

Item 1 – Cover Page

St. Germain Investment Management, Inc.

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January 1, 2025

This Brochure provides information about the qualifications and business practices of St. Germain Investment Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 413-733-5111. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

St. Germain Investment Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about St. Germain Investment Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

St. Germain Investments is required to disclose any material changes to this brochure. The following items have been updated since our most recent annual filing.

- In December of 2024 St. Germain Investment Management’s affiliated broker-dealer, St. Germain Securities, Inc. withdrew its registration with the Financial Industry Regulatory Authority (FINRA). We have removed all references to this entity and to our relationship.

Item 3 – Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 - Fees and Compensation.....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	7
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations.....	8
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12 – Brokerage Practices.....	9
Item 13 – Review of Accounts.....	14
Item 14 – Client Referrals and Other Compensation	14
Item 15 – Custody	17
Item 16 – Investment Discretion	18
Item 17 – Voting Client Securities	18
Item 18 – Financial Information.....	19
Brochure Supplement(s)	

Item 4 – Advisory Business

INTRODUCTION

St. Germain Investment Management, Inc. is a Massachusetts corporation, and is registered with the United States Securities and Exchange Commission (SEC) as an investment adviser under the Investment Advisers Act of 1940. St. Germain Investment Management, Inc. is a wholly owned subsidiary of D.J. St. Germain Co., Inc. St. Germain Investment Management, Inc. was incorporated in August of 2010, and succeeded the IA business of D.J. St. Germain Co., Inc., which was founded in 1924. October Mountain Financial Advisors, located in Lee, MA, is a d/b/a of St Germain Investment Management, Inc. In 2019, D.J. St Germain Co., Inc. acquired the assets of Gage-Wiley & Co., Inc. (established 1933), also known as New England Capital (NEC). New England Capital and Gage Wiley each operate as a d/b/a of St Germain Investment Management, Inc.

D.J. St. Germain Co., Inc. is the primary owner of St. Germain Investment Management, Inc. Officers include Michael Matty, as President, Timothy Suffish as Director, and John “Trey” Fortier as Treasurer.

Assets under management (as of December 31, 2023) are:

	<u>U.S. Dollar Amount</u>
Discretionary:	\$2,649,897,368
Non-Discretionary:	\$ 49,141,277
Total:	\$2,699,038,645

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

Additional information about St. Germain Investment Management, Inc. is also available on the Internet at www.adviserinfo.sec.gov by accessing Part 1 of St. Germain Investment Management, Inc.'s Form ADV or by accessing the firm's Part 3 Customer Relationship Summary. You can search this site by a unique identifying number, known as a CRD number. The CRD number for St. Germain Investment Management, Inc. is 155186.

INVESTMENT MANAGEMENT SERVICES

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

Investment Management Process

Investment management services are based on each client's individual goals and circumstances. Our investment advisors and/or financial planners consult with individual clients to help identify a specific investment strategy that aligns with each client's financial profile and long-term goals, and will take into consideration a client's personal financial circumstances, investment objectives, cash flow needs, liquidity requirements, investment time horizon, and risk profile.

Investment strategies are typically incorporated into a model portfolio format, which targets a range of asset allocation and security selection models created to achieve primary investment objectives, including long-term growth, growth and income, balanced, equity income, income, and others. Individual client portfolios may have variances from models based on individualized circumstances, risk profile, client restrictions, tax considerations, or the timing of when the account is established.

Both quantitative and qualitative criteria are utilized in determining asset allocation and security selection decisions, and ongoing oversight of each portfolio. Asset allocation and/or security selections will be adjusted from time to time in order to better achieve the intended investment objectives of each portfolio.

St. Germain Investment Management, Inc.'s portfolio management services are organized and made available to clients in the following ways:

Separately Managed Accounts (SMA)

These accounts are actively managed, diversified portfolios of individual securities constructed in a manner consistent with the investment objectives of the client. Portfolio holdings may include common stocks, securities convertible into common stocks, preferred stocks, corporate debt obligations, municipal bonds, United States Government or agency bonds. Exchange traded funds (ETFs) and no-load or load-waived mutual funds, foreign and domestic, may be used for efficiency and diversification purposes when suitable. Stock options, variable annuities, or other assets not listed may be used by agreement and approval of the Advisor and the client.

Portfolios are managed on a discretionary basis. Asset allocation and individual security selection decisions are made as determined to be consistent with client investment objectives. These portfolios are typically reserved for accounts with a minimum of \$250,000.

Mutual Fund/ETF Managed Portfolios

These are diversified portfolios of no-load or load-waived mutual funds and exchange traded funds (ETFs) constructed in a manner consistent with the investment objectives of the client. Portfolio positions may include actively managed or passive index funds, domestic and foreign. Investment theme or sector-specific funds may be used, including funds that fall into the category of “ESG” investing, which integrate Environmental, Social, and Governance factors into the investment process and decision making. ESG investing is a term often used interchangeably with “SRI” (Socially Responsible) and Sustainable Investing. In certain circumstances portfolio positions may also include individual securities listed under SMA (above), subject to approval of St Germain Investment Management, Inc. and suitability with the client profile and investment objectives.

Portfolios are managed on a discretionary basis, with asset allocation and/or fund selection decisions made as determined to be consistent with client investment objectives. These portfolios are typically reserved for accounts of \$100,000 or more.

Wrap Fee Advisory Programs

Wrap Fee Accounts are investment accounts where a single “wrapped” fee covers all management, brokerage, and administrative expenses. It should be noted that this fee does *not* include fees and expenses that represent the imbedded *internal* costs of mutual funds or exchange traded funds that may be held in the portfolio.

St. Germain Investment Management, Inc. does not directly sponsor or manage wrap fee accounts, but may provide them to our clients on an exception basis through a service agreement we hold with Charles Schwab. As discussed in Item 14 below, St. Germain Investment Management receives revenue from these providers pursuant to these arrangements, posing a conflict of interest. Based upon a review of a client’s financial profile, investment objectives, and risk tolerance, along with other pertinent information, St Germain Investment Management, Inc. identifies an appropriate asset allocation and investment management strategy suitable for the client, and then matches that strategy with a wrap fee program suitable to the client’s investment objective. St. Germain Investment Management, Inc. evaluates and monitors the wrap fee program to ensure compliance and consistency with the client’s objectives.

Specific wrap fee programs available from the wrap fee sponsors vary in scope, strategy, and costs, and require a separate application process that is specific to each program. St. Germain Investment Management, Inc. guides clients through the application process, and provides clients with all necessary information and disclosures related to the wrap program, including full disclosure related to all fees, investments risks, and suitability.

St. Germain Investment Management, Inc. offers access to wrap fee accounts to clients

who prefer the wrap fee structure, or to provide access to investment strategies that are otherwise unavailable through our in-house offerings. Minimum account size is \$100,000.

Financial Planning

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, St. Germain Investment Management, Inc. may develop a customized financial plan for clients, in addition to managing their investment portfolio. Working collaboratively with clients, we provide guidance in establishing clearly defined personal financial objectives, and specific strategies for achieving those goals. Areas addressed in the financial planning process are those most relevant to the individual client, and may include areas such as budgeting and cash flow planning, asset and liability assessments, retirement planning, Social Security, pension and retirement income strategies, debt management, tax planning, risk management and insurance, long term care, estate planning, philanthropic strategies, investment analysis and portfolio reviews.

We encourage clients to work closely with their attorney, accountant and other appropriate advisors as needed. Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All investment recommendations are generic in nature, but tailored to client needs determined by the financial plan.

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

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

Item 5 – Fees and Compensation

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

disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to St. Germain Investment Management, Inc.'s fee.

Fees

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

Assets under Management [AUM]	Annual Fee
First \$250,000	1.25%
Next \$1,750,000	1.00%
Next \$3,000,000	0.85%
Amounts over \$5,000,000	0.60%

Although St Germain Investment Management, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee or fee schedule. These include the complexity of the client assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reporting among other factors. The specific annual fee or fee schedule is identified in the contract between the adviser and each client, and will not exceed 1.25%. A minimum quarterly management fee of \$25 applies (prorated monthly).

Some existing client fees fall outside of our basic fee schedule, based on prior negotiated arrangements. Fees agreed upon by New England Capital with its existing clients prior to its December 2019 merger with St Germain Investment Management Inc. will be honored, and will not exceed 1.25%.

Generally, St. Germain Investment Management, Inc. deducts its management fee directly from client accounts. Some clients, at the client's request, are invoiced directly. Billing is in arrears, on a quarterly basis, based on the average daily account balance at the close of the billing period. In order to arrive at this daily account balance, the firm uses pricing provided by its custodian, Charles Schwab. Charles Schwab has its own method for pricing certain securities such as bonds. Clients are not required to pay any fees in advance. New accounts will be charged pro rata from the date of opening. The fee for terminated accounts will be pro rata for the time they remained with St Germain Investment Management, Inc.

Other Fees and Separate Mutual Fund Fees

All fees paid to St. Germain Investment Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged to their shareholders by mutual funds, closed-end funds, or exchanged-traded funds that may be held in client portfolios.

It is standard policy that St. Germain Investment Management, Inc. will not invest client assets in mutual funds that have 12b-1 fees. However, if a client holds a pre-existing mutual fund position(s) that is transferred to our management, and if it is determined to be in the clients' best interest to retain that position, we make our best effort to exchange that fund into a non-12b-1 share class if the fund company offers it, and if it is available through the custodian. In situations where a 12b-1 fee is charged by the mutual fund company, St. Germain Investment Management does not receive that fee.

In some cases, we have clients that originated as traditional (commission-based) brokerage accounts that hold mutual funds with 12b-1 fees, and the client subsequently transitioned to (fee-based) investment advisory services. If after review and agreement with the client it is determined that no change be made to that mutual fund position, we segregate those positions as "unsupervised assets" for billing purposes, and no management fees will be charged against those assets. In these circumstances, St Germain Investment Management, Inc. does not hold supervisory responsibility for those assets, and does not exercise discretionary management.

In some cases, St. Germain Investment Management, Inc. is asked to arrange "custody" for a client's account in which there is little or no trading of securities, and/or no fee-based active management of the account. In these situations, and by agreement with the client, St. Germain Investment Management, Inc. charges a servicing fee ranging from zero to 25 basis points, depending on total client assets.

General Information on Fees

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

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

St. Germain Investment Management, Inc. does not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client).

Item 7 – Types of Clients

St. Germain Investment Management, Inc. provides portfolio management services to individuals (other than high net worth individuals), high net worth individuals, pension and profit sharing plans (other than plan participants), charitable organizations, and corporations or other businesses. Generally, St Germain Investment Management, Inc. will open accounts with assets over \$100k. The account minimum is negotiable depending on other factors such as other assets under management, accounts that can be linked, or potential future investment.

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

St. Germain Investment Management, Inc. analysis methods incorporate macro-economic, sector, industry assessments, and fundamental and technical analysis of broad financial markets as well as individual portfolio holdings. We typically offer investment advice on any pre-existing investments held by clients at the start of the advisory relationship. St. Germain Investment Management, Inc. emphasizes the identification of an appropriate risk tolerance and asset allocation. St. Germain Investment Management, Inc.'s investment management strategies do not attempt to manage short-term market fluctuations and emphasize a long-term approach to investing.

Client accounts may be divided among different investment management strategies based upon individual financial circumstances, goals, and risk tolerances. Assets may be diversified among stocks, bonds, and cash or cash alternatives, in the form of either individual securities or through investments in mutual funds or ETFs (exchange traded funds). Each asset class contains inherent risk. For stocks and bonds, individual security values may fluctuate based upon the overall economy, market conditions, investor confidence, and specific corporate events. Mutual funds and ETFs contain similar risks as stocks and bonds, but are also subject to risks specific to the fund management company or the influence of the collective behavior of fund shareholders.

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

Item 9 – Disciplinary Information

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

In July of 2021, St. Germain Investment Management entered into a settlement with the Securities Exchange Commission involving the firm's specified disclosure of a conflict of interest arising from the participation of the firm's affiliated broker dealer in a cash sweep

revenue sharing agreement. Per the terms of the settlement, the firm agreed to pay disgorgement, prejudgment interest and a civil penalty totaling \$1,925,250. The firm has determined to avoid any further conflicts of interest, it will no longer participate in such arrangements. Additional information regarding this settlement can be found in the firm's Form ADV Part 1 available at adviserinfo.sec.gov or upon request.

Item 10 – Other Financial Industry Activities and Affiliations

St. Germain Investment Management, Inc. is a wholly owned subsidiary of D.J. St. Germain Co., Inc.

St. Germain Investment Management, Inc.'s advisory personnel and employees endeavor at all times to put the interest of their clients first as part of our fiduciary duty as registered investment advisers.

Generally, the firm works with an outside vendor (DPL) to process insurance transactions on behalf of our clients. However, some advisory personnel of our firm, in their individual capacities, are licensed insurance agents. In the event that a client purchases an insurance product from one of our licensed agents rather than through our relationship with DPL, D.J. St. Germain Co., Inc. receives separate, yet customary commission compensation for processing an insurance transaction. The receipt of such compensation poses a conflict of interest in that the firm has a financial interest in selling the insurance product to the client even if coverage may be obtained elsewhere at a lower cost. Should such circumstances occur, this will be fully disclosed to the client. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. No portion of this commission revenue is paid, or considered compensation directly or indirectly, to any advisor or other employee of St Germain Investment Management or any other St Germain affiliate. Moreover, as set forth in the firm's Code of Ethics (see below), it is the policy of St. Germain Investment Management that no person employed by the firm shall prefer his or her own interest to that of an advisory client.

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

St. Germain Investment Management, Inc. has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. St. Germain Investment Management, Inc.'s Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth St. Germain Investment Management, Inc.'s practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with St. Germain Investment Management, Inc. may buy or sell securities for

their personal accounts identical to or different than those recommended to clients, including being traded in identical strategies as clients within the firm's account, and be included in block trading for allocation pro-rata at an average price. It is St. Germain Investment Management, Inc.'s philosophy that because the firm and its employees trade in identical securities, included in block trades at the same price, that conflicts are avoided and clients are treated fairly. It is the expressed policy of St. Germain Investment Management, Inc. that no person employed by St. Germain Investment Management, Inc. shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. The overriding principal is fairness to the client. All supervised persons at St. Germain Investment Management, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

To supervise compliance with its Code of Ethics, St. Germain Investment Management, Inc. requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and (minimally) quarterly transaction reports to the firm for review. St. Germain Investment Management, Inc. prohibits such access persons from investing in any IPOs, and requires approval from the Chief Compliance Officer prior to participation in private placements (limited offerings).

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

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

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

Item 12 – Brokerage Practices

St. Germain Investment Management, Inc.'s Management Agreement requires that clients provide us with written direction in determining Brokerage and Custody services.

Allocation

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

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

Participation in Client Transactions

St. Germain Investment Management, Inc. and/or an affiliated entity, acting as principal, occasionally buys or sells securities directly from clients, posing a conflict of interest. This is done on an infrequent basis and is typically done as a convenience to clients (*e.g.*, purchasing an illiquid security from a client where no market is made). In the very limited circumstances in which we do act as principal, we do not charge a markup on the trade.

The Custodian and Brokers We Use

St. Germain Investment Management does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15-Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities as instructed by us. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this agreement are described below in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see Your brokerage and custody costs).

How we select brokers/custodians

We recommend Schwab, a custodian/broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, certain mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. Schwab’s commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a minimum level of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other

compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

Services that benefit you. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts and operating our firm. They include investment research, both Schwab’s own and that of third parties. We use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

In choosing to refer our client to Schwab for custodial services, we conducted a review of Schwab as well as other custodians and their "platforms." Because we take seriously the recommendation to use Schwab for the services referred to in this brochure, we continue to regularly review our relationship with Schwab to ensure it continues to meet the needs of our clients. We further review the systems and services provided to our firm by Schwab to ensure these services and systems do not present a conflict that would cause our firm or its associates to place their own interest above the interests of our clients.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the

use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Item 13 – Review of Accounts

Regular Reviews of Client Accounts and Reporting

Investment decisions are guided by members of the Investment Policy Committee. Accounts are continuously monitored based upon changes in economic and market conditions, individual security fluctuations, changes in company fundamentals, cash additions/withdrawals to client accounts, among other factors.

The custodians for our client accounts (Charles Schwab and Capital Group, LLC) provide clients with account statements, detailing individual holdings and market value. These custodians also mail (or provide electronically if available by the custodian and elected by the client) "confirmations" of security transactions (buys and sells) made in client accounts. Clients also receive other periodic market updates and commentaries provided by St Germain Investment Management, Inc.

In addition to regular account statements from the custodians, some advisory accounts also receive quarterly commentary and performance reporting provided by St. Germain Investment Management, Inc.

As a best practice, St Germain Investment Management, Inc. encourages all clients to schedule an annual review with their representative to address changing needs and/or material life changes.

Item 14 – Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products

and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

Like other financial firms, St Germain Investment Management, Inc. has conflicts of interest. The information below describes conflicts of interest stemming from compensation received by our affiliated entities, as they relate to investment advisory accounts managed by St Germain Investment Management, Inc.

In some cases, outside advisors (non-employee, non-affiliated) may recommend St. Germain Investment Management, Inc. to clients and receive compensation for this referral, posing a conflict of interest. Any client entering into such a relationship will receive an Advisory Disclosure Statement from the referring party outlining fees. St Germain Investment Management, Inc. pays referral fees out of its investment management fees. Clients do not pay additional fees as a result of the referral fee paid to third parties by St Germain Investment Management, Inc.

The custodians of our client accounts offer so-called “sweep accounts,” in which the excess cash balances of your securities account are “swept” into an interest paying account on a daily basis. Available sweep options include bank deposit accounts that are insured by the Federal Deposit Insurance Corporation (FDIC). Clients select their sweep option in the account-opening document provided by the custodian. Unless instructed otherwise by the client, St Germain Investment Management Inc.’s default position is for the client to select the bank deposit sweep account option because it offers the greatest flexibility to quickly access cash reserves for the purchase of securities or withdrawal of funds to the client, there are no transaction charges for deposits and withdrawals, and for its FDIC coverage. Information regarding the calculation and payment of interest on cash balances, program banks participating in the bank sweep program, thresholds of FDIC insurance coverage, and other relevant information is fully disclosed in the account opening documents provided by the custodian.

Since St. Germain Securities, Inc. is an affiliated company of St. Germain Investment Management, Inc., and acts as the designated broker-dealer for customer accounts held at Pershing and First Clearing, clients should be aware that St. Germain Securities, Inc. holds a sweep account revenue sharing agreement with First Clearing. First Clearing will compensate St. Germain Securities, Inc. up to 50bps (.5% annualized) for balances held in sweep accounts in brokerage only, non-advisory accounts. Fees paid are based on the average daily balance of all St Germain Securities, Inc.’s client accounts in aggregate. Clients should recognize that the interest rate earned on cash balances in sweep accounts fluctuates with market factors, and that higher (or lower) returns may be available elsewhere, and that returns could be higher investing in bank deposits directly, or in other comparable interest bearing vehicles such as money market funds.

Revenue sharing from sweep accounts are only paid to St Germain Securities Inc., and not to St Germain Investment Management, Inc. No portion of any such fees collected by St Germain Securities, Inc. is paid, or considered compensation directly or indirectly, to any advisor or other employee of St Germain Securities, Inc. or any other St Germain affiliate. St Germain Securities, Inc. and St Germain Investment Management, Inc. do not have any revenue sharing agreements with client accounts held at Charles Schwab, and therefore do not receive any compensation related to client cash balances in those accounts.

St Germain Investment Management, Inc. does not use or recommend the use of margin as part of its investment strategies. However, there are occasional circumstances when individual clients have unexpected short term borrowing needs (such as bridge financing to purchase a new home until the old home is sold). After considering tax implications, costs, convenience, or other factors, the client may determine that borrowing against the collateral of a securities account we manage is their best option. In such cases, securities-based lending options are available to them through the account custodian. We do not actively solicit these transactions. However, if as a service we facilitate borrowing transactions for client accounts held at Pershing or First Clearing, clients should be aware that St. Germain Securities, Inc. has revenue sharing agreements with these custodians. These agreements pose a conflict of interest, in that St. Germain Securities has a financial incentive for clients to enter into lending arrangements with Pershing or First Clearing even if better terms may be available elsewhere. Compensation paid to St Germain Securities, Inc. is a mark-up from the base interest rate charged by the custodian; it is based on account size, loan balance, and the relationship and service requirements of the client, and ranges from 0 to 100bps (zero to 1% annualized). Interest charges vary with market conditions, as well as account size and borrowing need, and are fully disclosed by the custodian at time of transaction. Risks associated with pledging securities as collateral for borrowing is disclosed to clients by the lending custodian in the client account agreement, which requires client signatures. Revenue generated from securities-based lending is paid to St Germain Securities, Inc., not to St Germain Investment Management, Inc. No portion of any such fees collected by St Germain Securities, Inc. is paid to, or considered compensation directly or indirectly, to any advisor or other employee of St Germain Securities, Inc., or any other St Germain affiliate. St. Germain Securities Inc. and St Germain Investment Management, Inc. do not have securities-related lending revenue sharing agreements with client accounts held at Charles Schwab, and therefore do not receive any compensation related to client loan balances in those accounts.

As noted in Item 4 above, St. Germain Investment Management, Inc. receives revenue from Wells Fargo Advisors, LLC pursuant to wrap fee advisory arrangements, posing a conflict of interest in that we have a financial interest in providing wrap fee advisory services sponsored by this entity. No portion of this revenue is paid, or considered

compensation directly or indirectly, to any advisor or other employee of St. Germain Investment Management or any other St. Germain affiliate. Moreover, as set forth in the firm's Code of Ethics, it is the policy of St. Germain Investment Management that no person employed by the firm shall prefer his or her own interest to that of an advisory client.

Item 15 – Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Schwab, Pershing, LLC, or First Clearing maintains actual custody of your assets. You will receive account statements directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic portfolio reports you will receive from us.

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts unless clients specifically request to be billed directly.

As part of this billing process, the client's qualified custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the qualified custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the qualified custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial account statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Accounts are held at one of our qualified custodians, Schwab, First Clearing, or Pershing. While these firms serve as the qualified custodian, our firm, for regulatory purposes does take custody in limited situations such as the ones listed below:

- With your authorization, the firm deducts fees directly from your account.
- The firm accepts standing instructions for delivery of funds and securities from your account.

- The firm may also, on occasion, accept a stock or other certificate or a check for deposit into your advisory account.
- In rare circumstances one of our Advisors may assume a control position within an account (such as Trustee or Power of Attorney).

Item 16 – Investment Discretion

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

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

Brokerage Discretion

St Germain Securities, Inc., a FINRA registered Broker-Dealer and SIPC member, is an affiliate of the Adviser. As noted, trades in accounts held by clients who are both advisory and brokerage clients are executed through St. Germain Securities, our brokerage affiliate. As noted in Item 10 above, this poses a conflict of interest. For accounts held at Charles Schwab, all trades are executed through Charles Schwab.

Item 17 – Voting Client Securities

For client accounts using Pershing LLC as their custodian, St. Germain Investment Management, Inc. votes proxies on behalf of clients based on our assessment of the best economic interests of the clients.

For clients using Schwab as their custodian, clients are able to choose whether or not St. Germain will vote proxies on their behalf. Clients do not, by policy or agreement, direct St Germain Investment Management Inc.'s vote. Where clients choose for St. Germain to vote, proxies or other solicitations are received directly by St. Germain Investment Management Inc., who will generally vote in favor of routine corporate proposals. St. Germain Investment Management, Inc. has written policies regarding proxy voting. Clients may request information regarding how particular proxies were voted and may request a copy of these procedures by contacting, in writing, St. Germain Investment Management, Inc.

For client accounts held at First Clearing as their custodian, St. Germain Investment Management, Inc. does not vote proxies on behalf of these clients. This policy is disclosed in the Investment Management Agreement, which requires acknowledgement and signature of the client.

Item 18 – Financial Information

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