



Lincoln

Investment

Lincoln Investment Planning, Inc.
Registered Investment Advisor
Broker/Dealer • Member FINRA/SIPC
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LINCOLN
INVESTMENT
Embrace the FutureSM

Item 1:

Lincoln Investment Planning, Inc.
Investment Advisory Disclosure Brochure
(Form ADV2A)

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This brochure provides information about the qualifications and business practices of Lincoln Investment, a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). If you have any questions about the contents of this brochure, please contact Lincoln Investment at (800) 242-1421. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Furthermore, being registered with the SEC does not imply a certain level of skill or training.

Additional information about Lincoln Investment is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

There are no material changes to report.

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Item 4: Advisory Business

This section will describe to you our firm, the advisory services we offer, how we tailor your portfolio to your individual needs, which of our advisory services allows you to impose investment restrictions, and the total amount of assets we manage.

Our Firm

Who we are... Established in 1968, Lincoln Investment Planning, Inc. (Lincoln), based in the suburbs of Philadelphia, began with a focus on the retirement planning needs of employers serving educators and employees of non-profit organizations through 403(b) retirement plans. Over the years, we have expanded our focus to include individual retirement accounts (IRAs), and the investment and insurance needs of our clients.

Lincoln, a registered investment advisor and broker-dealer, has a national reach through a network of independent Advisory Representatives. Lincoln is not affiliated with any of the companies whose products we offer, allowing our Advisory Representatives to offer you independent advice. Lincoln Investment is a privately held, family-owned business. No one shareholder owns twenty-five percent (25%) or more of the shares of the company.

Our Advisory Services

What we offer... Lincoln offers the following advisory services. Further descriptions are provided below.

- I. Discretion-managed portfolios
- II. Non-discretion managed portfolios
- III. Wrap Fee Programs
- IV. Financial Planning

In choosing one or more of the services above, your Advisory Representative will work with you to assess your needs and investment objectives. You may be asked to complete confidential investor profiles, or other similar questionnaires and applications, containing a variety of financial and personal information such as investment goals, income requirements, time horizon, and tolerance for risk. Our goal is to provide you professional to help you reach your financial goals.

Lincoln offers advisory services on four distinct proprietary mutual fund custodial platforms: *Retirement SOLUTIONS PREMIER (RSP)*, *Investor SOLUTIONS PREMIER (ISP)*, *Retirement SOLUTIONS (RS)* and *Investor SOLUTIONS (IS)* as well as a number of non proprietary platforms. The platform chosen by you will depend on the tax type of your account(s), the account custodian you wish to work with, the advisory programs you prefer and how you wish to compensate Lincoln and your Advisory Representative.

I. Discretion-managed portfolios

Lincoln Managed Portfolios

Lincoln offers a number of Asset Management programs. These Asset Management Programs are managed to meet the stated objective of the Program. When you choose an Asset Management Program, you will authorize Lincoln and its assigned Asset Manager to make discretionary asset allocation decisions in your account based on

the discipline of the program(s) chosen. Each Asset Manager appointed by Lincoln offers a unique discipline of investing. Based on a preliminary Profile questionnaire completed by you, your Advisory Representative will make a recommendation to you as to the Asset Manager, Program and risk level appropriate for you..

Although the ultimate responsibility as to the management of your account remains with Lincoln, Lincoln relies on the expertise and management disciplines of its Asset Managers to manage each Program portfolio to the stated discipline and risk level. Lincoln, however, retains the authority to modify any allocation instructions received by an Asset Manager. If an Asset Manager or Program ceases to be available or is removed from Lincoln's offerings, Lincoln will notify you in writing, in advance, and if we do not hear back for you, we will move your assets within that Program to a new Asset Management Program with a commensurate level of risk..

You are responsible to notify your Advisory Representative of any changes in your financial situation or investment objectives or to give any investment restrictions that you wish to impose so that your Advisory Representative can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, Lincoln's Asset Management Programs may not be the appropriate advisory service for you as they cannot be customized to your investment restrictions.

Please refer to Item 8, Methods of Analysis, Investment Strategies and Risk Loss, for a description of the primary investment strategies utilized by Lincoln's Asset Managers.

Advisory Representative Managed Portfolios

Certain experienced Advisory Representatives have been granted the ability to manage investor portfolios on a discretionary basis utilizing investments such as, but not limited to, mutual funds, exchange traded funds, stocks and bonds and covered call option writing. Advisory Representatives discretionary trading and programs are monitored by the Advisory Representative's Designated Supervisor. All Advisory Representative's portfolios are custom managed to your risk tolerance, income, any investment restrictions requested by you and tax management objectives, if applicable. Your managed assets may be custodied at a broker dealer other than Lincoln and the fees and transactional costs associated with maintaining and trading in your managed account may vary.

II. Non-discretionary managed portfolios

Client Custom Portfolio (CCP)

CCP is available on Lincoln's Retirement SOLUTIONS Premier and Investor SOLUTIONS Premier custodial platforms only. For an advisory fee charged on all assets in the account, (the Premier Base Fee), you have access to purchase with no sales charge (at Net Asset Value) thousands of open-ended mutual funds across many fund families. Your Advisory Representative will provide one-on-one professional investment advice to help you choose the right investments, leaving the final investment decisions to you. The Advisory Representative will work with you to design a portfolio based on your investment objectives, tolerance for risk, and any investment restrictions requested by you.

In addition to CCP, Lincoln offers a number of other non-discretionary advisory services that are administered and custodied by third parties, where Lincoln may act as Advisor, Co-Advisor or Solicitor on your behalf.

Co-Advisor

Lincoln, as Co-Advisor, may introduce you to third party independent registered investment adviser in order to provide you with certain investment advisory services. Neither Lincoln nor your Advisory Representative performs the ongoing discretionary asset management in your portfolio. This is done by the independent registered investment adviser. The role of Lincoln and its Advisory Representative is to work with both you and the independent registered investment adviser to ensure that their program continues to meet your needs and goals.

Solicitor

When Lincoln or our Advisory Representative acts as a Solicitor, we introduce you to a third party registered investment adviser that we have determined could best manage all or a portion of your portfolio. Should you choose to do business with the independent registered investment adviser, we will be paid for the introduction an ongoing percentage of the fee that you pay the adviser. The fee arrangement will be disclosed to you at the time that you are referred to the adviser. Neither Lincoln nor the Advisory Representative perform any other role with respect to the assets placed with the adviser

Investment Analysis

Advisory Representatives may, for a fee, provide investment analysis on assets held away from Lincoln; for example, your 401(k) assets held within your employer's plan.

Advisory Representatives may assist you in diversifying and risk adjusting your entire household of investments. Advisory Representatives may charge you for their analysis through a flat, hourly or per asset based fee.

III. Wrap Fee Programs

A Wrap Fee Program is an investment advisory program in which you pay one fee for both investment advisory services *and* the transaction costs in your account. Lincoln's Wrap Fee Programs are offered on brokerage platforms where stocks, bonds and ETFs, all of which have trading costs associated with them, are offered. The Wrap Fee is not based directly upon the actual transaction or execution costs of the transactions in your account. Depending on the underlying investments in your Wrap Fee account and how much trading you expect to do in your Wrap Fee account, you may pay more than if you chose another Lincoln advisory program that does not have a Wrap Fee offering, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all commissions).

If you are interested in a mutual fund-only portfolio, then a Wrap Fee Program may not be the lowest cost option for you. Certain advisory platforms offered by Lincoln have no transaction costs on mutual fund trades. Your Advisory Representative will review your investment options with you to determine the best offering for you.

For further information regarding Lincoln's Wrap Fee Programs or if you are interested in investing in a Wrap Fee Program, please request a copy of Lincoln's Wrap Fee Program Brochure from your Advisory Representative. You could purchase services similar to those offered in Lincoln's Wrap Fee Programs separately from unaffiliated financial services providers.

IV. Financial Planning

Select Lincoln Advisory Representatives are approved to offer Financial Planning for a fee. Financial Planning services may include, but not limited to, retirement, college, tax or insurance needs analysis, and assistance with divorce and estate distribution matters. Many have earned professional designations that qualify them to offer these planning services, but Lincoln does not require the Advisory Representative to maintain a professional designation prior to offering Financial Planning services. Ask your Advisory Representative about his or her professional designations. Lincoln Advisory Representatives are not allowed to give tax or legal advice. Please consult with your personal attorney and tax accountant.

Assets under Management

As of December 31, 2010, Lincoln and its Advisory Representatives:

- Provide retirement plan services to the employees of more than 2,000 employers nationwide;
- Serve over 200,000 clients who have invested assets of more than \$10 billion;
- Manage \$2.1 billion in advisory assets on a discretionary basis; and,
- Advise \$860 million in advisory assets on a non-discretionary basis

Item 5: Fees and Compensation

This section provides to you a description of our advisory fees, how and when these advisory fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled, "Other Costs That You May Incur." Other compensation that Lincoln and/or your Advisory Representative may receive, which may create a conflict of interest, are described in the section titled, "Other Compensation to Lincoln and Our Conflicts of Interest."

With the exception of only a few of Lincoln's advisory offerings, when you pay Lincoln an advisory fee, there are no additional transaction costs or commissions incurred by you. All purchases of mutual funds in Lincoln's advisory services are sold at the Net Asset Value (NAV) of the fund on the day of the transaction, and most are sold with no commission or transaction charge to you. Some advisory programs will offset any applicable transaction costs you incur against the Advisory fee owed to Lincoln. Fees may be negotiable depending on the advisory service selected. Be sure to ask your Advisory Representative about the program(s) considered by you and whether you may incur any transaction costs.

I. Discretion-managed portfolios

Lincoln Managed Portfolios

The Asset Management Program Fee will vary depending on the Asset Management Program(s) selected. Most Asset Management Program Managers do not charge Lincoln for managing their Programs; instead, these Program Managers are compensated directly or indirectly by their affiliated mutual funds that are chosen to be in the Program.

Below are the Fee Schedules for the Asset Management Programs that Lincoln offers on its four(4) mutual fund custodial platforms: RS, RSP, IS, and ISP. There are three (3) different fee schedules available depending upon the program(s): Schedule A, Schedule B, and Schedule C. If you have assets in more than one Asset Management Program,

you may qualify for a lower Asset Management Program Fee. Please refer to "How to Get a Reduced Advisory Fee" under Item 12.

RSP/ISP PLATFORM ASSET MANAGEMENT PROGRAM FEES

Asset Management Program Fees on the RSP/ISP platforms are charged in addition to the annual Premier Base Fee. Some investors, such as employer retirement plan participants, may pay a lower Asset Management Fee. At no time will the total fee assessed to you for advisory services (Premier Base Fee + Lincoln's Asset Management Fee) exceed 2.00% annually.

Asset Management Fee Schedule A ("Schedule A"): The Schedule A fee schedule below applies to the following Asset Management Programs in RSP/ISP: AAA-Master (Houston, TX office only); CLS Master; Progressive Asset Management; Lincoln Strategic with Ibbotson; Lincoln Strategic with Ibbotson-Vanguard; Lincoln Strategic with Ibbotson-Tax Managed (ISP only); Lincoln Strategic with Ibbotson Plus; Meeder-Master; Russell Strategic Allocation; Russell Tax Managed

Asset Management Fee Schedule B ("Schedule B"): The Schedule B fee schedule below applies to the following Asset Management Programs in RSP/ISP: AAMA-Master; CCMG; CCMG-Master; ICON

Asset Management Fee Schedule C ("Schedule C"): The Schedule C fee schedule below applies to the following Asset Management Programs in RSP/ISP: Goldman Sachs Global Allocation

RSP/ISP ANNUAL ASSET MANAGEMENT FEE

Your Account Value	Schedule A	Schedule B	Schedule C
First \$100,000	0.60%	1.10%	0.85%
Next \$400,000	0.45%	0.95%	0.70%
Next \$500,000	0.30%	0.30%	0.30%
Over \$1,000,000	0.20%	0.20%	0.20%

If assets are received into your Asset Management Program at a time other than the last day of the billing period, the initial Asset Management Program Fee in RSP/ISP will be assessed on a daily pro rata basis covering the period from the deposit date until the last day of the calendar quarter.

Thereafter, the Asset Management Program Fee is automatically deducted from your account, quarterly in advance, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter. Lincoln has established a 2% minimum money market position for all Asset Management Programs.

In the event you terminate your Investment Advisory Agreement following payment of Asset Management Program Fee(s), the portion of your fees assessed for the Asset Management Program Fee(s) shall be refunded on a daily pro-rata basis within (60) days of cancellation.

RS/IS PLATFORM ASSET MANAGEMENT FEES

Asset Management Fee Schedule A ("Schedule A"): The Schedule A fee schedule below applies to the following Asset Management Programs in RS/IS: AAA-Master (Houston, TX office only); Lincoln Strategic with Ibbotson; Lincoln Strategic with Ibbotson Plus; Russell Strategic Allocation; Russell Tax Managed

Asset Management Fee Schedule B ("Schedule B"): The Schedule B fee schedule below applies to the following Asset Management Programs in RS/IS: ICON

Asset Management Fee Schedule C ("Schedule C"): The Schedule C fee schedule below applies to the following Asset Management Programs in RS/IS: Goldman Sachs Global Allocation

RS/IS ANNUAL ASSET MANAGEMENT FEE

Your Account Value	Schedule A	Schedule B	Schedule C
First \$100,000	1.50%	2.00%	1.75%
Next \$400,000	1.25%	1.75%	1.50%
Next \$500,000	1.00%	1.00%	1.00%
Over \$1,000,000	0.80%	0.80%	0.80%

If assets are received into your Asset Management Program at a time other than the last day of the billing period, the initial Asset Management Program Fee in RS/IS will be assessed on a daily pro rata basis covering the period from the deposit date until the last day of the billing period.

Thereafter, the Asset Management Program Fee is automatically deducted from your account, quarterly in advance, based on the value of your assets under management as of the close of business on the last business day of the preceding quarter. Lincoln has established a 2% minimum money market position for all Asset Management Programs.

In the event you terminate your Investment Advisory Agreement following payment of Asset Management Program Fee(s), the Asset Management Program Fee(s) shall be refunded on a daily pro-rata basis within (60) days of cancellation.

Advisory Representative Managed Portfolios

If your portfolio is managed with discretion by one of Lincoln's Advisory Representatives, the fee for these programs is established by the Advisory Representative and approved by Lincoln. Fees are typically asset based, collected quarterly in advance, and may not exceed 2.0% annually. The specific fee schedule for your managed portfolio is provided with the Lincoln Advisory Agreement you sign prior to the start of these services.

II. Non-discretionary managed portfolios

Client Custom Portfolio (CCP)

For an asset-based advisory fee, (the Premier Base Fee), our "Premier" accounts provide you one-on-one professional advice by one of our Advisory Representatives and access to thousands of open-ended mutual funds, without paying any sales charges.

Your Account Value	Annual Premier Base Fee
First \$100,000	0.90%
Next \$400,000	0.80%
Next \$500,000	0.70%
Over \$1,000,000	0.60%

The Premier Base Fee assessed in RSP/ISP are billed on calendar quarters and are not refundable. For assets received into your RSP/ISP account within a calendar quarter, Lincoln waives the Premier Base Fee for the interim period these new assets are in your RSP/ISP account in that first quarter.

Thereafter, the Premier Base Fee is automatically deducted from your account, quarterly in advance, based on the total value of your assets in the RSP/ISP account as of the close of business on the last business day of the preceding quarter.

In the event you close your RSP/ISP account within a quarter, the Premier Base Fee is not refundable.

Some investors, such as employer retirement plan participants, may pay a lower Premier Base Fee. At no time will the total fee assessed to you for advisory services (Premier Base Fee + Lincoln's Asset Management Fee) exceed 2.00% annually.

Co-Advisor

Lincoln, as Co-Advisor, works with third party independent registered investment advisers to provide you with access to their investment advisory services. A portion of the Advisory Fee charged by the independent registered investment adviser is paid to Lincoln and your Advisory Representative, as a Co-Advisor. Please review the Advisory Agreement and Form ADV2A, or advisory brochure provided to you by the third party registered investment adviser for further information regarding the advisory fee for your selected advisory service(s) and the portion that is paid to Lincoln and your Advisory Representative.

Solicitor

Advisory Representatives may also act solely as a Solicitor and introduce you to a third party money manager. For this introduction, the third party money manager will pay Lincoln a Solicitor Fee. This fee, which is typically an ongoing portion of the fee collected from you by the third party money manager, must be disclosed to you at the time of the introduction in a document titled the Solicitor Disclosure Statement. Lincoln does not dictate or control the asset management or other fees that may be assessed by the third-party money manager. Please review the Solicitor Disclosure Statement for further information about the solicitor fee.

Investment Analysis

Advisory Representatives may charge you for their investment analysis through a flat, hourly or per asset based fee. You will receive an investment advisory agreement before any analysis begins. This agreement will give you a description of the services and fees you and your Advisory Representative have agreed upon.

III. Wrap Fee Programs

For further information regarding Lincoln's Wrap Fee Programs or if you are interested in investing in a Wrap Fee Program please request a copy of Lincoln's Investment Advisory Brochure Appendix I from your Advisory Representative.

IV. Financial Planning

Financial Planning services are generally provided to you by the Advisory Representative on a flat fee or hourly fee basis. You will receive a financial planning agreement before any financial services begin. This agreement will describe the services and fees you and your Advisory Representative have agreed upon.

Other Costs That You May Incur

Total advisory fees paid and other costs associated with your portfolio impact the overall performance of your portfolio. It is important to review these costs when making your advisory and investment decisions.

Costs may include the following.

1. **Internal Expenses.** Internal management fees or other expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds and annuity companies charge a fee for the management and operations of their offerings. The higher the internal expense the more impact it will have on the performance of your portfolio.
2. **Brokerage Account Fees.** Lincoln offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees, such as, transaction fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Please refer to Item 12, Brokerage Practices, for further information.
3. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect your or your Money Manager's ability to properly manage your portfolio as these costs will impact the performance of your portfolio.
4. **Variable Annuity Rider and Contract Costs.** These costs may include annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.
5. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other non-advisory purchases. You should consult the fund prospectus for the product sponsor's specific rules.

Other Compensation to Lincoln and Our Conflicts of Interest

Lincoln, in addition to being an investment adviser is also the broker-dealer on many of the advisory platforms it offers as well as an insurance agency. As broker dealer, Lincoln receives other forms of compensation on your advisory assets. Lincoln recognizes its fiduciary responsibility to place your interests above ours and that other compensation received by us from other sources presents a conflict of interest and could be looked upon by you as an incentive for us to recommend investment products based on compensation rather than on your financial needs.

Lincoln believes that this other compensation is important to us, and you. It allows us to provide services to you, including, the 24/7 access to your account information the ongoing education and training of our Advisory Representatives, and the capability to maintain lower servicing fees for certain services provided to you. Lincoln has chosen to address this conflict by disclosing the types and amounts of other compensation we receive so that when you are making your decision to do business with us, you can personally assess the importance of this compensation in your decision.

Lincoln's principal business is as a broker-dealer for over 200,000 clients. The majority of Lincoln's revenue comes from the commissions associated with the sale of mutual funds, variable annuities and other security products to these clients. Approximately one-quarter of our broker dealer clients are also advisory clients. Lincoln, acting as both your broker-dealer and registered investment adviser, could be deemed a conflict of interest. You always have the option to purchase products or insurance through non-affiliated brokers or agents.

Other compensation to Lincoln may include the following.

1. **12b-1 Fees.** Lincoln's advisory services offer mutual funds, some of which pay to Lincoln ongoing distributions fees, also referred to as servicing or 12b-1 fees. These fees typically range from 0.10% to 0.30%, annualized, based on the value of your investment in the fund. Many of Lincoln's advisory services also offer no-load funds which do not pay 12b-1 fees. Please ask your Advisory Representative or refer to the fund prospectus to determine which funds pay Lincoln 12b-1 fees.

Lincoln may or may not share with your Advisory Representative the 12b-1 fees received. Only a small number of Lincoln's Advisory Representatives do not share in certain products' 12b-1 fees paid to Lincoln. You should ask your Advisory Representative if he/she receives or shares in the 12b-1 fees associated with his/her product recommendations to you. This may create a financial incentive for your Advisory Representative to offer you those products for which he/she does qualify to share in 12b-1 fees.

Lincoln's policy as to which Advisory Representative shares in the 12b-1 fees varies based on such factors as: (1) whether the Advisory Representative is in a company agency or independent agency branch office; (2) whether the Advisory Representative qualifies for Lincoln's achievement clubs by meeting certain production criteria; (3) whether the product paying the 12b-1 fee is a Compensating Sponsor and/or (4) whether the product issuing the 12b-1 fees maintains an electronic relationship with Lincoln for the sharing of client information.

Any 12b-1 fees received for a qualified employer plan under ERISA, will be refunded to the plan participants.

2. **Commissions or other compensation on non-advisory recommendations.** Our Advisory Representatives could recommend to you both the purchase and sale of non-advisory securities or insurance products offered by Lincoln in addition to advisory services offered by Lincoln.

Lincoln shares with each Advisory Representative a percentage of the commission received based on the *type* of product sold (e.g. mutual fund or variable annuity), and not specifically on the named product or sponsor of the product.

Lincoln's Advisory Representatives are independent contractors that offer other financial services and products, such as, life, health, disability, long term care and fixed annuity insurance products, real estate and retirement plan administration services. These services are offered independent of Lincoln.

For the non-advisory product purchases, our Advisory Representatives will receive a sales commission which shall be in addition to any advisory fees received on your advisory assets. In these situations, our Advisory Representative may be financially incentivized to offer you both non-advisory and advisory products and services.

3. **Authorized Agent for UMB Bank, n.a.** Lincoln acts as authorized agent for UMB Bank, n.a., the retirement plan custodian used in our SOLUTIONS retirement plan platform offerings. As an authorized agent, Lincoln collects on behalf of UMB Bank, n.a. the custodial fee for all RS and RSP accounts and in return performs the administrative and custodial duties, such as, recordkeeping, consolidated reporting, client communications, trade confirmations, account statements and tax reporting for UMB Bank, n.a. As we retain a significant portion of the custodial fee, any inducement to Advisory Representatives by Lincoln to recommend to you the RS and RSP platforms over other retirement plan custodial services could be deemed a financial conflict of interest. This fee is not shared with the Advisory Representative.

4. **Advisory Representative Due Diligence Seminars**

Advisory Representatives are invited from time to time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor. Lincoln must grant permission to our Advisory Representatives to attend any meeting or seminar hosted by a product sponsor. Lincoln approves those events that are limited to education only and allows the product sponsor to reimburse the Advisory Representative through Lincoln for actual expenses such as travel.

Additional compensation is not shared directly with FRs, their managers or designated supervisors, other than reimbursement of expenses from attendance at educational meetings sponsored by the product providers. Only Lincoln benefits financially from this additional compensation which is utilized to offset the cost of the services performed on behalf of the product sponsor or the marketing and operational expenses of the company.

5. **Sales Contests**

Lincoln also offers sales contests that provide additional incentives to Advisory Representatives. Lincoln may offer contests throughout the year that will be limited to those accounts on Lincoln's SOLUTIONS platforms. In offering a contest only on sales on these platforms, Lincoln may offer sales contests that may provide the Advisory Representative with an incentive to offer the products or services of only those product sponsors that are approved for sale on the SOLUTIONS platforms.

Lincoln includes in the contest all approved products on the platform and does not restrict these contests to compensating sponsors. Top achievers in these contests may receive Lincoln-sponsored trips, cash prizes, bonus commissions, extra club points, monetary donations in their name to a charity of their choice or other nominal prizes. All contests are across the entire product line available on the SOLUTIONS platforms. No contest is offered which will award the Advisory Representative based upon a specific investment product or on a specific product sponsor. Lincoln will not accept any business that is not deemed suitable for the client.

6. Endorsements

From time to time, Lincoln makes lump-sum payments to education-based associations and not-for-profit organizations with a large constituency of employees who are eligible to invest in 403(b) retirement plans, (Associations). In some cases, Lincoln voluntarily makes such payments to reimburse the Associations for certain marketing expenses (e.g. newsletter advertisements) in connection with Lincoln's products and services. Certain Associations require Lincoln to reimburse them for (1) marketing expenses,(2) use of their facilities used to meet with their employees, (3) to obtain their explicit endorsement, or (4) to cover their administrative costs for the processing of payroll contributions.

7. Additional Compensation

Lincoln has partnered with a select group of product sponsors in order to assist us in the marketing efforts and training of our Advisory Representatives.

Our Strategic Partners may provide financial support to Lincoln for sales events, recognition clubs, and conferences; and, reimbursement of approved Advisory Representative expenses which include, but are not limited to, due diligence meetings, client meetings or seminars, and general mailings, and in return, we provide them access to our Advisory Representatives.

This financial support is paid to Lincoln in the form of flat-dollar event sponsorship fees or asset-based/sales-based compensation. This compensation is not shared with Advisory Representatives.

The following is a list in alphabetical order of Strategic Partners who provide Lincoln compensation for Sales and Marketing Support in 2011.

Our Mutual Fund Strategic Partners

- Federated Investors
- Franklin Templeton Investments
- Invesco
- Oppenheimer Funds
- Putnam Investments

Our Variable Annuity Strategic Partners

- Commonwealth Annuity
- Jackson National Life Insurance Co
- Lincoln National
- MetLife Investors
- Prudential
- Security Benefit Group

Our Advisory Strategic Partners

- Advanced Asset Management Advisors, Inc.
- Clark Capital Management Group, Inc.
- Clarke Lanzen Skalla
- Goldman Sachs & Co.
- ICON Advisors, Inc.
- Meeder Financial
- Russell Investments

Our Fixed Annuity Strategic Partners

- Great American Insurance Group
- VALIC

The following is a list, from highest to lowest, of our Strategic Partners in order of the Sales and Marketing Support compensation received from them in 2010.

1. ICON Advisors, Inc.
2. Franklin Templeton Investments
3. Jackson National Life Insurance Co.
4. Invesco
5. Prudential
6. Federated Investors
7. Oppenheimer Funds
8. Security Benefit Group
9. Lincoln National
10. Putnam Investments
11. MetLife Investors
12. Van Kampen Investments
13. Russell Investments
14. VALIC
15. US Allianz
16. Commonwealth Annuity
17. Clark Capital Management Group, Inc.
18. Meeder Financial/Flex Funds
19. Advanced Asset Management Advisors, Inc.
20. Ohio National Life Insurance Co.

In addition, the following other product sponsors, provided financial support to Lincoln and its Advisory Representatives in 2010: Advisor One Funds, American Funds, Columbia Management, Crump Life Insurance Services, Delaware Investments, Haverford Trust, Individual Commercial Brokerage, Inc., ING, John Hancock Life Insurance Co., Midland National Life Insurance Co, Great American Financial Resources, Inc., The Hartford, and Waddell & Reed Financial, Inc.

Administrative Services

Administrative Services represents reimbursement to Lincoln from the product sponsor for services such as recordkeeping or networking and shareholder services. Shareholder services are provided solely for Russell Investments and include the generating and distributing of all statements, confirms, tax reporting as well as recordkeeping for the Russell funds owned by our clients.

The following is a list of product sponsors in alphabetical order that paid Lincoln for Administrative Services in 2010.

- Advisor One Funds
- Alger Funds
- Alliance Bernstein
- American Funds
- Calvert Asset Management Co.
- Evergreen Investment Management Co.
- Federated Investors
- Fidelity Investments
- Franklin Templeton Investments
- Goldman Sachs & Co.
- ICON Advisors, Inc
- MFS Investment Management
- Oppenheimer Funds
- Pioneer Investments
- Principal Life Insurance Company
- Prudential
- Putnam Investments
- Russell Investments
- Scudder Kemper Investments, Inc.
- Security Benefit Group
- Sentinel Investments
- Van Kampen Investments

The following is a list of product sponsors, from highest to lowest, that paid Lincoln for Administrative Services in 2010.

1. Russell Investments
2. American Funds
3. Oppenheimer Funds
4. Invesco
5. ICON Advisors, Inc.
6. Federated Investors
7. Franklin Templeton Investments
8. Putnam Investments
9. Goldman Sachs & Co.
10. MFS Investment Management
11. Van Kampen Investments
12. Alger Funds
13. Scudder Kemper Investments, Inc.
14. Security Benefit Group
15. Alliance Bernstein
16. Prudential
17. Fidelity Investments
18. Calvert Asset Management Co
19. Advisor One Funds
20. Pioneer Investments
21. Evergreen Investment Management Co.
22. Sentinel Investments
23. Principal Life Insurance Company

Overall, in 2010, additional compensation received by Lincoln from both marketing support and administration reimbursement fees represented on average \$4.43 on an account value of \$10,000.

Additional compensation is not shared directly with Advisory Representatives, their managers or designated supervisors, other than reimbursement of expenses from attendance at educational meetings sponsored by the product providers. Only Lincoln benefits financially from this additional compensation which is utilized to offset the cost of the services performed on behalf of the product sponsor or the marketing and operational expenses of the company.

Item 6: Performance-Based Fees

Lincoln and our Advisory Representatives do not receive performance based fees. A performance based fee is an advisory fee that compensates the adviser for the adviser's success in managing his client's money or "a fee based on the share of the capital gains and appreciate of a client's funds." A performance based fee may induce an adviser to take greater and undue risks with client's funds in an attempt to generate higher compensation to the adviser.

Your Advisory Fees with Lincoln are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

Item 7: Types of Clients

Lincoln Advisory Representatives primarily serves the 403(b), 457 and IRA retirement plan marketplace and provides advisory services to these individual participants and beneficiaries, their families and businesses. Some Advisory Representatives primarily provide investment advice to high net worth individuals.

A minimum account size exists for most of the advisory services offered by Lincoln. These minimums begin at \$150 per pay and may exceed over \$100,000 depending on the advisory service selected by you. Lincoln may, from time to time, amend or waive the minimum account size for the advisory services offered on its proprietary platforms. Refer to the advisory service materials for more information on minimum account size requirements.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear.

The advisory services and advice offered by Lincoln and its Advisory Representatives primarily attempt to provide to you a *risk appropriate diversified portfolio*. A risk appropriate diversified portfolio applies the disciplines and theories of asset allocation. *Asset Allocation* means, first and foremost, *not* putting all your eggs in one basket, and working to design a portfolio that sufficiently allocates your assets across asset class types to help reduce the exposure to market loss that you could incur in your account(s). It is important to understand that Asset Allocation, although a proven theory to reduce risk to you portfolio, does not guarantee a profit or protect against loss.

Asset Classes range from equities - both domestic and international, bonds, cash, and other sector industries such as real estate, technology, energy or gold. Asset classes can be further broken

down by market capitalization (company size based on annual revenues) and include large companies (Large Cap), medium size companies (Mid Cap) and small companies (Small Cap).

Lincoln primarily uses mutual funds in its Asset Management Programs. Mutual Funds pool the money of its investors and invest it in a variety of stocks, bonds or other types of securities to meet the stated objective of the fund. Each mutual fund will then be assigned by Lincoln into one of the asset classes identified above and the mutual funds that best meet Lincoln's proprietary criteria for inclusion in our Asset Management Programs will be selected. Actual investment return and principal value of most *mutual fund* investments are subject to market risk and will fluctuate so that your shares, when redeemed, may be worth more or less than their original cost.

Using a risk appropriate diversified portfolio, Lincoln uses two approaches to further manage your money in its advisory services: a Strategic approach and a Tactical approach. Both approaches are best suited for a long term objective to investing.

- **Strategic:** A strategy that sets specific asset class allocations and then periodically rebalances the managed portfolio to maintain the original asset class allocation. There is typically no change in the asset classes used in these portfolios.
- **Tactical:** A strategy that takes a more active trading approach to investing that makes tactical market trades in your portfolio to take advantage of potential market opportunities. This could mean a complete replacement of a poor performing asset class to a good performing asset class.

For further information regarding the risks associated and the investment strategies for your account(s), please review the risk level of the Asset Management portfolio and your fund prospectus(es) or consult with your Advisory Representative. Lincoln also provides information for its Asset Management strategists (including quarterly Asset Management Strategist commentaries) on its website at www.lincolninvestment.com.

Item 9: Disciplinary Information

Over Lincoln's more than 40 years in the business, we have had three (3) Regulatory Administrative Orders issued against us. All of these orders related to findings where Lincoln was found to have violated one or more federal or state rule or regulation associated with its broker dealer business. At no time, however, were any of these rule violations found to have jeopardized the funds or securities of our investors. Lincoln strives to maintain at all times a high degree of excellence with respect to regulatory compliance and transparency to our investors.

Provided below are summary descriptions of these events including the date they were resolved and any reprimands or monetary fines imposed.

5/31/88: State of Iowa Securities Department censured and fined Lincoln in the amount of \$250 for failure to register in the state of Iowa prior to the sale of funds to clients in the state of Iowa.

Lincoln consented to the censure and fine without admitting or denying the allegations made by the State of Iowa against us and ensured that it became properly registered in the State of Iowa.

7/27/93: National Association of Securities Dealers (NASD) censured and fined Lincoln, Edward S. Forst, Sr., and Thomas Forst \$7,500 as a result of findings by the NASD of net capital and operations violations governing a broker-dealer. These findings included failure to maintain minimum net capital, inaccurate financial reporting, and failure to register with the Municipal Securities Rulemaking Board (MSRB).

Lincoln accepted the allegations made against us and its Principals, waived our right to a hearing, and consented to the fine.

3/23/09: Financial Industry Regulatory Authority (FINRA) censured and fined Lincoln \$15,000 for failure to process 398 out of 423 investors' claim forms within 90-days of the receipt of the claim form.

Lincoln accepted the allegations made against us, waived our right to a hearing, and consented to the fine. It is important to note that all eligible investors had received their refunds with interest paid to them by Lincoln from the date of the original transaction up to the date the refund was sent.

For further information regarding Lincoln's disciplinary events you may go to www.adviserinfo.sec.gov or www.brokercheck.finra.org

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer and Insurance Agency

Lincoln is also a registered broker-dealer and an insurance agency. This may present a conflict of interest. Please refer to the "Other Compensation to Lincoln and Our Conflicts of Interest" section under Item 5 of this brochure for information regarding Lincoln's conflicts of interests as a broker-dealer and insurance agency and how we address these conflicts.

Authorized Agent for UMB Bank, n.a.

Lincoln acts as authorized agent for UMB Bank, n.a., the retirement plan custodian used in our SOLUTIONS retirement plan platform offerings. As an authorized agent, Lincoln collects on behalf of UMB Bank, n.a. the custodial fee for all RS and RSP accounts. Lincoln also performs the administrative and custodial duties, such as, recordkeeping, consolidated reporting, client communications, trade confirmations, account statements and tax reporting for UMB Bank, n.a.

Advisory Representatives Other Business Activities and Affiliations

Lincoln's Advisory Representatives are independent contractors, many of whom hold themselves out to the public under a name other than Lincoln Investment and offer other financial services independent of Lincoln, such as, life, health, disability, long term care and fixed annuity insurance products, real estate and retirement plan administration services. A few of our Advisory Representatives may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct their business. These services are offered independent of Lincoln and Lincoln assumes no responsibility or supervision over these activities. You may go to www.adviserinfo.sec.gov or www.brokercheck.finra.org for further information regarding your Advisory Representatives' other business activities or affiliations.

Independent Registered Investment Advisors

Lincoln permits certain Advisory Representatives to maintain their own independent registered investment advisors which may offer advisory services similar, yet independent of, Lincoln. Lincoln assumes no responsibility for these advisory programs and conducts limited due diligence

and supervision of the programs offered by these associates. An Advisory Representative who has his or her own independent investment adviser has a fiduciary responsibility to recommend to you the most suitable advisory program regardless of whether it is offered through their investment adviser or Lincoln's investment adviser.

Independent registered investment advisors must provide to their clients their own Form ADV2A (or similar disclosure brochure) and all required advisory agreements and disclosures. To inquire as to whether your Advisory Representative has a separate registered investment adviser, you may go to www.adviserinfo.sec.gov or www.brokercheck.finra.org

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

As a fiduciary, Lincoln has established a Code of Ethics under which all Lincoln employees and Advisory Representatives must comply. Lincoln accepts its fiduciary responsibility to (1) place the interests of clients first at all times, (2) act with the utmost good faith and provide full and fair disclosure of all material facts and conflicts of interest to clients, and (3) conduct all personal securities transactions consistent with Lincoln's Code of Ethics.

Lincoln's Advisory Representatives are held to a professional standard that requires they avoid any abuse of an individual's position of trust and responsibility, not take inappropriate advantage of their positions; comply with applicable securities laws and regulations; and maintain confidentiality of client's financial circumstances.

You may request a full copy of Lincoln's Code of Ethics from your Advisory Representative or Lincoln's Compliance Department at (800) 242-1421, ext. 4300.

Participation or Interest in Client Accounts and Personal Trading

For all portfolios that Lincoln or its Advisory Representative have discretionary authority, the Advisory Representative and his or her employees must give priority to client securities purchases and sales over their own personal transactions in the same security, when placing an order.

This means that any transaction by the Advisory Representative or his/her employee must be placed either simultaneously with your transaction (i.e. through a block trade) or after all client trades are placed on the same trading day. While the latter will not guarantee that you will receive the best price, it does establish that the client trades will occur at the same time as or before that of the Advisory Representative or his/her employees. At no time may an Advisory Representative participate in the profits or losses of an investor's account. Personal trading accounts of Advisory Representatives are reviewed by Lincoln to ensure compliance.

Item 12: Brokerage Practices

Lincoln as Broker-Dealer/Custodian

Lincoln's largest advisory offerings are maintained on our proprietary platforms, RS/IS/RSP/ISP. This allows us to manage and control the costs associated with your accounts. As the majority of our advisory trading is across mutual funds, we direct these trades to NSCC (National Securities Clearing Corporation) who handles all trades in our mutual fund offerings. Therefore, we are not

subject to best execution concerns, as every mutual fund transaction occurs at the net asset value of the fund as determined at the close of each trading day.

Because this is our proprietary platform, Lincoln has the ability to offer discounts on the advisory fees for the Asset Management Programs on our SOLUTIONS platforms. Please refer to the section below, "How to get a Reduced Advisory Fee", for more information regarding these discounts.

Please also refer to the "Other Compensation to Lincoln and Our Conflicts of Interest" section under Item 5 of this brochure for further information regarding Lincoln's conflicts of interests as a broker-dealer.

Lincoln not as Broker-Dealer/Custodian

The remaining advisory services offered by Lincoln specify one or more custodians or clearing firms where the assets must reside in order for the advisory services to be engaged. For many of these services, this allows Lincoln the capability to have ongoing access to the assets for trading and viewing purposes. In order to be considered as a custodian for purposes of carrying and executing transactions, Lincoln will review the reasonableness of the firm's execution reports, fees and transaction costs. The value of products, research and services offered by broker-dealers/custodians to Lincoln is not a factor in determining the advisory fee charged to a client.

As Lincoln is directing you account and your transactions to our broker dealer or another broker dealer, you may not receive the most favorable execution price on your transactions, which may cost you more money. Not all investment advisors require the use of a specific broker-dealer/custodian.

Please consult with your Advisory Representative regarding which broker-dealer/custodians may be required for the advisory service(s) you wish to select or invest. Brokerage or custodial account fees and/or transaction charges, if any, are disclosed to you at the time your account is established. Lincoln does not receive compensation from any broker-dealer/custodian for client referrals.

How to get a Reduced Advisory Fee

If you have assets in more than one Asset Management Program on Lincoln's SOLUTIONS platform(s), you may qualify for a lower Asset Management Program Fee. Lincoln will automatically calculate all eligible advisory fee discounts, as described below, and will assess you the lowest Advisory Fee from among these methods. Any Advisory Fee discount applied will be indicated on your quarterly billing notice which is found within Lincoln's SOLUTIONS quarterly statements.

1. **Breakpoint:** This discount method is the incremental reduction in the advisory fee that is applied to accounts with asset values greater than \$100,000. These fee breakpoints can be found on the Fee Tables under Item 5, Fees and Compensation.
2. **Account Related Group (ARG) Discount:** This discount method combines all related clients within the *same* Asset Management Program. A related client includes spouse and children, regardless of age or residence, and certain business accounts. In order to be eligible for this discount, related accounts must be identified on your SOLUTIONS application and be invested in the *same* Asset Management Program.

3. **Multiple Service Discount:** This discount method totals all assets in all Asset Management Programs (excluding Client Custom Portfolio assets) for a single client or multiple clients related by an ARG. Based on the total assets determination, the percentage shown in the table below is applied to each Asset Management Programs' Asset Management Fee. To be eligible for this discount you must have a minimum of \$200,000 of eligible assets within Asset Management Program(s).

Multiple Service Discount					
Eligible Assets in ARG with Asset Management		Discount to be applied to Base Rate	Eligible Assets in ARG with Asset Management		Discount to be applied to Base Rate
From	To		From	To	
\$200,000	\$299,999	7%	\$1,000,000	\$1,249,999	26%
\$300,000	\$399,999	9%	\$1,250,000	\$1,499,999	30%
\$400,000	\$499,999	10%	\$1,500,000	\$1,749,999	32%
\$500,000	\$599,999	11%	\$1,750,000	\$1,999,999	34%
\$600,000	\$699,999	16%	\$2,000,000	\$2,499,999	35%
\$700,000	\$799,999	20%	\$2,500,000	\$2,999,999	37%
\$800,000	\$899,999	22%	\$3,000,000	And up	38%
\$900,000	\$999,999	24%			

Example: A client has \$100,000 in assets in one of Lincoln's Asset Management Programs and her spouse has \$100,000 in a different Lincoln Asset Management Program. Provided the client and her spouse are in the same Account Related Group (ARG) at Lincoln, a 7% Multiple Service Discount would apply to each of their Asset Management Program fees as together their assets qualify for the \$200,000 discount as shown above.

Item 13: Review of Accounts

Account Review Policies and Procedures

Your Advisory Representative is responsible to ensure that the recommended advisory service is suitable for you. Many of our programs are managed to meet different levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment, is an important part of your decision. Annual reviews should be held by you with your Advisory Representative to ensure that the advisory program continues to meet your needs and goals.

Your Advisory Representative's Designated Supervisor will review all financial plans prepared for a fee and will also review a transaction report on a daily basis of the previous day's advisory business. This is to provide an oversight of the planning and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisory Representative's Designated Supervisor.

Lincoln's Investment Committee routinely reviews the advisory services offered by Lincoln. The Investment Committee is comprised of members of the Advisory, Sales, and Compliance Department, and outside consultants who assist us providing competitive and appropriate advisory services. The Investment Committee performs the following roles on Lincoln's behalf:

- The selection of Advisory Services offered by Lincoln;
- The monitoring of Advisory Services offered by Lincoln;
- The removal of Advisory Services offered by Lincoln;
- The comparison of advisory results to predetermined benchmarks to monitor whether the Asset Manager's discipline is providing value to clients;
- The ongoing due diligence of Asset Management Programs/Asset Managers;
- The fair and competitive pricing of all advisory services;

Written Reports

At minimum, you will receive a quarterly account statement (retirement plan accounts) or monthly account statement (non-retirement accounts) from the custodian who carries your account. This statement will reflect all transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account. Some advisory services may provide you supplemental advisory reports which will include performance reports, aggregated account reviews, or a portfolio snapshot. Some reports are made available to you electronically while others may be available to you only on a quarterly basis. We urge you to compare these supplemental reports to the account statements you receive. If you find any discrepancies, please contact your Advisory Representative or Lincoln.

Item 14: Client Referrals and Other Compensation

On occasion, Lincoln permits an Advisory Representative to compensate an outside party (for example, an attorney or an accountant) for client referrals to one of our advisory services. The outside party must execute a Solicitor Agreement with Lincoln, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor.

Item 15: Custody

Lincoln, as a broker-dealer, is deemed a "qualified custodian" under broker-dealer regulations and Rule 206(4)-2 ("Custody Rule") of the Investment Advisers Act of 1940. As such, Lincoln is defined as having custody under the Custody Rule. The Custody Rule requires investment advisors with custody of client securities or funds to implement a set of controls designed to protect client assets from being lost, misused, or misappropriated. Lincoln, as a qualified custodian, maintains a separate account at the fund for each advisory client.

In accordance with the Custody Rule, Lincoln is required to undergo an annual surprise examination by a PCAOB independent public accounting firm whose responsibility it is to verify investor assets; to ensure investor account statements are sent directly to investors; and to provide an internal control report to the firm relating to the custody of client assets.

You may have your advisory assets held at a qualified custodian other than Lincoln. You should receive, at minimum, a quarterly statement from the qualified custodian(s) of your advisory assets. We urge you to carefully review these statements and compare them to any reports provided to you by Lincoln or your Advisory Representative. The information in these reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Advisory Representative or Lincoln regarding any statement discrepancies.

Item 16: Investment Discretion

Depending on the advisory service chosen, Lincoln and its Advisory Representatives, or an independent Asset Manager may have discretionary authority to determine which securities shall be bought and sold, and the total amount to be bought or sold in your advisory account(s). This authorization does not grant Lincoln or its Advisory Representatives the right to withdraw any funds or securities from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of Advisory Fees. Your advisory agreement or account application will identify if you are giving discretionary trading authorization for your advisory account(s) to Lincoln or your Advisory Representative.

Item 17: Voting Client Securities

Lincoln and its Advisory Representatives may not accept authority to vote clients proxies for any securities in an advisory or non-advisory service.