

YourPath custom target-date + risk portfolio options

With access to 3(38) fiduciary
support by Morningstar Investment
Management LLC

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. And, plan sponsors have access to 3(38) fiduciary support by Morningstar Investment Management LLC.

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.



Delegate custom portfolio design to Morningstar Investment Management.

With Morningstar Investment Management as your 3(38) investment manager, Morningstar® carefully analyzes the funds in your lineup to determine its recommended allocation within your portfolios.



Offer a seamless transition for participants to receive lifetime income.

Lincoln PathBuilder Income® 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

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

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.

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



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.

Mitigating your fiduciary risk

YourPath portfolios with access to 3(38) fiduciary support may help you reduce your fiduciary liability. Why is this important? Because you're legally obligated to prudently select and review the investments you offer to your employees.

If you choose to delegate the role of custom portfolio design and oversight to Morningstar Investment Management, you'll receive the added support of a 3(38) investment manager. Morningstar Investment Management assumes discretion and will develop, monitor, and update your customized portfolios on an ongoing basis so you don't have to. As a result, your participants are provided with an investment glide path. With 3(38) fiduciary support provided by Morningstar Investment Management, these portfolios are available as the plan's QDIA option. You also may choose to work with another 3(38) registered investment adviser (RIA) of your choice.

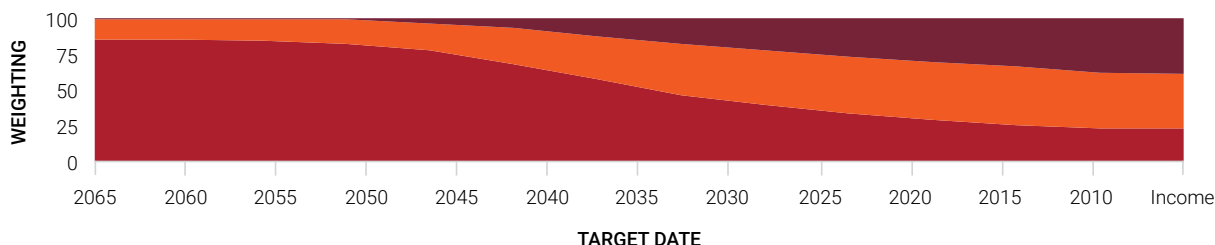
Morningstar Investment Management's sample glide paths

These charts show sample glide paths developed by Morningstar Investment Management for conservative, moderate, aggressive, and lifetime income portfolios.

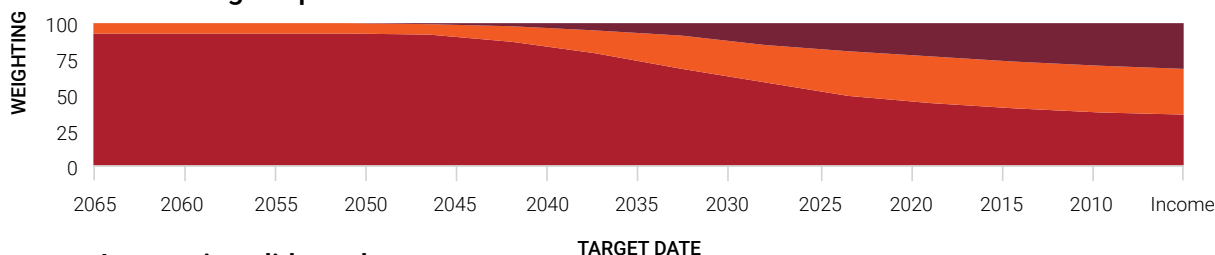
What's a glide path?

A glide path illustrates the asset allocation mix of the target-date portfolio over the years. The asset allocation of each target-date portfolio becomes increasingly conservative (that is, includes more fixed income assets and fewer equities) as the target retirement date grows closer. The glide path continues to reduce the risk level beyond each target date, providing investment management throughout retirement.

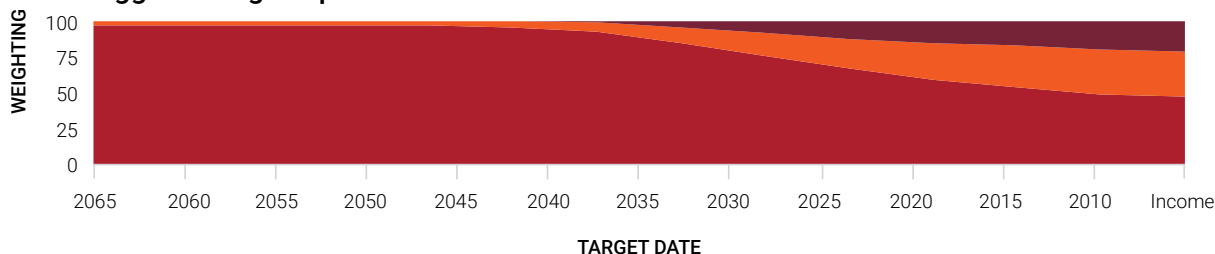
Conservative glide path



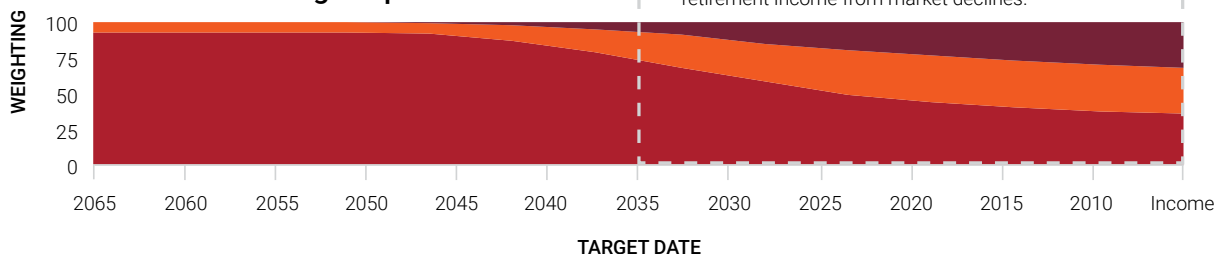
Moderate glide path



Aggressive glide path



Lifetime income glide path



■ = Stable value ■ = Fixed income ■ = Equity



About Morningstar, Inc.¹

- Based in Chicago, Illinois
- Incorporated May 16, 1984
- Over 5,000 Morningstar® employees worldwide (approximately)

Morningstar Investment Management

Clients



Over 30 million retirement plan participants with access to retirement advice services through 286,000 plan sponsors and 51 relationships

Assets

\$246.9 billion

in assets under advisement and management²

\$179.0 billion

in assets under advisement and management for the Retirement Solutions Group³

Awards and patents



Eleven Graham and Dodd awards won between 1979 and 2018⁴



Two patents: Human capital and asset allocation with annuities

¹ Data as of December 31, 2020.

² Includes assets under management and advisement for Morningstar Investment Management, LLC, Morningstar Investment Services LLC, Morningstar Investment Management Europe Ltd., Morningstar Investment Management Australia Ltd., Morningstar Investment Management South Africa (Pty) Limited, and Ibbotson Associates Japan KK, all of which are subsidiaries of Morningstar, Inc. Advisory services listed are provided by one or more of these entities, which are authorized in the appropriate jurisdiction to provide such services.

³ The Retirement Solutions group of Morningstar Investment Management offers managed accounts and advice services to retirement savers, custom portfolios, and plan sponsor advice.

⁴ Graham and Dodd Awards granted by the CFA Institute for financial writing based on research by employees who were employed by Morningstar, Inc. or one of its subsidiaries at the time the research was published.

The Morningstar Investment Management approach

Building customized, long-term portfolios

Using funds from your selected fund lineup, Morningstar Investment Management uses its investment experience to build, manage, and monitor a portfolio that's designed to help your plan participants achieve their long-term goals.

The Morningstar Investment Management process

First, asset class targets are derived using Morningstar Investment Management's proprietary methodology. Then, portfolios are created with ranges of asset class targets. After detailed analysis of your investment options, Morningstar Investment Management constructs portfolios from your plan-specific investments. Thereafter, portfolios are monitored by Morningstar Investment Management as your 3(38) investment manager.

As part of this process, Morningstar Investment Management employs both a quantitative and a qualitative analysis to help ensure that all facets of each investment option are thoroughly reviewed, including performance, portfolio manager tenure, fees, and more.

The five phases of Morningstar Investment Management's process



PHASE 1:

Develop asset
class targets



PHASE 2:

Create asset class
allocations



PHASE 3:

Analyze investment
options



PHASE 4:

Construct *YourPath*
portfolios



PHASE 5:

Monitor *YourPath*
portfolios



The Morningstar Investment Management team

The investment process is led by a team of experienced investment professionals, nearly all of whom have a Master of Business Administration (MBA), a Doctor of Philosophy (PhD), a Chartered Financial Analyst® (CFA®) designation, or a combination of degrees and designations. They regularly conduct manager interviews and have extensive investment management industry experience. They receive strategic support from Morningstar, Inc.'s Asset Allocation Committee, which meets quarterly to review Morningstar, Inc.'s strategic asset allocation policy and annually to construct capital market expectations.

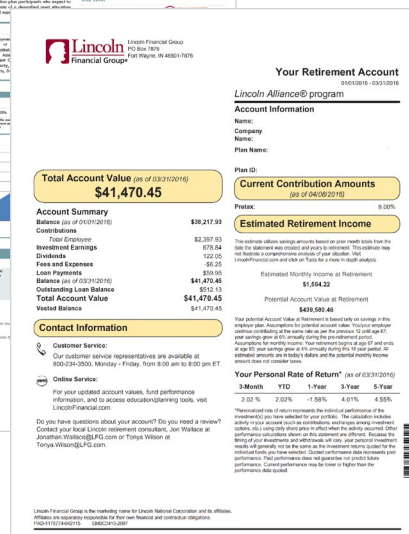
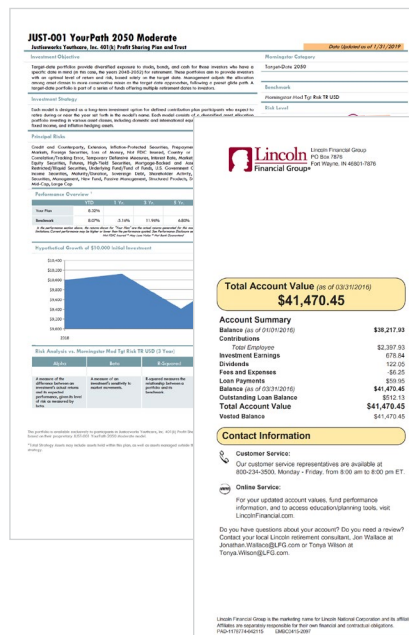


Decision-making support for your employees

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.

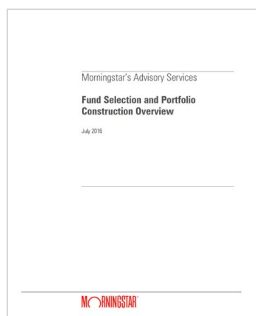
Participant reporting

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.



Plan sponsor fiduciary support from Morningstar®

When you select *YourPath* custom portfolios and choose Morningstar Investment Management as your RIA, you also gain access to:



Investment methodology documents

These documents provide detailed descriptions of the Morningstar Investment Management methodology relating to portfolio construction and ongoing monitoring.



Ongoing plan sponsor reporting on portfolio changes

This report includes detailed information about portfolios created for your plan. As Morningstar Investment Management periodically changes the portfolio, it provides you with an updated report that reflects those changes.

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 glide paths — conservative, moderate, aggressive, and lifetime income
- Gain access to 3(38) fiduciary support by Morningstar Investment Management LLC



Take charge of your plan with ...

YourPath custom target-date + risk portfolios with access to 3(38) fiduciary support by Morningstar Investment Management LLC. 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 Income® powered by YourPath® solution consists of YourPath® portfolios along with a guarantee.**

Lincoln PathBuilder Income® 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 Income® 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 Income® 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.**

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

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

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.

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

The asset allocation portfolios developed by Morningstar Investment Management LLC are based on generally accepted investment theories that take into account historical market performance and investment principles specified by modern portfolio theory. The material facts and assumptions on which the asset allocation portfolios may be based include capital markets forecasting, mean-variance analysis, liability-driven investing, and Morningstar Investment Management's patented Human

Capital methodology. Morningstar Investment Management will determine the asset class opportunity set to construct the asset class portfolios by assessing the asset class exposures provided by the plan sponsor's unique lineup of investment options.

The asset allocation portfolios generally include some of the investment options available in the plan. However, other investment options with similar risk and return characteristics may be available. Information on these investment options may be found in the investment section of the enrollment book or the fund prospectus. The final decision regarding investment choices is the participant's or beneficiary's, based on their individual situation, which may include factors and circumstances beyond the scope of these portfolios, including but not limited to a participant's or beneficiary's other assets, income, and investments (for example, equity in a home, IRA investments, savings accounts, and interests in other qualified and nonqualified plans), investment time horizon, and risk tolerance, in addition to their interest in the plan. The asset allocation portfolios may contain mutual funds, collective investment trusts, and a stable value option.

An investor should consider carefully the investment objectives, risks, and charges and expenses of the investment options in the plan before investing. For mutual funds and collective investment trusts, the prospectus or similar document contains this and other important information and should be read carefully before investing or sending money. Investment values will fluctuate with changes in market conditions so that, upon withdrawal, your investment may be worth more or less than the amount originally invested. For a prospectus or similar disclosure document, please contact your Lincoln representative.

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 is chosen for investment 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.

The Lincoln Alliance® program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA, SIPC) and retail and financial planning affiliate of Lincoln Financial Group, 1301 S. Harrison St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers. Account values are subject to fluctuation, including loss of principal.

Some custodial and administrative services are provided by Mid Atlantic Trust Company. Mid Atlantic Trust Company is not an affiliated company.

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