Platform: Model Wealth Portfolios

LPL Financial Research

You and your advisor can pick and choose from the spectrum of LPL Financial Research guidance to find the platform that best meets your needs. One of the managed platforms available to your advisor is known as Model Wealth Portfolios, or MWP.

Investment Philosophy

LPL Financial Research is an opportunistic, all-market, all-weather due diligence provider and portfolio manager. Through our investment and portfolio recommendations, we aim to avoid downside and capture upside. To this end, we are conservative when markets are tough and aggressive when they are rising. Though a very broad investment mandate, we believe this is the only way to effectively provide recommendations for our advisors and their clients.

What Is MWP?

Model Wealth Portfolios, a centrally managed fee-based platform available through LPL Financial, provides access to portfolios constructed by LPL Financial Research and other portfolio strategists. Portfolios on the platform use either mutual funds or exchange-traded products (ETPs), including exchange-traded funds (ETFs), exchange-traded notes (ETNs), or closed-end funds (CEFs), or a combination thereof.

As a strategist on the MWP platform, LPL Financial Research serves in a holistic manner by combining our asset allocation process, product implementation, and portfolio management experience. The portfolio you and your advisor select also benefits from ongoing monitoring, rebalancing*, and tax management services implemented by the LPL Financial Overlay Portfolio Management Group. Additionally, you and your advisor can select a portfolio that suits your specific investment preferences, an approach we refer to as "theme-based" investing.

Asset Allocation — Adapting to Market Conditions

Asset allocation is important because when investing in multiple asset classes, your portfolio may perform more consistently over time and it may minimize the risk of underperformance. Market conditions that can help one asset class to perform well may cause another to have average or poor returns over the same time period. And, a portfolio consisting of a diversified group of investments may be able to limit your losses and reduce the fluctuations of investment returns without sacrificing potential gain.

LPL Financial Research provides advice on both strategic and tactical asset allocation models within MWP. The key difference between these two types of advice is the timeframe over which we are targeting investment opportunities. Our strategic asset allocation process looks out over a three- to five-year time period. Quarterly, we retest the strength of our asset allocation recommendations. However, we do not anticipate making adjustments until "halftime" of our strategic timeframe, which generally is about every two to three years. If significant market fluctuations warrant a change, however, we may make adjustments sooner, though we anticipate this being a very rare occurrence.

Relative to strategic asset allocation, tactical models are designed to focus on a much shorter timeframe, and potentially take advantage of opportunities as short as a few months. Tactical asset allocation is not the same as "market timing." Rather, more timely changes can allow portfolios to benefit from rapidly changing opportunities within the market. For more information, please refer to *What We Do: Types of Asset Allocation.*

*Rebalancing may incur a taxable event.

Asset Allocation	Strategic, Tactical
Product Recommendations	Mutual Funds, ETPs, Combination
Unique Factors	Investor Preferences/Themes
Transparency	MWP Trade Logs, MWP Quarterly Performance Update, MWP Portfolio Fact Sheet, Recommended Mutual Fund Fact Sheet, Recommended Mutual Fund Investment Thesis

Manager Recommendations — Selecting the Right Pieces

Our manager selection and due diligence efforts for mutual funds and exchange-traded products are based on a thorough investment discipline. Our recommendations are unbiased. As an independent firm, you and your advisor can be confident we are making decisions based solely on recommending the best investment option for a specific purpose. For more information, please refer to *Who We Are: Research As Due Diligence Provider.*

Portfolio Construction — Putting the Puzzle Together

LPL Financial Research spends a significant amount of time understanding how a portfolio is working as a combination, or "puzzle," and not just focusing on a collection of individual products, or "pieces." We believe that how pieces combine is one of the most important decisions in investing. While managers might appear to be worthy of inclusion in a portfolio on a standalone basis, it is often the case that combining the managers in a portfolio could lead to suboptimal performance.

With our portfolio construction process, we attempt to mitigate suboptimal portfolio performance to the best of our ability. Said another way, we believe each manager has behavior patterns, or biases, that are reflected through fund performance. As part of our robust process, we attempt to offset individual manager biases to construct a balanced portfolio that has a better chance of outperforming, doing so more often. For more information, please refer to *What We Do: Portfolio Construction and Management.*

Theme-based Investing

One of the features of MWP is that you have the ability to select one or more of the outside strategists on the platform, depending on your specific investment preferences; the platform offers access to theme-based portfolios (Capital Appreciation, Opportunistic, Risk Aware, Income Generation, Socially Conscious, and Tax Aware). A description of the LPL Financial Model Wealth Portfolios is nearby, along with the investment theme, time horizon, and product selection. For more information, see the portfolio profiles for MWP.

Theme	Portfolios	Time Horizon	Products
Capital Appreciation	Diversified/ Diversified Plus	Strategic	Mutual Funds, ETPs
	Diversified/ Diversified Plus	Tactical	Mutual Funds, ETPs
Opportunistic	Alpha Focused	Tactical	Mutual Funds
	Tactical Opportunities	Tactical	Combination (Mutual Funds and ETPs)
Risk Aware	Downside Risk Aware	Tactical	Mutual Funds
	Absolute Return	Tactical	Combination (Mutual Funds and ETPs)
Tax Conscious	Tax Aware	Tactical	Mutual Funds
Socially Conscious	Socially Responsible Investing (SRI)	Tactical	Mutual Funds
Income Generation	Income Focused	Tactical	Mutual Funds

IMPORTANT DISCLOSURES

The opinions voiced in this material are for general information only and are not intended to provide any specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing.

Past performance is no guarantee of future results.

Investors should consider the investment objective, risks, charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain the prospectus from your financial advisor. Read carefully before investing.

Investing in mutual funds involves risk, including possible loss of principal. Investments in specialized industry sectors have additional risks, which are outlined in the prospectus.

Asset allocation does not ensure a profit or protect against a loss.

This information is not intended to be a substitute for specific individualized tax, legal or investment planning advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

An Exchange Traded Note (ETN) is a senior unsecured debt obligation, usually issued by a bank or financial institution, designed to track the total return of an underlying index or benchmark less applicable fees.

An Exchange Traded Fund (ETF) is an investment vehicle designed to track a particular index by offering ownership in a basket of securities that replicate that index, such as the S&P 500 or the Dow Jones Industrial Average. ETFs trade like stocks on major exchanges and offer several benefits such as lower expense ratios, trading flexibility and tax efficiency.

A closed-end fund is a publicly traded investment company that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange.

Principal risk: An investment in Exchange Traded Funds (ETFs), structured as a mutual fund or unit investment trust, involves the risk of losing money and should considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks: not diversified, the risks of price volatility, competitive industry pressure, international political and economic developments, possible trading halts, Index tracking error.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not ensure against market risk.

The strategic asset allocation process projects a three- to five-year time period. While the strength of the asset allocation decisions is retested often, we do not anticipate making adjustments until midway through the strategic time frame, which generally is about every two to three years. If significant market fluctuations warrant a change, adjustments may be made sooner.

Tactical portfolios are designed to be monitored over a shorter time frame to potentially take advantage of opportunities as short as a few months, weeks, or even days. For these portfolios, more timely changes may allow investors to benefit from rapidly changing opportunities within the market.