

Strategists

Through the Custom Wealth Advantage Wealth Management Program (“CWA”), Lincoln Financial Securities Corporation (“LFS”) offers investment advisory clients access to ongoing 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 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 marketing their model portfolios. LFS’s receipt of this compensation presents a conflict of interest for LFS given LFS’s financial incentive to include the Strategists that make these payments to LFS in the CWA Strategist Program and CWA Unified Portfolio and to recommend that you use Strategists that make the highest rate and amount of these payments to LFS, rather than other available Strategists that make relatively lower or no payments to LFS. LFS is providing you with this marketing support disclosure so that you are informed about our various conflicts of interest associated with our Strategist offerings and recommendations. We encourage you to contact us or your LFS financial professional with any questions you may have regarding these arrangements, and LFS’s related conflicts of interest, before utilizing Strategists through the CWA Strategist Program or CWA Unified Portfolio.

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. Therefore, these payments 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. The timing and amount of these marketing support payments vary by Strategist, but Strategists typically pay LFS a flat annual fee that does not exceed \$50,000 annually.

These marketing support 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 these 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
Clark Capital

Frontier Asset Management, LLC
Horizon Investments, LLC

You should be aware that there are Strategists available through LFS that do not pay LFS any marketing support payments and therefore are generally less expensive for you to use than Strategists that do make such payments to LFS.

The marketing support payments that LFS receives from the above Strategists create financial incentives for LFS that result in conflicts of interest for LFS. In particular, LFS has a conflict of interest given its financial incentive to include the Strategists that make marketing support payments to LFS in the CWA Strategist Program and CWA Unified Portfolio and to recommend that you use Strategists that make such payments to LFS, rather than other available Strategists that do not make marketing support payments to LFS. In addition, LFS has a financial incentive to include Strategists that make the highest rate and amount of marketing support payments to LFS in the CWA Strategist Program and CWA Unified Portfolio and to recommend that you use those Strategists, rather than other available Strategists that make relatively lower or no marketing support payments to LFS. LFS addresses these conflicts of interest by: (i) disclosing them to you; (ii) not sharing any marketing support payments with the LFS 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 made 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 financial 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.

You should carefully consider the investment objectives, risks, costs, and expenses of a particular Strategist's model portfolios before investing. Please read LFS's applicable Form ADV, Part 2A and the other information provided by LFS and the Strategist you select carefully before investing. Investing in model portfolios entails material risks and clients could close all or a portion of their investment.

For additional information on LFS's various compensation arrangements and related conflicts of interest, please see LFS's Form CRS and Forms ADV, Part 2A, as applicable, which are available at www.lfsecurities.com under My accounts—Disclosures.