



**Lincoln Financial Advisors Corporation  
Third-Party Asset Management Programs,  
Retirement Plan Services and  
Other Advisory Services  
Form ADV, Part 2A**

October 7, 2022

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**This brochure provides information about the qualifications and business practices of Lincoln Financial Advisors Corporation. If you have any questions about the contents of this brochure, please contact us at (800) 237-3813 or by sending us an email at [LFNAdvisoryServices@lfg.com](mailto:LFNAdvisoryServices@lfg.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.**

**Additional information about Lincoln Financial Advisors Corporation also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

LFN11323

## **Item 2: Material Changes**

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This interim updating amendment to the brochure (this “Brochure”) for the third-party asset management programs, retirement plan services and other advisory services offered by Lincoln Financial Advisors Corporation (“LFA”) is dated October 7, 2022 and the last annual updating amendment to this Brochure was dated March 30, 2022. Material changes to this Brochure since the last annual updating amendment dated March 30, 2022 include the following:

- LFA updated Item 5 of this Brochure to provide clients with additional detail regarding the conflicts of interest that LFA’s investment adviser representatives, including those who use the name Sagemark Consulting (collectively, “IARs”), have in connection with forgivable loans that certain IARs receive when transitioning their practices from another firm to LFA.

Clients are strongly encouraged to read this Brochure in detail and contact their IAR with any questions. If you would like another copy of this Brochure or a copy of any other LFA brochure, please feel free to access and download it from our website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures or at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv), or from the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You also may request a copy of this Brochure or any other LFA brochure by contacting LFA at (800) 237-3813 or [LFNAdvisoryServices@lfg.com](mailto:LFNAdvisoryServices@lfg.com).

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## **Item 4: Advisory Business**

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### **ABOUT LFA**

LFA was incorporated in 1968 and has been registered with the SEC as an investment adviser since 1992. LFA is wholly owned by The Lincoln National Life Insurance Company (“LNL”), which is wholly owned by Lincoln National Corporation (“LNC”), a publicly held entity. Lincoln Financial Group is the marketing name for LNC and its affiliates.

As of December 31, 2021, LFA managed approximately \$27.5793 billion of client assets on a non-discretionary basis and approximately \$9.2082 billion of client assets on a discretionary basis.

LFA offers a wide variety of investment advisory programs and services, which are sometimes marketed using the name Sagemark Consulting, a division of LFA. LFA’s IARs assist clients in pursuing their financial goals by providing personalized financial planning services and investment solutions.

This Brochure provides an overview of certain investment advisory programs sponsored by third parties that are offered through LFA, LFA’s retirement plan consulting program, and certain other services.

Any information you receive from LFA or the IARs relating to the tax considerations affecting your financial arrangements or transactions is not intended to be tax advice and you should not rely upon it as tax advice. Neither LFA nor the IARs provide tax, legal, or accounting advice.

In addition to the advisory programs and services described in this Brochure, LFA also offers the following advisory programs and services, which are described in separate Forms ADV, Part 2A:

- Premier Plus Wealth Management Program (the “Premier Plus Program”);
- Premier Series Wealth Management Program (which includes the Premier Separately Managed Accounts Program, Premier Unified Portfolio, the Premier Manager (Mutual Fund) Program, and the Premier Strategist Program) (the “Premier Series Program”);
- Sagemark Consulting Financial Planning; and
- Financial Planning.

For a detailed discussion of each of the advisory programs and services listed above, including the fees and expenses you will pay, the compensation LFA and the IARs will receive, and LFA’s and the IARs’ conflicts of interest in connection with them, you should refer to the Form ADV, Part 2A for the particular program or service, which is available on our website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures or at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv), and on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). These Forms ADV, Part 2A may also be requested by contacting LFA at (800) 237-3813 or by sending us an email at [LFNAdvisoryServices@lfg.com](mailto:LFNAdvisoryServices@lfg.com).

### **AVAILABLE ACCOUNT AND RELATIONSHIP TYPES**

When you choose to purchase products and services through LFA and work with an LFA financial professional, you have the option of investing through a transaction-based account, such as a brokerage account, a fee-based investment advisory program, or both. It is important for you to understand the services you will receive, the fees, costs, and expenses you will pay, and LFA’s and your LFA financial professional’s conflicts of interest in connection with each of these different types of accounts and relationships with LFA and your LFA financial professional. These services, fees, costs, expenses, and conflicts of interest are described below and in much greater detail in LFA’s Form CRS, Regulation Best Interest (“Reg BI”) Disclosure Document, and Forms ADV, Part 2A, as applicable, which are available on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures.

## **Transaction-Based Account, Such As a Brokerage Account**

With a transaction-based account, such as a brokerage account, you will pay commissions and other charges (such as sales loads on mutual funds and other securities and investment products) at the time of each transaction, such as the purchase or sale of a mutual fund, stock, bond, option, or other security or investment product. These commissions and other charges are the primary source of compensation for the transaction-based advice provided by your LFA financial professional when recommending such transactions. When acting as your broker, your LFA financial professional can make recommendations and provide guidance to you in selecting securities, other investment products, and services. Your LFA financial professional may also provide investment education and research services, which are incidental to the brokerage services LFA provides. This type of account can potentially be more appropriate for you than a fee-based investment advisory account if you do not want ongoing investment advice on assets held in your account, or ongoing management of your account, and instead want only periodic or on-demand advice and recommendations specific to the purchase and sale of securities and other investment products. This type of account can potentially result in lower costs for you if you expect to trade on an infrequent or occasional basis.

When LFA and your LFA financial professional make securities and investment strategy recommendations to you as broker-dealer for your transaction-based account, such as a brokerage account, LFA and your LFA financial professional are required to act in your best interest, without placing their financial or other interests ahead of your interests. Additionally, when LFA and your LFA financial professional provide investment advice to you on a regular basis regarding your Employee Retirement Income Security Act of 1974, as amended (“ERISA”), retirement plan account or individual retirement account (“IRA”), LFA and your LFA financial professional are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), as applicable, which are laws governing retirement accounts. However, you should be aware that LFA and your LFA financial professional are subject to various conflicts of interest in connection with the recommendations and other services they provide to you in connection with your transaction-based accounts. These conflicts of interest result from various arrangements, including, but not limited to, the roles LFA and your LFA financial professional play in a transaction, LFA’s and your LFA financial professional’s compensation arrangements, and LFA’s financial and other arrangements with custodians, clearing firms, other service providers, its affiliates, third-party product and service providers, and others. Important information regarding these conflicts of interest is provided in LFA’s Form CRS and Reg BI Disclosure Document, as well in the other important client disclosures available on LFA’s website, [www.lfa-sagemark.com](http://www.lfa-sagemark.com).

**For additional information on LFA’s broker-dealer services and transaction-based account offerings, please see LFA’s Form CRS and Reg BI Disclosure Document, which are available on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures. LFA’s Form CRS and Reg BI Disclosure Document may also be requested by contacting LFA at (800) 237-3813 or by sending us an email at [LFAAdvisoryServices@lfg.com](mailto:LFAAdvisoryServices@lfg.com). For detailed information regarding the commissions, trading/execution fees, and brokerage service charges that LFA establishes, controls, and charges clients when serving as broker-dealer of record for transaction-based accounts with National Financial Services LLC (“NFS”), please see LFA’s Fee and Commission Schedule for Accounts with NFS (the “LFA Fee Schedule”), which is provided to you at account opening, will change over time, and can be found on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Cost.**

**Before consenting to any broker-dealer relationship with LFA or an LFA financial professional, you should review the important disclosures referenced above, including those related to the services you will receive, the fees, costs, and expenses you will pay, the compensation LFA and its financial professionals will receive, and LFA’s and its financial professionals’ conflicts of interest. After reviewing these disclosures, please address any questions you may have with your LFA financial professional.**

## **Fee-Based Investment Advisory Program**

A fee-based investment advisory program, sometimes called a “managed account,” can potentially be more appropriate for you than a transaction-based account, such as a brokerage account, if you want ongoing investment advice and management of your account. LFA acts as the sponsor and broker-dealer in connection with some of the investment advisory programs and services it offers and LFA offers a number of different investment advisory programs and services.

With this type of account, you will pay an ongoing investment advisory fee based on the value of the assets held in your account in exchange for ongoing investment advice and management of your account and related services. The asset-based fee is the primary source of compensation for the ongoing investment advice provided by your IAR. You generally will not be charged commissions for each purchase or sale of a security or other investment product; however, you will be charged for (1) any transaction, trading, and execution charges that are applicable to trades and other transactions (including, but not limited to, “step-out” trades) occurring within your account and (2) other fees, costs, and expenses applicable to your account, the services provided to you and your account, and the securities and other investment products purchased, held, and sold in your account, in each case as described in your account-opening documentation and in the prospectuses and other disclosure documents for the securities and other investment products you purchase, hold, and sell.

Transaction, trading, and execution charges are not used to compensate your IAR for his or her services in this type of account. Certain investment advisory programs charge an “all-inclusive” bundled fee based on the value of the assets in your account. This bundled fee usually includes a portfolio management fee, transaction, trading, and execution costs, and investment advice and is sometimes referred to as a “wrap fee.” However, this bundled fee does not include costs associated with transactions that are executed at broker-dealers other than the one at which your account is held. Transactions executed at broker-dealers other than the one at which your account is held are sometimes called “step-out” trades and are described further in Items 5 and 12 below. Fees vary depending on which LFA advisory programs and services you use. LFA’s advisory program fees are billed either in arrears (*i.e.*, following the completion of the applicable billing period) or in advance (*i.e.*, at the beginning of the applicable billing period) depending on the program you select, and your billing methodology (*i.e.*, in arrears or in advance) will be specified in your client service agreement, Statement of Investment Selection or Statement of Insurance Selection, as applicable (“SIS”), or other account-opening documentation. Fees are charged either monthly or quarterly, as specified in your client service agreement, SIS, or other account-opening documentation, based on the assets held within your account for services including, but not limited to, ongoing investment advice, investment selection and recommendations, asset allocation, execution of transactions (depending on the program you are in), custody of securities, and account reporting services. Please see your client service agreement, SIS, and other account-opening documentation for additional information. After reviewing these documents, please address any questions you may have with your IAR.

Alternative investments (“AIs”) may be held in a managed account, but usually for consolidated reporting purposes and convenience only. For purposes of this section, AIs are defined as non-traditional investments such as non-traded real estate investment trusts, limited partnerships, oil and gas programs, managed futures funds, qualified opportunity zone funds, interval funds, private placements, 1031 exchange programs, funds of hedge funds, and other non-traded investment programs. Generally, AIs are illiquid and not traded on an exchange, or have limited liquidity at the discretion of the product provider, but can potentially offer clients opportunities for diversification in their investment portfolios. AIs are usually purchased directly from the sponsor company on a commission basis and held in a transaction-based account. However, a client may request that an AI be held in a managed account. When LFA permits an AI to be held within a Premier Wealth Management Program (“Premier”) account, the AI generally will be coded as an “unsupervised” asset, which means that LFA will not serve in an investment advisory capacity with respect to the AI, LFA will not provide investment advisory services or oversight on the AI, and the AI will be excluded from the account’s advisory fee calculation but reflected as an asset on the account’s performance report. Unsupervised assets are not included in the performance calculation for Premier accounts. Notwithstanding the foregoing, LFA permits certain AIs to be held within Premier accounts as “supervised” assets. The AIs LFA permits to be held within Premier accounts as supervised assets generally will be in a share class designed or intended to be used in connection with a fee-based account. In such cases, LFA will serve in an investment advisory capacity with respect to the supervised AI, LFA will provide investment advisory services and oversight on the supervised AI as it would with other assets maintained in the Premier account, and the supervised AI will be included in the calculation of the Premier account’s advisory fee and performance. If these circumstances are applicable to your AI, the AI Worksheet you complete in connection with your AI investment or your other account documentation will inform you of the fact that your AI will be a supervised asset included in the calculation of your Premier account’s advisory fee and performance. Additionally, in some TAMP (as defined below) programs, the third-party investment managers use AIs in the management of client accounts and include AI assets in their fee and performance calculations. Please see your account-opening documentation for additional information.

LFA’s advisory fees generally are negotiable. Some programs, like the Premier Plus Program, charge separately for asset management services, ongoing investment advice, and transactions. In such programs, you will be charged for any transaction, trading, and execution fees, costs, and expenses that are applicable to trades and other transactions occurring

within your account, as described in your account-opening documentation, in addition to your asset-based advisory fees. Applicable transaction, trading, execution, and other fees, costs, and expenses are described in detail in the applicable program's client service agreement; SIS; transaction, trading, execution, and brokerage service fee schedules; other account-opening documentation; and Form ADV, Part 2A.

When LFA and your LFA financial professional serve as investment adviser for your fee-based account, LFA and your LFA financial professional are required to act in your best interest, without placing their financial or other interests ahead of your interests. Additionally, when LFA and your LFA financial professional provide investment advice to you on a regular basis regarding your ERISA retirement plan account or IRA, LFA and your LFA financial professional are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. However, you should be aware that LFA and your LFA financial professional are subject to various conflicts of interest in connection with the investment advice and other services they provide to you in connection with your fee-based accounts. These conflicts of interest result from various arrangements, including, but not limited to, the roles LFA and your LFA financial professional play in a transaction, LFA's and your LFA financial professional's compensation arrangements, and LFA's financial and other arrangements with custodians, clearing firms, other service providers, its affiliates, third-party product and service providers, and others. Important information regarding these conflicts of interest is provided in LFA's Form CRS and Forms ADV, Part 2A, as well in the other important client disclosures available on LFA's website, [www.lfa-sagemark.com](http://www.lfa-sagemark.com).

**For additional information on LFA's investment advisory programs and services, please see LFA's Form CRS and Forms ADV, Part 2A, which are available through our website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures or at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv), and through the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). LFA's Form CRS and Forms ADV, Part 2A may also be requested by contacting LFA at (800) 237-3813 or by sending us an email at [LFNAdvisoryServices@lfg.com](mailto:LFNAdvisoryServices@lfg.com). For detailed information regarding the trading/execution fees and brokerage service charges that LFA establishes, controls, and charges clients when serving as broker-dealer of record for Premier accounts held with NFS, please see the LFA Fee Schedule, which is provided to you at account opening, will change over time, and can be found on LFA's website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Cost.**

**Before consenting to any investment advisory relationship with LFA or an LFA financial professional, you should review the important disclosures referenced above, including those related to the services you will receive, the fees, costs, and expenses you will pay, the compensation LFA and its financial professionals will receive, and LFA's and its financial professionals' conflicts of interest. After reviewing these disclosures, please address any questions you may have with your LFA financial professional.**

### **THIRD-PARTY INVESTMENT ADVISORY PROGRAMS**

LFA offers access to several investment advisory and asset allocation programs sponsored by third-party asset management firms, which are sometimes referred to as turn-key asset management programs ("TAMPs"). TAMP programs allow clients to choose from a variety of professional investment managers. TAMPs offer clients different model portfolios associated with different levels of risk. LFA generally does not provide asset management or portfolio management functions for client accounts held in TAMP programs, as the assets and portfolios are managed by the TAMP sponsor and/or one or more investment managers made available through the TAMP program. Client accounts in TAMP programs may be invested in a number of different securities and other investment products, including, but not limited to, stocks, bonds, mutual funds, options, annuity contracts, AIs, and exchange-traded funds ("ETFs"). LFA is generally not responsible for the selection of any securities or other investment products purchased, held, sold, or otherwise chosen as investments in client accounts that are invested through TAMP programs, including, but not limited to, any illiquid investments, AIs, specific mutual funds, or share classes. The specific services offered by TAMPs, the fees, costs, and expenses associated with those services, and the TAMP sponsor's and applicable investment managers' conflicts of interest are detailed in the applicable TAMP sponsor's disclosure brochure and in the account-opening paperwork and client agreements that a client completes prior to entering into a TAMP program.

The following description provides an overview of the different TAMP programs offered through LFA. Please refer to the relevant Form ADV, Part 2A for each TAMP or TAMP program (other than the SEI Mutual Fund Asset Allocation Program) for a detailed explanation of each of the TAMP programs offered through LFA.

In each of the TAMP programs described below, LFA provides advisory services that include assisting clients in completing a program questionnaire or similar client profiling tool to gather information about the client's financial circumstances, investment objectives, goals, risk tolerance, and time horizon and other pertinent information. Based on this information, the IAR will assist and provide ongoing advice to clients in selecting or replacing the appropriate TAMP program, asset allocation strategy, model portfolio, or other investment strategy based on the client's specific needs and goals. Any information collected through this process will be shared among LFA, the IAR, the TAMP sponsor, the investment managers selected, the custodian, and the other parties performing services relating to the client's account.

LFA researches, selects, and reviews on an ongoing basis the TAMP programs that are offered through LFA. LFA uses information provided by the TAMP program sponsor and may also use independent data sources when evaluating a TAMP program. As with any investment strategy, asset allocation, model, or investment portfolio, past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect. Diversification can potentially help spread risk throughout an investment portfolio. Different asset classes have different risk and potential return profiles and they perform differently in different market conditions. Diversification alone does not guarantee a profit or protect against a loss.

The IAR will usually present the client with an investment strategy report, proposal, or statement that summarizes the TAMP program's recommendations based on the information provided by the client. The IAR may, if appropriate and permitted under the relevant program, suggest modifications to the program's recommendations to address client-specific needs. The client has the ability to place reasonable restrictions on investments. The asset allocation strategy, model portfolio, or investment strategy that the client selects will be implemented using the mutual funds and/or other securities and investment products offered through the relevant program. The client will usually appoint the TAMP program sponsor and/or the investment manager selected as their attorney-in-fact and delegate discretionary trading authority to that party. That allows the TAMP program sponsor and/or the selected investment manager to buy and sell securities in the client's account without prior approval from the client for each transaction. Unless otherwise agreed to by LFA and the client, LFA and the IARs generally will not have any responsibility or authority to buy or sell securities in client accounts held in TAMP programs, to choose the initial or ongoing allocation of client assets, or to select TAMP sponsors or investment managers. The duties of all parties, including the client, LFA, the IAR, the TAMP sponsor, and the investment managers are further described in your client agreement and other account-opening documentation and the Forms ADV, Part 2A of the TAMP program sponsor and applicable third-party investment managers.

If the client's financial situation changes or the client would like to change the reasonable restrictions, if any, placed on their account, the client should notify the IAR, who will notify the TAMP program sponsor. The TAMP program sponsor, third-party investment manager selected, and/or their affiliates and service providers are responsible for creating and sending reports to clients, including transaction reporting, performance reporting, and tax reporting. LFA and the IAR do not independently audit third-party TAMP program performance information to determine or verify its accuracy and do not calculate or audit the performance reports that TAMP program sponsors send to clients. Clients are strongly encouraged to carefully review the TAMP sponsor's and third-party investment managers' disclosures regarding prior performance to determine the relevance of the prior performance to the client's account. LFA also strongly encourages clients to review the account statements provided by their custodian and compare those statements to any report or statement provided by the TAMP program.

### **Solicitor Programs**

While LFA has generally stopped offering TAMP programs to new clients through "solicitor" arrangements where LFA acts as a solicitor and refers clients to a TAMP, LFA does refer clients to certain TAMPs and investment managers through solicitor or similar referral arrangements in very limited circumstances. In a solicitor arrangement, a TAMP sponsor or investment manager agrees to compensate LFA for providing client referrals. In these cases, LFA and the IAR receive referral fees for making the referral, which are generally referred to as "Solicitor Fees." In most cases, Solicitor Fees are calculated as a percentage of the client assets that the TAMP sponsor and/or third-party investment manager manages; however, there are instances where Solicitor Fees are determined in some other fashion. Solicitor Fees are disclosed to clients and prospective clients as and when required by the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the rules and regulations thereunder. In most cases, LFA and the IAR maintain an ongoing relationship with referred clients and may meet with clients periodically to assist the client in reviewing the accounts managed by the third-party investment manager, and to discuss other financial matters that pertain to the client. It is important to understand that



when LFA acts as a solicitor by referring clients to other investment advisers or asset managers, LFA does not provide investment advice to the client and does not act in a fiduciary or investment advisory capacity with respect to the referred client's account with the TAMP sponsor or investment manager.

While LFA has generally stopped offering TAMP programs to new clients through solicitor arrangements, some client accounts referred to TAMP programs under terminated solicitor arrangements remain active and LFA currently refers clients to certain TAMPs and investment managers through solicitor or similar referral arrangements in very limited circumstances. Please see your account-opening documentation for additional information.

### **Co-Advisory Programs**

Except in the very limited circumstances described above under the heading "Solicitor Programs," LFA offers only co-advisory TAMP programs to new clients. When LFA and a TAMP sponsor have a co-advisory agreement, each party acts in an investment advisory and fiduciary capacity to the client. However, the TAMP sponsor (or its selected investment manager or sub-adviser) generally is responsible for investment management and portfolio management responsibilities and functions, including security and other investment product selection, within the client's account. The responsibilities of each party in each investment program are described in the applicable client agreement, other account-opening documents, and disclosure documents.

The IAR is responsible for understanding and recommending a TAMP program and investment strategy that is suitable for and in the best interest of the client based on the information obtained about the client's financial situation, investment experience, investment objectives, time horizon, and risk tolerance, and other relevant factors. The TAMP sponsor is responsible for implementing the investment strategy and managing the client's portfolio in accordance with the selected investment strategy.

The following are brief general descriptions of the most significant co-advisory TAMP programs currently being offered to LFA clients. These brief descriptions are provided for informational purposes only and are not intended to replace or fully summarize the detailed information provided in your TAMP program's Form ADV, Part 2A disclosure brochure and account-opening documents, which provide detailed information regarding the services offered through the TAMP program, applicable investment minimums, the fees, costs, and expenses you will incur, the TAMP sponsor's and investment managers' conflicts of interest, and other important matters. As such, you should only rely on the detailed information provided in your TAMP program's Form ADV, Part 2A disclosure brochure and account-opening documents when deciding whether to participate in a TAMP program offered through LFA. Each TAMP program's Form ADV, Part 2A disclosure brochure is provided to you at account opening and is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### ***SEI Investments***

LFA has an agreement with SEI Investments Management Corporation ("SIMC"), SEI Investments Distribution Company, and SEI Trust Company (collectively, "SEI") under which LFA offers various asset allocation and investment advisory programs sponsored by SEI. SEI offers an investment management approach that uses actively managed asset allocation to help meet the client's objectives. SEI offers a style-specific, multi-manager investment approach to pursue less volatile long-term performance and attempt to reduce risk. In addition, SEI monitors for style drift that might generate uncompensated risk. Client portfolios are designed with a diversified asset allocation to provide flexibility to address client needs. SEI provides clients with a monthly consolidated statement, quarterly performance reports, and an annual tax report. SEI's programs may use global diversification and tax-efficient strategies to help reduce realized capital gains and tax liability. SEI imposes minimum investment requirements for its programs and those minimum investment requirements may be modified, waived, or negotiated at SEI's discretion.

In addition to the various SEI programs that LFA offers through a co-adviser model, LFA also offers clients access to the SEI Mutual Fund Asset Allocation Program. This program offers clients access to actively managed asset allocation portfolios comprised exclusively of no-load mutual funds advised by SEI ("SEI Funds"). The asset allocation portfolios are constructed and maintained by SEI based on its capital market assumptions. The IARs assist clients in selecting a specific asset allocation portfolio that is appropriate for the client based on information the client supplies in response to an investment questionnaire. The client directs the IAR to instruct SEI Trust Company to purchase and sell SEI Funds pursuant

to the investment objectives and rebalancing parameters selected by the client. In this program, SEI does not serve in a co-adviser capacity with LFA and LFA serves as the sole investment adviser to your account.

#### ***AssetMark, Inc.***

LFA offers asset allocation and advisory services sponsored by AssetMark, Inc. (“AssetMark”). For accounts established up to and including June 9, 2017, LFA offered these services under both a solicitor model and a co-adviser model. For accounts established after June 9, 2017, LFA offers the AssetMark services only through a co-adviser model. Under the solicitor model, IARs solicited clients for AssetMark’s asset allocation and advisory services. Under the co-adviser model, LFA and the IARs offer AssetMark’s asset allocation system, in which clients are introduced to investment managers who provide discretionary management of individual portfolios of equity and/or fixed-income securities. Clients may also invest in model portfolios of mutual funds, ETFs, and variable annuity sub-accounts created and maintained by institutional investment strategists. AssetMark imposes minimum investment requirements for its programs and those minimum investment requirements may be modified, waived, or negotiated at AssetMark’s discretion.

LFA and the IARs do not have any responsibility or authority to determine the investment managers made available through the AssetMark platform or to add or remove investment managers from AssetMark’s platform. In addition, LFA and the IARs have no responsibility to determine how AssetMark or the investment managers allocate client assets, to buy or sell securities or other investment products for client accounts, or to select broker-dealers with which transactions will be effected. All decisions with respect to the availability of investment managers and other service providers are made by AssetMark. The selection of specific investment managers and broker-dealers used in connection with a specific client account will be made by the client during the account-opening process or by subsequently providing authorization of any such selection to LFA, the IAR, and/or AssetMark. Trading authorization will be granted by client to AssetMark or another portfolio strategist under the terms of the investment advisory agreement governing the AssetMark program.

#### ***Morningstar Investment Services, LLC***

LFA offers clients the Morningstar<sup>®</sup> Managed Portfolios Program sponsored by Morningstar Investment Services, LLC (“MIS”). This investment advisory program includes access to mutual fund asset allocation and focused strategy portfolios (“Mutual Fund Portfolios”), ETF strategy portfolios (“ETF Strategy”), and select stock basket strategy portfolios (“Stock Baskets”). MIS imposes minimum investment requirements for its programs and those minimum investment requirements may be modified, waived, or negotiated at MIS’s discretion. Clients will sign an investment management agreement giving MIS discretionary authority to buy and sell mutual funds, ETFs, and other securities, as appropriate, in order to invest and manage the client’s assets based on the client’s selected portfolio and any restrictions. Rebalancing will typically occur quarterly and reallocation will occur as frequently as MIS considers necessary.

#### ***Brinker Capital Investments, LLC***

Brinker Capital Investments, LLC (“Brinker”) provides discretionary and non-discretionary investment management services to meet the needs of individual clients. Investment services include model portfolios that are comprised of mutual funds and/or ETFs created and maintained by Brinker, and/or Brinker’s separately managed accounts.

#### ***Mount Yale Asset Management, LLC***

Mount Yale Asset Management, LLC (“Mt. Yale”) provides discretionary and non-discretionary investment management services to meet the needs of individual clients and offers investment management services including strategies comprised of mutual funds, ETFs, exchange traded notes, AIs selected by Mt. Yale, and/or individual securities.

#### ***Symmetry Partners LLC***

Symmetry Partners LLC (“Symmetry”) provides discretionary investment management services to meet the needs of individual clients. Symmetry creates model portfolios constructed and maintained by Symmetry using mutual funds and/or ETFs.

### ***CLS Investments LLC***

CLS Investments LLC (“CLS”) provides discretionary and non-discretionary investment management services to meet the needs of individual clients. CLS offers model-based strategies that utilize stocks, bonds, mutual funds, ETFs, and/or variable annuity subaccounts.

### ***City National Rochdale, LLC***

City National Rochdale, LLC (“Rochdale”) provides discretionary investment management services to meet the needs of individual clients with portfolios of \$1 million and above. Rochdale creates model portfolios or provides individualized management services utilizing stocks, bonds, mutual funds, and ETFs.

### ***Flexible Plan Investments LTD***

Flexible Plan Investments LTD (“Flexible Plan”) provides discretionary investment management services to meet the needs of individual clients. Flexible Plan’s services encompass various strategies with differing objectives to enable clients to receive personalized investment management utilizing mutual funds, ETFs, and/or variable annuity subaccounts.

### ***Pacific Financial Group Inc.***

Pacific Financial Group Inc. (“Pacific”) provides discretionary and non-discretionary investment management services to meet the needs of individual clients. Pacific offers model portfolios created and maintained by Pacific containing mutual funds and ETFs, and/or Pacific’s separately managed accounts.

### **Limited Arrangements**

LFA offers other TAMP or asset management programs in addition to those listed above on a limited basis. This may occur when a representative joins LFA and is using another firm for asset management services, or where there is another unique need that isn’t met by the other programs that LFA offers. This may also occur when LFA has historical or legacy TAMP or asset manager arrangements but has not yet closed the programs and required clients to move to new programs. These programs follow the same general format and fee structure as the programs described above.

For detailed information on each of these TAMP programs, including detailed information regarding the services offered through the TAMP program, applicable investment minimums, the fees, costs, and expenses you will incur, the TAMP sponsor’s and investment managers’ conflicts of interest, and other important matters, please refer to your account-opening documentation (including your client agreement) and the applicable investment adviser’s or TAMP program’s Form ADV, Part 2A disclosure brochure, which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **RETIREMENT PLAN CONSULTING PROGRAM**

LFA offers various retirement plan consulting services that are designed to assist sponsors (“Sponsors”) of employer-sponsored retirement plans (“Plans”) and Plan participants and beneficiaries (collectively, “Retirement Plan Services”). LFA provides the Retirement Plan Services through IARs and charges fees for the Retirement Plan Services as described in this Brochure and the Retirement Plan Consulting Agreement (the “Agreement”).

LFA provides the Retirement Plan Services to Plans through both transaction-based client engagements and fee-based client engagements. For transaction-based client engagements, IARs only provide point-in-time recommendations on the sale of retirement plan products and other point-in-time services. For fee-based client engagements, IARs may offer ERISA fiduciary investment advice regarding the Plan’s Designated Investment Alternatives (“DIAs” or more commonly known as the Plan’s “fund lineup”) and Qualified Default Investment Alternative (“QDIA”), along with other services to Plans, Sponsors, and Plan participants. In certain limited arrangements as agreed to in writing between a Sponsor and LFA, LFA may also provide Plan participants with limited point-in-time advice.

When providing the Retirement Plan Services to a Plan and/or Sponsor, LFA will solely be making recommendations to Sponsor and Sponsor retains full discretionary authority and control over assets of the Plan. When providing the Retirement

Plan Services to a Plan participant, LFA will solely be making recommendations to participant and participant retains full discretionary authority and control over assets of the participant's account. Sponsor may engage LFA to perform Retirement Plan Services by providing information about the Plan, including the Plan design, Plan objectives, investment objectives, investment risk tolerance, demographics about Plan participants, and information about the Plan's third-party service providers, and by executing an Agreement. LFA will provide Sponsor a copy of this Brochure or a comparable brochure and the Agreement for review. The Agreement describes the terms of the arrangement between LFA and Sponsor, including a description of the Retirement Plan Services and the fees to be charged by LFA. By signing the Agreement, Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Plan Services selected are: (i) necessary for the operation of the Plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Retirement Plan Services. Sponsor must sign and submit the Agreement to LFA before LFA performs any Retirement Plan Services.

When LFA and your LFA financial professional provide investment advice to you on a regular basis regarding your ERISA retirement plan account or IRA, LFA and your LFA financial professional are fiduciaries within the meaning of Title I of ERISA and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

LFA currently offers the following Retirement Plan Services:

### **Sponsor Services**

***Educating and Supporting Plan Fiduciary/Committee.*** IAR will educate the Plan Fiduciary on considerations relevant to reviewing and/or establishing the Plan committee and/ or protocols designed to help the Plan Fiduciary establish processes and governance to prudently manage and administer the Plan. The Plan Fiduciary is solely responsible for appointing or removing Plan committee members and to determine the policies and procedures for management and oversight of the Plan. IARs may provide training to Plan Fiduciary and/or Plan committee members about their fiduciary duties upon reasonable request and help the Plan committee coordinate regular meetings. Upon reasonable request, IARs may educate the Plan Fiduciary and Plan committee regarding the Plan's structure, metrics, services, and expenses as compared to similar retirement plans (e.g., participation rates, employer contributions, vesting time frames, loan availability, etc.). The Plan Fiduciary will retain decision-making authority with respect to the structure and features of the Plan. IARs may also update the Plan Fiduciary about current and proposed regulatory and legislative initiatives, and the potential impact to the existing procedures for the operation and oversight of the Plan.

***Periodic Review of the Plan's Investment Policy Statement ("IPS").*** IAR will periodically review the Plan's IPS as provided by the Plan Fiduciary in the context of Plan objectives. IAR will assist the Plan Fiduciary in establishing governance related to the Plan's investment policies and IPS. IAR may educate the Plan Fiduciary about investment theories including investment objectives, risk return characteristics, historical return, and prospectus information on investment alternatives available through the Plan's provider, which the Plan Fiduciary may use in developing and/or updating the Plan's IPS. The Plan Fiduciary retains decision-making authority with respect to the terms and conditions of the IPS.

***Advice Regarding the Plan's DIAs and QDIA.*** Based on the Plan's IPS or other guidelines established by the Plan, IAR will review the investment options available to the Plan and will make recommendations to assist the Plan Fiduciary with respect to selecting the DIAs to be offered to Plan participants, and with respect to selecting or replacing the QDIA. Once the Plan Fiduciary selects the DIAs and QDIA, IAR will, on a periodic basis and/or upon reasonable request, provide reports, information, and recommendations to assist the Plan Fiduciary in fulfilling the Plan Fiduciary's duty to monitor the Plan's investments. If the Plan Fiduciary elects to remove a DIA, IAR will provide information, analysis, and recommendations to assist the Plan Fiduciary with the evaluation of replacement investment alternatives. The Plan Fiduciary retains decision-making authority to select, remove, and/or replace Plan investments.

***Point in Time Review and Monitoring Support of the Plan's Investment Product Selection, DIAs, and/or QDIA.*** Based on the Plan's IPS or other guidelines established by the Plan as provided to the IAR, the IAR will review the investment product(s) available to the Plan and may make one-time, point-in-time recommendations to the Plan Fiduciary with respect to selecting the investment product(s). The IAR may also provide one-time, point-in-time assistance to the Plan Fiduciary in selecting the initial list of DIAs (commonly referred to as the Plan's investment lineup) to be offered to Plan participants, and the selection of the QDIA. Once the Plan Fiduciary selects the investment product(s), DIAs, and QDIA, IAR may, on a periodic basis and/or upon reasonable request, provide reports and information to assist Plan Fiduciary with monitoring

the DIAs. The Plan Fiduciary retains decision-making authority to select, remove, and/or replace Plan investment products, DIAs, and the QDIA.

***Assisting With Plan Service Provider Evaluation, Selection, and Oversight Processes.*** IAR may assist the Plan Fiduciary with establishing a process to evaluate, select, and monitor the Plan's service providers. IAR may utilize third-party tools and publicly-available data to assist the Plan Fiduciary with benchmarking the fees charged by a service provider. The Plan Fiduciary retains decision-making authority to select, remove, and/or replace the Plan's service providers. These services may include any of the following:

- IAR may assist the Plan Fiduciary in establishing procedures to track the receipt of and evaluate disclosures provided by "covered" service providers under Section 408(b)(2) of ERISA;
- IAR may assist the Plan Fiduciary with creating formal requests for proposals from prospective service providers; collecting, evaluating, and analyzing the responses; and coordinating final interviews and presentations;
- IAR may assist Plan Fiduciary with converting, dissolving, or merging Plans, or changing one or more service providers with respect to a Plan; and/or
- IAR may act as a liaison with the Plan's third-party service providers on behalf of Plan Fiduciary.

***Point in Time Review and Monitoring Support of Third-Party Investment Managers and Investment Advice Providers.*** Based on the Plan's IPS or other investment guidelines established by the Plan and provided to the IAR, the IAR will review the third-party investment managers and investment advice providers, including service providers designated as "3(21)" and "3(38)" fiduciary service providers, available to the Plan and may provide point-in-time assistance to the Plan Fiduciary in selecting a third-party adviser or investment manager to advise on and/or manage some or all of the Plan's DIAs, QDIA, or other Plan investments. Once Plan Fiduciary selects one or more investment managers or investment advisers, IAR may provide reports and information, on a periodic basis or upon reasonable request, to assist the Plan Fiduciary with monitoring the third-party advisers or investment managers. The Plan Fiduciary will retain final decision-making authority with respect to the third-party advisers and investment managers used in connection with the Plan.

## **Participant Services**

***Facilitate Group Enrollment Meetings and Participant Investment Education.*** IAR will conduct periodic group enrollment and educational meetings with employees and educational meetings with Plan participants and beneficiaries. IAR may provide information and materials that inform a participant or beneficiary about the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan, including the Plan's service fees and expenses, or the operation of the Plan. IAR may also provide educational information concerning the Plan's DIAs (the Plan's investment lineup), such as general descriptions of various asset classes, investment objectives and philosophies, risk and return characteristics, historical return information, and may refer the participants and beneficiaries to the prospectuses of the Plan's DIAs. IAR may also provide information and materials that inform a Plan participant or beneficiary about: (i) general financial and investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment; (ii) historical differences in rates of return between different asset classes (e.g., equities, bonds, or cash) based on standard market indices; (iii) effects of inflation; (iv) estimating future retirement income needs; (v) determining investment time horizons; and (vi) assessing risk tolerance. The information and materials described above relate to the Plan and Plan participation, without reference to the appropriateness of any individual DIA for a particular participant or beneficiary under the Plan or are general financial and investment information that have no direct relationship to the Plan's DIAs. In conducting this service, IAR will not provide Plan participants or beneficiaries with "investment advice" as that term is defined under ERISA.

***Assist Participants with Financial Wellness Education, Retirement Readiness, and/or Gap Analysis.*** IAR may conduct group meetings with Plan participants and beneficiaries to provide information about how to assess their retirement income needs. Using tools available through the Plan or approved third parties, IAR will help Plan participants and beneficiaries conduct "gap" analyses to determine whether their current investment objectives and savings rates are sufficient to provide for future income needs during retirement. IAR may help Plan participants and beneficiaries create retirement income plans.

The information and materials described above relate to the Plan and Plan participation, without reference to the appropriateness of any individual DIA for a particular participant or beneficiary under the Plan or are general financial and investment information that have no direct relationship to the Plan's DIAs.

***Participant Investment Advice.*** IAR will meet individually with a Plan participant upon reasonable request by such Plan participant to collect information necessary to identify the participant's investment objectives, risk tolerance, time horizon, and other pertinent information. IAR will provide investment advice to assist the participant with investing the participant's assets held in the Plan, using the investment products available to the Plan, the Plan's DIAs, model portfolios available in the Plan, if any, or in selecting one or more investment managers available through the Plan. Unless otherwise agreed upon in writing, all investment advice will be as of the point in time at which such investment advice is given, and the IAR will have no ongoing duty or obligation to monitor the participant's account. Unless the participant grants trading authority to IAR, an investment manager, or another party through a separate written document, participant will retain sole discretion over the investment of participant's account.

### **Potential Additional Retirement Services Provided Outside of the Agreement with the Sponsor**

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

LFA and its affiliates provide securities brokerage, recordkeeping, and other Retirement Plan Services to Plans and receive variable compensation for those services. LFA has a conflict of interest when it recommends its Retirement Plan Services and those of its affiliates because LFA, its employees, and its IARs benefit from the compensation paid to LFA and directly or indirectly receive a portion of the fees and other compensation paid by Retirement Plan Services clients. Those clients may also use other products and services available from or through LFA and in such cases will pay additional compensation, which is shared between LFA and the IARs. This practice creates a conflict of interest that gives LFA and its IARs a financial incentive to recommend Retirement Plan Services based on the compensation they receive, rather than on a client's needs. Additionally, fees and commissions are higher for some products, services, accounts, and Retirement Plan Services, and the compensation and profitability to LFA, its IARs, and their affiliates from some products, services, accounts, and Retirement Plan Services are greater than the compensation and profitability resulting from other available products, services, accounts, and Retirement Plan Services. LFA mitigates these conflicts of interest by disclosing them to you in this Brochure and other disclosures concerning compensation we receive, directly or indirectly, including disclosures required under federal and state laws.

As part of LFA's service of providing recommendations regarding the selection and monitoring of investment managers, QDIAs, or DIAs, LFA may provide Sponsor a list of investments, including mutual funds, to consider as options for the Plan, and may provide a list of investment managers to manage the assets of the Plan. Sponsor retains full authority to select all Plan investments and investment managers. LFA will consider information provided by Sponsor about the Plan when assisting with or making recommendations about the Plan's IPS. It is important that information provided by Sponsor be complete, accurate, and current. Changes in the information will impact what assistance or recommendations may be made so it is important that LFA be accurately and timely informed of any information that may be relevant to the Plan.

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

discretion over Plan assets. Each is free to make his or her own investment decisions. No one is required to accept any assistance or follow any recommendations provided as part of the Retirement Plan Services. If the Plan adopts LFA's recommendations regarding the allocation or rebalancing among model portfolios or recommendation of investment managers, the responsible Sponsor or Plan participant or beneficiary can freely change allocations or managers. LFA uses and may provide to Sponsor data or information provided by third parties when providing Retirement Plan Services. While LFA reasonably believes that the information or data it receives from these third parties is reliable, it does not promise that it is accurate, current, or consistently available. Sponsor is responsible for all tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a Plan receiving the Retirement Plan Services.

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

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

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### **CLIENT ADVISORY FEES**

Some of the TAMP programs described in this Brochure charge an "all-inclusive" bundled fee based on the value of the assets in your account. This bundled fee usually includes a portfolio management fee, transaction, trading, and execution costs, and investment advice and is sometimes referred to as a "wrap fee." However, this bundled fee does not include costs associated with transactions that are executed at broker-dealers other than the one at which your account is held. Transactions executed at broker-dealers other than the one at which your account is held are sometimes called "step-out" trades and are described further below. Fees vary depending on which programs and services you use. Fees are billed either in arrears (*i.e.*, following the completion of the applicable billing period) or in advance (*i.e.*, at the beginning of the applicable billing period) depending on the program you select and the terms of your client agreement and other account-opening documentation. Fees typically are charged either monthly or quarterly, as specified in your account-opening documentation, based on the assets held within your account for services including, but not limited to, ongoing investment advice, investment selection and recommendations, asset allocation, execution of transactions (depending on the program you are in), custody of securities, and account reporting services. In some programs, the fees a client pays are based upon the market value of the assets held in the client's account as of the last business day of the preceding calendar quarter. In other programs, the fee is calculated based on the average daily balance of the account in the preceding quarter. LFA's advisory fees generally are negotiable. Some programs charge an "unbundled" fee in which case the client will pay separate fees for asset management services, transaction, trading, and execution services, and investment advice. Applicable fees, costs, and expenses are described in detail in the applicable program's Form ADV, Part 2A and in the applicable client agreement and other account-opening documentation, and the client should refer to those documents for each of the programs described in this Brochure for a detailed description of, among other things, applicable fees, costs, and expenses, fee calculation methodologies, and termination provisions.

In programs that use portfolio managers, a portion of the total fee up to 1.50% of assets under management will be paid to the portfolio manager for their services. The amount varies by program and by manager and is described in detail in the Form ADV, Part 2A and account-opening documentation of the applicable program and/or portfolio manager.

A client agreement to which LFA is a party may generally be terminated at any time, by either party, for any reason on 30 days written notice. Upon termination, and unless otherwise specified in the applicable client agreement, any prepaid,

unearned fees will be refunded to the client, and any unpaid fees will be due to LFA and/or the other parties to the agreement. Specific termination provisions vary by TAMP program, and we strongly encourage you to read the applicable client agreement carefully before entering into any such agreement.

Depending on the program, investment advisory fees may be negotiable and will usually be debited from the client's account by the program's custodian. If the client terminates participation in a program for which fees are charged in advance, the client will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after termination, unless otherwise specified in the client agreement. The applicable client agreement and related account-opening documentation contains a detailed description of the methodology used in calculating account fees and applicable reimbursements.

Fees charged vary by office and by IAR. Certain IARs provide comparable or identical services for fees that are different from those charged by other IARs. In all instances, IARs are only permitted to charge fees within a range set by LFA and/or the program sponsor.

The following is fee information specific to some of the more frequently used programs and services discussed in this Brochure, however, this description is not binding on the TAMP sponsors or programs, and clients should always refer to the program-specific disclosures, agreements, and account-opening documents for the TAMP program and/or investment program used by the client for definitive information regarding the fees, costs, and expenses they will pay.

### **SEI Program Fees and Compensation**

The advisory fees that IARs charge in connection with the SEI programs and strategies are flexible and are based on the schedule below, which is established by LFA. In no event will all asset-based fees and charges to the client (including those charged by LFA, IAR, SEI, and specific managers, but excluding internal expenses of mutual funds) exceed 3% per annum.

<b><u>Portfolio Value</u></b>	<b><u>Maximum LFA Advisory Fee</u></b>
Up to \$500,000	2.00%
Next \$500,000	1.75%
Next \$1 million	1.50%
Over \$2 million	1.25%

The advisory fee is negotiable and is payable either monthly or quarterly in arrears (*i.e.*, following the completion of the applicable billing period) as described in the client's investment advisory agreement. All advisory fees are deducted from the account pursuant to the SEI client agreement unless other arrangements have been made in writing. All such fees and charges are clearly noted on client statements issued by SEI. LFA and IARs, in connection with the performance of their respective services, are entitled to and share in the advisory fees payable by the client.

In certain circumstances, LFA assesses an annual administrative fee of up to 0.05% (5 basis points) on program assets. In the event such an administrative fee is assessed in connection with your account, it is separately disclosed in the fee schedule attached to the client agreement and is not shared with or paid to the IAR.

Please carefully review the account opening paperwork provided by SEI, including, but not limited to, the SEI client agreement, related fee schedules, and SIMC's Form ADV, Part 2A, for more information about the charges and fees imposed by SEI, SEI's affiliates, and specific money managers.

The client agreement may be terminated by any of the parties to the agreement by provision of written notice to the other parties. Upon termination, any unearned fees will be refunded to the client. Any fees accrued but not yet assessed to the account will be assessed prior to the termination of the agreement.

Each mutual fund has its own fees, costs, and expenses, including, but not limited to, management fees, 12b-1 fees, sub-transfer agency fees, other shareholder servicing expenses, custodial expenses, legal expenses, accounting expenses, transfer agent expenses, administrative expenses, and other operating expenses, which are disclosed in the prospectus of each fund. In addition, each fund will incur portfolio management costs, primarily in the form of brokerage commissions, as it buys and sells securities within the fund's portfolio. These costs are generally described in each fund's prospectus or statement



of additional information. Although these fees are not liquidated from client accounts and therefore may be less “visible,” it is important to recognize that these fees represent costs incurred by the client. Detailed information regarding charges and fees assessed by the SEI Funds is provided in the applicable fund’s prospectus.

The client may make additions to, or withdrawals from, the SEI account upon notice to the IAR and subject to the terms of the client agreement. If at any time the account assets are less than the minimum account size originally specified, the client agreement may be subject to termination. The SEI account is designed as a long-term investment vehicle and asset withdrawals may impair the achievement of the client’s investment objectives.

LFA receives additional compensation from SEI for its promotional, marketing, and educational efforts for SEI’s programs and cash and non-cash payments from SEI for meetings, training, and support of education and marketing initiatives. This presents a conflict of interest for LFA as LFA has a financial incentive to recommend the SEI program over other available programs that provide LFA relatively lower or no additional compensation. We mitigate this conflict of interest by disclosing it to you, not sharing any marketing support payments from SEI with the IARs that recommend products or services for your account, and requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. For additional information, please see the “Compensation for the Sale of Securities” section of this Brochure found below and the marketing support disclosures available on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures.

Clients can potentially pay more for services in SEI’s asset management programs than if they purchased similar services separately. The fees for these programs can potentially be higher than investment advisory fees charged by SEI or LFA to other clients for similar or identical services. The amount of compensation received by LFA can potentially be more than what it would receive if the client used other available programs or paid separately for SEI’s services. Therefore, LFA has a conflict of interest given its financial incentive to recommend SEI over other available programs and services for which it receives relatively lower or no compensation. We mitigate this conflict of interest by disclosing it to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

For more information on the SEI program and the investment solutions offered by SEI, including the services SEI provides, applicable investment minimums, the fees, costs, and expenses you will incur, and SEI’s and its affiliates’ conflicts of interest, please refer to the SIMC disclosure brochure, which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **AssetMark Program Fees and Compensation**

For AssetMark programs, the client will pay an ongoing investment management fee (“Management Fee”) that varies by program, which includes a maximum fee of 1.35% payable to LFA. LFA’s portion of the Management Fee is negotiable and varies among clients. The Management Fee is calculated and billed quarterly in advance (*i.e.*, at the beginning of the applicable billing period) based on the value of the assets in the client’s account on the last day of the previous calendar quarter. For new accounts, the Management Fee is prorated when the account is opened for the rest of the quarter. The custodian bills the client’s account for the Management Fee, keeps its portion for custodial services, and pays the rest of the Management Fee to AssetMark, who then pays LFA and any portfolio advisers and service providers. LFA keeps part of the Management Fee and pays a portion to the IAR.

LFA assesses an annual administrative fee of up to 0.05% (5 basis points) on assets in the AssetMark program. In the event such an administrative fee is assessed in connection with your account, it is separately disclosed in the fee schedule attached to the client agreement and is not shared with or paid to the IAR.

Please carefully review the account-opening paperwork provided by AssetMark, including, but not limited to, the AssetMark client agreement, related fee schedules, and AssetMark’s Form ADV, Part 2A, for more information about the charges and fees imposed by AssetMark.

LFA receives additional compensation from AssetMark for its promotional, marketing, and educational efforts for AssetMark’s programs and cash and non-cash payments from AssetMark for meetings, training, and support of education and marketing initiatives. This presents a conflict of interest for LFA as LFA has a financial incentive to recommend the

AssetMark program over other available programs that provide LFA relatively lower or no additional compensation. We mitigate this conflict by disclosing it to you, not sharing any marketing support payments from AssetMark with the IARs that recommend products or services for your account, and requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. For additional information, please see the “Compensation for the Sale of Securities” section of this Brochure found below and the marketing support disclosures available on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures.

Clients can potentially pay more for services in AssetMark’s asset management programs than if they purchased similar services separately. The fees for these programs can potentially be higher than investment advisory fees charged by AssetMark or LFA to other clients for similar or identical services. The amount of compensation received by LFA can potentially be more than what it would receive if the client used other available programs or paid separately for AssetMark’s services. Therefore, LFA has a conflict of interest given its financial incentive to recommend AssetMark over other available programs and services for which it receives relatively lower or no compensation. We mitigate this conflict of interest by disclosing it to you and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

For more information on the AssetMark program and the investment solutions offered by AssetMark, including the services AssetMark provides, applicable investment minimums, the fees, costs, and expenses you will incur, and AssetMark’s and its affiliates’ conflicts of interest, please refer to the AssetMark disclosure brochure, which is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Morningstar Program Fees and Compensation**

Fees for the Morningstar<sup>®</sup> Managed Portfolios Program are paid quarterly in arrears (*i.e.*, following the completion of the applicable billing period) based on the average account value during the quarter. MIS is paid for its investment advisory services as a percentage of assets. MIS delegates certain services to LFA, such as assisting each client in completing a questionnaire and other account opening forms, conducting suitability and best interest reviews, contacting the client at least annually to identify any changes in their financial situation, and acting as liaison between MIS and the client. For these services, LFA receives a portion of the annual fee paid by the client. LFA’s portion of the fee will not be more than 1.10% annually. Clearing and custody charges associated with the account are disclosed to the client by the applicable broker-dealer.

Please carefully review the account opening paperwork provided by MIS, including, but not limited to, the MIS client agreement, related fee schedules, and MIS’s Form ADV, Part 2A, as well as all applicable custodial paperwork, for detailed information about the charges and fees imposed by MIS and the applicable custodian and clearing firm.

LFA receives additional compensation from MIS for its promotional, marketing, and educational efforts for MIS’s programs and cash and non-cash payments from MIS for meetings, training, and support of education and marketing initiatives. This presents a conflict of interest for LFA as LFA has a financial incentive to recommend the MIS program over other available programs that provide LFA relatively lower or no additional compensation. We mitigate this conflict of interest by disclosing it to you, not sharing any marketing support payments from MIS with the IARs that recommend products or services for your account, and requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. For additional information, please see the “Compensation for the Sale of Securities” section of this Brochure found below and the marketing support disclosures available on LFA’s website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures.

Clients can potentially pay more or less for services in MIS’s asset management programs than if you purchased similar services separately. The fees for these programs can potentially be higher than investment advisory fees charged by MIS or LFA to other clients for similar or identical services. The amount of compensation received by LFA can potentially be more than what it would receive if the client used other available programs or paid separately for MIS’s services. Therefore, LFA has a conflict of interest given its financial incentive to recommend MIS over other available programs and services for which it receives relatively lower or no compensation. We mitigate this conflict of interest by disclosing it to you and by

requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

For more information on the Morningstar® Managed Portfolios Program and the investment solutions offered by MIS, including the services MIS provides, applicable investment minimums, the fees, costs, and expenses you will incur, and MIS's and its affiliates' conflicts of interest, please refer to the MIS disclosure brochure, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Solicitor Program Fees and Compensation**

As part of the solicitation services LFA previously provided and currently provides in very limited circumstances, LFA and the IARs receive referral fees for referring clients to TAMPs and investment managers, which are generally referred to as "Solicitor Fees." In most cases, Solicitor Fees are calculated as a percentage of the client assets that the TAMP or other investment adviser manages; however, there are instances where the Solicitor Fees are determined in some other fashion. LFA's Solicitor Fee usually is negotiable, and typically ranges between 25% and 100% of the total investment advisory fee paid by the client. Solicitor Fees are disclosed to clients and prospective clients as and when required by the Advisers Act and the rules and regulations thereunder.

While LFA has generally stopped offering TAMP programs to new clients through solicitor arrangements, LFA receives Solicitor Fees for accounts that were referred to TAMPs under terminated solicitor arrangements and for accounts opened with TAMPs and investment managers that LFA currently offers through solicitor or similar referral arrangements in very limited circumstances. Please see your account-opening documentation for additional information.

### **RETIREMENT PLAN CONSULTING SERVICES**

Fees for the Retirement Plan Services are negotiable. The Sponsor may be charged a fee based on a percentage of Plan assets, an hourly rate, or a flat dollar amount. The Sponsor may decide whether to pay the fees directly or may authorize the Plan's recordkeeper or custodian to pay LFA from Plan assets. If fees are to be charged on an ongoing basis, they will be billed either monthly or quarterly in arrears (*i.e.*, following the completion of the applicable billing period). If the fee is not hourly, the initial fee will be prorated based upon the number of days remaining in the initial quarterly period from the date of execution or effective date of the Agreement, unless other arrangements are agreed to by the Sponsor. If the fee is based on a percentage of Plan assets, the initial fee will be based upon the market value of the Plan assets at the close of business on the last business day of the initial quarterly period, based on the average daily balance of Plan assets, or as otherwise calculated by the recordkeeper used by the Plan.

Thereafter, the quarterly portion of any annual asset-based fees will be based upon the market value of the Plan assets at the close of business on the last business day of the previous calendar month or quarter (without adjustment for anticipated withdrawals by Plan participants or beneficiaries or other anticipated or scheduled transfers or distributions of assets), based on the average daily balance of Plan assets, or as otherwise calculated by the recordkeeper. If the Agreement is terminated prior to the end of a quarter, LFA will be entitled to a fee, prorated for the number of days in the period prior to the effective date of termination, or as otherwise calculated by the recordkeeper. Sponsors receiving Retirement Plan Services can potentially pay more than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more, including, but not limited to, the size of the Plan, the specific investments made by the Plan, the number of locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by LFA, the fees charged can potentially be more than those of other similar service providers. All fees paid to LFA for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, and other securities and investment products to their shareholders. Those fees and expenses are described in each security's and investment product's prospectus, and will include, where applicable, management fees, 12b-1 fees, sub-transfer agency fees, other shareholder servicing expenses, custodial expenses, legal expenses, accounting expenses, transfer agent expenses, administrative expenses, and other operating expenses. If the security or other investment product also imposes sales charges, a client will pay an initial or deferred sales charge where applicable. The Retirement Plan Services provided by LFA are designed to, among other things, assist the client in determining which investment managers are most appropriate to each client's financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees

charged by the funds, the investment manager, the Plan's other service providers and the fees charged by LFA to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

## **OTHER CLIENT FEES AND EXPENSES**

In addition to the program fees and transaction, trading, execution, and brokerage service charges noted previously, clients will incur applicable fees, costs, and expenses imposed by third parties in connection with the investments made through their program accounts. These fees, costs, and expenses that clients will incur, when applicable, include, but are not limited to: the internal expenses of money market mutual funds (including those used as cash sweep vehicles) and other mutual funds, including, but not limited to, management fees, 12b-1 fees, sub-transfer agency fees, other shareholder servicing expenses, custodial expenses, legal expenses, accounting expenses, transfer agent expenses, administrative expenses, and other operating expenses; mutual fund networking fees; deferred sales charges on previously purchased mutual fund shares transferred into a program account; other transaction charges and service fees; and other charges permitted or required by law. LFA receives all or a portion of certain of these fees and, as such, LFA has a conflict of interest given its financial incentive to recommend that you use products, share classes, and strategies that provide LFA the highest rate and amount of compensation, rather than other available products, share classes, and strategies that provide LFA relatively lower or no compensation. We mitigate this conflict of interest by disclosing it to you, crediting your account for 12b-1 fees that we receive as broker-dealer of record from money market and other mutual funds held in your account, not sharing any of these revenues with the IARs that recommend transactions or strategies for your account, and by requiring that there be a review of your account at account opening and periodically to determine whether it is suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. However, because LFA does not serve as the broker-dealer of record for client accounts invested in TAMP programs, LFA and IARs do not credit client accounts for any 12b-1 fees clients incur as a result of money market and other mutual fund holdings in their TAMP program accounts. **Clients should not assume that the broker-dealer of record on their TAMP accounts will credit their TAMP accounts for any 12b-1 fees they incur in connection with money market mutual funds or other mutual funds held in their TAMP accounts.** Further information regarding the various fees, costs, and expenses charged by a money market mutual fund or other mutual fund, ETF, annuity, or other security or investment product is available in the applicable prospectus or other offering documents. For complete fee details, including account fee schedules and a list of transaction, trading, execution, and brokerage service charges, please see your client agreement and the supporting documentation you received in connection with the program, including prospectuses for mutual funds and other investment products.

In one of the Pacific programs called the Managed Strategists Program, client portfolios are invested solely in the RiskPro Funds, a group of mutual funds managed by an affiliate of Pacific. In this program, LFA receives annual fees of 0.75% for assets held in the program. This fee is offset in its entirety by the receipt by LFA of an annualized total of 0.75% of revenue from Pacific and the RiskPro Funds. The revenues paid to LFA are as follows: 0.25% annualized fee paid by the RiskPro Funds as a 12b-1 fee; 0.25% annualized fee paid by the RiskPro Funds as a shareholder services fee; and 0.25% annualized fee paid by Pacific from its own resources. Since the fees payable to LFA from the Managed Strategists Program are offset in their entirety by these other sources of revenue, no fee for LFA is liquidated from the client's account in this program. The fees payable to LFA and the offsetting arrangement described above is described in more detail in Pacific's Form ADV, Part 2A and in the investment management agreement and disclosure statement signed by the client specific to the Managed Strategists Program. The 12b-1 fees that LFA receives in connection with this arrangement are not credited back to client accounts by LFA and clients will incur the full amount of such 12b-1 fees.

A client can invest in mutual funds and other securities and investment products directly, without the services of LFA or an IAR. In that case, the client will not receive the services provided by LFA or the IAR, which are designed, among other things, to assist the client in determining on an ongoing basis which mutual funds or other investments are suitable for and in the best interest of the client given the client's investment objectives, financial circumstances, and other characteristics. Accordingly, the client should review both the fees charged and expenses incurred by the mutual funds and other securities and investment products and the fees charged and services provided by LFA and the IAR to understand the total amount of fees to be paid by the client and thereby evaluate the services being provided.

In addition to program fees, other fees, costs, and expenses that will be charged to the client include, where applicable, transaction, trading, and execution charges; brokerage service charges; dealer mark-ups and mark-downs (*i.e.*, adjustments to your purchase or sale price above or below the current market price of the applicable security); costs associated with the purchase, holding, and sale of money market and other mutual funds; odd-lot differentials; exchange fees; regulatory fees;

auction fees; transfer taxes; costs associated with “step-out” portfolio transactions executed away from your custodian and clearing firm; electronic fund and wire transfer fees; SEC fees; other charges mandated by law; and custodial fees, record keeping fees, and reporting fees charged to IRAs and other retirement plan accounts.

Transaction, trading, and execution fees will apply as and when described in the investment advisory account-opening documentation and advisory services agreement for your particular TAMP program.

## **MARGIN AND SECURITIES BACKED LINE OF CREDIT**

To the extent the TAMP sponsor offers the ability to take a margin loan or a securities-backed line of credit (“SBLOC”) in connection with your TAMP account, LFA and your IAR have a conflict of interest in recommending that you use margin loans and SBLOCs since their asset-based advisory fees are generally charged on your total account value, without deducting the balance of any outstanding margin loan or SBLOC. For example, if LFA and your IAR recommend that you utilize a margin loan to purchase securities, the full value of those securities generally will be subject to LFA’s and your IAR’s asset-based advisory fees, which will increase the compensation they will receive from you and increase your overall expenses. Similarly, LFA and your IAR have a conflict of interest in recommending that you use margin loans and SBLOCs for liquidity purposes rather than liquidating your holdings or using other sources of liquidity. This is true because LFA and your IAR will financially benefit from your margin loan or SBLOC because you don’t have to liquidate assets in your account to pay for things with cash, which would diminish the assets held in the account and the asset-based advisory fees that would be earned by LFA and your IAR from holding and engaging in future transactions with those assets. For example, by encouraging you to take out a margin loan or an SBLOC to fund a purchase or financial need rather than liquidate securities or withdraw cash from your accounts, LFA and your IAR generally will continue to earn asset-based advisory fees on your full account value, without deducting the balance of your outstanding margin loan or SBLOC. However, your IAR receives no other compensation, fees, or incentives related to your decision to use a margin loan or an SBLOC or maintain a margin loan or SBLOC balance.

## **STEP-OUT TRADING**

Investment managers that have the discretion to execute “step-out” trades away from the broker-dealer associated with your investment advisory program or wrap fee program may do so for a variety of reasons consistent with obtaining an optimal combination of price and service for the client. A “step-out” trade occurs in some instances when an investment manager purchases equity securities, fixed-income securities, derivatives (e.g., options), thinly-traded securities, illiquid securities, ETFs, or other securities from a different broker-dealer or the broker or dealer selling the securities to obtain a more favorable price or because the particular security is not available through the broker-dealer associated with your investment advisory program or wrap fee program. In other instances, an investment manager may “step-out” trades for investment advisory or wrap program clients in a “block” with the investment manager’s other clients and execute that block with another broker-dealer to buy or sell a security in a large quantity and/or at an attractive price, to obtain specialized services offered by that broker-dealer, or for other reasons listed in such investment manager’s Form ADV disclosure brochure. When including investment advisory program or wrap program clients in such a block, depending on the arrangement agreed to with the third-party manager, the executing broker-dealer may elect to not impose any separate charge for the transaction, or may add a separate charge on the transaction that will be borne by the investment advisory program or wrap program client that is in addition to the program fee paid by the client. The additional charge may appear as a separate charge on the client’s custodial statement, but typically is embedded in the listed price of the security on the client’s statement. In this situation, the client will incur trading costs in addition to the program fee described above. Neither LFA nor the IAR will receive any additional compensation in connection with costs incurred due to step-out trading.

When step-out trading occurs through broker-dealers whose fees are not assumed within the program fee, the client incurs additional transaction, trading, and execution fees in addition to any program fees. Any additional transaction, trading, and execution costs will increase the client’s cost and negatively impact investment performance. However, a step-out trade can potentially allow the manager to achieve a better price execution.

In some instances, stepped-out trades are executed by the other firm without any additional markup or markdown (*i.e.*, an adjustment to your purchase or sale price above or below the current market price of the applicable security), but in other instances, the executing firm will impose a markup or markdown on the trade. If trades are placed with a firm that imposes an additional charge on the trade, including a charge that may be embedded in the price of the security, the client will incur

trading costs in addition to the program fee the client pays and described above. Please see Item 12, Brokerage Practices, below for further information regarding these practices.

Further information regarding the frequency of third-party advisers' utilization of step-out trades and a general description of the additional costs related to step-out trades can be found on our website at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv). If you have any questions regarding this information or step-out trading in your account and related costs, please contact your IAR.

Where LFA is the broker-dealer of record on program accounts, LFA acts as a broker for transactions in program accounts and establishes, controls, and charges transaction, trading, execution, and brokerage service charges as described in the LFA Fee Schedule to, among other things, defray its costs associated with trade execution and related services and to compensate it for the various services it provides as your broker-dealer. When LFA serves as the broker-dealer on your program account, LFA has a duty to ensure that its transaction, trading, and execution charges are reasonable in light of LFA's best execution responsibilities. LFA utilizes NFS for several services related to some advisory accounts, including clearance and execution services, through a fully-disclosed clearing agreement. LFA generally sets its transaction, trading, execution, and brokerage service charges at amounts and rates that are higher than the related fees, costs, and expenses, if any, that LFA pays to NFS for clearance and execution of transactions and related services. For certain charges imposed by LFA (e.g., charges related to the transfer of clients' non-retirement account assets to another firm, or "ACAT Exit Fees"), LFA pays no related fees, costs, or expenses to NFS. These are sometimes called "markups" and they vary by product, the type of service provided, the nature and amount of transactions involved (if applicable), the type of accounts, and other factors. This practice generally will result in your payment of higher fees, costs, and expenses than you would otherwise pay to NFS or other available service providers (e.g., on margin loans, cash debits, and SBLOCs and for transaction, trading, execution, and brokerage service charges) and your receipt of lower interest rates and other payments than you would otherwise receive from NFS or other available service providers (e.g., on FCASH balances, short positions, and cash balances in accounts not selecting a cash sweep vehicle).

As a result, these transaction, trading, execution, and brokerage service charges are a significant source of revenue and profit for LFA and LFA has a conflict of interest given its financial incentive to: (i) recommend itself as the broker-dealer of record and NFS as the custodian for your account (rather than other available broker-dealers and custodians), which enables LFA to establish, control, and charge these fees; (ii) exercise its discretion to set the amounts and rates of these charges at levels that generate the highest possible revenue and profit for LFA, which will result in correspondingly higher expenses for you; (iii) recommend specific products, share classes, transactions, and other activities that result in LFA's receipt of the highest rate and amount of these charges, rather than other available products, share classes, transactions, and activities that generate relatively lower or no charges for LFA and would result in correspondingly lower expenses for you; and (iv) recommend that you frequently transact in products and share classes, and frequently engage in transactions and activities, that generate the highest rate and amount of these charges for LFA. For example, because transaction, trading, and execution fees, costs, and expenses vary depending on the type of mutual fund (e.g., transaction fee ("TF") mutual funds versus no transaction fee ("NTF") mutual funds) or other security or investment product being purchased or sold, LFA earns more from, and has a financial incentive to recommend, transactions involving securities and other investment products with the highest transaction, trading, and execution charges, which will result in higher expenses for you, rather than other available securities and investment products with relatively lower or no transaction, trading, and execution charges. LFA mitigates these conflicts of interest by disclosing them to you; providing you with the LFA Fee Schedule, which discloses the amount and rate of transaction, trading, execution, and brokerage service charges you will incur for your account, the services you receive, and the securities and other investment products you purchase, hold, and sell in your account; not sharing any transaction, trading, execution, or brokerage service charges with the IARs that recommend products, share classes, transactions, strategies, or services for your account; and by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. However, it is important to note that LFA is not the broker-dealer of record on client accounts invested in TAMP programs and therefore LFA does not assess or receive transaction, trading, execution, or brokerage service charges as mentioned above related to client accounts in TAMP programs.

When acting as the broker-dealer of record on your account, LFA is responsible for and performs a number of broker-dealer functions and services with respect to your account and any securities transactions therein. LFA's responsibilities include, but are not limited to: collecting, verifying and maintaining documentation about you and your account; approval and acceptance of your account; reviewing and supervising activities, including trading activities, within your account;

reviewing and either accepting or rejecting any transactions within your account; transmission of all orders with respect to your account; supervision of all orders and accounts, including maintaining compliance with best interest standards and regulatory requirements, as applicable; and ensuring that any mutual fund orders are in compliance with the terms of the applicable prospectus. LFA maintains substantial operational, compliance, and technology resources in support of its broker-dealer operations necessary to provide these and other services in connection with your account and any transactions effected in your account.

## MUTUAL FUND CATEGORIES AND SHARE CLASSES

When you purchase a money market or other mutual fund that includes as 12b-1 fee as part of its expense ratio, as disclosed in the mutual fund's prospectus, you will indirectly incur the expense of that 12b-1 fee. Mutual fund share classes that pay 12b-1 fees typically have higher internal expenses than other available share classes that do not incur 12b-1 fees. However, in many cases 12b-1 fee paying mutual fund share classes do not incur transaction fees when executing a trade at the clearing firm. These higher internal expenses, including 12b-1 fees, are assessed to investors who purchase and hold higher internal expense mutual fund share classes. In certain circumstances, these higher internal expense mutual fund share classes will cost you more overall than other available mutual fund share classes that assess a transaction charge but have lower internal expenses. Other mutual fund share classes that have lower internal expenses and do not pay 12b-1 fees are available; however, depending on the particular fund, those share classes may incur transaction fees with any purchase or sale. Each share class has eligibility standards as described in the mutual fund's prospectus or statement of additional information.

**As a general matter, clients should not assume that they are always invested in the share class with the lowest internal expenses or costs. Please contact your IAR for more information about share class eligibility, transaction costs, and internal mutual fund expenses, including 12b-1 fees, and please review your mutual fund's prospectus for further information related to the fund's expenses and other important matters.**

For investment advisory accounts, LFA credits client accounts for 12b-1 fees that LFA receives as broker-dealer of record from money market and other mutual funds held in client accounts, which reduces the net cost to the client by the amount credited. However, because LFA does not serve as the broker-dealer of record for client accounts invested in TAMP programs, LFA and IARs do not credit client accounts for any 12b-1 fees clients incur as a result of money market and other mutual fund holdings in their TAMP program accounts. **Clients should not assume that the broker-dealer of record on their TAMP accounts will credit their TAMP accounts for any 12b-1 fees they incur in connection with money market mutual funds or other mutual funds held in their TAMP accounts. Clients should also not assume that the TAMP sponsor will credit their TAMP account for any other ancillary fees, including investment management fees, received by the TAMP and that clients incur in connection with money market mutual funds or other mutual funds held in their TAMP accounts.**

Many mutual funds offer multiple share classes that represent the same underlying investments, but have different fees and expenses (including, but not limited to, 12b-1 fees) and differ in their availability for investment based upon certain eligibility requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A (including load-waived A shares), B, and C shares), many mutual funds offer institutional share classes or other share classes that are specifically designed for purchase in accounts enrolled in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in investment advisory programs usually have lower expense ratios than other share classes. However, these share classes usually have higher transaction costs and may have certain eligibility criteria as described in the mutual fund's prospectus or statement of additional information.

**As a general matter, clients should not assume that their assets will always be invested in the share class with the lowest possible expense ratio. The sponsor or investment manager for your TAMP account and your IAR may recommend, select, or have your account hold a mutual fund share class that charges higher internal expenses than other available share classes for the same fund.**

The TAMP program sponsor's, investment manager's, or IAR's assessment of the appropriate share class is based on a range of different considerations, including, but not limited to: whether transaction charges are applied to the purchase or sale of the particular mutual fund or share class; your anticipated level of trading activity in the mutual fund or share class; your anticipated holding period for the mutual fund or share class; the asset-based advisory fee charged for your account; the overall cost structure of the advisory program; operational considerations associated with accessing or offering particular

share classes (including the presence of selling agreements with the mutual fund sponsors and the ability to access particular share classes through the custodian); and share class eligibility requirements. The factors considered, and the weighting of the importance of each of these factors, varies among the TAMP program sponsors, investment managers, and IARs. The transaction costs and advisory program cost structure are determined by your broker-dealer and the TAMP program sponsor and LFA, respectively, and are determined based on factors such as the availability of cost sharing, 12b-1 distribution fees, shareholder servicing fees, and other compensation associated with offering a particular class of shares.

In selecting or recommending particular mutual fund share classes, TAMP program sponsors, investment managers, and IARs may (but are not required to) consider the overall costs and expenses associated with providing ongoing advice and services to the client. Accordingly, the advisory fees that are charged on an account or in the aggregate at the client relationship level may take into consideration the mutual fund share classes in which clients are invested. Clients that are invested in institutional share classes could have higher advisory fees and be assessed higher transaction charges and surcharges for the purchase and sale of mutual funds. Conversely, clients that are invested in retail share classes could be charged lower advisory fees, have lower transaction charges, and receive 12b-1 credits or other fee offsets to reduce the impact of being invested in a share class with higher internal expenses. Clients that prefer or request that transaction charges be minimized or avoided will be invested in share classes with higher internal expenses but lower or no transaction-based charges (such as NTF mutual funds). The higher internal expenses charged to clients who hold higher internal expense share classes, including NTF mutual funds, will adversely affect the performance of their account when compared to other available share classes of the same funds that assess lower internal expenses. Please contact your IAR and/or the TAMP sponsor for more information about share class eligibility, transaction costs, and internal mutual fund expenses, and please review your mutual fund's prospectus for further information related to the fund's expenses and other important matters.

## **CUSTODIAN AND CLEARING FIRM RELATIONSHIPS**

LFA has a conflict of interest given its financial incentive to select or recommend NFS as the custodian for client accounts, increase or maintain the amount of client assets held with NFS, and maintain its relationship with NFS given the compensation that LFA and its affiliates receive through their custody and clearing arrangements with NFS. For example, in addition to the various revenue streams described above, under the clearing agreement between LFA and NFS, LFA receives annual business development credits from NFS during the term of the clearing relationship, has received non-recurring business development credits from NFS, and is required to make certain payments to NFS if LFA's clearing relationship with NFS is terminated for specified reasons or if LFA fails to maintain specified levels of client assets with NFS. Additionally, LFA receives reimbursements for account transfer costs associated with client account transfers into NFS that represent new assets for NFS. LFA's receipt of these business development credits and account transfer cost reimbursements, as well as its receipt of the various other revenue streams described herein, presents a conflict of interest for LFA given its financial incentive to: (i) select NFS as the custodian for client accounts, rather than other available custodians and clearing firms through which LFA receives relatively lower or no business development credits, account transfer cost reimbursements, and other compensation and (ii) recommend that clients transfer assets to, and increase their assets held with, NFS, rather than other available custodians that provide LFA relatively lower or no business development credits, account transfer cost reimbursements, and other compensation. Additionally, account transfer cost credits are not offered or available to all new clients transferring their assets to NFS. This creates a conflict of interest for the IAR because he or she selects which clients, if any, receive the benefit of the account transfer cost reimbursements. We mitigate these conflicts by disclosing them to you, attempting to ensure that any account transfer cost reimbursements provided to clients are directly proportional to the actual costs incurred by the clients in transferring their accounts to NFS, and by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. However, it is important to note that LFA does not have the ability to select or recommend a particular custodian or clearing firm for client accounts invested in TAMP programs and therefore LFA does not receive any of the business development credits, account transfer cost reimbursements, or other compensation mentioned above as it relates to client accounts in TAMP programs.

Through its clearing relationship with NFS, LFA receives various revenue streams, including, but not limited to: 12b-1 fees on certain Fidelity money market funds used by clients as cash sweep vehicles; revenue sharing payments from NFS based upon clients' cash sweep balances held in NFS's taxable interest bearing cash option, FCASH; interest payments from NFS based upon a portion of the aggregate short market value of clients' accounts; a portion of the interest rate clients pay on margin loans; a portion of the interest rate clients pay on cash debits in their accounts; interest on cash balances in client



accounts that have not selected a cash sweep option; a portion of the interest rate clients pay on NFS SBLOCs; all or a portion of the transaction, trading, execution, and brokerage service charges established, controlled, and charged by LFA and disclosed in the LFA Fee Schedule; annual and other business development credits, as described above; and account transfer cost credits, as described above. LFA's receipt of these and other revenue streams through its clearing relationship with NFS supports and defrays the costs LFA has related to the ongoing operational and administrative maintenance of client accounts and compensates LFA for the various services it provides in its role as broker-dealer of record and/or program sponsor for such client accounts. LFA's receipt of these revenue streams is a factor that LFA considers when selecting a custodian and clearing firm, such as NFS, for its programs and client accounts. This presents a conflict of interest for LFA given LFA's financial incentive to select custodians and clearing firms like NFS through which LFA will receive the highest rate and amount of revenue, rather than other available custodians and clearing firms through which LFA will receive relatively lower or no revenue. Additionally, this presents a conflict of interest for LFA given LFA's financial incentive to recommend itself as your broker-dealer of record (rather than other available broker-dealers), which affords LFA the discretion to set the amounts and rates of many of the charges that result in these revenue streams in a manner that generates the highest possible revenue to LFA. For example, when LFA serves as your broker-dealer of record, LFA generally exercises its discretion to set these charges at amounts and rates that are higher than the related fees, costs, and expenses, if any, that LFA pays to NFS for clearance and execution of transactions and related services. For certain charges imposed by LFA (e.g., ACAT Exit Fees), LFA pays no related fees, costs, or expenses to NFS. These are sometimes called "markups" and they vary by product, the type of service provided, the nature and amount of transactions involved (if applicable), the type of accounts, and other factors. This practice generally will result in your payment of higher fees, costs, and expenses than you would otherwise pay to NFS or other available service providers (e.g., on margin loans, cash debits, and SBLOCs and for transaction, trading, execution, and brokerage service charges) and your receipt of lower interest rates and other payments than you would otherwise receive from NFS or other available service providers (e.g., on FCASH balances, short positions, and cash balances in accounts not selecting a cash sweep vehicle). We mitigate these conflicts of interest by disclosing them to you, crediting your account for 12b-1 fees that we receive as broker-dealer of record from money market and other mutual funds held in your account, ensuring the revenue LFA receives from these sources is not shared with the IARs providing investment advisory services and investment recommendations to you and your account, and by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. However, it is important to note that LFA does not have the ability to select or recommend a particular custodian or clearing firm for client accounts invested in TAMP programs and therefore LFA is not receiving any of the revenue mentioned above as it relates to client accounts in TAMP programs, nor does it credit clients' TAMP accounts for 12b-1 fees clients incur.

LFA has arrangements with NFS and other custodians under which LFA provides the custodians with certain services, which vary by custodian. These services generally include, but are not limited to, (i) clerical assistance in completing account opening paperwork and opening client accounts, (ii) clerical assistance in maintaining client accounts, processing asset transfers and money movement, (iii) reconciling and assisting in updating client account information, (iv) clerical assistance in connection with client questions and account information research, (v) helping clients with using brokerage and account services such as periodic investment programs and check writing services, (vi) notifying custodian of certain customer complaints, and (vii) monitoring activity in client accounts.

## **COMPENSATION FOR THE SALE OF SECURITIES**

Clients have the option to purchase securities and other investment products recommended by LFA and the IARs through other brokers or agents that are not affiliated with LFA. Commissions and other compensation for the sale of securities and other investment products provide other sources of compensation for LFA and many of the IARs.

If any of the Lincoln Financial Group companies or an unaffiliated company acts as an issuer, underwriter, distributor, or adviser with respect to a product or program sold to clients, LFA and its affiliates earn compensation from such sale. In addition, these products and programs contain charges and commissions payable to the IARs involved. LFA and the IARs also receive incentive awards for the sale of investment products, and LFA and the IAR will receive 12b-1 distribution fees and/or other payments from investment companies in connection with the investment of client assets in LFA brokerage accounts.

Depending on which products and services you purchase and use, you will receive materials that disclose important information, such as product prospectuses, client service agreements, SISs, applications, and disclosure brochures. You should read and evaluate this information carefully and contact your IAR with any questions.

LFA has agreements with many mutual fund families, AI sponsors, insurance companies, TAMP sponsors, Strategists, and other counterparties (collectively, “sponsors”) under which sponsors provide additional compensation, sometimes called “marketing support,” to LFA. These marketing support payments subsidize the cost of educational programs and marketing activities that are designed to help facilitate the utilization of these sponsors’ programs, products, and services and to make our IARs more knowledgeable about these sponsors’ programs, products, and services. In addition, these payments allow these sponsors’ representatives to attend and participate in LFA conferences where IARs are present, one-on-one marketing meetings, and due diligence presentations. In some cases, these payments also compensate LFA for administrative services it provides in connection with the sponsors’ product offerings. The method, timing, rate, and amount of these marketing support payments vary by sponsor, program, product, share class, asset class, investment strategy, and service, but marketing support payments typically are paid using one or more of the following methodologies: payment of a percentage of each sale (or of the premium paid on annuities and insurance products); payment of a flat amount per sales transaction; payment of an annual fee based on a percentage of total LFA client assets held with the sponsor; and/or payment of a flat annual fee. Payment rates and amounts vary by sponsor, but, as of the date of this Brochure, sponsors generally pay LFA: up to 1.5% of the gross amount of each sale (or of the premium paid on annuities and insurance products); up to \$250 per sales transaction; up to 0.15% annually of total LFA client assets held with the sponsor; and/or flat annual fees that do not exceed \$1,900,000 annually. Accordingly, with respect to the arrangements where payments are based on a percentage of each sale (or of the premium paid on annuities and insurance products), a flat amount per sales transaction, or total client assets held with the sponsor, the payments LFA receives will increase with the amount of client assets placed with the sponsor.

In addition to the marketing support payments that LFA receives through the formal marketing support arrangements described above, sponsors, including, but not limited to, those that have formal marketing support arrangements with LFA, make flat dollar payments to LFA from time to time. These payments are not made as part of any formalized agreement, but rather for specific activities, including, but not limited to, exhibit booth space, presentation opportunities at LFA meetings or similar events, attendance at conferences, educational events for IARs, and participation in other training and educational events. Some sponsors also reimburse LFA and, indirectly, IARs for certain expenses in connection with due diligence meetings, training and educational events, seminars that offer educational opportunities for clients, and similar events. Some sponsors also provide LFA and IARs with nominal gifts and gratuities, including, but not limited to, merchandise bearing the brand or logo of the sponsor.

The marketing support payments LFA receives from sponsors create financial incentives for LFA that result in conflicts of interest for LFA. In particular, LFA has a conflict of interest given its financial incentive to include the sponsors, programs, products, share classes, and services that make marketing support payments to LFA on LFA’s platform and to recommend that you utilize sponsors, programs, products, share classes, and services that make such payments to LFA, rather than sponsors, programs, products, share classes, and services that do not make such payments to LFA. In addition, LFA has a financial incentive to include the sponsors, programs, products, share classes, and services that make the highest rate and amount of marketing support payments to LFA on LFA’s platform and to recommend that you utilize those sponsors, programs, products, share classes, and services, rather than sponsors, programs, products, share classes, and services that make relatively lower or no marketing support payments to LFA. Additionally, certain sponsors make marketing support payments to LFA only in connection with certain programs, products, share classes, asset classes, investment strategies, and services (and not others that are available), and certain sponsors pay LFA more or less marketing support depending on the particular program, product, share class, asset class, investment strategy, or service used. Given these facts, LFA has a conflict of interest given its financial incentive to recommend that you use the programs, products, share classes, asset classes, investment strategies, and services that generate the highest rate and amount of marketing support payments to LFA, rather than other available programs, products, share classes, asset classes, investment strategies, and services that generate relatively lower or no marketing support payments to LFA. Further, LFA limits the third-party variable annuities and fixed indexed annuities that are available through LFA to those offered by sponsors that make marketing support payments to LFA. As a result, LFA and IARs cannot recommend variable annuities or fixed indexed annuities from third-party sponsors that do not make these payments to LFA and that could potentially cost you less overall and otherwise be in your best interest. This presents a conflict of interest for LFA and IARs given their financial incentive to recommend the variable annuities and fixed indexed annuities that are available through LFA’s platform. LFA mitigates these conflicts of interest by disclosing them to you, not sharing any marketing support payments with the IARs that recommend sponsors,

programs, products, share classes, asset classes, investment strategies, or services for your account, and requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

You should be aware that there are sponsors, programs, products, share classes, asset classes, investment strategies, and services available through LFA that do not pay LFA any marketing support payments and therefore are likely to be less expensive for you to use than sponsors, programs, products, share classes, asset classes, investment strategies, and services that do make such payments to LFA.

For up-to-date information regarding LFA's marketing support arrangements, including a list of sponsors with which LFA has formal marketing support arrangements, a description of the revenue LFA receives, and LFA's related conflicts of interest, please see the marketing support disclosures available on LFA's website at [www.lfa-sagemark.com](http://www.lfa-sagemark.com) under My accounts—Disclosures. Please review these marketing support disclosures in detail and discuss any questions you may have with your IAR.

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

## **IAR COMPENSATION**

Some IARs receive additional compensation and benefits (including, but not limited to, quarterly payments from LFA based on a percentage of the aggregate Sponsor Fees paid by their clients (sometimes referred to as "AUM discounts") and educational and other opportunities) for reaching certain levels of assets under management in LFA's investment advisory programs and certain other benefits (including, but not limited to, recognition trips) for generating a certain amount of revenue in investment advisory fees, commissions, or both within a certain time period, typically one year. Clients are not charged any additional fees due to these circumstances. However, IARs' receipt of additional compensation and benefits presents a conflict of interest for IARs that has the potential to affect IARs' judgment and the recommendations and selections they make for you and your accounts. In particular, these forms of compensation and benefits incentivize your IAR to recommend that you bring your assets from another firm to LFA, increase the amount of assets in your account, and purchase products and services through LFA. We mitigate this conflict of interest by disclosing it to you and by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

Most IARs can recommend annuities, model portfolios, and other products that are managed and/or sold by Lincoln Financial Group companies, including, but not limited to, LNL and Lincoln Life & Annuity Company of New York ("LLANY"), provided that the recommendations are suitable and in the client's best interest given the client's investment objectives, financial circumstances, and other characteristics. IARs, LFA, and other Lincoln Financial Group companies will profit when LFA clients purchase or use Lincoln Financial Group products as a result of IARs' recommendations. This presents a conflict of interest as LFA and the IARs have a financial incentive to recommend products based on the compensation they and their affiliates receive, rather than on a client's needs. We mitigate this conflict of interest by disclosing it to you and by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

In some cases, IARs receive more compensation when placing Lincoln Financial Group manufactured products and qualify for additional compensation based on the volume of those sales over time. IARs also receive additional compensation and other incentives based on factors including sales volume of certain Lincoln Financial Group products, the length of time that clients keep assets in the products, and the profitability of the products. IARs also receive compensation based on the sales of Lincoln Financial Group products by other representatives. Some IARs participate in benefit programs whose costs are partially reimbursed by Lincoln Financial Group affiliates, and/or which are based on sales volume of Lincoln Financial Group products. LFA-affiliated companies also benefit financially from the sale of Lincoln Financial Group life insurance,

annuity, mutual fund, asset management, and other products offered by IARs. These arrangements present conflicts of interest for LFA and IARs as they create financial incentives for LFA and IARs to recommend products for which they and their affiliates receive the highest rate and amount of compensation and other benefits, rather than other available products for which they and their affiliates receive relatively lower or no compensation and benefits. We mitigate this conflict of interest by disclosing it to you and attempting to ensure that IARs' and LFA registered representatives' recommendations are in your best interest, including by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. Because of the way products are priced and marketed, in certain circumstances, IARs will receive higher compensation for the sale of products offered by companies not affiliated with Lincoln Financial Group. In these circumstances, IARs have a conflict of interest given their financial incentive to recommend these other products.

Certain IARs who move their practices to LFA receive significant loans from LFA to help facilitate their transition from a prior firm to LFA. These loans are based on a percentage of the revenue earned, compensation received, or assets serviced or managed by the IAR at his or her prior firm. LFA makes these loans to IARs at interest rates and on other terms that are more favorable than IARs would be able to obtain from other lenders. Depending on the arrangement between LFA and the IAR, the repayment of these loans is fully or partly forgiven or waived by LFA when the IAR reaches specified sales or revenue generation levels or when the IAR has been affiliated with LFA for a specified length of time. With respect to loans that are forgiven or waived by LFA based on sales or revenue generation, certain loans are forgiven or waived by LFA based on the IAR's total sales and revenue generation across all products and services offered through LFA, including both Lincoln Financial Group and non-Lincoln Financial Group products and services, while other loans are forgiven or waived by LFA based solely upon the IAR's accumulation of assets in LFA's Premier investment advisory programs or sale of other proprietary Lincoln Financial Group products and services. In certain circumstances, loan forgiveness and waivers are also funded by additional compensation for sales and revenue generation. These forgivable loan arrangements create conflicts of interest for the IAR because he or she has an additional financial incentive to remain affiliated with LFA until his or her outstanding loan balance is forgiven or waived by LFA; encourage clients to engage LFA to provide services and, in particular, those services that result in the forgiveness or waiver of his or her outstanding loan balance, rather than other available services (*e.g.*, an IAR may recommend that a client select an LFA investment advisory account relationship over a broker-dealer account relationship in order for the IAR to earn additional loan forgiveness based on his or her accumulation of assets in LFA's Premier investment advisory programs); encourage clients to purchase products and services through LFA and, in particular, those products and services that result in the forgiveness or waiver of his or her outstanding loan balance, rather than other available products and services; and otherwise achieve specified levels of sales or revenue generation that will result in the forgiveness or waiver of his or her outstanding loan balance, which has the potential to impact the account-type, product, and service recommendations and selections the IAR makes for you and your account. LFA has revised its production-based forgivable loan program to implement new required controls and policies. These controls and policies attempt to ensure that the loan amount provided to any IAR is not disproportionate to the IAR's applicable production and compensation amounts earned historically. Additionally, the amount that is forgiven in any one year of the term of the loan is capped, unless an exception is granted. This structure and approach attempt to avoid unduly influencing an IAR to have significant disproportionate production or compensation earned in any given year to attempt to receive a large windfall in having large outstanding loan amounts forgiven. Please see your IAR's Form ADV, Part 2B for additional information regarding any forgivable loans they have outstanding with LFA.

The conflicts of interest arising from the IAR compensation arrangements described above are mitigated by the fact that LFA, LNL, and their affiliated companies have designed and implemented reasonable policies and procedures to help ensure that IARs make recommendations, including account-type recommendations, and provide advice that is suitable for and in the best interest of their clients in compliance with applicable best interest requirements and fiduciary obligations. In particular, LFA mitigates these conflicts by requiring that there be a review of your account and transactions at account opening and periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics. In addition, LFA maintains a supervisory system that includes conducting periodic supervisory and compliance inspections and audits related to the advice and recommendations being provided by IARs.

#### **Item 6: Performance-Based Fees and Side-By-Side Management**

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

## **Item 7: Types of Clients**

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LFA generally provides investment advisory services to individuals, high net worth individuals, pension and profit-sharing plans, charitable organizations, corporations and other businesses, and state or municipal government entities.

Requirements for opening and maintaining an account, such as minimum account size, are summarized above in the description for each advisory program or service, if applicable, and are detailed in the applicable TAMP sponsor's or advisory program's Form ADV, Part 2A disclosure brochure, which you receive at account opening and is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

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### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

IARs perform analyses for asset management programs, which are provided to clients. These analyses rely on research reports and information provided by third parties who are contracted to provide such information. IARs consult with their clients to develop an investment strategy for the client. The methods of analysis and investment strategies will vary based upon the individual IAR providing the advice. Where applicable, IARs have the ability to use a holistic approach in managing multiple accounts to a client's objectives and risk tolerance and for tax efficiency. LFA has tools that IARs can utilize in this regard or IARs may use their own expertise in making recommendations to address those concerns.

Each IAR may develop specific investment strategies that may include investing in multiple or single asset classes, model portfolios, or some other distinct investment strategy. Other IARs may take a more customized approach to management of client accounts. Each IAR is primarily responsible for making and implementing recommendations for investment managers, strategies, and in some cases, security selection, for a client account within the investment guidelines of the particular program through which the client invests. The availability of investment strategies and securities and the applicability of investment limitations vary depending on a client's particular IAR.

LFA researches, selects, and reviews on an ongoing basis the third-party advisory programs that are offered through LFA. LFA uses information provided by the third-party advisory program sponsor and may also use independent, third-party data sources when evaluating a third-party advisory program. As with any investment strategy, asset allocation, model, or investment portfolio, past performance is no guarantee of future performance. In addition, forecasts of future performance of financial markets may prove to be incorrect. Diversification helps you spread risk throughout your investment portfolio. Different asset classes have different risk and potential return profiles and they perform differently in different market conditions. Diversification alone will not guarantee a profit or protect against a loss. LFA does not independently audit the historical performance published by third-party investment managers. Clients are strongly encouraged to carefully review the third-party investment manager's disclosures regarding prior performance to determine the relevance of the prior performance to the client's account.

For all asset management programs used by LFA, the specific security analysis methods, sources of information, and investment strategies depend upon and are determined by the applicable third-party asset managers. For additional information regarding the methods of analysis and investment strategies of particular third-party managers, please refer to the Form ADV, Part 2A for the particular manager, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **RISK OF LOSS**

Investments made and the actions taken for client accounts are subject to various material risks, including market, liquidity, currency, economic, and political risks, among others, and will not necessarily be profitable. In addition, there are material risks associated with the securities and other investment products in which you can invest, including, but not limited to, mutual funds, ETFs, interval funds, options, AIs, and annuities. Before investing, clients should refer to the prospectus or other applicable offering documents of those particular securities and investment products for a discussion of material risk factors applicable to those particular securities and investment products and clients' investments therein. Investing in securities involves risk of loss that clients should be prepared to bear. Clients should understand that all investments involve material risk, that investment performance can never be predicted or guaranteed, and that the value of client accounts will fluctuate due to market conditions and other factors. Clients are assuming the material risks involved with investing in

securities and could lose all or a portion of the amount held in their account. The performance of accounts managed by different IARs will often vary greatly. Past performance is not a guarantee of future results.

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

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LFA is a registered broker-dealer and investment adviser. LFA and certain of its financial professionals have been the subject of legal and disciplinary events relating to their brokerage and investment advisory businesses. However, LFA does not view these events as being material to a client's evaluation of LFA's advisory business or the integrity of its management. Additional information regarding LFA's and its financial professionals' legal and disciplinary histories can be found in Part 1 of LFA's Form ADV, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), and on the Financial Industry Regulatory Authority, Inc.'s BrokerCheck website at <https://brokercheck.finra.org/>.

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

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In addition to LFA's registration as an investment adviser, LFA is also registered as a broker-dealer and sells stocks, bonds, ETFs, mutual funds, annuities, insurance products, options, and other securities, investment products, and services. IARs are also generally registered representatives of LFA. Some of LFA's executive officers are also officers of LNL and LLANY. The proportion of time spent on each of these activities cannot be readily determined.

LFA is affiliated with the following companies due to common ownership by LNC:

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

LFA and IARs have various conflicts of interest and financial incentives that are created as a result of compensation and other arrangements between IARs, LFA, and LFA's affiliates. These conflicts of interest and the steps LFA takes to mitigate them are described above in Item 5, Fees and Compensation.

LFA periodically recommends or selects other investment advisers for clients and LFA receives compensation directly or indirectly from those investment advisers, which is shared with IARs. This creates a conflict of interest for LFA and the IARs given their financial incentive to recommend or select other investment advisers that pay them the highest rate and amount of compensation, rather than other available investment advisers that pay them relatively lower or no compensation. These conflicts of interest and the steps LFA takes to mitigate them are described above in Item 5, Fees and Compensation.

LFA and your IAR can earn more compensation if you invest through a program described in this Brochure than if you open a brokerage account to buy individual mutual funds or other securities. However, in a brokerage account, you would not receive all the benefits of the programs described in this Brochure, such as ongoing investment advice and portfolio management. Additionally, LFA will receive more compensation, and IARs can negotiate higher fees for their services, in connection with a client's participation in certain investment programs than others. Therefore, IARs and LFA have a conflict of interest given their financial incentive to recommend one of the programs described in this Brochure, rather than other available programs and services that would result in relatively lower or no compensation to LFA and the IARs. Additionally, LFA and IARs have a conflict of interest given their financial incentive to recommend the specific investment programs for which they can negotiate and receive the highest rate and amount of compensation. The decision to invest in an advisory program is solely that of the client. Clients are provided a full description of the services provided in, and fees applicable to, each advisory program. We also require that there be a review of your account and transactions at account opening and

periodically to determine whether they are suitable and in your best interest in light of your investment objectives, financial circumstances, and other characteristics.

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

### **CODE OF ETHICS**

LFA has adopted an Investment Adviser Code of Ethics (the “Code”) and all IARs and “access persons” (as defined under the Advisers Act) are required to understand and follow its provisions. Through the Code, LFA strives to ensure high standards of professional excellence and ethical conduct among its associates. The Code is aligned with Lincoln Financial Group’s long-standing shared values of: Integrity, Commitment of Excellence, Responsibility, Respect, Fairness, Diversity, and Employee Ownership. LFA will provide a copy of the Code to any client or prospective client upon request. If you would like a copy of the Code, please call (800) 237-3813 or send an email request to [LFNAdvisoryServices@lfg.com](mailto:LFNAdvisoryServices@lfg.com).

### **SECURITIES IN WHICH LFA HAS A FINANCIAL INTEREST**

LFA engages in principal transactions mainly involving debt securities. When doing so, these securities are recommended to LFA’s clients on a fully disclosed basis and are conducted on a “riskless transaction” basis. Under these circumstances, LFA buys or sells securities it recommends to its clients as a principal. All of this information is fully disclosed to clients through trade confirmations.

### **PERSONAL SECURITIES TRADING**

LFA, the IARs, and other associated persons have the ability to buy and sell securities identical to those recommended to clients for their personal accounts. Moreover, the IARs can purchase and sell securities and take other actions for their own accounts, and can recommend the purchase and sale of securities and other actions for others’ accounts, that differ from the advice given or actions taken in providing advisory services to you. In addition, any related person may have an interest or position in certain securities which may also be recommended to clients. This creates a conflict of interest in that IARs have a financial incentive to put their own interests ahead of clients’ interests. Personal securities transactions by IARs are recorded and monitored by LFA.

## **Item 12: Brokerage Practices**

The brokerage practices for the advisory services discussed in this Brochure vary depending on the particular program or service. Because LFA and the IARs do not have the discretion or authority to select broker-dealers or execute transactions for the advisory services and programs discussed in this Brochure, LFA does not have the opportunity to aggregate orders for the purchase or sale of securities for various client accounts.

Although LFA and the IARs may recommend or assist clients in selecting particular advisory programs, neither LFA nor the IARs have the discretion or authority to select broker-dealers for the third-party investment advisory programs discussed in this Brochure. The brokerage practices that are applicable to a particular third-party advisory program are established by the sponsor of that program. In general, the third-party managers have discretion to select brokers through which to execute transactions in client accounts. In many cases, such third-party managers will require that client accounts trade through a particular broker-dealer, and those broker-dealers will frequently be affiliated with the sponsor of the program. In other cases, these third-party managers may permit clients to direct that the manager place all client transactions through a particular broker-dealer of the client’s choosing.

By directing brokerage to a particular broker, clients may be unable to achieve the most favorable execution of transactions because the third-party investment manager will not be responsible for negotiating commission rates or selecting broker-dealers. In addition, transactions for the client’s advisory account may not be “bunched” or aggregated with orders for other accounts managed by the third-party investment manager. As a result, directed brokerage may result in higher commissions or less favorable net prices that will cost the client more money. In addition, if the cost of brokerage commissions is included in the applicable program fee, clients that direct trades to another broker-dealer may incur a separate brokerage charge that is in addition to the program fee. For more information about the brokerage practices of a particular third-party manager or program, clients should refer to the Form ADV, Part 2A for the particular adviser.

Brokerage arrangements for the solicitor and referral programs discussed above will also vary by program or service. Please refer to the Form ADV, Part 2A or other disclosure and account opening documents for each referred adviser or manager for details.

## STEP-OUT TRADING

As discussed in Item 5, Fees and Compensation, investment managers that have the discretion to execute “step-out” trades with broker-dealers other than the broker-dealer associated with your investment advisory program or wrap fee program will incur additional transaction, trading, or execution fees that client will pay as a result of a step-out trade. Additional transaction, trading, and execution fees resulting from “step-out” trades will increase the client’s cost and negatively impact investment performance. However, a step-out trade can potentially allow the investment manager to achieve better price execution. In addition, some investment managers do not pass the additional fees or costs on to the client.

Some third-party investment advisory programs described in this Brochure charge an “all-inclusive” bundled fee based on assets under management. Any all-inclusive bundled or wrap fee amounts charged by the third-party manager or sponsor cover brokerage execution at no additional charge for trades executed with that third-party manager’s clearing firm. The “all-inclusive” bundled wrap fees do not cover charges resulting from “step-out” trades effected with broker-dealers that are not associated with that third-party manager’s investment advisory program or wrap fee program. The third-party managers and sponsors described in this Brochure are generally free to consider their own clearing firm’s trading capability versus other brokers’ trading capabilities as part of their own best-execution responsibilities and obligations as investment advisers and sponsors to these investment advisory programs.

A “step-out” trade occurs in some instances when an investment manager purchases equity securities, fixed-income securities, derivatives (*e.g.*, options), thinly-traded securities, illiquid securities, ETFs, or other securities from a different broker-dealer or the broker or dealer selling the securities to obtain a more favorable price or because the particular security is not available through the broker-dealer associated with your investment advisory program or wrap fee program. In other instances, a “step-out” trade occurs when the investment manager executes a single trade for multiple clients by aggregating orders into a single “block.” A “block” trade can potentially provide the client with a better overall price and/or return because a single order can potentially result in better execution versus placing multiple separate orders. When an investment manager executes a “block” order, that investment manager is seeking to obtain the best-execution and best price. Aggregating transactions into a single trade can potentially afford the investment manager more control over the execution of the trade, including potentially avoiding an adverse effect on the price of the security that could result from effecting a series of separate, successive, and/or competing small trades with multiple broker-dealers or clearing firms.

LFA anticipates that most trades will be placed through the relevant third-party investment manager’s own clearing firm for execution because of their execution capabilities and because the all-inclusive bundled wrap fee charged by the third-party investment manager in certain programs covers trade charges only when trades are executed through their own clearing firm. However, third-party managers may from time to time believe they are able to obtain better execution utilizing step-out trades. Additionally, certain third-party managers have historically utilized step-out trades for a significant portion, if not all, of their trades in certain strategies (including, but not limited to, certain fixed-income, options, and ETF strategies) and likely will continue to do so in the future. As a result, clients utilizing these third-party managers’ strategies will incur all additional fees, costs, and expenses resulting from such step-out trades, which will increase their overall cost of participation in the program.

Further information regarding the frequency of third-party advisers’ utilization of step-out trades and a general description of the additional costs related to step-out trades can be found on our website at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv). If you have any questions regarding this information or step-out trading in your account and related costs, please contact your IAR.

In placing orders for the purchase and sale of securities and directing brokerage to affect these transactions, the third-party investment adviser’s primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable. In doing so, the third-party investment adviser considers a number of factors, including, without limitation, the overall direct net economic result to the client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other matters involved in the receipt of brokerage services.



As noted in Item 5, Fees and Compensation, investment managers have the discretion to utilize a step-out trade in circumstances including, but not limited to, those involving: equity securities, fixed-income securities, derivatives (*e.g.*, options), thinly traded securities, illiquid securities, and ETFs. Investment managers may decide to “step-out” for a variety of reasons, such as obtaining an optimal combination of price and service to the client along with satisfying the investment manager’s best execution obligation.

## **BEST EXECUTION**

In placing orders for the purchase and sale of securities and directing brokerage to effect these transactions, an investment manager’s primary objective is to obtain the best qualitative execution for clients in each client transaction so that the client’s cost per transaction is the optimal combination of price and service considering all relevant factors, including, but not limited to, the type of security, timeliness of execution, efficiency of execution, and other relevant considerations. As such, an investment manager may choose to execute “step-out” trades as discussed above and in Item 5, Fees and Compensation.

Further information regarding the frequency of third-party investment advisers’ utilization of step-out trades and a general description of the additional costs related to step-out trades can be found on our website at [www.lfg.com/public/individual/adv](http://www.lfg.com/public/individual/adv). If you have any questions regarding this information or step-out trading in your account and related costs, please contact your IAR.

LFA and the IARs have no discretion or authority with respect to the selection of broker-dealers for the Retirement Plan Consulting Program.

For additional information on LFA’s and the IARs’ conflicts of interest in connection with their recommendation of a particular advisory program, broker-dealer, or custodian firm, including the compensation arrangements between LFA and other broker-dealers and custodians, please see Item 5, Fees and Compensation, above.

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

Accounts in asset management programs are reviewed periodically as agreed upon by the IAR and client, as transactions occur, or as requested by the client. IARs usually receive quarterly reports of client accounts. These reports are reviewed periodically by LFA and/or the IAR and are reviewed with the client during annual reviews or as part of other meetings and discussions between the IAR and the client. Clients in asset management programs receive confirmations from the broker-dealer holding the accounts as activity occurs and/or monthly statements of account activity. The custodians for asset management programs provide written reports directly to clients at least quarterly.

When acting in a solicitor capacity, neither LFA nor the IARs are responsible for evaluating, monitoring, or overseeing a third-party adviser’s management of a client account once a referral has been made. In addition, LFA does not provide ongoing monitoring of clients participating in its Retirement Plan Consulting Program.

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

For a description of economic benefits received by LFA and IARs from entities who are not clients, LFA’s and IARs’ conflicts of interest as a result of their receipt of those economic benefits, and how LFA mitigates those conflicts of interest, please see Item 5, Fees and Compensation, above.

## **CLIENT REFERRAL AND SOLICITATION RELATIONSHIPS**

Clients are obtained primarily through the efforts of IARs. However, various third parties refer clients to, and solicit clients on behalf of, LFA and IARs. LFA and IARs pay referral fees to certain of these third-parties as compensation for their client referral and solicitation services. The referral fees that LFA and IARs pay to these third-parties are typically contingent on referred clients entering into an investment advisory relationship with LFA, and are typically a stated percentage of the financial planning, consulting, seminar, or ongoing advisory fees that the referred client pays to LFA. Advisory fees paid by referred clients are agreed to by the referred client and are fully disclosed in their client service agreement, SIS, and other account-opening documents and disclosures, regardless of any referral fees LFA or IARs pay to the third party. In certain circumstances, LFA and IARs pay through alternative fee arrangements, including through flat fees per client referral,

monthly fees for participation in referral programs, or other fee structures. LFA's client referral and solicitation practices are subject to, and conducted in accordance with, applicable Advisers Act rules.

Third parties that have compensated client referral or solicitation arrangements with LFA and its IARs have a conflict of interest given their financial incentive to refer you to LFA and its IARs and to recommend that you engage LFA and its IARs for services, rather than other available service providers that pay these third parties relatively lower or no compensation for their client referrals and solicitations.

## **OTHER COMPENSATION**

LFA and IARs receive various economic benefits from third parties, including those detailed in Item 5, Fees and Compensation, above.

If a client needs certain types of products or services that are not offered by or through LFA, LFA and IARs may refer the client to various third parties that offer the necessary products or services. Examples of these products and services include business valuation services, foundation formation services, tax services, trustee services, certain wealth management services, lending services, and certain insurance products and services. LFA and IARs receive referral fees from certain of these third parties to whom clients are referred. This presents a conflict of interest for LFA and its IARs given their financial incentive to refer clients to third-party product and service providers that pay LFA and IARs the highest rate and amount of referral fees and other compensation, rather than other available third-party product and service providers that pay LFA and IARs relatively lower or no referral fees or other compensation.

### **Item 15: Custody**

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LFA generally does not provide custodial services for client assets and all client accounts are required to be held with a qualified custodian. Clients will receive account statements from the broker-dealer or other qualified custodian that holds their accounts, and clients should carefully review these statements. It is important to compare the information on these statements with reports you receive from LFA and your IAR. Please note that there may be minor variations in these reports due to calculation methods. If you have any questions, please contact your IAR.

LFA and the IARs generally do not take possession of client funds or securities. However, in certain asset management programs, clients have authorized LFA to deduct advisory fees from their accounts. While LFA and the IARs do not accept authority to take possession of client assets, this level of account access is considered "custody" under Advisers Act rules. Additionally, LFA allows clients to grant authority to their IARs to initiate transfers of funds and securities on the client's behalf, including transfers to third parties, through standing written authorizations or instructions. The SEC has determined that this capability is also considered "custody" under Advisers Act rules.

### **Item 16: Investment Discretion**

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LFA generally provides investment management services on a non-discretionary basis, meaning that LFA obtains client authorization before entering any buy or sell orders in client accounts. As mentioned previously, specific to the various TAMP programs described in this Brochure, the TAMP sponsors and/or investment managers themselves will generally have discretionary trading and investment authority over client accounts. The client will usually appoint the TAMP program sponsor and/or the investment manager selected as their attorney-in-fact and delegate discretionary trading authority to that party. That allows the TAMP program sponsor and/or selected manager to buy and sell securities in the client's account without prior approval from the client for each transaction. In some other investment management programs offered by LFA, including the Premier Plus Program and Premier Unified Portfolio, certain IARs are authorized by LFA to have discretion on client accounts in the form of a limited trading authorization, where written trading authorization is provided by the client. Additionally, client may grant LFA discretionary trading authority for certain program options in the Premier Strategist Program.

LFA does not accept discretionary authority in connection with its Retirement Plan Consulting Program.

**Item 17: Voting Client Securities**

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

**Item 18: Financial Information**

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

Lincoln Financial Advisors Corporation and Lincoln Financial Securities Corporation (both a part of Lincoln Financial Network or LFN) are committed to protecting your privacy. To provide the products and services you expect from a financial services leader, we must collect personal information about you. We do not sell your personal information to third parties. This Notice describes our current privacy practices. While your relationship with us continues, we will update and send our Privacy Practices Notice as required by law. Even after that relationship ends, we will continue to protect your personal information. You do not need take any action because of this Notice, but you do have certain rights as described below.

We are committed to the responsible use of information and protecting individual privacy rights. As such, we look to leading data protection standards to guide our privacy program. These standards include collecting data through fair and lawful means, such as obtaining your consent when appropriate.

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## Information We May Collect And Use

We collect personal information about you to help us identify you as a consumer, our customer or our former customer; to process your requests and transactions; to provide customer service; to offer and provide investments, financial planning and insurance products and services to you; to pay your claim; to analyze in order to enhance our products and services; to tell you about our products or services we believe you may want and use; and as otherwise permitted by law. The type of personal information we collect depends on your relationship and on the products or services you request and may include the following:

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

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## How We Use Your Personal Information

We may share your personal information within our companies and with certain service providers. They use this information to process transactions you, your employer, or your group representative have requested; to provide customer service; to assist us in offering and providing investments, financial planning, and insurance products and services; to analyze in order to evaluate or enhance our products and services; to gain customer insight; to provide education and training to our workforce and customers; and to inform you of products or services we offer that you may find useful. Our service providers may or may not be affiliated with us. They include financial service providers (for example, third party administrators; broker-dealers; insurance agents and brokers, financial professionals; reinsurers and other financial services companies with whom we have joint marketing agreements). Our service providers also include non-financial companies and individuals (for example, consultants; vendors; and companies that perform marketing services on our behalf). Information we obtain from a report prepared by a service provider may be kept by the service provider and shared with other persons; however, we require our service providers to protect your personal information and to use or disclose it only for the work they are performing for us, or as permitted by law. We may execute agreements with our service providers that permit the service provider to process your personal information outside of the United States, when not prohibited by our contracts and permitted by applicable law.

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

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## Security of Information

We have an important responsibility to keep your information safe. We use safeguards to protect your information from unauthorized disclosure. Our employees are authorized to access your information only when they need it to perform their job responsibilities. Employees who have access to your personal information are required to keep it confidential. Employees are required to complete privacy training annually.

## Your Rights Regarding Your Personal Information

This Privacy Notice describes how you can exercise your rights regarding your personal information. Lincoln complies with all applicable laws and regulations regarding the provision of personal information. The rights provided to you in this Privacy Notice will be administered in accordance with your state's specific laws and regulations.

**Access to Personal Information:** You must submit a written request to receive a copy of your personal information. You may see your personal information in person, or you may ask us to send you a copy of your personal information by mail or electronically, whichever you prefer. We will need to verify your identity before we process the request. Within 30 business days of receiving your request, we will, depending on the specific request you make, (1) inform you of the nature and substance of the recorded personal information we have about you; (2) permit you to obtain a copy of your personal information; and (3) provide the identity (if recorded) of persons to whom we disclosed your personal information within two years prior to the request (If this information is not recorded, we will provide you with the names of those insurance institutions, agents, insurance support organizations or other persons to whom such information is normally disclosed). If you request a copy of your information by mail, we may charge you a fee for copying and mailing costs.

**Changes to Personal Information:** If you believe that your personal information is inaccurate or incomplete, you may ask us to correct, amend, or delete the information. Your request must be in writing and must include the reason you are requesting the change. We will respond within 30 business days from the date we receive your request.

If we make changes to your records as a result of your request, we will notify you in writing and we will send the updated information, at your request, to any person who may have received your personal information within the past two years. We will also send the updated information to any insurance support organization that gave us the information and any insurance support organization that systematically received personal information from us within the prior 7 years, unless that support organization no longer maintains your personal information.

If we deny your request to correct, amend or delete your information, we will provide you with the reasons for the denial. You may write to us and concisely describe what you believe our records should say and why you disagree with our denial of your request to correct, amend or delete that information. We will file this communication from you with the disputed information, identify the disputed information if it is disclosed, and provide notice of the disagreement to the persons and in the manner described in the paragraph above.

**Basis for Adverse Underwriting Decision:** You may ask in writing for the specific reasons for an adverse underwriting decision. An adverse underwriting decision is where we decline your application for insurance, offer to insure you at a higher than standard rate, or terminate your coverage.

Your state may provide for additional privacy protections under applicable laws. We will protect your information in accordance with these additional protections.

If you would like to act upon your rights regarding your personal information, please provide your full name, address and telephone number and either email your inquiry to our Data Subject Access Request Team at [DSAR@lfg.com](mailto:DSAR@lfg.com) or mail to: Lincoln Financial Group, Attn: Corporate Privacy Office, 1301 S. Harrison St., Fort Wayne, IN 46802. The [DSAR@lfg.com](mailto:DSAR@lfg.com) email address should only be used for inquiries related to this Privacy Notice. For general account service requests or inquiries, please call 1-877-ASK-LINC.

**When Financial Professionals Leave Lincoln Financial Network:** We understand that the relationship you have with your financial professional is important to you. If your financial professional's affiliation with LFN ends and they choose to move to a different broker-dealer, or if your financial professional's relationship with LFN is terminated, your LFN financial professional may be allowed to take with them copies of all client and account documentation (including but not limited to: account applications; customer statements; and other pertinent forms related to your account), so your financial professional is able to continue the relationship with you and service your account through their new firm. LFN will also retain copies of your client and account documentation. You do not need to take action if you choose to allow your LFN financial professional to keep copies of your confidential information should they leave LFN.

If you do not want your financial professional to keep copies of your confidential information, should they decide to end the relationship with LFN in the future, you have the right to opt out\*. If your account with us is a joint account, we will treat the opt out request by a joint account owner as applying to all owners on the account. If you choose to opt out now, or at any time in the future, or wish to withdraw your opt out request, contact us by phone at 1-800-248-2285. If you choose to opt out there will be a 30-day period before your opt out will take effect.

\*Lincoln adheres to all applicable state and federal privacy regulations. Residents of Arizona, California, Connecticut, Georgia, Maine, Massachusetts, Minnesota, Montana, Nevada, New Mexico, New Jersey, North Carolina, North Dakota, Ohio, Oregon, Vermont, and Virginia will be provided an opportunity to opt in for information sharing per applicable state law. If you reside in one of these states, written authorization must be provided to your financial professional in order for them to take your information when they leave LFN.

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

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

\*\*This Notice is effective 14 calendar days after it is made available on Lincoln's website, [www.LFG.com/privacy](http://www.LFG.com/privacy).