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# INFINEX INVESTMENTS, INC.

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## **WRAP FEE PROGRAM BROCHURE**

FORM ADV, PART 2A, APPENDIX 1

March 31, 2012

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Infinex Investments, Inc. If you have any questions about the contents of this Brochure, please contact us by email at [compliance@infinexgroup.com](mailto:compliance@infinexgroup.com), or by telephone at (203) 599-6000, or by mail at the address above. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Infinex Investments, Inc. is an investment adviser registered with the United States Securities and Exchange Commission. Registration with the SEC does not imply that Infinex Investments, Inc., or any person associated with Infinex Investments, Inc., has achieved a certain level of skill or training.

Additional information about Infinex Investments, Inc., is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by searching our firm name or our IARD/CRD number: 35371

## **ITEM 2: MATERIAL CHANGES**

This section is used to summarize any new or updated material changes from our previous filings.

Since our last filing on April 1, 2011, Envestnet agreed to acquire the US activities of FundQuest. Additional information can be found on Envestnet's website: [www.envestnet.com](http://www.envestnet.com). There were no other material changes to our Brochure.

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## Item 4: SERVICES, FEES & COMPENSATION

### A. FIRM BACKGROUND & PRINCIPAL OWNERS

Infinex Investments, Inc. (referred to as “Infinex,” “Firm,” “we,” or “us”) is a Connecticut corporation headquartered in Meriden, Connecticut. We have been in business since 1993. We are registered with the SEC as an investment adviser and are also registered with the SEC and 47 states as a broker-dealer. We are a member of the Financial Industry Regulatory Authority (“FINRA”). We have more than 50 shareholders, none of whom owns 25% or more of our shares.

This Brochure describes the following wrap fee investment advisory programs we offer:

- the “*Envestnet Program*,”
- the “*Lockwood Program*,”
- the “*Infinex Client Advisory Account Program*,” and
- the “*Dominion Advantage Program*.”

#### **1. Envestnet Program Overview**

Through an agreement with Envestnet, Infinex offers the “*Envestnet Program*.” Envestnet is an investment adviser registered with the Securities and Exchange Commission and provides portfolio management, accounting, and reporting services for the discretionary investment management subprograms which comprise collectively the Envestnet Program: the *Portfolio Planner ETF Program*, the *Portfolio Planner Index Plus Program*, the *Portfolio Planner Direct SMA Program*, the *Portfolio Planner Select SMA Program*, and the *Portfolio Planner UMA Program*.

The Envestnet Program also includes two other subprograms which are limited solely to mutual fund investments and which are not described in this Brochure: the *Envestnet Portfolio Planner Direct Program* and the *Envestnet Portfolio Planner Select Program*. Further information about these programs is available in our Form ADV, Part 2A Brochure.

The Envestnet Program and its subprograms described in this Brochure are offered as “wrap fee” programs for clients seeking professional portfolio management of their portfolios. Please refer to Item 4.B for further information about the unique characteristics and special considerations pertaining to wrap fee programs.

Through the Envestnet Program, our investment adviser representatives (“*Representatives*”) will work with individual clients to develop a personal investment profile that identifies the client’s goals, risk tolerance, time horizon, financial situation, and other factors that influence selection of a suitable investment approach. Using specialized software designed and provided by Envestnet, the Representative produces a report that proposes either an asset allocation strategy or separate account managers for client’s account. After reviewing and approving the report, the client, with the Representative’s assistance, selects the appropriate Envestnet subprogram, signs an agreement to open a brokerage account with the broker-dealer that will maintain the account’s assets, and signs an investment advisory agreement (“*Advisory Agreement*”) authorizing management of the account in accordance with the terms and conditions of the program.

Infinex will generally act as introducing broker with respect to the client’s brokerage accounts. Pershing, LLC (“*Pershing*”) serves as custodian and clearing broker-dealer for Envestnet Program accounts. Pershing executes and clears purchase and sale orders placed by

the account's portfolio manager, provides transaction confirmations, account statements, annual reports, prospectuses, and tax information, and maintains custody of client cash and securities.

In the event that an investment manager reasonably believes in good faith that another broker or dealer will provide better trade execution considering all factors, including the net price, then it may execute the transaction elsewhere. In these circumstances, the client will be responsible for the separate brokerage costs.

Envestnet provides clients with quarterly reports that detail account holdings, transactions, and performance, and market commentary. Representatives will typically contact their Envestnet clients on a quarterly basis, but at least annually, to review the account and inquire about changes in the client's financial information or investment objectives. Clients remain responsible for notifying Infinex and their Representative of any material changes in their investment profiles.

### ***Portfolio Planner ETF Program & Portfolio Planner Index Plus Program***

The Portfolio Planner ETF Program invests in model portfolios comprised primarily of exchange-traded funds ("ETFs"). The Portfolio Planner Index Plus Program invests in model portfolios comprised primarily of ETFs and actively managed mutual funds. Portfolios in the Portfolio Planner Index Plus Program typically have lower expense ratios than portfolios of all actively managed mutual funds and provide a balance of active and passive management strategies for the client.

The Portfolio Planner ETF Program and Portfolio Planner Index Plus Program generally include an array of mutual fund portfolios (including ETFs) that are assembled based upon risk-based modeling and asset allocation. Envestnet develops and recommends for approval by Infinex an investment policy for the asset allocation models utilized in the Portfolio Planner ETF and Portfolio Planner Index Plus Programs. The investment policy describes how the asset allocation models are managed and sets forth the criteria for the selection of mutual funds, active portfolio management, and account rebalancing. To establish mutual fund policies for the Portfolio Planner ETF and Portfolio Planner Index Plus Programs, Envestnet employs a proprietary mutual fund analysis, scoring and screening process and applies it to the various fund families used in the Portfolio Planner ETF and Portfolio Planner Index Plus Programs. Envestnet then selects specific mutual funds and ETFs for the programs using criteria established by Envestnet.

Envestnet acts on a discretionary basis as the portfolio manager for both the Portfolio Planner ETF and the Portfolio Planner Index Plus Programs. Infinex and its Representatives are responsible for profiling the client, recommending an asset allocation strategy, and managing the ongoing client relationship. In this capacity, Infinex and the Representatives act on a non-discretionary basis only. As portfolio manager, Envestnet's discretion includes the modification of models and asset allocations; the replacement, reduction or elimination of mutual funds and ETFs in the accounts; account rebalancing; and liquidation of mutual fund positions, if necessary, to generate cash for payment of program wrap fees.

### ***Portfolio Planner Direct SMA Program & Portfolio Planner Select SMA Program***

In the Portfolio Planner Direct SMA Program, the account will be managed by appropriate separate investment managers, as determined by the account profile information. The Representative assists the client in selecting one or more appropriate investment managers from a list of managers selected and monitored by Envestnet. The client authorizes the selected investment managers to exercise discretionary authority over that portion of the client's account allocated to the investment manager. The account is managed by the investment managers in

accordance with the client's individual goals and objectives. The client will authorize Envestnet to hire and fire investment managers on the client's behalf.

The Portfolio Planner Select SMA Program is similar to the Portfolio Planner Direct SMA Program in that the Infinex Representative will assist the client in selecting one or more appropriate investment managers. The investment managers recommended by the Representative to the client are selected by the Representative (rather than Envestnet) from a selection of investment managers provided and monitored by Envestnet. The client authorizes the selected investment managers to exercise discretionary authority over that portion of the client's account allocated to the investment manager. The account is managed by the investment managers in accordance with the client's individual goals and objectives. The client will authorize Infinex, through the Representative, to hire and fire investment managers on the client's behalf.

In both programs, the investment managers hired by the client are sent information on the client's financial circumstances, investment goals and objectives and any special instructions the client may wish to give the investment manager regarding the investment account. Envestnet retains the authority to terminate or change investment managers when extenuating circumstances are such that Envestnet believes a change is in the best interest of the client.

### ***Portfolio Planner UMA Program***

The Portfolio Planner UMA Program (the "*UMA Program*") was developed for clients who are looking to diversify their portfolios among different investment styles in a single investment account in an attempt to maximize performance while potentially reducing the portfolio's volatility. The UMA Program includes investments in both general securities and mutual funds (including ETFs). Envestnet acts as the "overlay manager" under the UMA Program. Working with Infinex, Envestnet will:

- assist in the development of an overlay investment strategy designed to fit the client's goals and objectives;
- select and periodically monitor the investment managers and investment products used in the overlay program;
- on no less than a quarterly basis, review and, if appropriate, rebalance client's account; and
- through Infinex, provide client with periodic performance reports.

Pursuant to the UMA Program, the client grants discretionary trading authority to Envestnet as the overlay manager. Based upon the responses provided by the client on the investment questionnaire, Envestnet manages the investment account in accordance with the client's goals and objectives and based upon model portfolios provided by Envestnet and other investment managers whose styles and strategies are appropriate for the client's needs. These investment managers are selected and periodically reviewed by Envestnet. Because the UMA Program is managed by Envestnet in a single account using model portfolios of different investment managers, clients may obtain diversification among different investment styles with a lower minimum balance.

### **Envestnet Program Fees**

The standard Program Fees for the Envestnet Program are set forth below and are expressed in terms of an annual percentage of Account Average Daily Balance of Funds Under Management:

## FEE SCHEDULE

### Portfolio Planner ETF & Portfolio Planner Index Plus Programs

| <u>Account Value</u>     | <u>Annual Fee Rate</u> |
|--------------------------|------------------------|
| First \$250,000          | 1.75% per annum        |
| Next \$250,000           | 1.50% per annum        |
| Next \$500,000           | 1.25% per annum        |
| Amounts over \$1,000,000 | 1.00% per annum        |

## FEE SCHEDULE

### Portfolio Planner Direct SMA & Portfolio Planner Select SMA Programs

| <u>Account Value</u>      | <u>Annual Fee Rate</u> |
|---------------------------|------------------------|
| First \$1,000,000         | 2.75% per annum        |
| Next \$4,000,000          | 2.25% per annum        |
| Next \$5,000,000          | 2.00% per annum        |
| Amounts over \$10,000,000 | 1.85% per annum        |

## FEE SCHEDULE

### Portfolio Planner UMA Program

| <u>Account Value</u>      | <u>Annual Fee Rate</u> |
|---------------------------|------------------------|
| First \$500,000           | 2.75% per annum        |
| Next \$500,000            | 2.50% per annum        |
| Next \$4,000,000          | 2.25% per annum        |
| Next \$5,000,000          | 2.00% per annum        |
| Amounts over \$10,000,000 | 1.85% per annum        |

The Envestnet Program Fees above are the maximum fees charged a program account. Envestnet Program Fees are charged quarterly in arrears, at the annual rates shown above based upon an account's Average Daily Balance of Funds Under Management during a quarterly period. Fees are prorated for accounts that are opened or closed during the quarter. The portfolio manager instructs Pershing to deduct the fee from the client's account.

## **2. Lockwood Program Overview**

Through an agreement with Lockwood Advisors, Inc. ("*Lockwood*"), Infinex makes available to its clients the "*Lockwood Program*." Lockwood is an investment adviser registered with the Securities and Exchange Commission and provides portfolio management, accounting, and reporting services for discretionary investment management subprograms which collectively comprise the Lockwood Program: the Lockwood Investment Strategies Program and the Lockwood Separately Managed Account Program (the "*SMA Program*").

The Lockwood Program also includes two other subprograms which are limited solely to mutual fund investments and which are not described in this Brochure: the *Lockwood Asset Allocation Program* and the *Lockwood AdvisorFlex Program*. Further information about these programs is available in our Form ADV, Part 2A Brochure.

The Lockwood Program and its subprograms are offered as "wrap fee" investment management programs for clients seeking professional investment management of their portfolios. Please refer to Item 4.B for further information about the unique characteristics and special

considerations pertaining to wrap fee programs. Pursuant to the Lockwood Program and depending upon the specific subprogram selected, the Infinex Representative will utilize a proprietary investment questionnaire provided by Lockwood to collect information from clients regarding their financial background, investment objectives, and goals. This information is then used to formulate an asset allocation recommendation and to identify specific portfolio managers or investment vehicles appropriate for the account. A report is then prepared by Infinex and Lockwood and provided to the client. The client must authorize the selection of managers and investment vehicles, and must grant discretionary trading authority to the portfolio manager(s) or Lockwood over all or specified portions of the account. A portion of the account may be invested in mutual funds or other investment vehicles, instead of being managed through separate accounts.

Depending upon the program selected, clients generally grant Infinex or Lockwood discretionary authority to hire and fire the separate portfolio managers for their accounts. Portfolio managers are sent information on the client's financial circumstances, investment goals and objectives and any special instructions the client may wish to give the portfolio manager regarding the account. Lockwood retains the authority to terminate or change portfolio managers when circumstances are such that Lockwood believes a change is in the best interest of the client.

The portfolio managers and investment vehicles available through the Lockwood Program are selected through Lockwood's due diligence process. Lockwood conducts research using publicly available data as well as other information provided by the investment firms it is investigating. Lockwood may conduct on-site visits at the portfolio managers' headquarters as part of its due diligence process. Lockwood reviews portfolio managers for investment process, personnel experience, information systems used, operational organization, ownership structure and other factors. Lockwood continues to monitor contracted portfolio managers on an ongoing basis, providing periodic research reports to Infinex for distribution to Infinex's clients. Infinex does not independently review portfolio manager performance information.

Clearing and custody services for Lockwood Program accounts are provided by Pershing. Pershing executes and clears purchase and sale orders directed to it by the portfolio manager, provides transaction confirmations, account statements, annual reports, prospectuses and tax reporting information directly to clients, and provides custody services for cash and securities in customer accounts. Lockwood and Pershing are both affiliates of The Bank of New York Mellon Corporation ("BNY"). Infinex is not affiliated with Lockwood, Pershing, or BNY.

Lockwood provides clients with quarterly reports that detail program account holdings, transactions, and performance, and market commentary. Representatives will typically contact their clients in the Lockwood Program on a quarterly basis, but at least annually, to review the account and inquire about changes in the client's financial information or investment objectives. Clients remain responsible for notifying Infinex and their Representative of any material change in their investment profiles.

### **Lockwood Program Fees**

The following tables set forth the estimated Program Fees for the Lockwood SMA Program and Investment Strategies Program. These fees are expressed in terms of an annual percentage of account value. The actual fees depend, in part, on the fees of the portfolio managers. These fees typically range from .20% to .75% of assets annually. The schedule below assumes an average portfolio manager fee of .35% for fixed income accounts and .50% for equity and other accounts. Information about the specific fees for portfolio managers will be provided to the client.



## FEE SCHEDULE

### Lockwood SMA Program & Investment Strategies Program

#### Equity & Investment Strategies Accounts

| <u>Account Value</u>     | <u>Annual Fee Rate</u> |
|--------------------------|------------------------|
| First \$500,000          | 2.60% per annum        |
| Next \$500,000           | 2.25% per annum        |
| Next \$1,000,000         | 2.00% per annum        |
| Amounts over \$2,000,000 | 1.85% per annum        |

## FEE SCHEDULE

### Lockwood SMA Program & Investment Strategies Program

#### Fixed Income Accounts

| <u>Account Value</u>     | <u>Annual Fee Rate</u> |
|--------------------------|------------------------|
| First \$500,000          | 1.85% per annum        |
| Next \$500,000           | 1.58% per annum        |
| Next \$1,000,000         | 1.35% per annum        |
| Amounts over \$2,000,000 | 1.20% per annum        |

Clients may terminate their Lockwood Program Advisory Agreement without penalty within five (5) business days of the execution of the Advisory Agreement. Otherwise, clients may terminate their Advisory Agreement at any time upon written notice to Infinex and Lockwood. Since fees are charged quarterly in advance, the client will be refunded any prepaid but unearned fees. If a client transfers account assets in-kind upon termination, there is no termination fee. If a client requires liquidation of account assets and delivery of cash upon termination, Lockwood charges a liquidation fee of \$300.

At the inception of a Lockwood Program account, fees are billed from the date the account is opened through the end of that calendar quarter in advance. Thereafter, fees are billed in advance for the next calendar quarter based on the value of the assets at the end of the prior calendar quarter. For post-inception deposits in excess of \$5,000, prorated fees on each deposit will be charged.

### **3. Infinex Client Advisory Account Program Overview**

Infinex offers a non-discretionary “wrap-fee” program, known as the Infinex Client Advisory Account Program (the “ICAAP Program”). This is a client-directed investment advisory program offered through an agreement with Envestnet. Envestnet provides portfolio accounting and reporting services for this program. The Representative will meet with a prospective client and complete a Client Profile Questionnaire (the “Profile”). The Profile is designed to identify the client’s goals, risk tolerance, time horizon, financial situation and other factors that influence investment approach. The Profile will also include any special instructions or restrictions the client may wish to include regarding the Infinex Advisory Account. The Profile is utilized by the Representative to develop an Investment Strategy Report that is completed and signed by the client (the “Investment Strategy Report”). The Investment Strategy Report is prepared utilizing specialized software designed and provided by Envestnet. Clients are responsible for promptly informing the Representative of any changes in their financial objectives or circumstances.

Following the development of the Investment Strategy Report and based on its contents, the Representative will recommend certain securities that are consistent with the client's needs and objectives. The client may elect to purchase the recommended securities or may instead elect to purchase other securities, all in the client's sole discretion. The client shall approve all transactions in the ICAAP Account. None of the Representative, Infinex or Envestnet shall have discretionary authority over ICAAP Accounts. The Representative may recommend mutual funds, ETFs, and general securities (stocks and bonds).

Following the establishment of program account, the Representative will review the account on a quarterly basis to determine whether the portfolio is consistent with the Investment Strategy Report (or other available account documentation, as the case may be). The Representative may recommend that the client rebalance the portfolio or that the portfolio be modified. The client must approve all transactions in the ICAAP Account. Except as described above, none of the Representative, Infinex or Envestnet shall be responsible for monitoring or managing the ICAAP Account.

Upon acceptance of an ICAAP Account by Infinex, the client will direct Infinex to open a brokerage account with Pershing. Pershing will generally provide all custody, trade execution, clearing, trade confirmations and regular monthly statements of positions and account activity. Infinex, in its capacity as a broker-dealer, will generally act as introducing broker with respect to the client's brokerage account.

Envestnet will prepare quarterly reports showing the account composition, portfolio performance, current asset allocation and current portfolio activity. Neither Infinex nor the Representative reviews the performance information provided by Envestnet to determine its accuracy.

### **Infinex Client Advisory Account Program Fees**

Clients participating in the ICAAP Program will generally pay one Program Fee for the advisory services of Infinex and, except as otherwise set forth in the investment advisory agreement, for all brokerage and custodial fees. The standard Infinex Advisory Program Fee schedule is set forth below and is expressed in terms of an annual percentage of account asset size. The Program Fee will be paid by the client quarterly in advance based on the value of the assets at the end of the prior calendar quarter.

#### **CLIENT ADVISORY ACCOUNT PROGRAM Fee Schedule**

##### **Equity Securities & Mutual Fund Assets**

1.75% per annum

##### **Fixed Income & Cash Assets**

1.25% per annum

At the inception of an ICAAP Account, Program Fees are billed from the date the account is opened through the end of that calendar quarter in advance. Thereafter, Program Fees are billed in advance for the next calendar quarter based on the value of the assets at the end of the prior calendar quarter. For post-inception deposits, prorated fees will be charged on each deposit. ICAAP Program accounts will be subject to a minimum account size of \$50,000 and a minimum Program Fee of \$200 per calendar quarter.

#### **4. Dominion Advantage Program Overview**

As a result of its acquisition of BI Investments, LLC in May, 2008, Infinex offers a non-discretionary “wrap-fee” program, known as the “*Dominion Advantage Program*.” This is a client-directed investment advisory program. The Representative will meet with a prospective client and obtain detailed financial information and other relevant data regarding the client. This information is then used by the Representative to identify the client’s goals, risk tolerance, time horizon, financial situation and other factors that influence investment approach. The collected information will also include any special instructions or restrictions the client may wish to include regarding the Dominion Account. Based upon the information collected, the Representative will recommend certain securities and/or investment strategies that are consistent with the client’s needs and objectives. The client may elect to purchase the recommended securities or may instead elect to purchase other securities, all in the client’s sole discretion. The client will approve all transactions in the Dominion Account before they are executed. Neither Infinex nor the Representative will have discretionary authority over Dominion Accounts. Securities that may be included in the Dominion Program and for which the Representative may provide advice include mutual funds, exchange traded funds and general securities (stocks and bonds).

Following the establishment of a Dominion Account, the Representative will review the account on a quarterly basis to determine whether the portfolio is consistent with the client’s documented needs and objectives. The Representative may recommend that the client rebalance the portfolio or that the portfolio be modified. The client must approve all transactions in the Dominion Account. Except as described above, neither the Representative nor Infinex shall be responsible for monitoring or managing the Dominion Account. The Client is responsible for promptly informing the Representative of any changes in the client’s financial situation, including changes in needs or objectives.

Upon acceptance of a Dominion Account by Infinex, the client will direct Infinex to open a brokerage account with Pershing. Pershing will generally provide all custody, trade execution, clearing, trade confirmations and regular monthly statements of positions and account activity. Infinex, in its capacity as a broker-dealer, will generally act as introducing broker with respect to the client’s brokerage account.

Infinex generally imposes a \$50,000 minimum account size for the Dominion Advantage Program. The Dominion Advantage Program is generally available to individuals, pension and profit sharing plans, trusts, estates and charitable organizations, and corporations and other business entities.

#### **Dominion Advantage Program Fees**

Clients participating in the Dominion Advantage Program will generally pay one fee for the advisory services of Infinex and, except as otherwise set forth in the investment advisory agreement, for all brokerage and custodial fees. The standard Dominion Advantage Fee Schedule is set forth below and is expressed in terms of an annual percentage of account asset size. The fee will be paid by the client quarterly in advance based on the value of the assets at the end of the prior calendar quarter.

**DOMINION ADVANTAGE PROGRAM  
Fee Schedule**

| <u>Account Value</u>   | <u>Annual Fee Rate</u> |
|------------------------|------------------------|
| Up to \$250,000        | 2.00% per annum        |
| \$250,001 to \$500,000 | 1.75% per annum        |
| Over \$500,000         | 1.50% per annum        |

At the inception of a Dominion Advantage Account, Program Fees are billed from the date the account is opened through the end of that calendar quarter in advance. Thereafter, Program Fees are billed in advance for the next calendar quarter based on the value of the assets at the end of the prior calendar quarter. For post-inception deposits, prorated fees will be charged on each deposit. Dominion Advantage Program accounts will be subject to a minimum Program Fee of \$250 per calendar quarter.

**B. INFORMATION ABOUT WRAP FEE PROGRAMS**

The Investnet Program, the Lockwood Program, the ICAAP Program and the Dominion Advantage Program are offered as “wrap fee” programs. We do not manage accounts that do not participate in a wrap fee program. Infinex receives a portion of the wrap fee shown in the client’s Advisory Agreement, and the remainder of the wrap fee is paid to Investnet or Lockwood, as appropriate, for their services in the programs, to the third-party managers who manage accounts in the programs, and to Pershing for its services related to the execution, clearance, and settlement of transactions and custody of assets for the accounts.

Wrap fee programs have important differences from traditional investment management arrangements. In a traditional arrangement, the client pays advisory fees for the investment adviser’s services in managing the client’s portfolio, and also pays brokerage commissions and other transaction costs for a broker-dealer’s services in executing trades placed by the investment adviser.

In a wrap fee program, the client pays a single fee based on a percentage of the account’s value that includes the services of the account’s investment adviser and broker-dealer. The client is not charged separate commissions or other transaction costs for each trade, subject to specific exceptions stated in each program’s agreements. Although wrap fee programs can be beneficial for some clients, they are not appropriate for everyone. Some clients may pay higher overall costs in a wrap program than in a traditional program where they pay separately for investment advisory services and brokerage costs.

The benefits of a wrap fee arrangement depend on a number of factors, particularly the amount of the wrap fee, the number and frequency of account trades, and the types of securities the account will trade. A wrap fee arrangement is likely to be more beneficial for accounts that expect relatively frequent trading, such as where the account intends to pursue an active trading strategy. In that case, the single wrap fee may cost less than the combined investment advisory fees and brokerage commissions that would be charged in a traditional arrangement. Conversely, an account that does not expect to trade frequently and has a relatively small number of trades each year may find a wrap fee arrangement to be more costly than paying the separate costs of brokerage commissions and fees for investment advice.

Clients are cautioned to review the information in the disclosure brochure for wrap programs they are considering to understand the costs and factors they should consider when deciding

whether to participate in (or to continue to participate in) the programs. Clients should also consider that lower cost programs that provide similar advisory, brokerage, and custodial services may be available through other advisers and broker-dealers, either through a wrap fee or on a separate cost basis. No assumption can be made that any particular fee arrangement, including wrap fee arrangements or portfolio management services of any nature will provide better returns than other investment strategies.

Fees paid by clients may be more or less than fees charged for advisory, custodial or brokerage services offered separately, depending on the nature, size and frequency of account transactions and other services. Depending upon, among other things, the size of the account, changes in value over time, ability to negotiate fees or commissions, and the number of transactions, the amount of the wrap fee compensation may be more than what the Representative would receive if the client participated in other programs of Infinex, or paid separately for investment advice, brokerage and other services. Therefore, while wrap account compensation cannot be determined in advance, the Representative may have an incentive to recommend the Envestnet Program over other programs or services.

Further, clients should consider that the wrap fee arrangement creates a disincentive to trade wrap fee accounts because the execution costs of each trade will reduce the profit from the wrap fee. A wrap sponsor may have an incentive to limit referrals to or outright exclude from its program portfolio managers that trade actively.

Additionally, in the Envestnet Program and ICAAP Program, Infinex and its Representatives must pay Pershing's charges for effecting transactions for client accounts. This arrangement creates an incentive to minimize the number of transactions and trading costs we incur, which may be inconsistent with an account's overall investment strategy.

We monitor the programs and the accounts in an on-going effort to identify instances where these conflicts of interest may adversely affect our clients. However, our efforts we may not always be successful in preventing or addressing the effects of these conflicts.

## **C. ADDITIONAL EXPENSES**

### ***Mutual Fund & ETF Expenses***

Clients whose accounts invest in mutual funds or ETFs will indirectly bear the internal management, operating, and investment fees and expenses charged by mutual funds or ETFs to their shareholders, including servicing and distribution fees paid pursuant to Rule 12b-1 ("12b-1 Fees"), recordkeeping fees, transfer and sub-transfer agent fees. The risks, potential benefits, fees, and expenses of mutual funds and ETFs are described in the product's prospectus or summary disclosure. Clients should become familiar with such information prior to investing. Additionally, mutual funds may impose a redemption fee if shares are sold within a short time period, usually within 30, 60, or 90 days from the date of purchase.

Mutual fund and ETF fees and expenses are described in each fund's and ETF's prospectus. A client could invest in mutual funds and ETFs directly, without the services of Infinex or the Representative. In that case, the client would not receive the services provided by Infinex or the Representative, which are designed, among other things, to identify mutual funds or ETFs which are appropriate in light of the client's objectives, needs, and circumstances. Accordingly, clients should review the fees charged by the funds and ETFs in which their accounts are invested in evaluating the costs of the services being provided.

### *Cash Management Fees and Expenses*

Cash in the account that is awaiting investment or reinvestment may be invested in cash balances or money market funds at Pershing (or its affiliates), pursuant to an automatic cash “sweep” program. The adviser to these funds may be Pershing (or its affiliate) or other custodian (or an affiliate of the custodian). Pershing has agreed to compensate Infinex based on the balances of client accounts in such sweep accounts. Consequently, the possibility of this compensation creates an incentive for Infinex to make decisions for the account that would have the effect of increasing this compensation. Infinex and Pershing (or its affiliate) may also receive from the money market fund distribution payments pursuant to Rule 12b-1. Such compensation or payments are not credited against, and will not reduce, the Program Fees owed to us.

## **Item 5: ACCOUNT REQUIREMENTS & TYPES OF CLIENTS**

The following minimum account sizes apply to the wrap account programs we offer:

### Investnet Program

- \$25,000 for Portfolio Planner ETF and Portfolio Planner Index Plus Programs;
- \$250,000 for Portfolio Planner UMA Program; and
- \$1,000,000 for Portfolio Planner Direct SMA and Portfolio Planner Select SMA.

### Lockwood Program

- \$100,000 for Lockwood SMA Program; and
- \$250,000 for Lockwood Investment Strategies Program.

### Infinex Client Advisory Account Program

- \$50,000.

### Dominion Advantage Account Program

- \$50,000

We provide investment advisory services to the following types of clients:

- Individuals, including high net worth individuals;
- Pension and profit sharing plans;
- Trusts, estates, and charitable organizations;
- Corporations and other businesses not listed above.

## **Item 6: PORTFOLIO MANAGER SELECTION & EVALUATION**

### **A. SELECTION & REVIEW OF PORTFOLIO MANAGERS**

Lockwood and Investnet conduct research with respect to various third-party investment managers (the “Managers”). Lockwood and Investnet are responsible for identifying and selecting the Managers that will participate in their respective Programs. Lockwood and Investnet provide information to Infinex regarding each Manager's investment discipline and approach.

Lockwood and Envestnet use proprietary processes for screening and evaluating Managers that focuses on quantitative factors such as historical performance and volatility, as well as the Manager's reputation and approach to investing, to determine if the Managers are suitable for the Program. They also conduct periodic evaluations of the Managers. Lockwood and Envestnet verify the information provided by the Managers by comparing it to other data from publicly available sources, as well as through proprietary technical, quantitative, and qualitative analyses, including attribution analysis and risk analysis. Lockwood and Envestnet maintain full discretionary authority to hire and fire the Managers.

Infinex does not audit, verify, or guarantee the accuracy, completeness, or methods of calculation of any historic or future performance or other information provided by Lockwood, Envestnet, or any Manager. There can be no assurance that the performance information from Lockwood, Envestnet, any Manager, or other source is or will be calculated on any uniform or consistent basis, or has been or will be calculated according to or based on any industry or other standards.

## **B. TAILORED ADVISORY SERVICES & CLIENT-IMPOSED RESTRICTIONS**

When Infinex serves as the portfolio manager, we tailor our advice to the specific needs and objectives of the client. The Representative will help the client to understand and complete an account profile or questionnaire so that it accurately reflects the account's financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations, and will also answer client questions about the programs and our services. Using specialized software, the Representative produces a report that proposes an asset allocation strategy based on the client's investment profile to assist the client in selecting a suitable program, portfolio, and where applicable, separate account manager. We permit clients to impose reasonable restrictions on the types of securities we recommend for their account, and permit clients to change the restrictions by written instruction to us.

Accounts are managed to reflect the allocation and achieve the objectives of the program and portfolio which the client has selected, subject to reasonable restrictions imposed by the client. Due to client restrictions and other differences regarding each account, performance of a client's account may be different from the performance of other accounts in the same program or portfolio. On an on-going basis, the account's portfolio manager reviews and adjusts the portfolios to ensure they continue to reflect the intended allocations and objectives, as well as any reasonable restrictions imposed by the client.

## **C. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS**

When Infinex serves as the portfolio manager, each account's Representative will provide, on behalf of Infinex, the investment analyses, strategies, recommendations, and where discretion is granted, trading instructions for the account, to the extent of Infinex's responsibilities described in this Brochure, without prior consultation with Infinex. Infinex supervises the activities of its Representatives, but does not generally manage or make investment decisions or recommendations with respect to specific accounts. The Representatives are authorized to exercise on Infinex's behalf all discretion or other authority granted by clients to Infinex.

Below, we describe the methods of analysis and investment strategies generally used by our Representatives in formulating advice and managing accounts on behalf of Infinex. Each Representative, however, determines the methods of analysis and strategies to be used in advising and managing his or her accounts, which may differ from the methods of analysis,

strategies, or advice of other Representatives. Clients should be sure to understand the methods of analysis and investment strategies their Representative expects to use in advising them or managing their accounts.

### **Fundamental Analysis**

Fundamental analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the asset class of the security and the management of the company) to determine if the security should be included in the portfolio.

Fundamental analysis does not attempt to anticipate market movements. As such, this method of analysis carries a risk that it may not recognize when the price of a security is moving up or down as a result of overall market movement regardless of the economic and financial factors considered in a fundamental analysis of the security.

### **Technical Analysis**

Technical analysis utilizes a number of different statistical measures and calculations (such as the direction and velocity of movements in certain market averages and indices, prices for securities or other investment products, and economic indicators, among other factors) to identify short, intermediate, and longer term market trends or cycles, and recurring patterns of market movement, to assist in determining when to enter or leave a market.

Technical analysis provides indications of market direction and potential turning points, but is an imprecise tool that can result in inaccurate buy or sell signals that do not coincide with actual market turns. Technical analysis does not consider the underlying financial condition of a company. As such, technical analysis carries the risk of generating a buy signal based on market trends for stock in a company that is poorly managed or financially unsound and that may underperform regardless of overall market movement.

### **Modern Portfolio Theory and Asset Allocation**

Modern portfolio theory (MPT) can be used to develop asset allocation recommendations for clients. MPT is a quantitative asset allocation methodology used in balancing expected risk and return in a portfolio. Asset allocation focusing primarily on identifying an appropriate ratio of investments in equity securities (e.g., stocks), fixed income securities (e.g., corporate bonds), cash, and other types of investments consistent with the client's investment goals and risk tolerance.

MPT emphasizes portfolio diversity with a long-term investment perspective, and is firmly rooted in the belief that markets are fairly efficient and that investors' gross returns are determined largely by asset allocation decisions for deriving an optimal set of risk-return combinations among individual portfolio assets.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to market movements and, if not corrected, the portfolio will no longer be appropriate for the client's goals.



Also, MPT requires assessment of three critical “inputs” of portfolio assets: (i) expected returns; (ii) expected risk; and (iii) an expected correlation matrix for each position. There can be no assurance that Infinex will be successful in accurately forecasting the required inputs or that an optimal risk-return asset allocation combination will be achieved. Similarly, there is no assurance that MPT (or any other investment methodology) will be profitable over any specific time period.

While we generally subscribe to the MPT investment philosophy, occasionally a Representative may find unexpected investment opportunities. In these circumstances, the Representative may recommend the investment even though it deviates from the account’s general strategy.

### **Mutual Fund and ETF Analyses**

Depending on the specific program, account assets will generally be invested in portfolios of mutual funds, and in some programs, exchange-traded funds (“ETFs”). ETFs are a type of investment company that aims to achieve the same return as a particular market index. They can be either open-end companies or unit investment trusts. ETFs are not considered to be, and are not permitted to call themselves, mutual funds. ETFs differ from mutual funds and unit investment trusts because shares issued by ETFs are bought and sold by investors on a secondary market. Unlike mutual funds, retail investors generally cannot tender their shares directly to the ETF for redemption because shares of ETFs are redeemable from the fund only in very large blocks (blocks of 50,000 shares, for example).

ETFs offer the ease of stock trading. ETFs can be purchased on margin, sold short, or held for the long term. Infinex may use ETFs to achieve market exposure consistent with the index on which the ETF is based, through one security. Investment returns and principal value will fluctuate so that an account’s ETF shares, when sold, may be worth more or less than the original cost. In analyzing mutual fund investments, we look at the underlying investments in the funds to determine appropriateness for the overall portfolio.

We look at the experience and track record of the mutual fund and ETF managers to determine if they have demonstrated the ability to invest successfully over periods of time and in different economic conditions. We also consider whether or not there is a significant overlap with the underlying investments held in other funds or ETFs. We monitor the funds and ETFs in an attempt to determine if they are continuing to follow their stated investment strategies. We analyze very similar factors when reviewing third-party managers.

A risk of our method of analysis is that past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, we do not control and do not have complete information about the underlying securities owned by the mutual funds, ETFs, or third-party managers. Further, there is a risk we may not be aware that the portfolio managers of two or more of the mutual funds or ETFs may have invested in the same security, which would increase the risk to the client if that security were to fall in value. Additionally, there is a risk that a manager may deviate from the stated investment mandate or strategy of a fund or ETF, which could cause the fund or ETF to become less suitable for a client. Moreover, as we do not control the manager’s daily business and compliance

operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Portfolio Adjustments**

Unless the client notifies us in writing to change the portfolio and allocation for their account, we will continue to manage the account according to the most recent written instructions of the client. Clients should inform us promptly of significant changes in their individual or family circumstances or financial situation, or in their investment goals or objectives, investment time horizon, tolerance for risk, or liquidity needs so that appropriate changes can be made in the portfolio and asset allocation for their account. Accounts will be “rebalanced” to their target allocations only to the extent specifically provided in the Advisory Agreement for the particular program.

When serving as portfolio manager, we use the following investment strategies, as appropriate, depending on the particular needs and objectives of the account:

### **Long-term Investments**

This strategy involves buying and holding a security for a year or longer, which may occur when we believe a security is currently undervalued or we seek exposure to a particular asset class over time, regardless of the current values. A long-term investment strategy carries the risk that the investments will not achieve the price targets our analysis suggests. The risks of this strategy will be influenced by the types of securities and issuers in which we invest. We may invest in securities of issuers with any size market capitalization.

A risk of a long-term purchase strategy is that by holding the security for the anticipated length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, the security may decline in value before we make the decision to sell.

### **Trading**

Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss.

We do not anticipate using a frequent trading strategy. However, in the event we recommend this strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account’s brokerage costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.

### **Short Sales**

We do not expect to recommend frequent short sales of securities. However, clients should understand the nature of these transactions, in the event we see a potential opportunity to take advantage of a future drop in the price of a security. In a short sale, your account will sell a security that it does not own. It can do this by “borrowing” the stock from the account’s broker with your promise to replace the security on a future

date. If the security's price falls before you have to return the security to the broker, your account would repurchase it at the lower price, thereby making a profit higher than the amount received from the original short sale.

These transactions may be speculative and involve special risk considerations. For example, you will lose money if the value of the security increases and you have to buy it at a higher price in order to return it to your broker. Because there is theoretically no limit to how high the price of the security can go, your potential losses can be infinite. Also, you must pay interest to the broker during the time you have borrowed the security, and you must also pay the broker's commissions or other transaction costs to engage in the initial short sale and the repurchase of the security.

### **Margin Transactions**

Occasionally, we may use a margin account offered by the custodian to borrow sufficient funds to purchase a security for your account. This typically happens if sufficient cash is not available in the account to purchase the security and it is not advantageous to sell other investments. The use of margin carries risks that you should understand. We do not expect to use significant amounts of margin or other leverage in our strategies. However, certain types of transactions may or must be executed through a "margin account" (e.g., short sales).

In volatile markets, security prices can fall very quickly. If the net value of your account (less the amount you owe the broker) falls below a certain level, the broker will issue a "margin call" and you will be required to sell the security (and other positions) or add more cash to the account. You could lose more money than you originally invested. Additionally, you must pay interest on the margin balance you owe to the broker until it is repaid in full. The amount of margin interest will diminish your profits and in some cases could cause net losses in your account.

### **Risks of Inaccurate or Biased Information**

Our methods of analysis assume the accuracy of the information we analyze, such as ratings, financials, and research. While we are alert to indications that the data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. Securities are not guaranteed and you may lose money on your investments. We ask that you work with us to be sure we understand your willingness and financial ability to bear the risks of your current investments and the investments we recommend for your account.

The securities, insurance products, and investment advice recommended or provided by Infinex are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of, nor guaranteed or insured by, any bank or bank affiliate. These products and services are subject to investment risk, including possible loss of principal.

## **D. VOTING CLIENT SECURITIES**

When Infinex serves as portfolio manager, we require the client to retain responsibility for voting all account securities. We will not vote, exercise rights, make elections, or take other such actions with respect to securities held for accounts we manage. If desired, a client may instruct us in writing to forward to the client or a third party materials we receive pertaining to proxy solicitations or similar matters. Upon receipt of such written instructions, we will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, we will discard account proxy and related materials.

Clients may obtain proxy materials directly by written request to the account's custodian. For information about how to obtain proxy materials from a custodian, clients may contact us by email to John Martin at [compliance@infinexgroup.com](mailto:compliance@infinexgroup.com), or by mail to the address on the front of this Brochure. However, we do not provide advice about the issues raised by proxy solicitations or other requests for corporate action.

Similarly, we do not advise or exercise rights, make elections, or take other actions with respect to legal proceedings involving companies whose securities are or were held in a client's account, such as asserting claims or voting in bankruptcy or reorganization proceedings, or filing "proofs of claim" in class action litigation. If desired, a client may instruct us in writing to forward to the client or a third party any materials we receive pertaining to such matters. Upon our receipt of such written instructions, we will use reasonable efforts to forward such materials in a timely manner. In the absence of a written request, we will discard such materials. Written instructions should be sent to John Martin by email at [compliance@infinexgroup.com](mailto:compliance@infinexgroup.com), or by telephone at (203) 599-6000, or by mail to the address shown on the cover page of this Brochure.

Managers have their own policies regarding the voting of client securities. Clients should consult the disclosure brochure of each Manager to determine the Manager's specific policies.

### **Item 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

The Representative will collect information regarding the client's financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon, among other characteristics. This information is provided to Lockwood or Envestnet, as appropriate, and they make the information available to the Managers. This information is updated as Infinex receives updated information from the client.

### **Item 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The client's primary contact with respect to the Programs and the account will be the Representative. The Representative will be available to answer questions about the administration of the account, and general questions about the Programs and model portfolios. If a client has questions which the Representative cannot answer, clients are encouraged to contact Infinex directly, at the address or telephone number shown on the front of this Brochure. Knowledgeable personnel are available to answer client questions. Clients are permitted to contact the Managers directly.

## **Item 9: ADDITIONAL INFORMATION**

### **A. DISCIPLINARY INFORMATION**

We are required to disclose information about legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management.

**Matter 1: Acceptance, Waiver & Consent Agreement**

Regulator: FINRA  
Date: January 20, 2011  
Fine: \$15,000

The Firm entered into an Acceptance, Waiver & Consent Agreement with FINRA to resolve FINRA's finding that the Firm had failed to maintain adequate books and records required under the rules of the Securities and Exchange Commission and the Municipal Securities Regulatory Board with respect to certain corporate and municipal bond transactions; failed to establish, maintain, and enforce a supervisory system reasonably designed to achieve compliance with corporate and municipal bond order ticket recordkeeping and retention requirements; and failed to provide adequate instruction to firm personnel with respect to order ticket requirements.

**Matter 2: Stipulation and Consent**

Regulator: Illinois Secretary of State, Securities Department  
Date: August 22, 2007  
Fine: \$10,100

The Firm entered into a consent order with the State of Illinois regarding the inadvertent performance of certain securities activities in the state involving clients who had relocated to Illinois from states in which the Firm was properly registered. The Firm was fined \$6,500 and an additional \$3,600 which was characterized as back registration fees.

### **B. FINANCIAL INDUSTRY REGISTRATIONS & ARRANGEMENTS**

We are required to disclose if Infinex is registered as a broker-dealer, futures commission merchant, commodity pool operator, or commodity trading advisor, or if our managers are registered as a representative of such a firm.

We are registered with the SEC and 47 states as a broker-dealer, and are a member of FINRA. Infinex's primary business activity is providing brokerage and other services on a "networking" basis to customers at banks and other financial institutions. The executive officers and Representatives of Infinex are separately licensed as registered principals or representatives of Infinex. Infinex's principal executive officers and associated persons, in their separate capacities, may effect securities transactions for any client for separate and typical commission compensation.

Please refer to Form ADV, Part 2A Brochure for further information about the brokerage services Infinex and our Representatives provide to clients and the additional compensation that clients pay to purchase securities or insurance products outside of the managed account (wrap) programs we offer.

Our principal business as a broker-dealer involves networking agreements with banks and other financial institutions. These agreements permit Infinex to offer brokerage services, insurance products (such as fixed and variable annuities), and investment advisory services to customers of the bank. This program is often referred to as the “Infinex Program,” and banks which offer the Infinex Program to their customers are referred to as “Subscribing Banks.”

In consideration for allowing Infinex to offer products and services to their customers on bank premises, Infinex pays to each Subscribing Bank a revenue sharing payment, calculated upon the commissions and other compensation generated by Infinex on sales to the Subscribing Bank’s customers. Our Representatives are often also employed by the Subscribing Bank.

As a registered broker-dealer, Infinex has entered into a fully disclosed clearing agreement with Pershing under which Pershing provides clearing, custody and recordkeeping services for Infinex brokerage client accounts. In connection with the Envestnet Program, the Lockwood Program, the ICAAP Program and the Dominion Advantage Program, Infinex will act as the introducing broker-dealer for all brokerage transactions originated by the portfolio managers. Infinex does not receive an additional compensation for this service; however, Pershing, as clearing broker and custodian, is compensated for these services out of the program fees payable by the client.

Infinex is also licensed as an insurance agency in of the states in which it does business and offers insurance and insurance-related products and services in those states. Representatives may also be licensed as insurance agents with Infinex and appointed with various national insurance companies. As licensed agents, these individuals are able to recommend and sell life, accident, health, and variable annuity and variable life insurance products. Recommendations for these products may be made to Infinex financial planning, consulting, or other clients and any transactions effected for these clients would be for separate and typical compensation. These transactions occur outside of the Envestnet Program, the Lockwood Program, the ICAAP Program and the Dominion Advantage Program.

It is expected that Infinex and its executive officers will spend more than fifty percent of their time on brokerage and related activities, and less than fifty percent of their time on matters related to investment advisory services.

Clients should be aware that the receipt of any additional compensation by our firm and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making recommendations. We endeavor at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser and take the following steps to address this conflict:

- We disclose the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
- We disclose to clients that they are not obligated to purchase any securities or insurance products or services from Infinex or our Representatives;
- We ensure that client advisory fees are not increased due to referral fees paid by our firm;
- We collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;
- Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client’s needs and circumstances;

- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **C. CODE OF ETHICS**

Infinex has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Infinex's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Infinex's practice of supervising the personal securities transactions of supervised persons with access to information regarding client recommendations or transactions. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy of our Code of Ethics by email sent to [compliance@infinexgroup.com](mailto:compliance@infinexgroup.com) or by calling us at (203) 599-6000.

We owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement, and recordkeeping provisions. Our Chief Compliance Officer may grant exceptions to certain provisions contained in the Code where the interests of our clients will not be adversely affected or compromised. Doubts arising in connection with personal securities trading should be resolved in favor of the client even at the personal expense of our employees.

Our Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Infinex or any of its principals, officers, affiliates, employees and Representatives may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnership's or other businesses, subject to compliance with Infinex's Code of Ethics and other written procedures. In doing so, Infinex or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular client.

Nothing in this Brochure or otherwise shall impose upon Infinex or any Representative any obligation to purchase or sell, or to recommend for purchase or sale, for any accounts any security which Infinex or any principal, officer, employee or Representative purchases or sells for his own account or for the accounts of other clients, unless not to engage in such activity would violate Infinex's fiduciary duty.

### ***Confidentiality of Client Information***

Protecting the confidentiality of its customers' nonpublic information is paramount for Infinex. As such, the Firm has instituted policies and procedures to ensure that nonpublic customer information is kept confidential. Infinex does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties except as provided in this Brochure, in its Notice of Privacy Policies, or as required by or permitted by law. In the course of servicing a client's account, Infinex may share some information with Subscribing Banks, its service providers, transfer agents, custodians, broker-dealers, accountants, and attorneys. Infinex restricts internal access to nonpublic personal information about the client to those employees who need access to such information in order to provide products or services to that client. Infinex also maintains physical, electronic, and procedural safeguards to protect its clients' information.

Infinex and our Representatives may share among themselves information regarding clients, accounts, and account activity, and each has agreed to keep such information confidential, to be used only to provide services for the account or to meet regulatory or supervisory requirements. Under certain circumstances, former Representatives may be permitted to retain copies of nonpublic customer information after they cease to be associated with Infinex.

A copy of the Firm's Notice of Privacy Policies will be provided to each client at the beginning of our relationship. Thereafter, Infinex will deliver annually to its clients the Firm's current notice of privacy policies.

### **D. INVESTMENTS IN SECURITIES WE RECOMMEND TO CLIENTS**

Individuals associated with Infinex may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the policy of Infinex that no person employed by Infinex shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of clients. Subject to the Code of Ethics, Infinex and its employees are permitted to trade for their own accounts side-by-side and in block transactions with the firm's clients in the same securities, and at the same time. We have adopted the procedures described in this Brochure to address the actual and potential conflicts of interest raised by our policies.

### **E. INVESTMENTS AROUND SAME TIME AS CLIENT TRANSACTIONS**

Infinex and its employees are permitted to trade for their own accounts side-by-side with clients in the same securities at or around the same time as clients on the same trading day. We do not aggregate our employee trades with client transactions.

We have adopted the procedures described below to address the potential conflicts of interest from our policies described above:

- Infinex prohibits employees from purchasing or selling securities (other than mutual funds) immediately prior to client transactions, in order to prevent employees from benefitting from transactions placed on behalf of advisory accounts.
- Infinex or individuals associated with Infinex may buy or sell securities for their personal accounts identical to the securities recommended to customers. Additionally, any related person(s) may have an interest or position in certain securities that have been recommended to clients.



- A director, officer, or employee of Infinex shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
- No person of Infinex shall prefer his or her own interest to that of the advisory client.
- Infinex maintains a list of all securities holdings for itself, and anyone associated with it with access to advisory recommendations. These holdings are reviewed on a regular basis by the Chief Compliance Officer of Infinex.
- Infinex emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where Infinex is granted discretionary authority of the client's investments.
- Infinex requires all employees to act in accordance with all applicable Federal and State laws and regulations governing registered investment advisory practices.
- Any individual not observing the above may be subject to discipline, including termination.

## **F. REVIEW OF ACCOUNTS**

Accounts that participate in managed account (wrap) programs and for which we serve as portfolio manager are subject to continuous review by the Representative and are reviewed at least quarterly by the Representative to evaluate consistency of the portfolio with current account investment objectives, and target asset allocation and weighting. More frequent reviews can be triggered by significant market or economic factors, or changes in the client's financial situation, large withdrawals or significant deposits, or changes in account objectives, liquidity needs, or risk tolerance.

For accounts participating in the ICAAP Program and the Dominion Advantage Program, the Representative will review the account on a quarterly basis to determine whether the portfolio is consistent with the Investment Strategy Report (or other available account documentation, as the case may be). For other managed accounts for which we do not serve as the portfolio manager, the Representative reviews the account at least quarterly, and on at least an annual basis evaluates whether investment objectives are being met.

We notify the client periodically to contact the Representative of changes in the account's financial situation or investment objectives, or any reasonable account restrictions the client wishes to impose or modify. At least annually, the Representative will contact the client to determine if there have been any changes in the account's financial situation or investment objectives, or if the client wishes to impose or modify any reasonable account restrictions.

## **G. CLIENT REPORTS**

In addition to the brokerage statements that Pershing provides to clients (typically on a monthly basis), clients participating in a managed account program (other than the Dominion Advantage Program) will receive from Envestnet or Lockwood, as appropriate, quarterly reports of account performance, transaction details, account holdings, and market commentary.

Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise agreed in the Financial Planning Agreement. Consulting Services clients will not receive any reports unless specifically provided in their Consulting Agreement.