

# WMS Program Fees

## REFERENCE GUIDE

This document outlines the Wealth Management Services (WMS) program fees, which include the IA-rep fee, execution, custody, and clearing fee, manager fee, and information on other fees.

## Table of Contents

Overview .....	1
IA-Rep Fee.....	1
IA-Rep Allowable Fee Schedule Range Relative to an Account's AUM Tier .....	1
IA-Rep Fee Change .....	2
Execution, Custody, and Clearing Fee.....	2
Manager Fee .....	2
Termination Fee .....	2
Other Fees.....	2
Impact/Tax Overlay & Tax Management Services Fees .....	3
UMA Overlay Services Fee Schedule.....	3
International Trading & Custody Fee.....	3
Billing Events.....	3

## Overview

MML Investors Services (MMLIS) WMS clients pay a single fee. MMLIS bills client accounts quarterly in advance using the market value of the account on the last day of the previous quarter. To learn more, refer to the [Wealth Management Services Advisory Fee Structure brochure](#).

**Note:** Underlying expenses for any mutual fund and/or exchange traded fund (ETF) product are not included in the fees outlined below.

## IA-Rep Fee

The investment adviser representative (IA-rep) determines the IA-rep fee schedule and can charge an advisory fee within specified ranges relative to assets under management (AUM). The IA-rep can set a tiered fee schedule with breakpoints or a flat fee schedule. MMLIS compensates IA-reps through the IA-rep fee, which is paid quarterly via the normal compensation grid. For additional information, refer to the [MMLIS Bulletin: Enhanced RIA Compensation Program](#).

### IA-REP ALLOWABLE FEE SCHEDULE RANGE RELATIVE TO AN ACCOUNT'S AUM TIER

Account AUM Tier	Allowable Fee Range
First \$250,000	0.00% – 1.54%
Next \$250,000	0.00% – 1.54%

For Investment Adviser Training Use Only. Not for Use with the Public.

© 2022 Massachusetts Mutual Life Insurance Company (MassMutual), Springfield, MA 01111-0001.

All rights reserved. [www.massmutual.com](http://www.massmutual.com).

MML671rg1\_28

Rev. 06/24/2022

# WMS Program Fees

Next \$500,000	0.00% – 1.54%
Next \$1 million	0.00% – 1.54%
Next \$1 million	0.00% – 1.54%
Next \$2 million	0.00% – 1.54%
Over \$5 million	0.00% – 1.54%

**Note:** If the IA-rep changes the advisory fee range for one breakpoint, he or she must do so at all levels, or it will default.

When determining the IA-rep fee, the IA-rep should consider the WMS administrative charge. Refer to the [MMLIS Bulletin: Asset Builder Program: WMS Administrative Charge Assessment](#) to learn more.

The IA-rep records the IA-rep fee on the MMLIS WMS platform during the proposal process. For instructions on inputting the IA-rep fee, refer to the [MMLIS WMS Platform Proposal Reference Guide](#).

## IA-Rep Fee Change

To change the IA-rep fee, complete the *Multi-Account WMS Change of MMLIS Advisory Fee Form*. Refer to the [Forms Library Reference Guide](#) for instructions on accessing forms on Advisor360°. 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](#).

## Execution, Custody, and Clearing Fee

The execution, custody, and clearing fee includes costs associated with services provided by MMLIS and National Financial Services (NFS). For this fee, MMLIS charges 0.06% of the account.

## Manager Fee

Manager fees typically range from 0.02% to 0.75%; however, certain managers may charge fees outside this range. Manager fees only apply when a manager is included in the account and only to the account assets for which the manager is responsible for managing.

## Termination Fee

WMS accounts are subject to the following brokerage account termination fees:

- Retirement account – \$125
- Non-retirement outgoing transfer fee (assets leaving the account) – \$50

Please note that the total client fee does not include the termination fee.

## Other Fees

In addition to the fees outlined above, refer to the following:

- Certain programs offer discounts on cash, refer to the [MMLIS WMS Platform Cash Designations & Unsupervised Assets Reference Guide](#).

# WMS Program Fees

- Custodian statement fee (\$10.00) for clients who opt-out of electronic delivery (effective June 2022).
- NFS charges a \$35 annual maintenance charge for self-employed 401 (k) plans.

## Impact/Tax Overlay & Tax Management Services Fees

The table below outlines the fee schedule for [impact](#) and/or [tax](#) overlay services for unified managed account (UMA) programs. This fee is a static schedule in which the basis points stay the same at asset tiers. Investnet charges the client one fee per account, so the fee remains the same if the client elects to use one or both overlay services.

### UMA OVERLAY SERVICES FEE SCHEDULE

Assets Under Management (AUM)	Basis Points
Up to \$10,000,000	0.08%
\$10,000,000 to \$25,000,000	0.07%
Above \$25,000,000	0.05%

Please note that the client does not pay a separate tax overlay fee in SMA Select accounts as it is built into the separately managed account (SMA) manager's fee.

For Fund Strategist Tax Management, Investnet charges 0.08% basis points of AUM for Portfolio Solutions and Strategist Select accounts with a minimum fee of \$40 per year.

## International Trading & Custody Fee

WMS accounts may incur an international trading & custody fee when an account is holding a local market currency position (not on an U.S. exchange). MMLIS does not allow these position(s) and an exception process would apply to liquidate the position(s) incurring these fees.

- Execution – varies per country involved, ranging from the greater of \$25 to \$300 or 20 to 50 basis points
- Settlement – varies per country involved, ranging from \$26 to \$300
- Force Route Fee (sell transactions only) – greater of \$0.0004 per share or \$2 per trade

## Billing Events

Please note that any of the following account activities will create a billing change event resulting in a product change termination bill (prorated refund for the remainder of the quarter) and product reinstatement bill (prorated charge for the remainder of the quarter). The prorated refund is based on the previous billable value and the prorated charge is based on the new billable value following the update. The billing change event affects client fees and advisor compensation.

- Changing from one Wealth Management Services (WMS) program to another including from or to a unified managed account (UMA).
- Changing the model in a UMA or Advisor Select account (model as a whole) by model update, goal modification, or attach new model.

## WMS Program Fees

- Changing a fund strategist portfolio (FSP) or separately managed account (SMA) product in a standalone managed program (i.e., Portfolio Solutions, Portfolio Solution Premier, SMA Select, or Strategist Select).
- All variations that involve adding, removing, and/or swapping an unmanaged sleeve (no manager fee) or a managed sleeve (with manager fee).

Additionally, any deposit (prorated charge) or withdrawal (prorated credit) of \$10,000 or greater during the billing period will create a billing adjustment. Advisors may view any billing adjustments on the MMLIS WMS Platform or their compensation statement. Clients may view on quarterly statements (if selected) or on custodial brokerage statements.