

YourPath custom target-date + risk portfolio options

With 3(38) fiduciary support from an
independent registered investment
adviser (RIA)



RETIREMENT PLAN
SERVICES

Lincoln Alliance
program



A tailored approach to your target-date offering

With the increasing importance of target-date investments in retirement plans, many plan sponsors are looking for open-architecture or multi-manager target-date investments for their investment lineups and Qualified Default Investment Alternatives (QDIAs). Typical target-date mutual funds that offer a one-size-fits-all approach limit flexibility, both for plan sponsors and participants. With *YourPath*® custom target-date portfolios, you can use the funds you've already carefully chosen for your fund lineup to develop multi-manager target-date portfolios.

YourPath portfolios also let you tailor target-date portfolios to employee populations. Based on the demographics of your plan, such as age and income levels, you may offer different levels of risk tolerance — conservative, moderate, aggressive, or lifetime income — in addition to estimated retirement dates. *YourPath* portfolios may be offered as your plan's QDIA. Also, an RIA can provide ERISA 3(38) discretionary investment management services for the portfolios.

Approaches to target-date investments

Typical target-date mutual funds

One fund company manages the portfolio



One level of risk tolerance for all employees



Custom target-date + risk portfolios

Open-architecture multi-manager portfolio



Multiple levels of risk tolerance



Conservative



Moderate



Aggressive



Lifetime income

About *YourPath* target-date + risk portfolios

YourPath portfolios allow you to:



Construct portfolios from funds in your plan's lineup or non-core investments.

YourPath portfolios can use investment options in the plan's lineup (taking advantage of the options you and/or your adviser have carefully selected) or can include investment options not in the core lineup (that is, non-core investments). This flexibility helps ensure consistency with your plan's Investment Policy Statement (IPS).



Tailor your QDIA to employee demographics.

Designating *YourPath* portfolios as your QDIA allows you to offer customized target-date + risk solutions to your employee population.



Provide participants with flexibility to choose from different glide paths.

By offering distinct glide paths — conservative, moderate, aggressive, and lifetime income — you can address a wider variety of employee investment objectives. Employees can select their own levels of risk and their estimated retirement dates.



RIAs can provide ERISA 3(38) discretionary investment management services for client portfolios.

Lincoln custom target-date portfolio administration services allow an RIA to manage custom target-date portfolios that can be tailored to employee populations. Our extensive open-architecture platform allows financial professionals to create and maintain portfolios using funds in the plan's lineup and adding other investments for the most appropriate asset allocation.



Offer a seamless transition for participants to receive lifetime income.

*Lincoln PathBuilder Income*SM option powered by *YourPath* helps create a foundation of security for plan participants. They'll be provided guaranteed monthly income for life when they select the lifetime income glide path.¹

Lincoln PathBuilder Income is an in-plan guaranteed income solution offered as either a group variable annuity or a group fixed annuity. A group variable annuity is a long-term investment product designed particularly for retirement purposes. Group annuities contain both investment and insurance components and have fees and expenses, including administrative and advisory fees. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax deferred. Withdrawals may carry tax consequences, including possible tax penalties.

With the *Lincoln PathBuilder Income* powered by *YourPath* option, a participant can increase their income base through contributions to their retirement plan. The income base, which is used to determine the guaranteed lifetime income amount, is initially equal to the participant's contributions minus withdrawals.

¹ Guaranteed income from the *Lincoln PathBuilder Income*SM investment option is subject to the claims-paying ability of the issuing company, which is The Lincoln National Life Insurance Company.

Provide participants with flexibility

To better fit your participant population, *YourPath* portfolios have glide paths that consider the age of the participant and the appropriate asset allocation through retirement combined with a participant's risk tolerance — conservative, moderate, aggressive, or lifetime income.

YourPath portfolios are unitized portfolios that offer:

- Ability for a participant to allocate any percentage of their total account balance to the custom portfolio
- Asset allocation flexibility and efficient mapping of investments for plan implementation
- Portfolio-level performance tracked against selected appropriate benchmarks
- Performance and other portfolio data provided on portfolio fact sheets, on statements, and online
- Ability to construct portfolios from funds in the plan's lineup or by using non-core investments



A sophisticated administrative platform

Highly experienced in complex plan administration, Lincoln portfolio administration services have remained at the forefront of the industry for more than a decade by working with you and your financial professionals to offer custom portfolios to participants. This level of customization, typically available only to the largest defined contribution plans, is available to all plans under the *Lincoln Alliance*® program.

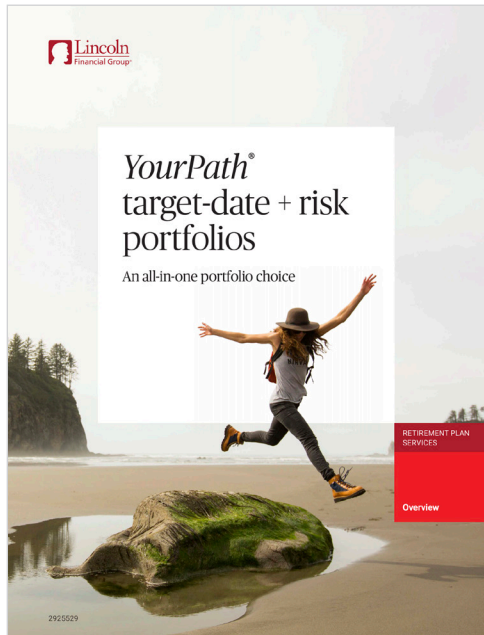


RIA tool

Independent RIAs are supported by a relationship manager at Mid Atlantic Trust Company and have the ability to create custom portfolio fact sheets.

RIAs work with Mid Atlantic Trust, who provides ModelXChange, a tool that enables advisers to create and manage customized, unitized target-date portfolios.

ModelXChange provides the ability to leverage custom-designed portfolios that can be used for multiple clients. It also enables advisers to include adviser fees, run reports on portfolios, manage investment and fund changes that impact portfolios, and more.

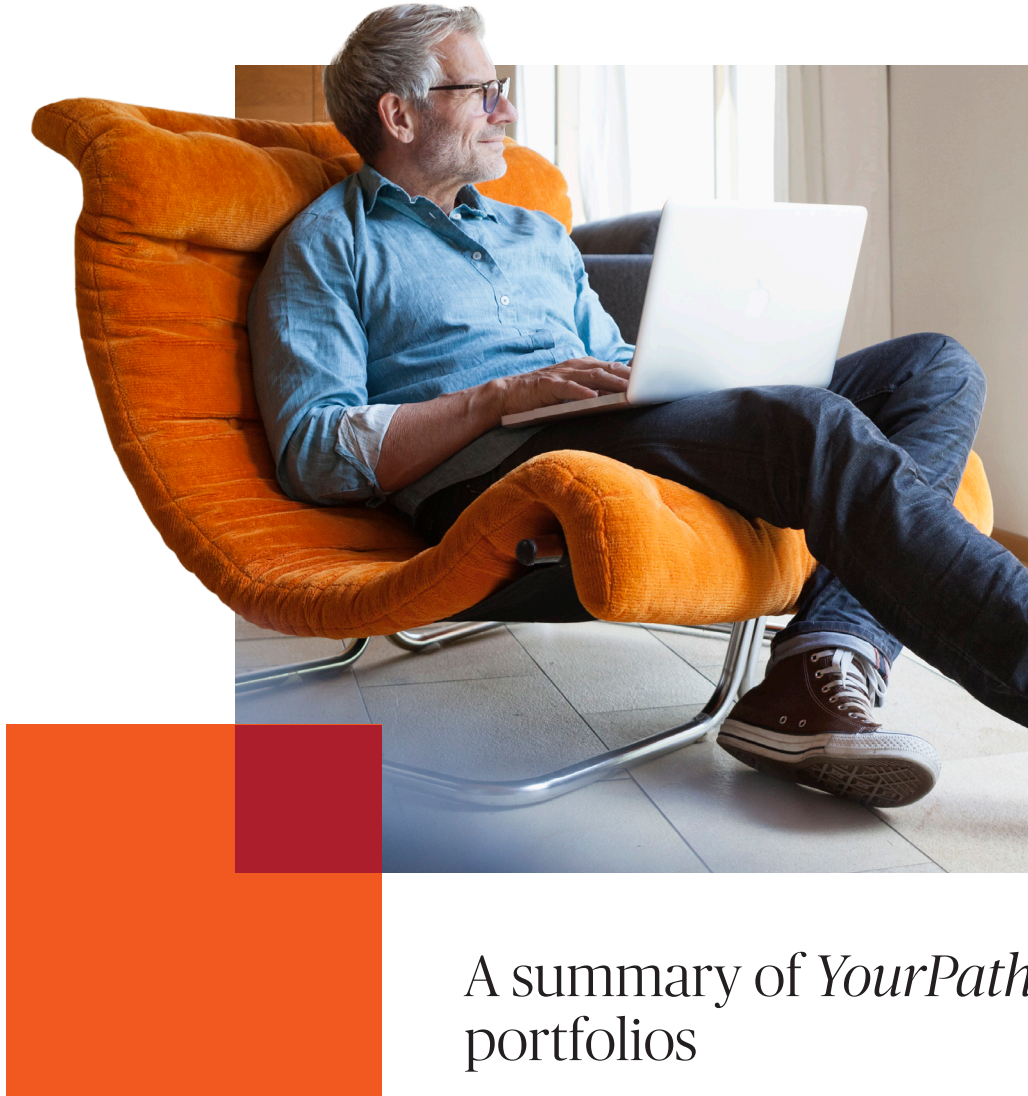


Decision-making support for your employees

Participants receive information during enrollment about the *YourPath* portfolios offered in their plan. In addition, a participant brochure is available that contains risk profile questions from Morningstar® to help each participant determine which type of investor – conservative, moderate, or aggressive – they are.

Participant reporting

Participants may view their chosen portfolios on their quarterly account statements from Lincoln, as well as within their password-protected online accounts at LincolnFinancial.com. Also, participants have access to detailed fact sheets about their portfolios.



A summary of *YourPath* portfolios

With *YourPath* portfolios, you can:

- Construct portfolios from funds in your plan's existing lineup
- Make available a comprehensive QDIA solution
- Provide participants flexibility to choose from different asset mixes — conservative, moderate, aggressive, and lifetime income
- Select 3(38) fiduciary support from an independent RIA



Take charge of your plan with ...

YourPath custom target-date + risk portfolios with 3(38) fiduciary support from an independent RIA. Contact your Lincoln representative to learn more.

YourPath® conservative, moderate, aggressive, and lifetime income portfolios are target-date + risk portfolios available as investment options in the *Lincoln Alliance®* program. **Lincoln PathBuilder IncomeSM powered by YourPath® solution consists of YourPath® portfolios along with a guarantee.**

Lincoln PathBuilder IncomeSM is offered as an in-plan guaranteed income solution. The guarantee is provided by a contract between the client/plan sponsor and The Lincoln National Life Insurance Company that provides a plan participant with guaranteed annual retirement income. Lincoln PathBuilder IncomeSM solutions are offered as either a group variable annuity or a group fixed annuity. Amounts contributed to the variable annuity contract are invested in either a balanced managed risk fund or a target-date fund, depending on the contract.

A group variable annuity is a long-term investment product designed particularly for retirement purposes. Group annuities contain both investment and insurance components and have fees and expenses, including administrative and advisory fees. Optional features may be available for an additional charge. The annuity's value fluctuates with the market value of the underlying investment options, and all assets accumulate tax-deferred. Withdrawals may carry tax consequences, including possible tax penalties.

Lincoln PathBuilder IncomeSM group contingent deferred annuity contract (contract form AN-745 and state variations) is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. Limitations and exclusions may apply. May not be available in all states. Check with your Lincoln representative. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. The guarantee is provided by a contract between the client/plan sponsor and The Lincoln National Life Insurance Company that provides a plan participant with guaranteed annual retirement income.**

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

All contract guarantees, including those for guaranteed income, are subject to the claims-paying ability of the issuing insurance company.

They are not backed by the broker-dealer or insurance agency from which this annuity is purchased, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

There is no additional tax-deferral benefit for an annuity contract purchased in an IRA or other tax-qualified plan.

Through a single investment option, YourPath® target-date + risk portfolios allow retirement plan participants to invest in a mix of mutual funds and other investments that correspond to a specific risk profile and investment time horizon that includes the year (target date) in which the participant expects to retire. As the target date approaches, the mix or asset allocation of funds or other investments making up the portfolio (and owned by the

participant) will change over time, becoming less growth-oriented and more conservative. A target-date portfolio may be more expensive than other types of investment options because it has additional levels of expenses.

YourPath® portfolios are investment options in your retirement plan and do not represent investment recommendations or advice. YourPath® portfolios are not mutual funds. YourPath® portfolios are periodically rebalanced (not less frequently than annually). An asset allocation strategy doesn't guarantee performance or protect against investment losses. Keep in mind that all investments involve risk. The value of the investment options that make up a specific portfolio that are chosen to invest in will fluctuate, and there is no assurance that the objective of any portfolio will be achieved. Moreover, a YourPath® portfolio's actual allocation may vary from the target strategic allocation at any point in time. Shares of the underlying mutual funds within the portfolio are redeemable at the then-current net asset value of the fund, which may be more or less than their original cost.

Portfolio lineups are subject to change. The investment options within the portfolio involve risk and will not always be profitable. Morningstar Investment Management does not guarantee that negative returns can or will be avoided. An investment made in an investment option may differ substantially from its historical performance and as a result, your plan participant may incur a loss. Past performance is no guarantee of future results.

The *Lincoln Alliance®* program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA) and an affiliate of Lincoln Financial Group, 1301 S. Harrison St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers.

The Lincoln National Life Insurance Company, and one or more of its subsidiaries, has entered into an agreement with Morningstar Investment Management LLC, a registered investment adviser and subsidiary of Morningstar, Inc., whereas Morningstar Investment Management is responsible for building series of target-date model portfolios with multiple glide path options for the Lincoln YourPath® program.

Morningstar Investment Management creates the YourPath® portfolios from the investment options made available by Lincoln. The portfolio lineups are subject to change. The investment options within the portfolio involve risk and will not always be profitable.

Morningstar Investment Management does not guarantee that negative returns can or will be avoided. There is no guarantee that the portfolio will provide adequate income at and through your participants' retirement. An investment made in an investment option may differ substantially from its historical performance and, as a result, your plan participant may incur a loss. Past performance is no guarantee of future results.

Morningstar Investment Management LLC is a registered investment advisor and subsidiary of Morningstar, Inc. Neither Morningstar Investment Management nor Morningstar is affiliated with the Lincoln Financial Group.

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LCN-3606574-052521
POD ADA 9/21 **Z05**
Order code: DC-CRIA-BRC001

