



Lincoln Investment Planning, LLC  
Investment Advisory Disclosure Brochure

**As of March 29, 2018**

Principal Office:

601 Office Center Drive, Suite 300  
Fort Washington, PA 19034  
(800) 242-1421

You may also visit us on the web at <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 in our investment advisory services and operations since our last Form ADV 2A annual amendment in March 2017. This information is being provided so that you can continue to make informed decisions about your investments with Lincoln Investment Planning, LLC.*

**Item 5 of this Brochure, Fees and Compensation, has been amended to provide additional information on our selection of mutual fund share classes, associated fees, expenses, and conflicts of interest as well as other compensation and related conflicts of interest.**

### Understanding Share Classes, and Related Conflicts of Interest, in Lincoln Investment Advisory Accounts

12b-1 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 Lincoln Investment as the broker-dealer. For assets held on our SOLUTIONS Premier platform or Pershing, LLC, 12b-1 fees received by Lincoln Investment that are related to your advisory assets will be credited or refunded back to you. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee not received by Lincoln Investment. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets 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 potential 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.

Mutual funds have multiple share classes. 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.

Share class selection for your advisory accounts will be based on a range of factors. Lincoln Investment does not make all share classes available to your advisory accounts. While Lincoln Investment will generally seek to designate a single share class of a mutual fund for purchase in your advisory accounts, designated share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection, include, but are not limited to, the net expense ratio of the share classes, an expense tracking error of ten basis points (0.10 %) based on the prospectus net expense ratio as provided by Morningstar, prospectus 12b-1 distribution fee as provided by Morningstar, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF"), operational considerations such as share class consistency within a fund family on a particular custodial platform (as described below), the availability of account minimum waivers, tax and other circumstances that are unique to particular clients. Expense tracking error refers to an acceptable margin that Lincoln Investment considers when comparing share class costs since share class expense ratios can fluctuate over time. Share class consistency refers to the objective of utilizing the same share class for all or a majority of the mutual funds within a fund family on a particular custodial platform to support consistency and efficiency. This objective may not always be achieved and more than one share class could be purchased and held. Generally, Lincoln Investment will only consider a share class for share class consistency if the

differential between the share classes being considered is ten basis points (0.10%) or less based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. If not within this range, then multiple share classes of a fund family could be available on a custodial platform.

Generally, only NTF funds will be available for new fund purchases in your advisory accounts. However, TF funds will be purchased if the NTF fund in the same mutual fund is not available on the applicable custody platform, subject to the purchase being eligible for investment minimums or investment waivers. A fund share class on one custodian's platform may be an NTF fund while on a different custodian's platform may be a TF fund, or vice versa. The expense ratio for TF funds will generally be lower than that for NTF funds, but the purchase and sale of TF funds is subject to additional transaction fees and other charges that increase the cost of investment. Trading in TF funds can increase cost to both the client and/or the firm depending on the level of trading in the account. Lincoln Investment and its Advisors are not under an obligation to pay the transaction fees and other charges associated with investments in TF funds on your behalf, unless you are in a Wrap Fee Program. However, if Lincoln Investment does assume these costs, then it has a financial incentive to select NTF funds in its Wrap Fee programs to avoid paying or to lower mutual fund transaction charges. This creates a conflict of interest for Lincoln Investment to select a NTF mutual fund in a Wrap Fee program because Lincoln Investment would incur less expense and generate more revenue than if Lincoln Investment selected a TF fund. When selecting a share class of a mutual fund for its platform and when recommending a mutual fund to you, Lincoln Investment and your Advisor have a conflict of interest because the selection or recommendation of a more expensive share class results in greater net after cost compensation to Lincoln Investment. The use of NTF funds can serve to minimize the potential for an overall increase in advisory fees charged to clients. If Lincoln Investment or your Advisor were to incur transaction fees, Lincoln Investment and/or your Advisor would likely charge higher advisory fees or increase other charges to clients for the services provided.

Lincoln Investment and your Advisor can purchase, hold, and recommend mutual fund investments in share classes in your advisory accounts that are not the lowest cost share class. You should not assume that you are invested in the lowest cost share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses and therefore lower returns, which could impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through your account.

Lincoln Investment may, in its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by Lincoln Investment and will be reflected on your account statement. Lincoln Investment will consider various factors when considering share class conversions in your advisory accounts, including but not limited to, the net expense ratio of the share classes, whether your account is subject to taxation, the difference in the expense ratio between share classes and whether the difference exceeds an expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar, operational considerations such as share class consistency, your investment preferences and the amount of potential taxable gains or losses to which you could be subject. The ability and length of time to effect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Lincoln Investment will periodically compare the share classes of your funds with the share classes offered by the fund and available to the firm and your account. If, as a result of such review, the Firm initiates a share class conversion, the new share class will appear on your account statement. Lincoln Investment will not consider converting 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 unless the difference between the lower expense share class and the more expensive share class is less than or equal to the expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns, which can impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.

We are currently implementing the mutual fund share class selection process described above for new funds that are added to our advisory platforms. We are simultaneously reviewing existing positions to apply these mutual fund share class selection and conversion factors to current fund holdings. This review process is ongoing and is expected to be completed by September 2018. Third-party investment managers that provide model portfolios or manage client accounts on a discretionary basis will follow their own share class selection practices.

When determining the reasonableness of any fees and expenses you agree to pay to Lincoln Investment, you should consider both the fees and expenses that Lincoln Investment charges to your account for its services and those of your Advisor, as well as any indirect fees and expenses that you pay in connection with any investment in share classes of mutual funds that bear expenses greater than other share classes for which are otherwise eligible. 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. Please contact your Advisor for additional information on share class selection practices and related fees and expenses.

### Other Compensation

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 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 assets or sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund's investment manager, distributor or other affiliate's assets. Payments made to broker dealers 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 sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a potential 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 potential 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 2017, the financial support of the Flat Fee Sponsors was less than one-half of one percent of total revenues to Lincoln Investment. We do not believe that this amount is material. In 2017, Flat Fee Sponsors who compensated Lincoln Investment or its affiliated registered investment advisers with a flat fee payment, in order from high to low, were Russell Investments, CLS Investments, LLC, ICON Advisers, Inc., Meeder Financial, DoubleLine, and JP Morgan. Some of the Flat Fee Sponsors revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

Item 3: Table of Contents

Item 1: Cover Page..... 1  
Item 2: Material Changes ..... 2  
Item 3: Table of Contents ..... 6  
Item 4: Advisory Business ..... 7  
Item 5: Fees and Compensation ..... 12  
Item 6: Performance-Based Fees and Side-By-Side Management ..... 26  
Item 7: Types of Clients..... 26  
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss..... 27  
Item 9: Disciplinary Information ..... 29  
Item 10: Other Financial Industry Activities and Affiliations ..... 30  
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading ..... 31  
Item 12: Brokerage Practices ..... 32  
Item 13: Review of Accounts ..... 33  
Item 14: Client Referrals and Other Compensation..... 34  
Item 15: Custody..... 34  
Item 16: Investment Discretion..... 35  
Item 17: Voting Client Securities..... 35

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; 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 and Legend Advisory, LLC, both SEC registered investment advisers. Advisors may be dually registered with one or more 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. Advisor Consulting, Managed Model Portfolios and/or Client Custom Portfolios**
- II. Lincoln Investment Asset Management Programs - Managed Model Portfolios**
- III. Third Party Managed Model and Custom Portfolios**
- IV. Periodic Investment Consulting**
- V. Financial Planning**
- 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 may be asked to complete a Lincoln Investment 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.

Lincoln Investment offers in-house managed and third party managed advisory services on its mutual fund-only custodial platform, called SOLUTIONS Premier. Lincoln Investment also offers in-house

managed and third party managed advisory services through a number of platforms and programs other than SOLUTIONS Premier, which are listed on the tables included in this brochure. The platform or program chosen by you will depend on the tax type of your account(s), the account custodian you wish to work with, the advisory programs you prefer, and the pricing you wish to pay.

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 the 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.

### **I. Advisor Consulting, Managed Model Portfolios and/or Client Custom 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 investment advisory investments and advisory programs for you, 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. The Advisor has the responsibility to make recommendations or select securities based on your needs and objectives, but if the Advisor does not have written discretionary authority over your account, he/she cannot purchase or sell securities without first obtaining your approval. All advice is geared to meet the client's risk tolerance, income, any investment restrictions, and tax management objectives, if applicable. Advisor Managed Portfolios generally allocate to securities including, but not limited to, mutual funds, ETFs, stocks, bonds and options.

For those Advisors who have been granted the authority to manage accounts on an ongoing discretionary basis, discretionary authority may be exercised using Model Portfolios, where your account is managed to the stated objectives of the portfolio, or custom managed, where your account is constructed and managed to meet your specific objectives (Client Custom Portfolios.)

Advisory assets may be custodied at Lincoln Investment on its SOLUTIONS Premier platform, or at any one of a number of other approved custodians or institutional platforms, including but not limited to AssetMark Trust Company, Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC, MG Trust Company, LLC, Pentegra Trust Company, Pershing LLC, PFPC Global Fund Services / BNY Mellon Government Securities Services Corp, SEI Private Trust Company, State Street Bank, TD Ameritrade, Inc., and Trust Company of America.

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 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, bonds, or options. Consult with your Advisor to learn more about the advisory services and fees he or she offers.



## II. Lincoln Investment Asset Management Programs - Managed Model Portfolios

Lincoln Investment offers a number of in-house managed and third party managed mutual fund only Asset Management Programs on the SOLUTIONS Premier platform. 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 and/or an assigned asset manager (Sub-Adviser) to make discretionary asset allocation decisions in your account based on the discipline and risk level of the Model Portfolio chosen. Lincoln Investment and each Sub-Adviser appointed by Lincoln Investment offer various disciplines of investing. Based on information provided by you, your Advisor will make a recommendation to you as to the Asset Management Program and risk level appropriate for you.

Although the ultimate responsibility as to the management of your account remains with Lincoln, Lincoln Investment relies on the expertise and management disciplines of its Sub-Advisers, when they are engaged, to manage each Model Portfolio to its stated discipline and risk level. Lincoln, 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's offerings, Lincoln Investment will notify you in writing.

<b>Lincoln-Managed Model Portfolio Offerings</b>				
<i>Discipline</i>	<i>Advisory Offering</i>	<i>Minimum Investment</i>	<i>Investment Types</i>	<i>Custodian of Assets</i>
Strategic	Dividend Income	\$25,000	Mutual fund only	Lincoln Investment
Strategic	Lincoln Strategic	\$10,000	Mutual fund only	Lincoln Investment
Strategic	Lincoln Strategic Plus	\$25,000	Mutual fund only	Lincoln Investment
Strategic	Lincoln Strategic Vanguard	\$5,000 <sup>1</sup> / \$10,000	Mutual fund only	Lincoln Investment
Strategic	Progressive Asset Management	\$10,000 <sup>2</sup>	Mutual fund only	Lincoln Investment

<sup>1</sup> Periodic Investment Plan minimum of \$150 or \$5,000 investment minimum for a Vanguard fund model with 5 funds; \$10,000 investment minimum for a Vanguard fund model with greater than 5 funds.

<sup>2</sup>Periodic Investment Plan minimum of \$150 or \$10,000 investment minimum.

<b>Sub-Adviser to Lincoln-Managed Model Portfolio Offerings</b>				
<i>Discipline</i>	<i>Sub-Adviser</i>	<i>Minimum Investment</i>	<i>Investment Types</i>	<i>Custodian of Assets</i>
Strategic	Capital Research and Management Company (American Funds)	\$10,000	Mutual fund only	Lincoln Investment
Strategic	J.P. Morgan Investment Management Inc.	\$25,000	Mutual fund only	Lincoln Investment
Strategic	Russell Investments	\$10,000	Mutual fund only	Lincoln Investment
Tactical	Advanced Asset Management Advisors, Inc.	\$10,000	Mutual fund only	Lincoln Investment

Tactical	Clark Capital Management Group (CCMG)	\$10,000 <sup>1</sup>	Mutual fund only	Lincoln Investment
Tactical	CLS Investments	\$10,000	Mutual fund only	Lincoln Investment
Tactical	DoubleLine Capital LP	\$10,000	Mutual fund only	Lincoln Investment
Tactical	ICON Advisers, Inc.	\$10,000	Mutual fund only	Lincoln Investment
Tactical	Legend Advisory, LLC*	\$10,000 <sup>2</sup>	Mutual fund only	Lincoln Investment
Tactical	Meeder Advisory Services, Inc.	\$10,000	Mutual fund only	Lincoln Investment

\* Legend Advisory, LLC (Legend) is an affiliated registered investment adviser with Lincoln Investment. Legend and Lincoln Investment may share resources and research.

<sup>1</sup> Periodic Investment Plan minimum of \$150 for CCMG Multi-Strategy 50/50 model or \$10,000 investment minimum, all other models are \$10,000 minimum investment only.

<sup>2</sup> Periodic Investment Plan minimum of \$150 or \$10,000 investment minimum.

You are responsible to notify your Advisor of any changes in your financial situation 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-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-Managed Model Portfolios. Lincoln Investment provides investment management primarily on such investments as mutual funds and ETFs.

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

#### *Co-Adviser or Sub-Adviser*

Lincoln, as Co-Adviser or Sub-Adviser, works with third party money managers to provide you with access to their investment advisory 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 or Sub-Adviser, Lincoln Investment typically is responsible to work with you to collect all necessary information and documentation to assist the money manager in managing your assets, and to answer any questions you may have about the money manager or the managed portfolio. 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, Lincoln Investment and your Advisor may add on a fee to the money manager's fee for our performance of certain assigned services as a Co-Adviser or Sub-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.

#### *Solicitor*

Advisors may also act solely as a Solicitor and introduce you to a third party money manager. For this introduction, the third party money manager will pay Lincoln Investment a Solicitor's Fee. 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 Solicitor Disclosure Statement. Lincoln Investment does not dictate or control the asset management or other fees that may be assessed by

the money manager. Please review the money manager’s ADV Part 2A for more information about their advisory fees. Neither Lincoln Investment nor your Advisor performs any other role with respect to the management of the assets placed with the money manager.

The following table is a list of third party independent investment advisors for which Lincoln Investment or your Advisor may act as Co-Adviser, Sub-Adviser, or Solicitor:

<b>Third Party Managed Model and Custom Portfolios</b>	
Absolute Capital Management	Meeder Managed Accounts
Advanced Asset Management Advisors, Inc.	Morningstar Investment Services, Inc.
Asset Mark	Pentegra Financial Services
Bernstein Private Wealth Management	Portfolio Strategies, Inc.
Brinker Capital	Security Benefit Group Morningstar Advisory
CLS Investment	SEI
FTJ FundChoice	Symmetry Partners
ICON Advisers, Inc.	The Pacific Financial Group
ITS Asset Management	The Standard Retirement Services
Kohlhepp Investment Advisors, Ltd.	
Lockwood Advisors, Inc.	
Meeder Advisory Service	

Not all third party independent investment advisors 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 fee for services agreement before any services are performed. This agreement will describe the services and fees you and your Advisor have agreed upon. Advisors may charge you for these services through a flat, hourly, or asset-based fee.

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

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 fee for 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 qualify them 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 Supplement which provides their career biographical information and the professional designations earned. 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 Model Portfolios, which are managed on a discretionary basis by Lincoln, a Sub-Adviser, 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. A list of approved platforms is below.

<b>ERISA Approved Third Party Platforms</b>	
ADP Retirement Services	OneAmerica
Alerus	Oppenheimer
Alliance Bernstein	PAi – RIA
American Funds – Recordkeeper Direct	PayChex
Ascensus	PenServ
Aspire Financial Services	Pershing
CUNA ( <i>formerly CPI</i> )	Pinnacle Financial Group
Employee Fiduciary	PNC Retirement Solutions
Empower Retirement (Great West)	Principal Financial
Fidelity Advisors	ProTPA – RIA
IFP/Montgomery Retirement Advisors	SBL – Variflex
Invesco	Securian
J. P. Morgan Retirement Link	SEI Private Trust
John Hancock	Spectrum Employee Benefits – RIA
K Trade	Summit Benefit Solutions – RIA
Lincoln Financial – Director	Ubiquity ( <i>formerly The Online 401(k)</i> )
Mass Mutual	The Standard
Mutual of Omaha	Transamerica
Nationwide	Voya (ING)
Newport Group	

**Assets Under Management**

As of December 31, 2017, Lincoln Investment and its Advisors managed or advised over \$8.1 billion in advisory assets:

- \$4.7 billion in advisory assets on a discretionary basis, and
- \$3.4 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." Other compensation that Lincoln Investment and/or your Advisor may receive, which may create a conflict of interest, is 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 must also authorize Lincoln Investment to directly debit advisory fees from your account. Advisory fees are in most cases automatically deducted on a quarterly basis in advance from the money market positions or by liquidating assets held within the account. Lincoln Investment may waive or negotiate advisory fees at our sole discretion.

When you pay Lincoln Investment an advisory fee, you may or may not incur transaction costs to liquidate assets. Be sure to ask your Advisor about the program(s) being considered by you and whether you may incur any transaction costs, or whether there is a Wrap Fee arrangement offered.

### **I. Advisor Consulting, Managed Model and Client Custom Portfolios**

Your Advisor has a choice of platforms to recommend for the custody of your assets. The platform costs and Advisor Fee for advisory services offered to you can differ by Advisor, whether the Advisor is providing ongoing or periodic consultation, asset management or advice to you, 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.

The fee for these advisory programs is established either by Lincoln Investment or by the Advisor and approved by Lincoln. The Advisor's Fee is negotiable and typically asset based, collected quarterly in advance, and may not exceed 1.50% annually. The specific fee for your managed or advised portfolio is provided within the investment advisory agreement you sign prior to the start of advisory services. If you add a Lincoln Investment in-house managed or third party money manager, an additional management fee for their asset management will be assessed. Consult with your Advisor to learn more about the advisory services and fees he or she offers.

#### **Advisor Fee on SOLUTIONS Premier Platform**

The Advisors' Fees typically can range from 0.40% to 1.50%, depending on the services provided. Fee breakpoints occur on the first \$500,000, the next \$500,000, and over \$1,000,000. Lincoln Investment assesses a program fee on the Advisor's Fee, so the full amount of the Advisor's Fee is not paid directly to him or her. For instance, the maximum amount of the fee eligible to be paid to the Advisor on a 1.25% fee is 1.04%.

SOLUTIONS Premier accounts opened during a calendar quarter will be charged a daily pro-rated fee based on the number of days advisory services were provided in that quarter. Upon closing of an account, any prepaid, unearned fees will be refunded on a pro-rated basis and any earned, unpaid fees will be due and payable. Proration is also applied to deposits or withdrawals that occur during the calendar quarter, other than for a deposit or withdrawal of \$2,225 or less. A prorated fee will not apply to a deposit or withdrawal during the calendar quarter of \$2,225 or less. The Advisor's Fee is automatically deducted from your account, quarterly, in advance, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter.

#### **Advisor Fee on Other Platforms**

The fee for advisory programs on third party platforms is established either by Lincoln Investment or by the Advisor and approved by Lincoln. The Advisor's Fee is negotiable and typically asset based, collected quarterly in advance, and may not exceed 1.50% annually. The specific fee for your managed or advised portfolio is provided within the investment advisory agreement you sign prior to the start of advisory services. If you add a Lincoln Investment in-house managed or third party money manager, an additional management fee for their asset management will be assessed. Consult

with your Advisor to learn more about the advisory services and fees he or she offers.

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

The fee for the Lincoln-Managed Model Portfolio is an optional add-on fee that is assessed in addition to your Advisor Fee when an Asset Management Program is selected on the SOLUTIONS Premier platform. Most Sub-Advisers 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 the Lincoln-Managed Portfolios are unaffiliated with Lincoln Investment. Lincoln Investment has employed its Investment Management and Research (IM&R) team to manage certain Model Portfolios and to oversee the Asset Management Programs managed by Sub-Advisers.

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

Below is the Fee Schedule for the Asset Management Programs that Lincoln Investment offers on its SOLUTIONS Premier platform. All Asset Management Program portfolios fall under this fee structure, which is only negotiable with certain employer retirement plans. If you have assets in more than one SOLUTIONS Premier Asset Management Program (excluding Platinum SOLUTIONS, which is custodied with Pershing LLC), you may qualify for a lower Asset Management Fee. Please refer to "How to Get a Reduced Advisory Fee" later in this Brochure.

### **Asset Management Program Add-On Fee Schedule**

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

The Asset Management Fee is in addition to the Advisor Fee assessed by your Financial Advisor. This fee is not shared with your Advisor.

Lincoln Managed Model Portfolio accounts opened during a calendar quarter will be charged a daily pro-rated fee based on the number of days advisory services were provided in that quarter. Upon closing of an account, any prepaid, unearned fees will be refunded on a pro-rated basis and any earned, unpaid fees will be due and payable. Proration is also applied to deposits or withdrawals that occur during the calendar quarter, other than for a deposit or withdrawal of \$1,200 or less. A prorated fee will not apply to a deposit or withdrawal during the calendar quarter of \$1,200 or less.

The Asset Management Program Fee and your Advisor's Fee is automatically deducted from your account, quarterly, in advance, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter.

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

### *Co-Adviser or Sub-Adviser*

Lincoln, as Co-Adviser or Sub-Adviser, works with third party money managers to provide you with access to their investment advisory 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 or Sub-Adviser, Lincoln Investment typically is responsible to work with you to collect all necessary information and documentation to assist the money manager in managing your assets, and to answer any questions you may have about the money manager or the managed

portfolio. 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, Lincoln Investment and your Advisor may add on a fee to the money manager's fee for our performance of certain assigned services as a Co-Advisor or Sub-Advisor. 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.

#### *Solicitor*

Advisors may also act solely as a Solicitor and introduce you to a third party money manager. For this introduction, the third party money manager will pay Lincoln Investment a Solicitor's Fee. 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 Solicitor Disclosure Statement. Lincoln Investment does not dictate or control the asset management or other fees that may be assessed by the money manager. Please review the money manager's ADV Part 2A for more information about their advisory fees. Neither Lincoln Investment nor your Advisor performs any other role with respect to the management of the assets placed with the money manager.

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

Periodic Investment Consulting Services are generally provided to you by your Advisor on an asset-based, flat fee or hourly fee basis. You will receive a written fee for services agreement before any services are performed. This agreement will describe the services and fees you and your Advisor have agreed upon.

#### **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.

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

Fees for advice and services provided to ERISA retirement plans are negotiable between Lincoln Investment and the plan sponsor. For plans governed by ERISA, compensation arrangements may involve the offset or refunding of any indirect compensation to Lincoln 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**

Each investor on the SOLUTIONS platform will pay an annual Platform Fee of \$60 (\$15/quarter), waived for year one. Regardless of the number of retirement or non-retirement accounts held on the SOLUTIONS platform, this fee will be deducted each quarter from the first account opened. This fee will cover administrative expenses associated with carrying all of a client's SOLUTIONS accounts, including SOLUTIONS Premier accounts, and is in addition to the advisory 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 Lincoln Investment as the broker-dealer. For assets held on our SOLUTIONS Premier platform or Pershing, LLC, 12b-1 fees received by Lincoln Investment that are related to your advisory assets will be credited or refunded back to you. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee not received by Lincoln Investment. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets 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 potential 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.

For advisory accounts held on Lincoln's SOLUTIONS Premier platform, Lincoln Investment clears a material portion of client's mutual fund transactions through Charles Schwab & Co. ("Schwab") on an omnibus basis. Lincoln Investment has an agreement with Schwab that they will share with us Shareholder Services Fees paid to them by the funds, to assist us in covering the costs and expenses that Lincoln Investment incurs in connection with the clearing and sub-accounting involved in carrying your accounts on our SOLUTIONS platform. Shareholder Service Fees are an asset based portion of the cost built into the internal expense of a fund that is shared with broker dealers who perform client servicing on behalf of the fund. Lincoln Investment is not aware of the amount of fees paid by the funds to Schwab or what portion of the Shareholder Services Fee Schwab may retain prior to sharing a portion of the fee with Lincoln Investment. Lincoln Investment does not share these fees with your Advisor. We use this compensation from Schwab to pay Schwab's omnibus clearing costs and the sub-accounting services provided by DST Market Services, Inc. ("DST"). Currently, to mitigate any conflict associated with the receipt of this revenue, the amount of Shareholder Service Fees remaining after Schwab and DST expenses are paid is allocated on a prorata basis back to SOLUTIONS Premier accountholders based on your average daily SOLUTIONS Premier account value for the applicable period and is applied as a credit against your next quarterly SOLUTIONS Premier advisory fee. Any applicable credits are shown in the Fee Billing Notice section of your SOLUTIONS Premier account statement. The receipt of Shareholder Services fees by Lincoln Investment creates a potential conflict of interest to Lincoln Investment to recommend or select funds that pay mutual fund Shareholder Service Fees over other funds that do not pay Shareholder Service fees. The receipt of Shareholder Services fees by Lincoln Investment also creates a potential conflict of interest to Lincoln Investment to use Schwab as our omnibus clearing firm over other omnibus clearing firms that do not share the Shareholder Service fees.

Another source of Shareholder Service Fees associated with the SOLUTIONS Premier platform is Shareholder Service Fees received from those funds that are not cleared through Schwab, but are cleared directly with the fund. This creates a potential conflict of interest to Lincoln Investment to use funds that pay Shareholder Service Fees over other funds that do not pay Shareholder Service Fees. To mitigate this conflict, Lincoln Investment credits the actual amount received against your next quarterly SOLUTIONS Premier advisory bill.

All advisory fees due will be deducted from Money Market positions or the highest equity fund position in the account. A client may terminate Lincoln's or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Lincoln, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Unearned fees will be refunded to clients on a *pro rata* basis for asset management services. Where a client has paid a flat or hourly fee in advance, fees may be refunded to the client for services not yet performed or delivered. Clients remain responsible to pay fees for services performed but not yet billed. Lincoln does not collect the fee when the gross quarterly bill (prior to fee credits) is \$5 or less.

You could purchase products or services similar to those offered by Lincoln Investment separately from our affiliated investment advisers, Capital Analysts, LLC and Legend Advisory, LLC or from any financial services provider.

Lincoln Investment may offer employees, its Advisors, and family members a discount or waiver of some or all fees.



Regardless of the number of retirement or non-retirement accounts held on our SOLUTIONS Premier platform, an investor will be assessed a quarterly platform fee of \$15. This fee will cover administrative expenses associated with carrying all of your SOLUTIONS accounts.

### **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, Lincoln Investment counts all SOLUTIONS Premier account assets under your Social Security Number to determine if you are eligible for a Fee discount. You may also be eligible for a fee discount through participation in a Billing Discount Group, where your Premier account(s) are linked to your related investors' Premier account(s) in order to aggregate account assets to afford all in the group the opportunity for fee discounts through breakpoints. Lincoln Investment offers fee reductions on assets above \$500,000 and a further fee reduction on assets over \$1million. 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. Your Effective Quarterly Billing Rate will be indicated on your Quarterly Billing Notices

*Example - If you are NOT in a Discount Group: A client has \$300,000 in assets in one of Lincoln's Discretionary Asset Management Programs and her spouse has \$300,000 in another Lincoln Investment Discretionary Lincoln Investment 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'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 are in the same 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 of the third party platforms, such as Pershing, LLC. These services are described in Lincoln's Form ADV Part 2A Appendix I -Wrap Fee Program Brochure which accompanies this brochure. 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 commissions).

The SOLUTIONS Premier platform assesses no transaction costs to buy or sell mutual funds at net asset value; whereas, on third party platforms there may be transaction costs associated with acquiring or selling mutual funds at net asset value. 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. 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 platform.

### **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. **Internal Expenses.** Internal management fees, other fund fees or other expenses 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. The higher the internal expense, the more impact it will have on the performance of your portfolio.
2. **Brokerage Account Fees.** Lincoln Investment offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees such as, commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Please refer to Item 12: Brokerage Practices for further information.
3. **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 your investment advisor's ability to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade.
4. **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 expenses, and potential surrender fees.
5. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund's prospectus for the product sponsor's specific rules.

### **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 potential 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 away or reduce the potential conflict.

**12b-1 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 Lincoln Investment as the broker-dealer. For assets held on our SOLUTIONS Premier platform or Pershing, LLC, 12b-1 fees received by Lincoln Investment that are related to your advisory assets will be credited or refunded back to you. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee not received by Lincoln Investment. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets 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 potential 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.

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

Mutual funds have multiple share classes. 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.

Share class selection for your advisory accounts will be based on a range of factors. Lincoln Investment does not make all share classes available to your advisory accounts. While Lincoln Investment will generally seek to designate a single share class of a mutual fund for purchase in your advisory accounts, designated share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection, include, but are not limited to, the net expense ratio of the share classes, an expense tracking error of ten basis points (0.10 %) based on the prospectus net expense ratio as provided by Morningstar, prospectus 12b-1 distribution fee as provided by Morningstar, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF"), operational considerations such as share class consistency within a fund family on a particular custodial platform (as described below), the availability of account minimum waivers, tax and other circumstances that are unique to particular clients. Expense tracking error refers to an acceptable margin that Lincoln Investment considers when comparing share class costs since share class expense ratios can fluctuate over time. Share class consistency refers to the objective of utilizing the same share class for all or a majority of the mutual funds within a fund family on a particular custodial platform to support consistency and efficiency. This objective may not always be achieved and more than one share class could be purchased and held. Generally, Lincoln Investment will only consider a share class for share class consistency if the differential between the share classes being considered is ten basis points (0.10%) or less based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. If not within this range, then multiple share classes of a fund family could be available on a custodial platform.

Generally, only NTF funds will be available for new fund purchases in your advisory accounts. However, TF funds will be purchased if the NTF fund in the same mutual fund is not available on the applicable custody platform, subject to the purchase being eligible for investment minimums or investment waivers. A fund share class on one custodian's platform may be an NTF fund while on a different custodian's platform may be a TF fund, or vice versa. The expense ratio for TF funds will generally be lower than that for NTF funds, but the purchase and sale of TF funds is subject to additional transaction fees and other charges that increase the cost of investment. Trading in TF funds can increase cost to both the client and/or the firm depending on the level of trading in the account. Lincoln Investment and its Advisors are not under an obligation to pay the transaction fees and other charges associated with investments in TF funds on your behalf, unless you are in a Wrap Fee Program. However, if Lincoln Investment does assume these costs, then it has a financial incentive to select NTF funds in its Wrap Fee programs to avoid paying or to lower mutual fund transaction charges. This creates a conflict of interest for Lincoln Investment to select a NTF mutual fund in a Wrap Fee program because Lincoln Investment would incur less expense and generate more revenue than if Lincoln Investment selected a TF fund. When selecting a share class of a mutual fund for its platform and when recommending a mutual fund to you, Lincoln

Investment and your Advisor have a conflict of interest because the selection or recommendation of a more expensive share class results in greater net after cost compensation to Lincoln Investment. The use of NTF funds can serve to minimize the potential for an overall increase in advisory fees charged to clients. If Lincoln Investment or your Advisor were to incur transaction fees, Lincoln Investment and/or your Advisor would likely charge higher advisory fees or increase other charges to clients for the services provided.

Lincoln Investment and your Advisor can purchase, hold, and recommend mutual fund investments in share classes in your advisory accounts that are not the lowest cost share class. You should not assume that you are invested in the lowest cost share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses and therefore lower returns, which could impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through your account.

Lincoln Investment may, in its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by Lincoln Investment and will be reflected on your account statement. Lincoln Investment will consider various factors when considering share class conversions in your advisory accounts, including but not limited to, the net expense ratio of the share classes, whether your account is subject to taxation, the difference in the expense ratio between share classes and whether the difference exceeds an expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar, operational considerations such as share class consistency, your investment preferences and the amount of potential taxable gains or losses to which you could be subject. The ability and length of time to effect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Lincoln Investment will periodically compare the share classes of your funds with the share classes offered by the fund and available to the firm and your account. If, as a result of such review, the Firm initiates a share class conversion, the new share class will appear on your account statement. Lincoln Investment will not consider converting 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 unless the difference between the lower expense share class and the more expensive share class is less than or equal to the expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns, which can impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.

We are currently implementing the mutual fund share class selection process described above for new funds that are added to our advisory platforms. We are simultaneously reviewing existing positions to apply these mutual fund share class selection and conversion factors to current fund holdings. This review process is ongoing and is expected to be completed by September 2018. Third-party investment managers that provide model portfolios or manage client accounts on a discretionary basis will follow their own share class selection practices.

When determining the reasonableness of any fees and expenses you agree to pay to Lincoln Investment, you should consider both the fees and expenses that Lincoln Investment charges to your account for its services and those of your Advisor, as well as any indirect fees and expenses that you pay in connection

with any investment in share classes of mutual funds that bear expenses greater than other share classes for which are otherwise eligible. 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. Please contact your Advisor for additional information on share class selection practices and related fees and expenses.

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

#### **Lincoln Investment's SOLUTIONS Premier Platform Payments from Third Parties**

**Shareholder Service Fees.** For advisory accounts held on Lincoln's SOLUTIONS Premier platform, Lincoln Investment clears a material portion of client's mutual fund transactions through Charles Schwab & Co. ("Schwab") on an omnibus basis. Lincoln Investment has an agreement with Schwab that they will share with us Shareholder Services Fees paid to them by the funds, to assist us in covering the costs and expenses that Lincoln Investment incurs in connection with the clearing and sub-accounting involved in carrying your accounts on our SOLUTIONS platform. Shareholder Service Fees are an asset based portion of the cost built into the internal expense of a fund that is shared with broker dealers who perform client servicing on behalf of the fund. Lincoln Investment is not aware of the amount of fees paid by the funds to Schwab or what portion of the Shareholder Services Fee Schwab may retain prior to sharing a portion of the fee with Lincoln Investment. Lincoln Investment does not share these fees with your Advisor. We use this compensation from Schwab to pay Schwab's omnibus clearing costs and the sub-accounting services provided by DST Market Services, Inc. ("DST"). Currently, to mitigate any conflict associated with the receipt of this revenue, the amount of Shareholder Service Fees remaining after Schwab and DST expenses are paid is allocated on a prorata basis back to SOLUTIONS Premier accountholders based on your average daily SOLUTIONS Premier account value for the applicable period and is applied as a credit against your next quarterly SOLUTIONS Premier advisory fee. Any applicable credits are shown in the Fee Billing Notice section of your SOLUTIONS Premier account statement. The receipt of Shareholder Services fees by Lincoln Investment creates a potential conflict of interest to Lincoln Investment to recommend or select funds that pay mutual fund Shareholder Service Fees over other funds that do not pay Shareholder Service fees. The receipt of Shareholder Services fees by Lincoln Investment also creates a potential conflict of interest to Lincoln Investment to use Schwab as our omnibus clearing firm over other omnibus clearing firms that do not share the Shareholder Service fees.

Another source of Shareholder Service Fees associated with the SOLUTIONS Premier platform is Shareholder Service Fees received from those funds that are not cleared through Schwab, but are cleared directly with the fund. This creates a potential conflict of interest to Lincoln Investment to use funds that pay Shareholder Service Fees over other funds that do not pay Shareholder Service Fees. To mitigate this conflict, Lincoln Investment credits the actual amount received against your next quarterly SOLUTIONS Premier advisory bill.

**Networking Fees.** Networking Fees on advisory assets are also paid by mutual funds that are not cleared through Schwab. Networking Fees are flat dollar amounts based on the number of accounts or clients for which the firm provides administrative services associated with establishing and servicing your account(s). The revenue paid is not transaction or asset based. Lincoln retains this revenue to offset the costs of servicing and maintaining your advisory accounts on our platform. This revenue is not shared with your Advisor.

**Money Market Fund Fees.** Lincoln Investment utilizes the Federated Money Market Funds as the default money market funds for SOLUTIONS Premier advisory accounts and also allocates 2% of the

assets in every Lincoln Investment Asset Management Program mutual fund model to Federated Money Market Funds, to provide sufficient liquidity for the deduction of advisory fees from the account. Federated pays Lincoln Investment a fee based on assets. The revenue received by Lincoln Investment from Federated that is related to your SOLUTIONS Premier account money market assets is credited back to you as a credit against your next quarterly Premier account advisory fee, to alleviate the conflict associated with the use of the Federated Money Market Funds in our advisory programs.

### **Pershing LLC Platform Payments**

**Money Market and Cash Deposit Fees.** For advisory accounts held on Pershing LLC's platform, Lincoln Investment shares in revenues with Pershing associated with money market interest on certain money market sweep account options and Interlink bank deposit assets. Lincoln does not refund or offset this revenue sharing against advisory fees paid by clients whose advisory assets are on Pershing. The receipt of revenue sharing with Pershing creates a potential conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, and to recommend the purchase of those products that we share in revenue over other funds and platforms that we do not share in revenue.

### **Sales and Marketing Support**

Lincoln Investment receives Sales and Marketing Support as described below and includes flat fee sponsors, other sales support and asset and sale based sponsors. In order to minimize the potential conflicts associated with the receipt of these fees, Lincoln Investment does not receive Sales and Marketing Support payments that are based on advisory account assets, advisory account transactions or that are based on ERISA account assets.

**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 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 assets or sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund's investment manager, distributor or other affiliate's assets. Payments made to broker dealers 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 sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a potential 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 potential 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 2017, the financial support of the Flat Fee Sponsors was less than one-half of one percent of total revenues to Lincoln Investment. We do not believe that this amount is material. In 2017, Flat Fee

Sponsors who compensated Lincoln Investment or its affiliated registered investment advisers with a flat fee payment, in order from high to low, were Russell Investments, CLS Investments, LLC, ICON Advisers, Inc., Meeder Financial, DoubleLine, and JP Morgan. Some of the Flat Fee Sponsors revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

**Other Sales Support.** From time to time, product sponsors and third money managers may 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 of support 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. 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, for travel expenses only. These events represent a nominal portion of revenue that may be received from product sponsors. The education of our Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you. This could be deemed a conflict of interest that will incentivize the advisor to offer one product or money manager over another. This support is not based on client assets or transaction sales.

**Asset and Sales Based Sponsors.** On the brokerage side of Lincoln Investment’s business, in addition to Flat Fee Sponsors, Networking Fees, and Money Market Fund fees, 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 assets and brokerage transaction and not based on your advisory account assets or ERISA 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. As Lincoln Investment may be financially incentivized to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not, this is a potential conflict of interest for Lincoln Investment.

The following is a list of Asset and Sales Based Sponsors in alphabetical order.

<b>Asset and Sales Based Sponsors</b>	
Allianz	Ivy Funds/Waddell & Reed
American Funds	Jackson National Life Insurance Company
AXA Equitable Life Assurance	Lincoln Financial Group
Black Creek Capital Markets LLC (Previously Dividend Capital)	Lord Abbett
Blue Rock Capital (BRCAP)	MetLife (Brighthouse)
Broadridge	Mewbourne

Columbus Life	MFS Investment Management
Delaware Investments	Nuveen Investments
Deutsche Bank	Ohio National
Docupace	Oppenheimer Funds
eMoney	Pietech
Franklin Square Capital Partners	Pioneer Investments
Franklin Templeton Investments	Prudential
Global Atlantic	Putnam Investments
Great American	Scudder Kemper Investments, Inc. (Daut. Bank)
Guggenheim Investments	Security Benefit
Hines Securities, Inc.	Stone Castle
Individual Commercial Brokerage	Voya
Invesco	WP Carey

In 2017, Sales and Marketing Support based on brokerage asset or sales (which would be as result of only the brokerage assets you held with us) represented approximately one percent of total revenues to Lincoln, and may be deemed material to you. Some of this revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

### **Other 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 potential 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 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'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, 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 recommendations 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 two other registered investment advisers, Capital Analysts, LLC and Legend Advisory, LLC, and promotes the services of these investment advisers.



**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 one or more of Lincoln's affiliated investment advisers, Capital Analysts, LLC or Legend Advisory, LLC. These affiliated relationships present a conflict of interest. Through his or her affiliation with Lincoln Investment and possibly with Capital Analysts and Legend Advisory, your Advisor may be 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-Advisor or strategy is available through two affiliated registered investment advisers, you may 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 shares with each Advisor a percentage of the advisory fee received based on the type of advisory service sold. Some Advisors can receive a higher percentage of the Advisor Fee when placing client assets within an IM&R managed program than when placing client assets with a third party money manager. In addition, Advisors who have significant advisory assets within Lincoln Investment advisory programs receive higher percentages of the Advisor Fee than those who have lower advisory assets in Lincoln Investment in-house managed offerings. This creates a conflict of interest for Advisors to recommend Lincoln Investment's offerings over other third party advisory offerings. Most of Lincoln'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.

**Sales Incentives.** Lincoln Investment offers sales contests that may provide additional incentives to your Advisor to offer one product or advisory service over another. Lincoln Investment offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, and net sales of advisory programs. These contests may provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services. Top achievers in these contests may receive Lincoln-sponsored trips, cash prizes, bonus commissions, club points, monetary donations in their name to a charity of their choice or other nominal prizes. No contest is offered which will award the Advisor based upon a specific investment product or on a specific product sponsor. In our capacity as an investment adviser, Lincoln Investment and its Advisor 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.

**Endorsements.** From time-to-time, Lincoln Investment makes lump-sum payments to education-based associations and not-for-profit organizations with a large constituency of employees who are eligible to invest in 403(b) retirement plans (Associations). In some cases, Lincoln Investment voluntarily makes such payments to reimburse the Associations for certain marketing expenses (e.g., newsletter advertisements) in connection with Lincoln's products and services. Certain Associations require Lincoln Investment to reimburse them for (1) marketing expenses; (2) use of their facilities used to meet with their employees; (3) to obtain their explicit endorsement; or (4) to cover their administrative costs for the processing of payroll contributions.

**Loans and Advances.** On occasion, Lincoln Investment may extend a loan, provide a commission advance, or pay for practice management services for an advisor to assist an advisor in running his or her business. Sometimes these loans or advances may be waived, in whole or in part, if certain sales or assets under management thresholds are met or certain practice management goals or conditions are met. In situations where a sales, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in the Advisor's Form ADV 2B, which is required to be delivered by the Advisor to every client. Lincoln closely supervises Advisors who have these arrangements to ensure that all advice is suitable to the client.

**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 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 allows contributions to charities, but prohibits any donations that are deemed excessive or too frequent.

#### **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 calendar quarter-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. 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'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 Solution Premier do not require a minimum account size; however, client's must meet the mutual fund stated minimum to invest assets in a specific mutual fund. Lincoln managed accounts on Lincoln Solution Premier contain a minimum account size or minimum periodic investment to invest assets in a Lincoln managed model. For specific information related to minimum account size review Lincoln's Investment Advisory Disclosure Brochure, Item 4: Advisor

Business. Lincoln Investment and subadvisors may, from time to time, amend or waive the minimum account size for the advisory services offered on Lincoln 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 mutual fund portfolios*. 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.

Mutual fund 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.

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.

Lincoln Investment and its Advisors primarily use mutual funds in its Asset Management Programs. 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 meets Lincoln'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 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. There is typically no change in the asset classes used in these portfolios.

- **Tactical:** A strategy that takes a more active trading approach to investing that makes tactical market trades in your portfolio in an attempt to take advantage of potential market opportunities. For example, this could mean a complete replacement of a poor performing investment within an asset class to one that is anticipated to do better.

The selection of mutual funds for the Lincoln Investment Asset Management Programs uses a quantitative approach that takes into consideration such factors as: Current style of the fund, style consistency, R-squared (correlation with the markets), as well as multiple performance factors and the expense ratio of the fund.

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

- **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 may 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.
- **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.

- **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. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.
- **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.
- **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's Asset Management portfolios and the best suited investment strategies for your account(s), please review the risk level of the Asset Management portfolio and your mutual fund prospectus(es) or consult with your Advisor. Lincoln Investment also provides information regarding its Asset Management strategists (including quarterly Asset Management strategist commentaries) on its website at [www.lincolninvestment.com](http://www.lincolninvestment.com).

#### 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's advisory business.

**March 23, 2009:** Financial Industry Regulatory Authority (FINRA) censured and fined Lincoln Investment \$15,000 for failure to process 398 out of 423 investors' claim forms within 90-days of the receipt of the claim form. Lincoln Investment accepted the allegations made against us, waived our right to a hearing, and consented to the fine. It is important to note that all eligible investors received their refunds with interest from the date of the original transaction up to the date the refund was sent.

**January 27, 2016:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("ACW") 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'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.

Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any. For further information regarding Lincoln's disciplinary events, including those prior to 2009, 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'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 and some Pershing 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.

#### **NFA Membership**

Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. The contracts are not eligible for advisory accounts.

#### **Advisors' Other Business Activities and Affiliations**

Lincoln'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, 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. 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 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. 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'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. 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, 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) place clients interest above the interests of Lincoln, (2) act with the utmost good faith, fair dealing, loyalty and honesty with our clients, (3) provide full and fair disclosure of all material facts and conflicts of interest to clients, and (4) conduct all personal securities transactions consistent with Lincoln's Code of Ethics.

Lincoln'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'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. With the exception of its 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 any and all conflicts of interest to you if an investment product is recommended in which Lincoln Investment or the Advisor has a material financial interest.

For all portfolios on which Lincoln Investment or your Advisor have discretionary authority, the Advisor and his or her employees must give 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 reviewed by Lincoln Investment to ensure compliance.

## Item 12: Brokerage Practices

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

Lincoln's largest advisory offerings are custodied on our proprietary clearing and custodial platform, the SOLUTIONS Premier platform. This allows us to manage and control the costs associated with your accounts. As the platform utilizes exclusively mutual funds, we direct trades to Charles Schwab & Co. or directly to the fund company through either a private transmission or NSCC (National Securities Clearing Corporation). Please also refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for further information regarding Lincoln's conflicts of interests as a broker-dealer.

### **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 not a factor in determining the advisory fee charged to a client.

When Lincoln Investment is directing your account and your transactions to our broker-dealer or another broker-dealer, you may not receive the most favorable execution price on your transactions, which may cost you more money. Not all investment advisors 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 may share in fees from certain clearing firms, such as Charles Schwab & Co and 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's conflicts of interests when accounts are held on our SOLUTIONS platform or at Pershing.

### **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 a Trade Allocation Policy to be used by Advisors who have been granted discretionary authority by their clients when placing orders in the same security on the same day for one or more clients or accounts. By aggregating orders, Advisors ensures 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:

- 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;
- 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
- 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.

### **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 meet different 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 Advisor Fee portion of your Fee compensates your Advisor for his or her services. This fee is an annual fee that continues as long as you maintain your account with us. This fee provides ongoing access to your Advisor for financial and life planning consultation, as requested by you, as well as ongoing investment advice services which include assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, 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. 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.

A Supervising Principal will review all advisory recommendations and financial plans prepared by your Advisor and will also provide an oversight of the recommendations and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisor's Designated Supervisor.

Lincoln's Investment Management & Research (IM&R) team routinely reviews the advisory services managed, sponsored, and/or offered by Lincoln's Advisors and Strategists. 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's behalf:

- The management of all Lincoln-Managed Model Portfolios;
- The selection of advisory services offered by Lincoln;
- The monitoring of advisory services offered by Lincoln;
- The removal of advisory services offered by Lincoln;
- The comparison of advisory results to predetermined benchmarks to monitor whether third party investment advisers' disciplines 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.

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

On occasion, Lincoln Investment permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. The outside party must execute a Solicitor Agreement with Lincoln, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor. At no time will you pay a higher advisory fee as a result of this referral relationship. Lincoln Investment is currently not entering into agreements with new Solicitors for new referrals.

### **Item 15: Custody**

Lincoln, 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 advisors 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 PCAOB independent public accounting firm whose responsibility it is to verify investor assets; to ensure investor account statements are sent directly to investors; and to provide an internal control report to the firm relating to the custody of client assets.

You may have your advisory assets held at a qualified custodian other than Lincoln. You should 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, 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, your Advisor, or a third party money manager.

#### **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.



Lincoln Investment Planning, LLC  
Wrap Fee Program Brochure

**As of March 29, 2018**

Principal Office:

601 Office Center Drive, Suite 300  
Fort Washington, PA 19034  
(800) 242-1421

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

This Wrap Fee Program 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

*Below are material changes that have occurred in Lincoln Investment's sponsored Wrap Fee Programs since the firm's last Form ADV Part 2A Appendix I in March 2017. This information is being provided so that you can continue to make informed decisions about your investments with Lincoln Investment Planning, LLC.*

**Item 4 of this Brochure, Services, Fees and Compensation, has been amended to provide additional information on our selection of mutual fund share classes, associated fees, expenses, and conflicts of interest as well as other compensation and related conflicts of interest.**

### Understanding Share Classes, and Related Conflicts of Interest, in Lincoln Investment Advisory Accounts

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 Lincoln Investment as the broker-dealer. For assets held on our SOLUTIONS Premier platform or Pershing, LLC, 12b-1 fees received by Lincoln Investment that are related to your advisory assets will be credited or refunded back to you. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee not received by Lincoln Investment. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets 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 potential 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.

Mutual funds have multiple share classes. 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.

Share class selection for your advisory accounts will be based on a range of factors. Lincoln Investment does not make all share classes available to your advisory accounts. While Lincoln Investment will generally seek to designate a single share class of a mutual fund for purchase in your advisory accounts, designated share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection, include, but are not limited to, the net expense ratio of the share classes, an expense tracking error of ten basis points (0.10 %) based on the prospectus net expense ratio as provided by Morningstar, prospectus 12b-1 distribution fee as provided by Morningstar, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF"), operational considerations such as share class consistency within a fund family on a particular custodial platform (as described below), the availability of account minimum waivers, tax and other circumstances that are unique to particular clients. Expense tracking error refers to an acceptable margin that Lincoln Investment considers when comparing share class costs since share class expense ratios can fluctuate over time. Share class consistency refers to the objective of utilizing the same share class for all or a majority of the mutual funds within a fund family on a particular custodial platform to support consistency and efficiency. This objective may not always be achieved and more than one share class could be purchased

and held. Generally, Lincoln Investment will only consider a share class for share class consistency if the differential between the share classes being considered is ten basis points (0.10%) or less based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. If not within this range, then multiple share classes of a fund family could be available on a custodial platform.

Generally, only NTF funds will be available for new fund purchases in your advisory accounts. However, TF funds will be purchased if the NTF fund in the same mutual fund is not available on the applicable custody platform, subject to the purchase being eligible for investment minimums or investment waivers. A fund share class on one custodian's platform may be an NTF fund while on a different custodian's platform may be a TF fund, or vice versa. The expense ratio for TF funds will generally be lower than that for NTF funds, but the purchase and sale of TF funds is subject to additional transaction fees and other charges that increase the cost of investment. Trading in TF funds can increase cost to both the client and/or the firm depending on the level of trading in the account. Lincoln Investment and its Advisors are not under an obligation to pay the transaction fees and other charges associated with investments in TF funds on your behalf, unless you are in a Wrap Fee Program. However, if Lincoln Investment does assume these costs, then it has a financial incentive to select NTF funds in its Wrap Fee programs to avoid paying or to lower mutual fund transaction charges. This creates a conflict of interest for Lincoln Investment to select a NTF mutual fund in a Wrap Fee program because Lincoln Investment would incur less expense and generate more revenue than if Lincoln Investment selected a TF fund. When selecting a share class of a mutual fund for its platform and when recommending a mutual fund to you, Lincoln Investment and your Advisor have a conflict of interest because the selection or recommendation of a more expensive share class results in greater net after cost compensation to Lincoln Investment. The use of NTF funds can serve to minimize the potential for an overall increase in advisory fees charged to clients. If Lincoln Investment or your Advisor were to incur transaction fees, Lincoln Investment and/or your Advisor would likely charge higher advisory fees or increase other charges to clients for the services provided.

Lincoln Investment and your Advisor can purchase, hold, and recommend mutual fund investments in share classes in your advisory accounts that are not the lowest cost share class. You should not assume that you are invested in the lowest cost share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses and therefore lower returns, which could impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through your account.

Lincoln Investment may, in its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by Lincoln Investment and will be reflected on your account statement. Lincoln Investment will consider various factors when considering share class conversions in your advisory accounts, including but not limited to, the net expense ratio of the share classes, whether your account is subject to taxation, the difference in the expense ratio between share classes and whether the difference exceeds an expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar, operational considerations such as share class consistency, your investment preferences and the amount of potential taxable gains or losses to which you could be subject. The ability and length of time to effect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Lincoln Investment will periodically compare the share classes of your funds with the share classes offered by the fund and available to the firm and your account. If, as a result of such review, the Firm initiates a share class conversion, the new share class will appear on your account

statement. Lincoln Investment will not consider converting 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 unless the difference between the lower expense share class and the more expensive share class is less than or equal to the expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns, which can impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.

We are currently implementing the mutual fund share class selection process described above for new funds that are added to our advisory platforms. We are simultaneously reviewing existing positions to apply these mutual fund share class selection and conversion factors to current fund holdings. This review process is ongoing and is expected to be completed by September 2018. Third-party investment managers that provide model portfolios or manage client accounts on a discretionary basis will follow their own share class selection practices.

When determining the reasonableness of any fees and expenses you agree to pay to Lincoln Investment, you should consider both the fees and expenses that Lincoln Investment charges to your account for its services and those of your Advisor, as well as any indirect fees and expenses that you pay in connection with any investment in share classes of mutual funds that bear expenses greater than other share classes for which are otherwise eligible. 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. Please contact your Advisor for additional information on share class selection practices and related fees and expenses.

#### Other Compensation

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 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 assets or sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund's investment manager, distributor or other affiliate's assets. Payments made to broker dealers 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 sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a potential 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 potential 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 2017, the financial support of the Flat Fee Sponsors was less than one-half of one percent of total revenues to Lincoln Investment. We do not believe that this amount is material. In 2017, Flat Fee Sponsors who compensated Lincoln Investment or its affiliated registered investment advisers with a flat fee payment, in order from high to low, were Russell Investments, CLS Investments, LLC, ICON Advisers, Inc., Meeder Financial, DoubleLine, and JP Morgan. Some of the Flat Fee Sponsors revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.



**Item 3: Table of Contents**

Item 1: Cover Page.....	1
Item 2: Material Changes.....	2
Item 3: Table of Contents .....	6
Item 4: Services, Fees and Compensation .....	7
Item 5: Account Requirements and Types of Clients .....	19
Item 6: Portfolio Manager Selection and Evaluation.....	20
Item 7: Client Information Provided to Portfolio Managers.....	23
Item 8: Client Contact with Portfolio Managers.....	24
Item 9: Additional Information.....	24

Brochure Supplement(s) included:

- Form ADV Part 2A dated March 29,2018
- Investment Management & Research Team Brochure Supplement (Form ADV Part 2B)

**Lincoln Investment’s Form ADV Part 2A, Items 1-Item 17, is included and to be delivered together with this Lincoln Investment Form ADV Part 2A – Appendix I.**

#### Item 4: Services, Fees, and Compensation

*This section will describe the wrap fee programs sponsored by Lincoln Planning, LLC (“Lincoln” or “Lincoln Investment”), how we tailor these programs to your individual needs, and which of our wrap fee programs allows you to impose investment restrictions. This section also provides a description of our wrap fees, how and when these wrap 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.” Other types of compensation that Lincoln Investment and your Advisor may receive, which may create a conflict of interest, are described below in the section titled, “Other Compensation to Lincoln Investment and Our Conflicts of Interest.”*

#### **General Information Regarding 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 the your advisory account. Lincoln Investment offers Wrap Fee Programs in addition to the advisory services described in the Form ADV Part 2A Brochure attached.

Lincoln's Wrap Fee Programs are offered on brokerage platforms where such securities as mutual funds, stocks, bonds, ETFs and options, all of which have trading costs associated with them, are offered. The 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 to be executed in your account, a Wrap Fee account may cost you more or less than if you chose another Lincoln Investment advisory program that does not offer a Wrap Fee, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all ticket charges). In general, you should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account.

Similarly, if you are interested in a mutual fund-only portfolio, then a Wrap Fee Program may not be the lowest cost option for you. Lincoln Investment’s SOLUTIONS Premier platform has no transaction costs on mutual fund trades, but may also not be available to all registrations or tax types. Your Advisor will review your investment objectives with you to determine the best offering for you.

Your Advisor will work with you to recommend a Wrap Fee Program(s) based on your confidential investor profile, in which you provide to Lincoln Investment and your Advisor personal and financial 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.

You may not have the opportunity to place reasonable restrictions on the types of investments that are purchased in certain Wrap Fee Programs. Please contact your Advisor to discuss any allowable investment restrictions in the Wrap Fee Program(s) you have selected. Further details regarding your specific Wrap Fee Program can be found in your investment advisory agreement.

You could purchase services similar to those offered in Lincoln's Wrap Fee Programs separately from affiliated investment advisers and unaffiliated financial services providers. Wrap Fee Programs may cost you more or less than purchasing the services from another investment adviser. Some cost factors to consider, other than the Wrap Fee itself, when considering an investment advisory offering include:

- Account custody fees
- Account maintenance and special handling fees, such as wire funds fees
- Volume of trading activity anticipated in your account
- Commissions or ticket charges to be charged in lieu of a Wrap Fee
- Account termination fees
- Account statement and confirmations fees

You should review the costs for each of the management services separately, as well as mutual fund fees and expenses where applicable, when analyzing the cost of Lincoln's Wrap Fee Programs. Please contact your Advisor for a schedule of fees and costs associated with our Wrap Fee Program(s).

Your Advisor receives a portion of the Wrap Fee you pay. The amount of this compensation may be more than what your Advisor would receive from other advisory services offered by Lincoln, or more than if you paid separately for investment advice, brokerage, and other services. Your Advisor may have an incentive to recommend a Wrap Fee Program over other programs or services.

### Description of Wrap Fee Programs and Fees

Lincoln Investment sponsors the following Wrap Fee Programs.

- I. Platinum SOLUTIONS Strategic Index Portfolios**
- II. Platinum SOLUTIONS Client Custom Portfolio (CCP)**
- III. Platinum SOLUTIONS Lockwood Investment Strategies (LIS)**

The table below provides a comparison of the active Wrap Fee Programs sponsored by Lincoln. Please refer to the specific Wrap Fee Program heading below for further information regarding the management and costs of the program you are considering.

<b>Wrap Fee Program Name</b>	<b>Discretionary Program</b>	<b>Custodian of Assets</b>	<b>Types of Securities Offered</b>	<b>Max. Wrap Fee</b>	<b>Sub-Adviser Fee</b>	<b>Minimum Investment</b>
Strategic Index Portfolios	Yes (Lincoln)	Pershing LLC	ETF and mutual fund models	1.75%	None	\$50,000
Client Custom Portfolio (CCP)	No*	Pershing LLC	Mutual funds, ETFs, stocks, bonds, options	1.40%	None	None
Lockwood Investment Strategies	Yes (Lockwood Advisors, Inc.)	Pershing LLC	Mutual funds, ETFs, stocks, bonds, options, REITS, gold bullion, and non-traditional asset classes	1.95%	Various; 0.30-0.75%	\$250,000

\*Your Advisor may have discretionary authority, but only if he or she has been (1) approved by Lincoln Investment for discretion; and (2) authorized in writing by you.

The Wrap Fee amounts provided above represent the maximum annual fee that may be charged. The services and costs covered by the Wrap Fee are:

- Life and Financial Planning Consultation by your Advisor, as needed or requested by you;

- Investment advice provided by Lincoln Investment and your Advisor;
- Investment management provided by the portfolio manager and/or Sub-Adviser(s); and
- Clearing and custody fees associated with transactions in the account, such as ticket charges and confirmation fees, and any inactivity fees assessed on the account.

However, your Wrap Fee will *not* cover standard account administrative fees such as statement fees, electronic fund and wire transfer charges, annual IRA custodial fees, and termination fees.

Fees may be lower depending on many factors including, but not limited to, the amount of money invested in the Wrap Fee Program. Ask your Advisor for the breakpoint table for these programs.

Sub-Advisers, identified in the table above, provide Lincoln Investment with asset allocation models to be offered and/or implemented in the specified programs.

Details regarding each Wrap Fee Program are below.

### **I. Platinum SOLUTIONS Strategic Index Portfolios**

Platinum SOLUTIONS Strategic Index Portfolios offer you investment portfolios managed with discretion by Lincoln. Depending on your needs, tax sensitive and non-tax sensitive portfolios are available. This program primarily utilizes exchange-traded funds (ETFs) in the portfolios, but may also utilize mutual funds where an appropriate ETF is not available. The portfolios are managed to several different risk levels.

Lincoln, as the sponsor and manager of this program, employs its Investment Management and Research (IM&R) team to develop portfolios for this program that are diversified across asset classes and managed to the appropriate portfolio risk level. Profiles of the IM&R team members are available in the Form ADV Part 2B Supplement brochure included with this Wrap Fee Program Brochure.

### **Fees and Costs**

The components of your Wrap Fee for the Strategic Index Portfolio Program are detailed below.

<b>Your Account Assets</b>	<b>Lincoln Investment Program Fee</b>	<b>Your Advisor's Maximum Fee*</b>	<b>Your Maximum Wrap Fee</b>
\$0-500,000	0.70%	1.05%	1.75%
\$500,000-1,000,000	0.55%	1.05%	1.60%
\$1,000,000-5,000,000	0.40%	1.05%	1.45%
Greater than \$5,000,000	0.25%	1.05%	1.30%

Program Fees are subject to change.

\*Your Advisor's Fee is negotiable.

### **II. Platinum SOLUTIONS Client Custom Portfolio (CCP)**

Platinum SOLUTIONS CCP offers you one-on-one, non-discretionary investment advice provided by your Advisor for a fee. Non-discretionary means your Advisor must receive your consent, or receive your instructions, before executing any transactions he or she may recommend to you. Portfolio investments in this program typically include ETFs and mutual funds, but may also include other securities such as individual stocks, bonds, or options.

## Fees and Costs

The components of your Wrap Fee for the CCP Program are detailed below.

Your Account Assets	Lincoln Investment Program Fee	Your Advisor's Maximum Fee*	Your Maximum Wrap Fee
\$0-500,000	0.40%	1.00%	1.40%
\$500,000-1,000,000	0.30%	1.00%	1.30%
\$1,000,000-5,000,000	0.25%	1.00%	1.25%
Greater than \$5,000,000	0.18%	1.00%	1.18%

Program Fees are subject to change.

\*Your Advisor's Fee is negotiable

### III. Platinum SOLUTIONS Lockwood Investment Strategies (LIS)

Lockwood Investment Strategies (LIS) is a fixed unified managed account (UMA) product available in the Managed Account Command platform offered by Lockwood Advisors, Inc. (Lockwood). Lincoln, not Lockwood, sponsors this Wrap Fee Program.

Lockwood provides administrative services to Lincoln Investment and may also provide portfolio management services under this Wrap Fee Program. LIS is a discretionary, multi-discipline managed account product contained in a single portfolio. Lockwood determines the asset allocation and selects a combination of Sub-Advisers and specific securities or investment vehicles based on its proprietary modeling strategies and economic research outlook. LIS offers two investment strategies – portfolios comprising only traditional asset classes, called Traditional Strategies, and portfolios comprising strategies that include both traditional and non-traditional asset classes, known as Alternative Strategies. Due to the complexity of the underlying securities or investment vehicles utilized in the LIS program, these portfolios are intended for sophisticated investors and involve a higher degree of risk.

There are five (5) core models, which span the risk/return spectrum from current income to growth. You may also choose from four (4) additional models, which include exposure to nontraditional asset classes, as described more fully below. Lockwood, serving as the portfolio manager, determines the Sub-Advisers and specific investment vehicles based on its proprietary modeling strategies, and its economic outlook.

#### Traditional Strategies

Lockwood offers five (5) LIS diversified, discretionary investment portfolios that generally include allocations to Traditional asset classes. Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with an allocation focused on equities. The Traditional Strategies models, representing various levels of expected risk and return, offered within LIS are:

Model I: Current Income

Model II: Growth & Income

Model III: Conservative Growth

Model IV: Moderate Growth

Model V: Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with an allocation focused on equities. Lockwood may use both active and passive vehicles in any of its asset classes as market conditions or the availability of investment vehicles warrant.

#### Alternative Strategies

Lockwood also offers four (4) diversified, discretionary, investment portfolios that include allocations to the non-traditional investment asset class, with the expectation of offering comparable returns with less volatility than the Traditional Strategies. The core asset allocation models offered within the LIS Alternative Strategies are:

Alternative Model II: Growth & Income

Alternative Model III: Conservative Growth

Alternative Model IV: Moderate Growth

Alternative Model V: Growth

#### Fees and Costs

The components of your Wrap Fee for the LIS Program are detailed below.

Your Account Assets	LIS Program Fee	Lincoln Investment Program Fee	Your Advisor's Maximum Fee*	Your Maximum Wrap Fee
\$0-500,000	0.75%	0.15%	1.05%	1.95%
\$500,000-1,000,000	0.55%	0.15%	1.05%	1.75%
\$1,000,000-5,000,000	0.40%	0.10%	1.05%	1.55%
\$5,000,000-10,000,000	0.35%	0.10%	1.05%	1.50%
Greater than \$10,000,000	0.30%	0.05%	1.05%	1.40%

\*Your Advisor's Fee is negotiable.

The LIS Program Fee is inclusive of Lockwood's advisory fee, the Sub-Adviser(s) fee(s), an administrative fee, and clearing and custody fees. The Lincoln Investment Program Fee compensates Lincoln Investment as the sponsor of the Wrap Fee Program. In addition, Lockwood may share a portion of the LIS Program Fee with Lincoln. Your Advisor's Fee is for consultation services provided to you and negotiable between you and your Advisor.

For more information on LIS, please refer to Lockwood Advisors, Inc.'s current Firm Brochure, ADV Part 2A and Wrap Fee Brochure, which should be provided to you by your Advisor.

#### Additional Information Regarding Wrap Program Fees

The Wrap Fee Programs described above may cost more or less than if you were to purchase such services separately. Certain factors, such as trading frequency, can impact the cost effectiveness of such Wrap Fee Programs. Generally, in an account where there is infrequent trading, a regular brokerage account incurring transaction fees along with the separate purchase of such investment advice for a fee may be less expensive.

The Wrap Fee may cover various services rendered and costs incurred under the selected program including Client-Advisor Consultations, transaction costs, investment management, and performance reporting. However, securities transactions executed in your program account(s) may also include mark-ups, markdowns or dealer spreads paid to market makers or other principals from whom securities were obtained. These mark-ups, markdowns or dealer spreads will be retained by the market maker or other principal and will not be credited or reimbursed to your account or to Lincoln.

For all Wrap Programs offered by Lincoln, your Wrap Fee will be assessed on a quarterly basis in advance of the calendar quarter and will be based on the account value on the last business day of prior calendar quarter. The specific manner in which advisory fees are calculated and charged is established in your written advisory agreement with Lincoln. In your investment advisory agreement, you must also authorize Lincoln Investment to directly debit advisory fees from your account. Advisory fees are in most cases automatically deducted on a quarterly basis in advance from cash/money market positions or by liquidating assets held within the account. Lincoln Investment may waive or negotiate advisory fees at our sole discretion.

Accounts opened during a calendar quarter will be charged a daily pro-rated fee based on the number of days advisory services were provided in that quarter. Upon closing of an account, any prepaid, unearned fees will be refunded on a pro-rated basis and any earned, unpaid fees will be due and payable. Pro-ration is also applied to deposits or withdrawals that occur during the calendar quarter. In general, a client may terminate Lincoln's or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Lincoln, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Unearned fees will be refunded to clients on a pro rata basis for asset management services. Lincoln does not collect the fee when the gross quarterly bill (prior to fee credits) is \$5 or less.

Lincoln Investment may offer employees, its Advisors, and family members a discount or waiver of Wrap Fee Program fees.

### **Other Costs That You May Incur**

Wrap Fees, and other costs associated with your portfolio, impact the overall performance of your portfolio. It is important to review and consider these costs when making your advisory and investment decisions.

Costs may include the following:

- 1. Internal Expenses.** Internal management fees and other fund fees and expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds and annuity companies charge a fee for the management and operations of their offerings. The higher the internal expense, the more impact it will have on the performance of your portfolio.
- 2. Brokerage Account Fees.** Lincoln Investment offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees, such as commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Please refer to Form ADV Part 2A Brochure, Item 12: *Brokerage Practices* for further information.
- 3. 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 your investment advisor's ability to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade.
- 4. 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 expenses, and potential surrender fees.
- 5. Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund's prospectus for the product sponsor's specific rules.

### **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 potential 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 away or reduce the potential conflict.

**12b-1 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 Lincoln Investment as the broker-dealer. For assets held on our SOLUTIONS Premier platform or Pershing, LLC, 12b-1 fees received by Lincoln Investment that are related to your advisory assets will be credited or refunded back to you. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee not received by Lincoln Investment. On SOLUTIONS Premier, the amount of the 12b-1 fee received by Lincoln will be applied as a credit against your next quarterly Premier Account advisory fee. For assets 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 potential 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.

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

Mutual funds have multiple share classes. 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.

Share class selection for your advisory accounts will be based on a range of factors. Lincoln Investment does not make all share classes available to your advisory accounts. While Lincoln Investment will generally seek to designate a single share class of a mutual fund for purchase in your advisory accounts, designated share classes will likely vary among custodial platforms and more than one share class can be purchased and held in advisory accounts. Factors we consider in share class selection, include, but are not limited to, the net expense ratio of the share classes, an expense tracking error of ten basis points (0.10 %) based on the prospectus net expense ratio as provided by Morningstar, prospectus 12b-1 distribution fee as provided by Morningstar, whether a portfolio is a discretionary managed portfolio or a non-discretionary managed portfolio, the availability of share classes on various custodial platforms, whether particular share classes are subject to transaction fees ("TF") or do not have transaction fees ("NTF"), operational considerations such as share class consistency within a fund family on a particular custodial platform (as described below), the availability of account minimum waivers, tax and other circumstances that are unique to particular clients. Expense tracking error refers to an acceptable margin that Lincoln Investment considers when comparing share class costs since share class expense ratios can fluctuate over time. Share class consistency refers to the objective of utilizing the same share class for all or a majority of the mutual funds within a fund family on a particular custodial platform to support consistency and efficiency. This objective may not always be achieved and more than one share class could be purchased and held. Generally, Lincoln Investment will only consider a share class for share class consistency if the differential between the share classes being considered is ten basis points (0.10%) or less based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1



distribution fee as provided by Morningstar. If not within this range, then multiple share classes of a fund family could be available on a custodial platform.

Generally, only NTF funds will be available for new fund purchases in your advisory accounts. However, TF funds will be purchased if the NTF fund in the same mutual fund is not available on the applicable custody platform, subject to the purchase being eligible for investment minimums or investment waivers. A fund share class on one custodian's platform may be an NTF fund while on a different custodian's platform may be a TF fund, or vice versa. The expense ratio for TF funds will generally be lower than that for NTF funds, but the purchase and sale of TF funds is subject to additional transaction fees and other charges that increase the cost of investment. Trading in TF funds can increase cost to both the client and/or the firm depending on the level of trading in the account. Lincoln Investment and its Advisors are not under an obligation to pay the transaction fees and other charges associated with investments in TF funds on your behalf, unless you are in a Wrap Fee Program. However, if Lincoln Investment does assume these costs, then it has a financial incentive to select NTF funds in its Wrap Fee programs to avoid paying or to lower mutual fund transaction charges. This creates a conflict of interest for Lincoln Investment to select a NTF mutual fund in a Wrap Fee program because Lincoln Investment would incur less expense and generate more revenue than if Lincoln Investment selected a TF fund. When selecting a share class of a mutual fund for its platform and when recommending a mutual fund to you, Lincoln Investment and your Advisor have a conflict of interest because the selection or recommendation of a more expensive share class results in greater net after cost compensation to Lincoln Investment. The use of NTF funds can serve to minimize the potential for an overall increase in advisory fees charged to clients. If Lincoln Investment or your Advisor were to incur transaction fees, Lincoln Investment and/or your Advisor would likely charge higher advisory fees or increase other charges to clients for the services provided.

Lincoln Investment and your Advisor can purchase, hold, and recommend mutual fund investments in share classes in your advisory accounts that are not the lowest cost share class. You should not assume that you are invested in the lowest cost share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses and therefore lower returns, which could impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly. Other financial services firms may offer the same mutual fund at a lower overall cost to the investor than is available through your account.

Lincoln Investment may, in its discretion, determine to convert your mutual fund positions held in one share class to a different share class. Such share class conversions will occur as deemed appropriate by Lincoln Investment and will be reflected on your account statement. Lincoln Investment will consider various factors when considering share class conversions in your advisory accounts, including but not limited to, the net expense ratio of the share classes, whether your account is subject to taxation, the difference in the expense ratio between share classes and whether the difference exceeds an expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar, operational considerations such as share class consistency, your investment preferences and the amount of potential taxable gains or losses to which you could be subject. The ability and length of time to effect a share class conversion will vary by custodial platform and is subject to prospectus requirements and custodial platform approval. Lincoln Investment will periodically compare the share classes of your funds with the share classes offered by the fund and available to the firm and your account. If, as a result of such review, the Firm initiates a share class conversion, the new share class will appear on your account statement. Lincoln Investment will not consider converting 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 unless the difference between the lower expense share class and the more expensive share class is less than or equal

to the expense tracking error of ten basis points (0.10%) based on the prospectus net expense ratio as provided by Morningstar, taking into account the prospectus 12b-1 distribution fee as provided by Morningstar. Through the conversion process, you should not assume that you are or will be invested in the lowest expense share class, and the share class of a mutual fund offered by Lincoln Investment can have higher expenses, and therefore lower returns, which can impact performance over time, than other share classes of that mutual fund for which you are eligible or that may otherwise be available to you if you invested in the mutual fund through a third party or through the mutual fund directly.

We are currently implementing the mutual fund share class selection process described above for new funds that are added to our advisory platforms. We are simultaneously reviewing existing positions to apply these mutual fund share class selection and conversion factors to current fund holdings. This review process is ongoing and is expected to be completed by September 2018. Third-party investment managers that provide model portfolios or manage client accounts on a discretionary basis will follow their own share class selection practices.

When determining the reasonableness of any fees and expenses you agree to pay to Lincoln Investment, you should consider both the fees and expenses that Lincoln Investment charges to your account for its services and those of your Advisor, as well as any indirect fees and expenses that you pay in connection with any investment in share classes of mutual funds that bear expenses greater than other share classes for which are otherwise eligible. 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. Please contact your Advisor for additional information on share class selection practices and related fees and expenses.

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

#### **Pershing LLC Platform Payments**

**Money Market and Cash Deposit Fees.** For advisory accounts held on Pershing LLC's platform, Lincoln Investment shares in revenues with Pershing associated with money market interest on certain money market sweep account options and Interlink bank deposit assets. Lincoln does not refund or offset this revenue sharing against advisory fees paid by clients whose advisory assets are on Pershing. The receipt of revenue sharing with Pershing creates a potential conflict of interest to Lincoln Investment to use Pershing as a custodian over other custodians that do not share these fees, and to recommend the purchase of those products that we share in revenue over other funds and platforms that we do not share in revenue.

#### **Sales and Marketing Support**

Lincoln Investment receives Sales and Marketing Support as described below and includes flat fee sponsors, other sales support and asset and sale based sponsors. In order to minimize the potential conflicts associated with the receipt of these fees, Lincoln Investment does not receive Sales and Marketing Support payments that are based on advisory account assets, advisory account transactions or that are based on ERISA account assets.

**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 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 assets or sales of their proprietary products or services. Sponsors can compensate us from fund assets, the fund's investment manager, distributor or other affiliate's assets. Payments made to broker dealers 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 sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment presents a potential 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 potential 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 2017, the financial support of the Flat Fee Sponsors was less than one-half of one percent of total revenues to Lincoln Investment. We do not believe that this amount is material. In 2017, Flat Fee Sponsors who compensated Lincoln Investment or its affiliated registered investment advisers with a flat fee payment, in order from high to low, were Russell Investments, CLS Investments, LLC, ICON Advisers, Inc., Meeder Financial, DoubleLine, and JP Morgan. Some of the Flat Fee Sponsors revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

**Other Sales Support.** From time to time, product sponsors and third money managers may 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 of support 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. 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, for travel expenses only. These events represent a nominal portion of revenue that may be received from product sponsors. The education of our Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you. This could be deemed a conflict of interest that will incentivize the advisor to offer one product or money manager over another. This support is not based on client assets or transaction sales.

**Asset and Sales Based Sponsors.** On the brokerage side of Lincoln Investment's business, in addition to Flat Fee Sponsors, Networking Fees, and Money Market Fund fees, 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 assets and brokerage transaction and not based on your advisory account assets or ERISA 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. As Lincoln Investment may be financially incentivized to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not, this is a potential conflict of interest for Lincoln Investment.

The following is a list of Asset and Sales Based Sponsors in alphabetical order.

<b>Asset and Sales Based Sponsors</b>	
Allianz	Ivy Funds/Waddell & Reed
American Funds	Jackson National Life Insurance Company
AXA Equitable Life Assurance	Lincoln Financial Group
Black Creek Capital Markets LLC (Previously Dividend Capital)	Lord Abbett
Blue Rock Capital (BRCAP)	MetLife (Brighthouse)
Broadridge	Mewbourne
Columbus Life	MFS Investment Management
Delaware Investments	Nuveen Investments
Deutsche Bank	Ohio National
Docupace	Oppenheimer Funds
eMoney	Pietech
Franklin Square Capital Partners	Pioneer Investments
Franklin Templeton Investments	Prudential
Global Atlantic	Putnam Investments
Great American	Scudder Kemper Investments, Inc. (Daut. Bank)
Guggenheim Investments	Security Benefit
Hines Securities, Inc.	Stone Castle
Individual Commercial Brokerage	Voya
Invesco	WP Carey

In 2017, Sales and Marketing Support based on brokerage asset or sales (which would be as result of only the brokerage assets you held with us) represented approximately one percent of total revenues to Lincoln, and may be deemed material to you. Some of this revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

### **Other 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 potential 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 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'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, 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 recommendations 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 two other registered investment advisers, Capital Analysts, LLC and Legend Advisory, LLC, and promotes the services of these investment advisers.

**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 one or more of Lincoln's affiliated investment advisers, Capital Analysts, LLC or Legend Advisory, LLC. These affiliated relationships present a conflict of interest. Through his or her affiliation with Lincoln Investment and possibly with Capital Analysts and Legend Advisory, your Advisor may be 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-Advisor or strategy is available through two affiliated registered investment advisers, you may 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 shares with each Advisor a percentage of the advisory fee received based on the type of advisory service sold. Some Advisors can receive a higher percentage of the Advisor Fee when placing client assets within an IM&R managed program than when placing client assets with a third party money manager. In addition, Advisors who have significant advisory assets within Lincoln Investment advisory programs receive higher percentages of the Advisor Fee than those who have lower advisory assets in Lincoln Investment in-house managed offerings. This creates a conflict of interest for Advisors to recommend Lincoln Investment's offerings over other third party advisory offerings. Most of Lincoln'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.

**Sales Incentives.** Lincoln Investment offers sales contests that may provide additional incentives to your Advisor to offer one product or advisory service over another. Lincoln Investment offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, and net sales of advisory programs. These contests may provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services. Top achievers in these contests may receive Lincoln-sponsored trips, cash prizes, bonus commissions, club points, monetary

donations in their name to a charity of their choice or other nominal prizes. No contest is offered which will award the Advisor based upon a specific investment product or on a specific product sponsor. In our capacity as an investment adviser, Lincoln Investment and its Advisor 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.

**Endorsements.** From time-to-time, Lincoln Investment makes lump-sum payments to education-based associations and not-for-profit organizations with a large constituency of employees who are eligible to invest in 403(b) retirement plans (Associations). In some cases, Lincoln Investment voluntarily makes such payments to reimburse the Associations for certain marketing expenses (e.g., newsletter advertisements) in connection with Lincoln's products and services. Certain Associations require Lincoln Investment to reimburse them for (1) marketing expenses; (2) use of their facilities used to meet with their employees; (3) to obtain their explicit endorsement; or (4) to cover their administrative costs for the processing of payroll contributions.

**Loans and Advances.** On occasion, Lincoln Investment may extend a loan, provide a commission advance, or pay for practice management services for an advisor to assist an advisor in running his or her business. Sometimes these loans or advances may be waived, in whole or in part, if certain sales or assets under management thresholds are met or certain practice management goals or conditions are met. In situations where a sales, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in the Advisor's Form ADV 2B, which is required to be delivered by the Advisor to every client. Lincoln closely supervises Advisors who have these arrangements to ensure that all advice is suitable to the client.

**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 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 allows contributions to charities, but prohibits any donations that are deemed excessive or too frequent.

## Item 5: Account Requirements and Types of Clients

### **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. 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's advisory programs. Please consult with your Advisor or your employer to determine if your assets are eligible to invest.

Please consult with your Advisor for more information on minimum account size requirements.

### **Account Requirements**

A minimum account size exists for the Wrap Fee Programs offered by Lincoln. Lincoln Investment or the Sub-Advisers of Lincoln Investment may, from time to time, amend or waive the minimum account size. Consult with your Advisor for more information on minimum account size requirements. The Wrap Fee Program account minimums are as follows:

<b>Wrap Fee Program</b>	<b>Minimum Account Size</b>
Strategic Index Portfolios	\$50,000
Client Custom Portfolio (CCP)	None
Lockwood Investment Strategies (LIS)	\$250,000

### **Item 6: Portfolio Manager Selection and Evaluation**

*This section discusses how Lincoln Investment selects and evaluates Wrap Fee Programs and portfolio managers, and any conflicts of interest related to its selections; if performance based fees are assessed in any Wrap Fee Program; the methods of analysis, investment strategies and the risk of loss associated with the Wrap Fee Programs offered; and Lincoln's Proxy Voting policy.*

Lincoln's IM&R team routinely reviews the advisory services managed, sponsored, and/or offered by Lincoln Investment, including the Wrap Fee Programs, portfolio managers, and 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's behalf:

- The management of all Lincoln-Managed Model Portfolios;
- The selection of advisory services offered by Lincoln;
- The monitoring of advisory services offered by Lincoln;
- The removal of advisory services offered by Lincoln;
- The comparison of advisory results to predetermined benchmarks to monitor whether third party investment advisers' discipline are providing value to clients.

In determining which Wrap Fee Programs, portfolio managers, or Sub-Advisers are selected, the IM&R team utilizes a preliminary screening process involving a variety of criteria, such as assets under management, personnel, registration, disclosures and regulatory history, together with other quantitative and qualitative criteria. Lincoln Investment does not independently verify the accuracy of performance information provided to Lincoln Investment by another investment adviser.

Underperformance by a portfolio manager or Sub-Adviser relative to other portfolio managers, Sub-Advisers, or to benchmarks may result in the replacement of or recommendation for replacement of a portfolio manager or Sub-Adviser by the IM&R team.

The IM&R team serves as a portfolio manager for the Strategic Index Portfolios. This may present a conflict of interest in that Lincoln Investment may indirectly incentivize Advisors to offer these Wrap Fee Programs, where Lincoln Investment through its IM&R team is acting as portfolio manager.

### **Advisory Services Offered by Lincoln Investment Other than Wrap Fee Programs**

Lincoln Investment offers advisory services that are not Wrap Fee Programs. For further information regarding these advisory services, please see Lincoln's Investment Advisory Brochure (Form ADV Part 2A) attached.

### **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 or her client's money or "a fee based on the share of the capital gains and appreciate 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 Wrap Fees with Lincoln Investment are assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

### **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 portfolio. 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.

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.

Lincoln Investment primarily uses mutual funds and ETFs in its Wrap Fee Programs. 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 meets Lincoln's proprietary criteria for inclusion in a Wrap Fee Program 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 Wrap Fee Programs: 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. There is typically no change in the asset classes used in these portfolios.



- **Tactical:** A strategy that takes a more active trading approach to investing that makes tactical market trades in your portfolio in an attempt to take advantage of potential market opportunities. For example, this could mean a complete replacement of a poor performing investment within an asset class to one that is anticipated to do better.

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

- **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 may 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.
- **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.

- **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. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.
- **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.
- **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 the portfolios managed by Lincoln Investment and its Advisors and the best suited investment strategies for your account(s), please review the risk level of the Wrap Fee Program portfolio you have selected and your mutual fund prospectuses, or consult with your Advisor.

### **Voting Client Securities**

Lincoln Investment and its Advisors may not accept authority to vote clients' proxies for any securities in an advisory or non-advisory service.

If you are invested in the Lockwood Investment Strategies (LIS) Wrap Fee Program, you may elect to have Lockwood Advisors, Inc. vote proxies for securities held in your account(s) in the LIS program. You must acknowledge that you delegate your authority to vote proxies to Lockwood by completing the Proxy Authorization section of your account application/investment advisory agreement. Lincoln Investment and your Advisor shall not be responsible or liable for the proxy voting policies of or the proxy voting conducted by Lockwood, which is described in more detail in Item 17 of Lockwood Advisors, Inc.'s current Managed Account Link Form ADV Part 2A Appendix I.

### **Item 7: Client Information Provided to Portfolio Managers**

When your Wrap Fee Program account is opened, your Advisor will assist you in completing confidential investor profile containing personal and financial information such as your risk tolerance, investment objectives, net worth, and investing time horizon. This information may be communicated to a portfolio manager, including Lincoln, or a Sub-Advisor, when the Wrap Fee Program offers custom portfolio

management. It is important that you contact your Advisor when there is a material life event that could affect or change your investment objectives or financial needs and to confirm there have been no changes in your risk tolerance, investment objectives or financial situation which would need to be communicated to the portfolio manager or Sub-Advisor.

Lincoln, the IM&R team, your Advisor, and any other portfolio manager(s) rely on the accuracy of the information you provide to manage your account(s). You are responsible to notify your Advisor of any changes in your financial situation or investment objectives.

#### Item 8: Client Contact with Portfolio Managers

You may contact and consult with Lincoln, your Advisor, and the Sub-Advisers or portfolio managers in the Wrap Fee Programs in writing, over the phone or electronically. Lincoln Investment and certain Sub-Advisers or portfolio managers may hold regular conference calls to discuss investment strategies or current market events. In general, you should contact Sub-Advisers or portfolio managers through, or together with, your Advisor so that the financial advice you receive is consistent.

#### Item 9: Additional Information

##### 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's advisory business.

**March 23, 2009:** Financial Industry Regulatory Authority (FINRA) censured and fined Lincoln Investment \$15,000 for failure to process 398 out of 423 investors' claim forms within 90-days of the receipt of the claim form. Lincoln Investment accepted the allegations made against us, waived our right to a hearing, and consented to the fine. It is important to note that all eligible investors received their refunds with interest from the date of the original transaction up to the date the refund was sent.

**January 27, 2016:** Lincoln Investment signed a Letter of Acceptance, Waiver and Consent ("ACW") 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'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.

Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any. For further information regarding Lincoln's disciplinary events, including those prior to 2009, 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.

## **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'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 and some Pershing 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.

### **NFA Membership**

Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. The contracts are not eligible for advisory accounts.

### **Advisors' Other Business Activities and Affiliations**

Lincoln'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, 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. 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 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. 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'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. 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, 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).

## **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) place clients interest above the interests of Lincoln, (2) act with the utmost good faith, fair dealing, loyalty and honesty with our clients, (3) provide full and fair disclosure of all material facts and conflicts of interest to clients, and (4) conduct all personal securities transactions consistent with Lincoln's Code of Ethics.

Lincoln'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'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. With the exception of its 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 any and all conflicts of interest to you if an investment product is recommended in which Lincoln Investment or the Advisor has a material financial interest.

For all portfolios on which Lincoln Investment or your Advisor have discretionary authority, the Advisor and his or her employees must give 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 reviewed by Lincoln Investment to ensure compliance.

### **Brokerage Practices**

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

Lincoln's largest advisory offerings are custodied on our proprietary clearing and custodial platform, the SOLUTIONS Premier platform. This allows us to manage and control the costs associated with your accounts. As the platform utilizes exclusively mutual funds, we direct trades to Charles Schwab & Co. or directly to the fund company through either a private transmission or NSCC (National Securities Clearing Corporation). Please also refer to the "Other Compensation to Lincoln Investment and Our Conflicts of Interest" section under Item 5 of this brochure for further information regarding Lincoln's conflicts of interests as a broker-dealer.

### **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 not a factor in determining the advisory fee charged to a client.

When Lincoln Investment is directing your account and your transactions to our broker-dealer or another broker-dealer, you may not receive the most favorable execution price on your transactions, which may cost you more money. Not all investment advisors 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 may share in fees from certain clearing firms, such as Charles Schwab & Co and 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's conflicts of interests when accounts are held on our SOLUTIONS platform or at Pershing.

### **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 a Trade Allocation Policy to be used by Advisors who have been granted discretionary authority by their clients when placing orders in the same security on the same day for one or more clients or accounts. By aggregating orders, Advisors ensures 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:

- 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;
- 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

- 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.

## **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 meet different 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 Advisor Fee portion of your Fee compensates your Advisor for his or her services. This fee is an annual fee that continues as long as you maintain your account with us. This fee provides ongoing access to your Advisor for financial and life planning consultation, as requested by you, as well as ongoing investment advice services which include assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, 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. 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.

A Supervising Principal will review all advisory recommendations and financial plans prepared by your Advisor and will also provide an oversight of the recommendations and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisor's Designated Supervisor.

Lincoln's Investment Management & Research (IM&R) team routinely reviews the advisory services managed, sponsored, and/or offered by Lincoln's Advisors and Strategists. 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's behalf:

- The management of all Lincoln-Managed Model Portfolios;

- The selection of advisory services offered by Lincoln;
- The monitoring of advisory services offered by Lincoln;
- The removal of advisory services offered by Lincoln;
- The comparison of advisory results to predetermined benchmarks to monitor whether third party investment advisers' disciplines 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.

### **Client Referrals and Other Compensation**

On occasion, Lincoln Investment permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. The outside party must execute a Solicitor Agreement with Lincoln, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor. At no time will you pay a higher advisory fee as a result of this referral relationship. Lincoln Investment is currently not entering into agreements with new Solicitors for new referrals.

### **Custody**

Lincoln, 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 advisors 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 PCAOB independent public accounting firm whose responsibility it is to verify investor assets; to ensure investor account statements are sent directly to investors; and to provide an internal control report to the firm relating to the custody of client assets.

You may have your advisory assets held at a qualified custodian other than Lincoln. You should 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.



### **Investment Discretion**

Depending on the advisory service chosen, Lincoln, 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, your Advisor, or a third party money manager.

### **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.



**Lincoln Investment Planning, LLC (Lincoln Investment)**

601 Office Center Drive  
Fort Washington, PA 19034  
Phone: (800) 242-1421

**Investment Management & Research**

Stephen T. Mayhew, CFA, CPA, CFP<sup>®</sup>  
Christopher J. Surrichio, CFA  
Gerald E. Burhop, CFA  
Brian Moran  
Ted O'Donoghue

March 29, 2018

This brochure supplement provides you with information about the five (5) members of the Investment Management & Research (IM&R) team of 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.

Please contact Deirdre Koerick, Chief Compliance Officer of Lincoln Investment, at (800) 242-1421 if you did not receive the applicable brochure or if you have any questions about the contents of this supplement.

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, 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, commodities, and research analyst licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC. Mr. Mayhew is also registered with the National Futures Association. 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 annual 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 Denis Houser, President and CEO of Capital Analysts, LLC. Mr. Houser 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. Houser at (215) 887-8111 ex. 4619.

## **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, 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 annual 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. 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**

### **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, 2000 – Present, Investment Adviser Representative and Registered Representative

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

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

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

Mr. Burhop holds general securities principal and general securities representative licenses with Lincoln, 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: None

### **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 annual 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. 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, June 2012 – Present, Institutional Trading 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, 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, 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 annual 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. 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.

## **Ted O'Donoghue**

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

Year of Birth: 1976

#### **Education**

MBA, Investment Management/Finance, Smeal College of Business, Pennsylvania State University, 2008  
Bachelor of Arts, Economics, Bucknell University, 2000

#### **Business Experience**

Capital Analysts, LLC, April 2012 – Present, Senior Research Analyst  
Lincoln Investment Planning, LLC, April 2012 – Present, Investment Adviser Representative and Registered Representative  
Commonwealth Financial Network, July 2008 – December 2011, Investment Consultant  
Liberty Mutual, June 2007 – August 2007, CDP MBA Intern  
Columbia Management, November 2002 – August 2006, Regional Sales Consultant

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

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

#### **DISCIPLINARY INFORMATION**

Mr. O'Donoghue 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 of interest.

Mr. O'Donoghue has no other business activities to report.

#### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and annual 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. O'Donoghue is Christopher Surrichio, Vice President and Portfolio Manager. Mr. Surrichio or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. O'Donoghue. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7733.