

# Investment portfolio profile

Quarter ending June 30, 2018

Lincoln Financial Group has long been recognized for its disciplined financial and risk management. Having comprehensive products and services is important, but it doesn't mean much without the financial strength to support them.

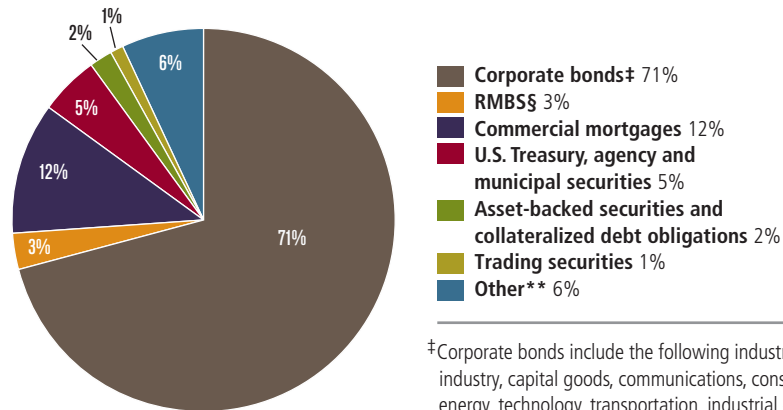
Lincoln Financial Group and its affiliates have been helping people take charge of their futures for more than a century.

## Balance sheet strength

General Account assets are managed with a bottom-up investment style in which in-depth fundamental research is the cornerstone of the investment process.

## The Lincoln National Life Insurance Company profile of total invested assets as of June 30, 2018

Average bond rating: "A–"

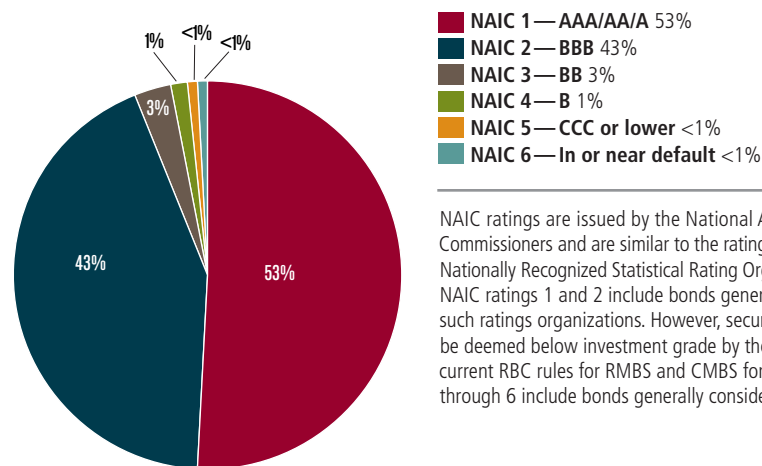


†Corporate bonds include the following industry sectors: financial services, basic industry, capital goods, communications, consumer cyclical and non-cyclical, energy, technology, transportation, industrial other and utilities, as well as government-related entities.

‡RMBS (residential mortgage-backed securities) includes collateralized mortgage obligations (CMOs), and mortgage pass-throughs.

\*\*Other includes equity securities, policy loans, derivative instruments, CMBS, hybrid/preferred stock, alternative investments, and other investments.

## Credit rating distribution of fixed-maturity securities (based on ratings as of June 30, 2018)



NAIC ratings are issued by the National Association of Insurance Commissioners and are similar to the rating agency designations of the Nationally Recognized Statistical Rating Organizations for marketable bonds. NAIC ratings 1 and 2 include bonds generally considered investment grade by such ratings organizations. However, securities rated NAIC 1 and NAIC 2 could be deemed below investment grade by the rating agencies as a result of the current RBC rules for RMBS and CMBS for statutory reporting. NAIC ratings 3 through 6 include bonds generally considered below investment grade.

Insurance products issued by:  
The Lincoln National Life Insurance Company  
Lincoln Life & Annuity Company of New York, Syracuse, NY

All information as of June 30, 2018 except where noted. Lincoln National Corporation does not undertake to update this document after that date. More recent information about Lincoln Financial may be found in our SEC filings and new releases available on our website at [www.LincolnFinancial.com/investor](http://www.LincolnFinancial.com/investor).

## Financial strength ratings – The Lincoln National Life Insurance Company (Quarter ending June 30, 2018)

# A+

A.M. Best  
(2nd highest of 16)

# A+

Fitch  
(5th highest of 19)

# A1

Moody's  
(5th highest of 21)

# AA-

Standard & Poor's  
(4th highest of 21)

These ratings apply only to the company's claims-paying ability. The ratings do not imply approval of the product and do not refer to the performance of the product, including underlying investment options, if any. As of August 1, 2018, these ratings represent the most recently affirmed ratings by the respective agencies. Individual issuing companies are separately responsible for satisfying their own financial and contractual obligations. All ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that these ratings will be maintained. For more information on ratings, see [www.LincolnFinancial.com/investor](http://www.LincolnFinancial.com/investor).

The current outlook for the insurance subsidiary is positive from Fitch and stable from A.M. Best, Moody's and Standard & Poor's.

**Income  
Life  
Retirement  
Group Benefits  
Advice**

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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Order code: LFG-FIN-FLI457



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