

The Broker-Dealer* offers a wide variety of financial products and services – including brokerage accounts, investment advisory programs, and insurance products and services – to align with your individual investment goals and objectives. When you choose to purchase investment products and services through a Lincoln Broker-Dealer, you have the option of investing through a transaction-based brokerage relationship, a fee-based investment advisory relationship, or both.

It is important that you understand the differences between investing through a brokerage relationship only and through an investment advisory program. These differences include costs, services, and the laws and regulations that govern these relationships, as described below.

Although your Lincoln Representative may serve as your primary point of contact for many of the services provided to you by the Broker-Dealer, each account will be governed by one or more specific agreements and the rules applicable to each. Therefore, our services and obligations to you may be different depending on the type of relationship you select.

Investment Advisory Accounts and Services

The Broker-Dealer offers a variety of investment advisory programs and services, including financial planning, asset management, and advice on the selection of professional asset managers and securities. In an investment advisory relationship, our primary role is to provide investment advice, whether through consultation, the preparation of a financial plan, advising you on the selection of investment managers, or through the ongoing management of your accounts. We also may provide other services, such as assisting with the execution of securities transactions. Depending on the nature of our relationship with you and the services you select, we may provide investment management services on either a discretionary or non-discretionary basis. (In a discretionary account, a third party, such as your Lincoln Representative, is authorized to buy or sell securities on your behalf.) In either case, our advice is based upon your investment objectives, risk tolerance, and other relevant information.

We only provide investment advisory services to you pursuant to a written agreement that describes our investment advisory relationship with you and our obligations to you. We also provide a disclosure document that explains the services we provide, the applicable advisory fees, research, affiliations, and potential conflicts between our interests and yours, and the business backgrounds of the key personnel responsible for our activities as an investment adviser.

When acting as your investment adviser, we are considered to have a fiduciary relationship with you. In an investment advisory relationship we are obligated to:

- Act in your best interest by providing investment advice and recommendations that are suited to your specific overall investment objectives, needs, and circumstances;
- Disclose or avoid material conflicts of interest between our interests and yours;
- Receive your consent prior to purchasing securities from you, or selling securities to you, for our own account (acting as principal); and
- Never unfairly advantage one advisory client to the disadvantage of another.

In an investment advisory program that includes ongoing investment management services, you typically pay a monthly or quarterly fee – often called a “wrap” fee – based on an agreed upon percentage of the assets held in your account. Other charges, such as brokerage commission charges, also may be incurred. The services provided may include investment selection and recommendations, asset allocation, execution of transactions, custody of securities, and account reporting services. This “wrap” fee is typically expressed as an annual percentage charged against the value of your account; for example, 2.5%. As a result, an investment advisory program may be more suitable for you than a brokerage arrangement if you want ongoing investment advice, management of your assets, or expect to engage in securities transactions regularly.

Please note: If one or more of your accounts is enrolled in an investment advisory program where the Broker-Dealer serves as an investment adviser, we will provide investment advisory services with respect to those accounts. However those obligations and services will not extend to other accounts you may have at the Lincoln Broker-Dealer or another financial institution.

* The term “Broker-Dealer” refers to your relationship with either Lincoln Financial Securities Corporation or Lincoln Financial Advisors Corporation.

Lincoln Financial Brokerage Accounts and Services

When the Broker-Dealer is solely engaged in a broker relationship with you, our primary role – as described in your Brokerage Account Agreement – is to accept orders and facilitate the execution of transactions in your account based upon your instructions. In some cases, we may submit your transactions to the issuer through the completion of an application, as described in the Client Profile Form. When we act as a broker, we offer investor education, research, financial tools and information about financial products and services, including recommendations about whether to buy, hold, or sell securities. There is no separate fee for these services. Unlike an advisory relationship, the Broker-Dealer is not required to provide ongoing investment advice regarding your brokerage account(s).

In a brokerage account, or when placing a trade via an application directly to the issuer, you typically pay transaction charges or commissions and other charges (e.g., sales loads on mutual funds, a mark-up/mark-down, or a spread) at the time of each individual securities transaction. As a result, a brokerage account may be more suitable than a fee-based investment advisory account: 1) if you do not want ongoing investment advice on assets held in your account; or 2) you do not expect to engage in securities transactions on a regular basis.

When we act solely as your broker, we will not have discretion to buy and sell securities for you. This means that you must provide approval for each trade before it is executed and make individual buy, hold or sell decisions. When acting solely as your broker, we are obligated, at the time of any investment recommendation we make, to have a reasonable basis for believing it is suitable based on such factors as your age, income, liquidity needs, other investments, risk tolerance, investment objectives and overall financial situation, but will not have a fiduciary relationship with you.

In general, unless you enroll in an investment advisory relationship with the Broker-Dealer, the services provided by Lincoln Representatives will be solely as a Broker-Dealer with respect to your account.

For More Information

We encourage you to carefully consider the differences between brokerage and investment advisory relationships and the corresponding services offered by the Broker-Dealer. When determining which type of relationship and account is right for you, you should consider the type of services you would like to receive and your existing and anticipated level of transaction activity. Our investment advisory services disclosure documents, which are available upon request, provide additional information, including disclosure of conflicts of interest. If you have additional questions, please contact your Lincoln Representative or Lincoln Financial Advisors directly at 1-800-237-3813 or Lincoln Financial Securities directly at 1-800-843-2007.