

## MMLIS Glossary

This glossary is intended to provide a basic understanding of terms commonly used in MMLIS communications or by MMLIS associates. These definitions do not alter the specific provisions in any MMLIS contract.

<b>12b-1 (Trail Commissions)</b>	A specific type of trail commission paid for 12b-1 fees, which are marketing or distribution expense fees charged by the fund to the client and paid back through the broker/dealer.
<b>Account Number</b>	A specific number assigned by a product sponsor or broker/dealer to identify a client's investment. Direct account numbers will typically start with A00, followed by six numbers. Brokerage account numbers will start with a three letter prefix, such as JAV or APJ, followed by six numbers.
<b>Account Registration</b>	Indicates the type of client account. Examples of account registrations: Individual, IRA, 401(k), Trust, 529 Plan, etc.
<b>Account Title</b>	Included on the Investor Account Form or the Brokerage Account Application, the Account Title tells MMLIS exactly how owner names and titles should appear on client mailings.
<b>Advisor Central</b>	Mutual fund companies and annuity sponsors contract with Advisor Central, which posts client account data and can be accessed via <a href="http://www.advisorcentral.com">www.advisorcentral.com</a>
<b>Agency Licensing Coordinator (ALC)</b>	A staff position within an agency, who is responsible for coordinating all facets of MassMutual and MMLIS contracting, licensing, and registration. The ALC is the liaison between the rep and the Home Office. Reps should contact their ALC with questions and assistance.
<b>Agency Supervisory Officer (ASO)</b>	Also known as the Compliance Officer (CO). Each agency has an ASO, who reports directly to the General Agent, and is responsible for conducting supervisory and compliance functions within the agency. The ASO is an agency principal.
<b>Alert Manager</b>	A feature on Wealthscape that allows a rep to monitor client accounts for various activities that may take place. Reps can subscribe to receive proactive notifications of a processing event or condition from NFS for accounts held on the NFS platform.

<b>Alternative Investments</b>	Non-traditional securities which are typically non-exchange or non-publicly traded assets that tend to be highly speculative and illiquid. These assets require manual processing and direct interaction between the client, rep, MMLIS and the product sponsor. Because of their complexity and/or lack of liquidity, alternative investments often have more strict suitability requirements than other investments.
<b>Anti-Money Laundering (AML)</b>	A set of laws and regulations that require MMLIS to identify and report certain client transactions and suspicious activity to law enforcement agencies. MMLIS is also required to provide documentation that allows the authorities to trace illicit funds back to their illegal originals. "Knowing your customer" through a comprehensive Customer Identification Program (CIP) is a critical AML requirement.
<b>Appointment</b>	A contract between a MMLIS rep and a non-proprietary product sponsor that allows the sale of variable annuities, life insurance and unregistered group products. Reps must be appointed for the specific product line they wish to sell, in any states where clients reside, before soliciting the product.
<b>Arbitration Clause</b>	New account applications contain a pre-dispute arbitration clause, whereby the client agrees, among other items, that all controversies that may arise between the client and MMLIS including, but not limited to, those arising out of any transaction or any agreement between us, whether entered into prior, on or subsequent to the date hereof, shall be determined by arbitration.
<b>Asset Movement Authorization (AMA)</b>	This is a feature available on NFS brokerage accounts, which allows reps to request paperless distributions from a retirement account.
<b>Automated Work Distribution (AWD)</b>	An imaging/workflow system used by MMLIS associates to process, track, and report on business.

## Basic Securities

All securities and investment advisory products and services (including wrap fee, mutual fund/asset allocation and manager referral programs) which MMLIS authorizes its registered reps and investment advisory (IA) reps to sell, except:

- Proprietary Variable Products: variable annuities, variable life insurance and variable universal life insurance contracts issued by MassMutual or its subsidiaries
- RIA Seminars: seminars conducted through the MMLIS CRIA program
- Financial Planning Services: financial planning and consulting services provided through the MMLIS CRIA program.
- 

The Company distributes a wide array of insurance and securities products. The following terms are used to describe the Company's products.

- **Traditional Insurance:** individual life insurance policies (other than Proprietary VL), group life insurance policies, fixed annuities, disability income insurance policies, and long-term care insurance issued by MassMutual or its insurance company subsidiaries.
- **Basic Securities:** load mutual funds, unit investment trusts, and municipal fund securities (Section 529 Plans) sold through and self-cleared by MMLIS. These products are generally sold pursuant to individual dealer agreements, processed by MMLIS and forwarded directly to the issuer. These products are identified on FieldNet.
- **Alternative Investments:** non-traditional securities which are typically non-exchange or non-publicly traded assets that tend to be highly speculative and illiquid. These assets require manual processing and direct interaction between the investor, financial advisor, MMLIS and the product sponsors. Alternative Investments offered through MMLIS include Direct Participation Programs ("DPP"), Real Estate Investment Trusts ("REIT") and private equities. The investments are typically designed to

meet one or more client investment objectives, including diversification, income or tax sensitive investing. They can typically be purchased in either a securities brokerage account or directly with the product sponsor.

- **General Securities:** products sold through MMLIS and cleared through National Financial Services, LLC ("NFS") other than load mutual funds sold pursuant to individual dealer agreements (for purposes of this manual, such products are Basic Securities). These products include no-load mutual funds, stocks, bonds, U.S. Government securities, and other securities.
- **Proprietary Variable Products:** variable annuities and variable life insurance contracts issued by MassMutual or its subsidiaries and sold through MMLIS. These products include, but are not limited to, the following:
  - **Proprietary VA Products:** individual variable annuities.
  - **Proprietary VL Products:** individual variable life insurance contracts.
  - **Proprietary EB Products:** group variable life insurance contracts designed for the large corporate market.
- **Non-proprietary Variable Products:** variable annuities, variable life insurance contracts and unregistered group annuity contracts issued by entities unaffiliated with MassMutual or its subsidiaries.
- **RS Products:** unregistered group annuities and registered mutual funds administered by MassMutual's Retirement Services Division.
- **Annuity Products:** rollover investment options provided to terminating and retiring retirement plan participants, administered by MassMutual's Annuity Products Division. Products include MMIRA, Oppenheimer IRA and the RMA product.
- **Asset management programs:** These programs allow a customer to identify an

	<p>allocation strategy and receive trade execution services for a single fee. Depending on the program, MMLIS' role may either be as a solicitor, co-advisor, or advisor on the account.</p> <ul style="list-style-type: none"> <li>○ <b>Money manager referral programs:</b> Under these programs, MMLIS acts as a solicitor and refers customers to various third party money managers for asset management services.</li> <li>○ <b>Financial planning:</b> MMLIS offers financial planning and consulting services through the use of approved software packages.</li> <li>○ <b>Generic financial planning seminars:</b> These seminars, which may be offered to the public for a fee, provide generic information concerning stocks, bonds, mutual funds, limited partnerships, insurance and other topics.</li> <li>○ <b>Advisory activities:</b> Activities performed by the MMLIS RIA.</li> </ul>
<b>Below the Line Reporting</b>	<p>Allows a brokerage account owner to view information about their directly held variable annuity on account statements as well as on Wealthscape/Wealthscape Investor. This data is for informational purposes only, and the assets held "below the line" are not actually in the brokerage account.</p>
<b>Beneficiary Distribution Account (BDA)</b>	<p>An account used for inherited IRA assets that allows the beneficiary to withdraw funds in accordance with IRS distribution schedules, while maintaining the tax-deferred status of the inherited assets.</p>
<b>Blue Sky Laws</b>	<p>State-specific laws and rules to which MMLIS and registered reps must comply, as they relate to securities regulations. These individual state rules are in addition to national regulations, which govern the sales of securities by properly licensed individuals.</p>
<b>Book of Business</b>	<p>All of the accounts assigned to a particular rep, split code, or general agency. Also refers to the MMLIS report listing all such accounts, which can be accessed through the Workbench.</p>

<b>Books and Records</b>	A phrase referring to the SEC rules dealing with the comprehensive client information MMLIS must maintain in accordance with regulatory requirements.
<b>Breakpoint Levels</b>	When client investments exceed certain dollar amounts, known as breakpoint levels, investment companies may offer reduced front-end sales charged. MMLIS and MMLIS reps are responsible for making clients aware of these breakpoint levels and ensuring that the product sponsor applies the discounted sales charges correctly. Example: A mutual fund company might charge 4.5% on investments less than \$50,000, 3.5% for investments between \$50,000 and \$100,000, and 2% on investments of \$100,000 or more.
<b>Broker</b>	<i>When used in the context as a MMLIS registered representative.</i> MMLIS reps are either brokers or career agents. Brokers and career agents have different types of contractual relationships with the General Agent. Brokers do not receive statutory employee benefits, such as health care and a 401(k), and are therefore not subject to yearly MassMutual production requirements. A broker's compensation is capped at a 70% payout level, regardless of their GDC production levels.
<b>Broker Identification Number (BIN)</b>	A unique client account number that MMLIS assigns for direct business, and NFS assigns for brokerage business.
<b>Brokerage Account</b>	An account where several types of asset classes are held, including stocks, bonds, mutual funds, CDs, and government securities. The type of assets that can be held depend on the level of registration. NFS is the custodian for MMLIS brokerage accounts.
<b>Bump-Ups/Downs</b>	This increases or decreases a rep's compensation payout level. A request for a bump-up (higher payout level) must be approved and submitted by the GA. A rep is capped at the 70% payout level if he/she has not met his LADL (Life, Annuity, Disability and Long Term Care) requirements. A request for a bump-down (lower payout level) can be submitted by the rep in writing or via email.

<b>Business Process Manager (BPM)</b>	An indexing and workflow system that is accessed through Wealthscape, and used to automate workflow processing. Accounts created using UAO flow through BPM, including the review by agency principals. Reps can use BPM to search for and retrieve images of submitted documents.
<b>Business Reassignment</b>	<p>Changing the rep(s) on an account in which MMLIS is already the broker/dealer. When MMLIS reassigns all accounts relative to a rep ID or split code at one time, this is referred to as a “bulk reassignment”.</p> <p>Directly held business with mutual fund, alternative investment and non-proprietary variable product sponsors can be reassigned by a General Agent through Workbench, or via one of two available forms: Business Reassignment Form or the Change of Representative Form. Brokerage and CRIA business can be reassigned via one of two available forms listed above.</p> <p>MassMutual proprietary business needs to be reassigned by both MMLIS, using one of the available forms listed above, and by MassMutual using a form obtained by MassMutual.</p>
<b>Career Agent</b>	<p><i>When used in context as a MMLIS registered representative.</i></p> <p>MMLIS reps are either career agents or brokers. Career agents and brokers have different types of contractual relationships with the General Agent. Career agents who validate a career contract are eligible to receive statutory employee benefits, such as health care and a 401(k), and must continue to meet yearly MassMutual production requirements.</p>
<b>Change of Address (COA) Notification</b>	A mailing sent to clients at their former address within 15 business days of an address change.
<b>Chargeback</b>	A commission adjustment resulting from the quarterly reconciliation process when a rep has not met the target GDC amount for their current payout rate. This may also refer to and be applied for other reasons: reversed business, regulatory action, etc.

<b>Client Reports Central (Broadridge)</b>	<p>The Client Reports Central is a tool available to reps on Fieldnet. It allows a rep to</p> <ul style="list-style-type: none"> <li>• Create a variety of appraisal, client review, and performance reports for clients.</li> <li>• Mine a book of business through searching, creating groups, and house holding clients.</li> <li>• Structure assets under management to fit a rep’s business practice.</li> </ul>
<b>Commission Paid Amount</b>	<p>The GDC times the payout rate percentage, less any ticket charges or other adjustments, if applicable.</p>
<b>Commissions-On-Demand (COD)</b>	<p>This is a system functionality in which representatives with ACH (direct deposit) can request a real-time advance against the current cycle earnings. The rep can process this function through the MMLIS Workbench.</p>
<b>Committee on Uniform Securities Identification Procedures (CUSIP)</b>	<p>A committee that assigns identifying numbers and codes for all securities. CUSIP numbers are used when recording all buy and sell orders, and may be used to identify specific positions in MMLIS accounts or account positions on DST Vision.</p>
<b>Corporate Registered Investment Advisor (CRIA)</b>	<p>Offerings and services provided by MMLIS in its capacity as a registered investment advisor with the Securities and Exchange Commission. General Agent approval and affiliation with CRIA is required to sell MMLIS CRIA products and services, which includes fee-based asset management accounts, financial planning and consulting services, and fee-based seminars. Registered Investment Advisors have client fiduciary obligations including the ongoing responsibility to monitor and manage the client’s investment, according to specified investment objectives and risk tolerances.</p>
<b>Customer Identification Program (CIP)</b>	<p>Per the US Patriot Act, this is required on all new MMLIS accounts. It requires MMLIS to validate each client’s identity to ensure that we are not conducting business with illegal or terrorist persons or organizations. Each client’s CIP information is stored in the MMLIS back office system.</p>

<b>Daily Sales Blotter</b>	An online report that is produced each business day and is available on the MMLIS Workbench on Fieldnet. This helps reps review the accuracy of orders that were placed, and also shows the amount of their upcoming commission payments, all transactions that have been marked as paid, transactions that have been processed but MMLIS has not received payment of commissions from the product sponsor yet, and defaulted transactions.
<b>Default Report</b>	A report that is available to agency management which shows all defaulted transactions for an agency.
<b>Defaulted Transaction</b>	A transaction for which MMLIS has received a commission payment from a product sponsor, but due to one or more issues, is unable to process the commissions. Held commissions will default after 90 days if no corrective action is taken by the rep.
<b>DidUSign (DocuSign)</b>	Enables electronic signatures (eSignature) for maintenance and cashiering transactions for MMLIS brokerage and managed accounts. It is used solely for the designated forms that have been loaded into an application. Only the e-signature forms are available in DidUSign.
<b>Direct Business</b>	A sale in which a MMLIS client fills out a product sponsor's application, as well as MMLIS paperwork, and makes a check payable directly to the product sponsor, thus establishing a "direct" relationship between the client and the sponsor. All new direct account applications must be sent to MMLIS for processing. MMLIS then sends the product sponsor's application and check to the sponsor for processing.
<b>DST Fan Mail</b>	Service that allows the download of client information from the DST Vision website, into a spreadsheet or contact management system, for example.
<b>DST Vision</b>	Mutual fund companies and annuity sponsors contract with DST Vision, which posts client account data that can be accessed via their website. This service is also provided by Advisor Central, but different product sponsors participate.
<b>Electronic Funds Transfer (EFT)</b>	This refers to the computer-based systems used to perform financial transactions electronically. Typically there is a pre-note period associated with adding an EFT link to an account.

<b>eSignature</b>	Allows registered reps and clients the ability to electronically sign an application or document. This is currently used within the UAO and DidUSign systems.
<b>Fee-Based Financial Planning</b>	This service is offered through the MMLIS CRIA program by eligible Investment Adviser (IA) reps. Eligible IA Reps must use the specific financial planning software packages endorsed by MMLIS. The steps to producing a financial plan include collecting comprehensive personal and financial data, analyze and review the data to determine the client's financial circumstances, establish appropriate client goals, and provide the client with a written financial plan in return for a fee.
<b>Financial Planning Administration System (FPAS)</b>	Used by MMLIS associates and agency personnel to process and track fee-based financial planning transactions.
<b>FINRA Securities Registration</b>	MML Investors Services, LLC is a broker dealer that is registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). To be authorized to solicit securities business, including variable products, individuals must be registered with FINRA through a broker dealer. As part of the registration process, securities professionals must pass exams administered by FINRA to transact business.
<b>Form ADV Part II A</b>	<p>The disclosure section of the ADV registration application. It is required to be delivered to a potential registered investment advisor (RIA) client at or prior to the point of sale. Part two outlines the following information:</p> <ul style="list-style-type: none"> <li>• The various services provided by the RIA and the fees for those types of services.</li> <li>• The types of clients to whom the advisory firm provides services and whether there are any conditions imposed on clients, such as a minimum dollar value of assets.</li> <li>• Whether the RIA acts a broker or a dealer when effecting securities transactions and whether the RIA receives any other financial benefit from client transactions.</li> <li>• Whether the RIA exercises discretion over client accounts, suggests brokers to clients, or receives additional compensation.</li> <li>• A description of the types of securities</li> </ul>

	<p>about which the firm renders advice and the types of securities analyses used.</p> <ul style="list-style-type: none"> <li>• A disclosure of the RIA's affiliations with other securities professionals and other types of business in which it engages.</li> </ul>
<b>Form ADV Part II B</b>	The disclosure section of the ADV registration application for the individual Investment Advisor. This requires investment advisors to prepare narrative brochures written in plain English that contain information such as the types of advisory services offered, the advisor's fee schedule, disciplinary information, conflicts of interest and the educational and business background of management and key advisory personnel of the advisor.
<b>Garnishment</b>	Money withheld from a commission check as a result of a legal action- for example, a child support payment.
<b>General Securities (in the context of split codes)</b>	Products other than mutual funds that are cleared through and held in an account with NFS. These products include stocks, bonds, U.S. Government securities, no-load mutual funds, and other securities.
<b>Gross Dealer Concession (GDC)</b>	The dollar amount that MMLIS receives from the product sponsor for a particular sale or trade. This includes fees received for assets under management in a CRIA program, mutual fund trails, and trades in brokerage accounts.
<b>House Holding</b>	The consolidation of multiple accounts for the same client on a single statement or platform. Additionally, some mutual fund sponsors include provisions for basing breakpoint discount eligibility upon the investments of all of the individuals within a household.
<b>In Good Order (IGO)</b>	Business is considered IGO if all required paperwork is received and properly completed.
<b>In Process Transaction</b>	Located on the daily sales blotter, a transaction in which commissions have been matched but not yet cleared for payment.
<b>Integrated Cashiering Platform</b>	A function on Wealthscape that allows a rep to review and create money movement transactions from a client account. It is also used by the home office to perform cashiering functions.

<b>Investment Objectives</b>	A client's goal for an account. This is captured on new account applications and choices include preservation of capital, capital appreciation, income, trading profits, speculation, and an "other" category.
<b>Investment Specialist (IS)</b>	Works within an agency and typically acts as a liaison between agents and MMLIS. In addition to maintaining a career contract and actively producing, an IS may be involved in investment sales development, recruiting, training, product support, and compliance.
<b>Investor Account Form (IAF)</b>	A MMLIS form required for new accounts on the direct platform. It is required for each registration and SSN/TIN combination. Account holder information, including suitability, is captured on this form.
<b>Letter of Instruction (LOI)</b>	A written request, signed and dated by a client, asking MMLIS or a product sponsor to perform a certain action. These are commonly used for certain distribution and maintenance requests.
<b>Letter of Intent (LOI)</b>	A client's written promise to purchase a certain dollar amount of a mutual fund, over a certain period of time, in order to receive a sales discount. The letter must specify a date by which the entire payment is due (usually limited to a duration of 13 months).
<b>Licensing Central</b>	An application on Fieldnet that allows verification of MMLIS contracts, licenses and appointments.
<b>Liquid Net Worth</b>	Cash or assets that can be readily converted to cash (excluding retirement assets) minus debts (excluding loans secured by assets).
<b>M&amp;O</b>	A back office system used by MMLIS to process direct business, and to process commission on all product types. M&O also generates commission statements and sales blotters, and a number of agency and MMLIS reports.
<b>MM Right of Offset</b>	The goal of this process is to send MassMutual and MMLIS earnings for representatives that may have a MassMutual debit balance. This will show as "MM Right of Offset" on a rep's Sales Blotter and Commission Statement.
<b>MMLIS Direct</b>	A Fieldnet tool that allows producers to update their licensing and registration information.

<b>MMLIS Payout Grid</b>	Also referred to as the commission schedule, this grid shows GDC production amounts and the corresponding commission payout percentage. A rep's payout rate is determined by their total GDC earned and then compared to the grid. That corresponding percentage is then multiplied by the total GDC to calculate a rep's commission payment. The current payout grid is outlined in the <a href="#">2016 Producer Compensation Plan (Bulletin 2015-13)</a> found on Fieldnet.
<b>MMLIS Right of Offset</b>	The goal of this process is to capture representatives' MassMutual earnings to pay down their MMLIS debit balance. This will show as MMLIS Right of Offset on a rep's Sales Blotter and Commission Statement. This process is completed the Monday and Wednesday following a MMLIS Commission Close.
<b>MMLIS Service Continuation (Buy/Sell) Agreement</b>	Used to designate a MassMutual agent to receive MMLIS compensation at death.
<b>MMLIS Wealth Management</b>	Formerly known as "Investnet Asset Management", MMLIS Wealth Management is an asset management platform that utilizes Investnet's technology and program capabilities with trade execution and custodial services provided by NFS. This platform offers many investment programs that provide a wide range of investment products and solutions. These programs include Mutual Fund Portfolios, ETF Portfolios, Separately Managed Accounts, Guided Portfolios, and Unified Managed Account programs.
<b>MMLIS Workbench</b>	Provides access to a variety of reports, including commissions, daily sales blotters, and applicable suitability reports, along with business submission tools and resources, alerts and notifications, and client information.
<b>Wealthscape Investor</b>	The client version of Wealthscape, which allows clients to view information about their brokerage accounts held with NFS. It provides details such as positions, balances, monthly statements, and tax forms. Depending on a client's access, they also may be able to process certain money movement transactions.
<b>National Financial Services (NFS)</b>	A subsidiary of Fidelity Investments, and serves as the clearing firm for MMLIS. NFS provides access to general and basic securities through a brokerage account.

<b>Natural Person</b>	A term used to distinguish an account owner who is a person from an owner that is an entity, such as a trust or corporation. A natural person is identified by a social security number, while an entity is identified by a tax ID number.
<b>Networking</b>	The automated transmission of information between MMLIS and product sponsors via the NSCC file transfer service. A product sponsor must be “network eligible” to participate in this service. A product sponsor’s ability to network directly affects the information found on PAAR, FieldNet and other electronic reporting systems.
<b>New Account Profile (NAP)</b>	Contains client profile information and is mailed to a new account owner within 30 days of the opening of an account per SEC requirements.
<b>Non-General Securities (in the context of split codes)</b>	Investment company products (products that can be sold with a Series 6 such as mutual funds and UITs) and variable annuities.
<b>Not in Good Order (NIGO)</b>	A transaction is considered NIGO if the submitted paperwork is inaccurate or incomplete. As a result, MMLIS does not process the transaction and will not forward any applicable paperwork to the product sponsor until the NIGO is resolved.
<b>Office of Foreign Asset Control (OFAC)</b>	A part of the U.S. Department of Treasury that enforces economic and trade sanctions against countries and groups of individuals involved in terrorism, narcotics, and other activities governed by the U.S. foreign policy and national security considerations. In order to comply with relevant requirements, MMLIS is required to screen customer accounts against lists maintained by OFAC and other organizations.
<b>Open Order</b>	An order that has been placed on the market but has not yet executed.
<b>Orphan Account</b>	A client’s account with no rep assigned to it.
<b>Payment Tag</b>	A unique transaction number assigned by MMLIS to each commission transaction. This is displayed in the Commission Detail section of the online commission statements.
<b>Payout Rate</b>	The percentage of the GDC used in the commission payment account calculation. See MMLIS Payout Grid for more information.
<b>Pending Transaction</b>	Located on the sales blotter, this is a transaction that has been recorded at MMLIS but commissions have not yet been received from the product sponsor.

<b>Periodic Investment Plan (PIP)</b>	These plans allow a client to invest systematically in a mutual fund position or to build their cash core fund position.
<b>Portfolio Audit and Annual Review (PAAR)</b>	An online Fieldnet tool that allows reps to generate a report that lists a client's MMLIS investments. PAAR includes MassMutual Life, Annuity, Disability, and Long-Term Care products. Client Reports Central should be used as the primary reporting tool in place of PAAR.
<b>Premier Partners</b>	A tiered service model designed to foster retention of the top producing representatives and add value to experienced producers new to MMLIS. This program provides the reps with enhanced technology, training and new product/investment program offerings. Qualifiers consist of the top two pay-out levels of MMLIS Career-contracted reps, based on prior-year end total GDC. The qualification criteria includes Society 1851 qualifiers who qualified for the 75% MMLIS payout in the prior year.
<b>Product/Program Sponsor</b>	A financial services company with which MMLIS maintains a servicing and/or selling agreement. This includes mutual fund vendors, CRIA program sponsors, UIT vendors, direct participation program vendors, and insurance companies that sell variable annuities, variable life insurance, and non-registered group annuities.
<b>Prorating</b>	An adjustment to the required GDC production levels to meet the payout rate percentages when a producer's contract begins after January 31 of a given year.
<b>Real Estate Investment Trust (REIT)</b>	A business entity that is similar in concept to a mutual fund, but which invests primary in commercial real estate and mortgages rather than stocks and bonds. REITs provide a convenient means by which groups of investors, with only modest investments, can participate in the real estate market with the benefit of diversification and professional management. Currently, MMLIS does not offer any non-publicly-traded REITs for sale.

<b>Registered Representative</b>	Any FINRA-registered individual. The FINRA definition of registered reps is: "Persons associated with a member, including assistant officers other than principals, who are engaged in the investment banking or securities business for the member including the functions of supervision, solicitation or conduct of business in securities or who are engaged in the training of persons associated with a member for any of these functions."
<b>Registered Representative "At-Cost" Brokerage Account</b>	Dedicated brokerage account available for all registered reps and their immediate family members with at-cost ticket charge/fees and no commissions. These are identified by the prefix BRS.
<b>Rep ID Number</b>	A system-generated code assigned by MassMutual that uniquely identifies an agent or registered rep. Rep/Agent ID numbers typically start with AA (for agents and reps with career or broker's contract with MassMutual) or AE (assigned to non-producing agency personnel) and are sometimes simply referred to as AA or AE numbers.
<b>Restriction</b>	A notification or systems block that prevents certain activity on an account, such as rep commission payments, processing of new trades, etc.
<b>Retroactive Adjustment</b>	A commission adjustment that occurs when a producer attains the next GDC payout percentage, as outlined on the MMLIS Payout Grid.
<b>Revised Account Profile (RAP)</b>	A mailing sent to the account owner within 30 days of changes to an existing account. This is to fulfill the obligation of MMLIS under SEC regulations to provide a copy of account information to clients when certain profile changes occur. Additionally, MMLIS must send a RAP to each client every three years, even if there have been no profile changes. Effective April 22, 2016, when a client's address is changed, NFS no longer sends the Consolidated RAP to the new address. A letter is still mailed to the old address.
<b>Rights of Accumulation (ROA)</b>	A right governed by the terms of a prospectus that allows clients to receive reduced sales charges when a new invested amount, plus the amount already held, reaches a breakpoint level- regardless of whether the entire amount or only a portion of it is held at MMLIS.

<b>Risk Tolerance</b>	The level of risk an investor is willing to assume on an investment or account.
<b>RR2 Code</b>	A unique three-character code consisting of letters and numbers used on the NFS (brokerage) platform, Wealthscape, and other tools, to identify reps for brokerage business. Reps always have a "100% RR2" code that uniquely identifies them but also may have any number of "split RR2" codes that identify unique split arrangements of which they are a part of.
<b>Selling Agreement</b>	A written contract between MMLIS and a product sponsor that permits MMLIS producers to sell the product sponsor's offerings.
<b>Society 1851</b>	Previously known as Blue Chip Circle, Society 1851 is a concierge level membership that affords our top reps personalized attention. Members receive individual attention from relationship managers, tools and resources that are tailored to their needs.
<b>Split Code</b>	System-generated codes that identify unique commission split arrangements between producers. Split arrangements can include up to six reps and enable different commission percentage splits for general securities, non-general securities, variable life products, and CRIA. For example, a split code of S000001 might represent a 60/40 split between John Doe and Mary Smith for non-general and general securities, and a 50/50 split code CRIA and Variable Life products.
<b>State Securities Registration/License</b>	To solicit securities in a state, individuals registered with FINRA through a broker dealer must be registered with the state.
<b>Wealthscape</b>	The online tool provided by NFS that producers use to open, view, and service brokerage accounts.
<b>Suitability</b>	The requirement that a recommended investment transaction be appropriate based on the information provided about the client's needs, risk tolerance, time horizon, investment objectives, and financial status.
<b>Systematic Withdrawal Plan (SWP)</b>	These plans allow clients to make automatic distributions from their account.
<b>Third Party Distribution</b>	A distribution where funds are being sent, either by check or wire, to a person, address or account that is not on record at MMLIS. There are additional requirements when requesting a third party transaction.

<b>Ticket Charge</b>	A fee that producers pay to execute trades in brokerage accounts. Ticket charges vary based on a specific transaction and are outlined in the “MMLIS Securities Brokerage Reference Card” on Fieldnet. They are listed in the Fees and Adjustments section of the online commission statement.
<b>Trade Surveillance System (TSS)</b>	Used by ASOs and Home Office Compliance personnel to monitor trading activity and ensure that trades are consistent with client suitability profiles and investment objectives.
<b>Trail Commissions (Trails)</b>	Compensation paid to a producer after the initial sale of a product. They are typically based on a percentage of the assets under management (AUM).
<b>True-Up</b>	Every MMLIS registered rep must validate his/her payout level by the end of the last MMLIS close of the calendar year. On a quarterly basis and after CRIA and trail commissions have been paid, MMLIS will review production levels to ensure that producers have validated or are on track to validate current payout levels. For those producers that have not validated or are not on track to validate their payout rate, MMLIS will conduct a true-up, which is when MMLIS will decrease the compensation percentage received during the next quarter. Additionally, a commission debit will be created in order to recover any commission overages paid. The commission debit shall be equal to the amount by which the rep’s actual paid commissions exceed the maximum commissions that the rep has validated.
<b>Unified Account Opening (UAO)</b>	A tool in Wealthscape that allows MMLIS reps to establish a brokerage, CRIA, or direct 529 plan account. This tool provides the option of e-signature, allowing both clients and reps to electronically sign eligible forms.
<b>Uniform Gifts to Minors Act (UGMA)</b>	A registration type that allows a minor, pursuant to state law, to own securities without an attorney setting up a special trust fund. An adult custodian is required to control the assets until the age of majority. UGMA accounts are only available in SC, VT, Puerto Rico, and Guam. All other locations fall under UTMA.
<b>Uniform Transfers to Minors Act (UTMA)</b>	An extension of the Uniform Gifts to Minors Act.

<b>Unit Investment Trust (UIT)</b>	An investment company security and a registered trust in which a fixed portfolio of securities is purchased and held to maturity. A Series 6 is required to sell UITs.
<b>Variable Annuity</b>	A contract between the annuity owner and a life insurance company, where the insurance company agrees to provide either a regular stream of income (an annuity) or a lump-sum distribution at some future time (generally, once the annuity owner retires or reaches age 59 ½) in return for payment of one or more deposits. Deposits are invested by the insurance company in one or more securities portfolios and earn income and/or capital appreciation without any current taxes until paid out to the annuitant.
<b>Variable Annuity Order Entry (VAOE)</b>	An application where variable annuity transactions are entered via an online application process. The client's information is entered via the MMLIS Workbench and transaction information is entered into the VAOE system (Aplifi).
<b>Variable Appointments</b>	Variable products have certain requirements beyond having the appropriate FINRA registration. In addition to requiring that the representative have a state variable insurance license, generally the rep must also be appointed with each carrier for the products the rep wishes to sell. Reps are responsible for ensuring that MMLISI has a Selling Agreement with each carrier for the product they would like to offer before requesting an appointment.