Frequently asked questions

Lincoln Defined Outcome Funds, available with *Lincoln Investor Advantage*® Pro variable annuities

Access our interactive tool and site for:

- Full range of fund offerings
- Current daily pricing, caps and buffers
- Videos and other educational resources
- Sneak previews of upcoming funds

LFG.com/DefinedOutcomeFunds

What are Lincoln Defined Outcome Funds?

Lincoln Defined Outcome Funds are a new series of funds offered inside of *Lincoln Investor Advantage*® Pro variable annuities. They offer investors exposure to a market index such as the S&P 500 index, up to a cap, with a built-in buffer level that provides a specified amount of principal protection. This is done over an outcome period of approximately one year.

What Lincoln Defined Outcome Funds are currently available?

Fund	Expense ratio	Available
Lincoln S&P 500 Buffer Fund May	1.05%	6/21/21
Lincoln S&P 500 Ultra Buffer Fund May	1.05%	6/21/21
Lincoln Nasdaq-100 Buffer Fund Jun	1.20%	6/21/21
Lincoln S&P 500 Buffer Fund Aug	1.05%	8/23/21
Lincoln S&P 500 Ultra Buffer Fund Aug	1.05%	8/23/21
Lincoln Nasdaq-100 Buffer Fund Sep	1.20%	9/20/21

New funds will be added every three months, until there are a total of four funds available for each buffered fund series. Visit www.LFG.com/definedoutcomefunds for a current view of funds available, including their remaining caps and buffers.

What are the buffer and cap levels for the funds?

The Lincoln S&P 500 Buffer Funds will have a buffer level of 12%.

The Lincoln S&P 500 Ultra Buffer Funds will have a buffer level of 22%.

The Lincoln Nasdaq-100 Buffer Funds will have a buffer level of 12%.

The cap levels will be dictated by market conditions and communicated at the time of the fund launches and at the beginning of each new outcome period. All stated buffer and cap levels are gross of fees and expenses. All returns received by the investor will be net of applicable product and fund expenses.

Insurance products issued by: The Lincoln National Life Insurance Company

What are the key terms I should know about defined outcome funds?

Cap—Refers to the maximum potential return the fund seeks to provide if held for the full outcome period. The cap is set on the first day of an outcome period and may increase or decrease from one outcome period to the next. A fund does not participate in growth above the cap.

Buffer—Refers to the maximum potential downside protection the fund seeks to provide for the full outcome period, compared to the reference asset loss.

Outcome period—Refers to the length of time over which the cap and buffer defined outcomes are sought, approximately a one-year time period.

Downside before buffer—As of the current date, refers to the potential loss the fund would incur before benefiting from the buffer for the remaining outcome period.

Remaining cap—As of the current date, refers to the maximum potential return the fund seeks to provide for the remaining outcome period.

Remaining buffer—As of the current date, refers to the maximum potential downside protection the fund seeks to provide for the remaining outcome period, compared to the reference asset loss.

These definitions represent potential values based off fund and reference asset values of the current outcome period. An investor that purchases shares after the commencement of an outcome period will likely have purchased shares at a different value than the unit value upon which the initial cap and buffer were based and may experience investment outcomes very different from those sought by the fund over the entire outcome period. There is no guarantee the fund will be successful in its attempt to provide the outcomes for an outcome period. Please visit www.LFG.com/definedoutcomefunds, which provides updated fund information on a daily basis.

When can I invest in or sell out of a Lincoln Defined Outcome Fund?

Individuals will be able to buy or sell a fund at any point during the outcome period. However, for an investor to realize the initial buffer and initial cap, they would need to purchase the fund at the beginning of the outcome period and hold through the end of the outcome period. Investors who buy or sell a fund in the middle of an outcome period will experience a different return profile.

Please visit www.LFG.com/definedoutcomefunds to view the current funds available and learn more about each fund's current cap, buffer and outcome period.

Do I need to reallocate at the end of an outcome period?

These funds will "reset" at the end of the current outcome period, and as an investor, there is no action needed on your part. Once the outcome period ends, a new outcome period begins with a reset of the buffer level and a new cap will be determined based off market conditions at that time.

How do the funds aim to achieve their buffer and cap levels?

Each fund pursues its investment objective by investing approximately half of its net assets in FLexible EXchange® (FLEX) Options to create layers within the fund's portfolio. The FLEX Options are set to expire on the last day of the outcome period, when the fund will invest in a new set for the next period. One layer is designed to buffer the fund from losses, while another layer is designed to produce returns that track those of the underlying reference asset for an outcome period, up to the cap. However, because a component of an option's value is the time remaining until its expiration, during the outcome period, the fund's unit value will not directly correlate on a day-to-day basis with the returns experienced by the underlying reference asset. As a FLEX Option approaches its expiration date, its value typically increasingly moves with the value of the underlying reference asset, with the goal of producing the desired outcome at the end of the period.

The Lincoln S&P 500 Buffer and Ultra Buffer Funds invest the other half of their net assets in the LVIP SSGA S&P 500® Index Fund, which seeks to approximate the total rate of return of common stocks publicly traded in the U.S., as represented by the S&P 500® Index. The Lincoln Nasdaq-100 Buffer Funds invest approximately half of their assets in the LVIP SSGA Nasdaq-100 Index Fund. There is no guarantee that the funds will be successful in their attempt to provide the outcomes for an outcome period.

How do defined outcome funds in an annuity differ from other cap and buffer type products?

Defined outcome funds provide similar cap and buffer return profiles to other products, but do so as an investment option in a variable annuity instead of as a structured product or indexed account in an annuity.

Having a daily unit value to buy or sell a defined outcome fund gives you the flexibility to add, increase, decrease or remove protection as needed. It also gives you the ability to capture your gains prior to the end of the outcome, and immediately reinvest in another available defined outcome fund, thereby resetting the cap and buffer.

Capturing this gain would not be taxable as it would be in nonannuity products. The ability to have the defined outcome funds in an annuity with a wide variety of other funds and asset classes allows a financial professional to take a managed account view of the client's portfolio—all in one package. With *Lincoln Investor Advantage*® Pro variable annuities, you can move in and out of any of the 120+ traditional funds and any of the available defined outcome funds.

When you are ready to take income you can access a tax-efficient income stream with *i4LIFE*® Advantage. Finally, the variable annuity offers the Earnings Optimizer Death Benefit (for an additional charge) so investors can protect their legacy.

Where do the funds fit in a portfolio?

Lincoln Defined Outcome Funds can play a valuable role in both the equity and fixed income component of a portfolio, depending on an investor's risk tolerance and goals. You can work with your financial professional to determine where these strategies might fit in your portfolio as part of your overall plan.

Who is the advisor and subadvisor for the funds?

The investment advisor will be the Lincoln Investment Advisors Corporation ("LIAC") and the subadvisor is Milliman Financial Risk Management LLC ("Milliman"). Milliman provides investment advisory, hedging, and consulting services on over $150 billion in global assets (as of December 31, 2020).

Are there any other details I need to know about investing in Lincoln Defined Outcome Funds?

The Lincoln Defined Outcome Funds have an earlier cutoff time compared to the close of the New York Stock Exchange. The cutoff time for transfers and reallocations involving the funds is 2:00 p.m. ET (11 a.m. on days the market closes at 1:00 p.m. ET).

Distributions are not taken from Defined Outcome Funds until your account value in all other variable or fixed subaccounts is reduced to $0.

The funds' website, www.LFG.com/definedoutcomefunds, provides information relating to the outcomes of an investment in the fund on a daily basis, including the fund's positions relative to the cap and buffer.

Approximately one week prior to the end of each outcome period, the funds will file a prospectus supplement, which will alert existing shareholders that an outcome period is approaching its conclusion and disclose the anticipated ranges for the cap for the next outcome period. Following the close of business on the last day of the outcome period, the fund will file a prospectus supplement that discloses the fund's final cap (both gross and net of fund expenses) for the next outcome period.

Important disclosures. Please read.

The Lincoln Defined Outcome Funds have characteristics unlike many other traditional investment products and may not be suitable for all investors. For more information regarding whether an investment in these funds is right for you, please see "Investor Suitability" in the prospectus.

Principal Risks. Loss of principal is possible. All mutual funds carry risk. The principal risks of the funds include buffered loss risk, capped upside return risk, outcome period risk, FLEX options risk, market risk, issuer risk, tracking error risk, investment objective risk, large cap company risk, passive management risk, growth stocks risk, value stocks risk, medium cap company risk, risk of investments in a particular market segment, futures risk, natural disaster/epidemic risk and liquidity risk. For a detailed list of fund risks, see the prospectus.

FLEX Options Risk. The Fund will utilize FLEX Options issued and guaranteed for settlement by the Options Clearing Corporation (OCC). In the unlikely event that the OCC becomes insolvent or is otherwise unable to meet its settlement obligations, the fund could suffer significant losses. Additionally, FLEX Options may be less liquid than standard options. In a less liquid market for the FLEX Options, the fund may have difficulty closing out certain FLEX Options positions at desired times and prices. The values of FLEX Options do not increase or decrease at the same rate as the reference asset and may vary due to factors other than the price of reference asset.

The funds seek to provide a buffer against the first 12% or 22% of index price decreases over each outcome period, before fund expenses (the "Buffer"). The fund, and therefore investors, will bear all index losses exceeding 12%. There is no guarantee the fund will successfully buffer against index price decreases. The buffer is designed to have its full effect only for investors who hold fund shares for an entire outcome period. For each outcome period, fund performance is subject to an upside return cap that represents the maximum percentage return the fund can achieve during the outcome period, before expenses (the "Cap"). The cap is set on the first day of an outcome period and may increase or decrease from one outcome period to the next. If the index experiences returns over an outcome period in excess of the cap, the fund will not experience those excess gains.

The fund is designed to produce predetermined investment outcomes relative to the performance of an underlying security or index. The defined outcomes sought by the fund include the buffer and cap ("outcomes") based upon the performance of the index over an outcome period. There is no guarantee that the outcomes for any outcome period will be realized. A shareholder may lose their entire investment. **The fund's strategy is designed to produce the outcomes on the last day of an outcome period for investors in the fund as of the beginning of the outcome period. It should not be expected that the outcomes will be provided at any point prior to the end of an outcome period.** The outcomes are measured from the fund's net asset value (the per share value of the fund's assets ("NAV")) on the first day of the outcome period. The fund does not track the index except over an entire outcome period, and the fund's NAV will not increase or decrease at the same rate as the index during an outcome period.

Disclosures continued on next page.

For more information, or to see if this might play a valuable role in your investment portfolio, talk to your financial professional.

The indices used are price indices and do not reflect dividends paid on the underlying stocks. The level of the index may reflect the deduction of an annual fee. See prospectus for details.

The S&P 500® Price Return Index tracks the stock performance of 500 large U.S. companies. This is a product of S&P Dow Jones Indices LLC, a division of S&P Global, or its affiliates ("SPDJI"), and has been licensed for use by The Lincoln National Life Insurance Company. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC, a division of S&P Global ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by The Lincoln National Life Insurance Company. The Lincoln National Life Insurance Company's product is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product nor do they have any liability for any errors, omissions, or interruptions of the S&P 500® Price Return Index.

Nasdaq® is a registered trademark of Nasdaq, Inc. (which with its affiliates is referred to as the "Corporations") and is licensed for use by The Lincoln National Life Insurance Company. The Product(s) have not been passed on by the Corporations as to their legality or suitability. The Product(s) are not issued, endorsed, sold, or promoted by the Corporations. THE CORPORATIONS MAKE NO WARRANTIES AND BEAR NO LIABILITY WITH RESPECT TO THE PRODUCT(S).

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives and/or insurance agents do not provide tax, accounting or legal advice. Please consult an independent professional as to any tax, accounting or legal statements made herein.

Variable annuities are long-term investment products designed for retirement purposes and are subject to market fluctuation, investment risk and possible loss of principal. Variable annuities contain both investment and insurance components and have fees and charges, including mortality and expense, administrative and, if take prior to 59½, may be subject to an additional 10% federal tax. Withdrawals will reduce the death benefit and cash surrender value.

Investors are advised to consider the investment objectives, risks, and charges and expenses of the variable annuity and its underlying investment options carefully before investing. The applicable prospectuses for the variable annuity and its underlying investment options contain this and other important information. Please call 888-868-2583 for free prospectuses. Read them carefully before investing or sending money. Products and features are subject to state availability.

Lincoln Investor Advantage® Pro variable annuities (contract forms ICC21-30070A, ICC21-30070B and state variations) are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

All contract and rider guarantees, including those for optional benefits, fixed subaccount crediting rates, or annuity payout rates, 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.

All features and products may not be available in all states or through all firms.

Not available in New York.

For use with the general public.

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

LincolnFinancial.com

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

LCN-3684053-072221
PDF 7/21 **Z02**
Order code: VA-DOF-ARC001

Lincoln Financial Group®