

MMLIS Wealth Management Services (WMS)

**Program and Procedures Guide for Portfolio Solutions &
Portfolio Solutions Premier Programs**

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PROGRAM DETAILS

Program Overview

MMLIS Wealth Management Services (WMS) is a fee-based asset management platform that utilizes Investnet Inc. technology and program capabilities with trade execution and custodial services provided by **National Financial Services (NFS)**. MMLIS WMS offers the following asset management programs to IA-Reps for their clients: Strategist Select MF Only, Strategist Select, SMA Select, UMA Select Premier programs, Portfolio Solutions, Portfolio Solutions Premier and Advisor Select programs.

The IA-Rep works with the client using the MMLIS WMS Risk Tolerance Questionnaire (RTQ) or Express Track feature on the WMS Platform to assist the client to identify the client's investment objective and time horizon for the assets in the Program. Investment products are then selected from the options recommended by the **Investment Advisor Representatives (IA-Reps)**.

In addition to this program and procedures manual, the [MMLIS Wealth Management Services](#) page in FieldNet contains information about WMS including marketing materials, access to the various program manuals as well as contact information. IA-Reps can also access [MMLIS Distance Learning](#), which contains all the learning courses required to solicit and/or sell WMS products and services. In addition, on the landing page of MMLIS Distance Learning, IA-Reps can access the [Knowledge Center](#). The MMLIS WMS Platform section of Knowledge Center houses reference sheets so that IA-Reps can understand the functionality and features available in WMS such as running proposals, model building, investment product research, cash designations, investment policy rules, trading, among others.

Investment offerings are available to IA-Reps affiliated with MML Investors Services Corporate Registered Investment Adviser (CRIA) and who meet the eligibility requirements for each program, along with completing the required training courses. Refer to [MMLIS WMS Licensing Requirements](#) for licensing information. Generally, brokerage accounts will be created for each program account.

Notes:

- IA-Reps can refer to the [WMS Risk Methodology Reference Guide](#) for information on the new risk methodology effective April 23, 2021.
- Affiliated managers and/or funds (Tamarack, Barings, & MassMutual) of MMLIS cannot be intentionally selected for use in any retirement account because of prohibited transaction rules and perceived conflicts of interest. The IA-Rep will forfeit advisory fees charged on the account for the period during which the affiliated funds remain in the account and be liable for any trade activity necessary to resolve the account.

Portfolio Solutions and Portfolio Solutions Premier Programs Limited Offering

The Portfolio Solutions and Portfolio Solutions Premier programs contain asset allocation models ('Models') created and managed by MMLIS home office investment personnel ("MMLIS Wealth Management Investment Team" or "MMLIS WMIT"), certain MMLIS IA-Reps ("MMLIS Strategists") or third-party investment managers ("Third Party Strategists, and together with the MMLIS WMIT and MMLIS Strategists, "Strategists" or "asset managers"). Some of the asset managers may be limited

to certain agencies of MML Investors Services ("MMLIS") and will remain limited until MMLIS' national distribution requirements and evaluation period is complete. Asset Consulting Group, a third-party firm has been hired by MMLIS to conduct due diligence on all the asset managers available in the Portfolio Solutions and Portfolio Solutions Premier programs.

All the asset manager's models require the advisor to be affiliated with MML Investors Services' Corporate RIA and to hold the required licenses. In addition, for a limited asset manager offering the IA-Rep will need to be in an approved agency who has access to the specific asset manager's models.

[The Wealth Management Services Portfolio Solutions & Portfolio Solutions Premier Manager Models and Agency Availability reference sheet](#) is updated on an ongoing basis as new asset managers and agencies are added.

Portfolio Solutions Program

Offers both taxable and tax-sensitive portfolios that can consist of exchange traded funds (ETFs), mutual funds or both to populate predetermined asset allocated or specialized strategy portfolio models. Clients select one model for their account.

- IA-Rep can recommend a portfolio model from a population of approved portfolios available at the client's risk tolerance.
- Investnet has sole discretion to rebalance portfolios and replace as instructed by the asset manager (sub-manager or MMLIS Strategist Team) for their specific portfolios.
- Clients must approve the recommended portfolio before assets can be invested.
- The IA-Rep and client do not have the ability to select the ETFs or MFs included in the selected portfolio.
- Tax harvesting requests will be administered per the asset manager's discretion. An asset manager may choose to stay in cash during the wash period or may invest in an ETF replacement of some type. Investnet Platform Support may be contacted to determine what the asset manager is scheduled to do in tax harvesting scenarios.
- For models that consist of only mutual funds tax harvesting requests are not allowed to use an ETF placeholder, unless by a Series 7 IA-Rep and for the limited purpose on implementing a tax loss harvesting strategy. Generally, the proceeds of a sale will remain in cash for the wash period and then will be invested back into the portfolio. Any instruction by a Series 6 IA-Rep to introduce an ETF may result in the IA-Rep forfeiting advisory fees charged on the account for the period during which the ETF remains in the account and be liable for any trade activity necessary to resolve the account.

Portfolio Solutions Premier Program

Offers both taxable and tax-sensitive portfolios that can consist of mutual funds, exchange traded funds (ETFs), stocks and/or fixed income securities to populate predetermined asset allocated or specialized strategy portfolio models. Clients select one model for their account

- IA-Rep can recommend a portfolio model from a population of approved portfolios available at the client's risk tolerance.
- Investnet has sole discretion to rebalance portfolios and replace as instructed by the asset manager (sub-manager or MMLIS Strategist Team) for their specific portfolios.

- Clients must approve the recommended portfolio before assets can be invested.
- The IA-Rep and client do not have the ability to select the MFs, ETFs, stocks or fixed income securities included in the selected portfolio.
- Tax harvesting requests will be administered per the asset manager's discretion. An asset manager may choose to stay in cash during the wash period or may invest in an ETF replacement of some type. Investnet Platform Support may be contacted to determine what the sub-manager is scheduled to do in tax harvesting scenarios.

Note: For portfolio models containing ETFs or stocks that are chosen in the Portfolio Solutions and/or Portfolio Solutions Premier programs a Series 7 IA-Rep must be on the account to answer client questions regarding securities held in portfolio models and/or questions regarding the brokerage account application, but may be 0% on split.

Minimum Investment Amounts

Each program has its own required minimum investment amount. Keep in mind that the account(s) must first meet the asset manager's minimum requirement.

Portfolio Solutions - \$5,000

Portfolio Solutions Premier - \$100,000

Note:

- Linking of programs and household accounts is not permitted to meet the individual program and/or manager's minimum requirement investment.
- A large withdrawal(s) may cause an account to be closed if the program minimums are not maintained.

WMS Program Suitability

The WMS platform's asset management options are best suited for clients who are looking for professional portfolio management based on an asset allocation or specialized strategy, prefer to have all securities in one brokerage account, and prefer on-going investment advice on investments.

Additional program attributes for clients to consider when choosing a program:

Portfolio Solutions and Portfolio Solutions Premier Programs

- Seek portfolio funded primarily with mutual funds; or
- Prefer a portfolio funded with ETFs or in conjunction with mutual funds; or
- Prefer a portfolio funded with mutual funds, ETFs, stocks and/or fixed income securities;
- Want a generally tax efficient investment solution*; and
- Want tax harvesting potential involving an ETF security placeholder position during wash sale time period.

*referring to tax sensitive models

Investment Product Research

Additional resources on the specific asset manager's investment portfolios can be found in the following locations:

- The Research Tab located on the WMS Platform, such information includes performance, top holdings, portfolio composition, and fees, among other important information.
- The Training Resources section under the Platform Tab located on the WMS Platform contains specific product guides on each asset manager.

IA-Rep Roles/ Responsibilities

IA-Reps are responsible for ensuring that the allocations, recommendations, and decisions are made using complete, accurate, and current client information gathered by the IA-Rep. MMLIS offers a broad range of investment advisory asset management programs that are designed to address different client needs. Once an IA-Rep has assessed a client's particular need(s), they should review the firm's WMS program offerings and ensure compatibility between the client and any program they deem appropriate for solicitation as a potential solution.

Prior to engaging with a client or potential client, IA-Reps are required to:

- Be affiliated with MMLIS CRIA as an IA-Rep. For additional information, contact your agency licensing coordinator;
- Be FINRA licensed in client's state of residence;
- Read and understand this program and procedures guide;
- Complete the appropriate program training as outlined in the [WMS Licensing & Training Requirements Reference Guide](#);
- Read and understand the strategy specific education materials; and
- [Review the Regulation Best Interest New Business and Subsequent Transactions Reference Sheet](#) to become familiar with Form CRS delivery requirements and required steps to complete using the RightBRIDGE Product Profiler.

When dealing with clients, IA-Reps are required to:

- Adhere to the program recommendation, account opening, and business processing requirements outlined in this document and in the [Field Compliance Manual](#) / Investment Adviser Business section;
- Assist clients in accurately defining their investment objectives and risk tolerance, taking into consideration net worth, taxes, liquid assets, applicable time horizons, and any other unique circumstances;
- Use the RightBRIDGE Product Profiler to determine that an advisory account type is appropriate and in a retail customer's* best interest;
- Advisors must run the Product Profiler Report and record the delivery date of the Form CRS in RightBRIDGE for all new business. The Product Profiler Report must be maintained locally with documentation of the recommendation in the client file;
- For scenarios where the Product Profiler Report indicates yellow for an advisory product [review the Regulation Best Interest New Business and Subsequent Transactions Reference Sheet](#) to learn more;
- Within the RightBRIDGE Product Profiler, indicate if there is a rollover recommendation from an employer sponsored plan (new or subsequent business) and use the integrated RiXtrema plan lookup tool to provide additional details on the rollover;
- Help client's structure suitable recommended portfolios within the client's appropriate risk tolerance ranges;
- Discuss whether the client wishes to impose any reasonable security restrictions on the account
- Monitor the portfolio and performance of the asset managers on a continuous basis;

- Monitor accounts on an on-going basis utilizing trade activity on the WMS Platform, Wealthscape, brokerage statements, and Wealthscape reports;
- Be available to answer client questions;
- Discuss account performance with clients on a periodic basis including review of available Quarterly Performance Statements and advisory fees assessed;
- Periodically review and evaluate the client's situation and overall financial condition;
- Adhere to the [CRIA Asset Transition Policy](#);
- Contact investment advisory clients a minimum of once every 12 months and document meetings in accordance with the [Field Compliance Manual](#) / Section 15.10 Investment Adviser Client Contact Policy.; and
- Maintain client files, records, and documentation in accordance with the [Field Compliance Manual](#): Recordkeeping and Privacy section.

* This applies to recommendations provided to a "Retail Customer" who uses the recommendation primarily for personal, family or household purposes. A Retail Customer is a natural person or the legal representative of such natural person, such as a non-professional legal representative (e.g., a non-professional trustee that represents the assets of a natural person and similar representatives such as executors, conservators and a person holding a power of attorney for a natural person). This does not apply to retirement plans (such as a 401(k)) or other entity accounts.

Understanding the IA-Rep's Fiduciary Obligations

MMLIS (as a Registered Investment Adviser or RIA) and the IA-Rep have an ongoing fiduciary duty to clients in MMLIS WMS Programs. As a fiduciary, the RIA and its IA-Reps have an affirmative duty of utmost good faith to:

- Act solely in the best interest of the client; and
- Make full and fair disclosure of all material facts and conflicts of interest

It is important to understand that this is the foundation for everything we do as an RIA; it is an ongoing responsibility with ongoing duties. There is no "set it and forget it."

IA-Reps must take due care in determining whether and how model positions (holdings) fit into a suitable/prudent investment strategy for the specific client. Keep in mind clients often are emotional and/or may be sensitive to account performance and tax ramifications.

It is essential that IA-Reps diligently document their rationale regarding:

- The selection or replacement of model positions;
- Client consent of changing an investment objective on an account if client signature is not required;
- Client consent of changing models/managers in a non-discretionary account if client signature is not required; and
- The ongoing effectiveness of the investment plan.

Consequently, IA-Reps are encouraged to discuss their approach and the utilization, or non-utilization, of model positions with clients (both upfront and on an ongoing basis). IA-Reps are also encouraged to have regular discussions regarding the client's expectations regarding their model positions; should they become ineligible investment products (under the investment policy

standards for the program) or should they no longer be in-line with the IA-Rep's investment plan for the client.

Don't cut corners on documentation. Protect your clients and protect your practice!

MMLIS WMS Client Suitability

WMS Suitability Analysis: The IA-Rep must conduct a suitability analysis to ensure that an advisory program and the investment products and/or models chosen for the client best suits them. The RightBRIDGE Product Profiler must be used with all new business, as well as some subsequent transactions when conducting a suitability analysis. [Review the Regulation Best Interest New Business and Subsequent Transactions Reference Sheet](#) to learn more.

IA-Reps should consider the suitability review a two-part process taking into consideration the following:

Part1: In determining the appropriateness of an advisory program for the client, the IA-Rep and client should consider the following differences between an advisory and a basic brokerage account:

A **broker-dealer relationship** may be better suited for a client who desires the following:

- ✓ Client desires input on the purchase and sale of securities but does not need or want ongoing advice.
- ✓ Client desires the ability to buy, sell or hold any security available through the broker-dealer (without the restrictions inherent in the various WMS programs).
- ✓ Client would like to pay traditional commissions on a per trade basis.
- ✓ Client intends for infrequent trading; a brokerage account may be more economical and appropriate.

An **investment adviser relationship** may be better suited for a client who desires the following:

- ✓ Client desires an ongoing fiduciary standard of care, where MMLIS and the IA-Rep will act with the utmost good faith to act solely in the best interest of the client and make full and fair disclosure of all material facts and conflicts of interest rather than a client managing their own account and using a broker to place trades.
- ✓ Client desires ongoing investment guidance in the areas of risk tolerance assessment, asset allocation, portfolio construction, investment management and regularly monitored and/or traded.
- ✓ Client is willing to pay an ongoing asset-based fee for the investment advisory services offered within the respective WMS program.
- ✓ Client invested in a diversified portfolio rather than a large holding in one security or a small number of securities.
- ✓ Client participating in a long-term investment program where short-term investing and market timing is not a strategic goal.
- ✓ Client whose account is actively traded by the IA-Rep rather than an account where few or no trades takes place over a period of time.

Part 2: Is the investment product(s) and/or model chosen appropriate?

Is the investment product(s) and/or model chosen by the IA-Rep and/or client appropriate given the client's risk tolerance, investment objectives and financial situation? Note that deviations from the recommended model are not permitted without new paperwork. See [MMLIS WMS Platform Goal Modifications](#) for additional information.

IA-Reps should also take into consideration a client's investment history and experience, marital status, number of dependents and other information relevant to the account. In addition, IA-Reps should focus on any unique circumstances and/or needs a client may have. Below are some essential areas to consider.

- **Is there a need for liquidity?** Can the client afford this investment? IA-Reps should determine what percentage of the client's stated net worth is representative of this investment. Review the client's net worth and annual income and determine if the client can afford this type of investment. If it is apparent that the client may need immediate access to the funds being invested in the account, then this investment may not be appropriate. Follow-up with the client for further explanation and document discussions.
- **Is the client information consistent?** IA-Reps must ensure that the information disclosed within the client's paperwork is consistent and within the parameters prescribed by the product. If the responses are inconsistent from one document to another, or not permissible by the product in accordance with its specifications, the client should submit consistent & accurate paperwork.

For example: The client's determined investment objective must be compared to the asset allocation and recommended program model. Funds and/or securities within the recommended program model should be consistent with the client's investment objective.

- **Is the client transferring assets from an existing investment account?** If funding the new account consists of a Transfer of Assets from an existing investment account, does this transfer disadvantage the client? The IA-Rep should take into consideration withdrawal charges, sales charges already paid, and taxable events. See: [MMLIS CRIA Asset Transition Policy](#).
- **Is the client age 65 or older?** If a client is age 65 or older, IA-Reps should pay special attention to the risk the elderly client has indicated he/she is willing to undertake in comparison to their assets, income, and liquidity needs. IA-Reps should consider the following:
 - ✓ Liquidity and access to funds may be particularly important to individuals on a fixed income. Make sure that older clients have adequate income, cash, and other liquid assets to cover living expenses and possible emergencies.
 - ✓ Ensure the client can afford to invest in this type of product and their needs are being met with the purchase of this product.
 - ✓ Pay close attention to the asset allocation. Generally, the elderly are not candidates for high risk and aggressive investing. Particular attention should be given to clients who may be investing a large portion of their net worth into a more aggressive model.
 - ✓ Any additional written documentation or explanations regarding the recommendation.

Additional Suitability Analysis: Before recommending a WMS program to clients, IA-Reps should consider the following items relative to the appropriate manner in which to engage the client:

Non-Discretionary vs. Discretionary Relationship

A **non-discretionary relationship** may be better suited for a client who desires the following:

- ✓ Client desires ongoing advice but would like to maintain control over decisions related to the investments in their account.
- ✓ Client desires ongoing advice, and the assistance of the IA-Rep in executing trades but would like to make all trading decisions.

A **discretionary relationship** may be better suited for a client who desires the following:

- ✓ Client desires ongoing advice on their overall portfolio and would like their IA-Rep to handle the management of their account with little or no involvement from the client.
- ✓ Client desires ongoing advice but does not want to approve or to participate in the decision related to which investments to hold, buy/sell, in what amounts and at what times and prices.
- ✓ Client does not want to be consulted about the tax implications and/or transaction costs of each trade before it is placed.

Note: Questions regarding client suitability should be directed to the IA-Rep's manager, supervisory delegate, or the Compliance Department.

General Agent or Supervisory Delegate Roles/ Responsibilities

The General Agent may delegate some of these supervisory duties to other qualified supervisors (Supervisory Delegate) in the agency, but he or she remains ultimately responsible for IA-Rep supervision.

The Supervisory Delegate is required to:

- Read and understand this program and procedures guide;
- Complete the appropriate program training as detailed in the [WMS Licensing & Training Requirements Reference Guide](#);
- Read and understand the strategy specific education materials, located on the Platform Tab;
- Adhere to the requirements outlined in this document and in the [Field Compliance Manual](#): Securities Brokerage Business section. For applicable subsequent deposits, sign off on the CRIA Asset Transition Form attesting that they have evaluated the information and determined that they believe the transaction being presented makes sense in relation to the client's circumstances; and
- Adhere to the client contact requirements for check redemption and wire transfer transactions, as detailed in the [Field Compliance Manual](#): Securities Brokerage Business section.

MMLIS Home Office Roles/Responsibilities

MML Investors Services will:

- Perform due diligence as requested on asset managers available through the WMS Platform
 - ✓ If the asset manager meets MML Investors Services' standards, then the asset manager will be considered approved.*
 - ✓ If the asset manager initially, or through ongoing due diligence, no longer meets MML Investors Services' standards, MMLIS will communicate to Envestnet as such and state that the asset manager will not be made available.

* Some asset managers will have a limited distribution until MML Investors Services' national distribution requirements and evaluation period is complete.

- Perform a principal review of all account opening documents for suitability and best interest, indicating approval as appropriate;
- Sign off on the new account paperwork attesting the investment chosen is appropriate taking into consideration the client's overall profile, including risk tolerance, investment objectives, overall financial situation (e.g., financial needs and total investable outside assets), and any other information reasonable for recommending this strategy;
- Sign off on the CRIA Asset Transition Form attesting that they have evaluated the information and determined that they believe the transaction being presented makes sense in relation to the client's circumstances;
- The principal should determine that the client has sufficient income to afford account purchases. The principal should also determine what percentage of the client's stated net worth is representative of this investment. If it is apparent that the client may need immediate access to the funds being invested in the account, then this investment may not be appropriate;
- Sign off on the CRIA Change of MML Investors Services Advisory Fee Form certifying the requested change(s) have been reviewed, approved, and all required documents have been signed; and
- Provide performance reporting capabilities through Envestnet and [Advisor360](#)

Envestnet Roles /Responsibilities

Envestnet is a sub-adviser to MMLIS and is the technology platform providing the following services to all WMS Programs:

- Online client proposal generation, asset allocation software, investment research and on demand reports;
- Trade execution including ongoing trade execution after the initial account opening that includes any trading event directed by an asset manager;
- Training on the Envestnet platform functionality; and

- Provide continuous updates and enhancements on platform functionality in a prioritized and efficient manner.

Note: For any trading event submitted before 1pm EST, trading will begin execution same day. For any trading event submitted after 1pm EST, trading will begin execution on a best effort basis. For all WMS Programs, Envestnet trades on prior day closing values and the WMS Platform does not update intraday values. Please refer to the [MMLIS WMS Platform Trading logic & Execution Timing reference sheet](#) for additional trading details.

NFS-Custodian Roles/ Responsibilities

The program assets are held in brokerage accounts established at NFS, which provides custody and clearing services. NFS provides the following services:

- Mailing of brokerage activity statements to the client and any interested party (as requested by the client) provided there is account activity; otherwise, these statements are sent quarterly;
- Mailing of trade confirmations;
- Delivery of current prospectuses for purchased funds;
 - Clients may request a prospectus from IA-Reps on review of proposal;
- Applicable annual tax reporting for both qualified and non-qualified accounts; and
- Mailing of proxy and related materials to any asset managers select by the client unless the client chooses otherwise. The asset managers will vote proxies on behalf of the client.

Notes:

- Clients may elect to have their NFS custodial statements and trade confirmations delivered to them in either electronic format or paper. Effective June 2022, NFS will charge a \$10 annual fee for clients who have not chosen eDelivery of custodian account statements and confirmations. For additional Wealthscape Investor eDelivery sign-up content, visit my onlinebrokeragecentral.com.
- Client access to account information is available via Wealthscape Investor

Training Requirements

At minimum the IA-Rep must meet the following:

- Affiliate with MMLIS CRIA as an IA-Rep. For additional information contact your agency licensing coordinator or visit [Corporate RIA Affiliation](#).
- Be FINRA licensed in client's state of residence.
- Read and understand all relative program and procedure guides and complete the required training listed in MMLIS [WMS Licensing & Training Requirements](#).
 - Training course: MMLIS WMS Training

Additional training materials are listed on the WMS Platform under Platform → Training Resources

- The WMS Platform specific trainings should be reviewed prior to utilizing the system.
- Training materials are listed by asset manager's name.
- A fact sheet, training module, and/or product guide will be listed if available.

- All available materials must be reviewed prior to discussing an asset manager's models with a client.

Series 6 and 7 Licensing Requirements

Please refer to the [MMLIS WMS Licensing & Training Requirements](#) for all licensing requirements in WMS Program accounts. A Series 7 IA-Rep added to an account (by adding to a split rep code) may be compensated anywhere from 0 to 100 percent. The Series 7 IA-Rep must be available to answer potential questions regarding securities held in the model.

For Portfolio Solutions and Portfolio Solutions Premier accounts this means:

Program	Series 6	Series 7	Series 6 teamed with a Series 7
Portfolio Solutions Premier		x	x
Portfolio Solutions –models with ETFs		x	x
Portfolio Solutions - models with only x mutual funds			

Client Fees and IA-Rep Compensation

Simplified WMS Fees, effective Jan. 1, 2022

- [WMS Program Fees Reference Guide](#)
- [MMLIS Wealth Management Services Program Fees: Aggregation Reference Guide](#)
- [MMLIS Wealth Management Services Program Fees: IA-Rep Fee Aggregation Worksheet](#)
- [MMLIS Wealth Management Services Advisory Fee Structure – M11395](#)

A client's **total fee** is made up of:

1. Execution, Clearing, and Custody fee:

The execution, clearing, and custody fee covers the IA-Rep's use of Investnet technology, program capabilities, NFS trade execution, and clearing, and custody of investment assets. Clients will be charged a flat fee of 6 basis points (0.06%) on their account AUM.

2. **IA-Rep fee:** The IA-Rep fee is the advisor compensation for managing individual accounts(s). The fee is based on the client's AUM and may range between 0.00% -

1.54%. Advisors may choose to charge a flat fee or establish tiers based on certain asset levels in client accounts. Such tiering may be used to provide blended rates.

3. An Asset Manager/Investment Management fee

- Asset Manager/Investment Management Fee: varies by manager (manager fee information can be found by looking up each manager/style on the WMS Platform's Research Tab)

Other Charges: The below brokerage account related charges/fees may apply to a WMS managed account:

- Non-Retirement Outgoing Transfer Fee (assets leaving NFS) = \$50
- Retirement Account Termination Fee = \$125
- Annual NFS retirement maintenance fee for Self-Employed 401k registrations = \$35
- International Trading & Custody Fee*:
 - Execution = Varies per Country involved, ranges from greater of (\$25 to \$300) or (20 to 50 bps)
 - Settlement = Varies per Country involved, ranges from \$26 to \$300
 - Force Route Fee (Sell Transactions only) = greater of \$0.0004 per share or \$2 per trade

*Applies when an account is holding a local market currency position (not on an US exchange). MMLIS does not allow these position(s) and an exception process would apply to liquidate the position(s) incurring an International Trading & Custody Fee.

Important Notes:

- **12b-1 Fees:** 12b-1 fees paid to MMLIS (when applicable) are credited back to the client's account.
- Cash Designations receive reduced execution, custody, & clearing fee, reduced IA-Rep fee, and no manager fee. Unsupervised assets are excluded from billing. Please refer to [Cash Designations & Unsupervised Assets](#) for all details of this feature.
- During a goal modification involving a change in programs and/or managers, the client will see a prorated refund for the terminating manager's fee portion and a prorated charge for the new manager's fee portion.
- Subsequent lump sum deposits or withdrawals of \$10,000 or more to the account are subject to a fee or rebate on a pro-rata basis for the remainder of the period. The fee is debited or credited from the account in the month following the deposit or withdrawal.
- Client accounts are billed quarterly in advance using the market value of the account on the last day of the previous quarter. IA-Reps are compensated through the MMLIS' IA-Rep fee, which is paid through the normal compensation grid.

Splitting fees with other eligible IA-Reps

IA-Reps may split business with another MMLIS IA-Rep in the same agency, provided that each IA-Rep satisfies all the eligibility criteria indicated for the program, including being CRIA affiliated.

Advisory fee change/update

The IA-Rep and client might wish to modify the MMLIS Advisory Fee, for example, by lowering the fee due to an increase in account size. To change the IA-rep fee, complete the Change of MMLIS Advisory Fee Form. Refer to the [Forms Library Reference Guide](#) for instructions on accessing forms. The client and IA-rep must sign the form if the fee change results in an increase to any breakpoint tier(s). If the fee change does not increase any breakpoint tier(s), only the IA-rep must sign the form. Submit the signed form via [Upload Documents for Processing on the Practice360° Documents tab](#).

IMPORTANT! When using DocuSign, use the correct DocuSign account to avoid processing delays. Refer to the [DocuSign Account Types and Business Lines Reference Guide](#) to learn more.

Fee Forgiveness Policy

The IA-Rep is required to determine if the requested transaction is appropriate based on the client's profile and circumstances. Assets may be allowed to transfer between accounts with restrictions in the following situations:

1. A-share mutual funds where the client paid a sales charge within the last two years/24 months.
2. Mutual funds where the client paid a contingent deferred sales charge (CDSC) to liquidate assets to move into the program within the last two years/24 months.
3. C-share mutual funds, individual stocks, or exchange traded funds (ETFs) where the client is subject to a CDSC or paid a sales charge and/or a commission within the last 13 months.

Any assets purchased through MMLIS, that fall under conditions 1, 2, or 3 listed above may be eligible for Fee Forgiveness. Fee forgiveness is achieved by reducing the Firm Fee and the IA-Rep Fee for each billing period by 50% until the Fee Forgiveness amount calculated by MMLIS is met. Full details on Fee Forgiveness are outlined in the ADV.

Note: Trail-based commissions are not considered in this look-back policy.

It is against MMLIS policy to transfer between accounts where the IA-Rep has received a commission in the last three years/36 months on the transferring annuity OR where the annuity would be assessed 5 percent (3 percent for clients age 75+) or more in surrender charges.

IA-Reps can reference [MMLIS CRIA Asset Transition Policy & FAQ](#) for additional information on the policy. The CRIA Asset Transition Form must be completed and firm policy must be followed for assets transitioning into a CRIA program (Solicitor/referral programs are excluded from this policy with the exception of AssetMark and Brinker Capital). Refer to the [Forms Library Reference Guide](#) for instructions on accessing forms.

Available WMS Registrations

Please refer to [MMLIS WMS Account Registrations Reference Sheet](#) for all details on registrations available in WMS accounts.

Establishing WMS Program Accounts

The IA-Rep establishes the MMLIS WMS account through [NFS Unified Account Opening \(UAO\)](#). This takes place after the proposal creation on the MMLIS WMS Platform. Please refer to the [MMLIS WMS Platform Proposal Reference Guide](#) for steps required to run a WMS proposal.

Please reference the following categories on the [MMLIS Knowledge Center](#) to assist in the new account opening process:

- MMLIS Wealth Management Services (WMS) Platform
- Opening Accounts/Brokerage & WMS
- Opening Accounts/Unified Account Opening (UAO)

All the forms are available in the Forms Library in Practice360. Refer to the [Forms Library Reference Guide](#) to learn more on accessing forms.

Important! IA-Reps are required to deliver all Form CRSs, ADVs (MMLIS, Sub-Advisors (e.g., Investnet) and IA-Rep Form ADV 2B), disclosures, brochures and terms & conditions that render with the new account opening documents. They are located in the 'For Delivery to Client' and 'SEC Form CRS' section.

Investment Objective Determination

A client's investment objective needs to be determined prior to account opening by completing the [MMLIS WMS Risk Tolerance Questionnaire \(RTQ\)](#) or using the Express Track feature. The WMS RTQ is located on the at WMS Platform → Platform → About the Platform → Business Development Tools or in the [MMLIS Marketing section on Field Net](#). The client's investment objective must be maintained in the client file by one of the following:

- The RTQ can be answered within the proposal process to determine the investment objective. If the proposal is used as a sales tool with the client, a copy must be maintained in the client file or the RTQ must be maintained in the client file.
- The investment objective can be selected using the [Express Track](#) feature in the proposal process with the RTQ maintained in the client file or the determination of the investment objective chosen documented in the client file. Refer to the [MMLIS WMS Platform Proposal Reference Guide](#) on utilizing Express Track.
- As of November 2021, if the SIS includes descriptions of the five investment objectives and the client confirms the selection of the investment objective being used on the account by signature, neither the proposal nor a copy of the RTQ is required in the client file.

Note: A future goal modification with an investment objective change requires documentation in the client file of client consent if client signature is not required on the SIS.

Risk Methodology Updates Effective April 23, 2021:

The WMS Platform was updated across all WMS programs with the new investment objective naming convention and numerical risk scale ranges to allow greater flexibility and alignment with practices on the Advisor360° platform. The internal framework of Investnet was modified to accommodate the new equity methodology, as a result, some of the depictions of "assessed risk" are still in place and users must be aware of the meaning of the value. MMLIS will continue to work with Investnet to modify the platform, meanwhile, users should familiarize themselves with differences to eliminate

any potential misunderstanding. See below for details and refer to the [MMLIS WMS Risk Methodology Reference Guide](#) that defines the investment objectives, outlines the risk tolerance categories and the corresponding max equity allocation targets

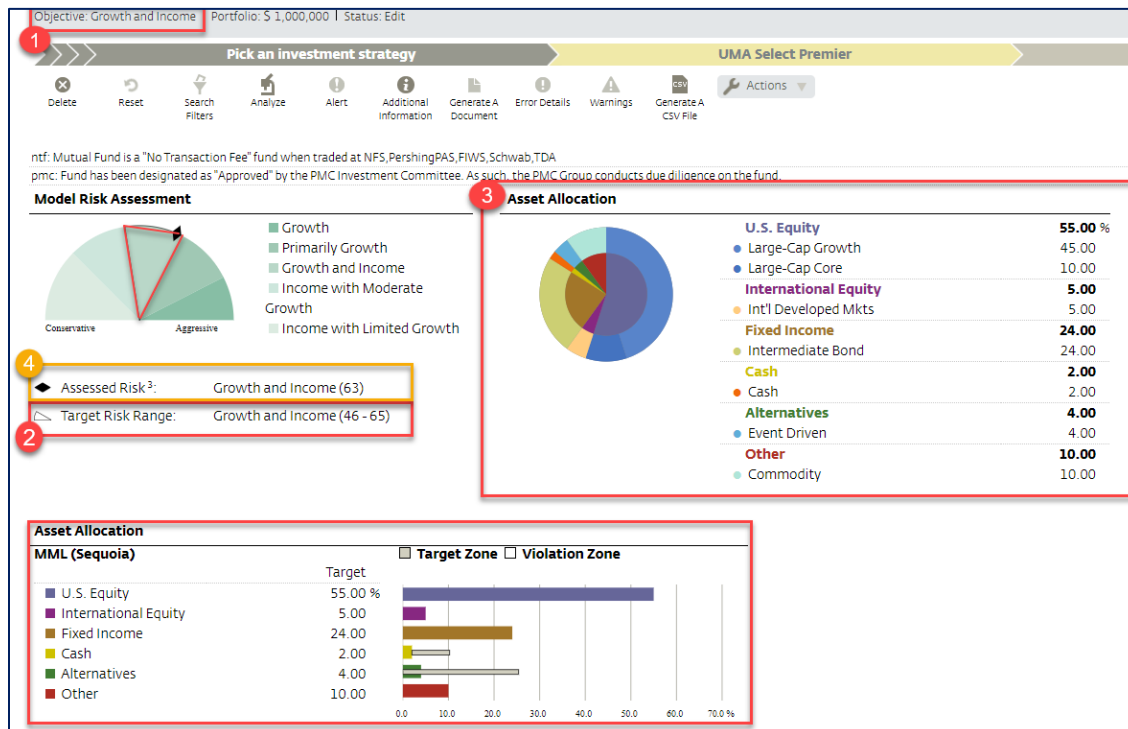
Proposal/Model Definitions

- 1. Objective (Target Risk):** Assigned investment objective for the proposal as determined by the IA-Rep.
- 2. Target Risk Range:** Model's assigned investment objective and must match the Objective (Target Risk). If it does not match when Selecting an Existing Strategy, a violation will appear and the user will not be able to continue forward in the proposal. Target Risk Range is indicated by the outlined triangle in the Model Risk Assessment chart.
- 3. Asset Allocation:** Dynamic model pie chart that will display the percentage allocated to each parent style asset class in the model. IA-reps should adhere to the Target Risk Range of the model (max 65% in this example). An allocation above 10% of the max equity target (75% + in this example) will result in a warning indicator, prompting an adjustment to the model. However, the warning will not prevent the IA-rep from moving forward. The equity allocation includes the U.S. Equity and International Equity asset classes.

Note: The A360 platform may include portions of alternatives or commodities in the equity allocation.

- **Target Zone:** the allowed range for the parent style asset class.
- **Violation Zone:** the allocation exceeding a target zone.

- 4. Assessed Risk:** This value is pending removal from the WMS Platform and should not be taken into consideration. Assessed Risk is indicated by a black diamond.



Example of an Account/Product Investment Objective Mismatch:

test for naming conventions - test for naming conventions
Objective: Income with Moderate Growth | Portfolio: \$ 10,000,000 | Status: Edit

Pick an investment strategy

Errors

The following issue(s) must be resolved in order to proceed

1 The risk assessment of the investment(s) (93 - Growth) violates the risk tolerance range (26 - 45)

Investment	Amount	Model	Action
UMA Select Premier - Series 7 (Individual for test for no			
001-Income & Growth-UMA Select Premier	\$ 153,846	Growth	Select
713-Growth & Income-UMA Select Premier	240,000	Growth and Income	Select
819-Growth-UMA Select Premier	25,000	Growth and Income	Select
820-Growth-UMA Select Premier	25,000	Growth and Income	Select
821-Growth-UMA Select Premier	171,428	Primarily Growth	Select
822-Growth-UMA Select Premier	454,545	Primarily Growth	Select
growth and income sample	25,000	Growth and Income	Select
Growth Model	25,000	Growth	✓

A growth model is not able to be selected because it does not match the investment objective of the proposal, Income with Moderate Growth.

Investment Objective versus Equity % - Investment Objective versus Equity %
Objective: Income with Limited Growth | Portfolio: \$ 10,000,000 | Status: Edit

Pick an investment strategy

Errors

The following issue(s) must be resolved in order to proceed

1 The risk assessment of the investment(s) (93 - Growth) violates the risk tolerance range (1 - 25)

Investment	Amount	Model	Action
UMA Select Premier 3-30-17	25,000		
uma sp	100,000		
USNQX	25,000	Primarily Growth	Select
z test usp	25,000	Primarily Growth	Select

Continue

Risk Statistics (Investment Object)

Target: Income with Limited Growth (1)

Allowable Range: Income with Limited Growth (1) to Income with Limited Growth (25)

Selected Portfolio: Growth (93)

Investment Gap: Investment(s) selected falls above the target risk range Income with Limited Growth (1 - 25)

Selected Investments: SSOM Demo Growth (93)

Proposal Risk Assessment

Legend: Growth, Primarily Growth, Growth and Income, Income with Moderate Growth, Income with Limited Growth

Gauge Chart: Conservative to Aggressive

Selected Portfolio Risk: Growth (93)

Target Risk: Income with Limited Growth (1 - 25)

ategy of the risk score to informational icon (i) strategy selected for use Risk Assessment section of

Investment Restrictions

Clients may add or remove a reasonable investment restriction relating to a specific security or industry any time. This can be applied on a client level or an account level. The specific ticker symbols indicating which securities to be restricted must be provided. Security restrictions will restrict the purchase of that security going forward and will instruct the system to sell the security. Industry restrictions only apply to common stocks and are classifications provided by Morningstar. Industry restrictions do not apply to the underlying holdings of ETF, mutual funds, or any fixed income security. Please visit the general tab of the Client Profile section to add/remove client level restrictions.

Account Funding

When an account is first established, the account must contain the required program/manager/model minimum amount for implementation to occur including cash designation amounts (if applicable).

Acceptable Funding Options

- Accounts can be established with cash, individual stocks, ETFs, mutual funds, bonds and/or liquid securities. Envestnet is able to trade individual stocks, ETFs, mutual funds and bonds. Other security types may require the MMLIS trade desk and/or the security may be moved to unsupervised.
- Assets that fund the account will be reviewed by Envestnet, and if determined to be part of the intended allocation will be retained in the account as needed. If there are assets not used in the intended allocation, they will be liquidated by Envestnet. The account will invest shortly thereafter and there is no way to halt this process. Any such sales may be a taxable event for the client.
- Any transferred security must be investable, marketable, and liquid.
- During the initial account funding, a hard rebalance will occur investing to target.

Note: Journal procedures for accounts moving from an existing MMLIS retail brokerage account held at NFS into a WMS program account are all covered in reference sheets located in the Money Movement section found in the [MMLIS Knowledge Center in Distance Learning](#).

Trade Execution:

Envestnet is responsible for all trade execution after the initial account opening that includes any trading event directed by any of the asset managers in the Portfolio Solutions and Portfolio Solutions Premier programs. For any trading event submitted before 1pm EST, trading will begin execution same day. For any trading event submitted after 1pm EST, trading will begin execution on a best-efforts basis. For all WMS Programs, Envestnet trades on prior day closing values and the WMS Platform does not update intraday values. Please refer to the [MMLIS WMS Platform Trading Logic & Execution Timing reference sheet](#) for additional trading details.

Money Movement

Please visit the Money Movement section in [Knowledge Center](#) for details. Topics covered include but are not limited to:

- Money Movement
 - Non-Retirement – Deposits
 - Non-Retirement – Disbursement
 - Retirement – Contributions
 - Retirement – Distributions
- Remote Check Deposit
- Transfer of Assets
 - Incoming
 - Outgoing

Notes:

- Redemption proceeds may not be sent to the IA-Rep under any circumstances.
- For subsequent transactions, IA-Reps should refer to the [Regulation Best Interest New Business and Subsequent Transactions reference sheet](#) for requirements.
- The only WMS program with a check-writing feature is the Advisor Select program. WMS accounts do not offer margin for overdraft protection or debit cards.

Share Class Conversion Considerations

- IA-Reps who are looking to convert into a lower share class for existing assets being transferred in will need to submit a letter of instruction and a completed Mutual Fund Share Class Conversion Request Form must accompany the account opening paperwork requesting the conversion take place. The paperwork should then be submitted with the Direct Advisory New Account Form (MI1078). The excel worksheet can be requested via email from wmservice@massmutual.com.
- IA-Reps and clients should be aware of the timing of the conversion process and prepare accordingly, once a new account is approved, the funding can occur within 3-5 days. For example, a journal can occur within 24-48 hours and ACAT transfers can take 3-5 business days. The trade hold and conversion process can take an additional 5-10 business days for completion.
- Periodically, MMLIS Home Office may perform a share class conversion event. During an exchange event, impacted accounts will be placed on trade hold, the position will be updated in the brokerage account, model positions will be updated, model alternates will be updated, and unsupervised assets will not be updated. There will be several notifications from the home office prior to such an event.

WMS Program Features and IA-Reps Self-Service Functions:

WMS Programs offer service requests capabilities and require IA-Reps to perform self-service functions. IA-Reps should become familiar with these topics by referring to the reference sheets, located in Knowledge Center, for the most up to date procedure on each topic:

- [Cash Designations & Unsupervised Assets Reference Guide](#)
- [Tax Harvesting Reference Sheet Reference Guide](#)
- [Raise Cash & Terminate Account Service Requests Reference Guide](#) (additional details below)
- [Invest Contribution Service Request Reference Guide](#)
- [Goal Modifications Reference Guide](#)
- [Registration Changes Reference Sheet](#)
- [Manage Advisor-Created Models Reference Guide](#)
- [UMA Programs Rebalance Overview Reference Guide](#)
- [WMS Dividend/Capital Gain Reinvestment Options*](#)

****Dividend Interest & Capital Gains paid to cash vs. reinvestment are eligible for a periodic earnings withdrawal (or income protection) plan for both retirement and non-retirement accounts.***

Raising Cash prior to making a one-time withdrawal

This action is to free up money only. The funds must be promptly removed from the account, within 30 days, via either distribution or transfer. Failure to have the funds removed within 30 days will result in the funds being reinvested into the account.

Note: Raise Cash service requests result in trading. Please refer to the [WMS Raise Cash Service Request Reference Guide](#) for a detailed understanding of the options available and the trading behavior that will result. It is the responsibility of the IA-Rep to understand and utilize the correct option.

Any financial/tax impact due to this action will be the obligation of the IA-Rep and will not be the obligation of the managing program sponsor or MMLIS. Meaning, the IA-Rep will be charged-back and required to make the client whole for any financial damage done to the client through the IA-Rep's error. Note: For all WMS Programs, Envestnet trades on prior day closing values and the WMS Platform does not update intraday values.

Submission methods:

1. Submit a [raise cash service request](#) on the MMLIS Wealth Management platform.
2. Submit a raise cash request via email once to wmsservice@massmutual.com
 - Email must be for specific transaction only
 - Email must be submitted by the account's IA-Rep of record or the rep's assistant with the Rep of record cc'd. If the rep or rep's assistant is unavailable, the ASO for the agency may submit the request with the rep of record cc'd
 - Provide account number and specific dollar amount (net amounts and percentages are not acceptable); OR
3. Submit a raise cash request via phone through our Service Center
 - Request must verbally come from the primary IA-Rep, a split representative on the account, rep's assistant, or the Agency Supervisory Officer

Note: A request to fully liquidate the account is the same as a request to close the account. Please see below regarding terminating and reopening a terminated account.

Knowledge Center:

Please reference [Knowledge Center](#) located in Distance Learning for the most up to date procedures for opening, trading, and servicing WMS accounts.

Knowledge Center



Opening Accounts Open a brokerage, Wealth Management Services (WMS) advisory, or directly-held account →	Trading Place trades in a brokerage or Wealth Management Services (WMS) advisory account →	Servicing Accounts Process transactions for an existing brokerage, Wealth Management Services (WMS) advisory, or directly-held account →
MMLIS Wealth Management Services (WMS) Platform Learn about programs, proposals, reporting, and more →	Forms Best Practices Search, access, and complete forms →	Money Movement Deposit, distribute, and transfer assets →
Compensation Learn about the factors affecting fees and compensation →	Regulatory Review Regulation Best Interest and state-level requirements →	Wealthscape Explore available features in Wealthscape →
Client Portals Explore available tools in Investor360®, MMLIS WMS Client Portal and Wealthscape Investor →	Technology Platforms and System Access View how to access and navigate common MML Investors Services platforms →	DocUSign Understand how DocuSign technology works to process business efficiently →

Withdrawal requests processed by Program Sponsor

MMLIS will notify Envestnet of the withdrawal request

- Envestnet will be responsible for ensuring that the account has sufficient cash to honor the request
- A withdrawal request may require Envestnet to redeem investments in the account, which may result in a taxable event for the client.

Lending Needs

Please refer to the [Collateral, Margin, and Non-Purpose Loans](#) reference guide.

Online Client Access

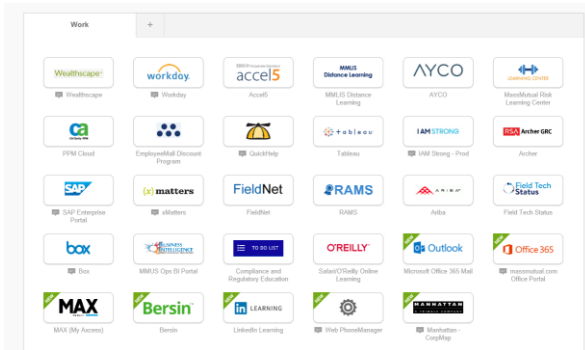
Clients have various options to view their accounts online with the ability to access documents via e-Delivery.

- [Investor360°](#) – Instructions on how to set up and manage client accounts in Investor360°.
- [Wealthscape Investor](#) is also available for clients to access account information, self-service tools, and record keeping documents and correspondence.

How to Access the WMS Platform

Follow the instructions below for information on how to access the MMLIS WMS Platform:

- Log on to the MassMutual Okta portal



- Select the Wealthscape icon
- On Wealthscape Menu, select Tools then make a selection under Managed Accounts or Managed Account Reports to be launched into the MMLIS WMS Platform

IA-Rep Termination / Reassignment

If the primary IA-Rep terminates their registration with MMLIS, the General Agent/Managing Partner must submit a Business Reassignment Form to the MMLIS WMS Operations Department. The form must identify another IA-Rep in the agency eligible and available to assume the primary responsibilities on all shared accounts.

If there is not another IA-Rep available to assume the primary role, then the client agreement must be terminated, and the accounts converted to a standard brokerage account.

Terminating/Reopening an account

Terminate/liquidate requests:

- IA-Reps should submit raise cash and terminate (liquidate/hold) requests on the WMS platform. Requests should not be sent to the home office unless they require escalation or are submitted after Envestnet's 1 p.m. trade cut-off.
- Notes added to a terminate/liquidate SR requesting the account remain open will not be honored. All terminate/liquidate requests terminate the management agreement.
- NFS does not accept instructions to "liquidate & transfer" assets. Therefore, upon explicit instruction from the client, the IA-Rep should refer to MMLIS WMS Raise Cash Service Request prior to making a one-time withdrawal.
- Envestnet will make fee adjustments to accounts close to mid-quarter.

In cases where a client seeks to terminate the account, the client must provide written notice per instructions in the Client Agreement. Envestnet will make the necessary fee adjustments for accounts closed mid quarter.

Reopening a Terminated account

<u>IF</u>	<u>THEN</u>
Account was terminated between 0-30 days	<ul style="list-style-type: none"> • Email from the IA-Rep or Rep's assistant requesting the account be reopened. Email should state the following: <ul style="list-style-type: none"> • Client Name • Account Number • Confirm suitability has not changed and the client is requesting to re-invest into the previously terminated model
Account was terminated between 31 days-12 months	<ul style="list-style-type: none"> • Statement of Investment Selection (SIS) signed and dated by the client and the IA-Rep • Confirmation that suitability has not changed. • This only applies if the client is staying within the same program category/swim lane. (See goal modification reference sheet in the Knowledge Center to review which programs reside in the same category)
Account was terminated more than 12 months ago	<ul style="list-style-type: none"> • All new account opening paperwork

Need help with program details?

For general information regarding the program:

- Investnet Asset Management Regional Advisory Team 1-888-769-0806
- Investnet Platform Consulting Group 1-844-280-7015
 - ✓ Option 1 for Platform Navigation
 - ✓ Option 2 for Proposal Generation Support
- E-mail WMS Product at mmliswmsproducts@massmutual.com

For other important contact information, please view the [MMLIS Field Support and Services reference sheet](#) located on FieldNet.