

Mutual Fund Products

Mutual funds — portfolios run by professional money managers who invest pooled assets in a variety of stocks, bonds and other securities — offer convenience, liquidity and diversification. Diversification helps lower the risk and volatility generally associated with investing in a limited number of securities. Please Note: Diversification neither ensures a profit nor protects against a loss.

Lincoln Financial Advisors (LFA) offers a broad selection of mutual funds. We believe it is important that our financial planners evaluate these funds and assist you in selecting the funds that help meet your investment needs. Due to the broad selection of mutual funds available for sale, we focus on a select group of some of the largest and most well-known mutual fund families that offer a broad range of investment products.

Mutual funds are offered by prospectus. The prospectus contains complete information on the style of investment objectives a client should expect in addition to the risks, costs and expenses the fund can incur. Our representatives can provide a prospectus of any of the mutual funds available through our firm.

Carefully consider the investment objectives, risks, costs and expenses of an investment company before investing. Read the prospectus carefully before investing or sending money. The investment return and principal value of an investment will fluctuate with changes in market conditions so that an investor's shares when redeemed may be worth more or less than the original amount invested.

Some investment companies whose mutual funds we sell participate in activities that are designed to help facilitate the distribution of their products by making our financial planners more knowledgeable about their funds, such as educational programs and marketing activities including, but not limited to, attendance by fund representatives at LFA conferences, one-on-one marketing meetings and due diligence presentations to our planners.

LFA receives additional compensation, sometimes called marketing support, from many of these funds. These payments are paid out of the fund's distributor's, investment advisor's or other fund affiliate's assets, not from the fund's assets and therefore would not appear as an item in a fund's expense table. None of the payments received by LFA are paid or directed to any financial planner who sells these funds. In addition, LFA planners do not receive a greater or lesser commission for sales of mutual funds for which LFA receives these payments.

The mutual fund families that provide educational and marketing support and make expense reimbursements and other payments described are:

- Aberdeen
- AB Funds
- Allianz Global Investors
- American Beacon
- American Century
- American Funds
- Amundi Pioneer
- BlackRock
- Columbia Threadneedle
- Delaware Investments
- Fidelity Advisor Funds
- First Investors
- Franklin Templeton
- Griffin Capital
- Hartford
- INVESCO
- Janus Henderson
- John Hancock
- JP Morgan
- LoCorr Funds
- Lord, Abbett & Co.
- MFS
- Nuveen
- OppenheimerFunds
- Pacific Life
- PIMCO
- Putnam Investments
- Resource
- Russell Investments
- Sammons Financial
- Stadion Money Management
- Thornburg
- Value Line Funds
- Victory Capital Management
- Voya

While the arrangement with each fund family may vary, each fund family may pay up to 25 basis points (0.25%) of the gross amount of each sale, and/or up to 10 basis points (0.10%) annually of the assets held at the fund family. For example, for a \$10,000 transaction with a participating fund family, LFA would receive a one-time \$25 payment, and/or a \$10 annual payment for the period during which the assets remain at the fund family. Participating fund families may also make additional payments to LFA for attendance at various educational meetings hosted by LFA throughout the year.

In addition to the mutual fund families listed above which have formal marketing support agreements, other mutual fund families may make flat dollar payments to LFA from time to time. These payments are not made as part of any formalized sales based or asset based agreement, but rather for specific activities including but not limited to exhibit booth space or presentation opportunities at LFA national meetings. Mutual fund companies, including wholesalers, employees and agents, must comply with LFA's non-cash compensation policies as they relate to additional payments and compensation, including marketing support. Mutual fund companies must also provide documents or information to evidence compliance upon request.

In addition to sales loads and 12b-1 fees described in the prospectus, NFS or your brokerage firm may receive compensation up to 35 basis points of the average daily net assets of certain mutual funds in connection with your purchase of those mutual funds, and/or the on-going maintenance of your brokerage account with respect to those shares. The compensation is paid by the mutual fund and/or its affiliate. Additional information about the source and amount of the compensation will be furnished to you upon written request.

Additionally, our clearing firm offers "No Transaction Fee" Programs with more than 1,500 no-load funds. Participating mutual fund families pay a fee to National Financial Services, LLC® (NFS) as applicable to participate in these programs, and a portion of this fee is shared with LFA. None of the compensation that is received by LFA is shared directly with our representatives who sell these funds. NFS also offers LFA payments for distribution assistance for assets held in brokerage account sweep money market funds. The payments are based on formulas determined by NFS.