



Lincoln
Financial Group®

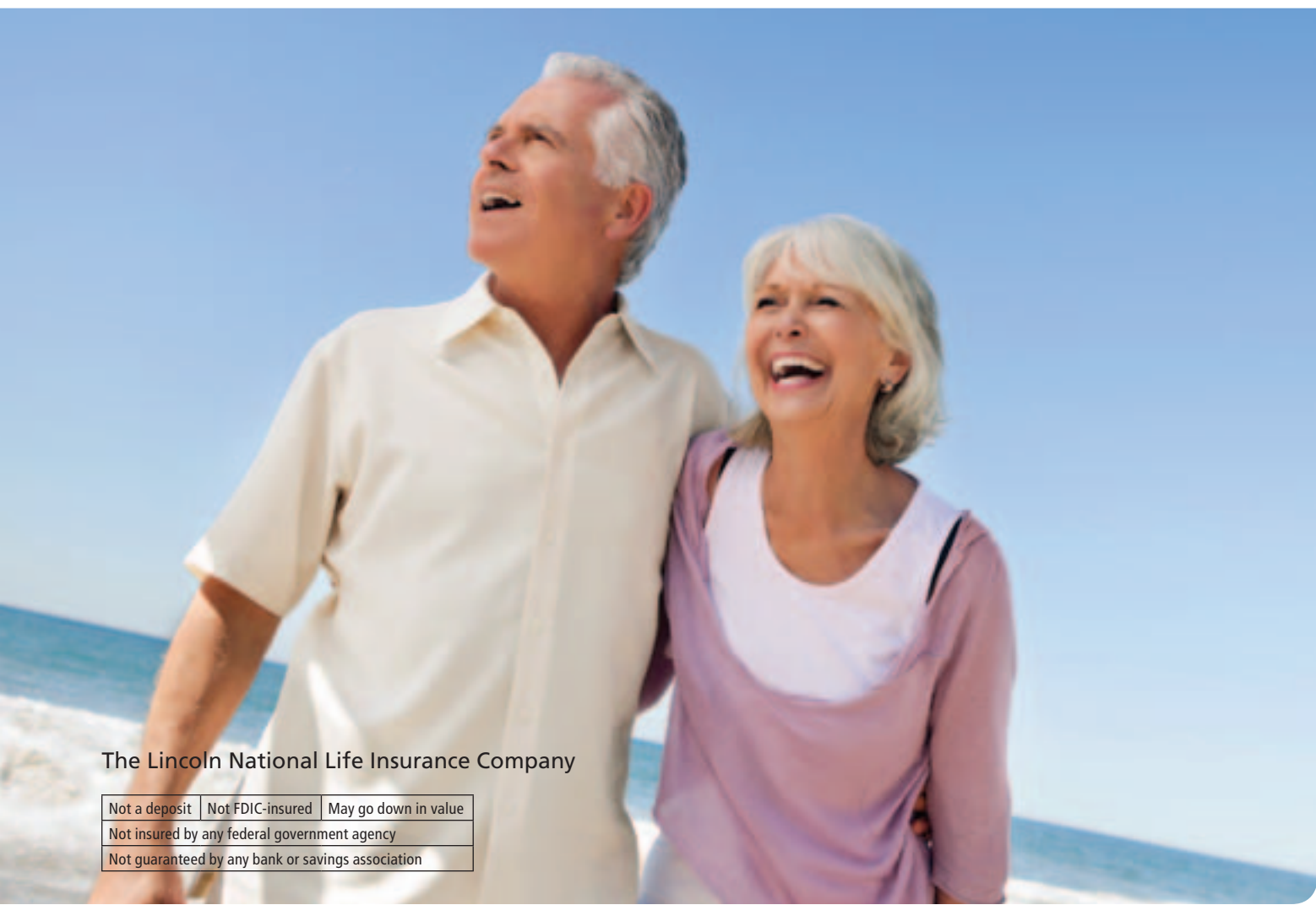
FOR INCOME

Fixed Indexed Annuity

Retirement savings has room to grow

Lincoln New Directions® fixed indexed annuity

Client Guide



The Lincoln National Life Insurance Company

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

WE BELIEVE...

LINCOLN FOR INCOME

Your savings
should be
protected

Your savings
should have
the potential
to grow for
future income

Your income
should not be
affected by
the market's
ups and downs



¹ 2000 Annuity Tables, Society of Actuaries, April 2006.

² Ned Davis Research, 2009. Based on the DJIA, 1901 to 2009.
Past performance does not guarantee future results.

Your income should last a lifetime

IT ALL COMES DOWN TO LIFESTYLE PROTECTION

No matter what, you want a lifestyle you can count on in retirement—regardless of the risks you'll face.

Which would you choose?

When preparing for retirement, your aim is to preserve more and risk less. On the other hand, you may need some growth to meet long-term needs. If your only options are traditional financial products, then you often have to choose between risk and reward.

Bank

CDs, Savings, Money market

Benefits

Safety, Liquidity

Disadvantage



Longevity risk due to rates/yields

Your retirement could last 20 to 30 years or more. One member of a 65-year-old couple today has a 50% chance of living to age 92 and a 25% chance of living to age 97.¹ These products may not provide the growth you need to stretch your assets over the entire course of retirement.

Market

Bonds, Stocks, Mutual funds

Benefits

Growth potential, Returns

Disadvantage



Market volatility

No one can predict what the market will do or when it will do it. The market has experienced annual returns ranging from greater than 50% to less than -40%.²

To help bridge the gap between risk and reward, you should select a product that offers wealth preservation combined with opportunities for growth.

Increased protection with growth potential

Lincoln New Directions® fixed indexed annuities protect your principal, and credit fixed interest and interest based on the performance of the S&P 500 Index.

Accumulate interest across three account buckets

After purchasing a contract, your premium can be distributed among three different interest accounts. Think of these accounts as different buckets that hold a portion of your money. There is a fixed account bucket, and two indexed account buckets tied to the performance of the S&P 500 Index.

As your needs change throughout the life of the contract, you also have the ability to reallocate money across the buckets at the end of each year (every two years for money allocated in the Point-to-Point Indexed Account).

Guaranteed growth

If you leave your money in a *Lincoln New Directions* contract until the end of the surrender charge period and if you surrender your contract, you are guaranteed to walk away with more than the initial premium (given no withdrawals were made). This amount is known as the Guaranteed Minimum Cash Surrender Value (GMCSV).

The GMCSV is based on a guaranteed minimum rate of return. If a contract is surrendered during the surrender charge period, the surrender charge and a Market Value Adjustment (MVA) will apply and can result in the GMCSV being less than your premium. If surrendered after the surrender charge period, no surrender charge or MVA will apply.



The Fixed Account

- This account credits an established fixed interest rate for six or eight years, depending on whether you purchase a *Lincoln New Directions* 6 or a *Lincoln New Directions* 8 fixed indexed annuity.
- Your money grows regardless of S&P 500 Index performance.

Fixed Account interest is credited and is compounded daily. A new fixed rate is declared at the end of the six- or eight-year term and will never be less than 1%.*

Guarantees are backed by the claims-paying ability of The Lincoln National Life Insurance Company.

*Interest rates, specified rates, and indexed interest caps are declared by The Lincoln National Life Insurance Company at its discretion. Subsequent interest rates, specified rates, and indexed interest caps may be higher or lower than the initial ones and may be different from those used for new contracts.

Applicable indexed interest is credited at the end of the indexed term. Amounts withdrawn (including amounts paid as a death benefit) before the end of an indexed term will not receive indexed interest for that indexed term.

The S&P 500 Index is a price index and does not reflect dividends paid on the underlying stocks. It is not possible to invest directly in an index.



Performance Triggered Indexed Account

- If, after a one-year term, the S&P 500 Index has a positive change or remains flat, your account is credited a specific rate.
- If it's negative, your account is credited zero percent—no loss of principal, and gains from previous periods remain intact.

One-year S&P 500 Index percentage change

- Positive → **Credit specified rate**
- Zero → **Credit specified rate**
- Negative → **0% credited—no loss**

The Performance Triggered Indexed Account is not available for contracts issued in the state of Washington.

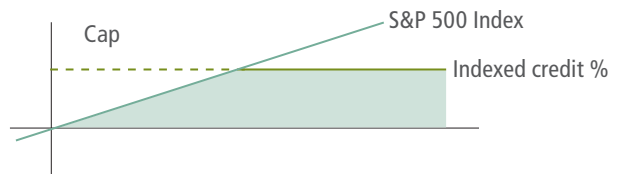
Indexed interest is credited at the end of the indexed term and is compounded annually. A new specified rate is declared for each one-year indexed term and will never be less than 1.25%. *



2-Year Point-to-Point Indexed Account

- After a two-year term, the beginning and ending values of the S&P 500 Index are calculated for a percentage change.
- If the change is positive, your account earns the full percentage change up to an interest cap.
- If the percentage change is zero or negative, zero percent is credited, and there will be no loss to your account. Gains from any previous periods will remain intact.

Two-year S&P 500 Index percentage change



Indexed interest is credited at the end of the two-year indexed term and compounded every two years. A new indexed interest cap is declared for each two-year indexed term and will never be less than 3%. *

The Power of Zero

The indexed account buckets are able to help bridge the gap between risk and reward by providing the Power of Zero.

Here is how it can work for you:



The Power of Zero

When the index percentage change is negative for a specified indexed term, your account is credited 0%.



Growth potential

When the index percentage change is positive for the specified indexed term, your account is credited a positive rate.



Gains locked in

Since the indexed accounts never earn a negative interest rate, you never have to recover from losses before seeing additional positive growth if the S&P 500 Index rebounds.

Protection in times of need

Lincoln New Directions[®] fixed indexed annuities offer benefits to help get you through uncertain times if the need should arise.

Protection for loved ones

Before a contract is annuitized, there is a death benefit that allows you to pass any remaining assets to your beneficiaries.

Guarantees for your health

If you experience qualifying medical issues, there are also nursing home and terminal illness benefits built into *Lincoln New Directions* fixed indexed annuities that allow access to your money without charge, after the first contract year.

For more information and details on these features, please read the Disclosure Statement and Facts At-A-Glance. The nursing home benefit is not available for contracts issued in the state of Massachusetts.

How many ways can you take income?

Now that you've worked so hard to grow and protect what's important to you, how are you going to enjoy it? There are multiple ways to take income from a *Lincoln New Directions* fixed indexed annuity.

Withdrawal option	How it works
Free withdrawal amount (10% free withdrawal amount)	10% of contract value is available each contract year during the surrender charge period—without charge.
Systematic withdrawals	Withdrawals can be taken annually, semiannually, quarterly or monthly, and must be taken from the Fixed Account.
Annuitization*	Receive tax-advantaged payments for a period of time or for life. Once income is started, it cannot be stopped.

Market Value Adjustment

If you take more than the 10% free withdrawal amount before the end of the surrender charge period, it may be subject to surrender charges and a Market Value Adjustment (MVA). The MVA is a positive or negative adjustment based on the current interest rate environment at the time of the surrender. The MVA does not apply to withdrawals after the surrender charge period, 10% free withdrawals, the death benefit, annuitized contracts, or contracts issued in selected states. See the Examples of Market Value Adjustment (MVA) and Surrender Charge Calculations fact sheet for additional details.

*Annuitization can occur after the second contract year or after the first for Florida.

Guarantees are backed by the claims-paying ability of The Lincoln National Life Insurance Company.

Withdrawals (including amounts paid as a death benefit) and any charges are deducted first from the Fixed Account. Money taken from the Fixed Account will reduce the actual amount of interest credited. After the Fixed Account is exhausted, withdrawals (including amounts paid as a death benefit) and any charges are deducted pro rata from the indexed interest accounts. Money taken from an indexed interest account will not receive any indexed interest for that indexed term.

You have the right to cancel your *Lincoln New Directions* fixed indexed annuity contract within 20 days after you receive your contract (state variations apply). To cancel your contract, send a written request for cancellation to The Lincoln National Life Insurance Company Home Office. We will return your premium paid upon receipt of your written request. Canceling your contract voids it from the beginning. If you cancel your contract, you will not be permitted to purchase another Lincoln fixed annuity product for a period of six months.

As you can see, a *Lincoln New Directions*® fixed indexed annuity can provide you wealth preservation, growth potential, income, tax-deferral, and protection for your beneficiaries.

Let us help you protect what's important.





HELPING PEOPLE FACE THE FUTURE WITH CONFIDENCE

At Lincoln Financial Group, we've spent more than 100 years living up to the character of our namesake: integrity, honesty, and the belief in a better tomorrow. We provide advice and solutions to help people save for tomorrow, secure and maximize their income, protect themselves and their loved ones, and prepare for the unexpected.

INCOME
LIFE
RETIREMENT
GROUP BENEFITS

You're In ChargeSM

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

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Important disclosures:

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A fixed indexed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed indexed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments, or index. The index used is a price index and does not reflect dividends paid on the underlying stocks.

Lincoln New Directions[®] fixed indexed annuities (contract form 94-523 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. Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

Contract may be referred to as "certificate" in certain states (certificate may not be available in all states). The certificate is a group annuity certificate issued under a group annuity contract issued by The Lincoln National Life Insurance Company to a group annuity trust. Contract value is also known as "accumulation value" and indexed term is also known as "index term." Waiver of Surrender Charges for

Nursing Home Confinement Rider and Waiver of Surrender Charges for Terminal Illness Rider (form AE-119 and form AE-170, respectively, or state variation) may not be available in all states.

After the surrender charge period, Lincoln reserves the right to discontinue offering any of the indexed accounts.

The exact terms of the annuity are contained in the contracts and any attached riders, endorsements and amendments, which will control the issuing company's contractual obligations. For more information about the annuity, please also read the Client Guide, Disclosure Statement and Facts At-A-Glance, or contact your representative.

Income taxes are due upon withdrawal and if withdrawn before age 59½, an additional 10% federal tax may apply. Withdrawals and surrenders may be subject to surrender charges and a Market Value Adjustment.

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There is no additional tax-deferral benefit for contracts purchased in an IRA or other tax-qualified plan, since these are already afforded tax-deferral status.

Product and features are subject to state availability. Limitations and exclusions may apply.

All contract and rider guarantees, crediting rates or annuity payout rates, are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer from which this annuity is purchased, by the 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.