

# St. Germain Investment Management, Inc.

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Phone: (413) 733-5111

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

**January 12, 2015**

This Brochure provides information about the qualifications and business practices of St. Germain Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 413-733-5111. 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.

St. Germain Investment Management, Inc. is a registered investment adviser. 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 about which you determine to hire or retain an Adviser.

Additional information about St. Germain Investment Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure (current date on cover) is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

Changes in Item 2 specify material changes that are made to the Brochure and provide clients with a summary of changes. However, there are no material changes since the brochure was updated in January 2013..

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Patricia Faginski at 413-733-5111 or [info@stgermaininvestments.com](mailto:info@stgermaininvestments.com). Our Brochure is also available on our web site [www.stgermaininvestments.com](http://www.stgermaininvestments.com), also free of charge.

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## Item 4 – Advisory Business

### INTRODUCTION

St. Germain Investment Management, Inc. is a Massachusetts corporation, and is registered with the United States Securities and Exchange Commission (SEC) as an investment adviser under the Investment Advisers Act of 1940. St. Germain Investment Management, Inc. is a wholly owned subsidiary of D.J. St. Germain Co., Inc. D.J. St. Germain Co., Inc. also has 100% ownership of an affiliated subsidiary, St. Germain Securities, Inc., which is registered as a Broker Dealer with FINRA and the MSRB. St. Germain Investment Management, Inc. was incorporated in August of 2010, and succeeded the IA business of D.J. St. Germain Co., Inc. , which was founded in 1924.

Direct Owners and Executive Officers of St. Germain Investment Management are as follows:

#### Ownership codes

**NA** - less than 5%      **B** - 10% but less than 25%      **D** - 50% but less than 75%  
**A** - 5% but less than 10%      **C** - 25% but less than 50%      **E** - 75% or more

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	Title or Status	Date Title or Status Acquired MM/YYYY	Ownership Code	Control Person	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No., or Employer ID No.
DJ ST GERMAIN CO., INC.	CORPORATE OWNER	08/2010	E	N	04-2194178
MATTY, MICHAEL, ROBERT	President, Director , Secretary, CCO	08/2010	NA	Y	3258559
SUFFISH, TIMOTHY, WALLACE	Director	08/2010	NA	Y	2856029
SCHUCK, JASON, MAXWELL	Treasurer	08/2010	NA	Y	2863733

Indirect Owners are:

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	Entity in Which Interest is Owned	Status	Date Status Acquired MM/YYYY	Ownership Code	Control Person	CRD No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.
MATTY, MICHAEL, ROBERT	DJ ST. GERMAIN CO., INC.	President, Director, Secretary,	11/2008	D	Y	3258559

Assets under management (as of December 31, 2014) are:

	<u>U.S. Dollar Amount</u>	<u>Total Number of Accounts</u>
Discretionary:	(a) \$ 974,523,676	(d) 4,278
Non-Discretionary:	(b) \$ 38,879,784	(e) 233
Total:	(c) \$1,014,304,460	(f) 4,511

This Form ADV, Part II and narrative provides clients with information regarding St. Germain Investment Management, Inc. and its advisory services that should be considered before becoming a client of St. Germain Investment Management, Inc. . This narrative also provides information about the qualifications and business practices of St. Germain Investment Management, Inc. . The information in this narrative has not been approved or verified by the SEC or by any state securities authority.

Additional information about St. Germain Investment Management, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), by accessing Part 1 of St. Germain Investment Management, Inc.'s Form ADV. You can search this site by a unique identifying number, known as a CRD number. The CRD number for St. Germain Investment Management, Inc. is 155186.

## INVESTMENT MANAGEMENT SERVICES

St. Germain Investment Management, Inc. provides discretionary investment management (portfolio management) services for individuals, businesses, and institutional clients, as well as financial planning services.

## Investment Management

Investment management services are based on each client's individual goals and circumstances. Through personal discussions in which goals and objectives based on a client's particular circumstances and any restrictions are established, St. Germain Investment Management, Inc. develops a client's personal investment approach, and determines with the client an appropriate investment and risk tolerance strategy. The strategies include: 1) Conservative Growth; 2) Balanced; 3) Equity Income; 4) Fixed Income; and 5) Fully Invested Growth. The types of investments include exchange listed and OTC equity securities, mutual fund shares, variable annuities, corporate debt, municipal and US government securities. Generally, all of St. Germain Investment Management, Inc.'s investment recommendations are based on long-term investment strategies designed to achieve client goals. St. Germain Investment Management, Inc. may manage portions of client portfolios as appropriate. See Item 3 of Form ADV, Part II. All portfolios are individually managed for each client, however, based on individual considerations such as liquidity requirements, cash flow and risk tolerance.

St. Germain Investment Management, Inc. manages investment portfolios on a discretionary basis.

## Financial Planning:

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, St. Germain Investment Management, Inc. may develop a customized financial plan for clients, in addition to managing their customized portfolio.

St. Germain Investment Management, Inc. may provide additional general business and securities consulting services to clients as part of its financial planning services. These services may include, but are not limited to, advice on business planning, business successions and mergers, insurance needs, coordination of the structures of business plans and companies, meetings with client lawyers to assist with estate planning and accountants to assist with tax planning.

Fees for this analysis are typically covered by our management fees. We reserve the right to charge separately for such services as conditions may warrant.

## Mutual Fund Wrap Programs:

For those clients who indicate the need and desire to participate in a managed mutual fund portfolio, St Germain Investment Management, Inc. offers different allocation models comprised of highly rated mutual funds. Fund allocation models are available to match clients of varying risk tolerances from Ultra-Conservative to Aggressive. Funds are selected based on Morningstar ratings and are allocated to give the client a return tailored to their risk profile. For those smaller accounts of less than \$25k to be targeted to the managed programs, there are several less

diversified options designed for Aggressive, Moderate, and Conservative investors. All portfolios are professionally managed, will be reallocated and adjusted according to their performance, and are subject to wrap fees as detailed in Item 5.

## Item 5- Fees and Compensation

St. Germain Investment Management, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to St. Germain Investment Management, Inc.'s fee.

### Fees

The annual fee for Investment Services will be charged as a percentage of client assets under management, billed quarterly in arrears. The basic fee schedule per account is as follows:

Assets under Management [AUM]	Annual Fee
Up to \$1 million	1.25%
Next \$4 million	1.00%
Over \$5 million	0.75%

In addition, we typically charge 1.25% for equity income accounts, and up to .75% for individual bond fixed income accounts.

St. Germain Investment Management, Inc. will quote an exact percentage to each client based on both the nature and total dollar value of that account. Fees may vary among clients based on individual circumstances. A minimum quarterly management fee of \$25 applies.

Generally, St. Germain Investment Management, Inc. deducts its management fee directly from client accounts. In some cases, clients may be directly invoiced depending upon their needs and the result of individual negotiations with St Germain Investment Management, Inc. . Billing is in arrears, on a quarterly basis, based on the average daily account balance at the close of the calendar month for which the fee is applicable and the preceding calendar months (market value or fair market value in the absence of market value) utilizing proprietary software. Clients are not required to pay any fees in advance. Family and related accounts maybe aggregated for billing purposes to benefit from an aggregated fee rate. New accounts will be charged pro rata for the time they are here. The fee for terminated accounts will be pro rata for the time they remained with St Germain Investment Management, Inc.

St. Germain Investment Management, Inc. does not charge performance-based fees.

### Other Fees and Separate Mutual Fund Fees

All fees paid to St. Germain Investment Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. St. Germain Investment Management, Inc. may utilize exchange traded closed-end funds as well as funds for cash sweeps. In addition, exchange traded funds may have separate fees in addition to the St. Germain Investment Management, Inc. management fee. If St. Germain Securities, Inc. is indicated as the broker of record on a fund, they may receive 12b-1 fees. If St. Germain Investment Management, Inc. or one of its registered personnel receive 12b-1 fees, those funds are restored to the clients' accounts. Client's always have the option of free choice as to where to purchase recommended investment products. St. Germain Investment Management does not reduce its advisory fees to offset the commissions or markups of its broker/dealer, St. Germain Securities, Inc. Please refer to section 12 of this brochure for a discussion of the fees and transactions costs associated with St. Germain Securities, Inc.

At the customer's instruction, St. Germain Investment Management, Inc. can custody securities they own which will be held in their account and not traded (except on specific instruction from the clients), and in those situations, St. Germain Investment Management, Inc. will receive custodial fees ranging from 0 to 20 basis points, depending on total client assets.

Mutual Fund Managed portfolios are subject to an annual 1.00% wrap fee.

### **GENERAL INFORMATION ON FEES:**

In certain circumstances, all fees may be negotiable. Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees. St. Germain Investment Management, Inc. will establish fee relationships with each client at the start of the advisory relationship.

### **Item 6 – Performance-Based Fees and Side-By-Side Management**

St. Germain Investment Management, Inc. 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).



### **Item 7 – Types of Clients**

St. Germain Investment Management, Inc. provides portfolio management services to individuals (other than high net worth individuals), high net worth individuals, pension and profit sharing plans (other than plan participants), charitable organizations, and corporations or other businesses. As a general rule, St Germain Investment Management, Inc. will open accounts with assets over \$25k. The account minimum is negotiable depending on other factors such as other assets under management, accounts that can be linked, or potential future investment.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

St. Germain Investment Management, Inc. may offer investment advice on any investments held by a client at the start of the advisory relationship. St. Germain Investment Management, Inc. emphasizes the identification of an appropriate risk tolerance and asset allocation. St. Germain Investment Management, Inc.'s investment management strategies do not attempt to manage short-term market fluctuations and emphasize a buy and hold approach. Clients may be placed in a variety of asset allocation strategies based upon individual financial circumstances and risk tolerances. The asset allocations may include stocks, bonds, mutual funds, or ETFs (exchange traded funds are a bundle of securities that are traded on one of the stock exchanges). Each asset class contains inherent risk. For stocks and bonds, individual security values may fluctuate based upon the overall economy, market conditions, investor confidence, and specific corporate events. Mutual funds and ETF's may contain similar risks as stocks and bonds, but may also subject to risks specific to the fund management company or custodian.

Our methods of security analysis include both fundamental, and technical analysis.

Investing in securities involves risk of loss that clients should be prepared to bear.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of St. Germain Investment Management, Inc. or the integrity of St. Germain Investment Management, Inc.'s management.

LEGAL/DISCIPLINARY EVENTS:

1. Regulatory Action initiated by:  
☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign  
(Full name of regulator, *foreign financial regulatory authority*, federal, state, or SRO)  
STATE OF NEW HAMPSHIRE, BUREAU OF SECURITIES REGULATION
2. Principal Sanction:  
Civil and Administrative Penalt(ies) /Fine(s)  
Other Sanctions:
3. Date Initiated (MM/DD/YYYY):  
03/10/2004 ☒ Exact ☐ Explanation  
  
If not exact, provide explanation:
4. Docket/Case Number:  
INV04-014
5. Control Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):
6. Principal Product Type:  
Equity Listed (Common & Preferred Stock)  
Other Product Types:
7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)  
  
ST. GERMAIN CO. FAILED TO NOTICE FILE AND PAY PROPER REGISTRATION FEES TO THE STATE OF NEW HAMPSHIRE.
8. Current status ? ☐ Pending ☐ On Appeal ☒ Final
9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

**If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.**

10. How was matter resolved:

Settled

11. Resolution Date (MM/DD/YYYY):

04/22/2004 ☒ **Exact** ☐ **Explanation**

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ **Monetary/Fine**

**Amount: \$ 2,000.00**

☐ **Revocation/Expulsion/Denial**

☐ **Disgorgement/Restitution**

☐ **Censure**

☐ **Cease and Desist/Injunction**

☐ **Bar**

☐ **Suspension**

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against applicant or control affiliate, date paid and if any portion of penalty was waived:

FINE OF \$2000 IMPOSED, PAID ON 4/22/2004.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)  
UPON UPDATING NOTICE FILING IN VARIOUS STATES, ST. GERMAIN NOTICED THAT IT HAD INADVERTANTLY DROPPED RENEWALS IN THE STATE OF NEW HAMPSHIRE. AFTER NOTIFICATION FROM THE STATE, PRIOR FEES AND A SMALL FINE WERE PAID.

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☒ State ☐ SRO ☐ Foreign

(Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)

STATE OF ILLINOIS SECRETARY OF STATE

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

3. Date Initiated (MM/DD/YYYY):

04/09/2010 ☒ Exact ☐ Explanation

If not exact, provide explanation:

4. Docket/Case Number:

1000102

5. Control Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

No Product

Other Product Types:

7. Describe the allegations related to this regulatory action. (The information must fit within the space provided.)

ST. GERMAIN FAILED TO FILE A "DESIGNATED PRINCIPAL FORM DPF" WITH THE STATE BY DECEMBER 31, AS REQUIRED BY ILLINOIS STATUTES.

8. Current status ? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to: (SEC, SRO, Federal or State Court) and Date Appeal Filed:

**If Final or On Appeal, complete all items below. For Pending Actions, complete Item 13 only.**

10. How was matter resolved:  
Order

11. Resolution Date (MM/DD/YYYY):  
06/03/2010 ☒ **Exact** ☐ **Explanation**

If not exact, provide explanation:

12. Resolution Detail:

A. Were any of the following Sanctions Ordered? (Check all appropriate items):

☒ **Monetary/Fine**

**Amount: \$ 250.00**

☐ **Revocation/Expulsion/Denial**

☐ **Disgorgement/Restitution**

☐ **Censure**

☐ **Cease and Desist/Injunction**

☐ **Bar**

☐ **Suspension**

B. Other Sanctions Ordered:

C. Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to requalify/retrain, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against applicant or control affiliate, date paid and if any portion of penalty was waived:

\$250 FINE ACCEPTED BY ILLINOIS JUNE 3, 2010

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates. (The information must fit within the space provided.)

\$250 FINE ACCEPTED BY ILLINOIS JUNE 3, 2010

PART II

1. Regulatory Action initiated by:

☐ SEC ☒ Other Federal ☐ State ☐ SRO ☐ Foreign

FINRA/MSRB

2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s)

Other Sanctions:

TEMPORARY RESTRICTION ON MUNICIPAL SECURITIES TRADING UNTIL FULL  
PROPER REGISTRATION WAS ACCEPTED, AS WELL AS CENSURE.

3. Date Initiated (MM/DD/YYYY):

08/14/2007 ☒ Exact ☐ Explanation

4. Docket/Case Number:

2007007176601

5. Advisory Affiliate Employing Firm when activity occurred which led to the  
regulatory action (if applicable):

6. Principal Product Type:

Debt - Municipal

Other Product Types:

DEBT CORPORATE

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FIRM FAILED TO REPORT CORPORATE SECURITIES TRANSACTIONS TO THE TRACE ELECTRONIC SYSTEM. IN ADDITION, FIRM FAILED TO SUBMIT MUNICIPAL SECURITIES TRADES TO MSRB SYSTEM. FIRM WAS ALSO CITED FOR FAILING TO MAINTAIN PROPER SUPERVISORY PROCEDURES RELATED TO TRACE AND MSRB REPORTING.

8. Current status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

[illegible]

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC)

11. Resolution Date (MM/DD/YYYY):

04/25/2008 ☒ Exact ☐ Explanation

- ## 12. Resolution Detail:

- A. Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount:\$ 75000

☐ Revocation/Expulsion/Denial    ☐ Disgorgement/Restitutio  
n    |

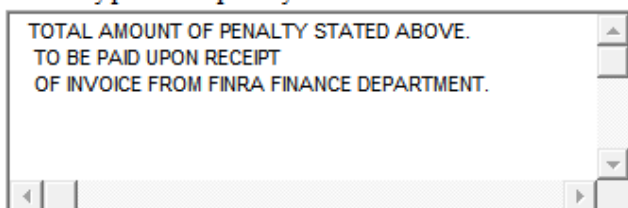
☒ Censure ☐ Cease and Desist/Injunction

☐ Bar ☐ Suspension

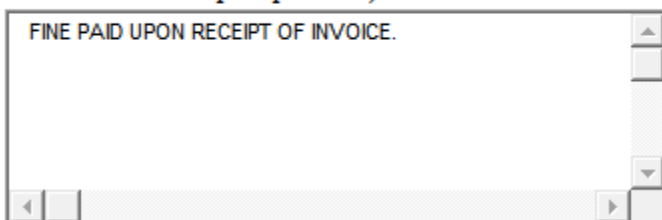
B. Other Sanctions Ordered:

A large, empty rectangular text box with a light gray border and a vertical scrollbar on the right side.

Sanction detail: if suspended, enjoined or barred, provide duration including start date and capacities affected (General Securities Principal, Financial Operations Principal, etc.). If requalification by exam/retraining was a condition of the sanction, provide length of time given to ~~requalify/retrain~~, type of exam required and whether condition has been satisfied. If disposition resulted in a fine, penalty, restitution, disgorgement or monetary compensation, provide total amount, portion levied against you or an advisory affiliate, date paid and if any portion of penalty was waived:

A rectangular text box with a light gray border and a vertical scrollbar on the right side. It contains the text: "TOTAL AMOUNT OF PENALTY STATED ABOVE. TO BE PAID UPON RECEIPT OF INVOICE FROM FINRA FINANCE DEPARTMENT."

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

A rectangular text box with a light gray border and a vertical scrollbar on the right side. It contains the text: "FINE PAID UPON RECEIPT OF INVOICE."

1. Regulatory Action initiated by:

☐ SEC ☐ Other Federal ☐ State ☒ SRO ☐ Foreign

(Full name of regulator, foreign financial regulatory authority, federal, state, or SRO)

A rectangular text box with a light gray border and a vertical scrollbar on the right side. It contains the text: "FINRA"



2. Principal Sanction:

Civil and Administrative Penalt(ies) /Fine(s) ▼

3. Date Initiated (MM/DD/YYYY):

07/10/2006 ☒ Exact ☐ Explanation

4. Docket/Case Number:

2007010604201

5. Advisory Affiliate Employing Firm when activity occurred which led to the regulatory action (if applicable):

6. Principal Product Type:

Equity - OTC ▼

7. Describe the allegations related to this regulatory action (your response must fit within the space provided):

FINRA RULES 2010,7450,NASD RULES 2110,3010,  
6955(A)- ST. GERMAIN SECURITIES, INC FAILED TO  
TRANSMIT ALL OF IT'S ORDERS TO THE ORDER  
AUDIT TRAIL SYSTEM(OATS) THAT IT WAS REQUIRED  
TO TRANSMIT DURING A PARTICULAR PERIOD.  
THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE  
COMPLIANCE WITH APPLICABLE SECURITY LAWS, REGULATIONS AND NASD RULES CONCERNING OATS  
REPORTING.

8. Current status? ☐ Pending ☐ On Appeal ☒ Final

9. If on appeal, regulatory action appealed to (SEC, SRO, Federal or State Court) and Date Appeal Filed:

10. How was matter resolved:

Acceptance, Waiver & Consent(AWC) ▼

11. Resolution Date (MM/DD/YYYY):

03/14/2011 ☒ Exact ☐ Explanation

12. Resolution Detail:

A. Were any of the following Sanctions Ordered (check all appropriate items)?

☒ Monetary/Fine Amount: \$ 27500

☐ Revocation/Expulsion/Denial

☐ Disgorgement/Restitution

☒ Censure

☐ Cease and Desist/Injunction

☐ Bar

☐ Suspension

B. Other Sanctions Ordered:

UNDERTAKEN.

Sanction detail:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF THE FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$27,500, AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING OATS REPORTING WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC.

13. Provide a brief summary of details related to the action status and (or) disposition and include relevant terms, conditions and dates (your response must fit within the space provided).

PURSUANT TO A FINRA AWC, THE ABOVE FINE HAS BEEN PAID. SINCE THE TIME OF THE ACTION, WE HAVE BECOME AN INTRODUCING BROKER WITH OUR CLEARING FIRM RESPONSIBLE FOR OATS REPORTING.

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## **Item 10 – Other Financial Industry Activities and Affiliations**

St. Germain Investment Management, Inc. is a wholly owned subsidiary of D.J. St. Germain Co., Inc. D.J. St. Germain Co., Inc. is also the parent of a wholly owned brokerage subsidiary, St. Germain Securities, Inc. All trades of St. Germain Investment Management, Inc. are placed through our brokerage affiliate, St. Germain Securities, Inc. Such relationship may create a conflict of interest in the sense that excess trading made by the investment advisor may serve to generate fees for the broker dealer. We minimize this potential for conflict as our typical trading turnover is fairly low. Although mutual funds and ETFs are offered, any relationship with the fund management companies is not relevant.

In addition, certain investment advisor employees of St. Germain Investment Management, Inc. are also registered as registered representatives of the broker dealer St. Germain Securities, Inc.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

St. Germain Investment Management, Inc. has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. St. Germain Investment Management, Inc.'s Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth St. Germain Investment Management, Inc.'s practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with St. Germain Investment Management, Inc. may buy or sell securities for their personal accounts identical to or different than those recommended to clients, including being traded in identical strategies as clients within the firm's account, and be included in block trading for allocation pro-rata at an average price. It is St. Germain Investment Management, Inc.'s philosophy that because the firm and its employees trade in identical securities, included in block trades at the same price, that conflicts are avoided and clients are treated fairly. It is the expressed policy of St. Germain Investment Management, Inc. that no person employed by St. Germain Investment Management, Inc. shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. The overriding principal is fairness to the client. All supervised persons at St. Germain Investment Management must acknowledge the terms of the Code of Ethics annually, or as amended.

To supervise compliance with its Code of Ethics, St. Germain Investment Management, Inc. requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and (minimally) quarterly

transaction reports to the firm's Chief Compliance Officer. St. Germain Investment Management, Inc. prohibits such access persons from investing in any IPOs, and requires approval from the Chief Compliance Officer prior to participation in private placements (limited offerings).

St. Germain Investment Management, Inc.'s Code of Ethics further includes the firm's policies prohibiting the use of material non-public information, governing the receipt of gifts and the protection of confidential client information. St. Germain Investment Management, Inc. requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with St. Germain Investment Management, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price.

St. Germain Investment Management, Inc. will provide a complete copy of its written Code of Ethics to any client upon request to St. Germain Investment Management, Inc.'s CCO at the main office address.

## **Item 12 – Brokerage Practices**

### **PARTICIPATION IN CLIENT TRANSACTIONS**

As principal ourselves and/or an affiliated firm may occasionally buy or sell securities directly from clients. This is done on an infrequent basis and is typically done as a convenience to clients (i.e. purchasing an illiquid security from a client where no market is made). Clients are required by St Germain Investment Management to direct the executed trades through St Germain Securities. This is our business practice and may not be the practice for other advisory firms. St Germain Investment Management clients are not allowed to direct brokerage, and although we try to contain costs, directing brokerage may result in higher fees.

### **ALLOCATION**

St. Germain Investment Management, Inc. will execute block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block

trading allows St. Germain Investment Management, Inc. to execute equity trades in a timelier, equitable manner and to reduce overall commission charges to clients.

After purchase or sale decisions have been made for individual securities, the trade may be aggregated for accounts with similar investment objectives. It is the firm's belief that such aggregation helps clients to obtain best execution for their trades.

## **SECURITIES BROKERAGE COMMISSIONS**

All accounts utilize our affiliate, St. Germain Securities, as a broker dealer, which charges a commission (typically \$.06/share on equities, no markup on bonds) for these services. In addition, as an introducing broker dealer through Pershing LLC, St. Germain Securities, Inc. will pass through ticket charges and other fees as they may be applicable, according to the fee schedule supplied to clients. Some of these items may include a markup to St. Germain Securities.

## **SOFT DOLLAR RELATIONSHIPS**

Neither St Germain Investment Management Inc. nor St Germain Securities participate in any "soft dollar" relationships.

## **Item 13 – Review of Accounts**

### **REGULAR REVIEWS OF CLIENT ACCOUNTS AND REPORTING**

Investment decisions are made by the Investment Policy Committee (Committee members and educational/business background is listed below). St. Germain Investment Management, Inc.'s investment personnel operate as a team without individual account assignments. Accounts are continuously monitored based upon changes in market conditions, individual security fluctuations, and client cash additions/withdrawals (among other factors). Pershing LLC will provide clients with monthly reports, detailing holdings, market value and cost basis. A confirmation is mailed by Pershing LLC to the client within 3 business days regarding any change in security holdings.

As a best practice, St Germain Investment Management encourages all clients to schedule an annual review with their representative to address changing needs and/or material life changes. Tax clients receive annual reviews for tax losses, etc.

## **EDUCATION AND BUSINESS BACKGROUND**

**Name: Michael Robert Matty, President, CCO**  
**Year of Birth: 1963**

Formal Education after High School:  
Pennsylvania State University, BA Economics 1985  
Pennsylvania State University, MA 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, Senior Vice President—Head of Equities**

Year of Birth: 1971  
Formal Education after High School: College of the Holy Cross, BA  
Northeastern University, MBA  
Northeastern University, MA in accounting  
Business Background: Price Waterhouse - auditor 6/94-1/97  
First Variable Life - Ass't 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: Louis Bartenstein, Vice President—Head of Fixed Income**

Year of Birth: 1946  
Formal Education after High School: Boston college, BA  
University of Rochester, MBA  
Business Background: Equitable Life Assurance - AVP 1973-2002  
General Reinsurance - VP 1984-2002

**Name: Matthew Robert Farkas, Vice President—Fixed Income Portfolio Manager**

Year of Birth: 1982  
Formal Education after High School: Saint Michaels College, BA Economics 2004  
Boston University, MS Investment Management 2011  
Business Background: Berkshire Bank, Investment and Trading Officer 04/2006 – 12/2009  
Alexandra dest Capital Management, VP/Portfolio Manager 12/2009- -03/2014  
Joined St. Germain Investment Management in 2014

## **Item 14 – Client Referrals and Other Compensation**

### **ADDITIONAL COMPENSATION**

In some cases outside advisors—e.g. MassMutual Financial Group or Charter Oak Insurance and Financial Services Co. and John M. O’Brien CPA—may recommend St. Germain Investment Management, Inc. to clients and receive compensation from St. Germain Investment Management, Inc. for this referral. Any client entering into such a relationship will receive an Advisory Disclosure Statement from the referring party outlining fees. Several of St Germain Investment

Management's representatives hold Brokers contracts with MassMutual and are able to offer traditional Life, Disability Income, and Annuity products through that carrier and receive corresponding compensation.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the qualified custodian (currently Pershing LLC) that holds and maintains client's investment assets. St. Germain Investment Management, Inc. urges you to carefully review such statements.

### **Item 16 – Investment Discretion**

St. Germain Investment Management, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, St. Germain Investment Management, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment restrictions may be provided to St. Germain Investment Management, Inc. either verbally or in writing.

### **BROKERAGE DISCRETION**

The adviser has an affiliate registered as a general securities Broker-Dealer, member FINRA and SIPC. All trades are placed through our BD, St. Germain Securities, Inc., to Pershing LLC.

St. Germain Securities, Inc. typically charges \$.06/share for these BD services. There are generally no agency cross or principal transactions. Trade confirmations and account statements are provided by Pershing LLC.

### **Item 17 – Voting Client Securities**

#### **PROXIES:**

As a matter of policy and as a fiduciary to its clients, St. Germain Investment Management, Inc. votes proxies on behalf of clients consistent with the best economic interests of the clients. Clients do not, by policy or agreement, direct St Germain Investment Management's vote. Proxies or other solicitations are received directly by St. Germain Investment Management

Inc., who will generally vote in favor of routine corporate proposals. St. Germain Investment Management, Inc. has written policies regarding proxy voting. Clients may request information regarding how particular proxies were voted and may request a copy of these procedures by contacting, in writing, St. Germain Investment Management, Inc., Attention Tim Suffish. Note: any client concern as to how their proxy was voted can be addressed by contacting Tim.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about St. Germain Investment Management, Inc.'s financial condition. St. Germain Investment Management, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.