

Platform: Optimum Market 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 Optimum Market Portfolios, or OMP.

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 OMP?

Optimum Market Portfolios, a centrally managed platform available for both brokerage and fee-based accounts through LPL Financial, provides access to portfolios constructed by LPL Financial Research utilizing the Optimum Funds suite from Delaware Investments. Each Optimum Fund represents an asset class eligible for inclusion in the Optimum Market Portfolios account and utilizes at least two best-in-class sub-advisors for optimal diversification. LPL Financial Research serves multiple roles within OMP. From an implementation perspective, we act as an investment consultant to the Delaware Optimum Funds Board of Directors, which is ultimately responsible for the six unique Delaware Optimum Mutual Funds. Using some or all of these six funds, we combine our asset allocation process, product implementation, and portfolio management expertise to create the Optimum Market Portfolios.

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. While OMP contains six mutual funds (Large Growth, Large Value, Small-Mid Growth, Small-Mid Value, International, Fixed Income), LPL Financial Research has the ability to manage asset flows to individual sub-advisors within each fund to tilt exposure in addition to controlling the overall asset allocation to each fund.

LPL Financial Research provides advice on both strategic and tactical asset allocation models within OMP. 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*.

Asset Allocation	Strategic, Tactical
Product Recommendations	Mutual Funds
Unique Factors	Tilts
Transparency	OMP Trade Logs, OMP Quarterly Performance Update, OMP Portfolio Fact Sheet, OMP Fund Fact Sheet

Manager Recommendations – Selecting the Right Pieces

Our investment manager selection and due diligence efforts 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.

The LPL Financial Research manager due diligence process combines quantitative and qualitative screening factors and analysis that do not include or consider in any way any financial arrangements or business relationships that may exist between LPL Financial and the manager. Our goal is to identify managers that have demonstrated the ability to outperform the appropriate benchmark and peer group over long periods of time with a process that is identifiable and repeatable. For more information please refer to *Who We Are: Research As Due Diligence Provider*.

With regard to OMP, LPL Financial Research acts as a consultant to the Delaware Optimum Funds Board of Directors. In our capacity as the investment consultant, we seek to identify the best combination of sub-advisors for each of the Optimum Funds. While we are searching for the best managers on a standalone basis, we also spend a significant amount of time understanding how the overall fund 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 fund on a standalone basis, it is often the case that combining the managers in a portfolio could lead to suboptimal performance.

We believe each manager has behavior patterns, or biases, that are reflected through portfolio 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 and 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 OMP is that you have the ability to select a portfolio depending on your specific investment preferences; the platform offers access to traditional portfolios, or tilted portfolios (Standard, U.S. tilt, Growth tilt, Value tilt). For more information, please refer to *Portfolio Profile: Tilt Portfolios*.



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. The fund's concentrated holdings will subject it to greater volatility than a fund that invests more broadly.

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

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.

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

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.

Stock investing involves risk including loss of principal.

There is no assurance that the techniques and strategies discussed are suitable for all investors or will yield positive outcomes. The purchase of certain securities may be required to effect some of the strategies. Investing involves risks including possible loss of principal.

Value investments can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time.

Small Cap stocks may be subject to a higher degree of risk than more established companies' securities. The illiquidity of the Small Cap market may adversely affect the value of these investments.

Mid-capitalization companies are subject to higher volatility than those of larger capitalized companies.

This research material has been prepared by LPL Financial.

To the extent you are receiving investment advice from a separately registered independent investment advisor, please note that LPL Financial is not an affiliate of and makes no representation with respect to such entity.

Not FDIC or NCUA/NCUSIF Insured | No Bank or Credit Union Guarantee | May Lose Value | Not Guaranteed by any Government Agency | Not a Bank/Credit Union Deposit