

St. Germain Securities, Inc.
and St. Germain Investment Management, Inc.
Customer Relationship Summary as of October 11, 2023

D.J. St. Germain Co., Inc., (referred to here as “us,” “we,” “our firm”), serves as the parent company for its wholly owned subsidiaries: St. Germain Securities, Inc. and St. Germain Investment Management, Inc. These subsidiaries do business under different names, which are historically linked to our office locations, the communities we serve, and the types of businesses we operate. In Wall Street parlance, we are sometimes referred to as a “hybrid” firm because we operate both RIA and BD businesses. St. Germain Securities, Inc. which also does business as Gage-Wiley & Co. is organized and regulated as a FINRA registered Broker-Dealer (BD), and member SIPC. St. Germain Investment Management, Inc. which also does business as October Mountain and New England Capital is organized as a federally registered investment adviser.

No matter with which entity you do business, our firm makes recommendations under Regulation Best Interest and is providing this document to give you more information about our relationship with you, as a client. Throughout this summary we have called out some “conversation starters” which you may wish to discuss with us as you get to know us better. We have identified these items as bullet points throughout this summary.

Brokerage and Investment Advisory services and fees differ. It is important for you to understand the difference. Free and simple tools are available to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about broker-dealers, investment advisors, and investing.

For additional information: Please reference our *Form ADV Part 2A and 2B*, <http://www.investor.gov/CRS>, <http://www.brokercheck.org> and/or your account documents provided when opening your account.

What investment services and advice can you provide me?

There are different ways you can get help with your investments. All of our services are designed to take into account your investment objectives, your risk tolerance, your time horizon, and other financial decisions important to you.

We offer *wealth management services* through our Investment Advisory firm, St. Germain Investment Management, Inc. and affiliates. Through this entity, we provide you with on-going, discretionary professional management of your portfolio, using investment strategies agreed upon with you, and intended to help you reach your goals. We also offer customized financial planning which may include budgeting, cash flow and asset/liability assessments, retirement planning, and more. When needed and appropriate, we provide needs analysis and strategic use of selective insurance products to address asset protection goals, estate planning needs, long term care concerns, and business buy/sell agreements. Our firm monitors your investments in our Investment Advisory managed account programs on a daily basis.

In managing your assets, our firm accepts discretion, if chosen by you. Discretion means that we will not contact you for trade decisions. The investment products utilized within our investment strategies include one or more of the following: common and preferred stocks; fixed income offerings including corporate, government and municipal bonds; mutual funds; exchange traded funds; and cash and cash- alternatives including money market funds and bank deposit accounts. We have account minimums that range from \$100,000 to \$500,000, depending on the investment strategy that is chosen by you, and subject to negotiation under certain circumstances.

You can learn more about our Investment Advisory services by reviewing our entire Firm Brochure, which will be made available to you prior to or at the time of account opening. You may also wish to check our firm’s disciplinary history by accessing www.brokercheck.org.

We also offer *traditional brokerage services* through our affiliated broker-dealer, St. Germain Securities, Inc. Through this entity, we provide individualized recommendations for you which are discussed with you prior to transacting any purchase or sale. Accounts that are under brokerage services only means that we help guide you towards investments that are suitable to your financial needs and circumstances, but we *do not* exercise discretionary day-to-day management of your account. Consultation is required of you for each individual transaction. Our brokerage-only accounts may include stocks, bonds, mutual funds, exchange traded funds, and variable annuities. This is a transactional, commission-based

relationship that differs from the fee-based, managed portfolios and planning services, and is more limited in the scope of services provided. In these relationships we have an account minimum of \$100,000 and we monitor your accounts on a daily basis.

We do not, in any relationship, offer proprietary products.

Conversation Starter:

- Given my financial situation, should I choose an Investment Advisory service? Should I choose a Brokerage service? Should I choose both types of services? Why? How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

For additional information: Please reference our *Form ADV Part 2A and 2B*, <http://www.investor.gov/CRS>, <http://www.brokercheck.org> and/or your account documents provided when opening your account.

What fees will I pay?

Fees, costs, and other charges in the financial services industry can be confusing, but generally fall into these areas:

Management Fees (or Advisory fees): these are *asset-based fees* charged by St. Germain Investment Management (and affiliates) associated with the day-to-day responsibilities of managing your account. Our fees range from .60% to 1.25% annualized, charged quarterly in arrears, based on the average daily balance of your managed assets. The specific fee rate applicable to your account is based on the amount and composition of assets, the investment strategy chosen, the financial services required, and is agreed upon and fully disclosed in your *Investment Advisory Agreement*. Our management fee covers implementing your chosen investment strategy, ongoing monitoring of your assets, assessing relevant economic and financial metrics that may affect your portfolio, and decision-making associated with purchases and sales of holdings in your portfolio. It includes financial planning and additional wealth management services provided by our Financial Advisors, and account service activities provided by our Client Service staff. Additionally, it includes all account reviews, account reporting, and written commentaries, updates, and consultations with our Financial Advisors or Investment Managers, and coordination or consultations with your attorney, accountant, or other related professional services. Advisory fees can create a conflict in that the more of your assets we manage, the more money we earn. We, therefore, have a benefit in suggesting you consolidate your assets with our firm.

Advisory Account Transaction Charges: These are the costs incurred upon the purchase or sale of holdings in your managed portfolio with St. Germain Investment Management, Inc. Charges vary based on the specific class of assets bought or sold (stock, bond, mutual fund, etc.). Second, the costs may differ based on the *custodian* of your account, whether they are charged to you directly by the custodian or charged to our broker-dealer for processing the transaction on your behalf, in which case we pass on that charge to you with any adjustments for our internal costs. The custodians we use include [Schwab](#), Pershing, First Clearing, and TD Ameritrade. We make our best efforts to negotiate the lowest charges possible, and that are commensurate with the quality of custodial services and resources they provide. Transaction costs are provided in a fee schedule when your account is opened and as updated. If you are unsure of your fee schedule, your Advisor can provide you the schedule applicable to your custodian and account.

Brokerage Account Commission Charges: Commissions represent the compensation we receive if acting as your “broker” when providing investment guidance in brokerage-only accounts, and we subsequently buy or sell securities on your behalf based on recommendations we have made to you, or unsolicited transactions you have instructed us to make. These commission charges are made through our broker-dealer firm, St. Germain Securities, Inc. at the time of a transaction. The commission on each transaction depends on the asset bought or sold (stock, bond, mutual fund, etc.), the unit size (# shares), and aggregate value of the position, the size of your account, and the frequency of your transactions. For brokerage-only accounts, commission charges will never exceed 5% of an individual transaction, subject to a minimum commission of \$50 per transaction. Commission charges can create a conflict of interest in that the more transactions completed, the more money we, as a firm, earn.

Additional Fund-Related Charges: In the case of purchasing so-called “load” mutual funds or variable annuities, we receive compensation (commissions) directly from the fund company. This typically ranges from less than 1%, up to

5.75%, depending on the size of the purchase, and the compensation schedule of the fund company. In general, the larger the purchase the lower the charge. These commission charges are included in the share “offering” price of the fund when purchased; the “net asset value” – or NAV – of the fund represents the true liquidating market value of mutual fund, and the differential between the offering price and the NAV at the time of purchase is representative of the fees charged. As compensation for providing ongoing information and services to you as it relates to your investment in that fund. Fund companies pay our broker dealer a servicing fee, sometimes referred to as a “trail” or 12b1 fee. This is commonly 1/4 of 1% per year, or .25bp (basis points). This equates to \$25 per year for \$10,000 of investment market value.

Other Costs: Some investment holdings in our managed accounts, typically “pooled” investments such as mutual funds, exchange traded funds, or variable annuities, contain embedded expenses related to management and operational costs of the fund itself. These costs are deducted from the assets of the fund, by the fund company/ sponsor, and retained by that company. This means that the net returns of the fund are reduced by the amount of those fees. None of these product costs are levied or received by St. Germain Investment Management, Inc., and we always assess the impact of fund costs against the attributes of a fund before purchasing it for your account.

Incidental costs: For certain non-trade related transactions such as wire transfers you will incur additional charges. These charges are detailed in your account opening documentation and/or Service Agreement.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter:

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

For additional information: Please reference our *Form ADV Part 2A and 2B*, <http://www.investor.gov/CRS>, <http://www.brokercheck.org> and/or your account documents provided when opening your account.

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my Investment Advisor? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker-dealer or act as your Investment Advisor, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide to you. Here are some examples to help you understand what we mean.

Client trades or other transactions directed by St. Germain Investment Management, Inc. or New England Capital (our advisory services) through our brokerage affiliate (St. Germain Securities, Inc.) creates a conflict of interest. St. Germain Investment Management, Inc. advisory personnel and employees, however, endeavor at all times to put the interest of their clients first as part of our fiduciary duty as registered investment advisors.

Directed brokerage executed by St. Germain Securities, Inc. is generally discounted from standard rates, and we strive to keep such costs low to minimize the impact on net portfolio returns. In some cases, outside advisors (non-employee, non-affiliated) may recommend St. Germain Investment Management, Inc. to clients and receive compensation for this referral. Any client entering into such a relationship will receive an Advisory Disclosure Statement from the referring party outlining fees. St. Germain Investment Management, Inc. pays referral fees out of its investment management fees. Clients *do not* pay additional fees as a result of the referral fee paid to third parties by St. Germain Investment Management, Inc.

The custodians of our client accounts offer sweep accounts, in which the excess cash balances of your securities account are swept into an interest paying account on a daily basis. Our default position is for the client to select the bank deposit sweep account option because it offers the greatest flexibility to quickly access cash reserves for the purchase of securities or withdrawal of funds to the client. Since St. Germain Securities, Inc. is an affiliated company of St. Germain Investment Management, Inc., and acts as the designated broker-dealer for customer accounts held at Pershing and First

Clearing, clients should be aware that St. Germain Securities, Inc. holds sweep account revenue sharing agreements with Pershing and First Clearing, and therefore has a conflict of interest in that St. Germain Investment Management has a financial incentive to select the cash sweep over other investments.

We also receive compensation from third parties from the sale of insurance products, facilitating margin lending transactions, and providing wrap fee accounts. Further details on these conflicts are provided in our Form ADV. St. Germain Investment Management, Inc. and/or an affiliated entity, acting as principal, 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 (e.g., purchasing an illiquid security from a client where no market is made).

Conversation Starter:

- How might your conflicts of interest affect me and how will you address them?

How do your financial professionals make money?

All employees of our firm are compensated on a salary basis, and do not directly benefit from transaction fees or commission revenues generated by St. Germain Securities, Inc.

Do you or your financial professionals have legal or disciplinary history?

Yes. You can learn about our legal and disciplinary history at www.investor.gov/CRS, your financial advisors *ADV Form 2B* and, if your advisor is also securities registered, at: www.brokercheck.com.

Conversation Starter:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

Where can I go for more information?

For more information about our firm, we encourage you to go to our websites at www.stgermaininvestments.com or www.gagewiley.com. You can request a copy of the most recent Client Relationship Summary from these sites. You can also contact us at 800-443-7624 to obtain an up-to-date, free-of-charge, Customer Relationship Summary.

Conversation Starter:

- Who is my primary contact person? Is he or she a representative of an Investment Advisor or Broker-Dealer?
- Whom can I talk to if I have concerns about how this person is treating me?

For additional information: Please reference our *Form ADV Part 2A and 2B*, <http://www.investor.gov/CRS>, <http://www.brokercheck.org> and/or your account documents provided when opening your account.