

# YourPath portfolios

Target-date + risk series built with iShares®

## About the series

Lincoln makes available *YourPath*® target-date + risk portfolios. These portfolios primarily consist of iShares index mutual funds from BlackRock® with 3(38) fiduciary support by Morningstar Investment Management LLC. Each portfolio also includes the Lincoln Stable Value Account as part of the portfolio allocation to reduce market volatility. The target-date portfolios may be used as a plan's Qualified Default Investment Alternative (QDIA).

By offering multiple glide path options, *YourPath* portfolios provide a more personalized target-date investment for retirement plan participants. Selecting these portfolios allows plans sponsors to offer participants conservative, moderate, aggressive, and lifetime income glide paths developed by Morningstar Investment Management with target dates in five-year vintages. The portfolios follow a glide path that goes through the target retirement date. To offer the series as a QDIA, the plan sponsor selects the glide path most appropriate for its employee population.

## The investment experience of BlackRock

The following chart provides an overview of BlackRock's indexing capabilities.

### Experience and resources

BlackRock introduced its first index fund in 1971, and its index business is currently supported by 250+ index professionals, global trading capabilities, risk management, and advanced portfolio analytics.

### Size and scale

Trusted to manage more indexed assets than any other investment firm, BlackRock's breadth and diversity of its clients and strategies allow BlackRock to deliver precise performance clients demand.

### Performance and cost

BlackRock's index team uses the firm's extensive trading capabilities and its industry-leading Aladdin® risk management platform to help create additional value for investors by seeking to:

- Reduce cost via trade execution on a single global platform
- Deliver optimal tracking outcomes
- Provide enhanced returns through securities lending

### Benchmark quality

BlackRock uses established and respected indexes such as MSCI, Russell, and S&P for benchmarking purposes to help ensure that the underlying constituents of a given benchmark represent the exposure it seeks.

## *YourPath* portfolio investments

The following investments are included in the asset allocation glide path:

- iShares Developed Real Estate Index
- iShares MSCI EAFE International Index
- iShares MSCI Total Intl Index
- iShares Russell 2000 Small-Cap Index
- iShares Russell Mid-Cap Index
- iShares Russell Small/Mid-Cap Index
- iShares S&P 500 Index
- iShares Short-Term TIPS Bond Index
- iShares Total U.S. Stock Market Index
- iShares U.S. Aggregate Bond Index
- Lincoln Stable Value Account

## Asset allocation experience of Morningstar Investment Management

Morningstar Investment Management is a leading authority on asset allocation. Morningstar Investment Management leverages its core capabilities in asset allocation, portfolio construction, and manager research to provide unique retirement and consulting solutions. Morningstar Investment Management, on the forefront of asset allocation research and theory, has been providing real-world solutions to money managers, plan sponsors, consultants, financial planners, broker-dealers, mutual fund firms, and insurance companies for more than 30 years.

## The Morningstar Investment Management process

Morningstar Investment Management leverages its investment experience to build, manage, and monitor a portfolio that's designed to help your plan participants achieve their long-term goals. First, asset class targets are derived using Morningstar Investment Management's proprietary methodology. Then, portfolios are created with ranges of asset class targets. Thereafter, portfolios are monitored by Morningstar Investment Management. 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

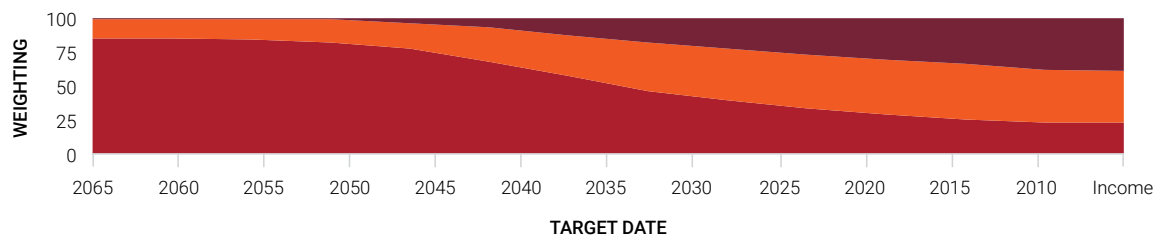


**PHASE 5:**  
Monitor *YourPath*  
portfolios

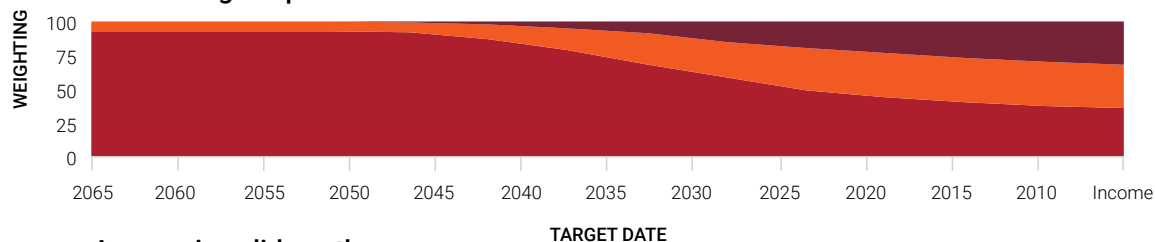
## Morningstar Investment Management's sample glide paths

These charts show sample glide paths developed by Morningstar Investment Management. The glide path varies for each target-date + risk portfolio in the series.

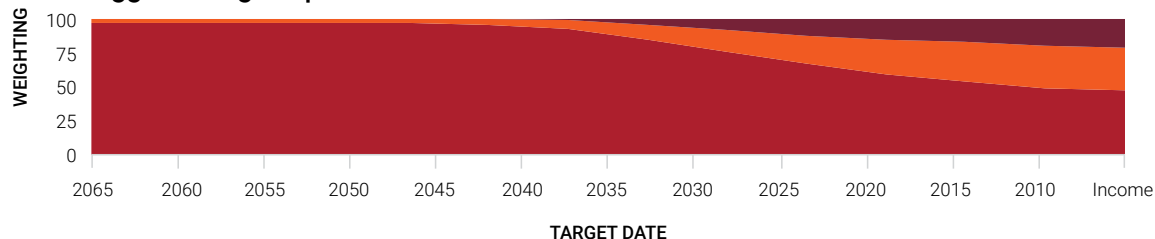
### Conservative glide path



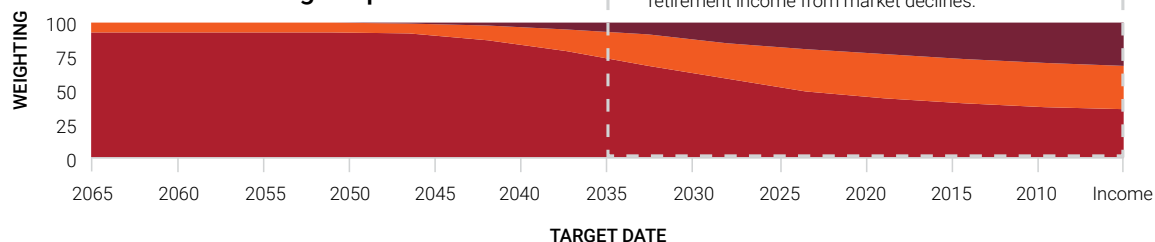
### Moderate glide path



### Aggressive glide path



### Lifetime income glide path



Lincoln PathBuilder Income is activated and immediately begins to protect participants' potential retirement income from market declines.

■ = Stable value   ■ = Fixed income   ■ = Equity

#### WHAT'S A GLIDE PATH?

A glide path illustrates the asset allocation mix of the target-date portfolio over the years. The portfolio's asset allocation becomes increasingly conservative (that is includes more fixed income assets and fewer equities) as the target date, which typically is when the employee plans to retire, grows closer. The glide path will continue to reduce the risk level beyond the target date, providing investment management throughout retirement.

*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 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.

## Additional services and resources

When you choose *YourPath* portfolios built with iShares, you also receive:

- Morningstar Investment Management investment methodology reports
- Ongoing reporting on portfolio changes from Morningstar Investment Management
- Assistance from Morningstar Investment Management with QDIA selection
- A participant brochure with a risk questionnaire
- Portfolio fact sheets



Take charge of your plan with *YourPath* target-date + risk portfolios built with iShares with 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 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.

*YourPath*® portfolios are available as investment options in the *Lincoln Alliance*® program.

Through a single investment option, *YourPath*® 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, becoming less growth-oriented and more conservative as the target date approaches.

The Lincoln Stable Value Account is a fixed annuity contract issued by The Lincoln National Life Insurance Company, Fort Wayne, IN 46802 on Form 28866-SV 01/01, 28866-SV20 05/04, 28866-SV90 05/04, AN 700 01/12, or AR 700 10/09. **Guarantees for the Lincoln Stable Value Account are subject to the claims-paying ability of the issuer. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

For contracts issued in New York, the Lincoln Stable Value Account is a fixed annuity issued by Lincoln Life & Annuity Company of New York, Syracuse, NY.

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.

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

BlackRock® is not affiliated with Lincoln Financial Group.

**Mutual funds in the *Lincoln Alliance*® program are sold by prospectus. An investor should carefully consider the investment objectives, risks, and charges and expenses of the investment company before investing. The prospectus and, if available, the summary prospectus contain 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. Prospectuses for any of the mutual funds in the *Lincoln Alliance*® program are available at 800-234-3500.**

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