

BANK SWEEP PROGRAMS—FREQUENTLY ASKED QUESTIONS

This document provides answers to certain frequently asked questions regarding the Insured Bank Deposit Account (the “IBDA”) and the Insured Bank Retirement Advisory Account (the “IBRAA”) and, together with the IBDA, the “Programs”) offered by Lincoln Financial Advisors Corporation and Lincoln Financial Securities Corporation (as applicable, “we,” “our,” or “us”). For detailed information regarding the IBDA and the IBRAA, please review our Bank Sweep Program Disclosure Document, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

General

1. What are the Insured Bank Deposit Account and the Insured Bank Retirement Advisory Account?

The Insured Bank Deposit Account, or “IBDA,” and the Insured Bank Retirement Advisory Account, or “IBRAA,” are core account investment vehicles, or “cash sweeps,” that allow you to have the cash balances awaiting investment in your eligible accounts (e.g., from cash deposits, securities transactions, dividend and interest payments, and other activities) automatically deposited, or “swept,” into interest-bearing Federal Deposit Insurance Corporation (“FDIC”) insurance eligible accounts at one or more FDIC-insured banks that participate in the Programs (“Program Banks”).

Through the IBDA and the IBRAA, you are eligible for up to a maximum of \$2.5 million in FDIC coverage at any given time for your individual accounts or up to \$5.0 million in FDIC coverage at any given time for your joint accounts, subject to your total amounts on deposit with the Program Banks, applicable FDIC rules, Program Bank availability, and other factors described in our Bank Sweep Program Disclosure Document, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

Cash deposited with the Program Banks through the IBDA or the IBRAA (“Program Deposits”) remains available to satisfy debits to your accounts, including those resulting from securities transactions, debit card transactions, check writing, and other activities, subject to the limitations described in our Bank Sweep Program Disclosure Document.

2. What is the Federal Deposit Insurance Corporation?

The Federal Deposit Insurance Corporation, or “FDIC,” is an independent agency of the United States government that protects bank depositors against the loss of their insured deposits if an FDIC-insured bank fails. FDIC insurance is backed by the full faith and credit of the United States government. For additional information on the FDIC, please visit the FDIC’s website at www.fdic.gov.

3. What is FDIC deposit insurance?

FDIC deposit insurance protects bank customers if an FDIC-insured bank fails. Bank customers do not need to purchase FDIC deposit insurance; it is automatic for any deposit account opened at an FDIC-insured bank. In general, FDIC insurance protects deposits up to \$250,000 per depositor, per FDIC-insured bank, per ownership category (the “Maximum Applicable FDIC Deposit Insurance Amount”).

Through the IBDA and the IBRAA, you will have access to a network of Program Banks through which you will be eligible for up to a maximum of \$2.5 million in FDIC coverage at any given time for your

individual accounts or up to \$5.0 million in FDIC coverage at any given time for your joint accounts, subject to your total amounts on deposit with the Program Banks, applicable FDIC rules, Program Bank availability, and other factors described in our Bank Sweep Program Disclosure Document, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

If you participate in the IBDA or the IBRAA, National Financial Services LLC (“NFS”), our custodian and clearing firm, will place, regardless of the Maximum Applicable FDIC Deposit Insurance Amount, in one Program Bank up to \$246,500 of your cash balances for a corporate account, an individual account, an agency account, or a trust account, including a transfer upon or payable on death account; up to \$493,000 in one Program Bank for a joint account (regardless of the number of owners); and up to \$246,500 for an individual retirement account (the “Maximum Deposit Amount”). The Maximum Deposit Amount is lower than the Maximum Applicable FDIC Deposit Insurance Amount for each ownership category to ensure that interest payments do not cause your Program Deposits to exceed the Maximum Applicable FDIC Deposit Insurance Amount and become uninsured.

Once funds equal to the Maximum Deposit Amount have been deposited for you through the IBDA or the IBRAA in each available Program Bank that is accepting additional deposits (or if your Program Deposits have reached the \$2.5 million FDIC coverage limit for individual accounts or \$5.0 million FDIC coverage limit for joint accounts), any additional funds will be deposited with one or more “Excess Deposit Banks” that will accept your funds without limitation and without regard to the Maximum Applicable FDIC Deposit Insurance Amount. When your deposits with an Excess Deposit Bank (or any other Program Bank) exceed the Maximum Applicable FDIC Deposit Insurance Amount, any such excess deposits will not be covered by FDIC insurance and will be at risk of complete loss in the event of a Program Bank failure. Program Deposits are not covered by Securities Investor Protection Corporation (“SIPC”) insurance coverage.

You are solely responsible for monitoring the total amount of deposits that you have with each Program Bank (both through the Programs and outside of the Programs), including any bank accounts, certificates of deposit (“CDs”), and other deposits made directly with a Program Bank or through us or any other intermediary, in order to determine the extent of FDIC insurance coverage available to you on your deposits, including Program Deposits, and to identify any of your deposits, including Program Deposits, that are not covered by FDIC insurance. Your Program Deposits with each Program Bank through the IBDA or the IBRAA will be reflected on your account statements from NFS, and you should review those statements carefully. Depending on the amount of deposits that you have at a Program Bank apart from your Program Deposits, you may wish to direct that one or more Program Banks be excluded from holding your Program Deposits. To exclude one or more Program Banks from holding your Program Deposits, please contact your financial professional.

For additional information on the FDIC insurance coverage and its limitations, please review our Bank Sweep Program Disclosure Document, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures, and visit the FDIC’s website at www.fdic.gov.

4. As a participant in the IBDA or the IBRAA, will I retain full access to my cash balances?

Under normal circumstances, your use of the IBDA or the IBRAA as your account’s cash sweep will have no impact on your ability to access your cash balances, including through debit card transactions and check writing. However, as required by federal banking regulations, each Program Bank participating in the IBDA or the IBRAA reserves the right to require seven calendar days prior notice before permitting you to withdraw your Program Deposits. So long as this right is not exercised, and

there is not a Program Bank failure that would require FDIC intervention, you will retain full access to your Program Deposits.

5. Does participating in the IBDA or the IBRAA have any impact on cash management features for my account (e.g., debit cards and check writing)?

Under normal circumstances, cash management features currently available on your accounts (e.g., debit cards and check writing) will not be impacted by your use of the IBDA or the IBRAA as the cash sweep for your account. However, please see Question 4 above for information on circumstances that could potentially impact your ability to access your Program Deposits using these features and otherwise.

6. Will participating in the IBDA or the IBRAA have tax consequences for me?

If you are investing through a non-retirement account type, any interest earned on your Program Deposits will be taxed as ordinary income in the year it is received. When applicable, NFS will send you an annual Form 1099 showing the amount of interest income you have earned on your Program Deposits. For retirement accounts, interest earned on your Program Deposits are not taxed while they remain in your retirement account. We and our financial professionals do not provide tax advice. As such, you should consult with your tax advisors regarding how the IBDA or the IBRAA will affect you.

7. Are the IBDA and the IBRAA long-term investment options?

No. The IBDA and the IBRAA are not long-term investment options, and you should not view them as such. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, you should contact your financial professional to discuss investment options that are available for you to purchase outside of the Programs, including, but not limited to, money market mutual funds (“Money Funds”), that could potentially be better suited to your needs and goals.

Account Eligibility and Enrollment

8. What account types are eligible to participate in the IBDA and the IBRAA?

Eligibility for the IBDA and the IBRAA is based on the type of account you hold with NFS, as described below, and is also subject to the limitations described in our Bank Sweep Program Disclosure Document, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures. We reserve the right to modify the eligibility criteria for the IBDA and the IBRAA at any time. If you have questions regarding your account’s eligibility for the IBDA or the IBRAA, or other matters regarding the Programs, please contact your financial professional.

IBDA Eligibility

Currently, the IBDA is available to:

- individuals, acting for themselves or through an agent or fiduciary, whether having a single account or a joint account;
- trust accounts;
- sole proprietorships;

- certain individual retirement accounts (“IRAs”), including Premiere Select[®] IRAs and Premiere Select Roth IRAs, and health savings accounts (“HSAs”) if they do not participate in any of our fee-based investment advisory programs;
- certain tax-exempt non-profit organizations; and
- accounts beneficially owned by entities organized to make a profit, such as corporations, limited liability companies, partnerships, limited liability partnerships, associations, business trusts, and other organizations.

Account types that are not currently eligible to participate in the IBDA include accounts for:

- employee benefit plans, including those subject to Title I of the Employee Retirement Income Security Act of 1974, as amended, and those subject to Sections 403(b) or 457 of the Internal Revenue Code of 1986, as amended;
- Keogh plans;
- voluntary employees’ benefit association, or “VEBA,” plans;
- small employer plans, such as SEP IRAs, SIMPLE IRAs, and solo 401(k) plans;
- IRAs and HSAs that participate in any of our fee-based investment advisory programs; and
- non-U.S. clients.

IBRAA Eligibility

Currently, eligibility for the IBRAA is limited to certain IRAs, including Premiere Select[®] IRAs and Premiere Select Roth IRAs, and HSAs that participate in our fee-based investment advisory programs. Account types that are not eligible for the IBRAA include: (i) SEP IRAs; (ii) SIMPLE IRAs; (iii) IRAs and HSAs that do not participate in any of our fee-based investment advisory programs; and (iv) accounts for non-U.S. clients.

9. When will the IBDA and the IBRAA be available and how do I participate?

Effective on or about March 5, 2024, the IBDA will become the default and only core account investment vehicle, or “cash sweep,” that is available for your IBDA-eligible accounts with us that are held by NFS, and the IBRAA will become the default and only cash sweep that is available for your IBRAA-eligible accounts with us that are held by NFS.

Interest Rates and Fees

10. What interest will I earn on my Program Deposits in the IBDA or the IBRAA?

For the IBDA, the interest rate that you will receive on your Program Deposits varies based upon the total amount of your Program Deposits in the IBDA. For the IBRAA, all clients will receive the same interest rate regardless of the amount of their Program Deposits in the IBRAA. You can obtain the current interest rate for your Program Deposits in the IBDA or the IBRAA from your financial professional or from our Interest Rate Schedule, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

Interest on your Program Deposits will be accrued daily, compounded monthly, and reflected on your account statements as of the last business day of the applicable statement period. You will earn the same rate of interest on your Program Deposits regardless of the Program Banks with which your Program Deposits are held.

You should understand that the interest rate that you receive on your Program Deposits will be significantly lower than the interest rates paid by the Program Banks on your Program Deposits due to

the fees imposed by us, NFS, and IntraFi Network LLC, the administrative service provider for the Programs (the “Administrator”). The fees that we, NFS, and the Administrator set, impose, and receive directly affect and significantly reduce the interest rate payable to you on your Program Deposits (*i.e.*, the higher the fees set, imposed, and received by us, NFS, and the Administrator, the lower the interest rate you will receive on your Program Deposits). The interest rate that you will receive on your Program Deposits: (i) will be lower than the rates of return on (a) other core account investment vehicles that NFS makes available and that are not FDIC insured, such as Money Funds, that we have not selected as the default and only cash sweep for IBDA-eligible and IBRAA-eligible accounts, and (b) Money Funds and other investment options that we make available for you to purchase outside of the Programs; and (ii) will in certain circumstances be lower than the rates of return on FDIC insured and other bank account deposits offered outside the Programs.

You should understand that the IBDA and the IBRAA are not long-term investment options, and you should not view them as such. If you desire, as part of an investment strategy or otherwise, to maintain a cash position in your account for other than a short period of time and/or are seeking the highest yields currently available in the market for your cash balances, you should contact your financial professional to discuss investment options that are available for you to purchase outside of the Programs, including, but not limited to, Money Funds, that could potentially be better suited to your needs and goals.

11. How will the interest rate tier for my IBDA-eligible accounts be determined?

The interest rate tier for your IBDA-eligible accounts is determined at the account level based upon each individual account’s Program Deposits in the IBDA. If you have multiple IBDA-eligible accounts, your accounts will not be linked, or receive the benefit of “householding,” for purposes of determining the interest rate tier applicable to each of your accounts’ Program Deposits in the IBDA.

Please see our Interest Rate Schedule, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures, for specific information regarding applicable Program Deposit tiers in the IBDA and associated interest rates and annual percentage yields.

12. Can the interest rate I receive in connection with the IBDA or the IBRAA change?

Yes. The interest rate that you receive on your Program Deposits in the IBDA or the IBRAA will change from time to time without notice to you for various reasons, including, but not limited to, changes to general economic, market, and business conditions; changes to market interest rates; changes in what participating Program Banks are willing to pay on Program Deposits; the impact of applicable fees; and other factors.

You can obtain current interest rates at any time from your financial professional and from our Interest Rate Schedule, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

13. Will my account statements from NFS reflect any interest I am earning in the IBDA or the IBRAA?

Yes. The account statements that you receive from NFS for your participating accounts will show, among other things, the interest credited to your account as a result of your Program Deposits in the IBDA or the IBRAA.

14. If I use the IBDA or the IBRAA as my cash sweep in connection with a fee-based investment advisory account, will I pay asset-based investment advisory fees on my Program Deposits?

Yes. As described in greater detail in our client service agreements and applicable Forms ADV Part 2A, we charge investment advisory clients asset-based investment advisory fees based on the total market value of their assets under management, including, but not limited to, their Program Deposits in the IBDA and the IBRAA.

Program Banks

15. What Program Banks will hold my Program Deposits?

If you use the IBDA or the IBRAA as your cash sweep, you will be assigned a list of Program Banks (a “Program Bank List”) based on the state reflected in your account’s mailing address. The IBDA and the IBRAA have different Program Bank Lists and you can obtain the current IBDA Program Bank List and IBRAA Program Bank List from your financial professional and from www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

16. Can the Program Banks change?

Yes. One or more of the Program Banks included on the Program Bank Lists for the IBDA or the IBRAA may be removed and, in some cases, replaced with a substitute Program Bank. At times, new Program Banks may be added to the Program Bank Lists, or the order of the Program Banks on the Program Bank Lists may be changed. Generally, you will receive notification in advance of any addition of a Program Bank to, or removal of a Program Bank from, your Program Bank List. You can obtain the current IBDA Program Bank List and IBRAA Program Bank List from your financial professional and from www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

17. Where can I find additional information about the Program Banks?

You can obtain publicly available financial information regarding each Program Bank at <http://www.ffiec.gov/NPW> or by contacting the FDIC Public Information Center by mail at FDIC Public Information Center, 3501 North Fairfax Drive, Room E-1005, Arlington, Virginia 22226 or by phone at 877-275-3342 or 703-562-2200.

18. Can I make changes to the Program Banks that will hold my Program Deposits?

You may not change the Program Banks on your Program Bank List, the order in which your funds are deposited at the Program Banks on your Program Bank List, or the maximum amount of your cash deposits that can be held with any Program Bank. However, you may, at any time, designate one or more Program Banks as ineligible to receive your Program Deposits through the IBDA or the IBRAA by contacting your financial professional. This is referred to as “opting out” of a Program Bank.

You are solely responsible for monitoring the total amount of deposits you have with each Program Bank (both through the Programs and outside of the Programs), including any bank accounts, CDs, and other deposits made directly with a Program Bank or through us or any other intermediary, in order to determine the extent of FDIC insurance coverage available to you on your deposits, including Program Deposits, and to identify any of your deposits, including Program Deposits, that are not covered by FDIC insurance. Depending on the amount of deposits that you have at a Program Bank apart from

your Program Deposits, you may wish to direct that one or more Program Banks be excluded from holding your Program Deposits as described above.

19. Will my account statements from NFS show the Program Banks at which my Program Deposits are held?

Yes. The account statements you receive from NFS for your participating accounts will show, among other things, (1) your cash balance in the IBDA or the IBRAA, as applicable, as of the end of the statement period and (2) your cash balance at each Program Bank as of the end of the statement period. You should review your NFS account statements carefully and retain them for your records.

Alternatives to the Programs

20. What options do I have if I do not want to participate in the IBDA or the IBRAA?

Effective on or about March 5, 2024, the IBDA will become the default and only core account investment vehicle, or “cash sweep,” that is available for your IBDA-eligible accounts with us that are held by NFS, and the IBRAA will become the default and only cash sweep that is available for your IBRAA-eligible accounts with us that are held by NFS.

If you do not wish to consent to the use of the IBDA or the IBRAA, as applicable, as the cash sweep for your IBDA-eligible or IBRAA-eligible accounts, respectively, please contact your financial professional to discuss your options (*i.e.*, closing your account, transferring your assets to another account type that that does not use the IBDA or the IBRAA as its default and only cash sweep option, if possible, or transferring your assets to another financial institution).

21. Can I still invest in Money Funds and other available investment options if the IBDA or the IBRAA is my cash sweep?

Yes. While the IBDA and the IBRAA will become the default and only core account investment vehicles, or “cash sweeps,” available for use in connection with your IBDA-eligible and IBRAA-eligible accounts, respectively, you can invest in Money Funds and other non-sweep investment options that we make available for you to purchase outside of the IBDA and the IBRAA. If you have any questions regarding the Money Funds and other non-sweep investment options that are available for you to purchase outside of the Programs, please contact your financial professional.

Financial Benefits to Us and Our Related Conflicts of Interest

22. Do you receive compensation or have conflicts of interest in connection with the IBDA or the IBRAA?

Yes. As a result of your use of the IBDA or the IBRAA as your cash sweep, we receive significant fees from the Program Banks that directly affect and significantly reduce the interest rate payable to you on your Program Deposits. Additionally, because we charge investment advisory clients asset-based investment advisory fees based on the total market value of their assets under management, including, but not limited to, their Program Deposits, we will receive two layers of fees on your Program Deposits if you use the IBDA or the IBRAA as your cash sweep for any fee-based investment advisory account (*i.e.*, asset-based investment advisory fees and fees from the Program Banks). The significant compensation that we receive in connection with your use of the IBDA or the IBRAA as your cash sweep creates conflicts of interest for us. For additional information on the compensation that we receive as a result of your use of the IBDA or the IBRAA as your cash sweep, the impact that

compensation has on the interest rate you receive on your Program Deposits, and the related conflicts of interest that we have in connection with the IBDA and the IBRAA, please review our Bank Sweep Program Disclosure Document, Compensation and Conflict of Interest Disclosure, Interest Rate Schedule, Form CRS, Regulation Best Interest (“Reg BI”) Disclosure Document (if you are a commission-based broker-dealer client), and applicable Forms ADV Part 2A (if you are a fee-based investment advisory client), all of which are available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

Should you have any questions regarding the compensation that we receive in connection with the IBDA and the IBRAA, the impact that compensation has on the interest rate you receive on your Program Deposits, or our related conflicts of interest, please address them with your financial professional before consenting to the use of the IBDA or the IBRAA as your cash sweep.

Changes to the IBDA or the IBRAA; Additional Information

23. How will I learn about material changes to the IBDA or the IBRAA?

Absent extenuating circumstances, you will receive advance notice of any material changes to the terms of the IBDA or the IBRAA, as applicable (*e.g.*, changes to the IBDA interest rate tiers or the addition or removal of Program Banks from your Program Bank List) through your account statements from NFS or another communication from us.

Changes to the interest rate that you receive on your Program Deposits (which are not considered material changes requiring notice to you) will be reflected in our Interest Rate Schedule, which is available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures.

24. Where can I get additional information about the IBDA or the IBRAA?

For additional information on the IBDA or the IBRAA, please review the materials available at www.lfa-sagemark.com or www.lfsecurities.com, as applicable, under My accounts—Disclosures, including our Bank Sweep Program Disclosure Document, Interest Rate Schedule, IBDA Program Bank List, IBRAA Program Bank List, Account Eligibility Information, and Compensation and Conflict of Interest Disclosure. Additionally, if you are a commission-based broker-dealer client, you should review our Form CRS and Reg BI Disclosure Document and, if you are an investment advisory client, you should review our Form CRS and applicable Forms ADV Part 2A, which are also available at the websites noted above. After reviewing these materials, please address any questions you may have with your financial professional.

25. Where should I direct questions regarding the IBDA or the IBRAA?

Should you have questions regarding the IBDA or the IBRAA, please contact your financial professional.