

# **St. Germain Investment Management, Inc.**

1500 Main St., Springfield MA 01106

Phone: (413) 733-5111

[www.stgermaininvestments.com](http://www.stgermaininvestments.com)

**March 31, 2012**

## **Wrap Fee Program Brochure**

### **Disclosure Statement-Schedule H**

This disclosure document provide Clients with information about St. Germain Investment Management Inc. and its Mutual Fund Wrap Fee program that should be considered before becoming a Client of the "Program." The Program may cost the Client more or less than purchasing such services separately depending on the fees for such services and the trading activity in the Client's account. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission, by any state securities authority, or by any governmental authority.

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### **Item 3- Introduction**

St. Germain Investment Management Inc. is an investment adviser (IA) registered with the Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information that helps you determine whether to retain or hire an Adviser. St Germain Investment Management Inc. provides asset management services to its Clients. Additional information about St. Germain Investment Management Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . You can search this site by a unique indentifying number, known as the CRD number. The CRD number for St. Germain Investment Management Inc. is 155186.

### **Item 4- The Wrap Fee Program**

St Germain Investment Management Inc. offers a wrap fee program ("Program") whereby the Firm manages client's accounts for a single fee that includes portfolio management services, custodial and the transaction/commission costs. Under the Mutual Fund Wrap Program, the Firm offers discretionary investment advice designed to assist Clients, including individuals, trusts, estates, charitable organizations, pension and profit sharing plans in obtaining professional asset management for a convenient single "wrap fee."

### **Item 5- Client Investment Process**

St. Germain Investment Management Inc. will collect the financial and risk tolerance data from the client and assist them in determining the Suitability of the selected Program based on the information disclosed by the client. The investment advice varies depending on the client's life situation, desires, objectives, and other preferences.

St. Germain Investment Management Inc. provides discretionary asset management services to the Client by managing a diversified portfolio of highly rated mutual funds tailored to the individual client's risk tolerance, needs, and financial objectives. Investments and allocation models are determined and based upon the Client's predefined objectives, risk tolerance, time horizon, financial horizon, financial profile, and other various suitability factors. On an ongoing basis, St. Germain Investment Management Inc. , reviews the individual Client's financial circumstances and investment objectives and makes any adjustments to the Client's portfolio as may be necessary to achieve the desired results.

### **Item 6- Portfolio Management Services**

Portfolio Management Services are offered on fully discretionary basis with regard to the allocation and investment management of the Client's Mutual Fund assets within the specifically constructed portfolio depending on the client's risk tolerance.

### **Item 7- Specific Strategy Risks**

Certain Mutual Fund portfolio strategies employed by St Germain Investment Management Inc. may incur more risk than others. The risk tolerance of the Client should be evaluated jointly by the Client and the IA representative to insure that Client's goals, objectives, and financial situation is such that they are able to bear the risks inherent to the selected portfolio.

The mutual fund "wrap" programs offered by St Germain Investment Management Inc. are designed to meet varying investment risk tolerances by utilizing specifically selected, highly rated mutual fund allocation models. Fund allocation models are available to match investors of varying risk tolerances from Ultra-Conservative to Aggressive. Funds are selected based on Morningstar ratings and have been allocated according to modern portfolio design criteria to give the Client a return tailored to their objectives and risk tolerance.

### **Item 8- Fees and Expenses of Program**

St. Germain Investment Management Inc. charges a single asset based charge of 1% for standard Mutual Fund "wrap" program advisory services, which includes the cost of portfolio management services, custodial services, and the execution of transactions. In exceptional cases where the mutual fund has higher than average transaction fees, St Germain investment Management Inc. may charge additionally to the 1% wrap fee to offset the increased cost. The annual fee for the mutual fund "wrap" programs is taken quarterly directly from Client's accounts. Billing is in arrears, on a quarterly basis, the Mutual Fund advisory fee being based on the average daily account at the close of the calendar quarter. New accounts will be charged pro rata for the time they are here. The fee for closed/terminated accounts will be pro rata for the time they are here.

### **Item 9-Education and Business Standards**

Investment Adviser Representatives of St. Germain Investment Management Inc. must meet all examination or experience requirements of the states and/or jurisdictions in which the IAR's provide advisory services.

## **Item 10- Education and Business Background**

Name: Brendon C. Hutchins, Sr. Vice President

Year of Birth: 1972

Formal Education after High School:

College of the Holy Cross, B.S. English 1994

Business Background: Fidelity Investments 1994-2001

Fleet Bank 2001-2003

Joined St. Germain in 2003

Name: Frank A Carrazza Jr., Director of Financial Planning

Year of Birth: 1947

Formal Education after High School:

Northeastern University, B.S. Business Administration, 1969

Business Background: Frank A. Carrazza Jr. Financial Planning 1976-2011

Commonwealth Financial Network 1995-2001

Joined St. Germain Investment Management Inc. in 2011

Name: Michael Robert Matty, President, Chief Compliance Officer

Year of Birth: 1963

Formal Education after High School:

Pennsylvania State University, B.A. Economics 1985

Pennsylvania State University, M.A. Economics 1986

Business Background: Phoenix Mutual-Portfolio Manager 12/86-8/95

Capital Reflections- Principal 11/95-6/99

Joined St. Germain in 1999

Name: Timothy Wallace Suffish, SR. Vice President, Head of Equities

Year of Birth: 1971

Formal Education after High School: College of the Holy Cross, B.A.

Northeastern University, MBA

Northeastern University, M.A. in Accounting

Business Background: Price Waterhouse – Auditor 6/94-1/97

First Variable Life- Asst. Treasurer 1/97-9/98

Fidelity Investments- Investment Consultant 9/98-1/01

Bank North, Vice President 1/01-04

Joined St. Germain in 2004

Name: Paul Joseph Valickus, Chief Strategist

Year of Birth: 1957

Formal Education after High School:

College of the Holy Cross, BA

New York University, MBA

Business Background: General Reinsurance – Managing Director 6/84-3/95

Joined St. Germain in 1995

Name: Paul J. Marchese, Senior Vice President

Year of Birth: 1959

Formal Education after High School:

Georgetown University, BA Economics

Boston College, MBA

Business Background: Hartford National Bank & Trust 1981-1984

Bank of New England, 1984-1989

Shawmut Bank, 1989-1996

Bank of Boston/Fleet 1996-2002

Joined St. Germain in 2002

Name: Amy Santarelli, Vice President

Year of Birth: 1968

Formal Education after High School:

University of Massachusetts, BA 1991

Business Background: John Hancock 1992-2000

DaVinci Capital Management 2002-2004

Joined St. Germain in 2006

### **Item 11- Other Financial Industry Activities or Affiliations**

Associated persons of St. Germain Investment Management Inc. may have arrangements to sell insurance through several companies. If an advisory Client implements recommendations made by one of St. Germain's advisers by purchasing insurance products from an associated person, St. Germain Investment Management may receive additional compensation in the form of commissions.

### **Item 12- Potential Conflicts of Interest**

St. Germain Investment Management Inc. may receive more compensation from a Client from the Client's participation in the Mutual Fund "Wrap" Program than if the client received advisory or brokerage services separately. Therefore, St. Germain Investment Management Inc. may have a financial incentive to recommend the MF Program to clients over other types of advisory services.

### **Item 13- Conditions for Managing Accounts**

St. Germain Investment Management Inc. generally imposes a minimum of \$25,000 to open and maintain a Mutual Fund “wrap” account. This minimum can be waived depending on Client’s other holdings or potential, at the firm’s discretion.

### **Item 14-Additional Compensation**

Associated persons of St. Germain Investment Management Inc. may sell insurance products, including, but not limited to, life, health, annuity, and long term care products, and St. Germain Investment Management may receive additional compensation on the sale of such products.

While St. Germain Investment Management Inc. and its associated persons endeavor at all times to put the interest of its Clients first as part of the fiduciary duty, Clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.