

## Brinker Capital Wealth Advisory Services Disclosure Brochure

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This brochure ("MMLIS Brochure") provides information about the qualifications and business practices of MML Investors Services, LLC (referred to as ("MMLIS," the "Firm," "we," "our," or "us" throughout this MMLIS Brochure). If you have any questions about the contents of this MMLIS Brochure, please contact us at 1-800-542-6767 Option 1, 1. The information in this MMLIS Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about MMLIS is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 10409.

MMLIS is an SEC registered investment adviser and a securities broker-dealer registered with the SEC. Please note that registration does not imply a certain level of skill or training.

### ITEM 1. COVER PAGE

### ITEM 2. MATERIAL CHANGES

The following is a summary of certain material changes made to this Brochure since the last annual update of this Brochure on March 28, 2024.

December 4, 2024 Update: Item 9 was updated to provide information regarding a Letter of Acceptance, Waiver and Consent ("AWC") MMLIS entered into with FINRA effective November, 19, 2024. The AWC alleged that the MMLIS' supervisory system was not reasonably designed to achieve compliance with its obligation to supervise consolidated reports and therefore failed to detect a registered representative's use of falsified data and fictitious accounts.

November 4, 2024 Update: Item 7 was updated to disclose that opened accounts that are not funded within 120 days will be closed without notice to the client and accounts partially funded, that don't meet the minimum funding requirement within 120 days, will be converted to a brokerage account after client notice. Item 9 was updated to provide information regarding a Settlement Order ("Order") issued against MMLIS by the Virginia Division of Securities and Retail Franchising, effective October 4, 2024. The Order alleged that 516 MMLIS registered representatives were unregistered in the state but assigned to Virginia client accounts as of October 2021. Item 9 has been updated to add information about using advisory accounts as collateral for the financing of insurance product premiums and related conflicts of interest. Item 14 has been updated to include information about (i) practice acquisition loans for IA-Reps, and (ii) credits that IA-Reps can earn for annual registration and continuing education fees, and the related conflicts of interest for both (i) and (ii).

August 6, 2024 Update: Item 14 was updated to include information regarding a MMLIS loan program for experienced IA-Reps and related conflicts of interest.

**ITEM 3. TABLE OF CONTENTS**

**Page**

ITEM 1. COVER PAGE ..... 1

ITEM 2. MATERIAL CHANGES ..... 1

ITEM 3. TABLE OF CONTENTS ..... 2

ITEM 4. ADVISORY BUSINESS ..... 2

ITEM 5. FEES AND COMPENSATION ..... 11

ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ..... 16

ITEM 7. TYPES OF CLIENTS ..... 16

ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS ..... 16

ITEM 9. DISCIPLINARY INFORMATION ..... 17

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS ..... 20

ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING ..... 26

ITEM 12. BROKERAGE PRACTICES ..... 27

ITEM 13. REVIEW OF ACCOUNTS ..... 28

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION ..... 28

ITEM 15. CUSTODY ..... 32

ITEM 16. INVESTMENT DISCRETION ..... 32

ITEM 17. VOTING CLIENT SECURITIES ..... 32

ITEM 18. FINANCIAL INFORMATION ..... 32

Important Notices to Clients ..... 33

**ITEM 4. ADVISORY BUSINESS**

**Description of Advisory Firm**

MMLIS is a registered investment adviser and broker-dealer. MMLIS began conducting business in 1981 and has been registered as an investment adviser since 1993. MassMutual Holding LLC is MMLIS's principal owner. Massachusetts Mutual Life Insurance Company ("MassMutual") is MassMutual Holding LLC's principal owner.

MMLIS makes available a number of investment advisory programs and services. This MMLIS Brochure provides information about the Brinker Capital Wealth Advisory Services (the "Services"). If you wish to learn more about other investment advisory programs and services that MMLIS offers, you may contact MMLIS or an investment adviser representative of MMLIS (a "MMLIS IA-Rep") to receive a similar disclosure brochure for those programs and services. Our brochures can also be found through the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Some of these other investment advisory programs have different fee structures and/or lower maximum fees which can result in lower client fees. This creates an incentive for MMLIS and IA-Reps to recommend advisory programs with higher client fees and to recommend that you increase the amount you have invested in such programs. Advisory programs with lower client fees often offer a more limited selection of investment options and asset allocations and can also have different minimum investment requirements. In addition, MMLIS offers certain advisory programs with lower maximum fees and lower client fees that are available only to a limited group of investors who are associated with a specific organization, such as a labor union.

IA-Reps must meet licensing and training requirements, and in some cases, receive approval from their direct supervisors, before they can recommend certain advisory programs and services, and certain investment options within an advisory program. Clients should understand that there may be other programs, services, and investment options within an advisory program that may exist that could also be appropriate but that the IA-Rep is not permitted to offer. Please talk to your IA-Rep about what other advisory programs and services, or investment options within an advisory program they may offer.

IA-Reps can also conduct seminars on topics related to financial products and services. IA-Reps may charge a fee to attend seminars or offer them free of charge.

We want you to make an informed investment decision regarding the Services, for which MMLIS and Orion Portfolio Solutions, LLC dba Brinker Capital Investments ("Brinker") serve as co-advisers. To that end, this MMLIS Brochure provides important information and disclosure regarding the Services, including information regarding material arrangements and potential conflicts of interest that we think you will find informative. You should carefully review all of the features and risks of the Services, along with all of the disclosures contained in this MMLIS Brochure and in Brinker's Form ADV Disclosure Brochure ("Brinker Brochure") before opening an advisory account and beginning to invest, to ensure that the Services are suitable and appropriate for your investment needs. You

should also review the informational guide that you will receive from your MMLIS IA-Rep entitled "Additional information about MML Investors Services Wealth Management Offerings" ("Informational Guide"). The Informational Guide contains important information and disclosures about MMLIS. Your IA-Rep will also provide you with the IA-Rep's Form ADV2B Brochure Supplement, which you should also review.

Brinker is an investment management firm that furnishes or arranges for investment management and supervisory services to meet the individual needs of its clients. Please see below for information about Brinker's corporate structure.

Orion Portfolio Solutions, LLC is a subsidiary of Orion Advisor Solutions, Inc. ("Orion"). Investment entities controlled and managed by Genstar Capital Partners LLC and TA Associates, LLC and its affiliates own a majority interest of Orion and each of its subsidiaries.

Prior to December 31, 2022, Orion Portfolio Solutions, LLC (formerly known as "FTJ FundChoice") and Brinker Capital Investments, LLC (successor to CLS Investments, LLC) were separate affiliated subsidiaries of Orion. On December 31, 2022, Orion Portfolio Solutions, LLC was merged with and into its affiliate, Brinker Capital Investments, LLC and Brinker Capital Investments, LLC was legally renamed to Orion Portfolio Solutions, LLC (the "Reorganization"). This internal Reorganization transaction did not result in a change of control or otherwise change any of the services being provided to customers.

Advisory services are offered under two primary offerings: (1) Orion Portfolio Solutions ("OPS"), which offers reporting and administrative services to unaffiliated investment advisors and broker-dealer representatives previously offered by FTJ FundChoice, and (2) Brinker Capital Investments, which offers advisory and investment management services previously offered by Brinker Capital Investments and CLS Investments. The services provided in this Brochure are offerings of Brinker Capital Investments.

## **Overview of the Services**

In determining the appropriateness of the Services, you should consider the differences between a brokerage and an advisory account. In addition, you should keep in mind the following attributes of the Services:

- You will be provided with ongoing investment advice and asset management services rather than you independently managing an account and using a broker to place trades;
- You will pay a fee for participating in an asset management program where assets are placed in an asset allocation model and monitored and/or traded regularly;
- Your account will invest in a diversified portfolio rather than a large holding in one security or a small number of securities; and
- You will be participating in a long-term investment program where short-term investing and market timing is not a strategic goal.

You should understand that, over time, advisory accounts are typically more expensive than brokerage accounts due to the ongoing advisory fee and additional services provided (such as account monitoring and investment advice).

The Services consist of three of Brinker's advisory programs: Wealth Advisory, Core Asset Manager, and Destinations. Clients may invest only in the Wealth Advisory program, but may only invest in either the Core Asset Manager program or the Destinations program if also investing in the Wealth Advisory program. Each of the Wealth Advisory, Core Asset Manager and Destinations program is referred to herein as a "Brinker Program" and together as the "Brinker Programs." An account will be opened for each Brinker Program selected by the client. In the Wealth Advisory and Core Asset Manager program, portfolios are generally allocated among different portfolio managers (which may include Brinker). A portion of the portfolio may also be allocated to other investments as described in more detail below. In the Destinations Program, portfolios are allocated among a series of funds managed by Brinker (the "Destinations Funds," which are described in detail in the prospectuses for such funds) or among unaffiliated mutual funds and ETFs.

In each of the Brinker Programs, Brinker has complete investment discretion. This means Brinker may change (i) the investments in a client's account, (ii) the asset allocation of a client's account, and (iii) the portfolio managers managing assets in a client's account, without the client's approval.

MMLIS's and Brinker's services are provided to the client pursuant to a tri-party investment advisory agreement ("Client Agreement") among MMLIS, Brinker and the client.

A client may impose reasonable restrictions on the management of the client's account, including the designation of specific securities or a specific category of securities that should not be purchased for the account or that should be sold if held in the account, and may reasonably modify such restrictions from time to time. Any restrictions placed on the management of a client's account or particular requirements of an account may cause Brinker or a portfolio manager to deviate from investment decisions it would otherwise make in recommending an investment strategy or managing the account. When a client restricts a category of securities that may be purchased for the account, Brinker or the portfolio manager will determine, in its sole discretion, the specific securities in that category. Any client-imposed restrictions on individual securities that may be purchased for the account shall apply only to separately managed portfolios and individual stocks.

MMLIS is the introducing broker and National Financial Services LLC ("NFS" or "Custodian") serves as the clearing firm and custodian for the Services.

You should carefully review this MMLIS Brochure and the Brinker Brochure since they provide important information about each firm's roles and responsibilities. In addition, you should review the Form ADV Disclosure Brochure for any selected portfolio manager (each, a "Portfolio Manager Brochure") available on the SEC's website or from your MMLIS IA-Rep.

### **Overview of the Services Offered by MMLIS**

A MMLIS IA-Rep will work with a client to evaluate whether the Brinker Capital Wealth Advisory Services are appropriate for the client based on a number of factors, including but not limited to client's financial needs, preferences and cost. The MMLIS IA-Rep will educate the client about the features, advantages, disadvantages, risks and costs associated with the Services. Once the Brinker Capital Wealth Advisory Services have been selected by the client, the MMLIS IA-Rep will utilize a questionnaire provided by Brinker to gather information about the client. Brinker will utilize this information to determine the client's investment objectives. With assistance from the MMLIS IA-Rep, Brinker will prepare an investment proposal for the client. The investment proposal recommends an individualized and customized portfolio ("Portfolio") utilizing the Brinker Programs to the client.

The MMLIS IA-Rep will also assist the client in completing the application and paperwork required by Brinker and initiate the steps necessary for the client to participate in any Brinker Program selected by the client. The MMLIS IA-Rep will also answer basic questions regarding the Brinker Services and Brinker Programs. The MMLIS IA-Rep will forward to MMLIS all account opening documentation and information, including any reasonable investment restrictions requested by the client. MMLIS will then review and approve the account opening documents and forward such documentation to Brinker for final review and approval. Brinker is solely responsible for reviewing, accepting or rejecting and observing any reasonable investment restrictions imposed by the client.

The client may accept or reject the MMLIS IA-Rep's recommendation concerning participation in the Brinker Services or the Brinker Programs and Portfolio recommendation.

Following the approval of the client's application and assuming that the client has met all of Brinker's funding requirements, Brinker allocates the client's funds in accordance with the selected Brinker Programs and Portfolio. The client should understand that there is no assurance that their investment objectives will be achieved by participating in a Brinker Program.

MMLIS will contact clients at least annually to inquire whether anything has changed in client's financial circumstances or investment objectives that might affect the manner in which the client's account assets should be managed. This annual contact is designed to determine whether the Brinker Services, Brinker Programs and the client's Portfolio are still appropriate and consistent with the client's financial circumstances and investment objectives. In addition, the client has the ability to add investment restrictions or modify any previously accepted investment restrictions. The MMLIS IA-Rep also is available on an ongoing basis to discuss the client's participation in the Brinker Services, Brinker Programs or the client's investments in general. MMLIS will forward any updated information it receives from the client to Brinker for review and assist the client in making any appropriate changes to the client's account, if necessary.

When providing investment recommendations that are treated as fiduciary investment advice as defined by Department of Labor regulations, MMLIS and our IA-Reps will act as investment advice fiduciaries to you under the Internal Revenue Code, ("Code") and/or the Employee Retirement Income Security Act ("ERISA") for your individual retirement account ("IRA") or retirement plan accounts, subject to Title I of ERISA, as applicable. Our fiduciary status relates only to the specific individual retirement accounts and retirement plan account(s) you have with us. Although we act as fiduciaries under the Code and/or ERISA, this does not necessarily mean that we act as fiduciaries under other laws. This acknowledgement does not create any enforceable legal rights beyond

those conferred by the Code or ERISA as applicable. In particular, IRA owners and beneficiaries do not have a legal right of action to enforce the duties associated with our fiduciary status, which are enforceable only by the Internal Revenue Service under an excise tax provision of the Code. Our fiduciary status automatically terminates if your individual retirement account or retirement plan account with MMLIS terminates. We reserve the right to retroactively amend any representations or statements herein regarding our status as fiduciaries to the extent permitted by law.

Neither MMLIS nor the MMLIS IA-Reps are responsible for the selection, monitoring or replacement of the portfolio managers, mutual funds, ETFs, other pooled investment vehicles or other securities that are available as investment options for the Brinker Programs. Brinker is responsible for providing these services. The only exception is the selection by MMLIS (in its broker-dealer capacity) of the cash sweep option described below.

Mutual funds, ETFs and other pooled investment vehicles are referred to herein in the aggregate as "Funds."

#### *MMLIS Sweep Program*

Each client's account will have a portion of the assets maintained in cash in order to, among other things, pay the client's fees. MMLIS provides "cash sweep" programs (each, a "Sweep Program") where uninvested cash balances (such as from securities transactions, dividends, interest payments, or deposits) in a client's account are deposited into a selected Sweep Program each business day. In certain circumstances, including periods of volatile or uncertain market conditions, any such Sweep Program may comprise all or a substantial portion of the account assets based on, for example, concerns about the market, a decision to pursue a defensive investment strategy, or for cash management purposes. MMLIS, in its capacity as broker-dealer, selects the Sweep Program for client's portfolio. Please review the brokerage account application and the applicable prospectus or other disclosure documents (or, if applicable, communications provided by MMLIS), which will be provided to clients and are also available upon request, for information about the Sweep Program utilized for your account.

The Firm provides two primary Sweep Programs for accounts in the Brinker Programs, the Advantage Cash Sweep Program ("ACS") and the Insight Cash Sweep Program ("ICS"). For the Brinker Programs, all non-retirement accounts utilize the ACS program and all individual retirement accounts (IRAs) utilize the ICS program. Accounts that are ineligible for the ACS or ICS programs will utilize a money market fund designated by the Firm as the sweep option for Client's Account. Clients utilizing a money market fund sweep option should review the fund prospectus provided for more information.

Please review the Disclosure Documents for the ACS and ICS programs provided to you for more information about how these Sweep Programs work, including limitations, restrictions, how changes are implemented and additional discussion of conflicts. For current interest rates (and fees) for the ACS and ICS programs, please contact your MMLIS IA-Rep or go to the following URL: <https://fieldnet.massmutual.com/public/mmlisi/pdfs/bdsp-elig-reg-types.pdf>. For a copy of the Disclosure Documents for the ACS and ICS programs, please contact your IA-Rep or go to the following URL: <https://www.massmutual.com/investment/mmlinvestors/>.

MMLIS receives important and significant compensation and benefits from client use of the ACS and ICS programs. The compensation we receive from these sweep programs is in addition to the advisory fees that you pay (described further below under Item 5). This means that the Firm earns two layers of fees on the same cash balances in your Account with MMLIS.

The ACS and ICS programs are multi-bank programs under which client funds not otherwise invested (e.g., cash balances) are swept into deposit accounts held at one or more participating FDIC-insured banks (and in some cases, into shares of a money market fund). Clients earn interest on such deposits (and dividends on investments in a money market fund, where applicable). The ACS and ICS programs are made available and administered by NFS and a designated administrator ("Administrator"), which both also earn fees in connection with record keeping and other services provided for the ACS and ICS programs. Fees for the ACS and ICS programs will typically exceed the interest paid on client deposits. If NFS did not earn fees in connection with the ACS and ICS programs, NFS would likely charge MMLIS higher fees for providing their clearing services.

Under the ACS and ICS programs, NFS or the Administrator generally contracts with participating banks to make specific amounts of deposit capacities available at certain all-in funding rates, which are typically tied or related to the Federal Funds Rate (or a similar type of metric, composite, index, etc.). Client interest as well as ACS and ICS program fees (i.e., the compensation received by MMLIS, NFS and the Administrator) are paid from the bank's all-in funding rates. All-in funding rates (generally a percentage applied to average daily program deposits at the bank), may be fixed, variable, subject to capacity and other requirements or a combination thereof. Capacity levels may be subject to minimums and maximums. Contract terms with each participating bank are unique and are expected to change over time. Accordingly, at any given time, participating banks will generally be paying



different all-in funding rates notwithstanding interest earned by clients on their sweep deposits will not vary regardless of where their funds are actually swept. Moreover, changes in the Federal Funds Rate (or other applicable factor) will not immediately affect all-in funding rates paid or interest rates offered under the ACS and ICS programs.

The Firm sets its compensation based on grids and formulas provided by NFS and/or the Administrator, but MMLIS is solely responsible for establishing its compensation levels under ACS and ICS programs. Thus, the higher the compensation received by MMLIS, NFS and the Administrator, the less available to pay client interest. The Firm will set its compensation levels for the ACS and ICS programs based on prevailing economic and business conditions, which are subject to change at any time. It is expected that the vast majority of the all-in funding rates paid by the banks will be paid to MMLIS, NFS and the Administrator. The Firm expects its compensation for the ACS and ICS programs will generally range from 60-85% of the Targeted Federal Funds rate on ACS and ICS program deposits, and vary by the amount of uninvested funds or cash included in the ACS and ICS programs. Accordingly, the interest rate clients receive on ACS and ICS program deposits will be lower than the all-in funding rates paid by the banks under these programs and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC-insured, such as money market mutual funds and (ii) on bank deposits offered outside of the ACS and ICS programs. MMLIS may change its compensation levels for the ACS and ICS programs and any such reductions or increases may vary between clients.

The more client deposits held in ACS program and the longer such deposits are held, the greater the compensation MMLIS, NFS and the Administrator receive. Different banks participating in the ACS program pay different all-in funding rates (and are subject to different contractual requirements), creating an incentive for the Administrator to direct ACS program deposits to banks (through how the ACS program bank priority list(s) are designed or changed from time to time) that result in the Firm receiving greater compensation. Both MMLIS and NFS receive more compensation with respect to amounts in the ACS and ICS programs than with respect to other sweep products. The fees MMLIS receives in connection with ACS and ICS programs create a conflict of interest and incentive for the Firm to offer and designate these programs as the cash sweep option for client accounts. In addition, the fees MMLIS receives in connection with the ACS and ICS program creates a conflict of interest and incentive for the Firm and your IA-Rep to recommend you maintain or maintain (if your IA-Rep has discretion), and/or increase cash balances in your Account, as cash balances in your Account increase compensation to MMLIS under the ACS and ICS programs. Please note your IA-Rep has an indirect conflict of interest due to their affiliation with MMLIS; the Firm does not share any compensation it receives from the ACS or ICS programs with your IA-Rep. The ACS and ICS programs are the only sweep options available for accounts in the Brinker programs, unless such accounts are ineligible for the ACS or ICS programs.

Banks in the ACS and ICS programs do not have a duty to provide MMLIS clients with the highest interest rates available and will instead seek to pay a lower rate, and a rate that is lower than other options available in the market, including money market mutual funds. Banks have the financial incentive to pay all-in funding rates as low as the market will permit. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

NFS also receives an economic benefit for shares held in the "Money Market Mutual Fund Overflow" as further described in the ACS and ICS Disclosure Documents. The fee paid to NFS is for record keeping and other services with respect to amounts invested in the program. MMLIS may receive indirect benefit from investment in the Money Market Mutual Fund Overflow in the form of better contractual terms with NFS or increases to revenue sharing, credits or other payments from NFS described in this brochure.

Given the conflicts discussed above, each client should consider the importance of ACS and ICS programs to MMLIS when evaluating our total fees and compensation, and deciding whether to open an account with MMLIS and/or the Brinker Programs. MMLIS mitigates these conflicts by disclosing them to you, such as in this brochure, and by not sharing the revenue generated from these sweep programs with MMLIS IA-Reps. For more information about this service and benefits that the Firm receives in connection with such deposits, please refer to the ACS and ICS Disclosure Documents, which you can request from your IA-Rep.

In low interest rate environments, ACS and ICS program fees can exceed the interest paid on client deposits in these programs. This can result in you experiencing a negligible or negative overall investment return with respect to assets invested in the ACS or ICS Program. Please review the Disclosure Documents for the ACS and ICS programs regarding low interest rate environment scenarios.

## **Brinker Services and Programs**

### **The Wealth Advisory Program**

The Wealth Advisory program is a customized service utilizing a unified managed account platform that offers discretionary investment management and includes dedicated support to meet the needs of high-net worth and ultra-high net worth investors, family offices, institutions and endowments with at least \$1 million of investable assets. Please note that although Brinker offers a non-discretionary option in its Wealth Advisory Program, only discretionary investment management services are available through this MMLIS Brochure. This means that the client authorizes Brinker to hire and fire managers and to rebalance the account without further approval from the client.

The Wealth Advisory program is designed for Brinker to manage the overall investment process, including asset and investment style allocation decisions, manager selection and review, and comprehensive monitoring of the client's portfolio. In addition to your MMLIS IA-Rep, a dedicated client portfolio manager from Brinker is assigned to the client relationship and is available for regular communications concerning the activity and status of the client's account.

In the Wealth Advisory program, portfolios are generally allocated among different portfolio managers and invested in individual equity and fixed income securities, mutual funds and/or ETFs. Where deemed appropriate, based on the client's objectives, assets, risk tolerance and investment experience as well as to obtain greater asset and style diversification, Brinker may recommend to clients that a portion of the client's portfolio be invested in one or more other investments in lieu of allocating assets separately to a portfolio manager or a Brinker-managed strategy. These other investments may include an investment in real estate investment trusts ("REITs"), privately placed hedge funds and private equity funds (collectively, "Private Funds"), exchange-traded notes ("ETNs") or other pooled investment vehicles. Special fee arrangements may apply with respect to Private Fund investments.

The services provided by Brinker in the Wealth Advisory program include (but are not limited to) comprehensive portfolio analysis of a client's existing assets to help identify inefficiencies and address investment needs, bond analysis to address client concerns about interest rates and yield, tax transition management to assist a client in transferring highly-appreciated stock and move toward a more diversified portfolio over time, development of a personalized investment solution based upon the client's goals, tax preferences, risk tolerance and financial plan, and access to a dedicated client portfolio manager to assist with portfolio reviews, reallocations, investment updates and educational needs.

You should review the Brinker Brochure for more detailed information about the Wealth Advisory program.

Depending on a client's needs, Brinker and MMLIS may recommend that a client also invest in the Core Asset Manager program and/or the Destinations program.

### **The Core Asset Manager Program**

Brinker's Core Asset Manager program matches an investor's objectives with one or more portfolio managers who are either SEC-registered investment advisers or exempt from SEC registration. Where deemed appropriate, based on the client's objectives, assets, risk tolerance and investment experience as well as to obtain greater asset and style diversification, a portion of the client's portfolio will be invested in one or more other investments in lieu of allocating assets separately to a portfolio manager. These other investments may include an investment in REITs, publicly traded mutual funds, ETFs, ETNs or other pooled investment vehicles ("Public Funds") and Private Funds. Special fee arrangements may apply with respect to Private Fund investments.

Please note that although Brinker offers a non-discretionary option in its Core Asset Manager program, only Brinker's discretionary offering, called Core Guided, is available through this MMLIS Brochure. In Core Guided, Brinker offers various asset allocation models for both taxable and nontaxable accounts managed by Brinker on a discretionary basis that utilize separate account managers, mutual funds and ETFs. In this program, Brinker has full discretionary authority to select and replace managers, mutual funds and ETFs and to allocate assets among them without further approval from the client. Brinker may also recommend allocating a portion of a client's account to one or more of Brinker's Core Guided Completion Strategies, which Brinker manages on a discretionary basis. Please see Item 4 of Brinker's ADV Brochure for information about the Core Guided Completion Strategies.

### **The Destinations Program**

In its Destinations program, Brinker offers a variety of asset allocation strategies comprised of Destinations Funds ("Destinations"), or a blend of unaffiliated third party mutual funds and ETFs ("Destinations ETFs"), each targeting a

specific investment objective, for both taxable and tax-exempt accounts. The strategies provide different balances of risk and reward depending on a client's risk tolerance and time horizon, and are designed to offer consistent, competitive performance while seeking to achieve attractive risk-adjusted returns over the long term. Brinker monitors the performance of each underlying investment manager (either a sub-adviser within the Destinations Funds or a third party fund) and replaces or reallocates assets among the funds or underlying managers used to implement these strategies based on factors it deems appropriate. These factors can include Brinker's evaluation of historical performance, market conditions and Brinker's investment outlook.

Please see the Brinker ADV Brochure for additional information about the Destinations program.

### **Other Services in the Wealth Advisory Program**

MMLIS makes certain specialized services available to clients in the Wealth Advisory program such as philanthropic services, trust services and a securities backed lending program.

### **Securities Backed Lending Program**

MMLIS contracts with third parties to make securities backed loans (each an "SBL") available to clients. Clients can use one of these third parties (a "Program Lender") or find an alternative SBL provider. In either case, clients apply for an SBL using their account as collateral and must enter into an SBL agreement directly with the financial institution providing the SBL (the "Loan Provider"). Clients should fully understand the following before using assets in an account as collateral to obtain an SBL:

- Before selecting a Loan Provider, the client should consider the differences between each Loan Provider's product offering (including differences in interest rates) as well as the other options that may be available to meet the client's funding needs. There is an incentive for MMLIS and IA-Reps to recommend that a client obtain an SBL so that the client's assets remain invested in a Program.
- A Program Lender will compensate the Firm. This compensation is calculated as a percentage of the client's outstanding loan balance. The percentage amount will differ depending on the Program Lender, so the Firm's compensation will also vary depending on the Program Lender. The firm does not receive compensation from alternative SBL providers.
- The Firm can share a percentage of this compensation with its IA-Reps. IA-Reps' compensation will not vary by Program Lender because the Firm will pay them the same percentage of the client's outstanding loan balance regardless of the Program Lender.
- These compensation arrangements create incentives for MMLIS and its IA-Reps, resulting in material conflicts of interest. MMLIS and IA-Reps have an incentive to recommend that clients obtain an SBL from a Program Lender over an alternative SBL provider, maintain loan balances for longer periods of time and increase the draw down amount of a loan. MMLIS also has an incentive to make SBLs from Program Lenders available to clients and to recommend that clients obtain SBLs from Program Lenders that calculate the Firm's compensation based on a percentage of a client's outstanding loan balance that is greater than the percentage used by other Program Lenders.
- The client will not be permitted to withdraw any of the assets in the account that is used as collateral to secure the SBL.
- The client will pay interest to the Loan Provider directly. These payments are in addition to the advisory fees and other fees charged to the client's account for services provided under the Brinker Programs.
- The Loan Provider can demand repayment at any time and may require liquidation of some or all of the collateral in the account to meet the SBL requirements.
- The Loan Provider can sell (or direct MMLIS to sell) a client's securities or other assets without contacting the client. Clients are not entitled to choose which securities or other assets in an account are liquidated or sold to meet a call. Forced liquidation of assets in an account can affect a client's long-term investment strategies, result in adverse tax consequences and impact the performance of the account and the ability of Brinker to manage the account, and depending on the magnitude of the impact, the Firm may choose to terminate its relationship with the client.
- Neither Brinker, MMLIS nor MMLIS IA-Reps will act as investment adviser to a client with respect to the liquidation of securities held in an account to meet an SBL demand or call.
- Purchases of new issues (including initial public offerings, shares in most mutual funds of fund families not previously owned in an Account, and certain ETFs) that have not been held in an Account for at least 30 days (New Issue Positions) are not eligible to be used as collateral. New Issue Positions may not be considered by a



Loan Provider in determining the client's compliance with any minimum collateral value requirements. The Firm will not consider the effects of holding New Issue Positions in managing the Account.

- One of the Program Lenders, Goldman Sachs, participates in MMLIS's Conference Partner Program. Please see Item 14 of this Brochure for information about the Conference Partner Program and associated conflicts of interest.

### **Other Services in the Destinations Program**

Brinker and MMLIS offer additional services for assets invested in the Destinations program.

#### **Dollar Value Averaging**

Brinker offers clients in certain models in its Destinations program a "dollar value averaging" option that allows the client to systematically increase the account's market exposure on a monthly basis using a formula based upon a predetermined period (not exceeding 12 months). The client's invested account balance increases by a percentage based upon the number of calendar months in the investment period. In periods when the market declines, the dollar amount invested will increase; and when the market rises in value, the amount invested will decline. If there are funds remaining at the end of the specified investment period (which could occur in a continuous "up" market), Brinker will continue to run the formula until the account is fully invested. The client can discontinue the systematic investment plan and fully invest the account in the market at any time.

Please see Item 4 of the Brinker Brochure for additional information about dollar value averaging.

#### **Personalized Distribution Strategy**

Brinker offers the Personalized Distribution Strategy ("PDS") for clients in its Destinations program. Minimum assets will vary by investment product offering. The PDS consists of two elements: an actively managed liquid cash reserve (a money market fund or other short-term investment vehicle) and an investment portfolio based upon the client's approved investment strategy and program.

The client determines the amount of each periodic distribution. The initial cash reserve will equal up to 24 months of distributions for new clients in the Destinations Program. Accordingly, the amount in the cash reserve will vary depending upon the client's distribution pattern. All interest and dividends on the investment portfolio will be swept into the cash reserve.

As the cash reserve is depleted by distributions, Brinker will liquidate the investment portfolio and replenish the cash reserve. The timing of such liquidations will be based upon Brinker's analysis of positive technical trends in the market, with a view to avoiding significant liquidations in a "down" market. There can be no assurance that Brinker's methodology will avoid liquidation of the client's account during "down" market cycles or that such liquidations will occur at the most optimal time.

Please see Item 4 of the Brinker Brochure for additional information about PDS.

### **Mutual Fund Share Classes**

Clients should understand that mutual funds generally offer multiple share classes depending on certain eligibility and purchase requirements. For instance, in addition to the more commonly offered retail share classes (typically, Class A, B and C shares), mutual funds may also offer institutional share classes and other share classes that are specifically designed for accounts that participate in fee-based investment advisory programs. Institutional share classes or classes of shares designed for purchase in an investment advisory program usually have a lower expense ratio than other share classes. Clients should not assume that they will be invested in the share class with the lowest possible expense ratio or that a particular mutual fund company will allow all share classes to be available in the Brinker Programs. While MMLIS generally seeks to obtain the lowest cost share class available, clients may not, at all times, hold the lowest cost share class available.

### **Mutual Funds and Revenue Share from NFS**

NFS charges mutual fund companies a recurring fee to make their mutual funds available to broker-dealers that use NFS as their clearing firm. The amount of the fee varies and depends on whether a mutual fund's share classes are part of NFS's NTF or INTF programs (no transaction fee) or TF (transaction fee) program, or are not part of the NTF, INTF or TF programs. Different share classes of the same mutual fund can be available on NFS' platform, and one share class of a mutual fund can be part of a program (the NTF program, for example) while another share class of the same mutual fund is not. MMLIS receives additional compensation when a client's account is invested in certain mutual funds, as NFS shares with MMLIS a portion of the fee NFS receives ("revenue share payments") for the assets in the Brinker Programs.

that are invested in NTF, iNTF and TF mutual fund share classes, with some exceptions (Fidelity funds, for example). MMLIS does not receive revenue share payments for assets invested in qualified retirement plan accounts or IRAs.

NFS generally charges mutual fund companies a higher fee for NTF mutual fund share classes than for other mutual fund share classes. Therefore, MMLIS generally receives a higher revenue share payment from NFS for each investment in an NTF mutual fund share class than for mutual fund share classes that are not included in the NTF program. Certain fund companies with share classes in the NTF program pay a lower fee to NFS than other fund companies with share classes in the NTF program. This means that MMLIS receives a lower revenue share payment for each investment in such companies' mutual fund share classes in the NTF program than other mutual fund share classes in the NTF program.

Mutual fund share classes that are part of NFS's NTF program are generally more expensive for clients. In addition, clients are not charged transaction fees for transactions in any mutual funds in the Brinker Programs regardless of whether the share classes are in NFS's NTF, iNTF or TF program. As a result, clients do not receive any benefit from holding NTF share classes in their account.

The revenue sharing arrangements between NFS and MMLIS create a conflict of interest for MMLIS. Specifically, MMLIS has an incentive to make available, select and recommend the mutual funds and mutual fund share classes for which NFS pays revenue share to MMLIS over the mutual funds and mutual fund share classes for which NFS does not pay revenue share to MMLIS, even if these mutual fund share classes are more expensive for clients. MMLIS has a similar incentive to make available, select and recommend the mutual funds and mutual fund share classes for which NFS pays a higher revenue share payment over other mutual funds and mutual fund share classes even if the investments for which NFS pays a higher revenue share payment are more expensive for clients. This may result in clients purchasing a higher cost share class than other share classes of the same fund for which the client may be eligible. MMLIS will not credit a client's account for any revenue share payments MMLIS receives in connection with client's account.

These conflicts are mitigated in several ways. MMLIS IA-Reps do not receive any of the revenue share payments that NFS pays to MMLIS, and MMLIS IA-Reps do not receive any more or less compensation based on what mutual funds or mutual fund share classes they select or recommend to clients. Additionally, the mutual funds and mutual fund share classes that are available in the Brinker Programs and included in the portfolios are selected by Brinker and the portfolio managers, as applicable, not MMLIS or the MMLIS IA-Reps.

#### **MMLIS Fee to NFS**

MMLIS pays a recurring fee to NFS based on a percentage of the aggregate assets invested in accounts in the Brinker Programs, excluding any investments in NTF and iNTF mutual fund share classes, Fidelity funds, cash and cash equivalents. This creates conflicts of interest for MMLIS. MMLIS has an incentive to make available, select and recommend mutual fund share classes that are excluded from the calculation of the fee MMLIS pays to NFS, even if such investments are more expensive for clients. MMLIS also has an incentive to maintain client assets in the Brinker Programs in cash or cash equivalents.

When assets in MMLIS accounts that are custodied at NFS reach certain thresholds, the percentage used to calculate MMLIS's fee to NFS decreases. This creates an incentive for MMLIS to recommend advisory programs custodied with NFS (including the Brinker Programs) over other advisory programs and to recommend that you increase the amount you have invested in such programs.

When the assets in a client's account are less than a minimum amount established by NFS, NFS charges MMLIS an additional fee for such account. This creates an incentive for MMLIS to recommend that such client increase the amount invested in client's account.

These conflicts are mitigated in several ways. MMLIS IA-Reps do not receive any benefit if MMLIS pays lower fees to NFS and MMLIS IA-Reps do not receive any more or less compensation based on what investments, including mutual funds or mutual fund share classes, are held in client Accounts. In addition, the mutual funds and mutual fund share classes that are available in the Brinker Programs and included in the portfolios are selected by Brinker and the portfolio managers, as applicable, not MMLIS or the MMLIS IA-Reps. With respect to cash and cash equivalents, the amount of an account that is allocated to cash is established and monitored by Brinker and the portfolio managers, as applicable, not MMLIS or the MMLIS IA-Reps.

#### **Additional Information about MMLIS Investment Adviser Representatives**

In order to become a MMLIS IA-Rep and provide advisory services to clients on behalf of MMLIS, each MMLIS IA-Rep must fulfill prerequisites including, but not limited to completing on-line training courses, becoming properly registered, and adhering to MMLIS's Code of Ethics, which is described in Item 11 of this MMLIS Brochure. Once a MMLIS IA-Rep has been approved to provide advisory services, the MMLIS IA-Rep must annually certify that the

MMLIS IA-Rep continues to comply with MMLIS' policies and procedures. If a MMLIS IA-Rep is unable to continue servicing a client's account for any reason, client's account will be assigned by MMLIS to another qualified MMLIS IA-Rep, who will service client's account(s) on MMLIS's behalf. Clients will be informed if their account is assigned to another IA-Rep.

### **Total Assets Under Management (AUM)**

As of December 31, 2023, MMLIS has approximately \$696 million AUM in the Brinker Programs. MMLIS does not manage client assets in the Brinker Programs on a discretionary basis.

### **Termination of the Brinker Services**

The Client Agreement will continue in effect until terminated by the client, MMLIS or Brinker in accordance with the termination provisions of the Client Agreement. Notwithstanding the foregoing, MMLIS may retain amounts in a client's account sufficient to effect any open and unsettled transactions. In this respect, clients are responsible to pay for services rendered, and for transactions effected. Any termination will therefore not affect any liabilities or obligations that are incurred or that arise from transactions before such termination.

### *Fidelity Charitable Investment Advisor Program*

MMLIS offers the Fidelity Charitable Investment Advisor Program ("CIAP") Donor Advised Fund service. A client ("Donor") may elect to utilize this service to make irrevocable donations to the Fidelity Investments Charitable Gift Fund and may be able to use such donations as tax deductions. A Donor cedes control of donated assets to Fidelity Charitable and has no authority to change investment decisions on accounts using the service. Donors should refer to the CIAP Description and Investment Policies and Guidelines, as well as their CIAP Application for additional information regarding establishing a donor-advised account with Fidelity Charitable. Assets donated to Fidelity Charitable through this service will be managed by MMLIS and may be invested in the Programs.

*Administrative Fee.* An Administrative Fee is charged by Fidelity Charitable for this service which ranges from 0.115% to 0.60% depending on the amount of assets donated to Fidelity Charitable.

### **ITEM 5. FEES AND COMPENSATION**

Clients pay an "all-inclusive" investment advisory fee (wrap fee), which covers the investment advisory services provided by MMLIS, Brinker and the portfolio manager(s), all custodial services and brokerage commissions (except a per trade ticket charge on certain municipal securities, mutual fund and ETF trades as described below) (the "Investment Advisory Fee"). "Wrap" fees may cost more or less than purchasing such services separately, assuming the services can be purchased separately. In particular, if the account has relatively low turnover rates, the wrap or all-inclusive fee may be more costly for the client. NTF mutual funds or share classes may have higher ongoing expenses, due to 12b-1 fees and other distribution expenses, than funds with up front "loads" or transaction fees and may be more costly for larger accounts with relatively low trading activity than transaction-fee funds. Please see Item 4 of the Brinker Brochure for additional information about NTF mutual funds. Please note that MMLIS, and not Brinker, will receive compensation from NFS based on client assets invested in NTF mutual funds.

If available, MMLIS, as a broker-dealer, receives asset-based distribution or servicing fees (in the form of so-called "12b-1 fees" or otherwise) from certain mutual funds (or their related persons) for providing distribution and/or administrative services to such mutual funds. Further information regarding these fees and other charges assessed by mutual funds may be found in the appropriate prospectus or annual report. This compensation to MMLIS from such mutual funds is in addition to the advisory and other fees MMLIS receives under the Brinker Programs. MMLIS has an incentive for clients to invest in mutual funds that pay 12b-1 fees. Accounts invested in Destinations Funds are invested in "Z" shares, which do not pay any 12b-1 fees. In instances where MMLIS receives 12b-1 fees, MMLIS credits client accounts an amount equal to any such 12b-1 fees MMLIS receives on such assets held in client accounts in order to offset the MMLIS Fee paid under the Brinker Programs.

Additionally, clients may purchase securities without participating in the Brinker Programs, and therefore, will not have to pay the advisory fee described below. Thus, it may be more cost efficient for clients to purchase the securities outside of the Brinker Programs. However, clients will not receive the services provided under the Brinker Programs if they choose to do so. The Investment Advisory Fee a client pays may be higher than those charged by MMLIS for other advisory programs offered through MMLIS, or higher than those charged by other sponsors of comparable programs. The Destinations Funds are only available to clients invested in the Destinations program.

The Investment Advisory Fee does not cover any fees charged by the SEC or U.S. or foreign stock exchanges based on the sale of a security, any special account fees imposed by the custodian (such as IRA maintenance fees), wire transfer fees, costs associated with temporary investment of client funds in a money market account, fees or commissions for securities transactions (including without limitation or dealer mark-ups or markdowns) traded through any broker-dealer other than NFS, transfers of assets upon termination of the account, any special requests by the client, or any internal management or operating fees (including potential redemption fees) or expenses imposed or incurred by a mutual fund or ETF in which the client's account may be invested. These may include 12b-1 fees, mutual fund management fees, early termination fees (which include fees on whole or partial liquidations of client account(s)) and other fees and expenses that are assessed, when applicable, by the investment vehicle's sponsor, custodian, transfer agent, adviser, shareholder service provider or other service providers. These expenses generally include administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses. In addition, special fee arrangements may apply with respect to Private Fund investments. Such fees and expenses are referred to in this MMLIS Brochure as "Expenses."

The Investment Advisory Fee is paid in advance, on a monthly basis. The initial fee is based on the market value of the assets in client's account when the account is opened and prorated for the number of days remaining in the calendar month. Thereafter, the monthly fee is due on the first business day of each month and is based on the market value of the assets in client's account on the last business day of the immediately preceding month as calculated by Brinker.

Generally, the Investment Advisory Fee is first deducted by NFS from assets a client has in the cash sweep option, and then at Brinker's discretion. The Custodian is responsible for deducting the Investment Advisory Fee from each client's account in accordance with the Client Agreement.

Brinker has the discretionary authority to redeem investments in the client's account at any time, including to pay Investment Advisory Fees and Expenses. In such cases, the client may face a taxable event, to which capital gains (or other) taxes may apply. A client should consult with a qualified independent tax consultant.

Account liquidations after the first 12 months are done at no additional charge by Brinker or MMLIS. A termination charge will be imposed by the Custodian. The client will be entitled to a prorated refund of any pre-paid monthly fee based upon the number of days remaining in the month after the termination date. If an account is closed within the first 12 months by the client or as a result of withdrawals that bring the account value below the required minimum, Brinker reserves the right to retain the pre-paid monthly fee for the current month and to charge the account the balance of the fee for the initial 12-month period (calculated on the account value at the time the account is closed) in order to cover the reasonable administrative cost of establishing the account. The administrative costs will vary depending on the portfolio manager selected and the investment style of the account.

To the extent that assets used for participation in the Brinker Programs come from the redemption of other investments, the client should consider the cost, if any, of sales charges previously paid or to be paid upon redemption, which would be in addition to the advisory fees on those assets. Clients should be aware that such redemptions might have tax consequences that should be discussed with an independent tax advisor.

The client's Investment Advisory Fee is based upon (A) the combined fees of Brinker (which includes (i) a fee for Brinker's management or advisory services (the "Brinker Fee Component") and (ii) the fees paid by Brinker to any portfolio managers with respect to a client's account (the "Manager Fee Component")) and (B) the fee paid to MMLIS for its services (the "MMLIS Fee"). Brinker and MMLIS may each amend its fee schedules upon at least 30 days' prior written notice. The client's Investment Advisory Fee will vary based upon the allocation of an account among portfolio managers, specific manager selection, and the number of portfolio managers versus Funds included in an account.

### **Brinker Fee Component**

The annual fee schedule for the Brinker Fee Component is "tiered," meaning that the portion of the account assets within each asset tier is charged the fee indicated for such asset tier. The Brinker Fee Component will not change based upon the allocation of assets in the account among portfolio managers and/or Funds. However, because Brinker's fee schedule is "tiered", the actual Brinker Fee Component will vary based upon changes in the total value of the client's account (resulting from appreciation, depreciation, liquidations or additional contributions).

<u>Asset Tier</u>	<u>Brinker Fee</u>
Up to \$1 million	0.45%
Next \$1 million	0.40%
Next \$1 million	0.35%
Next \$7 million	0.30%
Next \$15 million	0.25%
Over \$25 million	0.20%

The Brinker Fee Component may be discounted or negotiated at Brinker's discretion.

Brinker may or may not charge the Brinker Fee Component for management of accounts established by Brinker employees, family members and a limited number of clients to invest in new investment management strategies.

**Brinker Fund Fee Offset:** Advisory fees paid to Brinker or a Brinker affiliate by any Fund advised by Brinker or a Brinker affiliate, including any Destinations Fund, with respect to a client's investment in such Fund are credited to, or offset and reduce, dollar-for-dollar the Brinker Fee Component otherwise payable to Brinker. The Brinker Fee in the above table is gross of such offset. Currently, the Brinker Fund fee offset for assets invested in Destinations Funds is 0.39%. If the fee offset exceeds the Brinker Fee Component calculated under the foregoing fee schedule, Brinker will credit the client's account by such excess amount.

### **Manager Fee Component**

Portfolio manager fees range from 0.20% to 0.50% of account value designated to each portfolio manager selected for client's account, depending on the portfolio manager selected. The specific manager and manager fee will be set forth on a schedule to the Client Agreement. Changes to the Investment Advisory Fee due to changes in the Manager Fee Component are effective immediately.

Assets in an account may be allocated to Funds as well as portfolio managers. Because Brinker does not pay a management fee with respect to assets invested in Funds, the Manager Fee Component will be less if the account has a higher allocation to Funds. However, Funds in which the account is invested incur management fees and other operating fees and expenses as disclosed in the prospectus for each such Fund, which fees and expenses are in addition to the Investment Advisory Fee. There is no Manager Fee Component for the Destinations program.

Brinker has discretion to select portfolio managers and Funds for a client's account and to determine the allocation of assets in an account among portfolio managers and Funds. The Manager Fee Component of the Investment Advisory Fee is determined by the fees Brinker pays to unaffiliated portfolio managers of a client's account (which are passed through directly to the client without mark-up) and the percentage of the account that is invested in Funds. The fees of portfolio managers may vary based upon such portfolio manager's investment style and asset class. Accordingly, the amount of the Manager Fee Component (and thus the Investment Advisory Fee) will increase or decrease based upon the allocation among portfolio managers and Funds and the specific portfolio managers selected for the account. For example, the Manager Fee Component (and thus the Investment Advisory Fee) would increase if the allocation to portfolio managers (versus Funds) increases, whether due to superior performance of one or more portfolio managers or because Brinker increases the overall allocation to portfolio managers or allocates assets to a portfolio manager who charges a higher fee. Conversely, if the allocation to Funds or to portfolio managers with lower fees increases, the Manager Fee Component (and thus the Investment Advisory Fee) would decrease. Brinker does not charge a Manager Fee Component on assets for which Brinker, or a Brinker affiliate serves as the portfolio manager.

### **MMLIS Fee**

The MMLIS Fee is a bundled fee for the brokerage and advisory services provided by MMLIS and the custodial and clearing services provided by the Custodian. The MMLIS Fee is based on an annualized percentage of assets that clients invest in the Brinker Programs including any portion of the assets maintained in cash or other short-term investments. The MMLIS Fee consists of two sub-components: (i) the "Firm Fee," which MMLIS uses to pay fees to the Custodian and other expenses associated with making the Brinker Services available to clients, and (ii) the IA-Rep Fee, which is the MMLIS IA-Rep's portion of the Investment Advisory Fee.

### **Firm Fee**

The annual schedule for the Firm Fee is "tiered," meaning that the portion of the account assets within each asset tier is charged the fee indicated for such asset tier. The Firm Fee will not change based upon the allocation of assets in the account among portfolio managers and/or Funds. However, because the Firm Fee schedule is "tiered", the actual Firm Fee will vary based upon changes in the total value of the client's account (resulting from appreciation, depreciation, liquidations or additional contributions).



Asset Tier  
Up to \$1 million  
Over \$1 million

Firm Fee  
0.16%  
0.08%

MMLIS reserves the right to reduce the Firm Fee for employees, associated persons, agents, or independent contractors of MMLIS or its affiliates and their immediate family members or for any other reason at its discretion.

### **IA-Rep Fee**

The IA-Rep Fee is negotiable at the discretion of each MMLIS IA-Rep up to a maximum of 1.26% of the account assets.

This compensation may be more than what the MMLIS IA-Rep would receive if the client participated in other programs made available by MMLIS or purchased the services provided under the Brinker Programs separately. The MMLIS IA-Rep therefore may have a financial incentive to recommend the Brinker Services over other programs or services available through MMLIS.

Fees charged for similar services often vary by office and by MMLIS IA-Rep, and some MMLIS IA-Reps charge higher fees than other MMLIS IA-Reps for similar services.

The final net compensation received by the MMLIS IA-Rep is subject to additional adjustments of fees between the MMLIS IA-Rep and MMLIS. MMLIS utilizes compensation schedules to calculate the overall compensation paid to MMLIS IA-Reps for their work associated with the Brinker Programs and other offerings at MMLIS. This compensation schedule varies monthly based on the IA-Rep's earning in the previous twelve months. The compensation schedule is also impacted by the amount of certain advisory fees attributable to that IA-Rep or the IA-Rep's team reaching a certain threshold. For this purpose, the relevant advisory fees are those earned on accounts in the advisory programs for which MMLIS serves as the broker-dealer and are custodied with NFS (including the Brinker Programs) and assets managed by MassMutual Private Wealth & Trust, FSB (formerly MassMutual Trust Company). This creates an incentive for IA-Reps to charge higher advisory fees and commissions and increase advisory account balances, particularly for the advisory programs for which MMLIS serves as the broker-dealer and that are custodied with NFS (including the Brinker Programs) and assets managed by MassMutual Private Wealth & Trust, FSB ("Trust Accounts"). It also creates an incentive for IA-Reps to favor these advisory programs over other advisory programs. Finally, if an IA-Rep is also a broker-dealer registered representative of MMLIS, this creates an incentive for the IA-Rep to recommend advisory accounts and the advisory programs noted above over brokerage accounts. MMLIS addresses these conflicts of interest by disclosing them to you, and supervising account and program recommendations for compliance with its fiduciary duty to you.

In addition, IA-Reps can earn an Advisor Growth Bonus ("Growth Bonus"). The Growth Bonus will be paid to IA-Reps who grow Net Assets by a certain amount by the end of 2024 within the following "Eligible Products and Services": (1) advisory programs for which MMLIS serves as the broker-dealer and are custodied with NFS (including the Programs), (2) MMLIS fee-based annuities, (3) MMLIS brokerage accounts, and (4) Trust Accounts. Net Assets are calculated by subtracting asset withdrawals (including account terminations) from the sum of the amount of assets in new accounts and the amount of new assets in existing accounts. To qualify for the Advisor Growth Bonus, IA-Reps must also maintain a certain amount of assets in Eligible Products and Services.

The Growth Bonus creates an incentive for IA-Reps to recommend Eligible Products and Services (including the Programs) over third-party programs and other similar types of accounts offered by third parties. MMLIS addresses this conflict of interest by disclosing it to you, and supervising account and program recommendations in compliance with its fiduciary duty to you.

The Firm Fee and IA-Rep Fees create an incentive for MMLIS and IA-Reps to recommend the Brinker Programs over third-party advisory programs and other types of accounts or services offered by MMLIS and, because the amount of each of the Firm Fee and IA-Rep Fee increases as the amount of assets in the account increases, to recommend larger investments in the Brinker Programs. This incentive applies to both the initial recommendation to open an account in a Brinker Program and recommendations to make subsequent contributions to such account.

MMLIS also has an incentive program where a MMLIS IA-Rep will receive an additional percentage of the compensation paid to MMLIS based on total client assets attributable to that MMLIS IA-Rep or the MMLIS IA-Rep's team. For these purposes, the total client assets include assets across certain advisory programs offered by MMLIS (including the Brinker Programs). These incentive programs create a conflict of interest and an incentive for MMLIS IA-Reps to recommend these advisory programs (including the Brinker Programs) to clients over third-party advisory programs and other types of accounts or services offered by MMLIS. This incentive applies to both the initial recommendation to open an account in a Brinker Program and to make subsequent contributions to such

account. In addition, if an IA-Rep is also a broker-dealer registered representative of MMLIS, this creates an incentive for the IA-Rep to recommend advisory accounts and the programs noted above over brokerage accounts. MMLIS addresses these conflicts of interest by disclosing them to clients, and supervising account and program recommendations for compliance with its fiduciary duty to clients. In addition, this incentive program does not take into account how the assets in an advisory program are invested. MMLIS IA-Reps do not receive any more or less compensation based on what mutual funds or mutual fund share classes clients are invested in, or what percentage of a client's account is invested in cash or cash equivalents.

#### **Additional Information Regarding the Investment Advisory Fee and Other Fees and Expenses**

The fees charged to a specific client will be disclosed in the Client Agreement signed by the client.

Clients should consider all relevant factors before contributing mutual fund shares to a Brinker Program, including the fact that clients may have paid a front-end sales charge and any applicable contingent deferred sales charges or redemption fees will remain the client's responsibility and will be in addition to the Investment Advisory Fee. Clients should also consider that the contributed mutual fund shares may not be the lowest cost share class available.

No fee adjustment will be made for appreciation or depreciation in the asset value of an account during any quarterly period, or for any partial withdrawals during such period. Clients also are subject to an Investment Advisory Fee for any additional contribution(s) to their account in a calendar quarter, which will be charged on such date based upon the market value of the contributed assets, prorated for the number of days remaining in the billing period and based on Brinker's then current fee schedule applicable to the account. Beginning October 1, 2023, clients are subject to an Investment Advisory Fee for any additional lump sum contribution(s) in a calendar month. Such clients will pay for that portion of the ongoing monthly Investment Advisory Fee that relates to the number of days remaining in the calendar month on the date of an additional contribution.

Clients may withdraw assets from their account at any time, subject to the usual and customary settlement procedures. All withdrawals are first funded from the cash sweep option. Withdrawals may have tax consequences such as capital gains or other applicable taxes. If the amount maintained in the cash sweep option is not enough to meet a withdrawal request, the remaining amount of the withdrawal request will be satisfied at Brinker's discretion. No retroactive adjustment will be made to the Investment Advisory Fee for any partial withdrawals.

Clients pay the Investment Advisory Fee and other applicable fees and expenses by instructing NFS through the Client Agreement to debit automatically the Investment Advisory Fee and applicable Expenses from their account. The amount debited to pay the Expenses will appear on statements clients receive from NFS. The Expenses are first deducted by NFS from assets a client has in the cash sweep option.

The money debited from client's account for the Investment Advisory Fee will be sent by NFS to Brinker. Brinker will then pay the MMLIS Fee to MMLIS.

The mutual funds in the Brinker Program are "no load" or "load" waived mutual funds, meaning the sales charges typically associated with mutual funds will not be charged to client.

#### **Additional Client Fees**

Each client account is subject to an annual fee of \$10, which is charged at the end of June, unless the account is registered to receive both account statements and confirmations electronically before a set date of each year (currently, June 21, 2024). Accounts opened between April 1 and June 30 will be exempt from this fee until the following year. Please see Item 10 – "Incentives Relating to Electronic Delivery" for additional information about electronic delivery. Under certain circumstances, your IA-Rep may elect to pay this fee on your behalf.

Each Self-Employed 401(k) Account is subject to an annual fee of \$35, which is charged in November.

Client accounts are subject to the following brokerage termination fees (the "Termination Fees"):

- Retirement Account - \$125
- All Other Accounts (if transferred to a different firm) - \$50

Termination Fees are deducted by NFS from the proceeds at termination. The Investment Advisory Fee does not include these fees.

The amount of these fees (other than the annual fee for Self-Employed 401(k) Accounts and the Termination Fee for Retirement Accounts) are higher than the corresponding fee NFS charges MMLIS and therefore MMLIS receives additional revenue from charging these fees.

Further information regarding other charges and fees assessed may be found in the appropriate prospectus, or offering document of the security, and the Brinker Brochure. Clients may be able to pay lower expenses by investing directly in those securities.

#### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Neither MMLIS nor Brinker charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) with respect to any of the programs or advisory services discussed herein.

#### **ITEM 7. TYPES OF CLIENTS**

MMLIS provides the Brinker Capital Wealth Advisory Services to high-net worth and ultra-high net worth investors, family offices, institutions and endowments. To be eligible for the Brinker Services, clients must have at least \$1 million or more in investable assets. The Wealth Advisory program has a \$1 million dollar minimum. Clients who invest in the Wealth Advisory program may also invest in the Core Asset Manager program or the Destinations program. The Core Asset Manager program has a \$500,000 minimum. In the Destinations program, Destinations has a \$10,000 minimum and Destinations ETFh has a \$25,000 minimum. Exceptions to these minimums may be made on a case-by-case basis.

Clients are required to execute a Client Agreement and complete an application form in order to participate in the Brinker Programs. Some clients (e.g., a trust or a corporate pension plan) may be required to submit additional documentation in order to open an account.

Additional contributions are allocated initially to the cash sweep option, and will remain there until invested by Brinker in accordance with the investment strategy selected by the client. Once a client account is opened, if it is not funded within 120 days, the account will be closed without notice to the client. If the account is funded but does not meet the required minimum within 120 days of account opening, the account will be moved to a non-managed brokerage account after notice to the client.

If an account is funded to at least the account minimum and then falls below the account minimum requirement at any time and for any reason, Brinker or MMLIS may, in its discretion, close the account and, in such event, MMLIS may transfer the assets therein to a standard brokerage account. Once in a standard brokerage account, such assets will not be managed and will be subject to the fees and charges normally assessed by MMLIS on its brokerage accounts.

Clients who intend to fund their account with securities that cannot be accepted into a Brinker Program will need to liquidate those securities before transferring them into a Brinker Program. Alternatively, Brinker, in its discretion, may liquidate those securities holdings. Such liquidation of current securities holdings may have tax consequences that should be carefully considered and discussed with a qualified tax advisor before the client initiates the transfer into a Brinker Program.

If a client transfers securities that can be accepted into a Brinker Program account, Brinker may sell certain other securities in the account at its discretion to maintain the asset allocation of the account. If a client transfers certain mutual funds into the account held in a share class not available in the Brinker Program, Brinker will convert such shares into the appropriate share class available under the Brinker Program. These sales may result in a taxable event in which capital gains or other taxes apply. A client therefore should consult with a tax professional before initiating the transfer.

#### **ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Client assets in accounts in Brinker Programs are invested solely by Brinker based on Brinker's proprietary investment strategies and analyses in accordance with the Portfolio selected by the client. A client should carefully review Item 8 of Brinker's Brochure for details about Brinker's methods of analysis, investment strategies, risks and other pertinent disclosures.

Funds and strategies managed by Brinker may be selected for client accounts in the Brinker Programs. Brinker does not employ the same due diligence procedures that it applies to other fund managers and portfolio managers in evaluating itself. However, Brinker does not charge a Manager Fee Component on assets for which Brinker or a Brinker affiliate serves as the portfolio manager, which eliminates the incentive to include itself in the Brinker Programs and in a client's account and mitigates the potential conflict of interest that might otherwise arise.

Clients should understand that investing in the Brinker Programs involve risks that clients should be prepared to bear. Clients may experience loss in the value of their account under the Brinker Programs, including loss of

principal, due to market fluctuation. There is no guarantee that a client's investment objective will be achieved by participating in the Brinker Programs. Client should read carefully the Brinker Brochure, the Portfolio Manager Brochure for each selected portfolio manager, the prospectus for each selected mutual fund, and the applicable disclosure document for any other selected investment in client's account. These documents contain information regarding the fees, expenses, investment objectives, investment techniques and risks of the Brinker Programs and the investments available in the Brinker Programs. No warranties or representations are made by MMLIS concerning the benefits of investment in the Brinker Programs. Neither MMLIS nor the MMLIS IA-Reps provide legal or tax advice. Clients with tax or legal questions should seek a qualified independent expert.

#### **ITEM 9. DISCIPLINARY INFORMATION**

The following legal or disciplinary events related to MMLIS may be material to your evaluation of whether to receive investment advice from MMLIS. Please carefully review Item 9 of the Brinker Brochure for any details about Brinker.

MMLIS entered into a Consent Agreement and Order ("Order") with the Commonwealth of Pennsylvania, acting through the Department of Banking and Securities ("Department"), Bureau of Securities Licensing, Compliance and Examinations ("Bureau") for the resolution of a matter effective July 6, 2015. The Firm neither admitted, nor denied the allegations. The matter arose out of the conduct of a deceased former representative of MMLIS who operated an unapproved outside business activity through which he issued, offered and sold unregistered promissory notes to certain Pennsylvania residents. The issuance, offer and sale of the notes by the representative were not approved by MMLIS. The Bureau received five complaints and was aware of twelve notes totaling approximately \$385,000. The Firm was subject to a sanction under Section 305(a)(vii) of the 1972 Act, 70 P.S. §1-305(a)(vii) for a failure to reasonably supervise an agent of MMLIS. The Order directed MMLIS to (i) pay an administrative assessment in the amount of \$100,000; (ii) pay legal and investigative costs in the amount of \$25,000; (iii) comply with the 1972 Act, and its Regulations as adopted by the Department, 70 P.S. §1-101, et. seq; and (iv) represent to the Department that it had made payments to certain Pennsylvania residents related to the securities activities of the representative and his outside business. Payment to certain Pennsylvania residents in the amount of \$150,840.62 was made on June 30, 2015.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective November 15, 2016. FINRA made findings that the Firm disadvantaged certain retirement plan and charitable organization customers that were eligible to purchase Class A shares in certain mutual funds without a front-end sales charge ("Eligible Customers"). FINRA found that these Eligible Customers were instead sold Class A shares with a front-end sales charge or Class B or C shares with back-end sales charges and higher ongoing fees and expenses. The AWC stated that MMLIS failed to establish and maintain a supervisory system and written policies and procedures reasonably designed to ensure that Eligible Customers who purchased mutual fund shares received the benefit of applicable sales charge waivers. The AWC also stated that MMLIS failed to reasonably supervise the application of sales charge waivers to eligible mutual fund sales. FINRA found that the Firm relied on its financial advisors to determine the applicability of sales charge waivers, but failed to maintain adequate written policies or procedures to assist financial advisors in making this determination, including failing to establish and maintain written procedures to identify applicable sales charge waivers in fund prospectuses for Eligible Customers. Without admitting or denying the findings, MMLIS consented to a censure and agreed to pay restitution to investors totaling \$1,864,167.77, plus interest.

MMLIS (and three other broker-dealers affiliated with MassMutual) entered into an AWC with FINRA for the resolution of a matter effective June 30, 2017. FINRA made findings that the Firm failed to maintain certain electronic books and records in a non-erasable and non-rewritable format known as the "Write Once, Read Many" (WORM) format that is intended to prevent the alteration or destruction of broker-dealer records stored electronically. The findings also stated that MMLIS failed to (i) provide the required 90-day notice to FINRA prior to retaining a vendor to provide electronic storage, (ii) implement an audit system as required for such electronic books and records, (iii) provide letters of undertaking from independent third-parties with the ability to access and download information from the Firm's electronic storage media; and (iv) enforce written supervisory procedures concerning the Firm's storage of electronic brokerage records in WORM format. Without admitting or denying the findings, MMLIS consented to a censure and agreed to a fine in the amount of \$750,000 (to be paid jointly and severally by the three other MassMutual affiliated broker-dealers). The Firm also agreed to certain undertakings, mainly to submit to FINRA within 60 days a written plan of how MMLIS will conduct a comprehensive review of the adequacy of the relevant policies and procedures (written and otherwise), including a description of remedial measures leading to full compliance.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective March 20, 2020. FINRA made findings that the Firm failed to ensure that access to a third-party system was limited to only those former registered representatives of a company that was acquired by the Firm for whom access was agreed to be given. As a result, additional former registered representatives and associated persons of the Firm had access to the third-party

system after the acquisition. Because MMLIS was unaware that these additional registered representatives and associated persons had access to the third-party system after the acquisition, the Firm did not notify the third party when those registered representatives and associated persons ceased to be associated with the Firm. As a result, the third party did not timely shut off those former registered representatives' and associated persons' access to the third-party system. The third-party system stored customer records and information, including nonpublic personal information. Without admitting or denying the findings, the Firm consented to a censure, a fine of \$75,000, and the entry of findings that it failed to prevent certain registered and associated persons who had been terminated from the Firm from continuing to access customer records and information, including nonpublic personal information, in violation of the SEC's Regulation S-P and FINRA Rule 2010.

On September 10, 2021, MMLIS entered into an agreement and order ("Order") with the U.S. Securities and Exchange Commission ("SEC"). The Firm neither admitted nor denied the allegations in the Order. The Firm was censured and ordered to cease and desist from committing or causing violations or future violations of Section 206(2) or 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. In connection with the Order, MMLIS agreed to pay disgorgement of \$1,150,505, prejudgment interest of \$258,952.29 and a penalty of \$700,000. The Order included allegations regarding breaches of fiduciary duties by MMLIS and MSI Financial Services, Inc. ("MSI"), a formerly registered investment adviser and broker-dealer that was integrated with MMLIS in March 2017, in connection with third-party compensation that MMLIS and MSI received based on their advisory clients' investments without fully and fairly disclosing their conflicts of interest. In particular, the Order stated that during certain periods since at least March 2015, MMLIS and MSI invested clients in certain share classes of mutual funds that resulted in the firms receiving revenue sharing payments pursuant to agreements with their unaffiliated clearing broker. The SEC alleged that in spite of these financial arrangements, MMLIS and MSI provided no disclosure or inadequate disclosure of the conflicts of interest arising from this compensation. The SEC alleged that MMLIS and MSI also breached their duty to seek best execution by causing certain advisory clients to invest in share classes of mutual funds that paid revenue sharing when share classes of the same funds were available to the clients that presented a more favorable value under the particular circumstances in place at the time of the transactions. Furthermore, the Order stated that MMLIS and MSI failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices and disclosure of conflicts of interest arising out of its revenue sharing practices. As a result of the conduct described herein, the SEC alleged that MMLIS willfully violated sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

MMLIS entered into an agreement and consent order ("Order") with the Massachusetts Securities Division ("MSD") for the resolution of a matter effective September 15, 2021. The Firm neither admitted, nor denied the allegations. The MSD alleged that MMLIS failed to supervise its broker-dealer agents' posting about securities on social media, trading in outside accounts of other individuals, and excessive trading in personal accounts, and that these allegations constituted violations of Mass. Gen. Laws 204(A)(2)(J). In connection with the Order, MMLIS was censured and agreed to pay a fine of \$4,000,000. MMLIS was ordered to cease and desist from future violations of Massachusetts securities laws and engage an independent third party consultant to review policies and written supervisory procedures regarding (1) its broker-dealer agents' use of social media platforms, (2) detecting and monitoring broker-dealer agent trading in the accounts of others, and (3) monitoring of personal trading of registered agents. MMLIS also agreed to conduct compliance training and three years of annual compliance audits.

MMLIS entered into an agreement and consent order ("Order") with the Massachusetts Securities Division for the resolution of a matter effective September 15, 2021. The Firm neither admitted, nor denied the allegations. The allegations stated that MMLIS employed three hundred four (304) individuals who transacted securities business in Massachusetts, sixty-three (63) individuals who supervised MMLIS agents transacting securities business in Massachusetts, and one hundred eleven (111) agency supervisor officers who assisted in supervising agents while not registered as agents. In connection with the Order, MMLIS was censured and agreed to pay a fine of \$750,000. MMLIS was ordered to cease and desist from future violations of Massachusetts securities law and conduct a review of policies and procedures.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective December 20, 2021. The Firm was censured and ordered to pay \$617,726.28, plus interest, in restitution to impacted customers. In resolving the matter, MMLIS provided substantial assistance to FINRA and, accordingly, no monetary sanction was imposed. The AWC stated that the Firm's systems and procedures for supervising representatives' 529 plan share class recommendations were not reasonably designed. The Firm allegedly failed to provide supervisors with adequate guidance and information necessary to evaluate the suitability of representatives' 529 plan share class recommendations, and also failed to provide guidance to representatives regarding the share class suitability factors specific to 529 plan investments when recommending 529 plans. In particular, supervisors approved numerous 529 C share transactions without having access to or considering beneficiary age, a relevant factor in evaluating the suitability of 529 share-class recommendations. Moreover, the Firm did not conduct training for



representatives regarding 529 plan share classes or otherwise provide guidance with respect to the relevant suitability factors when recommending a particular 529 plan share class. The AWC also stated that the Firm failed to reasonably supervise mutual fund and 529 plan transactions for available breakpoints. The Firm's supervisory system was not reasonably designed to identify and apply all available breakpoint discounts. The Firm required its registered representatives to complete a breakpoint worksheet for Class A share purchases in mutual funds of 529 plans to identify available breakpoint discounts, but did not require breakpoint worksheets for direct or automatic contribution transactions made subsequent to an initial investment. The Firm relied on an exception report to identify missed mutual fund and 529 plan breakpoints. However, the exception report only captured transactions of \$500 or more. As a result, the AWC stated the Firm failed to have a system reasonably designed to aggregate for breakpoint purposes, customers' contributions to mutual funds and 529 plans if those contributions were in amounts less than \$500.

MMLIS entered into an agreement and consent order ("Order") with the Massachusetts Securities Division for the resolution of a matter effective August 16, 2022. The Firm neither admitted, nor denied the allegations and MMLIS was ordered to cease and desist from future violations of Massachusetts securities law. The allegations stated that MMLIS failed to: (1) reasonably supervise a representative's variable annuity sales practices, (2) ensure that its representative properly informed clients of the general terms of variable annuities recommended, and (3) ensure that its representative properly disclosed commissions received in connection with clients' purchases of variable annuities and their premium payments. In connection with the Order, MMLIS was censured and the Firm agreed to: (1) pay a fine of \$250,000, (2) make certain remediation payments to clients, and (3) conduct a review of related policies and procedures.

MMLIS entered into an AWC with FINRA for the resolution of a matter effective May 16, 2023. Without admitting or denying the findings, the Firm consented to a censure and agreed to pay a fine of \$250,000. The AWC stated that the Firm had failed to timely amend its associated persons' Forms U4 and U5 to report disclosable events, including but not limited to customer complaints and arbitrations, the disposition of complaints, criminal charges, bankruptcies, internal review and investigations, and regulatory actions. The AWC also stated that the Firm failed to establish, maintain and enforce reasonable supervisory procedures, including written supervisory procedures, to timely and accurately report regulatory events on Forms U4 and U5, the Firm's procedures were not reasonable to ensure effective communications among the Firm's departments concerning events that may warrant disclosure. In addition, the AWC stated that the Firm's system for updating previously reported customer complaints and arbitrations led to over a dozen late filings. The AWC also stated that the Firm has since recognized these deficiencies and subsequently revised its supervisory system; the Firm also implemented a new system provided by a third-party vendor designed to improve interdepartmental communication of reportable events.

MMLIS entered into a Stipulation and Consent Order in Lieu of Cease and Desist Proceedings with the State of Michigan, Department of Licensing and Regulatory Affairs, Corporations, Securities, and Commercial Licensing Bureau, effective September 26, 2023. MMLIS self-reported to the State of Michigan that it failed to properly submit necessary investment adviser representative registration application materials for an individual investment adviser representative from 2010 to 2023. The individual was registered as a broker-dealer agent during this period of time, and became registered as an investment adviser representative on or around August 6, 2023. The State alleged that MMLIS' inadvertent failure to properly submit registration materials resulted in it materially aiding violations of MCL 451.2404 by the individual. MMLIS neither admitted or denied the allegation and was ordered and agreed to: (1) pay a fine of \$10,000, (2) conduct a review of related policies and procedures, and (3) send a notification letter to impacted advisory clients notifying them of the Consent Order.

The Virginia Division of Securities and Retail Franchising issued a settlement order against MMLIS, effective October 4, 2024, in which the Division alleged that 516 MMLIS registered representatives were unregistered in the state but assigned to Virginia client accounts as of October 2021. Without admitting or denying the allegations, MMLIS agreed to pay a \$50,000 penalty and \$15,000 to defray costs of the investigation, and agreed to not violate the relevant section of the Virginia Securities Act in the future.

MMLIS consented to an AWC with FINRA, effective November 19, 2024, in which the Firm consented to sanctions and the entry of findings regarding its supervisory system, without admitting or denying the findings. The AWC stated that MMLIS' supervisory system was not reasonably designed to achieve compliance with the Firm's obligation to supervise consolidated reports for the following reasons: a) there was no system to alert supervisors when registered representatives made manual entries; b) the required supervisory review of draft reports did not include a verification of manually entered assets; and c) the Firm had no system to alert supervisors if registered representatives made brokerage account information available to customers online through the consolidated reporting system prior to supervisory review. In addition, the AWC alleged that the Firm failed to detect that a registered representative was using falsified data and fictitious accounts in the consolidated reporting system due to the lack of manual account entry review. MMLIS was censured and fined \$700,000, compensated customers for damages related to the registered representative's actions and made improvements to its supervisory system to address the stated issues.

## ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MMLIS is registered with the SEC as an investment adviser and a broker-dealer and its principal officers are registered as investment adviser representatives and/or registered representatives ("RRs") of MMLIS. In its capacity as a broker-dealer, MMLIS sells variable insurance products and general securities (including, but not limited to, stocks, bonds, municipal and government securities), and mutual funds to the public.

As part of this business, MMLIS, through its RRs (who may also be MMLIS IA-Reps), provides a broad range of securities brokerage services to customers, including persons who otherwise participate in one of the Brinker Programs. As a broker-dealer, MMLIS effects securities transactions for these brokerage customers for compensation and may recommend that customers buy or sell securities or other investment products in which MMLIS or its officers, directors, employees, RRs or MMLIS IA-Reps have a financial interest or may themselves purchase or sell. For example, MMLIS may recommend that brokerage customers purchase, among other investments, variable annuity or variable life insurance contracts issued by an affiliate.

Clients should be aware that MMLIS's and its RRs' compensation vary by product and by issuer. As noted, the products sold by MMLIS as a broker-dealer include products issued by affiliated insurance companies as well as those issued by unaffiliated issuers. Products issued by affiliates of MMLIS may pay MMLIS and/or its RRs more compensation than products issued by companies that are not affiliated with MMLIS.

The following describes the relationship or arrangement that MMLIS has with its affiliates and Brinker that may be material either to the advisory business of MMLIS or to clients participating in Brinker Programs.

### **Broker Dealers, Other Investment Advisers and Investment Companies**

In 2023, Brinker paid approximately \$1.8 million to MMLIS as part of MMLIS's Strategic Partner Program. MMLIS expects to receive a similar amount from Brinker in 2024. Please see Item 14 for information about the Strategic Partner Program.

In addition to the advisory business relationship between Brinker and MMLIS as described in Item 4 above, MMLIS has entered into other agreements with Brinker – one agreement is for a co-advisory arrangement and the other is an agreement to solicit advisory clients for Brinker. Please contact MMLIS or your MMLIS IA-Rep for additional information about these agreements.

MMLIS's management persons, including its directors and executive officers, are registered representatives and/or associated persons of MMLIS. Management persons may also be registered or associated with MMLIS's affiliated broker-dealers MML Distributors, LLC and MML Strategic Distributors, LLC and with its affiliated investment advisers, including MML Investment Advisors, LLC.

MMLIS is owned by MassMutual Holding LLC. Massachusetts Mutual Life Insurance Company ("MassMutual") is MassMutual Holding LLC's principal owner. MMLIS's registered representatives and MMLIS IA-Reps are all licensed insurance agents or brokers of MassMutual and/or other affiliated or unaffiliated insurance companies. In their capacity as insurance agents, IA-Reps earn compensation when they sell insurance products. This compensation creates a conflict of interest because IA-Reps have a financial incentive to recommend clients use their accounts as collateral for the purpose of financing insurance product premiums, including MassMutual insurance products. Additionally, to maintain their status as an agent of MassMutual, agents are required to meet minimum sales thresholds of MassMutual insurance products. Sales of MassMutual insurance products also count towards their eligibility for MassMutual health and retirement benefits, as well as rewards, recognition and trips. These compensation programs create a different conflict of interest because IA-Reps have additional financial incentives to recommend clients use their accounts as collateral to purchase MassMutual insurance products. This is also a conflict for MMLIS because our affiliates receive compensation when clients purchase insurance products from affiliated insurance companies.

MMLIS's registered representatives are all licensed to sell securities and may effect securities transactions for compensation for any client.

MML Investment Advisors, LLC acts as an investment adviser, and MML Distributors, LLC acts as principal underwriter, for certain mutual funds, including the MassMutual Select Funds, the MassMutual Premier Funds, MML Series Investment Fund and the MML Series Investment Fund II. MML Distributors, LLC is owned by MassMutual Holding LLC. MMLIS may recommend these mutual funds to clients in its broker-dealer or investment adviser capacity.

MassMutual Holding LLC is also the sole shareholder of Barings LLC ("Barings"), a registered investment adviser. MMLIS had entered into a solicitor's agreement with Barings whereby MMLIS received compensation for referring

clients to Barings for asset management services. Barings accounts have been assigned, with client's consent, to LMCG Investments, LLC (formerly known as Lee Munder Capital Group LLC). MMLIS continues to receive a referral fee on those accounts. MMLIS may also recommend that its advisory clients invest in mutual funds advised by Barings.

Recommending a mutual fund advised or distributed by an affiliate (an "Affiliated Fund") creates a conflict of interest between MMLIS and advisory clients. Investing in an Affiliated Fund results in additional compensation being paid to MMLIS and/or one of its affiliates. In many cases there are alternative funds that are available for investment that will provide clients with substantially similar exposure to the asset class or sector represented by an Affiliated Fund. MMLIS addresses this conflict of interest by disclosing it to clients, suitability reviews of recommended securities and other products and through supervision of the MMLIS IA-Reps. In addition, MMLIS generally relies on third parties to provide the underlying analysis to determine whether a mutual fund is eligible to be recommended in an advisory program.

MassMutual, directly and/or through one or more of its affiliates, owns common shares (approximately 17% of outstanding common shares) and preference shares of, and has certain shareholder rights with respect to, Invesco Ltd. ("Invesco") as a result of the sale of MassMutual's formerly affiliated asset management business, OppenheimerFunds, to Invesco. MMLIS, in its broker-dealer or investment adviser capacity, may recommend that a client invest in an investment product advised and/or distributed by one or more Invesco entities. MMLIS addresses this conflict of interest by disclosing it to clients, suitability reviews of recommended securities and other products and through supervision of the MMLIS IA-Reps. In addition, MMLIS generally relies on third parties to provide the underlying analysis to determine whether a mutual fund is eligible to be recommended in an advisory program.

Barings also issues alternative investments. MMLIS, in its broker-dealer or investment adviser capacity, may recommend that a client invest in an alternative investment issued by Barings. MMLIS addresses this conflict of interest by disclosing it to clients and supervising recommendations relating to alternative investments in compliance with its fiduciary duty to you.

As previously described, MMLIS IA-Reps receive a portion of the compensation paid to MMLIS for the services described in this MMLIS Brochure. MMLIS utilizes compensation schedules to calculate the overall compensation paid to MMLIS IA-Reps for their work associated with the Brinker programs and other offerings at MMLIS. MMLIS also has an incentive program where a MMLIS IA-Rep will receive an additional percentage of the compensation paid to MMLIS based on total client assets attributable to that MMLIS IA-Rep or the MMLIS IA-Rep's team. For these purposes, the total client assets include assets across certain advisory programs offered by MMLIS. This creates an incentive for MMLIS IA-Reps to recommend these advisory programs (including the Brinker Programs) to clients over other types of accounts or services offered by MMLIS. Also, if an IA-Rep is also a broker-dealer registered representative of MMLIS, this creates an incentive for the IA-Rep to recommend advisory accounts and the programs noted above over brokerage accounts. MMLIS addresses these conflicts of interest through clear and prominent disclosure to clients, and supervising account and program recommendations for compliance with its fiduciary duty to clients.

MMLIS is the co-underwriter for, and a distributor of, variable products of MassMutual and its subsidiaries. Such variable products are issued by separate accounts which are registered as investment companies. MMLIS may recommend these products to clients in its broker-dealer capacity.

MassMutual Private Wealth & Trust, FSB is a wholly owned subsidiary of MassMutual. MMLIS has entered into a solicitor's agreement with MassMutual Private Wealth & Trust, FSB whereby MMLIS and MMLIS IA-Reps receive compensation for referring clients to MassMutual Private Wealth & Trust, FSB for trust related services. In addition, assets managed by MassMutual Private Wealth & Trust, FSB that are attributable to an IA-Rep or an IA-Rep's team are included in the calculation that determines whether an IA-Rep qualifies to receive a higher percentage of the IA-Rep Fee and overall compensation. The referral fee and these incentive programs create a conflict of interest and an incentive for IA-Reps to refer clients to MassMutual Private Wealth & Trust, FSB over other companies that provide trust related services. MMLIS addresses these conflicts of interest by disclosing them to you, and supervising referrals for compliance with its fiduciary duty to you.

Additional information on certain related entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.A. Part 1 of Form ADV can be accessed by following the directions provided on the Cover Page of this MMLIS Brochure.

#### **Relationship with NFS**

Not all investment advisers are dually registered as broker/dealers or have affiliates that are broker/dealers. Further, not

all investment advisers that are dually registered as broker/dealers or that have affiliated broker/dealers require their clients to use the related broker/dealer as introducing broker. MMLIS has an incentive to select itself as the introducing broker-dealer for the Brinker Programs. In addition, although MMLIS is often able to obtain price improvement through its trade executions with NFS that it believes is beneficial to its clients, MMLIS's clearing relationship with NFS provides MMLIS with economic benefits by using itself as the broker/dealer and NFS as the clearing firm for accounts. For example, MMLIS receives additional compensation in the form of revenue-sharing payments from NFS as described below and in Item 5 – Mutual Funds and Revenue Share from NFS. MMLIS's agreement with NFS also provides that NFS shall pay to MMLIS incentive credits for reaching and maintaining certain levels of assets with NFS.

MMLIS receives revenue sharing payments from NFS for investments in mutual fund shares in NFS's NTF, iNTF and TF programs. MMLIS will not credit the client's Account for any revenue share payments the Firm receives in connection with that Account. If available, MMLIS, as a broker-dealer, also earns 12b-1 fees from certain mutual funds (or their related persons) for providing distribution and/or administrative services to mutual funds (which are credited back to clients' accounts). In addition, the fee MMLIS pays to NFS is based on the aggregate assets clients invest in advisory accounts, excluding any investments in NTF and iNTF mutual fund share classes, cash and cash equivalents. Please see Item 4 "Mutual Funds and Revenue Sharing from NFS" and "MMLIS Fee to NFS" of this Firm Brochure for additional information about the revenue-sharing payments MMLIS receives from NFS, 12b-1 fees and the fee MMLIS pays to NFS, and the resulting conflicts of interest.

MMLIS receives additional compensation from NFS in the form of annual recurring business development credits, based on the amount of net new assets that MMLIS customers' custodied with NFS over the previous year (including the assets in the Brinker Programs), and maintaining a certain amount of accounts and assets that MMLIS customers' custody with NFS (including the accounts and assets in the Brinker Programs). Therefore, MMLIS has an incentive to recommend products and services that will lead to more assets being custodied with NFS, including the Brinker Programs, over products and services that are custodied with other custodians. These credits are paid directly to the Firm and are not shared with MMLIS IA-Reps.

MMLIS also receives compensation from the Sweep Programs that are provided by NFS. See Item 4 of this Firm Brochure for additional information about the Sweep Programs, the compensation that MMLIS receives, and the resulting conflicts of interest.

NFS will also pay fees to attend Firm sponsored sales and/or training conferences.

This additional compensation received by MMLIS creates a conflict of interest with MMLIS's clients because MMLIS has an economic incentive to use NFS as its clearing firm for trade execution and custody over other firms that do not or would not share revenue with MMLIS. In selecting NFS as the clearing firm, MMLIS considers the full range and quality of NFS's services including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness.

This additional compensation also creates a conflict of interest because MMLIS has an incentive to recommend clients invest in advisory programs (including the Brinker Programs) for which MMLIS receives compensation from NFS over advisory programs (such as third-party programs) for which MMLIS does not receive compensation from NFS. This conflict applies to both the initial recommendation to open an account in a Brinker Program and to make subsequent contributions to such account.

MMLIS received credits from NFS when it began using NFS as its clearing firm. If MMLIS terminates its relationship with NFS before a certain period of time, MMLIS will have to pay a portion of these credits back to NFS. MMLIS will also have to pay additional fees to NFS if MMLIS terminates its relationship with NFS before a certain period of time. These repayment and payment obligations create a conflict of interest with MMLIS's clients because MMLIS has an economic incentive to continue to use NFS as its clearing firm for trade execution and custody over other firms.

Additionally, NFS has waived certain sporadic fees that MMLIS owes to NFS. This also creates an economic incentive for MMLIS to continue to use NFS as its clearing firm for trade execution and custody over other firms.

Further detailed discussion of the economic benefits MMLIS receives from its relationship with NFS can be found in this Item 10.

#### *MMLIS Sweep Program*

MMLIS provides "cash sweep" programs (each a "Sweep Program") where uninvested cash balances (such as from securities transactions, dividends, interest payments, or deposits) in a client's Account are deposited into a selected Sweep Program each business day. In certain circumstances, including periods of volatile or uncertain market conditions, any such Sweep Program may comprise all or a substantial portion of the Account assets based



on, for example, concerns about the market, a decision to pursue a defensive investment strategy, or for cash management purposes. The Firm, in its capacity as broker-dealer, selects the Sweep Program for client's Account. Please review the Program Agreement, as well as other account opening documents or if applicable, communications provided by the Firm, for information about the Sweep Program utilized for your account. The Firm provides two primary Sweep Programs for accounts in the Brinker Programs, the Advantage Cash Sweep Program ("ACS") and the Insight Cash Sweep Program ("ICS"). For the Brinker Programs, all non-retirement accounts utilize the ACS program and all individual retirement accounts (IRAs) utilized the ICS program. Accounts that are ineligible for the ACS or ICS programs will utilize a money market fund designated by the Firm as the sweep option for Client's Account. Clients utilizing a money market fund sweep option should review the fund prospectus provided for more information.

Please review the Disclosure Documents for the ACS and ICS programs provided to you for more information about how these Sweep Programs work, including limitations, restrictions, how changes are implemented and additional discussion of conflicts. For current interest rates (and fees) for the ACS and ICS programs, please contact your MMLIS IA-Rep or go to the following URL: <https://fieldnet.massmutual.com/public/mmlisi/pdfs/bdsp-elig-reg-types.pdf>. For a copy of the Disclosure Documents for the ACS and ICS programs, please contact your IA-Rep or go to the following URL: <https://www.massmutual.com/investment/mmlinvestors/>.

MMLIS receives important and significant compensation and benefits from client use of the ACS and ICS programs. The compensation we receive from these sweep programs is in addition to the advisory fees that you pay (described further below under Item 5). This means that the Firm earns two layers of fees on the same cash balances in your Account with MMLIS.

The ACS and ICS programs are multi-bank programs under which client funds not otherwise invested (e.g., cash balances) are swept into deposit accounts held at one or more participating FDIC-insured banks (and in some cases, into shares of a money market fund). Clients earn interest on such deposits (and dividends on investments in a money market fund, where applicable). The ACS and ICS programs are made available and administered by NFS and a designated administrator ("Administrator"), which both also earn fees in connection with record keeping and other services provided for the ACS and ICS programs. Fees for the ACS and ICS programs will typically exceed the interest paid on client deposits. If NFS did not earn fees in connection with the ACS and ICS programs, NFS would likely charge MMLIS higher fees for providing their clearing services.

Under the ACS and ICS programs, NFS or the Administrator generally contracts with participating banks to make specific amounts of deposit capacities available at certain all-in funding rates, which are typically tied or related to the Federal Funds Rate (or a similar type of metric, composite, index, etc.). Client interest as well as ACS and ICS program fees (i.e., the compensation received by MMLIS, NFS and the Administrator) are paid from the bank's all-in funding rates. All-in funding rates (generally a percentage applied to average daily program deposits at the bank), may be fixed, variable, subject to capacity and other requirements or a combination thereof. Capacity levels may be subject to minimums and maximums. Contract terms with each participating bank are unique and are expected to change over time. Accordingly, at any given time, participating banks will generally be paying different all-in funding rates notwithstanding interest earned by clients on their sweep deposits will not vary regardless of where their funds are actually swept. Moreover, changes in the Federal Funds Rate (or other applicable factor) will not immediately affect all-in funding rates paid or interest rates offered under the ACS and ICS programs.

The Firm sets its compensation based on grids and formulas provided by NFS and/or the Administrator, but MMLIS is solely responsible for establishing its compensation levels under ACS and ICS programs. Thus, the higher the compensation received by MMLIS, NFS and the Administrator, the less available to pay client interest. The Firm will set its compensation levels for the ACS and ICS programs based on prevailing economic and business conditions, which are subject to change at any time. It is expected that the vast majority of the all-in funding rates paid by the banks will be paid to MMLIS, NFS and the Administrator. The Firm expects its compensation for the ACS and ICS programs will generally range from 60-85% of the Targeted Federal Funds rate on ACS and ICS program deposits, and vary by the amount of uninvested funds or cash included in the ACS and ICS programs. Accordingly, the interest rate clients receive on ACS and ICS program deposits will be lower than the all-in funding rates paid by the banks under these programs and will likely be lower than the rate of return on (i) other investment vehicles that are not FDIC-insured, such as money market mutual funds and (ii) on bank deposits offered outside of the ACS and ICS programs. MMLIS may change its compensation levels for the ACS and ICS programs and any such reductions or increases may vary between clients.

The more client deposits held in ACS program and the longer such deposits are held, the greater the compensation MMLIS, NFS and the Administrator receive. Different banks participating in the ACS program pay different all-in funding rates (and are subject to different contractual requirements), creating an incentive for the Administrator to direct ACS program deposits to banks (through how the ACS program bank priority list(s) are



designed or changed from time to time) that result in the Firm receiving greater compensation. Both MMLIS and NFS receive more compensation with respect to amounts in the ACS and ICS programs than with respect to other sweep products. The fees MMLIS receives in connection with ACS and ICS programs create a conflict of interest and incentive for the Firm to offer and designate these programs as the cash sweep option for client accounts. In addition, the fees MMLIS receives in connection with the ACS and ICS program creates a conflict of interest and incentive for the Firm and your IA-Rep to recommend you maintain or maintain (if your IA-Rep has discretion), and/or increase cash balances in your Account, as cash balances in your Account increase compensation to MMLIS under the ACS and ICS programs. Please note your IA-Rep has an indirect conflict of interest due to their affiliation with MMLIS; the Firm does not share any compensation it receives from the ACS or ICS programs with your IA-Rep. The ACS and ICS programs are the only sweep options available for accounts in the Brinker programs, unless such accounts are ineligible for the ACS or ICS programs.

Banks in the ACS and ICS programs do not have a duty to provide MMLIS clients with the highest interest rates available and will instead seek to pay a lower rate, and a rate that is lower than other options available in the market, including money market mutual funds. Banks have the financial incentive to pay all-in funding rates as low as the market will permit. There is no necessary linkage between bank rates of interest and the highest rates available in the market, including any money market mutual fund rates. By comparison, a money market fund generally seeks to achieve the highest rate of return (less fees and expenses) consistent with the fund's investment objective, which can be found in the fund's prospectus.

NFS also receives an economic benefit for shares held in the "Money Market Mutual Fund Overflow" as further described in the ACS and ICS Disclosure Documents. The fee paid to NFS is for record keeping and other services with respect to amounts invested in the program. MMLIS may receive indirect benefit from investment in the Money Market Mutual Fund Overflow in the form of better contractual terms with NFS or increases to revenue sharing, credits or other payments from NFS described in this brochure.

Given the conflicts discussed above, each client should consider the importance of ACS and ICS programs to MMLIS when evaluating our total fees and compensation, and deciding whether to open an account with MMLIS and/or the Brinker Programs. MMLIS mitigates these conflicts by disclosing them to you, such as in this brochure, and by not sharing the revenue generated from these sweep programs with MMLIS IA-Reps. For more information about this service and benefits that the Firm receives in connection with such deposits, please refer to the ACS and ICS Disclosure Documents, which you can request from your IA-Rep.

In low interest rate environments, ACS and ICS program fees can exceed the interest paid on client deposits in these programs. This can result in you experiencing a negligible or negative overall investment return with respect to assets invested in the ACS or ICS Program. Please review the Disclosure Documents for the ACS and ICS programs regarding low interest rate environment scenarios.

#### *Legacy Bank Sweep Program*

For certain non-retirement accounts opened between February 1, 2023 and April 30, 2023, clients may have selected by the Firm's legacy bank deposit sweep program ("Legacy BDSP") as the cash sweep option for client's account. MMLIS earns fees from NFS on funds invested in the Legacy BDSP. MMLIS receives a higher amount in fees than client on funds invested in the bank sweep arrangement. In addition, as interest rates rise, the payment to the Firm receives from NFS increases. As a result, MMLIS has an incentive for clients to select the bank sweep arrangement Legacy BDSP as a cash sweep option. MMLIS mitigates this conflict by disclosing it in this brochure and by not sharing any fees received from the Legacy BDSP with its IA-Reps. In addition, IA-Reps do not receive any more or less compensation based on what cash sweep option is selected by a client. Clients should review the Legacy BDSP Disclosure Document for more information regarding the Legacy BDSP.

NFS and the financial institutions that participate in the Legacy BDSP also earn fees in connection with the offering and/or administering the arrangement. MMLIS is not affiliated with NFS or any of the banks participating in the Legacy BDSP. MMLIS and its affiliates may offer and provide products and services to NFS, such participating banks and each of their employees, officers, directors, agents and independent contractors in MMLIS's normal course of business.

#### *NFS Excess Trading Fee*

MMLIS does not pay transaction fees to NFS and MMLIS does not charge transaction fees to clients. However, when the number of trades in a client's account exceeds a certain threshold within a certain period of time, NFS will charge MMLIS a set fee per trade. MMLIS does not pass this fee on to the client. This presents a conflict of interest because MMLIS has an incentive to limit the number of trades in a client's account below the threshold that would lead to NFS charging MMLIS a transaction fee.

This conflict is mitigated because Brinker and the portfolio managers, not MMLIS or the MMLIS IA-Reps, have discretion to trade in client accounts.

Transactions in NTF and INTF mutual fund share classes, Fidelity funds, cash and cash equivalents are not counted towards the threshold. As a result, this conflict does not apply to transactions in these investments.

#### *Incentives Relating to Electronic Delivery*

When the number of MMLIS accounts that are custodied at NFS reach certain thresholds of adoption of electronic delivery of statements and confirmations, the percentage used to calculate MMLIS's fee to NFS decreases. In addition, NFS charges MMLIS a fee for every account that receives statements and confirmations by U.S. mail. These economic arrangements create an incentive for MMLIS to encourage clients to adopt electronic delivery (by charging fees for paper delivery, for example).

#### *Incentives Relating to Transferring Investments to an Advisory Account*

MMLIS's Registered Representatives that are also IA-Reps of MMLIS have an incentive to recommend clients transition brokerage or direct accounts to an advisory account after clients have purchased or sold investments resulting in commissions or other fees.

Except for quarterly performance reports delivered electronically to advisory account clients, MMLIS charges its Registered Representatives a fee for providing quarterly performance reports to clients. MMLIS does not charge this fee for advisory accounts. This creates an incentive for MMLIS's Registered Representatives to recommend clients transition brokerage accounts to advisory accounts.

MMLIS addresses these conflicts by disclosing them to clients and supervising account and program recommendations for compliance with its fiduciary duty to you.

#### *IRA Rollovers – Conflict of Interest and Incentive*

MMLIS and IA-Reps have a conflict of interest and incentive to recommend IRA rollovers from a 401(k) or other employer-sponsored retirement account in order to earn compensation on investment recommendations for the IRA account. Fees and costs for investments acquired for an IRA account (including the Brinker Programs), and compensation generated for us from these transactions generally are higher than those for investments and transactions in employer-sponsored retirement accounts. There are also certain benefits associated with employer-sponsored retirement accounts that are not available with an IRA account. MMLIS addresses this conflict by disclosing it to clients and supervising account and program recommendations for compliance with its fiduciary duty to you.

#### **Relationship with Brinker**

In addition to the advisory business relationship between Brinker and MMLIS as described in Item 4 above, MMLIS has entered into another agreement with Brinker to solicit advisory clients for Brinker. Please contact MMLIS or your MMLIS IA-Rep for additional information about this agreement.

Certain portfolio managers under the Brinker Programs are also Conference Partners or Strategic Partners of MMLIS. Please see Item 14 of this MMLIS Brochure for a discussion of MMLIS's Conference Partner and Strategic Partner Programs. Pursuant to these programs, MMLIS receives compensation from those firms that are Conference and Strategic Partners. Therefore, MMLIS has a financial incentive for clients to select such Conference and Strategic Partners as portfolio managers for their account under the Brinker Programs. Please note that neither MMLIS nor the MMLIS IA-Reps have discretionary authority under the Brinker Programs to select portfolio managers.

Certain MMLIS IA-Reps are also be affiliated with and provide investment advisory services, primarily financial planning services, through an investment adviser that is not affiliated with MMLIS ("Third-Party Adviser"). In that respect, such MMLIS IA-Reps may offer investment advisory programs through both MMLIS and the Third-Party Adviser. The compensation that they receive from the Third-Party Adviser for offering investment advisory services may be more or less than the compensation that they receive from MMLIS. While the investment advisory programs made available by the Third-Party Adviser may differ materially from the programs made available by MMLIS, the MMLIS IA-Reps may potentially recommend an investment advisory program that offers them the greatest compensation potential.

MMLIS receives compensation as a result of the client's participation in a Brinker Program. This compensation may be more or less than what MMLIS would earn if the client participated in other advisory programs made available by MMLIS, or if client did not participate in an advisory program and paid separately for investment advice,

brokerage, and other services. Clients should discuss with MMLIS or the MMLIS IA-Rep the variety of programs and services available through MMLIS in order to independently determine which program(s) may be appropriate for their needs.

MMLIS and its affiliates may give advice or take action in performing their duties for other clients or for their own accounts that differs from the advice provided, or in the timing and nature of action taken, with respect to clients in any investment advisory program made available through MMLIS. In addition, MMLIS and its affiliates may give advice or take action in performing their duties for one client in an investment advisory program that differs from the advice provided, or in the timing and nature of action taken, with respect to another client in the same investment advisory program.

While the client is under no obligation to purchase securities, insurance or additional products from, or through, MMLIS or its affiliates, if you choose to do so additional compensation will be paid to your MMLIS IA-Rep in his/her capacity as a registered representative and/or insurance agent as well as to MMLIS and/or its affiliates. Such compensation typically takes the form of commissions and other payment streams tied to the sale of products. As a result of such additional compensation being paid for the sale of products or services, a conflict of interest arises as the additional compensation gives the MMLIS IA-Rep an incentive to recommend products based on the compensation received, rather than on a client's needs.

In addition, your MMLIS IA-Rep may act as an insurance agent of an affiliated insurance company. He/she may sell securities or insurance products issued, sponsored, advised, underwritten, distributed, or serviced by MMLIS or one or more of its affiliates. In such cases, one or more of MMLIS's affiliates is receiving compensation in addition to the commission and/or other compensation paid to MMLIS and your MMLIS IA-Rep in connection with such securities or insurance products. Thus, your MMLIS IA-Rep has a conflict of interest when recommending the sale of affiliated securities or insurance products as a registered representative or as an insurance agent.

Certain associates of MMLIS (Investment Specialists and Wealth Strategists) receive compensation from MMLIS to provide sales support to MMLIS IA-Reps. Wealth Strategists provide sales support only in connection with advisory programs for which MMLIS serves as broker-dealer and are custodied with NFS (including the Programs) and MassMutual Private Wealth & Trust, FSB products and services. Some of the compensation for Investment Specialists may be based on criteria related to the Brinker Programs for which they provided sales support. Clients should be aware that Investment Specialists and Wealth Strategists have an incentive to favor the presentation of the Brinker Programs over products for which they do not receive compensation to MMLIS IA-Reps for their review as potential products to discuss with their clients.

MMLIS wants its clients to make an informed decision when they purchase products or receive services from a MMLIS RR or MMLIS IA-Rep. Therefore, MMLIS is disclosing material arrangements and any potential conflicts of interest that clients may find informative when making their decisions. In addition to providing disclosures to its clients, MMLIS, on an ongoing basis, communicates, trains and/or supervises its RRs and MMLIS IA-Reps on its policies and procedures regarding conflicts of interest. Nevertheless, clients should always carefully and independently review all product or program features and risks, along with any applicable disclosures before making any investment decisions.

#### **ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

MMLIS has adopted an Investment Adviser Code of Ethics ("Code") for certain persons of MMLIS in compliance with Rule 204A-1 under the Investment Advisers Act of 1940. This Code establishes required standards of business conduct, as well as policies and procedures that are reasonably necessary to detect and prevent personal trading activities that are, or might be an abuse of fiduciary duties or create conflicts of interest.

The Code requires that all MMLIS IA-Reps and certain other affiliated personnel (together, "Access Persons") acknowledge receipt and report violations of the Code. The Code sets forth standards with regard to an Access Person's personal trading and establishes general prohibitions, including but not limited to, the observance of personal trade blackout periods for certain persons. The Code places additional obligations on Access Persons including the obligation to obtain pre-approval prior to opening new investment accounts and to only hold investment accounts with certain companies that must provide the Firm with electronic feeds of account transactions. SEC rules and guidance exempt certain types of securities and transactions from Code of Ethics reporting.

The principles set forth in the Code that govern personal trading activities for Access Persons include:

- The duty at all times to place the interest of advisory clients first;
- The requirement that all covered personal trades be consistent with the Code so as to avoid any actual or potential conflict of interest; and
- The fundamental standard that individuals should not take inappropriate advantage of their positions with respect to MMLIS and/or its advisory clients.

To prevent and detect violations of the Code, MMLIS reviews transactions within accounts that have been reported by Access Persons. A copy of the Code of Ethics will be provided to any client or prospective client upon request. Please refer to the cover page of this MMLIS Brochure for our contact information.

MMLIS or the MMLIS IA-Reps may give advice or take action in performing their duties for other clients or for their own accounts that differs from the advice provided, or in the timing and nature of action taken, with respect to clients in the Brinker Programs. In addition, MMLIS and the MMLIS IA-Reps may give advice or take action in performing their duties for one client in a Brinker Program that differs from the advice provided, or in the timing and nature of action taken, with respect to another client in a Brinker Program.

Personal transactions in securities by affiliated persons of MMLIS will be subject to the procedures described in MMLIS's Code of Ethics and Compliance Manual. MMLIS may from time to time perform a variety of services for, or solicit business from, a variety of companies including issuers of securities that MMLIS may recommend for purchase or sale by its clients. In connection with providing these services, MMLIS and its affiliated persons may come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security.

Under applicable law, MMLIS and its affiliated persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, regardless of whether such other person is a client of MMLIS. Accordingly, should MMLIS or any of its affiliated persons come into possession of material nonpublic or other confidential information concerning any company, they will be prohibited from communicating such information to clients, and MMLIS will have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law.

## **ITEM 12. BROKERAGE PRACTICES**

Clients are required to establish a brokerage account through MMLIS with NFS which will act as clearing firm and custodian for client's assets under the Brinker Programs and authorize Brinker to effect all equity trades through the designated custodian unless Brinker or the portfolio manager (as applicable) determine that better execution may be obtained through an alternative broker as described below and in the Brinker Brochure. All fixed income trades are executed through brokers other than the designated custodian and Brinker and other managers have authority to select brokers to effect such trades. Custodian will act in the capacity as a clearing firm and perform centralized cashiering, bookkeeping and execution, clearing and settlement functions. Custodian will handle the delivery and receipt of securities purchased or sold in client's brokerage account, receive and distribute dividends and other distributions, and process exchange offers, rights offerings, warrants, tender offers and redemptions.

Client hereby acknowledges that directing Brinker to place trades through MMLIS and NFS may result in certain costs or disadvantages to client, either because client may pay higher commissions or other costs on some transactions than might otherwise be attainable by Brinker or a portfolio manager, or may receive less favorable execution on some transactions, or both. Not all advisers require their clients to direct brokerage transactions.

Portfolio managers in the Brinker Programs are obligated to obtain best execution for any trading associated with Client's account. In order to meet its best execution obligation, each portfolio manager may consider broker-dealers' or clearing firms' other than NFS in order to execute trades for accounts, including a broker-dealer or clearing firm affiliated with the portfolio manager. While most portfolio managers available in the Brinker Programs will utilize NFS trading capabilities to conduct trading for accounts as such trading costs are included within the Investment Advisory Fee, certain portfolio managers may periodically engage in "step-out" trading, utilizing broker-dealers or clearing firms other than NFS to obtain better execution for such trades. An account will incur costs in addition to the Investment Advisory Fee when step-out trades are executed for an account. These additional costs are reflected in the net purchase or sale price shown on the trade confirmation clients receive for the particular step-out trade but are not disclosed separately in the trade confirmation.

Please refer to the Brinker Brochure for more information on Brinker's brokerage practices.

MMLIS does not use soft dollar research or services.

Brinker attempts to effect transactions correctly and resolve any trade errors promptly and fairly. Should a trade error occur as a result of Brinker's handling of transactions for the account, and the error correction results in a gain, the gain will be kept by MMLIS. Gains that are captured due to trade errors are placed in MMLIS's general account and may be used at MMLIS's discretion, including to cover losses incurred by other clients for trade errors to the extent permitted by applicable law. If gains are not used to cover an expense within a fiscal year, such gains will be considered a profit and used for the benefit of MMLIS. If the error correction results in a loss, the loss will not be charged to the client. In addition, clients will not bear any costs associated with the correction of an error.

### **ITEM 13. REVIEW OF ACCOUNTS**

#### **Services Provided by MMLIS**

MMLIS, through the MMLIS IA-Reps, will be available during business hours to answer any questions that the client may have regarding their account and/or to provide client services. MMLIS will notify clients in writing at least quarterly to contact MMLIS if there have been any changes in their financial situation or investment objectives that

might affect the manner in which their account assets should be managed, or if the client wishes to add or modify any existing investment restrictions imposed on the client's account.

MMLIS, or the MMLIS IA-Reps, will also contact clients at least annually to review each client's account and to inquire whether anything has changed in client's financial circumstances or investment objectives that might affect the manner in which the client's account assets should be managed and if the client would like to add to, remove or modify any previously accepted investment restrictions imposed on the account.

The MMLIS IA-Rep is available on an ongoing basis to discuss the client's participation in the Brinker Programs or the client's investments in general. MMLIS will forward any updated information it receives from client to Brinker for review and assist the client in making any appropriate changes to the client's account, if necessary.

#### **Services Provided by Brinker**

Please see Item 13 of the Brinker Brochure for a description of Brinker's review of accounts and the reports Brinker provides to clients.

### **ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

MMLIS has a Strategic Partner Program with certain investment companies ("Strategic Partners") that offer mutual funds and/or ETFs that are (a) available investment options in the Brinker Programs, and/or underlying investments in a model. Certain Strategic Partners are also portfolio managers in the Brinker Programs. Strategic Partners are provided with increased access to our home office personnel, registered representatives and investment adviser representatives (referred to herein collectively as "Representatives"). This access includes some or all of the following: (1) participation in sales conferences, (2) training and education seminar sponsorship, (3) receipt of MMLIS sales information and Representative lists, (4) access to various enhanced methods of communication with our Representatives, and/or (5) other services agreed to between the Strategic Partners and MMLIS. MMLIS also publicizes Strategic Partners and their products and services in proprietary marketing materials and/or websites, as well as providing links to Strategic Partners' websites. Strategic Partners also provide support and help create targeted marketing campaigns for Representatives. You should be aware that the Strategic Partners pay MMLIS to be a part of the Strategic Partner Program, as discussed further below.

Each Strategic Partner makes cash payments to MMLIS to participate in the Strategic Partner Program. This compensation allows MMLIS to offset some of the expenses associated with offering the Strategic Partner's products and services (i.e., marketing, training and education, conferences and/or other expenses as permitted by applicable law), and gives the Strategic Partners access to resources and arrangements that we believe may enhance our Representatives' understanding of the Strategic Partner's products or services.

In 2023, Brinker made the cash payments described in Item 10 to participate as a Strategic Partner. The following investment companies also made payments to MMLIS to participate as a Strategic Partner: American Funds, BlackRock, Invesco, BNY Mellon and Fidelity, in order of largest contribution to smallest contribution (if Strategic Partners contributed the same amount, they are listed in alphabetical order). No Strategic Partner paid more than \$5 million or less than \$500,000. These Strategic Partners are expected to make similar or larger payments in 2024.

None of the cash payments described in this section are made directly to the Representatives who sell these products and services (or their managers).

Strategic Partners make payments to MMLIS based on one, or a combination, of the following: 1) a percentage of



initial and/or additional investment amount made by MMLIS customers, 2) a percentage of total assets sold by MMLIS, 3) a flat fee, 4) fee(s) for attending MMLIS conferences or events, and/or 5) other formula agreed upon between a Strategic Partner and MMLIS as permitted by applicable law.

MMLIS also has a Conference Partner Program with other investment companies that offer (1) mutual funds and/or ETFs that are (a) available investment options in the Brinker Programs, and/or (b) underlying investment options in a model, and/or (2) securities backed loans. Certain portfolio managers are also part of the Conference Partner Program. These investment companies ("Conference Partners") contribute to and/or participate in MMLIS conferences and/or training meetings attended by Representatives. They also receive increased access to Representatives. The Conference Partner tier they select and the fee that they pay determines which conferences and training programs Conference Partners participate in and the level of access they receive.

In 2023, MMLIS received payments from each of the following Conference Partners, listed in order of largest contribution to smallest contribution (if Conference Partners contributed the same amount, they are listed in alphabetical order): First Trust, Morningstar, City National Rochdale, JP Morgan, Donoghue Forlines, Franklin Templeton, LMCG, Northern Trust Asset Management, PIMCO, Russell Investments, SEI, Symmetry, and Goldman Sachs. The amount of payments from these Conference Partners ranged from \$75,000 to \$200,000. Each payment was used to offset some of the expenses of the applicable conference or training meeting. These Conference Partners are expected to make payments ranging from \$100,000 to \$250,000 in 2024. MMLIS also receives access to free educational services from Northern Trust as a result of reaching a certain threshold of assets under management by Northern Trust belonging to MMLIS clients.

MMLIS has other marketing support arrangements similar to but separate from the Strategic Partner Program described above. In 2023, MMLIS received \$500,000 or less from each of Franklin Templeton, Lord Abbett and JP Morgan (in order of largest contribution to smallest contribution). These payments are based on a percentage of assets under management belonging to MMLIS clients held by each investment company. These investment companies are expected to make similar payments in 2024.

MMLIS also received an annual conference credit of \$150,000 from NFS and expects to receive a similar payment in 2024.

MMLIS also has similar strategic partner and conference partner programs with variable annuity issuers. In 2023, MMLIS received payments from each of the following variable annuity issuers, listed in order of largest contribution to smallest contribution: Brighthouse, Equitable, Jackson National, Lincoln Financial, Allianz, Prudential, Nationwide, Corebridge Financial (formerly known as AIG), Pacific Life, and Transamerica. No company paid more than \$5 million. These variable annuity issuers are expected to make similar or larger payments in 2024. While these strategic partner and conference partner programs are unrelated to MMLIS's investment advisory business, some of the variable annuity issuers offer mutual funds and/or ETFs that are (a) available Investment Options in the Programs and/or (b) underlying investments in a model. Certain of the variable annuity issuers or their affiliates could become portfolio managers.

MMLIS has created a program by which ETF providers can pay for advisor level data on ETF assets held through MMLIS's custodian, NFS. The fixed fee paid by the ETF providers is tiered, based on the level of data purchased, not on the asset levels of that ETF provider. The purchase of this data may result in the ETF providers having a greater portion of individual ETF sales based on their use of the information they receive to influence their marketing strategy.

As a fiduciary, we endeavor at all times to put the interest of our clients ahead of our own interest. Clients should be aware that the receipt of such compensation in connection with the Strategic Partner Program, Conference Partner Program, and other arrangements described above, creates a financial incentive for MMLIS and its Representatives to favor Strategic Partners, Conference Partners and other companies that participate in these arrangements when making recommendations to clients. Specifically, MMLIS has a financial incentive to recommend the funds provided by Strategic Partners, Conference Partners and other participating companies over funds offered by entities that do not make marketing support payments to MMLIS, and to recommend the Strategic Partners, Conference Partners and other participating companies over portfolio managers that do not make marketing support payments to MMLIS or contribute to or participate in MMLIS conferences or training meetings. You should also be aware that the rate associated with marketing support and conference support payments differs among certain of the Strategic Partners, Conference Partners and other participating companies, and the basis on which the payments are calculated differs among certain of the Strategic Partners, Conference Partners, and other participating companies. Therefore, MMLIS has a financial incentive to favor those Strategic Partners, Conference Partners and other participating companies whose payment structure would result in the most compensation for MMLIS. We address this conflict by assuring that MMLIS's Representatives (or their

managers) do not share in the compensation received by MMLIS and do not receive differential compensation based on whether clients choose the mutual funds offered by Strategic Partners, Conference Partners and other companies that participate in these arrangements, or choose the portfolio managers that are Strategic Partners, Conference Partners and other companies that participate in these arrangements. Investment companies are not required to participate in MMLIS's Strategic Partner or Conference Partner Program or other similar programs for their products to be investment options in the Program.

Clients should also be aware that marketing or educational activities paid for with these payments lead to greater exposure of Strategic Partner's, Conference Partner's and other participating companies' products and services with MMLIS's RRs and MMLIS IA-Reps. Therefore, these payments create an incentive, and lead to a greater likelihood, for MMLIS or the MMLIS IA-Reps to recommend a fund of a Strategic Partner or Conference Partner (or other participating company) over the fund of another entity, or a portfolio manager who is a Strategic Partner or a Conference Partner (or other participating company) over other portfolio managers. These payments are in

addition to the fees received by MMLIS under the Brinker Programs and any distribution or servicing fees described above.

For marketing support arrangements where the payment amount is based on assets under management invested in a Strategic Partner's products, MMLIS instructs its Strategic Partners to exclude assets from (i) qualified retirement plan accounts and IRAs, and (ii) accounts for clients located in Massachusetts, from the payment calculation.

Clients should also be aware that MMLIS provides some of its affiliates with access to the marketing or education activities available to Strategic and Conference Partners without receiving payments from such affiliates.

From time to time, MMLIS and its RRs receive other compensation from fund companies that issue funds that are available in the Brinker Programs. Such fund companies sponsor their own conferences for training and educational purposes, which certain of MMLIS's RRs are invited to attend. In addition to MMLIS' RRs attending these conferences without charge, these fund companies also reimburse or pay for the travel and other related expenses incurred by MMLIS's RRs or reimburse a Firm's branch office for expenses related to dinners or events for clients and other miscellaneous business-related expenses incurred by RRs. Some fund companies provide free investment tools to RRs. These conferences, reimbursements and access to free investment tools create an incentive for MMLIS and the MMLIS IA-Reps to make available and recommend (or select on a client's behalf) the funds provided by the sponsoring fund companies. These fund companies may also provide nominal gifts to the Firm's RRs.

MMLIS enters into certain agreements with various organizations and associations pursuant to which such entities endorse financial products and services offered by or through MMLIS and its affiliates. Typically, such entities provide access to their members in exchange for a flat fee or other negotiated compensation arrangement permitted by applicable law.

MMLIS enters into marketing arrangements with third parties ("Promoters" or "Solicitors") who will receive compensation from MMLIS for referring prospective investment advisory clients to MMLIS. Where required by federal or state law, each marketing arrangement will be governed by a written agreement between MMLIS and the Solicitor. Clients who are referred to MMLIS through a Solicitor will be provided with a separate disclosure statement by the Solicitor that describes the material terms of the compensation arrangement between the Firm and the Solicitor, any material conflicts of interest resulting from the relationship between the Firm and the Solicitor, and whether the Solicitor is a client of the Firm, and any other information or document required to be provided under applicable law. The fees and expenses that MMLIS pays to a Solicitor under these referral arrangements are not passed on to referred clients, but depending on the circumstances, the existence of such marketing or referral arrangements may affect the amount of MMLIS's overall fees or its willingness to negotiate fee reductions in particular instances.

Under these marketing arrangements, a Solicitor introduces prospective clients to MMLIS or a MMLIS IA-Rep to further discuss with the IA-Rep whether MMLIS's investment advisory services, including a Brinker Program, may be appropriate for the prospective clients. The Solicitor's sole responsibility under the marketing arrangement is to refer prospective clients to MMLIS or a MMLIS IA-Rep and may not provide investment advice to prospective clients or MMLIS's clients on behalf of MMLIS or the MMLIS IA-Reps.

MMLIS, in its capacity of a broker-dealer, may refer customers to third-party investment banks and receive a referral fee from the investment bank for this service. These referrals are not made in MMLIS's capacity of an investment adviser and are not part of any investment adviser-client relationship.

MMLIS and certain banks and credit unions (collectively "Financial Institutions") have entered into alliance arrangements where employees of Financial Institutions may refer individuals who may be interested in learning more about MMLIS's advisory services to MMLIS IA-Reps. MMLIS will share a portion of the fees earned by MMLIS with Financial Institutions for referring individuals who eventually obtain advisory services from MMLIS. Employees of the Financial Institutions are not authorized to provide investment advice, or discuss the features of, or qualify individuals for, advisory services, on behalf of MMLIS. Employees of Financial Institutions may receive nominal compensation for referring individuals to MMLIS IA-Reps regardless of whether such individuals obtain advisory services from MMLIS. To the extent that a referred client participates in a Brinker Program, the compensation paid to Financial Institutions or their employees as described herein can increase or otherwise affect the fees a customer pays for obtaining advisory services from MMLIS. The fees and expenses that MMLIS pays to a Financial Institution under these arrangements are not passed on to referred clients, but depending on the circumstances, the existence of such marketing or referral arrangements can affect the amount of MMLIS's overall fees or its willingness to negotiate fee reductions in particular instances.

MMLIS and its affiliates compensate your MMLIS IA-Rep for the services described in this brochure, for other advisory services provided to customers and for the sale, renewal and servicing of various investment products. Your MMLIS IA-Rep's overall compensation includes base commissions and other forms of compensation that may vary from product to product, service to service, and/or by the amount of the assets in his or her clients' accounts. You should be aware that the amount of his or her compensation can increase in part based upon the opening of your account and the amount of assets in your account within a defined period of time. He or she also is eligible for additional cash compensation (such as medical, retirement and/or other benefits) and non-cash compensation (such as conferences, rewards, recognition, matching of charitable contributions, trips and sales support services) based upon similar criteria, including overall sales and productivity, as applicable. Your IA-Rep's manager may also offer rewards, recognition and trips based upon similar criteria. Also, MMLIS IA-Reps are required to meet minimum overall sales requirements in order to continue their affiliation with MassMutual and its affiliates and/or to continue to qualify for certain compensation arrangements described above.

In addition, certain IA-Reps are eligible for loans to assist with their transition to become insurance agents of MassMutual. If these IA-Reps achieve specified sales goals, which can include the amount of assets invested in advisory programs (including the Brinker Programs), some or all of the loan can be forgiven, or MassMutual could pay additional compensation to the IA-Rep to offset the loan repayment.

MMLIS also has a recruiting program for experienced IA-Reps that includes both an initial transition loan as well as subsequent loan amounts to incent the transition of clients and clients' assets to MMLIS, and to support practice growth after joining MMLIS. A pro rata portion of any loan will be forgiven up to seven years following the date the IA-Rep joined MMLIS, provided the IA-Rep remains associated with MMLIS. The amount of any subsequent loan is conditioned on the IA-Rep meeting certain asset and sales targets after joining MMLIS. This includes sales of mutual funds, variable annuities and other securities products, as well as commissions from MMLIS brokerage accounts, and fees and asset levels for MMLIS advisory accounts, including accounts in the Programs.

This recruiting loan program creates an incentive for participating IA-Reps to recommend the Programs over advisory programs that are not NFS Custodied Programs or otherwise do not qualify for asset and sales targets, to recommend clients retain assets in the Programs over other investments, and make additional investments in the Programs in order to meet such asset and sales targets.

MMLIS offers a loan program that IA-Reps can participate in to obtain funding to purchase another IA-Rep's securities and advisory book of business. The loan includes an initial disbursement, as well as subsequent disbursement amounts if a certain amount of acquired assets transition to MMLIS. This loan program creates an incentive for participating IA-Reps to recommend clients transition assets to MMLIS.

Certain IA-Reps receive a different level of service from MMLIS's service center. These IA-Reps receive more personalized attention from a dedicated service team. The criteria to qualify for this higher level of service is based on assets attributable to the IA-Rep that are invested in advisory programs for which MMLIS serves as the broker-dealer and are custodied with NFS (including the Brinker Programs) and Trust Accounts. Advisory Programs for which MMLIS serves as the broker-dealer and are custodied with NFS are referred to herein as the NFS Custodied Programs. The opportunity to qualify for a higher level of service creates an incentive for IA-Reps to recommend the Brinker Programs over (i) other advisory programs that are not NFS Custodied Programs, and (ii) other types of accounts and services offered by MMLIS, and to recommend larger investments in the Brinker Programs. This incentive applies to both the initial recommendation to open an account in a Program and recommendations to make subsequent contributions to such account. The IA-Reps who qualify for this higher level of service also qualify for a credit for the payment of annual registration and continuing education fees.

Therefore, your MMLIS IA-Rep has an incentive to offer you the programs referenced in this MMLIS Brochure in order to meet these requirements and qualify for these benefits and services, and to recommend that you increase the amount you have invested in such programs. Additionally, your MMLIS IA-Rep's manager is compensated by MMLIS and its affiliates generally based on overall sales goals, including those that include the Brinker Programs, achieved by the MMLIS IA-Reps whom they supervise and may qualify for additional compensation based on non-sales related factors as set by MMLIS and/or its affiliates from time to time. Other incentives based on the amount of assets invested in NFS Custodied programs apply to certain managers. Generally, the manager's compensation is aligned with that of your MMLIS IA-Rep, as noted above. MMLIS addresses these conflicts of interest by disclosing them to clients, and supervising account and program recommendations for compliance with its fiduciary duty to client.

#### **ITEM 15. CUSTODY**

The Custodian acts as qualified custodian for client funds and securities managed under the Brinker Programs. As such, the Custodian will send client statements of all activity in client's brokerage account on no less than a quarterly basis, and, if requested, written confirmations of trades executed through client's brokerage account. Client should review such statements carefully. NFS's address is 245 Summer Street; Boston, MA 02210.

Additionally, clients will have the ability to request an Account Performance Report from their MMLIS IA-Rep at any time. The report generally includes the beginning and ending account value, contributions and withdrawals, and a rate of return for a specific time period. Clients should be aware that the Account Performance Report is not an official account statement from the Custodian. It should be used only for informational purposes and should not be relied upon for making investment decisions or for tax purposes. Clients should carefully review account statements and confirmations issued by the Custodian and compare such statements against reports received from MMLIS and promptly notify MMLIS or his/her MMLIS IA-Rep upon discovery of any errors, discrepancies or irregularities.

MMLIS does not maintain physical custody of client assets under the Brinker Programs, although MMLIS may be deemed to have custody of client assets if the client gives MMLIS authority to withdraw assets from the client's account in the account opening documentation or pursuant to a standing payment instruction. Because this authority includes withdrawals in addition to deductions for fees, MMLIS is required to undergo an annual surprise inspection of its client accounts by an independent public accountant.

#### **ITEM 16. INVESTMENT DISCRETION**

Except for the selection of the cash sweep options (which MMLIS does in its capacity as broker-dealer) as described in Item 4 of this MMLIS Brochure, neither MMLIS nor the MMLIS IA-Reps exercise investment discretion over client assets in any accounts established under the Brinker Programs.

Pursuant to the Client Agreement, each client grants Brinker with full discretion over client's account. Brinker has discretion to select the portfolio managers, Funds and other investments that are eligible to be selected for a client's account; the portfolio managers, Funds and other investments for each client's account; and to determine the allocation of assets in each account among portfolio managers, Funds and other investments. Please refer to the Client Agreement and Items 13 and 16 of the Brinker Brochure for additional information concerning Brinker's investment discretion.

As discussed in Item 4 of this MMLIS Brochure, clients have the opportunity to impose reasonable investment restrictions on the investment of their assets in the Brinker Programs.

#### **ITEM 17. VOTING CLIENT SECURITIES**

MMLIS and the MMLIS IA-Reps have no obligation or authority to take any action or render any advice with respect to the voting of proxies for clients in the Brinker Programs. Please refer to Item 17 of the Brinker Brochure and the Client Agreement for details on client's obligation, if any, with respect to voting proxies or corporate actions for the securities held in client's account.

#### **ITEM 18. FINANCIAL INFORMATION**

MMLIS does not require clients to prepay its fees six months or more in advance, and therefore MMLIS is not required to include a balance sheet for our most recent fiscal year in this MMLIS Brochure. MMLIS does not have any material conditions that would impair its ability to meet its contractual commitments to clients.

Clients should review Brinker's Brochure for any disclosures that Brinker may make under this item.

## **Important Notices to Clients**

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask you for your name, address, date of birth and other information that will allow us to identify you. We may ask to see your driver's license or other identifying documents. Similarly, we will ask for identifying information and/or documents for accounts opened on behalf of an entity, rather than an individual (e.g. trusts, corporations). If you cannot provide the information or documentation we require, we may be unable to open an account or effect a transaction for you.

### **PRIVACY POLICY**

We recognize that our relationships with you are based on integrity and trust. As part of that trust relationship, we want you to understand that in order to provide our products and services to you, we must collect, use and share personal information about you. This Privacy Notice describes policies and practices about how we protect, collect and share personal information related to the financial products and services you receive from us. It also describes how you can limit some of that sharing.

#### ***We Protect Your Personal Information By:***

- Using security measures that include physical, electronic and procedural safeguards to protect your personal information from unauthorized access or use in accordance with state and federal requirements.
- Training employees to safeguard personal information and restricting access to personal information to employees who need it to perform their job functions.
- Contractually requiring business partners with whom we share your personal information to safeguard it and use it exclusively for the purpose for which it was shared.

#### ***Personal Information We May Collect:***

The types of personal information we may collect depends on the type of product or service you have with us and may include:

- Information that you provide to us on applications or forms, during conversations with us or our representatives, or when you visit our website (for example, your name, address, Social Security number, date of birth, income and assets).
- Information about your transactions with us and our affiliates, including your account balances and transactional history.
- Information from third parties such as consumer or other reporting agencies or other institutions if you transfer positions or funds to us.

#### ***We May Share All of the Personal Information We Collect, As Described Above, With:***

- Registered representatives who provide our products and services to you;
- Our affiliated companies, such as insurance or investment companies, insurance agencies or broker-dealers that market our products and services to you;
- Companies that perform marketing or administrative services for us;
- Nonaffiliated companies in order to perform standard business functions on our behalf including those related to processing transactions you request or authorize, or maintaining your account;
- Courts and government agencies in response to court orders or legal investigations;
- Credit bureaus; and
- Other financial institutions with whom we may jointly market products, if permitted in your state.

In addition, we may share certain of your personal information with your MMLIS registered representative, when he or she leaves MMLIS to join another financial institution (whom we call a "departing representative") so that he or she can continue to work with you at his or her new firm.



### **Important Privacy Choices**

MMLIS respects your privacy choices. If you prefer that we do not share your personal information about your accounts held with us with your departing representative, you can opt out of such sharing, that is, you may direct us not to do so. If you wish to opt out of the sharing of your personal information with your departing representative you may:

- Call us at 1-855-520-7715

You may make this privacy choice and contact us at any time, however, if we do not hear from you we may share your information with your departing representative as described above. If this is a joint account, if one joint owner tells us not to share information that choice will apply to the other owner or owners. If you have already told us your choice, there is no need to do so again.

Other than as described above, we will only share your personal information as permitted by law and, if the law requires us to obtain your consent or give you the opportunity to opt-out of some types of sharing, we will do so before sharing the information.

For California and Vermont residents, we will not share your personal information with your departing representative unless we receive your express consent.

If you are no longer our customer, we may continue to share your personal information as described in this Privacy Notice.

If you have questions or concerns about this Privacy Notice, please contact us at 1-855-520-7715.