Understanding all-in-one target-risk portfolios

Each model portfolio in the International Church of the Foursquare Gospel 403(b) Plan contains a mix of funds available in your plan. Rather than constructing your own portfolio, you simply choose one of these professionally designed, all-in-one portfolios that matches your savings objective and risk tolerance. Each model is a prebuilt investment portfolio that provides:

- **Strategic diversification across asset classes.** Each portfolio is a carefully selected mix of stock- and bond-based mutual funds and cash/stable value options.

- **Professional management of the asset allocation.** These portfolios are developed by the Foursquare Investment Committee with advice from Graystone Consulting, the plan’s consultant and a separate institutionally focused investment consulting business of Morgan Stanley. Graystone is one of the country’s largest and oldest institutional consulting practices of its kind.

- **Convenience.** Choose one and you’re done!

The Foursquare Investment Committee, with the assistance of Graystone Consulting, has evaluated your retirement plan’s investment options to develop six asset allocation models varying in risk from conservative to aggressive.

**Important considerations:** Asset allocation is a tool used to diversify assets; it does not eliminate risk, does not guarantee a profitable investment return, and does not guarantee against a loss. It is a method used to manage risk. Please remember, these portfolios are not intended as investment advice or recommendations for any individual. The final decision regarding investment choice is yours, based on your individual situation, which may include factors and circumstances beyond the scope of these portfolios and evaluation tools. The principal value of the investments is not guaranteed at any time, including the intended year of distribution.

**Three simple steps to choose a portfolio**

1. Determine your risk tolerance, or the level of investment risk with which you’re comfortable. The investor profile quiz in this brochure may help.

2. Consider your time horizon, or the number of years until retirement, when determining your risk tolerance. Some investors who have a longer time until retirement may accept a greater level of risk.

3. Choose one model portfolio that best aligns with your risk tolerance and time horizon.
## Investor profile quiz

<table>
<thead>
<tr>
<th>Question</th>
<th>Low tolerance</th>
<th>Medium tolerance</th>
<th>High tolerance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. When do you plan on taking a distribution?</td>
<td>Within 5 years</td>
<td>6–10 years</td>
<td>11–15 years</td>
</tr>
<tr>
<td>2. How much money do you have in savings and investments for retirement, major expenses, and emergencies?</td>
<td>I do not have any savings</td>
<td>I have some savings</td>
<td>I have adequate savings</td>
</tr>
<tr>
<td>3. What is the maximum loss you can accept over the course of one year?</td>
<td>-5%</td>
<td>-10%</td>
<td>-20%</td>
</tr>
<tr>
<td>4. How do you feel about investment options?</td>
<td>Hold principal value stable or close to stable through all market conditions</td>
<td>Tolerate some risk but seek current income and capital appreciation</td>
<td>Tolerate most risk and expect loss of principal at times</td>
</tr>
<tr>
<td>5. What is your overall knowledge of investments?</td>
<td>None</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>6. Which label best describes your tolerance for investment risk?</td>
<td>I can’t tolerate risk</td>
<td>Low tolerance</td>
<td>Medium tolerance</td>
</tr>
</tbody>
</table>

Your score may help determine your investor risk profile. However, it shouldn’t be your only measurement when planning your investment mix. Seek investment advice from a financial professional.

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### Foursquare Retirement Plan Models risk/return

*For illustrative purposes only*

<table>
<thead>
<tr>
<th>Model</th>
<th>Potential Return</th>
</tr>
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<tbody>
<tr>
<td>Model 1</td>
<td>Low risk but carries a high amount of risk.</td>
</tr>
<tr>
<td>Model 2</td>
<td>Medium risk, offers potential for growth but carries the greatest potential for growth but carries the most risk.</td>
</tr>
<tr>
<td>Model 3</td>
<td>Medium risk, offers potential for growth but carries the greatest potential for growth but carries the most risk.</td>
</tr>
<tr>
<td>Model 4</td>
<td>Medium risk, offers potential for growth but carries the greatest potential for growth but carries the most risk.</td>
</tr>
<tr>
<td>Model 5</td>
<td>Medium risk, offers potential for growth but carries the greatest potential for growth but carries the most risk.</td>
</tr>
<tr>
<td>Model 6</td>
<td>Medium risk, offers potential for growth but carries the greatest potential for growth but carries the most risk.</td>
</tr>
</tbody>
</table>

### Risk-based asset allocation models

- **30 points or less**
  - Model 1
  - If your score is 30 points or less, your investor risk profile may align best with Model 1, which offers limited exposure to stock market risk.

- **31-45 points**
  - Model 2
  - If your score is 31-45 points, your investor risk profile may align best with Model 2, which offers potential growth with a below average amount of risk.

- **46-60 points**
  - Model 3
  - If your score is 46-60 points, your investor risk profile may align best with Model 3, which offers potential growth with an average amount of risk.

- **61-80 points**
  - Model 4
  - If your score is 61-80 points, your investor risk profile may align best with Model 4, which offers potential growth with an above average amount of risk.

- **81-100 points**
  - Model 5
  - If your score is 81-100 points, your investor risk profile may align best with Model 5, which offers high potential for growth but carries a high amount of risk.

- **100 points or more**
  - Model 6
  - If your score is 100 points or more, your investor risk profile may align best with Model 6, which is aggressive growth-oriented; it offers the greatest potential for growth but carries the most risk.
Your risk-based portfolios

Contact your retirement plan representative to get personal help understanding your plan’s investment options.

These asset allocation portfolios are created by Graystone Consulting from the investment options that are available in the plan’s lineup. The universe of funds available in your plan does not include all funds available in the marketplace.

By selecting an asset allocation portfolio, a participant may invest in the same percentages illustrated in that portfolio. The participant’s account will then experience any associated glide path, reallocation, and automatic rebalancing activities associated with the portfolio as selected by the plan sponsor; as a result, some redemption fees may apply. Asset allocation portfolios 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 asset allocation portfolios are based include the following: participant’s risk profile; participant’s distribution/retirement date; historical market performance; modern portfolio theory; and investment risk/return interrelationship characteristics. In applying particular asset allocation portfolios to their individual situations, participants or beneficiaries should consider their other assets, income, and investments (e.g., equity in a home, IRA investments, savings accounts, and interests in other qualified and nonqualified plans) in addition to their interest in the plan. An asset allocation strategy and diversification may help reduce, but cannot eliminate, risk of investment losses. There is no guarantee that by assuming more risk you will achieve higher returns. Asset allocation portfolios generally include all of the investment options available. However, other investment options with similar risk and return characteristics may be available under the plan. Information about these investment options may be found in the investment section of your enrollment book or in the fund prospectus. For any investment option in the plan, including an option that is part of a portfolio, you may obtain a prospectus or similar document by requesting one from your employer, visiting your plan’s website, or calling a Lincoln Financial representative at 800-234-3500.

Mutual funds in the Lincoln Alliance® program are sold by prospectus. An investor should consider carefully 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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<th>Not a deposit</th>
<th>Not FDIC-insured</th>
<th>Not insured by any federal government agency</th>
<th>Not guaranteed by any bank or savings association</th>
<th>May go down in value</th>
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