

Strategists

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

LFA offers its clients access to a broad selection of Strategists through the Premier Strategist Program. Some of the Strategists available through the Premier Strategist Program directly compensate LFA for the purpose of marketing their model portfolios, and LFA’s receipt of such compensation gives LFA an incentive to include these Strategists in the Premier Strategist Program and to recommend certain Strategists over other Strategists for which LFA receives less or no compensation. LFA 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.

LFA’s Direct Marketing Support Arrangements with Strategists

LFA receives additional compensation, sometimes called “marketing support,” directly from certain Strategists available to LFA’s clients through the Premier Strategist Program. Strategists make these payments to LFA 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 Premier 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 a flat annual payment that does not exceed \$100,000 annually. Not all Strategists available through the Premier Strategist Program make these payments to LFA and, among those that do, some Strategists pay LFA 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 LFA conferences where financial professionals are present, one-on-one marketing meetings, and due diligence presentations.

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

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 LFA that result in conflicts of interest for LFA. In particular, because of these marketing support payments, LFA has an incentive to include these Strategists in the Premier Strategist Program 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 LFA. In addition, LFA has an incentive to include Strategists that make the highest or relatively higher marketing support payments to LFA in the Premier Strategist Program and to recommend that you invest in those Strategists' model portfolios. LFA 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) preventing financial professionals from receiving a greater or lesser amount of compensation for recommending the model portfolios of any particular Strategists for which LFA receives these payments; (iv) 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 (v) requiring that there be a review of your Premier 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.

Other Marketing Support from Strategists

In addition to the marketing support payments that LFA receives through the formal marketing support arrangements described above, Strategists, 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, and participation in other training and educational events. Some Strategists also reimburse LFA 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 LFA 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 LFA that result in conflicts of interest for LFA. LFA 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 LFA through a formal or informal arrangement, including their wholesalers, employees, and agents, to comply with LFA'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 LFA's applicable Form ADV, Part 2A and the other information provided by LFA 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 LFA client's investment when redeemed may be worth more or less than the original amount invested.