

## Client Retains with Profile Form for Their Records

Lincoln Financial Network (LFN) is the marketing name for the retail sales and financial planning affiliates, Lincoln Financial Securities Corporation (LFS) and Lincoln Financial Advisors Corporation (LFA), which are part of Lincoln Financial Group, a diverse family of companies that offers a broad range of financial services. We are a broker-dealer, a registered investment advisor, and an insurance agency and believe in providing disclosure to our valued clients. Our goal is to provide you information about our policies and practices to ensure that you are comfortable in trusting your financial needs with our firm. Information on our policies regarding privacy, differential compensation, revenue sharing, and business continuity strategy are included below. In addition, information and other disclosures are provided for your convenience to assist you in making informed investment decisions. The disclosures provided are not exhaustive and each investor should consider their own unique circumstances and needs before investing in any security. For further information, fee schedules, order-routing information or other questions contact LFS at [LFSecurities.com](http://LFSecurities.com) or 1-800-843-2007 or LFA at [LFA-Sagemark.com](http://LFA-Sagemark.com) or 1-800-237-3813.

## Privacy Practices Notice

LFN is 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.** We share your personal information with third parties as necessary to provide you with the products or services you request and to administer your business with us. 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. This notice explains our information sharing arrangement and provides information on how to contact us if you have questions regarding our privacy practices.

## Information We May Collect and Use

We collect personal information about you to help us identify you as our customer or our former customer; to process your requests and transactions; to offer investment or insurance services to you; to pay your claim; to analyze in order to enhance our products and services; or to tell you about our products or services we believe you may want and use. The type of personal information we collect depends 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.
- **Information about your transactions:** We keep information about your transactions with us, such as the products you buy from us; the amount you paid for those products; your account balances; and your payment history.
- **Information from outside our family of companies:** If you are 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 purchases group products from us, we may obtain information about you from your employer in order to enroll you in the plan.

## How We Use Your Personal Information

We may share your personal information within our companies and with certain service providers as allowed by law. They use this information to process transactions you have requested; provide customer service; to analyze in order to enhance our products and services; and 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; clearing firms; insurance agents and brokers; registered representatives; 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.

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, 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 share your information with outside marketers who may want to offer you their own products and services; nor do we share information we receive about you from a consumer reporting agency. You do not need to take any action for this benefit.**

## 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 provide you with products, services, or to maintain your accounts. Employees who have access to your personal information are required to keep it confidential. Employees are trained on the importance of data privacy.

## Your Rights Regarding Your Personal Information

**Access:** We want to make sure we have accurate information about you. Upon written request we will tell you, within 30 business days, what personal information we have about you. You may see a copy of your personal information in person or receive a copy by mail, whichever you prefer. We will share with you who provided the information. In some cases, we may provide your medical information to your personal physician. We will not provide you with information we have collected in connection with, or in anticipation of, a claim or legal proceeding. If you request a copy of the information, we may charge you a fee for copying and mailing costs. In very limited circumstances, your request may be denied. You may then request that the denial be reviewed.

**Accuracy of Information:** If you feel the personal information we have about you is inaccurate or incomplete, you may ask us to amend 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. 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 the information within the prior two years. We will also send the updated information to any insurance support organization that gave us the information, and any service provider that received the information within the prior 7 years. If your requested change is denied, we will provide you with reasons for the denial. You may write to request the denial be reviewed. A copy of your request will be kept on file with your personal information so anyone reviewing your information in the future will be aware of your request.

**Accounting of Disclosures:** If applicable, you may request an accounting of disclosures made of your medical information, except for disclosures:

- For purposes of payment activities or company operations;
- To the individual who is the subject of the personal information or to that individual's personal representative;
- To persons involved in your health care;
- For notification for disaster relief purposes;
- For national security or intelligence purposes;
- To law enforcement officials or correctional institutions; or
- For which an authorization is required.

You may request an accounting of disclosures for a time period of less than two years from the date of your request. 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.

## Your Relationship

Your registered representative ("Representative") is engaged in the sale of securities products as a Representative of LFS or LFA (your broker-dealer)

- You have appointed your broker-dealer as your agent for the purpose of buying and selling securities at your direction or at the direction of a properly authorized Representative. As your agent, your broker-dealer is authorized to open or close accounts, place and withdraw orders, and take such steps as are reasonable to carry out such directions.
- Your broker-dealer will recognize only those securities transactions which are executed with its knowledge, control and consent and which are duly reflected on its books and records as broker-dealer related transactions.
- Your broker-dealer shall have the sole discretion to accept your securities orders. Your broker-dealer reserves the right to require a deposit before accepting such security. Your broker-dealer will automatically reject any investment which is not deemed a security or is labeled a non-security.
- If upon the normal course of business your securities account becomes overdrawn, you authorize your broker-dealer to take what it deems necessary action in order to restore the account to a whole position.
- LFS and LFA are an introducing broker-dealer. They do not hold custody of your securities or cash. Your securities or cash are either held by a third-party product issuer, third party investment advisory firm or at a fully disclosed clearing firm. We reserve the right to change clearing firms in the future and will give you appropriate notification and the opportunity to opt out should we change clearing firms. Should you opt out you will most likely need to find a new introducing broker-dealer.

## Services Offered by Your Representative

- Your Representative has been engaged by LFS or LFA solely to make offers to buy or sell approved securities and your Representative has no express, implied or apparent authority to contract otherwise on behalf of LFS or LFA.
- Your Representative will only be empowered to place an order for your account upon your prior direction or authorization, or that of an authorized delegate. Orders inconsistent with the individual financial, investment objectives, and risk exposure information on your Client Profile Form will be deemed to be an automatic amendment of such information.
- Your Representative may offer non-securities products and services outside the scope of his or her registration and control by your broker-dealer, such as: insurance, real-estate brokerage, law, accounting, tax, estate or financial planning. If you chose to engage your Representative as your agent for the provision of such products and services, you shall hold your broker-dealer harmless from any losses which you may incur in the provision of such non-securities products and services.
- Your Representative is licensed to sell securities and/or insurance products on a commission basis. However, in order to effect proper due diligence and suitability in determining whether or not such product sales are warranted, he or she may provide such "financial planning" related services incidental to his or her role as your financial services professional. Such services typically involve advising you and your family regarding the management of your financial resources based upon an analysis of your needs. Your representative may review your present and anticipated assets and liabilities, including insurance, savings, investments as well as your anticipated retirement or other employee benefits.
- Separate, fee-based financial planning and investment advisory services may be offered by your Representative pursuant to the registration and disclosure requirements of the Investment Advisers Act of 1940.
- Should your financial services professional cease to be affiliated with your broker-dealer, certain fee-based advisor-managed accounts will no longer be actively managed. Said accounts may revert to a transaction-based arrangement.

## When Registered Representatives Leave Lincoln Financial Network

We understand that the relationship you have with your registered representative is important to you. If your registered representative's affiliation with Lincoln Financial Network ends and he or she chooses to move to a different broker-dealer, or if your registered representative's relationship with LFN is terminated, your LFN registered representative may be allowed to take with him or her 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 registered representative is able to continue the relationship with you and service your account through his or her new firm. LFN will also retain copies of your client and account documentation. You do not need to take action if it is your choice to allow your LFN registered representative to keep copies of your confidential information should he or she leave our firm.

If you do not want your registered representative to keep copies of your confidential information should he or she decide to end the relationship with Lincoln Financial Network 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; at any time in the future; or wish to withdraw your opt out request, contact us by phone at 1-800-248-2285. If it is your choice to opt out there will be a 30-day period before your opt out will take effect.

If you have questions about your personal information we have on file, your request should be directed to:

Lincoln Financial Network  
Attn: Enterprise Compliance and Ethics  
1300 S. Clinton St.  
Fort Wayne, IN 46802

**Please include all account numbers you maintain with LFN with your correspondence.**

\* Lincoln adheres to all applicable state and federal privacy regulations. Residents of Arizona, California, Georgia, Maine, Massachusetts, Minnesota, Montana, Nevada, New Jersey, North Carolina, Ohio, Oregon, Vermont, and Virginia will be provided an opportunity to opt in for information sharing per applicable state law

\*\*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

## **Differential Compensation**

Our goal is to provide comprehensive financial services and superior products and services irrespective of the potential compensation differential that frequently exists in the pricing of financial products and services. We regularly monitor all products and services offered through the broker-dealer to ensure that they meet our strict quality standards. Your broker-dealer promotes the use of an open architecture platform for the sale of any securities to you. This means that your Representative has access to a broad spectrum of financial products, including customized asset management programs, over 3000 mutual funds, 50 separate account managers and industry-leading insurance and annuity providers, as well as a comprehensive portfolio of stocks, bonds, and alternative investments.

Representatives may act as agents of the companies whose products they sell and may provide services to you on their behalf. Representatives may be compensated by your broker-dealer and/or the product manufacturer via commissions, asset-based fees, and/or other compensation, which may be built into the costs and charges of the product.

In some cases, Representatives receive more compensation when placing Lincoln Financial Group manufactured products and may qualify for additional compensation based on the volume of those sales over time. Representatives are also eligible for additional compensation and/or other incentives based on factors such as sales volume of certain Lincoln products, the length of time that clients keep assets in the products, and/ or the profitability of the products. They may also receive compensation based on the sales of Lincoln products by other agents.

Representatives also have the option to participate in benefit programs whose costs are partially reimbursed by Lincoln affiliates, and/or which are based on sales volume of Lincoln products. Lincoln Financial Group affiliated companies may also benefit financially from the sale of proprietary life insurance, annuity, mutual fund and asset management products offered by our registered representatives.

In addition, some experienced new Representatives transitioning their practices have been offered loans in anticipation of future sales of products and services offered by your broker-dealer, including both Lincoln Financial Group and non-Lincoln Financial Group products and services. Some loans have been offered in anticipation of future sales of Lincoln Financial Group products alone. The repayment of these loans may be wholly or partially waived based on the attainment of certain sales levels.

Depending on which product and/or service you purchase, you may also receive additional materials, which disclose important information, such as product prospectuses, applications, and disclosure brochures.

## **Revenue Sharing and Marketing Support**

Your broker-dealer has relationships with both affiliated and non-affiliated companies that may provide additional revenue and marketing support to our firm as well as education and training to our representatives for the sale of various mutual fund, annuity, life insurance and alternative investment products, advisory platforms, and other investment products. Such revenue and marketing support does not affect the compensation to any registered representative or manager. For current information regarding specific revenue and marketing support, including a list of product sponsors, please visit the LFS client website, [LFSecurities.com](http://LFSecurities.com), or the LFA client website, [LFA-Sagemark.com](http://LFA-Sagemark.com).

## Continuity Plan Summary

Lincoln National Corporation (“LNC”) headquartered in Radnor, PA, is the parent corporation of, among others, The Lincoln National Life Insurance Company, First Penn-Pacific Life Insurance Company, Liberty Life Assurance Company of Boston, and Lincoln Life & Annuity Company of New York. LNC’s subsidiaries have offices located in Atlanta, GA; Concord, NH; Fort Wayne, IN; Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA; Radnor, PA; Rolling Meadows, IL; Dover, NH; and Syracuse, NY. Lincoln Financial Advisors Corporation, Lincoln Financial Distributors, Inc., and Lincoln Financial Securities Corporation have business locations throughout the USA. Unless the context otherwise implies, as used herein LNC refers to LNC and its subsidiaries.

LNC is committed to safeguarding the interests of its clients and customers in the event of an emergency or significant business disruption (“SBD”). LNC’s broad business continuity strategy is designed to enable LNC to meet its existing obligations to its clients and customers in the event of an emergency or SBD by safeguarding employees and property, making a financial and operational assessment, recovering and resuming operations, protecting all of LNC’s books and records, and allowing customers to conduct business.

## Business Continuity Planning

LNC has a documented corporate policy requiring each Business Unit to develop a business continuity plan. In support of this policy, LNC’s Business Resilience area has the full-time responsibility of coordinating the development, testing and maintenance of all LNC Business Continuity Plans. Business Resilience determines and drives appropriate strategies for the development of a resilient business environment with formal systematic processes with auditable controls that enforces the corporate policy on continuity.

LNC’s Business Continuity Plans address advance preparations and actions to be taken in response to disruptions of various magnitudes. The Business Continuity Plans address the potential impact of varying risks of disruptions to LNC employees, equipment, computer and telecommunications systems, and office facilities. While it is impossible to anticipate every type of disruption that could affect LNC’s businesses, LNC takes an ‘all hazards’ approach to planning which encompasses reduction in workforce, loss of facility and loss of data.

## Crisis Management

Local crisis management teams are in place in all LNC locations. These local crisis teams are charged with recording and managing any potential or actual crisis at the site from the time a situation occurs to the resolution of the incident and resumption of normal business operations.

## Backup and Recovery

With the use of a co-located alternate Disaster Recovery data center solution LNC maintains back-up systems and power supplies that allow critical computer and telecommunications systems and facility functions to be maintained in the event of significant business disruption (“SBD”). The duration of the disruption will depend on the nature and extent of the emergency or SBD.

In the event of an SBD, where it is not possible to conduct business from one of LNC’s offices, the company will utilize work from home solutions as well as the use of alternate sites equipped with resources to support critical business operations.

LNC’s Business Continuity Plans are reviewed as necessary, and at least annually, to ensure they account for technology, business, operations, structure or location.

## Unauthorized Prohibited Acts

You must take responsibility in preventing unauthorized acts within your control by adhering to all of the following:

- Never make payment payable to your Representative.
- Pay for all security purchases by utilizing a traceable instrument. (i.e. personal check or fed funds wire.)
- Do not loan to your Representative or borrow from Representative monies or securities and specifically do not authorize or permit your Representative to act as a personal custodian of your securities, stock powers, monies or any other personal or real property of which you may have an interest.
- Do not accept a commission rebate or any other inducement with respect to your purchase or sale of securities.
- Do not enter into an understanding whereby you agree to buy or sell securities to your Representative.
- Do not agree to enter into any other business relationship with your Representative including, but not limited to helping to capitalize or finance any business of your Representative.

## Investment Risk Disclosure

A. You understand that your investments may be subject to one or a combination of the following risks:

1. **MARKET RISK** – Your investments principal value may fluctuate from day to day, as influenced by US or global economic, political and/or social events - or just a change in market psychology. Such reaction may be short term and therefore not indicative of your investment’s long-term value.

2. **COMPANY RISK** – The value of each company’s stock is affected by current expectations for that company or its industry sector, as well as general market risk.
  3. **INTEREST RATE RISK** – Stock and Bond values tend to move opposite to interest rates. Short term bond investments are generally less impacted by interest rate movements than long term bond investments.
  4. **CREDIT RISK** – Common to bonds, the lower the credit worthiness of your investment, the higher its yield/risk in comparison to investments with a higher credit rating.
  5. **INFLATION** – Investments which guarantee the return of principal cannot guarantee that their yield will be greater than the prevailing rate of inflation. Inflation, in turn, represents the increasing cost of living as measured on a year to year basis.
- B. You further understand that time and diversification helps to manage the aforementioned investment risks by allowing a well-diversified portfolio the time frame needed to realize non-guaranteed, but historical norms.
- C. Risk tolerance is a subjective measure, specific to each client situation, investment and investment objectives. You have chosen to work with your Representative, using products whose price fluctuation is consistent with your investment time frame and risk tolerance (i.e., The longer your investment time frame, the greater volatility you will have chosen to assume.)
- D. Therefore, you represent that you are willing to assume these risks, as evidenced by your decision to open a securities account, and that you are in fact financially able to bear these risks. You also understand that you have an affirmative obligation to notify your broker-dealer in writing should your financial condition materially change, or should your objectives become more conservative from what is shown in the Client Profile form on file.
- E. You must demand and obtain from your Representative the current Offering Document which fully describes the investment including potential risks and costs, prior to purchasing an interest in a partnership, mutual fund, variable annuity, variable life insurance policy, unit investment trust or any new issue.
- F. When purchasing an interest in a partnership or mutual fund, it is normally advisable to take advantage of any quantity discount privileges (breakpoints) as discussed in the applicable Offering Document, although doing so may limit your diversification.
- G. It may not be advisable for you to exchange from one variable product or mutual fund to another, especially where it may result in an additional up-front or contingent sales charge for such transfer of assets, unless there exists a reasonable basis for such switch.

## **Sales Charges**

- A. All individual stock/bond transactions are effected on a markup/markdown or agency commission compensation basis.
- B. Mutual fund shares are typically offered with various pricing structures. These different types of shares are divided into “classes,” and each of these fund classes has unique features and expenses. The following information is a general discussion of the features of common class shares, however specific details may vary from product to product. Please consult the product prospectus for additional information on charges and expenses, as well as any additional share classes that may be available.

### **Class A Shares**

These shares typically charge a “front-end” sales charge. When you purchase a mutual fund with a front-end sales charge, a portion of the dollars you pay are not invested but retained by the mutual fund to cover certain distribution and commission expenses. Class A shares may impose an asset-based charge, which is generally lower than the asset-based charges imposed by other mutual funds classes. A Class A mutual fund may offer you a discount on the front-end sales charge if you: make a large purchase, already hold mutual funds offered by the same fund family (rights of accumulation), or if you commit to regularly purchasing the mutual fund’s shares (letter of intent).

### **Class B Shares**

Class B shares typically do not impose a front-end sales charge, but they do have asset-based sales charges that may be higher than those you would incur if you purchased A shares. Class B shares also normally impose a “contingent deferred sales charge” (CDSC) which you pay when you sell your shares. For this reason, these should not be referred to as “no-load” shares. The CDSC normally declines and is eventually eliminated the longer you hold your shares. Once it is eliminated the Class B shares often convert to Class A shares. Since Class B shares do not impose a front-end sales charge; all of your dollars are immediately invested, however your expenses, as measured by the expense ratio (12b-1 fees), may be higher.

### **Class C Shares**

These shares usually do not impose a front-end sales charge on the purchase, so the full dollar amount you pay is immediately invested. Class C shares often impose a charge if you sell your shares within a short time of purchase, usually one year. Class C shares typically impose higher asset-based sales charges than Class A shares, and since they generally do not convert into Class A shares, their asset-based sales charge will not be reduced. Class C shares do not impose a sales charge at the time of purchase, but may impose a CDSC or other redemption fees. In most cases, the expense ratio (12b-1 fees) is higher than Class A shares and Class B shares if you hold the shares for a long time.

## **C. Variable Annuity Pricing Structure**

### **Class A Shares**

If you purchase a Class A share annuity, you generally will pay a front-end sales charge when you purchase the contract, however no surrender charge when you terminate the contract. The amount of the front-end sales charge for Class A shares generally declines when the invested amount reaches or exceeds pre-determined breakpoint levels (e.g., \$50,000, \$250,000, etc.). The M&E charges and associated fees are typically lower than other share classes.

### **Class B Shares**

If you purchase a Class B share annuity, you will not pay a front-end sales charge in most cases. However, you will be required to pay what is known as a contingent-deferred sales charge (also known as a "surrender charge") if you make a partial or full surrender of the annuity within the surrender period. The product prospectus will identify the terms of the surrender schedule, but generally the surrender period averages 6-8 years, with the surrender charge initially ranging from 5%-7% of the annuity's value. The surrender charge typically decreases each contract year until it reaches zero at the end of the surrender period.

### **Class C Shares**

Class C share annuities generally do not carry surrender charges. However, because of their added liquidity, these annuities will typically carry higher M&E charges and associated fees. Class C share annuities are best suited for investors who are willing to pay higher fees in exchange for greater flexibility in their annuity investment.

### **Class L Shares**

Class L share annuities are similar to Class B share annuities in that they carry a surrender charge for early withdrawals. However, Class L share annuities have a much shorter surrender period than Class B share annuities (i.e., generally 3 to 4 years), however they typically carry higher charges and fees.

### **Bonus Class**

Bonus class annuities generally provide investors with a credit to their account, typically a percentage of the amount invested. Many bonus class annuities are offered without any sales charges on the initial investment. However, bonus class annuities usually carry higher ongoing fees and expenses and longer surrender periods. If the annuity is held for a long time, at some point over the life of the annuity the higher expenses will likely outweigh the bonus credit. If you are considering this type of annuity, you should carefully review the benefit from the bonus against the possibly higher fees and expenses.

## **IRA Rollover**

The largest source of IRA contributions comes from individuals who move their money from their employer-sponsored retirement plans such as 401(k) and 403(b) plans when they leave a job.

In the event you are considering moving money from your employer-sponsored retirement plan, you acknowledge receipt of the Investor Guide to IRA Rollovers and have reviewed the document with your representative to decide whether an IRA Rollover is right for you.

## **Account Protection (SIPC)**

The securities held in your brokerage accounts are protected in accordance with the Securities Investor Protection Corporation (SIPC). This coverage does not protect against the market fluctuations of your securities. The coverage does not extend to certain securities that are considered ineligible for coverage.

For more details on SIPC, or to request a SIPC brochure, visit [sipc.org](http://sipc.org) or call 1-202-371-8300.