

Strategists

Through the Custom Wealth Advantage Program (“CWA”), Lincoln Financial Securities Corporation (“LFS”) offers its investment advisory clients access to continuous investment management services through a variety of investment programs, including the CWA Strategist Program and CWA Unified Portfolio. Through the CWA Strategist Program and CWA Unified Portfolio, LFS’s clients have access to mutual fund, exchange-traded fund, and other portfolios managed by Envestnet Portfolio Solutions, Inc. or LFS pursuant to the investment recommendations or model portfolios of third-party asset allocation providers (“Strategists”).

LFS offers its clients access to a broad selection of Strategists through the CWA Strategist Program and CWA Unified Portfolio. Some of the Strategists available through the CWA Strategist Program and CWA Unified Portfolio directly compensate LFS for the purpose of marketing their model portfolios, and LFS’s receipt of such compensation gives LFS an incentive to include these Strategists in the CWA Strategist Program and CWA Unified Portfolio and to recommend certain Strategists over other Strategists for which LFS receives less or no compensation. LFS is providing you with this marketing support disclosure so that you are informed about the conflicts of interest associated with our Strategist offerings and recommendations, and we encourage you to contact us with any questions you may have.

LFS’s Direct Marketing Support Arrangements with Strategists

LFS receives additional compensation, sometimes called “marketing support,” directly from certain Strategists available to LFS’s clients through the CWA Strategist Program and CWA Unified Portfolio. Strategists make these payments to LFS out of their or their affiliates’ assets, not from the assets of any investment vehicle included in the Strategists’ model portfolios. These payments therefore will not appear as a fee or expense deducted from your CWA account, or as an item in the expense table disclosure for any investment vehicle included in the Strategists’ model portfolios. These payments vary from Strategist to Strategist, but each Strategist generally pays LFS a flat annual payment that does not exceed \$50,000 annually. Not all Strategists available through the CWA Strategist Program or CWA Unified Portfolio make these payments to LFS and, among those that do, some Strategists pay LFS more than others.

These payments subsidize the cost of educational programs and marketing activities that are designed to help facilitate the utilization of these Strategists’ model portfolios and make our financial professionals more knowledgeable about their model portfolios. In addition, these payments allow Strategists’ representatives to attend and participate in LFS conferences where financial professionals are present, one-on-one marketing meetings, and due diligence presentations.

The Strategists with which LFS has direct marketing support arrangements are:

American Funds
BTS Asset Management, Inc.
Clark Capital

Frontier Asset Management, LLC
Richard Bernstein Advisors LLC

The marketing support payments made by the above Strategists create incentives for LFS that result in conflicts of interest for LFS. In particular, because of these marketing support payments, LFS has an incentive to include these Strategists in the CWA Strategist Program and CWA Unified Portfolio and to recommend that you invest in these Strategists' model portfolios, rather than model portfolios of Strategists that do not make marketing support payments to LFS. In addition, LFS has an incentive to include Strategists that make the highest or relatively higher marketing support payments to LFS in the CWA Strategist Program and CWA Unified Portfolio and to recommend that you invest in those Strategists' model portfolios. LFS addresses these conflicts of interest by: (i) disclosing them to you; (ii) not sharing any of these revenues with the financial professionals that recommend Strategists and model portfolios for your account; (iii) not conditioning or calculating the marketing support provided by any Strategist on any sales, asset levels, or net flows of investments into the Strategist's model portfolios; and (iv) requiring that there be a review of your CWA 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.

Other Marketing Support from Strategists

In addition to the marketing support payments that LFS receives through the formal marketing support arrangements described above, Strategists, including, but not limited to, those that have formal marketing support arrangements with LFS, make flat dollar payments to LFS 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 LFS meetings or similar events, attendance at conferences, educational events for LFS financial professionals, and participation in other training and educational events. Some Strategists also reimburse LFS and, indirectly, its financial professionals for certain expenses in connection with due diligence meetings, training and educational events, seminars that offer educational opportunities for clients, and similar events. Some Strategists also provide LFS and its financial professionals with nominal gifts and gratuities, including, but not limited to, merchandise bearing the brand or logo of the Strategist. For similar reasons as those noted above, these arrangements create incentives for LFS that result in conflicts of interest for LFS. LFS addresses these conflicts of interest by adopting measures similar to those noted above and also by requiring every Strategist, whether or not providing marketing support to LFS through a formal or informal arrangement, including their wholesalers, employees, and agents, to comply with LFS's non-cash compensation policies as they relate to additional payments and compensation, including, but not limited to, marketing support. Strategists must also provide documents or other information to evidence compliance with these policies upon request.

Carefully consider the investment objectives, risks, costs, and expenses of a particular Strategist's model portfolios before investing. Read LFS's applicable Form ADV, Part 2A and the other information provided by LFS and the Strategist you select carefully before investing or sending money. The investment return and principal value of an investment in any Strategist's model portfolios will fluctuate with changes in market conditions so that an LFS client's investment when redeemed may be worth more or less than the original amount invested.