
INFINEX INVESTMENTS, INC.

538 PRESTON AVENUE
MERIDEN, CT 06450
TELEPHONE: (203) 599-6000

www.infinexgroup.com

WRAP FEE PROGRAM BROCHURE

FORM ADV, PART 2A, APPENDIX 1

March 30, 2020

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, 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.

ITEM 2: MATERIAL CHANGES

This section of our Brochure summarizes material changes that have occurred at our firm since the previous release of our Brochure. We will update this section of our Brochure on an annual basis and send a summary of any material changes at our firm along with a copy of our annual privacy policy mailing. You may receive a complete copy of our Brochure by contacting your Infinex Advisor or by contacting our firm at compliance@infinexgroup.com or at (203) 599-6000 or by downloading it at www.advisorinfo.sec.gov.

Since our last annual updating amendment on March 28, 2019, we have made the following material amendments to this Brochure:

- Infinex has updated the Item 4. Services, Fees and Compensation section to reflect the following:
 - The Infinex Client Advisory Account Program (“*ICAAP Program*”) has been renamed the Infinex Advisor Managed Account Program (“*AMAP Program*”).
 - We have reduced the minimum annual advisory fee on AMAP Program accounts to \$30 from \$50.
 - We have clarified that the Envestnet Portfolio Planner Program is no longer available for new accounts.
 - Because Infinex no longer receives revenue sharing payments from Pershing on customer cash sweep positions, we have deleted the disclosure regarding the compensation Infinex receives in connection with cash balances held by clients in the cash sweep program and the related conflict of interest.

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Item 4: SERVICES, FEES & COMPENSATION

A. FIRM BACKGROUND & PRINCIPAL OWNERS

Infinex Investments, Inc. (referred to as “*Infinex*,” “*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 50 states as a broker-dealer. We are a member of the Financial Industry Regulatory Authority (“*FINRA*”). As of March 13, 2020, we managed client assets of approximately \$615,327,000 on a discretionary basis and \$1,088,315,000 on a non-discretionary basis. Infinex is owned 100% by Infinex Financial Holdings, Inc, which is owned by approximately 50 shareholders, none of whom owns 25% or more of our shares.

Infinex’s advisory services are made available to clients primarily through individuals associated with Infinex as investment advisor representatives (“*IARs*”). For more information about the IAR providing advisory services, clients should refer to the Brochure Supplement for the IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR. If client did not receive a Brochure Supplement for the IAR, the client may contact the IAR or Infinex at compliance@infinexgroup.com.

Infinex sponsors several wrap fee programs that are described in this Brochure. These programs include (1) discretionary and nondiscretionary accounts that are managed by IARs, (2) discretionary asset management programs offered by Infinex through agreements with Envestnet Portfolio Solutions, Inc. (“*Envestnet*”) and Lockwood Advisors, Inc. (“*Lockwood*”), and (3) other discretionary asset management programs offered through certain third party asset managers. Each of these programs is described below. Infinex also sponsors other wrap fee programs. Clients can obtain a copy of the brochure for each of these wrap fee programs by contacting your IAR or by contacting our firm at compliance@infinexgroup.com or at (203) 599-6000 or by downloading it at www.advisorinfo.sec.gov.

As noted above, Infinex is also a broker-dealer registered with FINRA, and IARs are typically also registered with Infinex as broker-dealer registered representatives. Therefore, in such case, IARs are able to offer a client both investment advisory and brokerage services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship to determine which type of service best serves the client’s investment needs and goals. Clients should speak to the IAR to understand the different types of services available through Infinex

1. Infinex Advisor Managed Account Program

Infinex offers to clients a wrap fee program known as the Advisor Managed Account Program (the “*AMAP Program*”). The AMAP Program provides clients with an investment advisory account managed by the IAR on either a discretionary or nondiscretionary basis. With an AMAP account, the IAR assists the client in developing a personalized asset allocation program and custom tailored portfolio designed to meet the client’s investment objectives. The recommended portfolio may include investments such as mutual fund shares, exchange traded funds (“*ETFs*”), variable annuities, stocks, bonds, traded real estate investment trusts (“*REITs*”) or a combination of these investments. The AMAP account will typically consist of a percentage of securities from various asset classes. The percentage weightings within asset classes will be based upon the client’s risk profile, investment objectives, individual preferences and availability. For accounts that include securities transferred in kind, the weightings may also be affected by factors such as tax basis and other client preferences.

If a client is interested in the AMAP Program, the IAR will obtain the necessary financial data from the client, assist the client in determining the suitability for the AMAP Account and help establish investment objectives. The client will open an AMAP account by signing a written agreement that authorizes Infinex and the IAR to purchase and sell securities in your account in accordance with your investment objectives. In discretionary accounts, the IAR can buy and sell securities without your prior consent. In nondiscretionary accounts, the IAR must obtain your consent before any transactions in the account take place.

Upon acceptance of an AMAP account by Infinex, the client will direct Infinex, in its capacity as an introducing broker-dealer, to open a brokerage account with Infinex’s clearing broker, Pershing, LLC (“*Pershing*”). Pershing will generally provide all custody, trade execution, clearing, trade confirmations and regular statements of positions and account activity. In addition, Infinex has contracted with Envestnet to prepare quarterly reports showing the account composition, portfolio performance, current asset allocation and current portfolio activity. The IARs are given access to these quarterly reports and

may or may not forward them along to the client. Clients in the AMAP Program that would like to receive these reports should contact their IAR or contact Infinex at the address on the Cover of this Brochure. Neither Infinex nor the IAR reviews the performance information provided by Envestnet to determine its accuracy.

AMAP Program Fees

Clients participating in the AMAP 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 maximum AMAP Program fee schedule is set forth below and is expressed in terms of an annual percentage of account asset size.

| | |
|---------------------------|-----------------|
| Discretionary Accounts | 1.75% per annum |
| Nondiscretionary Accounts | 1.75% per annum |

Fees for the AMAP Program are charged quarterly in advance as shown in the client agreement. Fees are based upon the average daily fair market value of the assets in the account from the previous calendar quarter. Fees are prorated for accounts that are opened or closed during the quarter. The client instructs Pershing to deduct the fee from the client's account. AMAP Program accounts are subject to a minimum account size of \$50,000 and a minimum program fee of \$30 per year. Clients may terminate their advisory agreement at any time upon written notice to Infinex. Any paid but unearned fees will be returned to the client.

2. Envestnet and Lockwood Investment Advisory Programs

Infinex offers two investment advisory programs through its agreements with Envestnet and Lockwood. Envestnet and Lockwood are independent third party money managers and offer a variety of discretionary asset management programs. These programs include managed portfolios comprised of mutual funds (both "no load" and "load waived" funds), ETFs, equity securities and fixed income securities. These programs also provide access to other portfolio and asset managers reviewed and selected by Envestnet or Lockwood.

Asset management programs offered through Envestnet include the following:

- Fund Strategist Programs
 - Foundations Portfolios
 - Envestnet Fund Strategist Program
 - SMA Program
 - UMA Program
 - Portfolio Planner Direct and Select Programs*
 - Portfolio Planner ETF Program*
 - Portfolio Planner Index Plus Program*
- *Please note that all Portfolio Planner Programs have been closed to new accounts

Asset management programs offered through Lockwood include the following:

- Lockwood Asset Allocation Program
- Lockwood AdvisorFlex Program
- Lockwood Investment Strategies
- Lockwood SMA

The IAR may recommend one or more of Infinex's investment advisory programs administered by either Envestnet or Lockwood (the "*Investment Manager*"). Once a specific program is selected, the IAR assists the client in completing a detailed investment profile. The investment profile identifies a number of important factors, including the client's investment objectives, risk tolerance, time horizon, liquidity needs and financial situation. Based upon the client's investment profile, the client's assets are allocated into an investment portfolio designed to meet the needs and objectives of the client. With the exception of the Envestnet Portfolio Planner Select Program, the Investment Manager will act as the discretionary portfolio manager or, depending on the program, the investment management authority will be delegated to a portfolio manager selected by the client. This means that the Investment Manager (or other portfolio manager) can select mutual funds and other securities for the account, modify models and asset allocations, rebalance the account and liquidate positions to generate cash for withdrawals by the client and for the payment of account fees without first getting the client's

permission. In general, the Investment Manager is responsible for reviewing and selecting investments in the client's portfolio. With respect to the Envestnet Portfolio Planner Select Program, the IAR will act as the discretionary asset manager and is responsible for reviewing and selecting investments in the client's portfolio.

Once a program has been selected by the client, the client will sign an investment advisory agreement with Infinex and the Investment Manager. The advisory agreement authorizes the management of the account by the Investment Manager under the terms and conditions of the program selected. In addition, one or more brokerage accounts will be opened through Infinex acting in its capacity as a broker-dealer. Pershing serves as custodian and clearing broker-dealer for Infinex's asset management program accounts. Pershing executes and clears purchase and sale orders placed by the Investment Manager in the client's account, provides transaction confirmations, account statements, annual reports, prospectuses, and tax information, and maintains custody of client cash and securities.

The Investment Manager provides quarterly reports to the IARs showing the account composition, portfolio performance, current asset allocation and current portfolio activity. The IARs are given access to these quarterly reports and may or may not forward them along to the client. Clients in these programs that would like to receive these reports should contact their IAR or contact Infinex at the address on the Cover of this Brochure. Neither Infinex nor the IAR reviews the performance information provided by the Investment Manager to determine its accuracy.

IARs will typically contact their 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 IAR of any material changes in their investment profiles. The Investment Manager will rebalance the account as needed based upon market conditions and when the portfolio has deviated from its target asset allocation. Clients may impose reasonable restrictions on certain securities and types of securities in the Envestnet and Lockwood Investment Advisory Program accounts.

The specific details of each asset allocation program offered through Envestnet and Lockwood are contained in the client's advisory agreement and in the Form ADV Part 2A Brochure or other disclosure document for the Investment Manager. Clients interested in the Envestnet program or Lockwood program should carefully review these documents before opening an account.

Envestnet and Lockwood Investment Advisory Program Fees

Envestnet Program Fees

The program fee for the Envestnet program depends upon which program is selected by the client. The maximum aggregate annual program fee for Envestnet programs ranges from 1.9% to 2.6% of account value per year. The actual annual fee will be shown in the client's advisory agreement. Minimum account fees range from \$10 to \$100 per year. As described below, the Envestnet program fees are negotiable. The Envestnet program fees are charged quarterly in advance, as shown in the client agreement, and are based upon the average daily fair market value of the assets in the account from the previous calendar quarter. Clients may terminate their Envestnet agreement without penalty within five (5) business days of the execution of the advisory agreement. 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. The portion of the program fees paid to the portfolio manager is set forth in Envestnet's brochure.

Lockwood Program Fees

The Lockwood program fees are expressed in terms of an annual percentage of account value. With respect to the Lockwood SMA Program and Investment Strategies Program, 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.

Lockwood Asset Allocation Program & AdvisorFlex Program

| <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 |

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 |

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 |

The Lockwood program fees above are the maximum fees charged a program account. As described below, the Lockwood program fees are negotiable. 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 and the account has been open for less than one year, 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. Third Party Asset Manager Program.

Infinex provides clients with the opportunity to have their investment portfolios professionally managed by other, independent third party asset managers who are not affiliated with Infinex. Infinex has negotiated arrangements with certain independent asset managers selected to participate in the program. Asset managers must satisfy Infinex's due diligence review process before they are selected for the program. In limited situations, we may limit the services provided by some asset managers to a "service only" relationship, under which no new client assets are placed under the asset manager's management. The investment strategies and types of investments utilized by each of the asset managers participating in the program vary, and the IAR will recommend a specific third party asset manager based on the investment profile provided by clients. As part of these third party services, the IAR typically obtains the necessary financial data from the client, assists the client in determining the suitability of the program, assists the client in setting an appropriate investment objective and assists the client in opening an account with the third party asset manager. In addition, depending on the type of program, the IAR may assist the client to select a model portfolio of securities designed by the asset manager or select a portfolio management firm to provide discretionary asset management services. It is the third party investment advisor (and not the

IAR) that has client authority to purchase and sell securities on a discretionary or non-discretionary basis pursuant to investment objective chosen by the client. This authorization will be set out in the client agreement. The Brochure for the particular asset manager will explain whether clients may impose restrictions on investing in certain securities or types of securities.

In particular, Infinex currently offers third party advisory services sponsored by, among others: SEI, AssetMark Investment Services and Orion Advisor Solutions. The IAR contacts clients at least annually to determine whether there have been any changes to their investment profile, and we remind clients to notify us of any such changes on a quarterly basis.

The Third Party Asset Manager Program includes investment portfolio analysis, asset allocation modeling and analysis, trade execution, performance monitoring, portfolio reporting and other related investment services. Under the program, clients enter an agreement with the third party asset manager. The agreement typically provides the asset manager with trading discretion to determine which products to purchase, sell and/or exchange on behalf of clients without having to obtain client approval for each transaction initiated. Upon request, IARs are available for periodic consultations with clients to evaluate the performance of their managed portfolios. Since each asset manager is uniquely structured with different investment products, please ensure that you carefully review (i) the asset manager's Form ADV Part 2A and 2B or alternate disclosure brochure for specific program descriptions, (ii) the asset manager's client agreement for specific contractual terms, and (iii) any additional disclosure or offering documentation provided by the asset manager related to its services or investment products. Among other important information, the third party asset manager's Form ADV Part 2A and 2B or alternate disclosure brochure will have specific information describing methods of analysis and investment strategies, conflicts of interest, disciplinary actions, fee calculation and deduction, fee schedules, refund policies, minimum account sizes, termination procedures, and proxy voting policies (which may permit you to nominate the third party asset manager to exercise voting rights regarding your investments).

Third Party Asset Manager Program Fees.

The fees of third party asset managers are assessed directly by the asset managers and generally billed on a quarterly basis, starting at the inception of the account. Fees are detailed in the respective third party asset manager's client agreement, fee schedule and/or Form ADV, Part 2A disclosure brochure. Fees for the third party asset managers are generally determined by the client's IAR, subject to maximum fees set by each third party asset manager. Third party asset managers' fees are calculated based on the fair market value of the assets being managed. Infinex and the IAR receive a portion of the fees charged by the third party asset managers pursuant to our arrangement with them.

B. NEGOTIATION OF FEES

The program fees described in this Brochure represent Infinex's maximum program fees for the services shown. Infinex or the referring IAR may negotiate fees on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, the compensation requirements of the particular IAR, the client's relationship with Infinex and the IAR, the size of the account, and the potential for other business or clients, among other factors. Separate account assets may be combined or "household" for fee calculation purposes. Program fees may be different at each branch office and with each IAR, depending on location and the extent and nature of service.

C. INFORMATION ABOUT WRAP FEE PROGRAMS

The AMAP Program, the Infinex Advisory Platforms offered through Envestnet and Lockwood and the Third Party Asset Manager Program are offered as "wrap fee" programs. We do not manage accounts that do not participate in wrap fee or similar programs. Infinex and the IAR receive a portion of the wrap fee shown in the client's advisory agreement, and the remainder of the wrap fee is paid to Envestnet 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 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 IAR 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 IAR may have an incentive to recommend a wrap fee 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. 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 may not always be successful in preventing or addressing the effects of these conflicts.

D. ADDITIONAL EXPENSES

Third Party Fees and Charges

There are other fees and charges that are imposed by third parties other than Infinex that apply to investments in Infinex's wrap fee programs. Some of these fees and charges are described below. If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Clients will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. In the case of mutual funds that are fund of funds, there could be an additional layer of fees, including performance fees that may vary depending on the performance of the fund. Clients will also pay Infinex and the IAR the advisory fee with respect to those assets. Most of the mutual funds available in the program can be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the advisory services of Infinex and the IAR and by making their own decisions regarding the investment.

All advisory accounts may invest in mutual funds that make a distribution payment referred to as a 12b-1 fee. Pershing, Infinex's clearing firm, has been instructed to credit any 12b-1 fees received to the client's account. As a result, neither Infinex nor the IARs receive 12b-1 fees from mutual funds purchased in the accounts. In addition to advisory fees, some IARs earn sales incentives or awards based on the value of assets under management, investment products sold, number of sales, client referrals, amount of new deposits or amount of new accounts. Some IARs also receive forgivable loans from

Infinex or the depository institution that they are affiliated with, which are conditioned on the IAR retaining Infinex's broker-dealer and/or registered investment advisor services. This additional economic benefit creates a conflict of interest for the IAR to retain affiliation with Infinex in order to avoid repayment on a loan.

If a client transfers into an advisory account a previously purchased mutual fund, and there is an applicable contingent deferred sales charge on the fund, the client will pay that charge when the mutual fund is sold. If the account is invested in a mutual fund that charges a fee if a redemption is made within a specific time period after the investment, the client will be charged a redemption fee. If a mutual fund has a frequent trading policy, the policy can limit a client's transactions in shares of the fund (e.g., for rebalancing, liquidations, deposits or tax harvesting).

If the client holds a variable annuity as part of an account, there are mortality expenses and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor. If a client holds a REIT as part of an account, there are dealer management fees and other organizational, offering and pricing expenses imposed by the REIT, as applicable. If client holds a UIT in an account, UIT sponsors charge creation and development fees or similar fees. Further information regarding fees assessed by a mutual fund, variable annuity, REIT or UIT is available in the appropriate prospectus or offering document, which is available upon request from the IAR or from the product sponsor directly.

When transferring securities into an account, the client should be aware that certain securities may not be eligible for the account. In such case, the securities may be rejected, sold after the transfer, or moved to a brokerage account. Note that when an ineligible security is transferred into an account and subsequently sold or moved to a brokerage account, the advisory fee will be charged on such asset for the period of time the security was held in the account. The client should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. After transfer into an account, the client should understand that an advisory fee will be charged based on the total assets in the account, including the transferred security. When transferring securities into an account, the client should consider and speak to the IAR about whether:

- a commission was previously paid on the security;
- the client wishes for the security to be managed as part of the account and be subject to an advisory fee; or
- the client wishes to hold the security in a brokerage account that is not managed and not subject to an advisory fee.

Cash Management Fees and Other 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. A money market mutual fund generally seeks to achieve a competitive rate of return (less fees and expense) consistent with the fund's investment objectives, which can be found in the fund's prospectus. Rates in the money market fund option offered as a cash sweep option by Infinex will vary over time and may be higher or lower than the rate paid on other sweep options or other money market mutual funds not offered by Infinex as a cash sweep option.

Pershing Relationship

Pershing is the clearing firm for Infinex's brokerage business. Due to this business relationship, Pershing shares with Infinex a portion of the fees you pay to Pershing for certain transactions and services provided to you, including ACAT fees, IRA maintenance fees, inactive account fees and account termination fees. The compensation Infinex receives in connection with these transactions and services is an additional source of revenue to Infinex and presents a conflict of interest because Infinex has a greater incentive to make available, recommend, or make investment decisions regarding investments and services that provide additional compensation to Infinex over those investments and services that do not. However, this compensation is retained by Infinex and is not shared with your IAR, so your IAR does not have a financial incentive to recommend transactions and services that trigger this compensation.

Pershing also provides consulting and other assistance to us. We also participate in other revenue Pershing is paid on the assets held in your account. Pershing pays us, on an annual basis, a fixed amount in the form of a Business Development Credit in support of Infinex's ongoing recruitment and retention of IARs and financial institutions with which Infinex

maintains a networking relationship. In addition, as described above, Pershing receives revenue from money market funds that Infinex makes available as a cash sweep option. Pershing shares some of that revenue with Infinex.

To help defray costs associated in transferring certain client accounts onto Infinex's platform custodied at Pershing, Pershing reimburses Infinex a portion of the termination and transfer fees incurred by a client account that qualifies for such assistance. Infinex credits such reimbursements to the applicable client's account. In addition, Pershing may, from time to time, waive or discount certain customary fees and expenses in an effort to help attract client accounts and assets.

Investments in Mutual Funds

There are instances when Infinex advisors and third party managers select share classes of mutual funds that pay Infinex 12b-1, distributor, transaction, and/or revenue-sharing fees when lower-cost institutional or advisory share classes of the same mutual fund exist that do not pay Infinex additional fees. As a matter of policy and as described above, Infinex credits the mutual fund 12b-1 fees it receives from mutual funds purchased or held in Infinex managed accounts back to the client accounts paying such 12b-1 fees.

In most cases, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. Mutual funds that offer institutional share classes, advisory share classes, and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts and accounts that the fund considers qualified fee-based programs. The lowest-cost mutual fund share class for a particular fund may not be offered through Infinex or made available by Infinex for purchase within specific types of Infinex program accounts. Clients should never assume that they will be invested in the share class with the lowest possible expense ratio or cost.

Infinex urges clients to discuss with their IAR whether lower-cost share classes are available in their particular program account. Clients should also ask their IAR why the particular funds or other investments that will be purchased or held in their managed account are appropriate for them in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged, whether the client will pay transaction charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. Your IAR may recommend, select, or continue to hold a fund share class that charges you higher internal expenses than other available share classes for the same fund. Further information regarding fees and charges assessed by a mutual fund is available in the appropriate mutual fund prospectus.

Item 5: ACCOUNT REQUIREMENTS & TYPES OF CLIENTS

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

AMAP Program

- \$50,000 with a minimum annual fee of \$30

Envestnet Programs:

- \$5,000 for the Foundations Portfolios with a minimum annual fee of \$10;
- Envestnet Fund Strategist Program – Dependent upon the selected manager, but may be as low as \$15,000 with a minimum annual fee of \$50;
- UMA Program - Dependent upon the selected manager, but may be as low as \$100,000 with a minimum annual fee of \$100;
- SMA Program - Dependent upon the selected manager(s), but may be as low as \$100,000 with a minimum annual fee of \$100;
- \$25,000 for the Portfolio Planner ETF and Index Plus Programs; and

- \$50,000 for Portfolio Planner Direct and Select Programs

Lockwood Programs:

- \$50,000 for Lockwood Asset Allocation and AdvisorFlex Programs;
- \$100,000 for Lockwood SMA Program; and
- \$250,000 for Lockwood Investment Strategies Program.

Infinex provides investment advisory services to individuals, including high net worth individuals, individual retirement accounts, pension and profit sharing plans, trusts, estates, and charitable organizations, and corporations and other businesses not listed above. Account minimums may be negotiable by the IAR depending upon the program. In addition, accounts in the same household may be combined in order to meet the account minimums.

Item 6: PORTFOLIO MANAGER SELECTION & EVALUATION

A. SELECTION & REVIEW OF PORTFOLIO MANAGERS

The IARs generally determine which portfolio managers to recommend to clients. Infinex selects portfolio managers for its wrap fee programs based upon the nature of the products offered and services provided. Infinex may also add or remove portfolio managers from the program based upon the requests of the IARs. In general, Infinex performs an annual due diligence review of the portfolio managers that it selects for its wrap fee program. Among other things, Infinex reviews performance data provided by the portfolio managers, financial information and regulatory history.

Lockwood and Envestnet conduct research and due diligence with respect to the various third-party investment managers (the “*Managers*”) included on their platforms. Lockwood is responsible for identifying and selecting the Managers that will participate in the Lockwood program, while Infinex selects managers for the Envestnet program from a list screened by Envestnet. Lockwood and Envestnet 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.

In connection with the Third Party Asset Manager Program, asset managers must satisfy Infinex’s due diligence review process before they are selected for the program. In addition, Infinex performs an annual due diligence review of each asset manager. In limited situations, we may limit the services provided by some asset managers to a “service only” relationship, under which no new client assets are placed under the asset manager’s management.

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, any Manager or any other asset 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. ADVISORY BUSINESS

In addition to providing the wrap fee services described in this Brochure, Infinex provides a variety of investment advisory services. These services include financial planning and consulting services and employee benefit retirement plan services. Clients interested in these services should review Infinex’s Form ADV, Part 2A Brochure.

C. TAILORED ADVISORY SERVICES & CLIENT-IMPOSED RESTRICTIONS

When the IAR serves as the portfolio manager in the AMAP Program, we tailor our advice to the specific needs and objectives of the client. The IAR 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 IAR 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.

D. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

When the IAR serves as the portfolio manager in the AMAP Program, each account's IAR 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 IARs, but does not generally manage or make investment decisions or recommendations with respect to specific AMAP Program accounts or Envestnet Select Program accounts. The IARs 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 IARs in formulating advice and managing accounts on behalf of Infinex. Each IAR, however, determines the methods of analysis and strategies to be used in advising and managing his or her ICAAP Program accounts and Envestnet Select Program accounts, which may differ from the methods of analysis, strategies, or advice of other IARs. Clients should be sure to understand the methods of analysis and investment strategies their IAR expects to use in advising them or managing their accounts.

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, 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, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the fund or ETF less suitable for the client's portfolio.

Asset Allocation: Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. 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 stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Fundamental Analysis: We may attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as

the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: We may also analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially forecast future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may under-perform regardless of market movement. Moreover, although past market behavior can be used in an effort to predict future price movements, markets have and will behave differently than they have in the past.

Cyclical Analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Risk for all forms of analysis: Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

We use the following strategies in advising and managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

Long-Term Purchases: We may recommend that a client purchase securities with the idea of holding them for a year or longer. Typically we recommend this strategy when we believe the securities to be undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

Short-Term Purchases: When utilizing this strategy, we may recommend that a client purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an effort to assist the client to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

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. 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.

Risk of Loss

As mentioned above, regardless of what strategy or analysis is undertaken, there is risk of loss; in some cases, total loss. Some risks may be avoided or mitigated, while others are completely unavoidable. Described below are some risks associated with investing and with some types of investments that are available through our advisory programs:

- **Market risks:** The prices of, and the income generated by, the common stocks, bonds, and other securities you own may decline in response to certain events taking place around the world. These risks include events directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate, and commodity price fluctuations.
- **Interest rate risks:** The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally will decline when interest rates rise and will increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, “call,” or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower-yielding securities.
- **Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.
- **Risks of investing outside the U.S.:** Investments in securities issued by entities based outside the United States may be subject to the risks described above to a greater extent. Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.
- **Investment Company Risk.** To the extent a client account invests in ETFs or other investment companies, its performance will be affected by the performance of those other investment companies. Investments in ETFs and other investment companies are subject to the risks of the investment companies’ investments, as well as to the investment companies’ expenses. If a client account invests in other investment companies, the client account may receive distributions of taxable gains from portfolio transactions by that investment company and may recognize taxable gains from transactions in shares of that investment company, which would be taxable when distributed.
- **Concentration Risk.** To the extent a client account concentrates its investments by investing a significant portion of its assets in the securities of a single issuer, industry, sector, country or region, the overall adverse impact on the client of adverse developments in the business of such issuer, such industry or such government could be considerably greater than if they did not concentrate their investments to such an extent.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market may be more volatile, and may perform differently, than the broader market. The several industries that constitute a sector may all react in the same way to economic, political or regulatory events. A client account’s performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries may adversely affect performance.
- **Alternative Strategy Mutual Funds.** Certain mutual funds available in the Programs invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and

involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.

- **Closed-End/Interval Funds.** Clients should be aware that closed-end funds available within the Programs may not give investors the right to redeem their shares, and a secondary market may not exist. Therefore, clients may be unable to liquidate all or a portion of their shares in these types of funds. While the fund may from time to time offer to repurchase shares, it is not obligated to do so (unless it has been structured as an "interval fund"). In the case of interval funds, the fund will provide limited liquidity to shareholders by offering to repurchase a limited amount of shares on a periodic basis, but there is no guarantee that clients will be able to sell all of the shares in any particular repurchase offer. In some cases, there may be an additional cost to investors who redeem before holding shares for a specified amount of time. The repurchase offer program may be suspended under certain circumstances.

- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company. ETFs may be closed and liquidated at the discretion of the issuing company.

- **Structured Products.** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **REITs.** REITs invest in real estate, and there are special risks associated with investing in real estate, including, but not limited to, sensitivity to changes in real estate values, the risk of investment loss due to the use of leveraging and other speculative investment practices, interest rate risk, lack of liquidity and performance volatility. Non-Traded REITs are not required to provide annual valuations until two years and 150 days after reaching the minimum capital raise required to begin purchasing properties. This threshold is generally outlined in the product's prospectus. Non-Traded REITs, which are available to clients meeting certain qualification standards, may fund distributions from offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to invest in new assets. Clients should be aware that these securities may not be liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the security, there may be certain repurchase offers made from time to time. However, there is no guarantee

that client will be able to redeem the security during the repurchase offer. Issuers may repurchase shares at a price below net asset value. The repurchase program may also be suspended under certain circumstances.

- **Variable Annuities.** If client purchases a variable annuity that is part of a Program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Clients should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts. Some products may charge a recapture or redemption fee for contracts or benefits not held for a specified period of time or that do not follow stated withdrawal terms.

- **Non-traded Products.** Non-traded products do not trade on a securities exchange and are not publicly traded. Consequently, non-traded products can be riskier than products that are publicly traded because the product cannot be sold readily in a market by the investor. The non-traded product may offer to redeem shares from investors, but such share redemptions are typically subject to limitations. Share redemptions may also require that shares be redeemed at a discount and there is no guarantee that client will be able to redeem the security during the repurchase offer. In addition, non-traded products may lack share value transparency because there is no market price readily available. Without share value transparency, investors may not be able to assess the value or performance of the non-traded product.

- **Margin Accounts.** Clients should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. Pershing, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact quarterly performance.

- **Pledging Assets.** Clients should be aware that pledging assets in an account to secure a loan involves additional risks. The bank holding the loan may have the authority to liquidate all or part of the securities at any time without your prior notice in order to maintain required maintenance levels, or to call the loan at any time. As a practical matter, this may cause you to sell assets and realize losses in a declining market. These actions may interrupt your long term investment goals and result in adverse tax consequences and additional fees to the bank. The returns on accounts or pledged assets may not cover the cost of loan interest and account fees, and may dictate a more aggressive investment strategy to support the costs of borrowing. Before pledging assets in an account, clients should carefully review the loan agreement, loan application and any forms required by the bank and any other forms and disclosures provided by Pershing and Infinex.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value. We ask that you work with us to help us understand your tolerance for risk.

D. VOTING CLIENT SECURITIES

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 at 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 by email to compliance@infinexgroup.com or by telephone at (203) 599-6000, or by mail to the address shown on the cover page of this Brochure.

Item 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

The IAR 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 the portfolio manager. 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 IAR. The IAR 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 IAR 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 portfolio managers directly.

Item 9: ADDITIONAL INFORMATION

A. DISCIPLINARY INFORMATION

We are required to disclose in Item 9 information about legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management.

In March of 2019, Infinex, along with 78 other investment advisory firms, consented to an order by the Securities and Exchange Commission ("*SEC*") in connection with the SEC's Share Class Selection Disclosure Initiative (the "*Initiative*"). Pursuant to the Initiative, Infinex self-reported to the SEC that it failed to adequately disclose conflicts of interest related to the sale of higher cost mutual fund share classes when lower cost share classes were available. Specifically, the SEC order found that Infinex, acting through its advisers, placed clients in mutual fund share classes that charged 12b-1 fees when lower cost share classes may have been available. Pursuant to the order, Infinex agreed to a cease and desist, a censure and to repay to clients all improperly disclosed fees along with prejudgment interest in the aggregate amount of \$978,698.85. Infinex also agreed to undertake a review and to correct all relevant disclosure documents concerning mutual fund share class selection and 12b-1 fees. Lastly, Infinex agreed to evaluate whether existing clients should be moved to an available lower cost share and to move clients as necessary. Consistent with the terms of the Initiative, the SEC did not impose penalties against Infinex.

In July of 2018, Infinex entered into a consent order with the Massachusetts Securities Division in connection with its supervision of certain brokerage products and transactions in the Commonwealth of Massachusetts. Without admitting or denying the findings, Infinex consented to a censure, fine of \$125,000, restitution of \$59,409.40 to client accounts, and the engagement of a consultant to review Infinex's policies and procedures.

Infinex, as a broker-dealer, is a member of the Financial Industry Regulatory Authority ("*FINRA*"). In October of 2015, the Firm entered into a Letter of Acceptance, Waiver and Consent ("*AWC*") with FINRA in connection with the sales and supervision by Infinex and its registered representatives of certain unit investment trusts ("*UITs*"). The findings were related to Infinex's failure to apply brokerage sales charge discounts to certain customers' eligible purchases of UITs. The findings stated that the Firm failed to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to ensure that customers received sales charge discounts on all eligible UIT purchases. Without admitting or denying the findings, Infinex consented to a censure and fine of \$150,000 and restitution of \$109,627.84 to client accounts.

In April of 2014, the Firm entered into an AWC with FINRA in connection with the sales and supervision by Infinex and its registered representatives of certain non-traditional exchange traded funds. Without admitting or denying the findings, Infinex agreed to a censure and a fine of \$75,000. In addition, Infinex agreed to pay restitution to customers who lost money in these transactions in the amount of approximately \$287,000.

In January of 2011, the Firm entered into an AWC with FINRA to resolve FINRA's finding that the Firm had failed to maintain adequate books and records required under applicable rules and failed to maintain an adequate supervisory system with respect to corporate and municipal bond order ticket recordkeeping and retention requirements. Without admitting or denying the findings, Infinex agreed to a censure and a fine of \$15,000.

B. FINANCIAL INDUSTRY REGISTRATIONS & ARRANGEMENTS

Infinex is registered with the SEC and 50 states as a broker-dealer and is a member of FINRA. The executive officers of Infinex and the IARs 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 our Form ADV, Part 2A Brochure for further information about the brokerage services Infinex and the IARs 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.

As noted above, a significant portion of our business as a broker-dealer and investment adviser involves networking arrangements with banks and other financial institutions. These arrangements permit Infinex to offer brokerage services, insurance products (such as fixed and variable annuities) and investment advisory services to customers of the institution. This program is often referred to as the "*Infinex Program*," and depository institutions 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 and others. The IARs are independent contractors of Infinex and are often 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 wrap fee programs, Infinex will act as the introducing broker-dealer for all brokerage transactions. Infinex does not receive 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 each of the states in which it does insurance business and offers insurance and insurance-related products and services in those states. IARs may also be licensed as insurance producers with Infinex and appointed as agents with various national insurance companies. As licensed producers, 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 Infinex's asset management programs.

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 IARs;
- 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;
- 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.

Infinex, in its capacity as a broker-dealer and member of FINRA, will be the primary broker-dealer through which securities transactions in the asset allocation programs will be processed. Clients who want to participate in Infinex's asset allocation program are required to utilize Infinex for these purposes. Infinex clears its securities transactions on a fully disclosed basis through Pershing. Infinex receives no additional compensation to serve in this capacity. Pershing's fees for clearing and custody services are included in the client's fee. Because our managed accounts direct the use of the broker-dealer, we do not negotiate commissions with other broker-dealers or obtain volume discounts, and our accounts may not necessarily obtain best execution for all transactions. Clients should understand that Infinex and its IARs have a conflict of interest with respect to transactions effected through Infinex.

IARs may block (or bunch) trades for advisory clients to attempt to achieve the best execution for large orders for an individual account or to obtain a uniform execution price for identical securities across several accounts. Similarly, Infinex may block the trades for advisory accounts that it manages. All block trades placed will be processed through an average price account. This means that all execution prices for the security bought or sold on that day will be averaged. While the client may not receive the best execution price, the client will also not receive the worst price. Block trading is only available if the client's account is being managed on a discretionary basis. Block trading does not reduce the client's transaction costs.

Occasionally, a trading error may occur where either we, or the IARs, are at fault. If this occurs in your account, the error will be corrected and your account will be restored to where it would have been had the error never occurred. However, in the process of restoring your account, we may realize a profit or suffer a loss in connection with correcting this error. Neither losses nor gains will be passed on to you.

C. CODE OF ETHICS, INTEREST IN TRANSACTIONS & PERSONAL TRADING

Infinex has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

Infinex anticipates that, in appropriate circumstances, it may recommend to investment advisory clients or prospective clients the purchase or sale of securities in which Infinex, its affiliates and/or clients, directly or indirectly, have a position or interest. Infinex's employees and persons associated with Infinex are required to follow Infinex's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Infinex and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Infinex's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees and associated persons of Infinex will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees and associated persons to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Infinex's clients. In addition, the Code restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees and associated persons to invest in the same securities as clients, there is a possibility that employees and associated persons might benefit from market activity by a client in a security held by such person. Employee and associated persons trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Infinex and its clients. Infinex's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting its Chief Compliance Officer.

As noted above, Infinex or any related person(s) may have an interest or position in certain securities which may also be recommended to a client. These situations represent a conflict of interest. Infinex has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, employee or associated person of Infinex shall not buy or sell securities for their personal portfolio where their decision is substantially derived, in whole or in part, by reason of his or her association with Infinex unless the information is also available to the investing public on reasonable inquiry.
2. All clients are fully informed that certain individuals associated with Infinex may receive compensation when effecting transactions for clients.
3. Infinex emphasizes the unrestricted right of the client to decline to implement any investment advice.
4. Infinex requires all related persons to act in accordance with all applicable Federal and State regulations governing investment advisory services, including the Insider Trading and Securities Fraud Enforcement Act of 1988, as amended.

Any individual not in observance of the above may be subject to termination or other disciplinary action by Infinex.

In its capacity as an investment advisor, Infinex's policy is that the firm will not participate in principal or agency cross transactions. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

D. REVIEW OF ACCOUNTS

Accounts that participate in managed account (wrap) programs and for which we serve as portfolio manager are reviewed at least quarterly by the IAR 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 other managed accounts for which we do not serve as the portfolio manager, the IAR reviews the account on at least an annual basis to evaluate whether investment objectives are being met.

We notify the client periodically to contact the IAR 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 IAR 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.

E. CLIENT REFERRALS & OTHER COMPENSATION

Other Compensation

Infinex, in its capacity as a broker-dealer and member of FINRA, will be the primary broker-dealer through which securities transactions in the asset management program will be processed. Clients who want to participate in Infinex's asset management program are required to utilize Infinex for these purposes. Infinex clears its securities transactions on a fully disclosed basis through Pershing. Infinex receives no additional compensation to serve in this capacity. Pershing's fees for clearing and custody services are included in the client's fee.

Because Infinex requires that clients utilize Pershing for clearing of securities transactions and custody of the asset management accounts, economic benefits are received which would not be received if Infinex did not give investment advice to clients. These benefits include receipt of duplicate confirmations and duplicate statements, access to a trading desk, ability to have investment advisory fees deducted directly from client accounts, access to an electronic communications network for client account information and receipt of compliance publications.

Infinex has entered into referral agreements with independent third party investment advisers, pursuant to which Infinex and the IARs receive referral fees from the third party investment advisers in return for referral of clients. Infinex refers clients to such firms as BNY Mellon and Willbanks Smith & Thomas. Referrals to certain third party investment advisers

are subject to restrictions imposed by Infinex. Because Infinex is engaged by and paid by the third party investment advisor for the referral, any recommendation regarding a third party investment advisor as part of a referral presents a conflict of interest. Infinex addresses this conflict by providing the client with a disclosure statement explaining the role of Infinex and the IAR and the referral fee received by Infinex and the IAR. For more information regarding these arrangements, see Item 4 above.

In some cases, the third party investment advisers pay additional marketing payments to Infinex, its employees and/or IAR's to cover fees to attend conferences or reimbursement of expenses for workshops, seminars presented to IAR clients or advertising, marketing or practice management.

As a broker-dealer, investment advisor and insurance producer, Infinex offers a large number of products to our customers. It is important to know that a number of companies whose products are offered through Infinex pay extra compensation to Infinex. These companies, referred to as "*Product Partners*", include mutual fund companies, insurance carriers, issuers of structured products and issuers of non-traded real estate investment trusts. The amount of compensation paid to Infinex varies by Product Partner. In general, Product Partners may compensate Infinex by paying (i) a fixed dollar amount or paying a sponsorship fee for an Infinex event, (ii) a percentage of product sales, (iii) a percentage of customer assets invested in the products, or (iv) a combination of the above. In addition, Infinex, Infinex employees and IARs receive compensation in the form of gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with the IAR, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Clients of Infinex do not pay more to purchase the products of Product Partners through Infinex. This additional compensation to Infinex creates a conflict and incentive for Infinex and its IARs to promote Product Partner products over other products. Infinex manages this conflict by not sharing the identity of the Product Partners with its IARs. Likewise, IARs do not receive additional compensation for selling a Product Partner product, although the IAR may benefit indirectly when Product Partner payments are used to support costs relating to review, marketing and training.

Client Referrals

As described above, Infinex has entered into agreements with various Subscribing Banks, pursuant to which the IARs may solicit applications from, negotiate with, and sell or offer investment services and products to customers of the Subscribing Banks during the term of the agreement. Employees of the Subscribing Banks may refer customers to Infinex and the Subscribing Banks may pay them a referral fee under the guidelines of SEC Regulation R. The investment services and products marketed to the customers of Subscribing Banks are offered and sold exclusively by IARs contracted by Infinex, who are licensed with the appropriate regulatory authorities pursuant to the applicable state and federal insurance and securities laws and regulations. The Subscribing Bank is compensated by Infinex in connection with the sales of all securities, insurance products and advisory fees (generally in an amount equal to 80% to 100% of the revenue collected) and the Subscribing Bank shares a portion of that amount with the IAR.

In addition, Infinex provides other forms of compensation to Subscribing Banks, such as bonuses, awards or other things of value offered by Infinex to the institution. In particular, Infinex pays financial institutions in different ways, including payments based on production, payments in the form of repayable or forgivable loans, payments in connection with the transition of association from another broker-dealer or investment advisor firm to Infinex, advances of advisory fees, or attendance at Infinex's national conference or top producer forums and events. Infinex pays this compensation based on overall business production and/or on the amount of assets serviced in Infinex advisory programs. Therefore, the amount of this compensation may be more than what the financial institution would receive if the client participated in other Infinex programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, in such case, the financial institution has a financial incentive if an IAR recommends a program account over other programs and services.

IAR Compensation

The IAR recommending an advisory service receives compensation directly from Infinex or indirectly through a Subscribing Bank, as the case may be. IARs are compensated by Infinex (directly or indirectly) as independent contractors and not as employees. This compensation includes a portion of the advisory fee and such portion received by IAR may be more than

what IAR would receive at another investment advisor firm. Such compensation may include other types of compensation, such as bonuses, awards or other things of value offered by Infinex or the Subscribing Bank to the IAR. In particular, Infinex pays its IARs in different ways, for example:

- payments based on production
- payments in connection with the transition of association from another broker-dealer or investment advisor firm to Infinex
- payments in the form of repayable or forgivable loans
- advances of advisory fees
- attendance at Infinex conferences and events.

Infinex pays IARs this compensation based on the IAR's overall business production and/or on the amount of assets serviced in Infinex advisory relationships. The amount of this compensation may be more or less than what the IAR would receive if the client participated in other Infinex programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, in such case, the IAR has a financial incentive to recommend advisory services over other programs and services. However, an IAR may only recommend a program or service that he or she believes is suitable for you. Infinex has systems in place to review IAR-managed accounts for suitability over the course of the advisory relationship.

If an IAR has recently become associated with Infinex, he or she may have received payments from Infinex or the Subscribing Bank in connection with the transition from another broker-dealer or investment advisor firm. These payments, which may be significant, are intended to assist an IAR with the costs associated with the transition, such as moving expenses and termination fees associated with moving accounts; however, Infinex does not confirm the use of these payments for such transition costs. These payments can be in the form of loans to the IAR, which are repayable to Infinex or forgiven by Infinex based on years of service with Infinex (e.g., if the IAR remains with Infinex for 5 years) and/or the scope of business engaged in with Infinex, including the amount of advisory account assets with Infinex. This presents a potential conflict of interest in that an IAR has a financial incentive to recommend that a client engage with the IAR and Infinex for advisory services in order for the loan to be forgiven. However, an IAR may only recommend a program or service that he or she believes is suitable for you. Infinex has systems in place to review IAR-managed accounts for suitability over the course of the advisory relationship.

F. CLIENT REPORTS

Clients will receive quarterly (or monthly if there is activity in the account during the month) brokerage statements from Pershing showing all activity in the account. In addition, Envestnet and Lockwood provide quarterly reports to the IARs showing the account composition, portfolio performance, current asset allocation and current portfolio activity. The IARs are given access to these quarterly reports and may or may not forward them along to the client. Clients in these programs that would like to receive these reports should contact their IAR or contact Infinex at the address on the Cover of this Brochure.