment and how they impact your costs and performance, you should read “*Understanding Share Classes within your Investment Advisory Accounts*” below.
3. **Platform Fees.** Lincoln Investment offers its advisory services on various broker-dealer platforms. Each platform assesses different account fees, such as platform fees, ticket charges, commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees and low balance or account termination fees. Depending on the platform/custodian selected, some fees can be avoided or reduced. For instance, applicable fees will be different for an account opened on Lincoln Investment’s Solutions Premier platform versus accounts opened on Pershing or another third-party platform/custodian. For a description of trading and administrative fees associated with where your account will be held, view the *Platform Fees and Disclosures* documents found at [www.lincolninvestment.com/Disclosures](http://www.lincolninvestment.com/Disclosures). Also, please refer to *Item 12: Brokerage Practices* for further information.
4. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect you or the ability of Lincoln, your Advisor or third-party manager to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade.
5. **Variable Annuity Rider and Contract Costs.** These costs may include, but are not limited to, annual base annuity contract charges, optional benefit riders, underlying sub-account fees and expenses, and potential surrender fees.
6. **Retirement Plan Rollovers.** If you decide to roll assets out of a retirement plan, such as a 401(k) plan, into an individual retirement account (“IRA”), we have a financial incentive to recommend that you invest those assets with us because we will be paid an advisory fee on those assets, and other compensation. You should be aware that such fees would likely be higher than those you would pay through the plan, and there can be additional costs and expenses, such as custodial fees and account fees. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be assessed when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. For more information about rollovers, see *The Lincoln Investment Companies Investor Agreement and Disclosure Handbook*.

You could incur additional charges imposed by custodians, broker-dealers, investment and insurance companies and other third parties, such as transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Such charges and fees are exclusive of and in addition to Lincoln Investment’s fee. You shall be responsible for payment of any and all taxes that may be due as a result of any transactions in your account.



## **Other Compensation to Lincoln Investment and Our Conflicts of Interest**

Lincoln Investment recognizes its fiduciary responsibility to place your interests above ours and that other compensation received by us, or an affiliate, from other sources presents a conflict of interest and could be looked upon by you as an incentive for us to recommend investment products or advisory services based on compensation rather than on your financial needs. Below is a description of conflicts of interest that we have identified in the conduct of our business that we believe may be material. With many of these conflicts, we have taken steps to mitigate or reduce the conflict.

## **Understanding Share Classes in Lincoln Investment Advisory Accounts**

Mutual funds are common investments for individuals. A mutual fund pools money from many investors and invests the money in securities or other assets. A mutual fund has various expenses that are paid from fund assets. These internal expenses are reflected in the fund's "expense ratio." Such expenses include fees paid to the adviser that manages the fund, operational expenses, and fees paid to the brokers that sell shares of, and provide services to, the fund. These are ongoing fees and expenses charged throughout the life of the mutual fund investment. Fees and expenses are an important consideration in selecting a mutual fund because these charges lower an investor's returns.

A mutual fund frequently offers investors different "share classes." Each class will invest in the same "pool" or portfolio of securities and other assets, but each class will have different fees and expenses and, therefore, different returns. For example, some share classes have higher expense ratios because they pay brokers more for selling or servicing that particular share class. In contrast, other share classes of the same fund may have lower internal fees and expenses. A single mutual fund will often have share classes with different expense ratios, with the share classes that have higher expense ratios generally having lower returns than share classes with lower expense ratios. In other words, an individual investor may pay more, or less, for precisely the same mutual fund investment, depending on the share class. These internal fees and expenses are in addition to any fees a broker may directly charge customers on particular share classes, such as transaction fees at the time of buying or selling the fund shares, and are in addition to the investment advisory fee you will pay.

The expense ratio of a fund is disclosed in the fund's prospectus and annual reports and generally reflects the annual operating costs of the fund, assessed as a percentage of a fund's average assets. The expense ratio within a mutual fund share class can fluctuate from what is shown in a prospectus for the fund offering and annual report and can vary over time and from year to year. A fund that was deemed to have a lower expense ratio at the time of purchase may not actually maintain that expense ratio during the time that the fund is held and new fund share classes may become available with different expense ratios.

Lincoln Investment looks at the "Prospectus Net Expense Ratio" as provided by Morningstar, a third-party data provider, for each mutual fund share class to determine the least expensive eligible share class. The Prospectus Net Expense Ratio is a fund's stated total annual operating expense percentage after any contractual fee waivers or other expense reimbursements to the fund.

## **Lincoln Investment's Share Class Selection Policy for Advisory Accounts**

This share class selection policy applies to your advisory assets that are custodied at Lincoln Investment and/or Pershing LLC and for which Lincoln Investment and/or your financial professional initiate the trade and is described below.

Although you are purchasing at net asset value of the fund, there are internal expenses built into every mutual fund that can impact the performance of your investment over time. Regardless of whether you have selected a discretionary asset management program or a non-discretionary advisory program, share class selection for your mutual fund purchases within your advisory account will be determined by Lincoln Investment. Share class expenses can vary across different share classes of the same fund. In furtherance of its fiduciary duty to advisory clients, Lincoln Investment will seek to select the least expensive share class available on the applicable custodial platform for the selected mutual fund for which all of our retail advisory accounts will be eligible. For purposes of this policy, the least expensive share class is defined as the share class of a mutual fund that has the lowest prospectus net expense ratio as published by Morningstar, subject to the share classes' investment minimums being appropriate for all of our retail advisory investors, obtaining investment minimum waivers where they are available,

and selecting a share class that is available to all investors regardless of account tax type. Lincoln Investment will also consider various other factors when considering share class conversions in your advisory accounts, including but not limited to, whether the fund will allow tax-free conversions, as well as whether there is a ten basis point (0.10%) or greater difference in the expense ratio between the existing share class and the new, proposed share class. The fund share class used in a discretionary Lincoln Investment Managed Model Portfolio can be different than the fund share class used in other Lincoln Investment non-discretionary advised accounts, as a fund minimum waiver may be available for discretionary Lincoln Investment Managed Model Portfolios but not for non-discretionary advisory accounts. Most mutual funds offer varying share classes, but all custodians may not make all share classes of a mutual fund available; therefore, the designated share class selected by Lincoln Investment will likely vary across custodial platforms.

If the fund and share class selected includes a 12b-1 fee, Lincoln Investment will continue to credit back to your advisory account and/or offset against your advisory fee any 12b-1 fee revenue received by the firm on behalf of your advisory assets to eliminate the conflict of interest associated with the receipt of such revenue.

Lincoln Investment will review available mutual fund share classes on a quarterly basis to identify those mutual funds where there has been a prospectus update or a new share class has been made available by the fund in the prior quarter. If it is determined that a lower cost share class is available and meets our policy criteria as described above, Lincoln Investment will initiate a share class conversion for all mutual fund investments in a higher expense share class to that lower expense share class. Share class conversions will appear on your account statements. The ability and length of time to effect a share class conversion will vary and is subject to prospectus requirements and custodial platform approval. If you transfer-in shares of a mutual fund into a non-discretionary advisory account that are in a share class that is less expensive than the share class available to our advisory accounts, Lincoln Investment will not convert your mutual fund position held in a lower expense share class of the same fund to a more expensive share class of the same fund. However, Lincoln Investment may restrict additional purchases of that share class. Lincoln Investment can also convert the grandfathered share class during a subsequent periodic review.

Until all mutual funds have been converted to the least expensive share class, you should not assume that you are or will be invested in the least expensive share class available, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns during the conversion transition period.

Information about the mutual funds and share classes that are available through your account, including their investment policies, restrictions, charges and expenses, is contained in the mutual funds' prospectuses. You should read these prospectuses carefully.

### **Third-Party Payments to Lincoln Investment**

#### **Payments from Third-Parties relating to Lincoln Investment's Solutions Premier Platform Assets**

**12b-1 & Shareholder Services Fees.** For a material portion of client assets held on Lincoln Investment's Solutions Premier platform, Lincoln Investment utilizes Matrix Settlement & Clearance Services, LLC ("MSCS" or "Omnibus Clearing Company") to clear its client mutual fund transactions on an omnibus basis and SS&C Market Services, Inc. ("SS&C") to provide sub-accounting services. Lincoln Investment pays each of MSCS and SS&C for the omnibus clearing, custody and sub-accounting services provided, pursuant to agreements with each of MSCS and SS&C. The MSCS and SS&C expenses associated with a specific account are referred to as direct expenses ("Direct Expenses"). Under the agreements, MSCS shares with Lincoln non-distribution related fees paid to them by the funds such as sub-transfer agent, administrative, sub-accounting, and other shareholder services fees ("Shareholder Services Fees"). Shareholder Services Fees are typically an asset-based portion of the cost built into the internal expense of a fund that is shared with broker-dealers and other financial intermediaries who perform services on behalf of the fund and clients. Shareholder Services Fees are not paid by all funds and the amount of the shareholder services fees can vary depending on the fund and the share class of the fund that is purchased and held.

For Solutions Premier accounts, Lincoln Investment will aggregate any 12b-1 fees received from a third-party provider, including mutual fund companies, and apply the amount of 12b-1 fees against future advisory fee calculations for that account. Effective April 1, 2023, for Solutions Premier accounts, Lincoln Investment will deduct Direct Expenses from any Shareholder Services Fees received that are attributable to a specific account

and process a credit against future advisory fee calculations for that account (“Shareholder Services Credits”). An account will not be assessed Direct Expenses in excess of the amount of Shareholder Services Credits applicable to that account. Shareholder Services Fees are not paid by all funds and the amount of the Shareholder Services Fees and Shareholder Services Credits can vary depending on the fund and the share class of the fund that is purchased and held. Lincoln Investment mitigates the conflict associated with the receipt of 12b-1 fees by disclosing them to you and including them in the Third-Party Credit against your advisory fee. We mitigate the conflict associated with the receipt of Shareholder Services Fees and the deduction of Direct Expenses by disclosing this to you and including Shareholder Services Credits as a Third-Party Credit against your advisory fee.

12b-1 fees along with Shareholder Services Credits are collectively referred to as “Third Party Credits.” Any Third Party Credits will first be applied against the Premier Fee, then against the Asset Management Program Fee. The crediting process will continue each month that Lincoln Investment receives Third Party Credits relating to your advisory account. The timing of Lincoln Investments’ receipt and crediting of Third Party Credits varies depending on the type of Third Party Credit. Amounts credited, if any, can vary and will be reflected each month on the Premier Account statement in the Summary of Fees section.

Not all funds available on Solutions Premier are cleared through an Omnibus Clearing Company; some are cleared directly with the fund. The decision to clear a mutual fund through an Omnibus Clearing Company or not clear through an Omnibus Clearing Company creates a conflict of interest to Lincoln Investment to choose the most advantageous clearing arrangement for each fund, based on the anticipated expenses and revenues of Lincoln Investment. For a list of funds available on the Solutions Premier platform and whether they are cleared through an Omnibus Clearing Company or cleared directly, go to <https://www.lincolninvestment.com/Disclosures> and select the link for the *Lincoln Investment Solutions Premier Mutual Fund Availability List*.

Other financial services firms and third-parties could offer the same or similar money market funds and cash deposit bank options at a lower overall cost to the investor than is available through your Lincoln Investment account, or you could invest directly with the fund provider. Lincoln Investment mitigates these conflicts by disclosing them to you.

### **Third-Party Payments from Pershing LLC**

**Pershing Revenue Sharing and Expense Credit with Lincoln Investment.** For advisory accounts held on Pershing LLC’s platform, Pershing provides a credit against expenses to Lincoln Investment, as introducing broker-dealer, based on the total asset value of all accounts maintained on the Pershing platform and based on the total number of investor accounts on Pershing, pursuant to a written agreement with Pershing LLC. This revenue does not vary with respect to the investment choices/recommendations made in your Pershing account. Lincoln Investment does not refund or offset this third-party payment against advisory fees paid by clients whose advisory assets are on Pershing. Overall, the expense credits received by Lincoln Investment from Pershing for 2022 represented less than one percent of Lincoln Investment’s total advisory revenue. The receipt of these expense credits creates a conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts. We do not believe this revenue is material to Lincoln Investment. This revenue is not shared with your Advisor.

**Pershing Margin Participation.** For advisory and brokerage accounts held on Pershing’s platform, Lincoln Investment, as introducing broker-dealer, marks up the base interest rate pursuant to a written agreement with Pershing LLC, resulting in a higher margin interest rate to you. This mark-up will not exceed 2.25% above the base interest rate. The receipt of revenue sharing with Pershing creates a conflict of interest to Lincoln Investment to use Pershing as custodian over other custodians that do not permit us to mark-up the fees or limit the amount. Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing it with your Advisor.

**Pershing Non-Purpose Loan Markups.** For advisory and brokerage accounts held on Pershing’s platform, Lincoln Investment, as introducing broker-dealer, marks up the base interest rate pursuant to a written agreement with Pershing LLC, resulting in a higher non-purpose loan interest rate to you. This mark-up will not exceed 0.75% above the base interest rate. The receipt of revenue sharing with Pershing creates a conflict of interest to

Lincoln Investment to use Pershing as custodian over other custodians that do not permit us to mark-up the fees or limit the amount. Lincoln Investment mitigates this conflict by disclosing it to you and by not sharing it with your Advisor.

**Account Service Fees.** Lincoln Investment establishes brokerage commission schedules for its advisory and brokerage accounts. For advisory accounts held on Pershing's platform, Pershing charges account service fees for which Lincoln Investment, as introducing broker-dealer, has added a mark-up that ranges from 0% to 100%. These account service fees are identified in the Lincoln Investment Platform Fees and Disclosures - Accounts Held at Pershing. The receipt of these fees creates a conflict of interest for Lincoln Investment since it creates an incentive for Lincoln Investment to continue to use Pershing as custodian over other custodians that do not permit us to mark-up the account service fees or limit the amount. We mitigate this conflict by disclosing it to you and by not sharing the mark-ups with your Advisor.

In aggregate, the third-party payments and expense credits from Pershing LLC to Lincoln Investment described above represented less than one percent of Lincoln Investment's total advisory revenue in 2022. The receipt of these third-party payments and expense credits create a conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts. We do not believe this revenue is material to Lincoln Investment. Lincoln Investment mitigates these conflicts by disclosing it to you and not sharing them with your Advisor.

### **Sales & Marketing Support Revenue**

Lincoln Investment receives Sales and Marketing Support as described below and includes Flat Fee Sponsors, Other Sales Support and Asset and Sales Based Sponsors (collectively, "Sales and Marketing Support"). In order to minimize the conflicts associated with the receipt of these fees, Lincoln Investment does not receive Flat Fee Sponsor and Other Sales Support payments that are based on the amount of advisory account assets or advisory account transactions with a particular sponsor, or that are based on ERISA advisory account assets. However, Flat Fee and Other Sales Support Sponsors can compensate Lincoln Investment from assets of the mutual fund, the fund's investment adviser, distributor or other fund affiliate's assets. While payments out of the fund's investment adviser, distributor or other fund affiliate's revenues or profits are not directly paid from the fund's assets, fund affiliate revenues or profits can, in part, be derived from fees earned for services provided to and paid for by the fund. Payments out of fund assets can lower investor returns and performance over time. Lincoln Investment can also receive Shareholder Services Fees from the same fund families and investment advisers that provide Sales and Marketing Support. These sources of payments are a conflict of interest to Lincoln Investment to recommend and promote those funds, fund families, investment advisers, distributors or other fund affiliates over others that do not provide Sales and Marketing Support or that provide lower amounts of Sales and Marketing Support.

**Flat Fee Sponsors.** Lincoln Investment has partnered with a select group of third-party money managers and product sponsors who pay to assist Lincoln Investment in the training and education of Lincoln Investment's Advisors, at Lincoln Investment sponsored events, on such topics as advisory products and services, practice management, tools and technology, consumer education, and policies, rules and regulations. These sponsors provide financial support to Lincoln Investment in the form of a flat-dollar amount that may be amended annually and is not based on the sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund's investment adviser, distributor or other affiliate's assets. Payments made out of fund assets can lower investor returns and performance over time. Advisors do not share in any portion of these payments so as to mitigate any conflict for an Advisor to recommend one product or money manager over another. This financial support allows Lincoln Investment to defray or offset costs associated with Lincoln Investment sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a conflict of interest.

All Flat Fee Sponsors do not pay Lincoln Investment the same amount, and depending on the amount of the payment from the Flat Fee Sponsor, the access to Lincoln Investment sponsored events may differ. For example, Lincoln Investment holds a number of sales conferences both nationally and regionally throughout the year to educate advisors. The higher the annual flat fee payment, the more events the Flat Fee Sponsor will be invited to attend. Flat Fee Sponsors have more opportunities than other product sponsors and money managers that are not Flat Fee Sponsors to market to and educate Advisors, which could pose a conflict to Advisors to offer these

sponsors' products or services over others. Advisors do not share in any portion of these payments so as to mitigate any such conflict.

In 2022, the financial support from Flat Fee Sponsors paid to Lincoln Investment, as allocated across all investment advisory assets with Lincoln Investment Planning, LLC and its affiliate, Capital Analysts, LLC did not exceed one percent of total revenue for either of the affiliated registered investment advisers and in aggregate was less than one percent of the combined revenue for both affiliated registered investment advisers. We do not believe that these revenues are material. In 2022, Flat Fee Sponsors who compensated Lincoln Investment with a flat fee payment, and offer a fund or advisory program that could be used in your advisory account, in order from highest to lowest payment were Russell Investments, Clark Capital Management, Meeder Funds, PIMCO Funds, American Funds, JPMorgan Funds, Lord Abbett, Federated Investors, Franklin Templeton Group, Security Benefit Life, Prudential and Nationwide.

**Other Sales Support.** From time to time, product sponsors and third-party money managers assist Advisors in their sales and marketing efforts by subsidizing certain Advisor costs, such as client meetings or workshops, mailings, administrative expenses and technology support. The amount received from any one product sponsor or third-party money manager in 2022 did not exceed \$10,000. The sales support presents a conflict of interest in that it could incentivize an Advisor to offer one product or money manager over another that does not provide these subsidies or provides lesser amounts. To mitigate the conflict of interest presented by these payments and subsidies, the amount is approved by Lincoln Investment and is monitored to ensure that it is not too frequent or excessive. Also, Advisors are invited from time-to-time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor or money manager. This presents a conflict of interest that could incentivize an Advisor to offer one product or money manager over another that does not offer these meetings or seminars. Lincoln Investment must grant permission to our Advisors to attend any meeting or seminar hosted by a product or advisory service sponsor. Lincoln Investment approves events that are limited to education or due diligence only and allows the product sponsor to provide meals, hotel accommodations and reimbursement to the Advisor, through Lincoln Investment, for travel expenses only. The education of our Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you.

**Ancillary Sales & Marketing Support Revenue paid to Lincoln Investment that is not tied to your Advisory assets, or the platform where your Advisory assets are held, but is tied to the Non-Advisory assets or transactions in which you may invest**

**Asset and Sales Based Sponsors.** In connection with non-investment advisory (non-fee-based) assets of our investors, and in addition to the compensation described above, Lincoln Investment receives Sales and Marketing support from product sponsors, mutual fund companies, insurance companies and other third-party providers to assist in the marketing and sales efforts of employees and Advisors ("Asset and Sales Based Sponsors"). The support provided by these sponsors is based on brokerage-only (non-investment advisory) assets and brokerage transactions and not based on your advisory account assets or ERISA advisory assets. We receive compensation from these sponsors in various forms, including as a flat fee, a percentage of the amount of brokerage assets held by investors, a percentage of sales, or any combination of these methods. The amounts of these payments can vary by the type of product and by provider and can include, but are not limited to, distribution fees and shareholder service fees. In some cases, Asset and Sales Based Sponsors pay additional marketing payments to Lincoln Investment to cover fees to attend conferences. Additionally, some Asset and Sales Based Sponsors make a monthly or quarterly payment or additional monthly or quarterly payment based on the assets you hold in a fund or variable insurance product over a period of time. As you may have both a brokerage account and an advisory account with us, we want you to understand that Lincoln Investment will receive Sales and Marketing Support based on assets or sales in connection with your brokerage account assets and transactions. The Asset and Sales Based Sponsors payments present a conflict of interest to Lincoln Investment to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not or that provide lesser amounts.

The following is a list of Asset and Sales Based Sponsors in order of high to low total compensation paid to Lincoln Investment as broker-dealer based on non-fee based account assets or sales in 2022: Invesco Investment Services, Security Benefit Life, Franklin Templeton Group, Lincoln National Life, Jackson National Life Ins Co, Allianz, Athene, Prudential, Brighthouse Financial, AXA Equitable Life Insurance Company, Mewbourne

Development Corporation, Voya Mutual Funds, Black Creek Capital Markets, Pershing and Meeder Funds. The Asset and Sales based Compensation in 2022 was less than \$2.5 million dollars from these product sponsors and represented less than one percent of the total revenues of Lincoln Investment. We are disclosing this information to you as certain providers and products offered by the providers shown above could be available within our investment advisory offerings.

Pershing LLC, as clearing firm for accounts introduced by Lincoln Investment, shares with Lincoln Investment a nominal amount of asset-based revenue it receives from certain mutual fund companies in non-advisory accounts. As the revenue received from Pershing is non-advisory related and not material, Lincoln Investment is disclosing the conflict that we receive this revenue rather than list each mutual fund product that generated the compensation to the firm.

## **Other Conflicts and Potential Conflicts**

**Ongoing Fiduciary Conflicts.** Lincoln Investment has a supervisory duty to periodically monitor clients' portfolios to ensure suitability of investments and to ensure that the advisory services are being performed in recognition of our fiduciary duty to you, which includes acting in your best interest. A conflict of interest exists if an Advisor is assessing an advisory fee but no services are being performed. Supervision is performed over accounts and Advisors to monitor for activities that could be deemed a breach of our fiduciary duty to you, including such periodic reviews as accounts where there is no documentation of services being performed and accounts with uninvested cash balances over a 12-month period of time with no rationale for holding such a large cash position in an advisory account. In an advisory relationship, our fiduciary relationship will be most successful if both the client and the Advisor partner to ensure that there is regular and meaningful contact and that the advisory account continues to meet the needs of the client.

**Lincoln Investment's Other Businesses.** Lincoln Investment's principal business is as an investment adviser. The majority of Lincoln Investment's revenue comes from the advisory fees we collect from you. As a broker-dealer, Lincoln Investment also receives compensation from its brokerage business. This compensation comes from securities and insurance product commissions and mutual fund concessions, 12b-1 distribution fees associated with the sale of mutual funds, shareholder service fees, reallowances, trailing commissions from annuity sales and persistency bonuses on insurance and other sources. Lincoln Investment, acting as both a broker-dealer and registered investment adviser, could be deemed a conflict of interest. This places an additional responsibility on Lincoln Investment to supervise whether a recommendation to open either an advisory account or a commissionable account, or both, is appropriate. You always have the option to purchase advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents. Lincoln Investment also is affiliated with Capital Analysts, LLC, an SEC registered investment adviser, and promotes the services of this investment adviser.

**Your Advisor's Other Businesses.** Your Advisor may have more than one relationship with you – one as an Advisor over an advisory account and one as a Registered Representative/Agent over a non-advisory account where he or she may receive a sales commission for the sale of securities or insurance products, which would be in addition to any advisory fees earned on your advisory assets. In these situations, our Advisor may have greater financial incentives to offer you both investment and/or insurance sales as well as advisory services.

Your Advisor may also be associated with Lincoln Investment's affiliated investment adviser, Capital Analysts, LLC. These affiliated relationships present a conflict of interest. Through his or her affiliation with Lincoln Investment and possibly with Capital Analysts, your Advisor is in a position where he or she can offer the same or similar advisory services to you for different fees and compensation structures. If an identical Sub-Adviser or strategy is available through two affiliated registered investment advisers, you could pay higher fees for an advisory service that is similarly offered through another affiliated investment adviser. You always have the option to purchase advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents.

Lincoln Investment pays out to each Advisor a specified percentage of the Advisor's fee. This percentage varies by Advisor based on such factors as Advisor experience, type of contract the Advisor has with the firm, amount of investor assets with the firm, type of advisory service, categories of products and the amount of investor assets managed by the IM&R Team. These varying payout rates create a conflict of interest for your

Advisor to recommend certain services and categories of products, including advisory services managed by the IM&R Team and your Advisor, over others with a lower payout rate. Most of Lincoln Investment's Advisors are independent contractors who may also offer other non-security financial services and products, such as life, health, disability, long-term care and fixed annuity insurance products, and real estate. These services may be offered independent of The Lincoln Investment Companies.

**Planning Services.** Your Advisor may have more than one relationship with you – one as an Advisor for planning services where the Advisor earns a flat or hourly fee, one as an Advisor over an advisory account where the Advisor earns advisory fees on your assets and one as a Registered Representative/Agent over a non-advisory account where he or she may receive a sales commission for the sale of securities or insurance products. In these situations, if a planning services client chooses to implement any planning recommendations, our Advisor may have greater financial incentives to offer you both investment and/or insurance sales as well as advisory services.

Security recommendations may be limited to products offered by the broker-dealer. Although a client always has the ability to purchase security products through other broker-dealers, the fee schedule for services described herein may have been structured with the understanding that clients will implement financial product recommendations through the Advisor. You are under no obligation to implement, in whole or in part, any recommendation, advice or suggestion made by your Advisor. You may take any such recommendation, advice or suggestion available from any other professional retained by you to assist in the implementation of the planning services. If you choose to implement your Advisor's recommendations and open an investment advisory account through Lincoln Investment and/or Capital Analysts, then, prior to making the decision to implement, you should read Lincoln Investment's and/or Capital Analysts' Investment Advisory Disclosure Brochure and Wrap Fee Brochure for a description of conflicts and potential conflicts of interest that we have identified in the conduct of our business that we believe may be material to any recommendations when implemented through us.

**Sales Contests.** Lincoln Investment offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, new investors, initiation of periodic contributions, total fee-based assets and net sales of fee-based programs. These contests can provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services, offer you advisory services managed by the IM&R Team and your Advisor over third-party advisory services and to conduct additional business in order to be eligible. Top achievers in these contests are eligible to receive Lincoln Investment-sponsored trips, awards, cash prizes, bonus commissions, bonus payments, club points, monetary donations in their name to a charity of their choice or other nominal prizes subject to applicable law. To mitigate the conflicts of interest presented by these incentives, no contest is offered which will award the Advisor based upon a specific investment product or on a specific third-party product sponsor. Brokerage commissions and brokerage assets associated with Massachusetts residents are excluded from Lincoln Investment's sales contests consistent with applicable state law. For Massachusetts' residents, this creates a financial incentive for your Advisor to recommend advisory services over brokerage services. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors. In our capacity as an investment adviser, Lincoln Investment and its Advisors recognize they have a fiduciary duty to investment advisory clients. Although Lincoln Investment does not offer specific product sales incentives for securities products, issuers of non-securities insurance products, such as fixed annuity issuers, may offer sales incentives to Advisors in the form of cash bonuses and trips if certain sales thresholds are met. You should ask your Advisor about these incentives at the time of sale.

**Solutions Premier Asset Level Payment.** Any Advisors who meet specified thresholds of total assets on Solutions Premier are eligible to receive additional compensation from Lincoln Investment ("Solutions Premier Asset Level Payment" or "ALP"). Certain associated Advisors are eligible to aggregate their Solutions Premier assets toward ALP thresholds to share individually or collectively in ALP from Lincoln Investment. If your Advisor receives all or a portion of ALP, this could result in your Advisor receiving up to 0.06% greater asset-based compensation than what is indicated as the Financial Advisor Fee in your Investment Advisory Agreement, for a total of up to 1.30%. The payment of ALP to an Advisor, including your Advisor, has no impact on the total client fee paid by you for the selected offering. ALP payments to an Advisor from Lincoln Investment create a conflict of interest for Advisors, including your Advisor or other Advisors with whom they are associated, to recommend Solutions Premier over other platforms for which they would not receive

additional compensation in the form of ALP. These payments also create a conflict of interest for Lincoln Investment to compensate Advisors, including your Advisor or other Advisors with whom they are associated, in order to maintain or increase assets on the Solutions Premier platform over other platforms for which Lincoln Investment receives less revenue. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**Other Asset Level Payments (Available to Certain Advisors).** Certain Advisors are eligible to receive, directly or indirectly, additional compensation from Lincoln Investment when specified thresholds of total assets are met by that Advisor and other Advisors with whom they are associated (“Other Asset Payment” or “OAP”). OAP creates a conflict of interest for the Advisor to recommend certain offerings, including advisory services managed by the IM&R Team and the Advisor, over others for which they would not receive additional compensation in the form of OAP. These payments to your Advisor directly or indirectly would result in your Advisor receiving greater compensation than what is indicated as the Financial Advisor Fee in your Investment Advisory Agreement. The payment of OAP to an Advisor, including your Advisor, has no impact on the total client fee paid by you for the selected offering. These payments also create a conflict of interest for Lincoln Investment to compensate Advisors in order to maintain or increase assets managed by the IM&R Team and the Advisor, over other advisory services or platforms where Lincoln Investment receives less revenue. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**Payments to Employers and Organizations Associated with an Employer who Sponsor Non-ERISA Plans.** Lincoln Investment has contracts with employers to enable employees who work for these employers to open and invest in a primary or supplemental retirement account through payroll deduction contributions through an account with us. The majority of employers with whom Lincoln Investment has contracts offer non-ERISA 403(b), 457, SEP IRA and Simple IRA retirement plans to their employees. Also, many of these employers are school districts and the employees are teachers or other eligible employees. Lincoln Investment and our Advisors make contributions from time-to-time to organizations that are associated with an employer, such as administrators and teachers’ associations, consultants, non-profits, and scholarship or grant funds. Lincoln Investment and our Advisors can also sponsor a business or social event, conference, meeting, fundraiser or scholarship by making a monetary contribution or by providing nominal supplies to assist the employer and/or their employees.

**Third Party Administrator (TPA) Payments and Preferred Providers.** Most TPAs that provide administrative services to the employer charge the employer an annual per participant retirement plan administration fee for their services. Certain TPAs and/or employers list Lincoln Investment as a preferred provider when we have agreed to pay the per-participant TPA fee for a participant who opens an account with us. This reduces the cost to the employer sponsor of the retirement plan and/or the participant.

**Exclusive Provider.** Less than one percent of our employer contracts are an exclusive arrangement where Lincoln Investment is the only provider who has been authorized to work with the employees to establish a primary/supplemental retirement plan account. A small number of the exclusive arrangements utilize the TPA services of an affiliate, Advisory Services, LLC (Adserv). In the Adserv exclusive arrangements, Adserv waives the fees it would otherwise charge for administration and compliance services because the employer has agreed to grant an exclusive provider arrangement to us. You can ask your Advisor whether Lincoln Investment has an exclusive arrangement with your employer.

**Other Non-Exclusive Provider Payments.** In order to be a 403(b) provider/vendor in California, providers/vendors must register with 403bCompare, a program of the California State Teachers’ Retirement System (CalSTRS). Lincoln Investment is registered with 403bCompare and pays an annual 403(b) provider/vendor fee as determined and assessed by CalSTRS. The total fee assessed to all providers/vendors covers the cost to administer and maintain the 403bCompare.com website.

These payments and fee waivers described in this section create a conflict of interest to the employer and employees since they could serve as an incentive to select the products and services of Lincoln Investment and its affiliates over other providers that do not make these payments or pay lesser amounts. We mitigate these conflicts by disclosing them to you and avoiding payments that we consider too frequent or excessive.



**Loans and Advances.** On occasion, Lincoln Investment extends a loan, provides a bonus, provides a commission/fee advance, and pays for practice management services for an Advisor to assist your Advisor in transitioning to the firm and/or running his or her business. Sometimes these loans or advances are forgiven (waived) or reduced, in whole or in part, interest rates reduced, and/or a bonus provided if an Advisor remains affiliated with the firm or achieves certain sales or assets under management thresholds, revenue targets, production levels, client transfer goals, client retention goals and certain practice management goals or conditions. These practices present a conflict of interest in that the Advisor has a financial incentive to affiliate with and remain affiliated with the firm during the repayment period in order to receive these benefits over other firms that do not offer these incentives or offer a similar level of incentives. These practices also present a conflict in that the Advisor has a financial incentive to generate more business and achieve certain sales, revenue or asset management thresholds in order to satisfy or reduce the amount of the loans or advances. In situations where a sales, production, revenue, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in your Advisor's Form ADV 2B Supplement (BIO Brochure), which is required to be delivered by the Advisor to every client. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

Additionally, Lincoln Investment can extend a loan or advance to an Advisor for which repayment is required which can create a conflict for the Advisor to generate more business in order to repay the loans or advances to the firm during the repayment period. Additionally, some Advisors receive benefits as they transition to the firm and/or for running their business, which can include but is not limited to, technology services, administrative support, licensing, insurance and administrative fees and reimbursement of fees associated with transitioning accounts. These practices present a conflict of interest in that the Advisor has a financial incentive to affiliate with and remain affiliated with the firm over other firms that do not offer these incentives or offer a similar level of incentives. Lincoln Investment mitigates these conflicts by disclosing them to you and supervising the investment advisory activities and brokerage practices of its Advisors.

**Advisor Referral Program.** Lincoln Investment compensates Advisors who have referred another financial professional to the firm if that referred financial professional then decides to affiliate with Lincoln Investment or an affiliate. This creates an incentive for Advisors to affiliate with our firm over others that do not offer similar compensation. We do not believe that this practice presents a material conflict of interest.

**Gifts and Entertainment.** Offering or receiving a gift or entertainment from a product or advisory service sponsor could create a conflict of interest. Lincoln Investment has instituted a policy that prohibits excessive and/or too frequent gifts or entertainment activities to mitigate this conflict.

**Political Contributions.** Providing significant political contributions to a state or local official or candidate could create the perception that Lincoln Investment or its Advisors are seeking *quid pro quo* arrangements with that state or local government or its employees to open an account with our firm. Lincoln Investment prohibits contributions in excess of \$350 per election if the Advisor can vote for the candidate and \$150 per election if the Advisor cannot vote for the candidate.

**Charitable Donations.** Providing significant charitable donations to a charity organization could create the perception that Lincoln Investment or its Advisors are seeking *quid pro quo* arrangements with that charity or its employees to open an account with our firm. Lincoln Investment allows contributions to charities, but prohibits any donations that are deemed excessive or too frequent.

### **Accounts Maintained on Institutional Platforms**

The following applies to clients whose accounts are held at Schwab, Fidelity, and TD ("Institutional Platforms").

Lincoln Investment's Advisors can recommend that clients establish brokerage accounts with one or more Institutional Platforms to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with an Institutional Platform is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder.

## Products & Services Available to Us from Institutional Platforms

Institutional Platforms serve independent investment advisory firms like ours. They provide Lincoln Investment and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to the Institutional Platform’s retail customers. Institutional Platforms also make available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Institutional Platform support services are generally available on an unsolicited basis and at no charge to us. Some institutions such as Charles Schwab and Co., Inc. require we maintain a total of at least \$10 million of our clients’ assets in accounts at Schwab to avail ourselves of those services at no charge. These Institutional Platform providers generally do not charge separately for custody services but are compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the them or that settle into their accounts.

### Services that Benefit Clients

Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Institutional Platforms include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. These services generally benefit clients or their account(s).

### Services that May Not Directly Benefit Clients

Institutional Platforms also make available to us other products and services that benefit us but may not directly benefit the client or their account(s). These products and services assist us in managing and administering our clients’ accounts. They can include both their own investment research and that of third parties. We can use this research to service all or some substantial number of our clients’ accounts, including accounts not maintained at the Institutional Platform providing the services. In addition to investment research, Institutional Platforms make available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocate aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients’ accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Institutional Platforms also offers other services intended to help us manage and further develop our business enterprise. These services can include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Institutional Platforms may provide some of these services. In other cases, they will arrange for third-party vendors to provide the services. They can also discount or waive their fees for some of these services or pay all or a part of a third party’s fees. While, as a fiduciary, Lincoln Investment endeavors to act in its clients’ best interests, Lincoln Investment’s recommendation that clients maintain their assets in accounts at the Institutional Platform can be based in part on the benefit to Lincoln Investment or its Advisors of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by these Institutional Platforms, which creates a conflict of interest.

### Item 6: Performance-Based Fees and Side-by-Side Management

Lincoln Investment and our Advisors do not receive performance-based fees. A performance-based fee is an advisory fee that compensates the advisor for the advisor's success in managing his client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance-based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor.

Your Advisory Fees with Lincoln Investment are typically assessed as a percentage of the total value of your advisory account assets as of each month-end and are not performance-based fees.

### Item 7: Types of Clients

Lincoln Investment primarily serves individuals, high net worth individuals, trusts, businesses, and charitable organizations as well as the retirement assets of individuals and businesses, including, through IRC 403(b) and 457 programs, individual retirement accounts (IRAs) and employer sponsored ERISA plans. We also offer our institutional investment advisory services to third-party investment advisers and trust companies. Clients may open qualified and non-qualified accounts with Lincoln Investment. Not all investors and plans, including retirement plans, are eligible to invest in one or more of Lincoln Investment's advisory programs. Please consult with your Advisor or your employer to determine if your assets are eligible to invest.

Advisor managed accounts on Lincoln Investment Solution Premier do not require a minimum account size; however, clients must meet the mutual fund stated minimum to invest assets in a specific mutual fund. Lincoln Investment managed accounts on Lincoln Investment's Solution Premier contain a minimum account size or minimum periodic investment to invest assets in a Lincoln Investment managed model. For specific information related to minimum account size, see *Item 4: Advisory Business*. Lincoln Investment and sub-advisers may, from time to time, amend or waive the minimum account size for the advisory services offered on Lincoln Investment's Solution Premier. Consult with your Advisor for more information on minimum account size requirements.

### Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that you, the investor, should be prepared to bear.

The advisory services and advice offered by Lincoln Investment and its Advisors primarily attempt to provide to you a *risk-appropriate diversified portfolios* comprised primarily of mutual funds. A risk-appropriate diversified portfolio applies the disciplines and theories of asset allocation. *Asset allocation* means, first and foremost, working to design a portfolio that sufficiently allocates your assets across different asset classes to help reduce the exposure to any single asset class and market loss you could incur in your account(s) if you didn't diversify. It is important to understand that asset allocation, although a proven theory to reduce risk to a portfolio, does not guarantee a profit or protect against loss. A diversified portfolio typically will not perform as well as a stock market index, such as the S&P 500, in a rising market environment, and it will typically not decline as much in a declining market environment.

Asset classes include, but are not limited to, domestic and international equities, domestic and international bonds, cash and cash equivalents, as well as alternative investment types such as real estate and commodities. Equities can be further broken down by market capitalization (company size based on annual revenues) ranging from large companies (large-cap) to medium and small companies (medium- and small-cap). Bonds, meanwhile, can be further broken down by issuer type – such as corporate, municipal, and government – and by duration, ranging from short term to long term.

Your Advisor will determine with you your risk profile and objectives, create an asset allocation policy, recommend a risk appropriate well diversified portfolio, and may periodically re-balance the account (as directed) back to any stated asset allocation, if any. Your Advisor will also periodically review your account with you to determine if any additional changes should be recommended or made to your account. Your Advisor can analyze your financial situation provided you make available to them your personal and financial data, employee benefit and retirement

programs, business continuation plans and even your most recent estate planning arrangements. The Advisor can coordinate with your attorney, accountant, and other staff to discuss solutions. If your Advisor analyzes your investment portfolio, the security analysis methods may include charting, fundamental, technical or cyclical analysis.

Mutual funds pool the money of its investors and invest in a variety of stocks, bonds or other types of securities to meet the stated objective of the fund. Each mutual fund will then be assigned by Lincoln Investment into one of the asset classes identified above and the mutual funds that best meet Lincoln Investment's criteria for inclusion in our Asset Management Programs will be selected. Actual investment return and principal value of most mutual fund investments are subject to market risk and will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost. The underlying investments of mutual funds are subject to the risks associated with the corresponding asset classes, described in more detail below.

Using a risk appropriate diversified portfolio, Lincoln Investment uses two approaches to further manage your money in its Asset Management Program advisory services: a Strategic approach and a Tactical approach. Both approaches are best suited for a long term objective to investing.

- **Strategic:** A strategy that sets specific asset class allocations and then periodically rebalances the managed portfolio to maintain the original asset class allocation within the designated risk tolerance. There is typically no change in the asset classes within these model portfolios. Each portfolio manager can select and replace different securities within those asset classes.
- **Tactical:** A strategy that makes market trades in your portfolio in an attempt to take advantage of potential market opportunities within the designated risk tolerance. There can be changes in the asset classes and industry sectors within these model portfolios. Each portfolio manager can vary the asset allocations within each model portfolio in an attempt to capture market opportunity.

For some offered Asset Management Programs, management is provided by Lincoln Investment's Investment Management and Research Team (IM&R). For other offered Asset Management Programs, Lincoln Investment has engaged third party asset managers (Sub-Advisers) to manage portfolios in alignment with a stated objective, investment discipline and risk level. Each Sub-Adviser appointed by Lincoln Investment offers a unique discipline to investing. Although the management authorization of your account remains with Lincoln Investment, we oversee that the Sub-Advisers manage to their assigned discipline and risk level.

In the Strategic Asset Management Programs managed in-house by IM&R, the selection of mutual funds for the Asset Management Programs uses a quantitative approach that takes into consideration such factors as: Current style of the fund, style consistency, R-squared, as well as multiple performance factors and the expense ratio of the fund. This quantitative approach is utilized to assist with management of model portfolios in the following Asset Management Programs: Dividend Income, Lincoln Strategic, Progressive Asset Management and Progressive Asset Management ESG.

In the Tactical Asset Management Program managed in-house by IM&R, the team uses a mixture of tools in the management of our discretionary Adaptive Intelligence Model (AIM) Asset Management Programs. Our investment discipline incorporates research, quantitative and qualitative tools, and neural networks to highlight asset class absolute and/or relative strengths which can be incorporated into portfolio management decisions and recommendations for our clients. A neural network is a computer system that uses mathematical algorithms to simulate certain cognitive processes of a biological neural network, such as the human brain. Neural networks sift through data, using user-defined parameters, to identify patterns which generate directional information across multiple asset classes, and also determine relative strengths of those asset classes. The aforementioned tools can be used individually or in concert with one or multiple other tools, at the discretion of the Lincoln Investment Portfolio Manager, to assist with management of model portfolios in the following Asset Management Programs: Adaptive Intelligence Models (AIM) Active; AIM Index; AIM ESG; AIM Hybrid and AIM ETF.

For our risk-adjusted AIM model portfolios (such as Conservative Income, Conservative Growth & Income, Balanced, Total Return, Appreciation, and Growth Portfolios), we may utilize one or more of the research materials and quantitative and qualitative tools to make specific percentage allocation recommendations by asset class for each risk level model portfolio. These recommendations take into consideration the investment objective(s) and risk

tolerance of an AIM model portfolio when providing such asset class weightings. Lincoln Investment does not employ risk tolerance constraints for all AIM advisory model portfolios in the same manner. The AIM Absolute Return and Managed Income & Growth model portfolios generally do not have as stringent risk tolerance constraints (i.e., there is little to no limitation as to the exposure your account will have to any given asset class).

The Lincoln Investment Portfolio Manager may use the aforementioned tools, along with fundamental and technical analysis, to develop asset allocation recommendations for our dynamic asset allocation model portfolios. Once asset allocation recommendations are developed, we utilize our Fund Selector screening program to make quantitatively supported projections as to the mutual funds, exchange-traded funds (ETFs), and variable annuity sub-accounts within each asset class that will perform the best. The Fund Selector program uses variations of standard mathematical equations as well as proprietary formulas that assess fund performance consistency and measure risk. Subjective methodologies may also be used to identify and compensate for specific anomalies in our quantitative research. For example, in situations where a fund has changed managers in the past year, the Portfolio Manager may combine performance from the manager's previous fund to gain a broader perspective of their management skills.

There is no guarantee that the investment recommendations made by Lincoln Investment's Portfolio Manager with the assistance of research materials, quantitative and/or qualitative tools, or any of our other models in the future will be accurate. These tools and others can be used or considered at the discretion of the Lincoln Investment Portfolio Manager and they do not in and of themselves make any investment recommendations or decisions with regard to management of the AIM model portfolios.

Lincoln Investment uses asset allocation and diversification in an attempt to achieve the objectives of our model portfolios. Asset allocation involves allocating an investment portfolio among different asset classes, such as stocks, bonds and cash. Our dynamic model portfolios are proactively reallocated to reflect changes in market expectations. Diversification is the practice of spreading money among different investments to reduce risk.

For assets in one of the Lincoln Investment Managed Programs, Lincoln Investment may invest your assets in any asset class we deem necessary in an effort to achieve a model portfolio's objective. Such asset classes may include, but are not limited to: large-capitalization domestic equities, mid-capitalization domestic equities, small-capitalization domestic equities, high quality domestic debt, high yield domestic and foreign debt, international equities, emerging markets equities, emerging markets debt, foreign debt, real estate investment trusts, real assets, Treasury Inflation-Protected Securities, agency securities and Commercial Mortgage-Backed Securities and cash.

Investing in securities involves risk of loss that clients should be prepared to bear. Lincoln Investment cannot assure that any portfolio will increase or preserve capital or generate income, nor can we assure that the objectives of any model portfolio will be realized. Asset allocation decisions made by Lincoln Investment may result in a profit or loss. As more investments are added to a portfolio, fees and expenses may increase, which will, in turn, lower investment returns. Diversification does not assure a profit or protect against a loss. Mutual funds purchased for your account may invest in different types of securities, such as value or growth stocks, real estate investment trusts, corporate bonds or U.S. government bonds. There are risks associated with each asset class. Because each fund within a portfolio owns different types of investments, portfolio performance will be affected by a variety of factors. The value of your account will vary from day to day as the values of the underlying investments you hold vary. Such variations generally reflect changes in interest rates, market conditions and other company and economic news. These risks may become magnified depending on how much a fund invests or uses certain strategies.

The asset classes and types of investments used by Lincoln Investment and your Advisor in implementing the methods of analysis and investment strategies described above carry material risks.

- **Cash & Cash Equivalents:** Lincoln Investment may invest a portion of your assets in cash or cash equivalents to achieve a model portfolio's objective, provide ongoing distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.
- **Environmental, Social and Governance (ESG) Funds:** Environmental, Social and Governance ("ESG") investing can be referred to in many different ways, such as sustainable investing, socially responsible investing, and impact investing. ESG fund practices can include, but are not limited to, strategies that select companies based on their stated commitment to one or more ESG factors (e.g., environmental, social and governance) - for example, companies with policies aimed at minimizing their negative impact on the

environment or companies that focus on governance principles and transparency. Funds that elect to focus on companies' ESG practices may have broad discretion in how they apply ESG factors to their investment or governance processes. An ESG fund portfolio might include securities selected in each of the three categories, or in just one or two of the categories. A fund's portfolio might also include securities that don't fit any of the ESG categories, particularly if it is a fund that considers other investment methodologies consistent with the fund's investment objectives.

In selecting funds for Lincoln Investment's ESG model portfolios, Lincoln Investment can consider data from third party providers. This data could include "scoring" and "rating" data compiled to help managers, such as Lincoln Investment, compare funds. Some of the data used to compile third party ESG scores and ratings may be subjective. Other data may be objective in principle, but are not verified or reliable. Lincoln Investment's Portfolio Manager will make the ultimate decision as to whether or not a fund is ESG for purposes of the ESG model portfolios and whether or not a fund should be included in the ESG model portfolios. Lincoln Investment's ESG model portfolios can include funds that take a diversified ESG approach (e.g., funds that fit two or three ESG categories) or funds that target a specific ESG category (e.g., funds that fit just one ESG category). Our ESG model portfolios can also include mutual funds that do not have any ESG mandate.

Lincoln Investment's ESG practices may significantly influence performance. Because funds may be included or excluded based on ESG factors rather than other investment methodologies, Lincoln Investment's ESG model portfolio performance may differ (either higher or lower) from the overall market or comparable model portfolios that do not employ similar ESG practices.

- **Equities:** The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You can receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk. Equity mutual funds may include small, mid and large-capitalization stocks. Small and mid-capitalization companies may have greater price volatility, lower trading volume and less liquidity than large-capitalization companies.
- **Exchange Traded Funds (ETFs):** While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these securities must understand; due to the significant risk involved in these securities, Lincoln Investment will approve their use only on an exception basis.
- **Fixed Income Investments:** One of the most important risks associated with fixed income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as "credit risk" and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on debt obligations. You should be aware of four risks associated with call provisions.

- 1) The cash flow patterns of callable bonds are not known with certainty.

- 2) Since the issuer will typically exercise their right to call the bonds when interest rates have dropped, you may be exposed to reinvestment risk. You would have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.
- 4) If the issue is purchased at a premium, you may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

Debt funds may include mortgage-backed securities and Treasury Inflation-Protected Securities (TIPS). Mortgage-backed securities are subject to greater declines in value than traditional fixed income securities. This is primarily due to decreased prepayments when interest rates fall, which could lengthen the average life of a security. TIPS can provide a hedge against inflation, which helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds. These bonds will likely decline in price during periods of deflation, which could result in losses.

A number of fund companies are offering Floating Rate funds, also called Bank Loan funds. The fund invests mainly in floating rate loans (sometimes referred to as "adjustable rate loans") typically issued to below investment-grade companies. These loans may or may not hold a senior position in the capital structure of the underlying U.S. and foreign corporations, partnerships or other business entities. Senior Loans may allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation and may be collateralized or uncollateralized. They typically pay interest at rates that float above, or are adjusted periodically based on, a benchmark that reflects current interest rates. These funds are designed for investors seeking to participate in the market for Senior Loans, which may have higher risks than conventional debt securities. Investors should be willing to assume the greater risks of short-term share price fluctuations and the special credit risks that are typical for a fund that invests mainly in below investment-grade fixed income securities. The fund is not designed for investors needing an assured level of current income. Lincoln Investment's use of these securities in its managed portfolios is only in well-diversified portfolios, to minimize the risks to the portfolio yet allow for the potential participation in the higher yields associated with these higher risk investments.

- **International Investing:** Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Funds purchased for your account may invest in international securities. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. There are special risks associated with foreign investing, including currency fluctuations, economic instability and political developments. Fluctuations in foreign currency-denominated securities may be magnified by changes in foreign exchange rates. These risks may be magnified in emerging markets.
- **Options:** Certain options strategies are highly specialized contracts based on securities and entail greater than ordinary investment risks.

For further information regarding the risks associated with Lincoln Investment's Asset Management Program Model Portfolios and the best suited investment strategies for your account(s), please review the risk level of the Asset Management Program Model Portfolio and your fund prospectus(es) or consult with your Advisor. Lincoln Investment also provides information regarding its Asset Management Program strategists on its website at [www.lincolninvestment.com](http://www.lincolninvestment.com).

Advisors may offer comprehensive or limited financial planning services for a fee. Financial planning services may include, but are not limited to, retirement, college, tax, business succession planning or insurance needs analysis, and assistance with estate distribution matters. Should the client choose to implement the recommendations contained in the client's plan, the implementation of those recommended strategies is entirely at the client's discretion. All other fee-based services, such as asset-based investment advice or asset management services through Lincoln Investment as described above would require that you enter into a separate written investment advisory agreement. The investment strategies of Lincoln Investment and associated risks are described above.

### **Item 9: Disciplinary Information**

Provided below is a summary of legal or disciplinary events within the past ten years that may be material to your evaluation of Lincoln Investment's advisory business.

**January 27, 2016:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. Without admitting or denying the findings, Lincoln Investment accepted a censure and \$75,000 fine relating to the supervisory review of consolidated reports produced by Lincoln Investment's representatives and provided to clients. Lincoln Investment further agreed to adopt and implement procedures reasonably designed to enhance the enforcement of our supervisory systems and procedures to ensure effective review of consolidated reports produced by representatives and provided to clients.

**September 25, 2018:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. Without admitting or denying the findings, Lincoln Investment, relating to its broker-dealer, accepted a censure and \$35,000 fine relating to Lincoln Investment's failure to implement reasonably designed surveillance procedures to monitor its registered representatives' rates of effecting variable annuity exchanges where the firm was not the broker of record for the variable annuity that was being exchanged. After FINRA raised this issue, Lincoln Investment corrected its surveillance report to include all variable annuity exchanges.

**December 10, 2020:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("AWC") with FINRA. Without admitting or denying the findings, Lincoln Investment, relating to its broker-dealer, accepted a censure and \$35,000 fine relating to Lincoln Investment's failure to implement reasonably designed supervisory procedures or written supervisory procedures to monitor withdrawals or transmittal of funds from customer accounts, and as a result, in the fall of 2017, impostors stole or attempted to steal customer funds by requesting transfers from the accounts of two Lincoln Investment customers. Following its discovery of these events, Lincoln Investment took remedial measures to address the deficiencies in its supervisory system.

Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement ("Form ADV 2B Brochure Supplement" or "Financial Professional BIO Brochure") that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any. For further information regarding Lincoln Investment's disciplinary events, including those prior to 2013, you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) and search for Lincoln Investment Planning, LLC.

### **Item 10: Other Financial Industry Activities and Affiliations**

#### **Broker-Dealer and Insurance Agency**

In addition to being a registered investment adviser, Lincoln Investment is also a registered broker-dealer and an insurance agency. This may present a conflict of interest. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln Investment's conflicts of interests as a broker-dealer and insurance agency and how we address these conflicts.



**Authorized Agent for UMB Bank, N.A.**

Lincoln Investment acts as authorized agent for UMB Bank, N.A., the retirement plan custodian used in our Solutions retirement plan platform offerings. As an authorized agent, Lincoln Investment performs the administrative and custodial duties, such as recordkeeping, consolidated reporting, client communications, trade confirmations, account statements and tax reporting for UMB Bank, N.A. Lincoln Investment compensates UMB Bank, N.A. with a quarterly fee for its services as retirement plan custodian on Solutions accounts.

**Advisors' Other Business Activities and Affiliations**

Lincoln Investment's Advisors are primarily independent contractors, many of whom hold themselves out to the public under a name other than Lincoln Investment and offer other financial services independent of Lincoln Investment, such as life, health, disability, long term care and fixed annuity insurance products, real estate, and business planning services. A few of our Advisors may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct business through Lincoln Investment. These services are offered independent of Lincoln Investment as outside business activities and Lincoln Investment assumes no responsibility or supervision over these activities. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure, or refer to your Advisor's Form ADV 2B Brochure Supplement, for more information regarding outside business activities and how we address these conflicts. You may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) for further information regarding your Advisor's other business activities or affiliations.

**Independent Registered Investment Advisers**

Lincoln Investment permits certain Advisors to maintain their own independent registered investment advisory firm which may offer advisory services similar to, yet independent of, Lincoln Investment. Lincoln Investment assumes no responsibility for their advisory programs and conducts suitability supervision over the transactions initiated by the Advisor. An Advisor who has his or her own independent investment adviser has a fiduciary responsibility to recommend to you the most suitable advisory program regardless of whether it is offered through their investment adviser or Lincoln Investment's investment adviser, or an affiliate.

Advisors affiliated with other registered investment advisory firms must provide to their clients that firm's Form ADV Part 2A and advisory agreements and disclosures if you are opening an account with such other investment advisory firm. To inquire as to whether your Advisor is affiliated with a separate registered investment advisory firm, it will be listed on their Form ADV 2B Brochure Supplement, a copy of which they are required to provide to you, or you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

**Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading****Code of Ethics**

As an investment adviser, Lincoln Investment has established a Code of Ethics under which all Lincoln Investment supervised employees and Advisors must comply. In our capacity as an investment adviser, Lincoln Investment owes a fiduciary duty to our investment advisory clients and is held to legal standards under applicable federal and state securities laws. Lincoln Investment has a fiduciary responsibility to (1) provide investment advice that the Advisor believes is in the best interest of the client; (2) place clients interest above the interests of Lincoln Investment and your Advisor by providing full and fair disclosure of all material facts and conflicts of interest to clients, and (3) conduct all personal securities transactions consistent with Lincoln Investment's Code of Ethics.

Lincoln Investment's Advisors are held to a professional standard that requires them to avoid any abuse of their position of trust and responsibility, not take inappropriate advantage of their positions, comply with applicable securities laws and regulations, and maintain confidentiality of client's financial circumstances.

You may request a full copy of Lincoln Investment's Code of Ethics from your Advisor or Lincoln Investment's Compliance Department at (800) 242-1421, ext. 4300.

**Participation or Interest in Client Transactions and Personal Trading**

Lincoln Investment, its Advisors, members of the Investment Management & Research team, and employees may buy or sell for themselves securities that are also recommended to clients. Other than as described in its Code of Ethics and Insider Trading policies and procedures, Lincoln Investment does not impose on itself or any person

associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Lincoln Investment requires that Advisors disclose conflicts of interest to you if an investment product is recommended in which Lincoln Investment or the Advisor has a material financial interest.

The Advisor and his or her employees must give first priority to client securities purchases and sales over their own personal transactions in the same security. This means that any transaction by the Advisor or his/her employee must be placed either simultaneously with your transaction (i.e., aggregating the orders and sharing in the same price and execution costs) or after all client trades are placed on the same trading day. While the latter will not guarantee that you will receive the best price, it does establish that the client trades will occur at the same time as or before that of the Advisor or his/her employees. At no time may an Advisor participate in the profits or losses of an investor's account. Personal trading accounts of Advisors are monitored by Lincoln Investment to ensure compliance.

## **Item 12: Brokerage Practices**

### **Lincoln Investment as Broker-Dealer/Custodian**

Lincoln Investment's largest advisory offerings are custodied on our clearing and custodial platform, the Solutions Premier platform. This allows us to manage and control the costs associated with your accounts. As the platform primarily utilizes mutual funds, we direct trades to Matrix Settlement & Clearance Services, LLC or directly to the fund company through either a private transmission or NSCC (National Securities Clearing Corporation). For a description of trading and administrative fees associated with where your account will be held, view the *Platform Fees and Disclosures* documents found at [www.lincolninvestment.com/Disclosures](http://www.lincolninvestment.com/Disclosures).

### **Use of Other Broker-Dealers/Custodians**

Some advisory services offered by Lincoln Investment specify one or more custodians or clearing firms where the assets must reside in order for the advisory services to be engaged. For many of these services, this allows Lincoln Investment the capability to have ongoing access to the assets for trading and viewing purposes. In order to be considered as a custodian for purposes of carrying and executing transactions, Lincoln Investment will review the reasonableness of the firm's execution reports, fees and transaction costs. The value of products, research and services offered by broker-dealers/custodians to Lincoln Investment is a factor in determining whether to approve a broker-dealer or trust company as custodian of investors' advisory assets. Lincoln Investment's Solutions Platform imposes an annual platform fee that covers trading, confirmation and statement costs of your account. Other custodians have their own platform, administrative and trading costs to which you will be subject. Lincoln Investment recommends a custodian based on many factors, trading costs being only one factor. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln Investment's conflicts of interests with regard to different platforms. We cannot guarantee that the platform recommended to you will be the lowest cost platform for you. Your Advisor will recommend a platform based on the type of account you wish to open (brokerage or advisory), the type of securities you wish to invest in (mutual funds only or exchange-traded securities), and where suitable advisory programs are available.

When Lincoln Investment is recommending that your account and your transactions be placed with our broker-dealer or another broker-dealer, you may not receive the most favorable execution on your transactions, which may cost you more money. Not all investment advisers require the use of a specific broker-dealer/custodian.

Please consult with your Advisor regarding which broker-dealer/custodians may be required for the advisory service(s) you wish to select or invest. Brokerage or custodial account fees and/or transaction charges, if any, are disclosed to you at the time your account is established. Lincoln Investment shares in fees from certain clearing firms, such as Pershing LLC. Please refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln Investment's conflicts of interests with regard to different platforms. For a description of trading and administrative fees associated with where your account will be held, view the *Platform Fees and Disclosures* documents found at [www.lincolninvestment.com/Disclosures](http://www.lincolninvestment.com/Disclosures).

### **Trade Aggregation Policy**

Offering advisory services to clients includes an obligation on the part of Lincoln Investment and its Advisors to ensure that the allocation of investment opportunities or trades among its various client accounts, as well as accounts

in which it (or its affiliates) has a proprietary interest, is performed in a manner that is fair and equitable in its treatment of all clients and, wherever possible, avoids conflicts of interest.

Therefore, Lincoln Investment has adopted an Aggregated Trade Allocation Policy to be used by Advisors and Lincoln Investment who have been granted discretionary authority by clients when placing orders in the same security on the same day for one or more clients or accounts. By aggregating orders, Advisors ensure that all clients receive that same price for the security on the same day. This policy is intended to prevent favoritism of one client over another and establish a rational and predictable fashion for the allocation of trade pricing on a given day for a given security.

Trades in the following situations will typically be aggregated:

- Lincoln Investment or the Advisor recognizes ahead of time that he/she will be buying or selling the same security in more than one client account on the same day;
- Lincoln Investment or the Advisor reasonably believes that aggregating may facilitate a better execution price for all clients; and
- The securities involved are exchange-traded rather than open-ended funds or annuity sub-accounts.

Trades in the following situations will *not* typically be aggregated:

- Where prohibited by or inconsistent with the client's investment management agreement;
- The trade is a result of the implementation of a change of investment strategy for a specific client;
- The trade is part of a new client's account allocation;
- The trade is a result of rebalancing to an asset allocation policy pursuant to an account review with the client; and/or
- Lincoln Investment or the Advisor reasonably believes that aggregating orders would adversely impact price and/or best execution for the client.

If the security to be purchased in aggregate cannot be obtained in the total quantity required, the allocation of that security will be made on a pro rata basis determined by the ratio of the quantity obtained to the share quantity required to implement the investment strategy. Each client would participate in the order at the average price for all of the transactions on a given day. The transaction cost to all advisory clients shall be the standard ticket charge for the aggregated order.

If implementing the trade requires transactions over several days, each day's execution shares and average price on all executions for that day shall be allocated by the end of each trading day or no later than the next trading day. In the course of executing an aggregated trade, a list of clients' accounts and shares to be bought or sold is to be prepared. This is to be used in allocating the trade and the list is to be kept as a record with the original aggregated trade order. Allocation of shares, prices, and costs shall be done on a timely basis, in no event to exceed 24 hours following execution. Lincoln Investment and your Advisor shall not receive any additional compensation for aggregating trades.

With respect to Asset Management Program Model Portfolios managed on a discretionary basis by Lincoln Investment on the Solutions Premier platform, when a re-allocation or rebalance of a portfolio is to occur, certain Asset Management Programs are of a size that the firm is unable to administratively trade all models in the Asset Management Program on the same day. The firm in these situations has established an Advisory Program Rotation Policy, whereby the firm will assign some of the Advisory Program models to be traded on day one and the remainder of the Advisory Program models to be traded on day two. The firm will alternate the model portfolios that are traded on day one and day two with each subsequent allocation and /or rebalance to ensure fair and equitable pricing opportunities to all clients over time.

### **Item 13: Review of Accounts**

#### **Account Review Policies and Procedures**

Your Advisor is responsible to ensure that the recommended advisory service is in your best interest. Many of our programs are managed to defined levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment is an important part of your decision. Furthermore, the Financial Advisor

Fee portion of your fees compensates your Advisor for his or her services. If Lincoln Investment or your Advisor have been granted full discretionary trading authority over your advisory account, Lincoln Investment or your Advisor will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other non-discretionary advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account. It is important therefore that you take the time to speak with your Advisor regarding your financial objectives and needs and particularly when there is a material life event that could affect or change your investment objectives or financial needs.

Lincoln Investment has procedures in place to supervise the investment advisory activities of its Advisors. If you have any questions about the trading or recommendations in your account, please call your Advisor's Designated Supervisor.

Should you engage your Advisor for planning services, including financial planning, your Advisor is responsible to ensure that the planning services are delivered to you on a timely basis. However, the timing of most deliverables will be dependent on you to provide your Advisor with all relevant data and other information to enable your Advisor to perform the engaged services.

Planning Services should be completed within six (6) months of the engagement (signing of the Planning Service Agreement). In all cases, the Planning Services Agreement terminates upon delivery or completion of services or after one (1) year from engagement, whichever occurs first, unless exceptions have been granted by Lincoln Investment's Supervision Department. Failure to deliver a plan within the prescribed timeframe may result in a full refund of any pre-paid fees to you. Monitoring or updating of recommended plan will only occur if client implements plan recommendations through Advisor under a separate advisory agreement.

A Supervising Principal will review the Planning Services Agreement prepared by your Advisor to ensure the recommendations are appropriate and services are complete. If you have any questions about the recommendations, please call your Advisor's Designated Supervisor.

Lincoln Investment's Investment Management & Research ("IM&R") team routinely reviews the advisory services managed, sponsored, and/or offered by Lincoln Investment's Sub-Advisers. A description of the IM&R team is provided in the supplement at the end of this brochure. The IM&R team performs the following roles on Lincoln Investment's behalf:

- The management of all Lincoln Investment Managed Model Portfolios;
- The selection of advisory services offered by Lincoln Investment;
- The monitoring of Sub-Advisers and third-party money managers offered by Lincoln Investment;
- The removal of Sub-Advisers and third-party money managers offered by Lincoln Investment;
- The comparison of advisory results to predetermined benchmarks to monitor whether the investment advisers' offerings are providing value to clients.

### **Written Reports**

At minimum, you will receive a quarterly account statement from the custodian who carries your account. This statement will reflect all transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account. This is the most important statement you will receive and should be reviewed immediately upon receipt to ensure accuracy in your holdings and transactions.

Some Advisors and advisory services may also provide you supplemental advisory reports which may include performance reports, aggregated account reviews, or a portfolio snapshot. These supplemental reports, typically generated on a quarterly, semiannual or annual basis, are made available to you either electronically or will be delivered to you. These supplemental reports are provided as a service to you and should not replace your custodial statement(s). We urge you to compare these supplemental reports to the account statements you receive. If you find any discrepancies, please contact your Advisor or Lincoln Investment.

#### Item 14: Client Referrals and Other Compensation

Advisors and Lincoln Investment may act as a promoter and introduce you to a third-party money manager. For this introduction, the third-party money manager will pay Lincoln Investment a Promoter/Referral Fee, which we will share with your Advisor. This fee, which is typically an ongoing portion of the fee collected from you by the manager, must be disclosed to you at the time of the introduction in a Disclosure Statement. In some instances, Lincoln Investment and your Advisor share in the money manager's advisory fee; in other instances, Lincoln Investment may assess a separate fee for our referral in addition to the money manager's fee. Please refer to the Disclosure Statement provided to you at the time of the referral to determine the fee paid to Lincoln Investment and your Advisor. Please review the third-party money manager's ADV Part 2A for more information about their advisory fees. See Item 4, Advisory Business and Item 5, Fees and Compensation for additional information and conflicts of interest. On occasion, Lincoln Investment compensates or permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. No new relationships in which Lincoln Investment compensates or permits an Advisor to compensate an outside party for client referrals are permitted. The outside party must execute an agreement with Lincoln Investment, and you will receive a Disclosure Statement at the time of the referral describing the relationship, material conflicts of interest and the compensation paid by the promoter.

*For details regarding other compensation received by Lincoln Investment and your Advisor and associated conflicts of interest, see Item 5: Fees and Compensation in the section titled "Other Compensation to Lincoln Investment and Our Conflicts of Interest."*

#### Item 15: Custody

Lincoln Investment, as a broker-dealer, is deemed a "qualified custodian" under broker-dealer regulations and Rule 206(4)-2 ("Custody Rule") of the Investment Advisers Act of 1940. As such, Lincoln Investment is qualified custodian for any assets on the Solutions platform. The Custody Rule requires investment advisers with custody of client securities or funds to establish and enforce controls designed to protect client assets from being lost, misused or misappropriated.

In accordance with the Custody Rule, Lincoln Investment is required to undergo an annual internal control audit and an annual surprise examination by a Public Company Accounting Oversight Board ("PCAOB") independent public accounting firm whose responsibility it is to verify investor assets, ensure investor account statements are sent directly to investors, and obtain an internal control report to the firm relating to the custody of client assets.

If you have advisory assets held at a qualified custodian other than Lincoln Investment, you will receive, at minimum, a quarterly statement from the qualified custodian(s) of your advisory assets. We urge you to carefully review these statements and compare them to any reports provided to you by Lincoln Investment or your Advisor. The information in these reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Advisor or Lincoln Investment regarding any statement discrepancies.

#### Item 16: Investment Discretion

Depending on the advisory service chosen, Lincoln Investment, its Advisors, or a third-party money manager may have discretionary authority to determine which securities shall be bought and sold, and the total amount to be bought or sold in your advisory account(s). This authorization does not grant Lincoln Investment or its Advisors the right to withdraw any funds or securities from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of advisory fees. Your advisory agreement or account application will identify if you are giving discretionary trading authority for your advisory account(s) to Lincoln Investment, your Advisor, or a third-party money manager.

At no time during the engagement of Planning Services may an Advisor be assigned discretionary authority over any of your accounts and neither should you provide your Advisor with any of your personal passwords or other access codes to any online accounts. Working with you on Planning Services

does not grant Lincoln Investment or its Advisors the right to withdraw any funds or securities from your account(s), except as specifically authorized by you to pay the Planning Service Fees.

**Item 17: Voting Client Securities**

Lincoln Investment and its Advisors may not, and do not, accept authority to vote clients' proxies for any securities in an advisory or non-advisory service. You will receive proxies and solicitations for voting client securities directly from your custodian, transfer agent or us, or a designee thereof.



Lincoln Investment Planning, LLC  
Form ADV Part 2B Brochure Supplement

**As of March 31, 2023**

Principal Office:

601 Office Center Drive  
Fort Washington, PA 19034

**Investment Management & Research**

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Christopher J. Surrichio, CFA<sup>®</sup>

Gerald E. Burhop, CFA<sup>®</sup>, CIPM<sup>®</sup>

Brian Moran

This brochure supplement provides you with information about the five (5) members of the Investment Management & Research ("IM&R") team of Lincoln Investment Planning, LLC ("Lincoln Investment") who have the most significant day-to-day management responsibilities for the Lincoln Investment managed portfolios. This information supplements the information contained in the Lincoln Investment Form ADV 2A and/or Wrap Fee Program brochure, which you should have received.

If you have any questions about the contents of this brochure supplement, please contact us at (800) 242-1421.

Additional information about each of the members of the IM&R team is available through the U.S. Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Stephen T. Mayhew, CFA®, CPA, CFP®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1957

#### **Education**

Master of Business Administration, Drexel University, 1984

Bachelor of Science, Business, Pennsylvania State University, 1979

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Senior Vice President and Chief Investment Officer

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Senior Vice President and Chief Investment Officer

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 1986 – June 2012, Senior Vice President

#### **Professional Licenses/Designations**

Mr. Mayhew holds general securities principal, general securities representative, and research analyst licenses with Lincoln Investment, as well as through its affiliated RIA, Capital Analysts, LLC. In addition, Mr. Mayhew maintains the following professional designations:

##### *Chartered Financial Analyst® (CFA®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

##### *Certified Public Accountant (CPA)*

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA. Individuals who have passed the Exam but have not either accomplished the required on-the-job experience or have previously met it but in the meantime have lapsed their continuing professional education are, in many states, permitted the designation "CPA Inactive" or an equivalent phrase. In most U.S. states, only CPAs who are licensed are able to provide the public attestation (including auditing) opinions on financial statements. The exceptions to this rule are Arizona, Kansas, North Carolina and Ohio where, although the "CPA" designation is restricted, the practice of auditing is not.

##### *Certified Financial Planner™ (CFP®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: Certified Financial Planner Board of Standards, Inc.

Prerequisites/Experience Required: A candidate must meet the following requirements; A bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience.

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following: CPA, ChFC®, CLU®, CFA®, Ph.D. in business or economics, Doctor of Business

Administration, or a bar admission.

Examination Type: CFP Board of Standards 10 hour board exam

Continuing Education/Experience Requirements: 30 hours every two years

### **DISCIPLINARY INFORMATION**

Mr. Mayhew has no material legal or disciplinary events to report.



## **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Mayhew serves as a FINRA Dispute Resolution Arbitrator.

## **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts, LLC. Compensation to Lincoln Investment or Capital Analysts, LLC may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mayhew is Edward Forst, Elected Manager of Capital Analysts, LLC and Elected Manager, President and Chief Executive Officer of Lincoln Investment Planning, LLC. Mr. Forst or his designee is responsible to review the duties, responsibilities and trading of Mr. Mayhew and the Investment Management & Research team. If you have any questions about the trading or allocations in your account, please contact Mr. Forst at (215) 887-8111.

## **Shashi Mehrotra, CFA®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1966

#### **Education**

Master of Business Administration, Florida Atlantic University, 1994

Bachelor of Engineering, Osmania University, 1989

#### **Business Experience**

Lincoln Investment Planning, LLC, May 2019 – Present, Senior Vice President and Chief Investment Strategist

Capital Analysts, LLC, September 2019 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2019 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, January 2017 – Present, Registered Representative

Legend Advisory, LLC, April 2011 – September 2019, Investment Adviser Representative

Legend Equities Corporation, January 1996 – January 2017, Registered Representative

Legend Advisory, LLC, July 1995 – September 2019, Chief Investment Officer/Chief Operating Officer

#### **Professional Licenses/Designations**

Mr. Mehrotra holds general securities principal and general securities representative licenses with Lincoln Investment.

In addition, Mr. Mehrotra maintains the following professional designation:

*Chartered Financial Analyst® (CFA®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements: Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Education Requirements: Self-study program (250 hours of study for each of the three levels)

Exam Type: Three course exams

Continuing Education Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Mehrotra has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

Mr. Mehrotra sits on the Board of Directors of Aqua Pulsar, a water-engineering company, where he assists with strategic financial and investment decisions. You are under no obligation as an investment advisory client to purchase any outside products or services that Mr. Mehrotra may offer.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

**SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mehrotra is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC and Lincoln Investment Planning, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Mehrotra. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Christopher J. Surrichio, CFA®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1970

#### **Education**

Bachelor of Arts, Economics, Boston College, 1992

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Vice President and Portfolio Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 2002 – June 2012, Vice President

#### **Professional Licenses/Designations**

Mr. Surrichio holds general securities principal, general securities representative and research analyst licenses with Lincoln Investment, as well as through its affiliated RIA, Capital Analysts, LLC.

In addition, Mr. Surrichio maintains the following professional designations:

*Chartered Financial Analyst® (CFA®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Surrichio has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Surrichio has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Surrichio is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC and Lincoln Investment Planning, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Surrichio. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Gerald E. Burhop, CFA®, CIPM®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1964

#### **Education**

Master of Business Administration, Finance, Temple University, 1998

Bachelor of Science, Agricultural Journalism/Advertising, University of Wisconsin-Madison, 1988

#### **Business Experience**

Lincoln Investment Planning, LLC, 2002 – Present, Vice President and Portfolio Manager

Lincoln Investment Planning, LLC, October 1999 – Present, Registered Representative

Lincoln Investment Planning, LLC, April 2011 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, March 1999 – 2002, Mutual Fund Financial Analyst

Capital Analysts, LLC, March 2014 – Present, Investment Adviser Representative

#### **Professional Licenses/Designations**

Mr. Burhop holds general securities principal and general securities representative licenses with Lincoln Investment, as well as through its affiliated RIA, Capital Analysts, LLC.

In addition, Mr. Burhop maintains the following professional designations:

##### *Chartered Financial Analyst® (CFA®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

##### *Certificate in Investment Performance Measurement™ (CIPM®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements: Two years of professional experience “substantially entailing performance-related activities,” or four years of investment industry work experience

Educational Requirements: Self-study program (100 or more hours of study for each of the two levels)

Examination Type: Two level exams (Principles and Expert)

Continuing Education/Experience Requirements: Complete and record 15 hours of qualifying activities annually

### **DISCIPLINARY INFORMATION**

Mr. Burhop has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Burhop has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term

incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

#### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Burhop is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC and Lincoln Investment Planning, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Burhop. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Brian Moran**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1967

#### **Education**

Master of Business Administration, Drexel University, 2012

Bachelor of Science, Economics, University of Pennsylvania, 1990

#### **Business Experience**

Capital Analysts, LLC, May 2015 – Present, Vice President of Trading and Portfolio Manager

Capital Analysts, LLC, June 2012 – May 2015, Institutional Trading Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Registered Representative

Lincoln Investment Planning, LLC, August 2012 – Present, Investment Adviser Representative

Capital Analysts, Incorporated, 2001 – June 2012, Institutional Trading Manager

#### **Professional Licenses/Designations**

Mr. Moran holds general securities principal, general securities representative, municipal securities principal, and options principal licenses with Lincoln Investment, as well as through its affiliated RIA, Capital Analysts, LLC.

### **DISCIPLINARY INFORMATION**

Mr. Moran has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln Investment and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Moran has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Moran is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC and Lincoln Investment Planning, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Moran. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.