

## Third Party Programs Disclosure Brochure

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March 31, 2023

This brochure provides information about the qualifications and business practices of MML Investors Services, LLC. If you have any questions about the contents of this brochure, please contact us at 1-800-542-6767 Option 1, 1. The information in this 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 MML Investors Services, LLC 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.

MML Investors Services, LLC 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

Pursuant to SEC rules, this Item summarizes the specific material changes, if any, that have been made to this MML Investors Services, LLC ("MMLIS," "the Firm," "we," "our," or "us") Form ADV disclosure brochure ("Firm Brochure") since the last annual update of the Firm's Brochure on March 31, 2022.

When required or appropriate, we will also provide clients interim summary updates of material changes to this Firm Brochure. Clients may ask for a copy of our current Firm Brochure, which includes all material changes since the previous Firm Brochure, or a summary of material changes to the previous Firm Brochure at any time, without charge by contacting 1-800-542-6767, Option 1.

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The following is a summary of material changes to this Firm Brochure since the last annual update of the Firm Brochure on March 31, 2022.

March 31, 2023 Update: Item 5 was updated to reflect that BNY Mellon is no longer a custodian option under the Morningstar Managed Portfolios Program ("Morningstar"). Item 5 was also updated to clarify the handling of fee rebates for clients withdrawing all program assets from Morningstar. Item 10 was updated to reflect MMLIS's relationships with Barings LLC, Affiliated Funds, and MassMutual Trust Company, associated conflicts of interest and how those conflicts are mitigated. Item 10 was also revised to reflect the conflict of interest presented by certain MMLIS representatives having ownership interests in Catalyst Financial Partners and how those conflicts are mitigated. Item 14 was revised to provide updated information about the Firm's Conference Partner and Strategic Partner Programs.

September 16, 2022 Update: Item 9 was updated to provide information regarding a consent order entered into by MMLIS and the Massachusetts Securities Division on August 16, 2022. The Order included findings that the Firm failed to reasonably supervise variable annuity sales practices of a MMLIS representative.

March 31, 2022 Update: Item 10 was revised to include updated information about Lenox Wealth Advisors. Item 14 was revised to provide updated information about the Firm's Conference Partner and Strategic Partner Programs.

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## 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 the Firm's principal owner. Massachusetts Mutual Life Insurance Company ("MassMutual") is MassMutual Holding LLC's principal owner.

As noted in prior updates to this Brochure, on July 1, 2016, MetLife Securities, Inc. ("MSI") was acquired by MassMutual. On March 25, 2017, MMLIS and MSI merged its registered broker-dealer and investment advisory businesses into one legal entity. Going forward, advisory and brokerage services previously provided individually by MSI and MMLIS will be collectively provided through MMLIS, the surviving registered investment adviser, as described below.

MMLIS, together with other affiliates (see Item 10 – Other Financial Industry Activities and Affiliations -- for additional information), provides a wide array of financial products and services to its clients. When appropriate, MMLIS's representatives may recommend the purchase of one or more such products or services to assist clients in pursuing their savings, insurance, investment or other financial objectives. Typically, the products or services recommended will consist of or include products or services sponsored, issued, sold, distributed, advised, or serviced by MMLIS or its affiliates.

In addition to the advisory services described in detail in this Firm Brochure, MMLIS also offers other advisory services. If you want more information about the other advisory services available through MMLIS, ask your MMLIS investment adviser representative ("IA-Rep").

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. Please talk to your IA-Rep about what advisory programs and services, or investment options within an advisory program they may recommend.

### Overview of the advisory services offered by MMLIS

The Firm makes available to you a number of proprietary and nonproprietary investment advisory programs and services. This Firm Brochure provides you with information about the Third Party Programs which include Co-Adviser/Adviser Programs and Solicitor Programs, as defined below, that are available through the Firm and the services the Firm provides in connection with these programs. If you wish to learn about other investment advisory programs and services that the Firm offers, you may contact the Firm or your Firm's IA-Rep to receive a similar Form ADV disclosure brochure for those programs and services. Such brochures are also available on the SEC's website at <http://adviserinfo.gov>.

## THIRD PARTY PROGRAMS

### Overview of the Third Party Programs

The Firm offers clients the ability to participate in various Third Party Programs. All Third Party Programs described below are sponsored by unaffiliated third party money managers, such as trust companies and investment advisers ("Third Party Advisers").

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

- 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 trade regularly;
- Your account will invest in a diversified portfolio rather than a large holding in one security or a small number of securities; and/or
- You will be participating in a long-term investment program where short-term investing and market timing is not a strategic goal.

For each Third Party Program you choose to apply for, in addition to this Firm Brochure, you will receive from your IA-Rep a Form ADV or alternative disclosure brochure, as applicable, for the Third Party Adviser ("Third Party Brochure") along with any other disclosures and application forms required by the Third Party Adviser (collectively "Third Party Program Documents"). You should carefully read and understand the Third Party Brochure and the investment management agreement for your selected Third Party Program. These documents contain important information, including, the benefits, features, risks, costs, fees, and charges associated with the Third Party Program, and the various investment options available under the program. You should also review the informational guide that you will receive from your IA-Rep entitled "Additional information about MML Investors Services Wealth Management Offerings" ("Informational Guide"). The Informational Guide contains important information and disclosures about the Firm. Your IA-Rep will also provide you with the IA-Rep's Form ADV2B Brochure Supplement, which you should also review.

You should be aware that any description or summary of any particular Third Party Program or Third Party Adviser in this Firm Brochure is provided to you for informational purposes only and is not intended to replace or summarize any information or disclosure in the Third Party Program Documents or the Third Party Brochure. You should only rely on the Third Party Program Documents along with any product prospectus, offering documents or other materials provided by the issuer of the Investment Option(s) when making investment decisions.

Unless otherwise noted, any defined term used in a Third Party Program description below applies only to that particular Third Party Program. Your participation in a Third Party Program is also subject to the Third Party Adviser's discretion and approval.

There are two categories of Third Party Programs:

- Co-Adviser/Adviser Programs** – the Firm has entered into agreements with various Third Party Advisers as listed below. These programs are available to individuals and institutions and the Firm will act as a co-adviser, or in some instances, sole adviser to you with the Third Party Adviser that is sponsoring the Third Party Program. Depending on the Co-Adviser/Adviser Program, Third Party Advisers may also make available to clients certain unaffiliated investment advisers who, instead of the Third Party Adviser, will manage client assets in the Account. Please see below for a more detailed description.
- Solicitor Programs** - the Firm has entered into solicitor agreements with various Third Party Advisers. The Firm refers individuals, business entities and certain fiduciaries to these Third Party Advisers, so that they, if they so choose, can open an investment advisory account ("Account") under the Third Party Adviser's Solicitor Program. The Third Party Advisers are solely responsible for establishing and maintaining the Solicitor Programs and for investing client assets in their Accounts. Depending on the Solicitor Program, Third Party Advisers may also make available to clients certain unaffiliated investment advisers who, instead of the Third Party Adviser, will manage client assets in the Account.

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

As of December 31, 2022, MMLIS' assets under management (for all advisory programs, including the Co-Adviser/Adviser Programs) were:

Discretionary	\$32,469,266,654
Non-Discretionary	<u>\$26,317,784,512</u>
<b>Total</b>	<b>\$58,787,051,166</b>

The Firm does not manage assets in the Solicitor Programs. Therefore, the Firm does not have any AUM under the Solicitor Programs.

## **Co-Adviser/Adviser Programs**

The following is a list of Co-Adviser/Adviser Programs available through the Firm:

- MORNINGSTAR MANAGED PORTFOLIOS PROGRAMS – Mutual Fund Strategies, ETF Strategies, Active/Passive Strategies, Select Equity Strategies
- SEI PROGRAMS - Mutual Fund Strategies, Distribution Focused Strategies, Managed Account Solutions (please note that as of April 1, 2019, any new account opened in an SEI Program will be a co-adviser account)
- UNIFIED TRUST WEALTH MANAGEMENT SERVICES PROGRAM
- MANNING & NAPIER PROGRAM

MMLIS previously made other Co-Adviser/Adviser Programs available through the Firm that were closed to new accounts prior to March 27, 2017. Please see the MMLIS Legacy Brochure for information about these programs, including certain SEI programs.

MSI previously made other Co-Adviser/Adviser Programs available through the Firm that are closed to new business as of March 27, 2017. These include Buckingham Strategic Partners Advisory Services Programs. Buckingham Strategic Partners was formerly known as Loring Ward. Additional information about these programs is included in this Firm Brochure.

## **General overview of the services offered by the Third Party Adviser**

Depending on the Co-Adviser/Adviser Program, the Third Party Adviser does one or more of the following: construct model portfolios (each is a "Portfolio") with various investment objectives; select and monitor mutual funds, exchange traded funds ("ETFs"), money managers and/or other securities ("Investment Options"), as permitted, for inclusion in the program; and/or allocate, manage and in some programs rebalance client assets in accordance with the Portfolio selected by the client. The client should review the Third Party Brochure for the client's chosen Co-Adviser/Adviser Program for more information about the Third Party Adviser's role.

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

## **Overview of the services offered by the Firm**

An IA-Rep will work with the client to select an appropriate Co-Adviser/Adviser Program based on a number of factors, including but not limited to the client's financial needs, preferences and cost. Once a Co-Adviser/Adviser Program has been selected by the client, the IA-Rep will utilize a fact gathering worksheet such as an investor profile questionnaire or client profiling kit, provided by the Third Party Adviser to gather information about the client. This information will be input into investment tools or other software provided by the Third Party Adviser to prepare an investment proposal. The investment proposal recommends a Portfolio to the client for the Co-Adviser/Adviser Program.

The client may accept or reject the IA-Rep's recommendation concerning participation in one or more of the Co-Adviser/ Adviser Programs or the IA-Rep's Portfolio recommendation. The IA-Rep will educate the client about the features, advantages, disadvantages, risks and costs associated with the Co-Adviser/ Adviser Program the client selects. The IA-Rep will also assist the client in completing the application and paperwork required by the Co-Adviser/Adviser Program and initiate the steps necessary for the client to participate therein. The IA-Rep will also answer basic questions regarding the Co-Adviser/Adviser Program. The IA-Rep will forward to the Firm all account opening documentation and information, including any reasonable investment restrictions requested by the client. The Firm will then forward such documentation to the Third Party Adviser for review and approval. The Third Party Adviser is solely responsible for reviewing, accepting or rejecting and observing any reasonable investment restrictions imposed by the client.

The Firm will contact clients at least annually to inquire whether anything has changed in the 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 Co-Adviser/Adviser Program(s) and the client's Portfolio(s) are still appropriate and consistent with the client's financial circumstances and investment objectives. In addition, if the client has granted the Third Party Adviser investment discretion under an applicable Co-Adviser/ Adviser Program, the client has the ability to add or modify any previously accepted investment restrictions imposed on the Third Party Adviser. The IA-Rep also is available on an ongoing basis to discuss the client's participation in the Co-Adviser/Adviser Program(s) or the client's investments in general. The Firm will forward any updated information it receives from the client to the Third Party Adviser 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.

The Firm does not serve as a broker-dealer for the client's Co- Adviser/Adviser Program account, and hence, does not effect trades in connection with the securities held in client's account.

For more information on the roles and responsibilities of the Firm and the Third Party Adviser, please review the investment management agreement ("Program Agreement") and the Third Party Brochure.

#### **Co-Adviser/Adviser Program Termination**

The Program Agreement will continue in effect until terminated by either the client, the Firm, or the Third Party Adviser. Generally, termination requests must be made in writing to the other party or parties. Clients can terminate an Account by submitting a written request to the Firm.

Upon termination by the client, the Third Party Adviser will direct the Custodian to deliver cash and securities held in the client's program account as instructed by the client. If the client's account is liquidated as a result of a termination for any reason, proceeds will be payable to the client upon settlement of all transactions in the account.

In the event a Co-Adviser/Adviser Program or Account is terminated by the Firm or Third Party Adviser, clients will be notified and will need to contact their Investment Adviser Representative to make other arrangements.

#### **Solicitor Programs**

##### **General overview of the services offered by the Third Party Adviser**

Depending on the Solicitor Program, the Third Party Adviser provides one or more of the following services: construct model portfolios (each is a "Portfolio") with various investment objectives; select and monitor mutual funds, ETFs, money managers and/or other securities ("Investment Options"), for inclusion in the Solicitor Program; and/or allocate, manage and in some Solicitor Programs, rebalance client assets in accordance with the Portfolio selected by the client. Following the Third Party Adviser's approval of the client's application to open an Account with the Third Party Adviser, such client will be a client of the Third Party Adviser. The Third Party Adviser will allocate the client's funds in accordance with client's selected Portfolio, and client's assets in the account will be managed and monitored by the Third Party Adviser.

##### **Overview of the services offered by the Firm**

An IA-Rep will assist the client in selecting an appropriate Solicitor Program based on a number of factors, including but not limited to the client's financial needs and condition, preferences and cost. The IA-Rep will provide information about the features, risks and costs associated with participating in a Solicitor Program generally, or a particular Solicitor Program in which the client wishes to participate, and answer any general questions that the client may have about the Solicitor Programs. Once the client has chosen a Solicitor Program, the IA-Rep will utilize a fact gathering worksheet such as investor profile questionnaire or client profiling kit, provided by the Third Party Adviser to gather information about the client. This information will be input into investment tools or other software provided by the Third Party Adviser to prepare an investment proposal. The investment proposal recommends to the client a Portfolio and the applicable Investment Options for the Portfolio for the selected Solicitor Program.

Where permitted by the Third Party Adviser, the Firm, through the IA-Rep, may assist the client to make modifications to the recommendations made by the Third Party Adviser through the proposal system. Such modification may include the selection of additional or alternative money managers and/or portfolio strategists to the ones recommended by the Third Party Adviser's proposal system and the ability to select a different portfolio/



investment option that was recommended by the Third Party Adviser's proposal system. The client will be advised by the IA-Rep if the IA-Rep has the flexibility to offer client such limited service, and client should be aware that such limited services are not offered on behalf of the Third Party Adviser of such Solicitor Program.

The client is free to accept or reject the IA-Rep's recommendation concerning participation in a Solicitor Program or the Portfolio and the Investment Options recommended by the Third Party Adviser through the investment proposal.

The IA-Rep will also assist the client in completing the application and any other paperwork required by the Third Party Adviser and provide the client with any applicable Third Party Program Documents, including the Third Party Brochure, for the selected Solicitor Program. The IA-Rep will also provide the client with a solicitor disclosure statement ("Solicitor Disclosure Statement"), required by the Investment Advisers Act of 1940, as amended, which explains, among other things, the relationship between the Third Party Adviser and the Firm, a description of the services provided by the Firm under the Solicitor Program selected by the client, and material terms of the compensation arrangement among the Third Party Adviser, the Firm and the IA-Rep under the Solicitor Program.

The Firm will forward all of the Account application and information, including any reasonable investment restrictions that the client requests to be imposed on the Third Party Adviser with respect to its management of the client's Account, to the Third Party Adviser for review and approval. The Third Party Adviser is solely responsible for deciding whether to accept the client's application to participate in its Solicitor Program and for accepting or rejecting and observing any reasonable investment restrictions that the client may impose.

Once the Account is opened and depending on the Solicitor Program, either the Firm, through the IA-Rep, or the Third Party Adviser will attempt to contact the client at least annually to discuss client's participation in the Solicitor Program. This contact is designed to inquire whether anything has changed in the financial circumstances or investment objectives of the client that might affect the manner in which the Account assets should be managed by the Third Party Adviser. If the client had granted the Third Party Adviser with investment discretion under an applicable Solicitor Program, the client will have the ability to add or modify any previously accepted investment restrictions imposed on the Third Party Adviser. The IA-Rep also is available on an ongoing basis to discuss client's participation in the Solicitor Program. If the Firm is responsible for contacting the client, the Firm through its IA-Rep, will contact the client and will forward any updated information it receives from the client to the Third Party Adviser for review. If the Third Party Adviser is responsible for contacting the client, the client will be notified directly by a representative of the Third Party Adviser.

The Firm does not serve as a broker-dealer for client's Account under the Solicitor Program and does not effect trades in connection with the securities held in the Account. Please refer to the Third Party Program Documents for details on the Account's custodian and the brokerage arrangement and services associated with the client's Account.

#### ***Solicitor Program Termination***

If a client wishes to close an Account under a Solicitor Program or to terminate the relationship with a Third Party Adviser, client should contact the Third Party Adviser of the selected Solicitor Program and refer to the Third Party Program Documents for the specific Solicitor Program, for all applicable terms and conditions.

At any time, clients have the ability to request that the Firm, and the Firm also has the ability to, cease providing clients with Firm services, as described in this Firm Brochure upon written notice to the other party and to the Third Party Adviser.

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

IA-Reps receive a portion of the compensation paid to MMLIS for the services described in this Brochure. MMLIS utilizes compensation schedules to calculate the overall compensation paid to IA-Reps for their work associated with the Third Party Programs and other offerings at MMLIS.

The compensation paid to MMLIS and IA-Reps creates an incentive for MMLIS and IA-Reps to recommend the programs described in this Firm Brochure over other types of accounts or services offered by MMLIS and, because the amount of compensation increases as the amount of assets in each account increases, to recommend larger investments in these 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.

#### ***Co-Adviser/Adviser Programs***

The specific manner in which advisory fees are charged by the Firm for each Co-Adviser/Adviser Program listed in Item 4 above is established in a written agreement between the client and the Firm. Please refer to the applicable

Third Party Brochure and the investment management agreement between the client and the Third Party Adviser for details on how such Third Party Adviser charges fees to the client under the Co-Adviser/Adviser Program.

Where the fees charged under any of the Co-Adviser/Adviser Programs are for advisory, execution and other services, clients should understand that such bundled or "wrap" fees may cost more or less than purchasing such services separately, assuming the services can be purchased separately.

Additionally, clients may purchase securities without participating in a Co-Adviser/Adviser Program, 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 Co-Adviser/Adviser Program. However, clients will not receive the services provided under the Co-Adviser/Adviser Program if they choose to do so. The advisory fee a client pays may be higher than those charged by the Firm for other advisory programs offered through the Firm, or higher than those charged by other sponsors of comparable programs.

In addition to the advisory fees described below, the client may incur additional fees and expenses to participate in the Co-Adviser/Adviser Programs. For instance, if the Co-Adviser/Adviser Program invests client assets in securities such as ETFs, mutual funds or closed-end funds, clients will be subject to the fees and expenses of such securities, which are generally established by each fund's board of directors and are subject to change. These include administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses. Clients should read such securities prospectus, Statement of Additional Information, offering statements and/or other offering documents, if any, for a complete explanation of applicable fees and expenses.

The client should review the specific Third Party Brochure for a description of all fees and charges that Third Party Advisers may assess for their respective Co-Adviser/Adviser Programs.

To the extent that assets used for participation in a Co-Adviser/Adviser Program come from the redemption of non-program 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 following section contains a general description of the compensation received by the Firm and the Third Party Advisers. Please note, where the Firm acts as a co-adviser or adviser, the name of the program is specifically referenced.

#### **MORNINGSTAR MANAGED PORTFOLIOS PROGRAMS**

The total advisory fee that the client pays to participate in one of the Morningstar Managed Portfolios Programs ("Morningstar Programs") is comprised of Morningstar's fee ("Morningstar Fee"), fees charged by a third party custodian ("Custodian Fee"), MMLIS's advisory fee ("MMLIS Fee"), and MMLIS's administrative fee ("MMLIS Administrative Fee," collectively with the Morningstar Fee, the Custodian Fee, the MMLIS Fee and the MMLIS Administrative Fee, the "Program Fee").

The Morningstar Fee includes Morningstar's advisory fee and fees for other services performed or provided by Morningstar for client's account. The Custodian Fee includes the Custodian's fee for clearing, custody and brokerage related services for client's account. The Morningstar Fee, the Custodian Fee and any other applicable charges, for each program, are described in Morningstar's Third Party Brochure and are set solely by Morningstar (or Custodian, as applicable). Morningstar may also receive management and administration fees from its proprietary mutual funds comprising the Portfolios based on the assets under management in each mutual fund within the Mutual Fund Strategies and the Active/Passive Strategies.

If a client's account is custodied through Charles Schwab, for certain of the Morningstar programs, clients may select either an asset-based pricing fee or a transaction-based pricing fee for the custodial portion of the Morningstar Fee. These fees are described in documents clients will receive during the account opening process.

The MMLIS Fee covers the advisory services that the Firm provides to the client under the Morningstar Programs pursuant to the agreement between the Firm and the client. The MMLIS Fee is generally between .25% and 1.10% and is negotiable. In the Firm's sole discretion, the Firm may lower the MMLIS Fee for certain client Accounts based on factors including but not limited to account size and client's affiliation with the Firm.

Charles Schwab and Pershing Advisor Solutions ("Pershing") are the custodians for the Morningstar Programs. The initial Program Fee is billed directly by the Custodian shortly after the end of the calendar quarter. The initial Program Fee is calculated by the Custodian from the date that the account is opened until the end of the calendar quarter. Thereafter, for Mutual Fund Strategies, ETF Strategies, Active/Passive Strategies and Select Stock Strategies custodied through Charles Schwab and Pershing, Program Fees are deducted by the Custodian in

advance at the beginning of each quarter based on the previous quarter-ending value of the assets as calculated by the Custodian. The Custodian is also responsible for deducting all fees, expenses and/or charges associated with the Account and the securities in the programs, if applicable. Morningstar will forward the MMLIS Fee to the Firm each quarter. Clients may make additional contributions to, or withdraw assets from their Accounts in any amount at any time, subject to the usual and customary settlement procedures. If an Account is terminated during a quarter, such as by the client making a full withdrawal of program assets, rebates of fees deducted in advance of the quarter will be processed monthly.

The MMLIS Administrative Fee covers the expenses that the Firm incurs in connection with the Morningstar Programs. The MMLIS Administrative Fee is not negotiable, and the fee is calculated as a percentage of the market value of the client's Morningstar Program account. This percentage decreases as the market value of client's Morningstar Program account increases. For Mutual Fund Strategies, the maximum MMLIS Administrative Fee is 0.15%, for ETF Strategies, the maximum MMLIS Administrative Fee is 0.14%, and for Select Stock Strategies, the maximum MMLIS Administrative Fee is 0.20%. The MMLIS Administrative Fee does not apply to accounts that were opened through MSI prior to March 27, 2017. The maximum MMLIS Administrative Fee for Mutual Fund Strategies for accounts that were opened prior to January 2019 was 0.17%.

There may be other fees and expenses associated with the Morningstar Programs other than those disclosed in this Brochure. For a more complete description of all fees and charges under the Morningstar Programs, please read the Morningstar Disclosure Brochure.

### **THE SEI PROGRAMS**

The following SEI Programs are available through the Firm: Mutual Fund Strategies, Distribution Focused Strategies, and Managed Account Solutions Program ("MAP").

#### **SEI Mutual Fund Strategies and Goals-Based Mutual Fund Strategies Programs**

The total advisory fee that the client pays to participate in SEI's Mutual Fund Strategies programs is comprised solely of MMLIS's advisory fee ("MMLIS Fee").

The MMLIS Fee covers the advisory services that the Firm provides to the client under the SEI Mutual Fund Strategies and Goals-Based Mutual Fund Strategies Programs, pursuant to the agreement between the Firm and the client. The MMLIS Fee is generally between .25% and 1.30% and is negotiable (for accounts open prior to June 10, 2017, the MMLIS Fee is generally between .25% and 2.00% and was negotiable). In the Firm's sole discretion, the Firm may lower the MMLIS Fee for certain client accounts based on factors including, but not limited to, account size and client's affiliation with the Firm.

SEI does not receive an advisory fee directly from clients who participate in the SEI's Mutual Fund Strategies programs. Instead, SEI receives management and administrative fees from its proprietary mutual funds comprising the Portfolios based on the assets under management in each mutual fund. The purchase of mutual funds is subject to fees and expenses that are described in each fund's prospectus and that are in addition to the MMLIS Fee paid to the Firm under the program. These include investment advisory, administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses. Clients in SEI's Mutual Fund Strategies programs pay their pro rata share of such fees and expenses. Mutual fund fees are established by each mutual fund's Board of Directors and are subject to change.

#### **SEI MAP and Distribution Focused Strategies Program**

The total advisory fee that the client pays to participate in the SEI's MAP and Distribution Focused Strategies Program is comprised of SEI's fee ("SEI Fee") and MMLIS's fee ("MMLIS Fee" and collectively with SEI Fee, the "Program Fee").

The MMLIS Fee covers the advisory services that the Firm provides to the client under the SEI Managed Account and Distribution Focused Strategies Program, pursuant to the agreement between the Firm and the client. The MMLIS Fee is generally between .25% and 1.30% and is negotiable (for accounts open prior to June 10, 2017, the MMLIS Fee is generally between .25% and 1.50% and was negotiable). In MMLIS's sole discretion, the Firm may lower the MMLIS Fee for certain client accounts based on factors including but not limited to account size and client's affiliation with the Firm.

The SEI Fee includes SEI's advisory fee, fees for clearing, custody and brokerage-related services for client's account, and, in the case of MAP, fees for each SEI program manager. The SEI Fee for each program is described in SEI's Third Party Brochure and is set solely by SEI.

#### **All SEI Programs**

The initial Program Fee is billed directly by SEI Trust, who acts as the custodian ("Custodian") and is an affiliate of SEI



Investments shortly after the end of the calendar quarter. The initial Program Fee is calculated by the Custodian from the date that the account is opened until the end of the calendar quarter. Thereafter, Program Fees are deducted by the Custodian in arrears at the end of each quarter based on the quarter-ending value of the assets as calculated by the Custodian. The Custodian is also responsible for deducting all fees, expenses and/or charges

associated with the Account and the securities in the programs, if applicable. SEI will forward the MMLIS Fee to the Firm each quarter.

The Firm charges IA-Reps an annual administrative fee for each SEI Program account they open. This fee covers the expenses that the Firm incurs in connection with making the SEI Programs available and for the services that the Firm provides to IA-Reps. The administrative fee is calculated as a percentage of the market value of the client's SEI Program account. The Firm shares a portion of the MMLIS Fee with the IA-Rep assigned to the client's SEI Program account. The administrative fee is deducted from the MMLIS Fee before the IA-Rep receives his or her portion. While clients are not billed for this annual administrative fee, it is paid out of a portion of the MMLIS Fee. Therefore, IA-Reps have a financial incentive to charge clients a higher MMLIS Fee in order to cover the administrative fee. The administrative fee does not apply to any SEI Program accounts that were opened through MMLIS prior to March 27, 2017.

Clients may make additional contributions or withdraw assets in their accounts in any amount at any time, subject to the usual and customary settlement procedures. If an account is terminated during a quarter, such as by the client making a full withdrawal of program assets, the fees due for advisory services provided from the end of the prior quarter to the day of termination will be assessed prior to the distribution of account assets.

There may be other fees and expenses associated with the SEI Programs other than those disclosed in this Firm Brochure. For a more complete description of all fees and charges under the SEI Programs, please read the SEI Disclosure Brochure.

#### **AMERICAN TRUST**

In the American Trust Wealth Management Services Program, (formerly known as Unified Trust prior to its acquisition by EdgeCo Holdings, L.P. and merger into American Trust Company) client fees are charged quarterly in arrears and are based on the account's average daily balance for the quarter. MMLIS and American Trust may negotiate their respective fees with clients. The maximum annual client fee is 1.95% and includes the "Advisory Fee", and "Program Fee." In addition to the maximum annual client fee the American Trust Wealth Management Services program includes an "Execution Fee" for brokerage account transactions of \$.02 per share or \$7.50 per trade (whichever is greater) on non-mutual fund assets. The Advisory Fee for the American Trust Wealth Management Services Program ranges from 0.30% to 1.20% and is paid to MMLIS. The Program Fee is tiered as follows: 0.75% for the portion of the account under \$500,000, 0.65% for the next \$500,000, and 0.50% on amounts over \$1 million. The Program Fee is paid to American Trust. American Trust reserves the right to charge the greater of the Program Fees listed or \$500.00. Clients electing to participate in the Unified Income Plan may be assessed an additional 0.10% fee.

#### **THE MANNING & NAPIER PROGRAM**

The following strategies offered by Manning & Napier Advisors, LLC ("Manning & Napier") are available through one IA-Rep of the Firm: Objectives-Based, Fixed Income, Equity, and Multi-Manager.

The total advisory fee that the client pays to participate in the Manning & Napier Program is comprised of Manning & Napier's fee ("Manning & Napier Fee"), MMLIS's fee ("MMLIS Fee"), and the Custodian's fee ("Custodian Fee") (collectively, the "Program Fee").

The Manning & Napier Fee covers the discretionary portfolio management services that Manning & Napier provides to the client, pursuant to the agreement between Manning & Napier and the client. The Manning & Napier Fee and any other applicable fees and charges are described in Manning & Napier's Third Party Brochure and is set solely by Manning & Napier.

The MMLIS Fee covers the advisory services that the Firm provides to the client under the specific Manning & Napier Program pursuant to the agreements between the Firm and the Client, and the IA-Rep and the Client. The MMLIS Fee under the Manning & Napier Program is generally between .15% and 1.25% and is negotiable. In the Firm's sole discretion, the Firm may lower the MMLIS Fee for certain client accounts based on factors including but not limited to account size and client's affiliation with the Firm.

The Custodian Fee covers the custody and safekeeping services that the Custodian provides to the client's account, pursuant to the agreement between Custodian and the client.

The Program Fee does not include any fees for clearing and brokerage-related services.

The initial Program Fee is billed shortly after the account is opened and debited by the Custodian. The initial Program Fee is calculated from the date that the account is opened until the end of the calendar quarter. Thereafter, Program Fees are deducted by the Custodian in advance for the next calendar quarter based on the value of the assets as calculated by the Custodian at the end of the prior calendar quarter. The Custodian is also responsible for deducting all fees, expenses and/or charges associated with the Account and the securities in the program, if applicable.

Manning & Napier will forward the MMLIS Fee to the Firm each quarter.

Clients may withdraw assets from their Account at any time, subject to the usual and customary settlement procedures. If an Account is terminated, Manning & Napier will calculate and refund to clients a pro rata portion of any pre-paid, but unearned fee for the current quarter. The amount refunded to clients will be based on the number of days remaining in the quarter after the date of termination. There are no refunds for partial withdrawals.

#### **BUCKINGHAM STRATEGIC PARTNERS ADVISORY SERVICES PROGRAMS (CLOSED TO NEW ACCOUNTS)**

The Firm offers the following programs from Buckingham Strategic Partners Advisory Services: Structured Investing Portfolio Services and Structured Investing Advantage Program.

##### **Structured Investing Portfolio Service**

The total advisory fee that the client pays to participate in the Structured Investing Portfolio Services Program, is comprised of Buckingham Strategic Partners' fee ("Buckingham Strategic Partners Fee") and MMLIS's fee ("MMLIS Fee" and collectively with Buckingham Strategic Partners Fee, the "Program Fee").

The MMLIS Fee covers the advisory services that the Firm provides to the client under the Structured Investing Portfolio Services program, pursuant to the agreement between the Firm and the client. The MMLIS Fee is generally between .25% and 1.10% and is negotiable. In the Firm's sole discretion, the Firm may lower the MMLIS Fee for certain client accounts based on factors including, but not limited to, account size and client's affiliation with the Firm.

The Buckingham Strategic Partners Fee includes Buckingham Strategic Partners' advisory fee for advisory related services for the client's account. The Buckingham Strategic Partners Fee is described in Buckingham Strategic Partners' Third Party Brochure and is set solely by Buckingham Strategic Partners.

##### **Structured Investing Advantage Program**

The total advisory fee that the client pays to participate in Buckingham Strategic Partners' Structured Investing Advantage Program is comprised solely of MMLIS's advisory fee ("MMLIS Fee").

The MMLIS Fee covers the advisory services that the Firm provides to the client under the Structured Investing Portfolio Services Program pursuant to the agreement between the Firm and the client. The MMLIS Fee is generally between .25% and 2.00% and is negotiable. In Firm's sole discretion, the Firm may lower the MMLIS Fee for certain client accounts based on factors including, but not limited to, account size and client's affiliation with the Firm.

Buckingham Strategic Partners does not charge clients an advisory fee for participating in the Structured Investing Portfolio Services Program. Instead, Buckingham Strategic Partners receives management and administrative fees from its proprietary mutual funds comprising the Portfolios based on the assets under management in each mutual fund. The purchase of mutual funds is subject to fees and expenses that are described in each fund's prospectus and that are in addition to the MMLIS Fee paid to the Firm under the program. These include investment advisory, administration, distribution, transfer agent, custodial, legal, audit and other fees and expenses. Clients in this program pay their pro rata share of such fees and expenses. Mutual fund fees are established by each mutual fund's Board of Directors and are subject to change.

##### **For Both Programs**

Under both Programs, the Buckingham Strategic Partners Fee, if applicable, and MMLIS Fee do not include transaction charges payable to the custodian and/or broker dealer. Clients can review the Structured Investing Custodial Comparison chart with their IA-Rep for the transaction charges associated with each Custodian offered through the programs.

The initial Program Fee is billed directly by a third party custodian ("Custodian") shortly after the account is opened. The initial Program Fee is calculated by the Custodian from the date that the account is opened until the end of the calendar quarter. Thereafter, Program Fees are deducted by the Custodian in advance for the next calendar quarter based on the value of the assets as calculated by the Custodian at the end of the prior

calendar quarter. The Custodian is also responsible for deducting all fees, expenses and/or charges associated with the Account and the securities in the programs, if applicable. Buckingham Strategic Partners will forward MMLIS's Fee to the Firm each quarter.

Clients may make additional contributions or withdraw assets from their Account at any time, subject to the usual and customary settlement procedures. If an Account is terminated, the custodian will calculate and refund to clients a pro rata portion of any pre-paid, but unearned fee for the current quarter. The amount refunded to clients will be based on the number of days remaining in the quarter after the date of termination. There are no refunds for partial withdrawals.

There may be other fees and expenses associated with the Buckingham Strategic Partners Programs other than those disclosed in this Brochure. For a more complete description of all fees and charges under the Buckingham Strategic Partners Programs, please read the Buckingham Strategic Partners Disclosure Brochure.

## **SOLICITOR PROGRAMS**

As described in Item 4, the Firm has entered into solicitor agreements with various Third Party Advisers. The Third Party Adviser will pay the Firm a referral fee ("Referral Fee") if a client opens an Account with the Third Party Adviser and the Firm provides the client with the services described in Item 4 of this Firm Brochure.

Prior to, or at the time of, the referral, the Firm will provide the client with the Solicitor Disclosure Statement, which discloses the Referral Fee arrangement between the Third Party Adviser and the Firm. The Referral Fee that the Firm receives will vary according to its agreement with each Third Party Adviser. Please refer to the Solicitor Disclosure Statement for a description of the Referral Fee arrangement between the Third Party Adviser and the Firm. The Firm shares a portion of the Referral Fee with the IA-Rep who made the referral and/or provides the services on behalf of the Firm as outlined in Item 4. The portion that the IA-Rep receives is based upon the agreement between the Firm and the IA-Rep.

AssetMark, one of the Third Party Advisers, charges IA-Reps a quarterly administrative fee until the aggregate amount of assets for the clients an IA-Rep refers to AssetMark reach a certain threshold. Clients should be aware that this administrative fee creates a conflict of interest and provides an incentive for IA-Reps to refer clients to AssetMark in order to reach this threshold and avoid being charged the administrative fee.

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

The Firm does not 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. Please refer to Item 6 of the applicable Third Party Brochure and the investment management agreement between the client and the Third Party Adviser to determine if the Third Party Adviser charges performance-based fees under the Third Party Program.

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

### **Co-Adviser/Adviser Programs**

The Firm provides investment advisory services to individuals, high net worth individuals, various types of business organizations, pension and profit-sharing plans, charitable institutions, foundations, endowments and trusts. The Firm generally requires clients to execute an investment management agreement and complete an application form to participate in any of the Co-Adviser/Adviser Programs. Some clients (e.g., a trust or a corporate pension plan) may be required to submit additional documentation to open an account.

Except for the Morningstar Managed Portfolios Programs and the SEI Programs described below, the Firm does not have any minimum contribution or maintenance requirements. Each Third Party Adviser imposes its own account opening and/or maintenance requirements, including minimum contribution amounts. Generally, Third Party Advisers require a client to complete an application and execute an investment agreement to participate in their Co-Adviser/Adviser Program. Please refer to Item 7 in the applicable Third Party Brochure and the investment management agreement between the client and the Third Party Adviser for additional information applicable to the Co-Adviser/ Adviser Program selected by the client.

#### *Morningstar Minimum Account Size Requirements*

For the Morningstar Mutual Fund Strategies, the minimum account size is generally \$5,000 for portfolios containing only mutual funds managed by Morningstar and \$50,000 for portfolios containing third-party mutual funds, except

for certain portfolio and account types. The minimum account size for the Morningstar ETF Strategies is \$25,000. The minimum account size for the Morningstar Active/Passive Strategies is \$25,000 except for certain portfolios containing third-party mutual funds and account types. For the Morningstar Equity Strategies, the minimum account size is \$250,000 for the Custom Series portfolios, \$150,000 for the Strategist Series portfolios with Fixed Income, and \$75,000 for the Strategist Series portfolios without Fixed Income.

#### *SEI Minimum Account Size Requirements*

The minimum account size for the Managed Account Solutions Program is the greater of \$50,000 or the minimum required by the specific investment manager. The minimum account size for the Distribution Focused Strategies is \$50,000. Additionally, the custodian may charge a program Account maintenance fee, which is disclosed to the client in the Custody Agreement. SEI and the custodian may each, in its own discretion, waive the minimum Program participation requirement (but not any minimum required by a specific investment manager) or the maintenance fee, respectively.

### **SOLICITOR PROGRAMS**

The Firm refers individuals, high net worth individuals, various types of business organizations, pension and profit-sharing plans, charitable institutions, foundations, endowments and trusts to a Third Party Adviser so that they may participate in a Solicitor Program sponsored by the Third Party Adviser. The Firm generally requires the client to complete an application form before referring the client to a Third Party Adviser. The purpose of the application form is not to establish a client relationship with the Firm in connection with the Account under the selected Solicitor Program, as the Account is solely managed by the Third Party Adviser, but it is to assist the IA-Rep and the Firm in providing the services described in Item 4 of this Firm Brochure to the client.

Each Third Party Adviser imposes its own Account opening and/ or maintenance requirements, including minimum contribution amounts. Generally, a Third Party Adviser will require the client to complete an application and execute an investment agreement in order to participate in its Solicitor Program. Please refer to Item 7 in the Third Party Brochure and the investment management agreement between the client and the Third Party Adviser for additional information applicable to the selected Solicitor Program.

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

The Third Party Programs described in this Firm Brochure are created and maintained solely by Third Party Advisers. Client assets in Third Party Programs are invested solely by such Third Party Advisers based on their proprietary investment strategies and analyses in accordance with the Portfolio selected by the client. Client should carefully review Item 8 of the Third Party Brochure(s) and the investment management agreement(s) between the client and the Third Party Adviser(s) for details about Third Party Adviser's methods of analysis, investment strategies, risks and other pertinent disclosures applicable to the selected Third Party Program(s).

Clients should understand that investing in any one of the Third Party Programs involve risks that clients should be prepared to bear.

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

The following legal or disciplinary events related to the Firm may be material to your evaluation of whether to receive investment advice from the Firm with respect to a Co-Adviser/Adviser Program or use the services offered by the Firm with respect to a Solicitor Program. Please carefully review Item 9 of the Third Party Brochure for details about Third Party Adviser disciplinary information.

On August 21, 2013, MMLIS entered into an AWC with FINRA. The AWC found that that MMLIS violated FINRA rules by failing to reasonably supervise and investigate certain of its registered representatives engaged in the sale of promissory notes not approved by MMLIS. Without admitting or denying the findings, MMLIS consented to a censure, a fine of \$125,000 and agreed to pay restitution to investors totaling \$787,847.70.

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 the Firm 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 the Firm. 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 the Firm. The Order directed the Firm 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 the Firm 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 the Firm 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, the Firm 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 the Firm 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, the Firm 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 the Firm 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.

#### **ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Firm is registered with the SEC as an investment adviser and a broker-dealer and its principal officers are registered as IA-Reps and/or registered representatives ("RRs") of the Firm. In its capacity as a broker-dealer, the Firm 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, the Firm, through its RRs who may also be IA-Reps, provides a broad range of securities brokerage services to customers, including persons who otherwise participate in one of the Third Party Programs or Solicitor Programs. As a broker-dealer, the Firm effects securities transactions for these brokerage customers for compensation and may recommend that customers buy or sell securities or other investment products in which the Firm or its officers, directors, employees, RRs or IA-Reps have a financial interest or may themselves purchase or sell. For example, the Firm 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 the Firm's and its RRs' compensation vary by product and by issuer. As noted, the products sold by the Firm as a broker-dealer include products issued by affiliated insurance companies as well as those issued by unaffiliated issuers. Products issued by affiliates of the Firm may pay the Firm and/or its RRs more compensation than products issued by companies that are not affiliated with the Firm.

The following describes the relationship or arrangement that the Firm has with its affiliates and other nonaffiliated companies that may be material either to the advisory business of the Firm or to clients.

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

MMLIS's management persons, including its directors and executive officers, are RRs and/or associated persons of MMLIS. Management persons may also be registered or associated with the Firm's affiliated broker-dealers MML Distributors, LLC and MML Strategic Distributors, LLC and with its affiliated investment advisers, including MML Investment Advisers, 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 IA-Reps are all licensed insurance agents or brokers of MassMutual and/or other affiliates or unaffiliated insurance companies. MMLIS's RRs are all licensed to sell securities and may effect securities transactions for compensation for any client.

MML Investment Advisers, 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 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.

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.

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. 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.

Affiliated Funds may be available as underlying investments in a Portfolio. When an Affiliated Fund is an underlying investment in a Portfolio, MMLIS and/or one of its affiliates receives a financial benefit. This conflict of interest is mitigated because neither MMLIS nor the IA-Reps select the investments in the Portfolio.

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. 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.

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.

MMLIS owns MML Insurance Agency, LLC ("MMLIA"), a Massachusetts limited liability company which has authority to sell life, health and annuity products. Variable products available through MMLIA are recommended to clients only in MMLIS's broker-dealer capacity.

MassMutual Trust Company is a wholly owned subsidiary of MassMutual. MMLIS has entered into a solicitor's agreement with MassMutual Trust Company whereby MMLIS and MMLIS IA-Reps receive compensation for referring clients to MassMutual Trust Company for trust related services. In addition, assets managed by MassMutual Trust Company 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 Advisory 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 Trust Company 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 Brochure.

With respect to the Solicitor Programs described in Item 4 above, the Firm receives a referral fee from Third Party Advisers for introducing the clients to the Third Party Advisers. The compensation that the Firm receives from Third Party Advisers is disclosed in the Solicitor Disclosure Statement that the IA-Rep provides to the clients prior to, or at the time of, the referral. These clients should carefully review the Solicitor Disclosure Statement and the Third Party Brochure prior to hiring the Third Party Adviser.

The Firm receives compensation as a result of the client's participation in a Third Party Program. This compensation may be more or less than what the Firm would earn if the client participated in other advisory programs made available by the Firm, in programs that wrap advisory and execution services together in a single wrap fee, or if client did not participate in an advisory program and paid separately for investment advice, brokerage, and other services. Clients should discuss with the Firm or the IA-Rep the variety of programs and services available through the Firm in order to independently determine which program(s) may be appropriate for their needs.

MMLIS has referral agreements with Wealthspire Advisors LLC for investment advisory and financial planning services. Wealthspire Advisors is a subsidiary of NFP Corp. ("NFP"), a financial services holding company. In addition, MMLIS IA-Reps that are eligible to recommend Wealthspire Advisors as a Solicitor Program to clients are receiving operational support from NFP and/or own stock interests in NFP. This NFP relationship and ownership interest creates a conflict of interest and incentive for these MMLIS IA-Reps to recommend Wealthspire Advisors over other Solicitor Programs or other MMLIS advisory programs and offerings. Refer to Wealthspire Advisors' Form ADV Part 2A or other disclosure document, as applicable, for additional information.

MMLIS also has a referral agreement with Magnus Financial Group LLC (referred to herein as "Magnus"). MMLIS is not an affiliate of Magnus. The MMLIS IA-Reps that make referrals to Magnus conduct business under the name "Modus Park Associates." The IA-Reps are also career agents with MassMutual and MML Insurance Agency, LLC ("MMLIA"), insurance affiliates of MMLIS. Michael Schwartz, an advisory person with Magnus and one of its executive officers, holds a career agent contract with MassMutual and MMLIA. Michael Schwartz receives overrides from the insurance sales of Modus Park Advisors. Refer to Magnus' Form ADV Part 2A or other disclosure document, as applicable, for additional information.

MMLIS has entered into a referral agreement with Catalyst Financial Partners, LLC ("Catalyst"), where MMLIS IA-Reps may refer clients to Catalyst for the provision of advisory services. MMLIS is not an affiliate of Catalyst. Certain portfolios offered by Catalyst are managed by Baystate Wealth Management, LLC ("Baystate Wealth"), a registered investment adviser affiliated with Catalyst. David Porter is a partial owner of Catalyst and Baystate Wealth. Mr. Porter is also the Managing Member and a Principal of Baystate Financial Services ("Baystate Financial"), a financial services firm located in Boston, MA affiliated with MMLIS. MMLIS IA-Reps affiliated with Baystate Financial have a conflict of interest and incentive to refer clients to Catalyst and/or invest in Baystate Wealth models offered by Catalyst, over other investment offerings available to them. Mr. Porter's ownership interest in Baystate Wealth and Catalyst also creates a conflict of interest and incentive for MMLIS IA-Reps not

affiliated with Baystate Financial to recommend Catalyst or Baystate models over other investment offerings available to them. In addition, certain MMLIS representatives affiliated with Baystate Financial also have ownership interests in Catalyst. These representatives are not permitted to refer any clients to Catalyst and are not involved in investment management activities of Catalyst.

The Firm 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 the Firm. In addition, the Firm 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, the Firm or its affiliates, if you choose to do so additional compensation will be paid to your IA-Rep in his/her capacity as a registered representative and/or insurance agent as well as to the Firm 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 IA-Rep an incentive to recommend products based on the compensation received, rather than on a client's needs.

In addition, your 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 the Firm or one or more of its affiliates. In such cases, one or more of the Firm's affiliates is receiving compensation in addition to the commission and/or other compensation paid to the Firm and your IA-Rep in connection with such securities or insurance products. Thus, your 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 the Firm ("Investment Specialists") receive compensation from the Firm to provide sales support to IA-Reps. Some of the compensation is based on criteria related to the Third Party Programs for which they may have provided sales support. While Investment Specialists do not sell products or provide product recommendations directly to clients, clients should be aware that Investment Specialists may favor the presentation of the Third Party Programs to IA-Reps for their review as potential products to discuss with their clients over products for which they do not receive compensation. Clients should also be aware that the compensation received by Investment Specialists is not shared with IA-Reps or their sales manager. Furthermore, not all IA-Reps will use Investment Specialists for sales support or for support on products available through the Firm.

The Firm wants its clients to make an informed decision when they purchase products or receive services from a Firm's RR or IA-Rep. Therefore, the Firm 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, the Firm, on an ongoing basis, communicates, trains and/or supervises its RRs and IA-Reps on its policies and procedures regarding conflicts of interest. Furthermore, when an RR or an IA-Rep makes a product or program recommendation to a client, the Firm reviews whether the recommendation is suitable for the client against any financial information provided by the client, such as the client's risk tolerance, time horizon and investment objective. 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 the Firm 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 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 the Firm and/or its advisory clients.

To prevent and detect violations of the Code, the Firm 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 Brochure for our contact information.

The Firm or its 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 Third Party Programs. In addition, the Firm and its IA-Reps may give advice or take action in performing their duties for one client in the Third Party Program that differs from the advice provided, or in the timing and nature of action taken, with respect to another client in the Third Party 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 the Firm may recommend for purchase or sale by its clients. In connection with providing these services, the Firm 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, the Firm 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 the Firm 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**

### **Co-Adviser/Adviser Programs**

Please refer to Item 12 of the applicable Third Party Brochure to review the Third Party Adviser's brokerage practices as applicable to the Co-Adviser/Adviser Program that you have selected. The Firm and the IA-Reps do not independently review, screen or appoint custodians for the Co-Adviser/Adviser Programs. However, under certain Co-Advisers/Adviser Programs the IA-Rep may assist and review with the client a list of custodians on the Third Party Adviser's program platform for the client to select for the client's account. The client is ultimately responsible for selecting the custodian for the account and will be directing the Third Party Adviser to send all trades through such custodian. Client should be aware that by directing brokerage, the Third Party Adviser may be unable to achieve most favorable execution of client transactions and this practice may cost the client more money. For example, the client may pay higher brokerage commissions because the Third Party Adviser may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices for trades. The Firm does not participate in any soft dollar or directed brokerage arrangements with these custodians, and neither the Firm nor the IA-Rep, receives any compensation from these custodians or the Third Party Adviser for assisting the client with the client's review.

### **Solicitor Programs**

Please refer to Item 12 of the applicable Third Party Brochure to review the Third Party Adviser's brokerage practices as applicable to the Solicitor Program that you have selected.

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

### **Co-Adviser/Adviser Programs**

The Firm or the IA-Rep will contact the client, at least annually, to determine whether anything has changed in the client's financial circumstances or investment objectives that may affect the manner in which the client's account should be managed. Additionally, this annual contact is used to determine, where applicable, whether the client wishes to impose new investment restrictions or modify any current investment restrictions on the management of the client's Co-Adviser/Adviser Program account. Changes conveyed by the client will be forwarded by the Firm to the applicable Third Party Adviser.



The Firm and its IA-Reps do not review client accounts established under the Co-Adviser/Adviser Programs. Please refer to the investment management agreement between the Firm and the client for details about the role and responsibility of the Firm and its IA-Reps under each Co-Adviser/Adviser Program. Please refer to Item 13 of the Third Party Brochure to review the applicable Third Party Adviser's account review obligations and practices.

#### **Solicitor Programs**

The Firm and its IA-Reps do not review Accounts established under Solicitor Programs. Please refer to Item 13 of the Third Party Brochure to review the applicable Third Party Adviser's Account review obligations and practices.

Notwithstanding the foregoing, as noted in Item 4 above, the IA-Rep may attempt to contact the client on an annual basis to arrange a meeting to inquire whether anything has changed in the client's financial circumstances or investment objectives that might affect the manner in which Account assets should be managed by the Third Party Adviser and/or the Firm for the selected Solicitor Program. This annual consultation will be conducted by the IA-Rep only if authorized by the Third Party Adviser. Please refer to Item 4 above for details.

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

The Firm enters into certain agreements with various organizations and associations pursuant to which such entities make available or endorse financial products and services offered by or through the Firm and its affiliates. Typically, such entities provide access to their members in exchange for a flat fee that the Firm or an affiliate pays.

The Firm and its IA-Reps may receive non-cash compensation from Third Party Advisers other than advisory fees. For example, a Third Party Adviser may sponsor its own conferences for training and educational purposes to which certain IA-Reps are invited. In addition to attending these conferences without charge, the Third Party Adviser may also reimburse or pay for the travel and other related expenses incurred by IA-Reps or a Firm branch office in connection with dinners or events for clients and other miscellaneous expenses incurred by IA-Reps.

MMLIS has a Strategic Partner Program with certain Third Party Advisers ("Strategic Partners"). 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 sales force and/or (5) other services agreed to between the Strategic Partners and MMLIS. MMLIS also publicizes its 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 2022, Brinker Capital and BNY Mellon made cash payments to MMLIS to participate as a Strategic Partner. Brinker paid over \$1.4 million, and BNY Mellon paid \$375,000. These Strategic Partners are expected to make similar payments in 2023.

These additional payments are paid directly to the Firm from the Third Party Advisers' own assets and therefore do not increase the fees and charges assessed to the client. As a result of these additional payments, the Firm and its IA-Reps have a financial incentive to recommend a Third Party Program offered by Brinker Capital or BNY over other Third Party Programs.

MMLIS also has a Conference Partner Program with other Third Party Advisers ("Conference Partners"). 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 2022, MMLIS received \$75,000 from Morningstar, and \$50,000 LMCG, in connection with the Conference Partner Program. These Conference Partners are expected to make similar payments in 2023.

MMLIS also received an annual conference credit of \$150,000 from National Financial Services LLC and expects to receive a similar payment in 2023.

At Firm sponsored events, these Third Party Advisers generally network with, and provide training to, Representatives. The fee received by the Firm is used in part to offset expenses associated with hosting conferences and is not paid to IA-Reps or other Firm associated persons. While IA-Reps do not receive a portion of this fee, IA-Reps may be more likely to refer clients to such Third Party Advisers because of the education and the exposure they receive on their products and services.

As a fiduciary, we endeavor at all times to put the interest of our clients ahead of our own interest. Clients should be aware, however, that the receipt of compensation in connection with the Strategic Partner Program or Conference Partner Program creates a conflict of interest to favor certain programs or services over others when making recommendations to clients. Specifically, MMLIS has a financial incentive to recommend programs or services provided by Strategic Partners and Conference Partners over programs and services offered by entities that do not make marketing support payments to MMLIS. You should also be aware that the rate associated with marketing support and conference support payments differs among certain of the Strategic Partners and Conference Partners, and the basis on which the payments are calculated differs among certain of the Strategic Partners and Conference Partners. Therefore, MMLIS has a financial incentive to favor those Strategic Partners and Conference Partners whose payment structure would result in the most compensation for MMLIS. MMLIS addresses this conflict of interest by disclosing it to clients. In addition, IA-Reps do not share in the payments received by MMLIS and do not receive differential compensation based on whether Clients' Accounts invest in the programs or use the services offered by Strategic Partners and Conference Partners.

Clients should also be aware that marketing or educational activities paid for with these payments lead to greater exposure of Strategic Partner's and Conference Partner's products and services with the Firm's RRs and IA-Reps. Therefore, these payments create an incentive, and lead to a greater likelihood, for the Firm's RRs and IA-Reps to make available and recommend a mutual fund of a Strategic Partner or a Conference Partner over a Third Party Program. These payments are in addition to the fees received by the Firm from Strategic Partners or Conference Partners as described above.

From time to time, certain Third Party Advisers may operate their own marketing and sales support programs to assist qualified IA-Reps in their sales of Solicitor Programs sponsored by such Third Party Advisers. To qualify for a Third Party Adviser's support program, an IA-Rep must generally refer a predetermined amount of client assets to the Third Party Adviser for investment in its Solicitor Program. Furthermore, the support program may have various tiers, and the tier for which an IA-Rep may qualify is generally based on the amount of client assets that an IA-Rep refers. Depending on the support program, the amount that would qualify an IA-Rep may be based on new assets invested by a client or a client's total assets under the Third Party Adviser's management. The types of marketing and sales support that an IA-Rep may be eligible to receive vary from program to program and by tier, if applicable, and they generally include, but are not limited to: enhanced Solicitor Program training for the IA-Rep and his or her staff either in the IA-Rep's office or at an approved location; access to Third Party Adviser's staff; enhanced client application processing and handling; business transition services; marketing support; increased discounts on value-added services; research; referral generation and management; prospect support; expense reimbursement for approved customer and internal events; and access to other approved Third Party Adviser sponsored functions. Even though IA-Reps do not receive additional cash compensation directly from Third Party Advisers through a support program, IA-Reps may have an incentive to refer clients to invest in Solicitor Programs of Third Party Advisers that sponsor a support program so that they may qualify or requalify for the support program. As of the date of this Firm Brochure, certain IA-Reps have qualified for a support program sponsored by AssetMark, Inc. Clients may contact the Firm to obtain a current list of Third Party Advisers that sponsor a support program for which IA-Reps may qualify. Additionally, clients should ask their IA-Rep whether he or she has qualified for a support program and the identity of the Third Party Adviser that sponsors such a program before investing in a Solicitor Program.

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

Under these marketing arrangements, a Solicitor introduces prospective clients to the Firm or an IA-Rep to further discuss whether the Firm's investment advisory services may be appropriate for the prospective clients. The Solicitor's sole responsibility under the referral arrangement is to refer prospective clients to the Firm or an IA-Rep. The Solicitor may not provide investment advice to prospective clients or the Firm clients on behalf of the Firm or the IA-Reps. Additional information about these arrangements, including the relationship between the Solicitor and the Firm, the role of the Solicitor and any compensation that the Firm pays to the Solicitor for introducing prospective clients, is outlined in the separate solicitor disclosure statement referenced above. The Solicitor will provide the solicitor's disclosure statement to prospective clients before they are introduced to the Firm or an IA-Rep.

Your IA-Rep is compensated by the Firm and its affiliates 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 IA-Rep's overall compensation includes base commissions and other forms of compensation that 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 will increase in part based upon the opening of your account and the amount of assets in your account within a defined period of time. The compensation schedule is set annually and is generally based on the amount earned by the IA-Rep during the prior calendar year. This creates an incentive for IA-Reps to recommend more investments this year to earn a higher portion of compensation the following year. 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, 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 programs described in this Firm Brochure), some or all of the loan can be forgiven, or MassMutual could pay additional compensation to the IA-Rep to offset the loan repayment.

Therefore, your IA-Rep has an incentive to offer you programs referenced in this Firm Brochure in order to meet these requirements and to recommend that you increase the amount you have invested in such programs. Additionally, your IA-Rep's manager is compensated by the Firm and its affiliates generally based on overall sales goals, including those that include the Programs referenced in this Firm Brochure, achieved by the IA-Reps whom they supervise and may qualify for additional compensation based on non-sales related factors as set by the Firm and/or its affiliates from time to time. Generally, the manager's compensation is aligned with that of your 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 clients.

The Firm and certain banks and credit unions (collectively "Financial Institutions") have entered into alliance arrangements whereby employees of Financial Institutions may refer individuals, who may be interested in learning more about the products and services available through the Firm, to IA-Reps. The Firm will share a portion of the compensation earned by the Firm with Financial Institutions for referring individuals who eventually obtained or purchased products and/or services from the Firm. Employees of the Financial Institutions are not authorized to provide investment advice, or discuss the features of, or qualify individuals for, any product or services, on behalf of the Firm. Employees of Financial Institutions may receive nominal compensation for referring individuals to the Firm regardless of whether such individuals obtain products or services from the Firm. The compensation paid to Financial Institutions or their employees as described herein will not increase or otherwise affect the fees or charges a customer pays for obtaining products or services from the Firm.

Certain UITs make payments to the Firm. These payments are generally disclosed in the applicable trust's prospectus. These compensation arrangements create an incentive for the Firm or an IA-Rep to recommend these UITs for an Account.

#### *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 programs described in this Firm Brochure), 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.

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

The Firm does not maintain custody of client assets under any of the Third Party Programs.

Clients may receive quarterly performance reports from the Third Party Adviser and will receive at least quarterly account statements from the unaffiliated broker-dealer, bank or other qualified custodian (each, a "Custodian") that holds and maintains the clients' investment assets associated with the Third Party Program respectively. Performance reports are not official account statements of the Third Party Programs, and clients should carefully review all account statements from the Custodian for accuracy and promptly notify the Custodian if any error or irregularities are found. Please refer to Item 16 of the Third Party Brochure and the client's investment management agreement with the Third Party Adviser for details.

To the extent that the Custodian or the Third Party Adviser electronically transmits any client account data to the Firm, the Firm may provide an account transaction report to the client for informational purposes only. Such account transaction report is not a substitute for the Custodian's official account statement or the Third Party Adviser's performance report and may not be up to date. Therefore, the Firm's account transaction report should not be relied upon for making investment or tax decisions.

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

The Firm and its IA-Reps do not exercise investment discretion over client assets in any accounts established under any of the Third Party Programs. Please refer to Item 16 (or other applicable section(s)) of the Third Party Brochure and the investment management agreement between the client and the Third Party Adviser for details concerning investment discretion.

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

The Firm and its IA-Reps have no obligation or authority to take any action or render any advice with respect to proxies, consents, waivers or other documents for a client in any Third Party Program. Please refer to Item 17 of the Third Party Brochure and the investment management agreement between the client and the Third Party Adviser for details on client's obligation, if any, with respect to voting proxies or corporate actions for the securities held in your account. Contact the applicable Third Party Adviser directly if you have any questions about the proxy voting practices in any Third Party Program.

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

The Firm does not require clients who participate in any of the programs described in Item 4 to prepay its fees six months or more in advance. Additionally, the Firm does not exercise any discretionary authority over, or maintain custody of, any client assets under any of the programs described in Item 4. The Firm does not have any material conditions that would impair its ability to meet its contractual commitments to clients.

Clients should review the Third Party Brochure for any disclosures that the Third Party Adviser 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.