



Wealth Management Services Advisory Fee Structure

Simple. Flexible. Motivating.



In collaboration with our field partners, we structured our Wealth Management Services (WMS) fees to support growth in assets under management (AUM) and allow investment advisor representatives (IA-reps) flexibility to manage their practices and client relationships.

Effective January 2022, the fee schedule described herein accomplishes many goals, including:

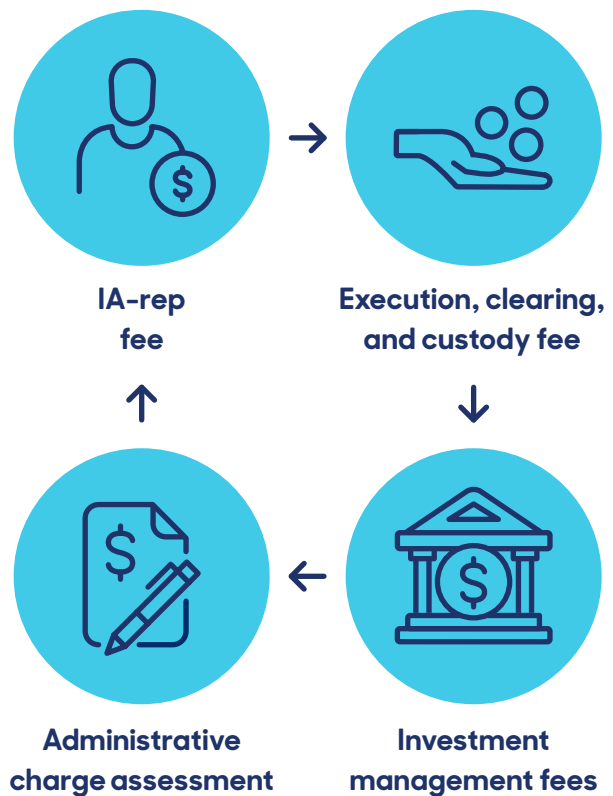
- Supports advisor growth in WMS AUM
- Provides flexibility in determining client fees
- Enhances MMLIS competitive position
- Supports advisor recruiting and retention
- Simplifies fee discussions with clients

Client fee components

It's important to understand the four components that make up total fees, to appreciate their interplay and explain how they work in providing flexibility for the IA-rep and transparency to clients.

Keep in mind, this structure puts the IA-rep in the driver's seat when determining total client fees. IA-reps have the freedom to charge a descending or ascending tier rate or a flat fee for all assets.

Let's begin to explain each fee component and provide some examples.



“True to our mutual roots, the program supports advisor success and provides practice management flexibility, without negatively impacting our clients. It's net positive for advisors, and net neutral for clients.”

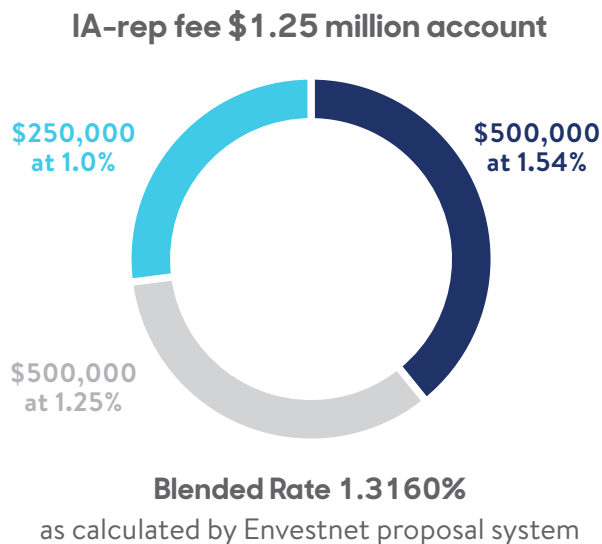
William Monroe, Jr.,
Head of MMLIS Product and Services



IA-rep fee

This is the advisor compensation for managing individual account(s). The fee is based on the client's AUM and may range between 0% and 1.54%. Advisors may choose to establish tiers based on certain asset levels in client accounts. Such tiering may be used to provide blended rates as used in the example below.

As mentioned above, account tiers may be grouped for a blended IA-rep fee. For example, if a client opens an account with \$1.25 million, the IA-rep could charge 1.54% on the first \$500,000 in assets, 1.25% on the next \$500,000, and 1.00% on the remaining \$250,000 for a blended rate of 1.3160%.



“The most dependable yardstick clients use to determine value is their confidence in an advisor’s ability to understand their circumstances, help achieve their goals, have a clear process and reliable infrastructure.”

Shane Tenny, CFP
Managing Partner,
Spaugh Dameron Tenny, LLC
AAX MMLIS Product Committee



Execution, clearing, & custody

This fee is for the IA-rep’s use of Investnet technology, program capabilities, NFS trade execution, clearing, and custody of investment assets. Clients will now be charged a flat fee of six (6) basis points on their account AUM.



Administrative charge assessment

The administrative (admin) charge assessment covers infrastructure costs associated with WMS programs. As AUM increases, the admin charge assessment decreases.

All WMS program assets, Fortuna, MassMutual Trust, and Brinker Capital Wealth Advisory program assets, count towards determining the tiered assessment for an advisor's book of business. The actual admin charge is assessed only on the WMS program assets - not on the Fortuna, MMLIS and Brinker Capital Wealth Advisor program assets which have built-in platform fees.

For the administrative charge assessment, an advisor's book of business is divided into two parts: accounts greater than \$5 million; and accounts less than \$5 million. For accounts greater than \$5 million, a 2 bps admin charge will be assessed. For accounts, less than \$5 million, a bpts charge will be assessed on that AUM based on the overall tier level of the advisor as shown in the chart on the right. You will also note in the chart that, for advisors in tier levels 7 and 8, the aforementioned lower charge (2 bpts) on \$5 million and above accounts is not relevant, as 2 bpts is the maximum admin charge assessment for those tiers.

Tier level	Total WMS AUM (Millions)	Annual admin charge assessment
1	Less than \$35m	16 bps
2	\$35m to \$75m	9 bps
3	\$75m to \$100m	6 bps
4	\$100m to \$125m	5 bps
5	\$125m to \$150m	4 bps
6	\$150m to \$175m	3 bps
7	\$175m to \$200m	2 bps
8	> \$200m	No fee

Admin fees can also be charged at the aggregate team level for IA-reps working in **Society 1851 Elite, Elite, and Formal advisor** teams. These teams with WMS AUM exceeding \$100 million will have an equivalent assessment as noted in the chart for individual advisors. If the team's combined AUM is less than \$100 million, MMLIS calculates the admin charge assessment on an individual advisor basis.



Investment management fees

Investment management fees are a pass thru fee paid by the client for charges associated with the underlying investments, e.g., separately managed account managers and fund strategists, and also includes the Investnet charge for trading the model.

These fees can be found when creating proposals or opening accounts on the Investnet platform.

Client fee calculation

The client fee includes an execution, custody, and clearing fee paid to MMLIS, an advisory fee paid to the advisor (the IA-rep fee), and any applicable separately managed account manager or fund strategist fees, including Investnet costs for trading the model.

Please refer to the chart on the following page for an example of how total client fee is calculated.

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):

- Changing from one WMS program to another, including to or from a unified managed account (UMA)
- Changing the model in UMA or Advisor Select (model as a whole) by model update, goal modification, or attaching a new model
- Changing a fund strategist portfolio (FSP) or separately managed account (SMA) product in a standalone managed program (i.e., Portfolio Solutions, SMA Select, or Strategist Select)
- All variations that involve additions, removals, 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.

	IA-rep fee Standard max allowed (b)	Execution, custody, and clearing fee (c)	Sub-total (d)	Investment management fees charged by professional money managers (e)	Total client fee (d) + (e)
First \$250,000	1.54%	0.06%	Sum of columns (b) + (c)	Typically, a flat fee schedule ranging from 0.00% to 0.75% on AUM with that manager	Sum of columns (d) + (e)
Next \$250,000					
Next \$500,000					
Next \$1 million					
Next \$1 million					
Next \$2 million					
Over \$5 million					



Resources and contacts

TOPIC OF INQUIRY	CONTACT INFORMATION
WMS Program Admin fee calculation	MMLIS WMS Product mmliswmsproducts@MassMutual.com
General MMLIS compensation	MMLIS Representative Services 1-800-542-6767 option 1, option 1
Advisor Teams	Advisor Teaming advisorsteaming@MassMutual.com
MML Investors Services Commissions FieldNet Page	FieldNet/My Practice/Compensation/ MMLIS Commissions
Discussing fees with clients	Your Guide to Becoming an Investment Advisor Representative (MI1215) Building Strong Client Relationships (MI1275)

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