

# LIFE UNIVERSITY, INC.

Plan Code: LIFE-001

Product name: *Lincoln Alliance*® program

The purpose of this document is to provide you with important information regarding the LIFE UNIVERSITY, INC. and the plan's designated investment alternatives under the *Lincoln Alliance*® program, including fee and expense information, to help you compare investment options in accordance with Department of Labor (DOL) Regulation section 2550.404a-5 ("404(a) participant fee disclosure").

Information presented throughout this entire document is specific to the plan's designated investment alternatives only under the *Lincoln Alliance* program. Please contact your retirement plan administrator for more information.

If you would like additional information regarding your plan's designated investment alternatives, you may visit the specific website address shown throughout this document or you may contact your retirement plan administrator at \_\_\_\_\_ or \_\_\_\_\_, 1269 BARCLAY CIR SE MARIETTA GA 30060-2903 A free paper copy of the information may be obtained by contacting your retirement plan administrator at 770-426-2623

Every effort has been made to ensure that this disclosure is as thorough and accurate as possible to reflect the legal documents, laws, and regulations that govern the operation of the plan. In the event of any conflict, the terms of the plan document, investment arrangements, applicable laws, and regulations will govern.

## Document summary

There are several sections that comprise the 404(a) participant fee disclosure:

- **General plan information section** provides general information regarding plan features and designated investment alternatives, such as an explanation of how to give investment instructions, if applicable.
- **Plan fees and expenses**
  - **Individual participant fees section** provides an explanation of any fees and expenses that may be charged to or deducted from your retirement account based on the actions taken by you. Examples may include fees and expenses for plan loans and for processing surrender charges, if applicable.
- **Comparative charts** provide a current list of the investment options with performance and fee information for designated investment alternatives in comparative chart format.

## General plan information

To direct your designated investment alternatives for the plan:

For initial enrollment, you may enroll by completing the materials and returning them as indicated on the documents provided during the enrollment process.

Existing participants may update elections by:

- Visiting [LincolnFinancial.com](http://LincolnFinancial.com), or
- Calling the Lincoln Customer Contact Center at 1-800-234-3500

You may change your elections at any time; transfers are effective the same business day provided instructions are received before 4:00 pm Eastern Time.

The *Lincoln Alliance* program may restrict the number of transfers you may make among designated investment alternatives within the product in a given time period. An investment option may apply a redemption fee or restrict certain transfers. However, transactions associated with market timing – such as frequent, large, or short-term transfers among investment options – can affect the underlying funds and their investments. Lincoln therefore reviews the number of transfers that a participant makes within given periods of time to determine if any transfer attempts to capitalize upon short-term movements in the equity markets (Market Timing Policy). If so, the participant's transfer activity will be subject to further scrutiny. Potential market timing or frequent trading may result in future trading restrictions, up to and including temporary (or permanent) revocation of telephone exchange privileges.

Voting and tender rights associated with mutual fund shares offered under the plan are exercised by the plan sponsor, if applicable.

The designated investment alternatives available in the *Lincoln Alliance* program are those listed in the comparative charts. Please contact your retirement plan administrator for information regarding designated investment alternatives offered outside of the *Lincoln Alliance* program, if any (e.g., employer securities).

## Plan Fees and Expenses

This section provides an explanation of any fees and expenses for general plan administrative services, if any, that may be charged to or deducted from all individual accounts and are not reflected in the total annual operating expenses of any designated investment alternative. For example, the plan may incur general administrative expenses each year to cover services related to the operation of the plan (e.g., legal, accounting, recordkeeping, trustee fees, Registered Investment Advisor fees). Where applicable, the plan charges a portion of these expenses not paid by the plan sponsor as a percent of assets held in participant accounts. These expenses appear on your statement, if applicable.

Additionally, an explanation of any fees and expenses that may be charged to or deducted from the individual account of a specific participant based on the actions taken by that person are described below. The dollar amount of fees and expenses described below that are actually charged to a participant's account during the preceding quarter will be reflected on the participant quarterly statement.

### Individual participant fees

The plan applies fees to individual participant accounts. These charges apply only to participants who use specific features of the plan. Here is a list of individual participant fees associated with this plan:

Individual fees	Description	Fee/Frequency
Loan Maintenance Fee	Fee may be may be deducted from the participant's account while the loan is outstanding.	\$6.25 / Quarterly
Loan Setup Fee	A fee that may be deducted from the participant's account on the date the loan is processed.	\$75.00 / Set up



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Investment options, performance history, and fees and expenses as of December 31, 2011

## Comparative chart summary

This section is comprised of three charts:

### Chart 1

#### • Variable return investments chart

- comprised of performance information for plan investment options
- illustrates the past performance of the investments with the benchmark field

### Chart 2

#### • Fixed return investments chart

- displays those funds with a fixed rate of return

### Chart 3

#### • Fees and expenses chart

- displays the fees and expenses you will pay if you invest in a particular option

## LIFE UNIVERSITY, INC. investment options comparative chart

### Chart 1 - Variable return investments

Chart 1 focuses on the performance of investment options that do not have a fixed or stated rate of return. The chart illustrates how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods.

Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Information regarding an option's principal risks is available at [LincolnFinancial.com](http://LincolnFinancial.com).

Chart 1 - Variable return investments				
Investment options	Average annual total returns as of December 31, 2011			
	1-yr.	5-yr.	10-yr.	Since inception
<b>Equity funds</b>				
<b>AllianceBern Small-Mid Cap Value K (03/05)</b>	-8.42	1.96	7.68	4.27
Russell Mid Cap Value TR USD <a href="http://www.LincolnFinancial.com">www.LincolnFinancial.com</a>	-1.38	0.04	7.67	
<b>American Funds EuroPacific Gr R3 (05/02)</b>	-13.85	-1.73	6.20	6.16
MSCI ACWI Ex USA NR USD <a href="http://www.LincolnFinancial.com">www.LincolnFinancial.com</a>	-13.71	-2.92	6.31	
<b>Fidelity Contrafund (05/67)</b>	-0.12	2.58	6.96	12.07
Russell 1000 Growth TR USD <a href="http://www.LincolnFinancial.com">www.LincolnFinancial.com</a>	2.64	2.50	2.60	
<b>Goldman Sachs Small Cap Value Inst (08/97)</b>	0.81	2.50	8.20	8.21
Russell 2000 Value TR USD <a href="http://www.LincolnFinancial.com">www.LincolnFinancial.com</a>	-5.50	-1.87	6.40	

<b>Equity funds (continued)</b>				
<b>Janus Overseas S (07/09)</b>	-32.92	-3.16	7.30	1.04
MSCI EAFE Growth NR USD	-12.11	-3.16	4.27	
www.LincolnFinancial.com				
<b>Janus Triton S (07/09)</b>	2.36	7.46	---	23.37
Russell 2000 Growth TR USD	-2.91	2.09	4.48	
www.LincolnFinancial.com				
<b>MFS Value R3 (04/05)</b>	-0.20	-0.65	4.39	3.15
Russell 1000 Value TR USD	0.39	-2.64	3.89	
www.LincolnFinancial.com				
<b>Morgan Stanley Inst Mid Cap Growth P (01/97)</b>	-7.11	4.90	7.00	9.36
Russell Mid Cap Growth TR USD	-1.65	2.44	5.29	
www.LincolnFinancial.com				
<b>Vanguard 500 Index Signal (09/06)</b>	2.08	-0.23	2.87	1.02
Russell 1000 TR USD	1.50	-0.02	3.34	
www.LincolnFinancial.com				
<b>Wells Fargo Advantage Large Cap Gr I (07/10)</b>	3.33	3.58	2.58	16.18
Russell 1000 Growth TR USD	2.64	2.50	2.60	
www.LincolnFinancial.com				
<b>Bond funds</b>				
<b>Templeton Global Bond Adv (12/96)</b>	-2.21	9.31	11.23	8.12
Citigroup WGBI NonUSD USD	5.17	7.23	8.36	
www.LincolnFinancial.com				
<b>Vanguard Short-Term Bond Index Signal (03/07)</b>	3.08	4.85	4.07	4.76
Barclays Government/Credit 1-5 Yr TR USD	3.14	4.84	4.30	
www.LincolnFinancial.com				
<b>Wells Fargo Advantage Ttl Return Bond I (10/01)</b>	8.52	7.43	6.33	6.05
Barclays US Government/Credit 5-10 Yr TR USD	10.79	7.84	6.88	
www.LincolnFinancial.com				
<b>Other</b>				
<b>Vanguard Wellesley Income Adm (05/01)</b>	9.74	6.13	6.75	6.72
Morningstar Moderately Cons Target Risk	2.51	4.03	5.76	
www.LincolnFinancial.com				

## Chart 2 – Fixed return investments

Chart 2 focuses on the performance of investment options that have a fixed or stated rate of return. The chart displays the credited rate of return of each such option, the term or length of time that you will earn this rate of return, and other information relevant to performance.

Chart 2 - Fixed return investments

Investment options	Rate Type	Return	Term
<b>Alliance Stable Value J73</b>	New money rate	---	Quarterly
	Portfolio rate	2.49	Quarterly
	Guaranteed minimum interest rate	1.75	1 - 99 yrs
Current rate of return is available at 1-800-234-3500			



### Chart 3 – Fee and expense information

Chart 3 displays fee and expense information for the investment options listed in the prior two charts (Chart 1 and Chart 2). It indicates the total annual operating expenses of the options in Chart 1. Total annual operating expenses are expenses that reduce the rate of return of the investment option. This chart also shows shareholder-type fees. These fees are in addition to total annual operating expenses.

Chart 3 - Fees and expenses					
Investment option	Total annual operating expenses		Net operating expenses		Shareholder-type fees
	As a %	Per \$1000	As a %	Per \$1000	
<b>Equity funds</b>					
AllianceBern Small-Mid Cap Value K	1.25%	\$12.50	1.25%	\$12.50	---
American Funds EuroPacific Gr R3	1.14%	\$11.40	1.14%	\$11.40	---
Fidelity Contrafund	0.81%	\$8.10	0.81%	\$8.10	---
Goldman Sachs Small Cap Value Inst	1.06%	\$10.60	1.04%	\$10.40	---
Janus Overseas S	1.19%	\$11.90	1.19%	\$11.90	---
Janus Triton S	1.19%	\$11.90	1.19%	\$11.90	---
MFS Value R3	0.94%	\$9.40	0.94%	\$9.40	---
Morgan Stanley Inst Mid Cap Growth P	0.95%	\$9.50	0.95%	\$9.50	---
Vanguard 500 Index Signal	0.05%	\$0.50	0.05%	\$0.50	---
Wells Fargo Advantage Large Cap Gr I	0.82%	\$8.20	0.75%	\$7.50	---
<b>Bond funds</b>					
Templeton Global Bond Adv	0.65%	\$6.50	0.64%	\$6.40	---
Vanguard Short-Term Bond Index Signal	0.11%	\$1.10	0.11%	\$1.10	---
Wells Fargo Advantage Ttl Return Bond I	0.52%	\$5.20	0.42%	\$4.20	---
<b>Other</b>					
Vanguard Wellesley Income Adm	0.18%	\$1.80	0.18%	\$1.80	---
<b>Fixed return investments</b>					
Alliance Stable Value J73	0.00%	\$0.00	0.00%	\$0.00	Transfers from this investment option to a competing fund may be restricted. Transfers may be made to noncompeting funds if there are no subsequent transfers to a competing funds within 90 days.

Frequent trading policy: Transactions associated with market timing – such as frequent, large, or short-term transfers among investment options – can affect the underlying funds and their investments. Lincoln therefore reviews the number of transfers that a participant makes within given periods of time to determine if any transfer attempts to capitalize upon short-term movements in the equity markets (Market Timing Policy). If so, the participant's transfer activity will be subject to further scrutiny. Potential market timing or frequent trading may result in future trading restrictions, up to and including temporary (or permanent) revocation of telephone exchange privileges.

Annual Total Operating Expense: Expenses that reduce the rate of return of the investment option.

Net Operating Expense: Annual Total Operating expense net any applicable fund company waivers/reimbursements.

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. For an example of the long-term effects of fees and expenses on your retirement account, visit the Department of Labor website at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html). Fees and expenses are only one of many factors to consider when you decide to invest in an option. You may also want to consider whether an investment in a particular option, along with your other investments, may help you achieve your financial goals.

Please visit [LincolnFinancial.com](http://LincolnFinancial.com) for a glossary of investment terms relevant to the investment options under this plan. This glossary is intended to help you better understand the terms used in this document.

### **Important Disclosures. Please read.**

Mutual funds in the *Lincoln Alliance*<sup>®</sup> program are sold by prospectus. The program includes certain services provided by Lincoln Financial Advisors Corp. (LFA), a broker-dealer (member FINRA) and an affiliate of Lincoln Financial Group, 1300 S. Clinton St., Fort Wayne, IN 46802. Unaffiliated broker-dealers also may provide services to customers. The stable value option may be offered as a fixed annuity through Lincoln Financial Group affiliates or as a collective trust through independent third-party trust companies.

The Lincoln Ibbotson Insight Series is not an investment option. It is a fund lineup chosen by Ibbotson and Associates from the investment options that are available in the *Lincoln Alliance*<sup>®</sup> program. Ibbotson Associates, Inc. is a registered investment advisor and a wholly-owned subsidiary of Morningstar, Inc. Neither Ibbotson nor Morningstar are affiliated with the Lincoln Financial Group. The Ibbotson name is a registered mark of Morningstar, Inc. Ibbotson Associates, Inc., 22 W. Washington Street, Chicago, IL 60602

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