

Client Relationship Summary



Date of this Client Relationship Summary: **July 31, 2020**

INTRODUCTION

This Form CRS/Client Relationship Summary is provided by **Banorte-Ixe Securities International, Ltd.** (“BSI”) and **Banorte Asset Management, Inc.** (“BAM”) to help you decide whether to invest with them and, if so, which types of services are right for you. BSI and BAM are affiliated companies. BSI is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and BAM is registered with the SEC as an investment adviser. The information provided relates only to brokerage and investment advisory services provided to retail investors.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

<i>BSI's brokerage services:</i>	<i>BAM's investment advisory services:</i>
<p>The primary brokerage service we offer retail investors is the buying and selling of securities. We offer retail investors the following service options:</p> <p>“Full-service” brokerage services (available to both U.S. “domestic” customers and “international” customers who are not “U.S. persons”) -- We offer recommendations to you concerning the purchase and sale of securities.</p> <p><u>Monitoring.</u> We do not provide investment monitoring services for investments in your brokerage account.</p> <p><u>Investment Authority.</u> We do not agree to accept discretionary authority over your account’s assets. When we make investment recommendations, you make the ultimate decision whether to follow our recommendation.</p> <p><u>Limited Investment Offerings.</u> We seek to provide you a broad range of investment products, but we do not make available all investment products in the market. Selected types of financial products are approved for our financial representatives to recommend, including principally a menu of third-party products (such as mutual funds, exchange-traded funds and similar products, structured products), as well as designated types of bonds and other fixed income securities. We offer selected “proprietary” products (i.e., products issued, sponsored or managed by us or affiliates) only in limited</p>	<p>The primary service we provide to retail investors through an advisory relationship is investment advice. Our investment advisory services are provided directly and through “wrap fee programs” in which we and/or designated third-party money managers agree to manage your assets. Some of our programs are designed for U.S. “domestic” customers, while others are designed for “international” customers who are not “U.S. persons.”</p> <p><u>Monitoring.</u> If we accept full investment discretion, we generally will be responsible to routinely monitor the investments in your account. However, if a third-party money manager provides all applicable discretionary management services, we will periodically review, but not routinely monitor, the manager’s performance.</p> <p><u>Investment Authority.</u> Under most of our programs, we provide discretionary investment advisory services and use our investment discretion to select investments for your account or to select third-party investment advisers who will have complete investment discretion to make all day- to-day investment decisions. In some cases, we provide limited discretionary or non-discretionary services, meaning we provide you investment advice and recommendations but you make the ultimate decision regarding whether to follow our advice and recommendations. The investment authority you grant us continues so long as you maintain your investment advisory account with us.</p> <p><u>Limited Investment Offerings.</u> We seek to offer an array of investment advisory programs that are appropriate for investors with a broad range of investment needs.</p> <p>However, we offer investment advisory services only within our defined programs. We make available a digital platform whereby clients may, based on their unique profile, have access to a</p>

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circumstances. We take the costs of the products we select or recommend into account, but will not necessarily offer you the least expensive alternative.

Account Minimums and Other Requirements. In most cases, you must establish one or more custody and securities execution accounts with our independent clearing broker, APEX Clearing Corporation, which we assist you in doing as APEX's "introducing broker." Investment recommendations, if applicable, are provided by us and not by APEX. There is no minimum amount required to establish an account. You also must sign applicable customer agreements and fund your account.

certain limited set of model portfolios.

The products we select or recommend will not necessarily be the least expensive alternative.

Account Minimums and Other Requirements.

For investment advisory services of BAM that are not part of its digital platform, you must sign applicable customer agreements and establish a custody and securities execution account with an independent broker-dealer firm, APEX Clearing Corporation, which serves as the custodian, and fund your account. For such account relationship, our affiliated broker-dealer, BSI, acts as "introducing broker" and assists you in opening your account with APEX clearing Corporation. Each account is subject to a minimum investment amount requirement of \$ 50,000.

BAM's digital platform also requires a minimum of \$ 50,000. For model investment portfolios offered by BAM, which utilize a third-party money manager, you must open an account with Interactive Brokers LLC which serves as the "wrap fee" program custodian.

Note: In some cases, a financial representative may inform you that he or she is not able, due to his or her licensing or other restrictions, to offer you a desired product or service that is available through us, in which case the financial representative will introduce you to a financial representative who will be able to offer you additional products or services.

For Additional Information about the types of investment services and advice we offer see (1) for brokerage services, our Guide to Services and Conflicts of Interest Disclosure ("Services Guide") and (2) for advisory services, BAM's Form ADV Part 2A Firm Brochure (including see "Advisory Business" and "Types of Clients") and Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochures (including see "Services, Fees and Compensation" and "Account Requirements and Types of Clients") and the Services Guide. For the Services Guide and BAM's Brochures, click here: <http://www.banortesecurities.com/resources.html>

QUESTIONS YOU SHOULD ASK OUR FINANCIAL PROFESSIONAL

Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?

How will you choose investments to recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

WHAT FEES WILL I PAY?

<i>Fees applicable to BSI's brokerage services</i>	<i>Fees applicable to BAM's investment advisory services</i>
<p>Principal Fees and Costs. Our primary form of compensation for brokerage services is "transaction-based" fees and charges, meaning that we receive compensation each time you conduct a financial product transaction through us. The type and amount of transaction-based compensation we receive varies by product and the size of the transaction, among other factors, and can include loads, commissions, selling concessions, mark-ups, mark-downs, premiums and sales charges. Transaction-based fees and charges generally will be more in the case of full-service brokerage than in the case of discount and self-directed brokerage services. Generally, the more you trade and the larger the amounts you invest, the more you will pay us in transaction-based fees and charges. We thus may have an incentive to encourage you to trade often and to invest more.</p> <p>Other Fees and Costs. You will also incur all applicable fees, costs and expenses of the financial products you purchase (such as mutual fund management and distribution fees, servicing fees and operating expenses), which will reduce the amount available for you to invest or</p>	<p>Principal Fees and Costs. Under our wrap fee programs, you pay a "bundled" wrap fee, which is calculated as a stated percentage of the assets held in your managed account with us (i.e., "assets-under-management" or "AUM"). The fee includes our investment advisory fees, the fees of any third-party money managers or investment model strategists we hire for your account, the Program Custodian's fees and most, but not all, transaction costs and, for that reason, is higher than a typical asset-based advisory fee that is not bundled. The fee percentage of AUM you pay varies based on the investment program selected and may be reduced if your account's AUM exceeds certain designated levels.</p> <p>Our fees are paid quarterly in advance and are prorated for any partial quarter if we commence management after the first day of the quarter. We will automatically deduct the wrap fees from the assets in your program account when due and, if you close your account during a billing period, we will refund to you the pro rata amount of any wrap fees that you prepaid. Under some of our programs, our wrap fees are negotiable in the case of clients maintaining</p>

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your investment return, or both. Additional fees and charges apply as described in our applicable fee schedules, as revised from time to time. We also pass along to your fees and charges that our clearing firm (APEX) imposes in connection with financial product transactions. If you purchase directly from the product provider, you may experience savings, but the product provider may impose its own fees and charges.

designated minimum asset levels and under certain other circumstances (including promotional purposes).

Other Fees and Costs. Our bundled wrap fee does not cover, and you will incur, both direct and indirect additional costs, expenses, fees and charges, including that you will bear the fees, costs and expenses of any mutual funds or other pooled investment vehicles we purchase for your managed account. Certain types of brokerage commissions and transaction costs also are not covered by the bundled wrap fee and will be paid from your account's assets.

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

For Additional Information about applicable fees and costs see (1) for brokerage services, our Services Guide and the BSI's fee schedules and (2) for advisory services, BAM's Form ADV Part 2A Firm Brochure (including see "Fees and Compensation") and Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochures (including see "Services, Fees and Compensation") and the Services Guide. For the Services Guide and BAM Brochures click here: <http://www.banortesecurities.com/resources.html>

QUESTIONS YOU SHOULD ASK OUR FINANCIAL PROFESSIONAL

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

WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN PROVIDING RECOMMENDATIONS AS MY BROKER-DEALER OR WHEN ACTING AS MY INVESTMENT ADVISER? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

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

Examples of How We Make Money and Conflicts We Have
Brokerage Services (BSI) --

Proprietary Products: We offer proprietary products (products issued, sponsored or managed by us or our affiliate) to international customers under limited circumstances. When we sell you a proprietary product, we, our affiliates and our financial representatives receive additional compensation and other types of financial benefits. This creates an incentive for us to recommend a proprietary product over products issued by independent providers.

Third-Party Payments: When acting as your broker-dealer, in many cases the products we offer or their providers pay us additional compensation on a recurring, ongoing basis (paid monthly, quarterly or annually), such as "trail" commissions, 12b-1 fees, distribution fees, shareholder servicing fees, account maintenance fees and similar fees. This compensation is paid, at least in part, as an incentive for us to sell their products. This creates an incentive for us to offer and recommend products that pay us additional compensation instead of products that do not pay such additional compensation or that offer lower amounts of additional compensation.

Revenue-Sharing and Similar Payments: We receive various forms of "third-party payments" in the form of revenue-sharing, marketing support, cost-sharing, meeting support and similar payments or benefits from the providers of many of the mutual funds, annuity products, unit investment trusts and structured products that we sell. Typically, third-party compensation is paid by the product provider from the revenues it earns from its products and increases based on the amount our customers invest in their products. This creates an incentive for us to promote the products of providers who provide third-party payments or provide increased levels of third-party payments.

Principal Trading: When acting as your broker-dealer, we may act as "principal" (i.e., recommend that you purchase an investment that we own or that we otherwise hold for our own account) in connection with your purchase or sale of U.S. Treasury and Agency securities, corporate debt securities and municipal debt securities. We have the potential to make more by acting as principal than we would in conducting a transaction in the same security as agent, and we, therefore, have incentives to sell securities to you at a higher price and buy securities from you at a lower price.

Advisory Services (BAM) -- Because our investment advisory fees are "asset-based," we have an incentive to encourage you to increase the assets in your account with us. Depending on the level of trading in your account, you may pay more in asset-based fees than you would paying on a transaction-by-transaction basis.

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For Additional Information about conflicts of interest see (1) for brokerage services, our Services Guide and (2) for advisory services, BAM's Form ADV Part 2A Firm Brochure and Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochures. See <http://www.banortesecurities.com/resources.html> for a copy of the BSI's Services Guide and BAM Brochures.

QUESTION YOU SHOULD ASK OUR FINANCIAL PROFESSIONAL **How might your conflicts of interest affect me, and how will you address them?**

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

Most of our financial representatives are “commission-based” employees who do not earn a regular salary and instead look solely to their compensation under our incentive compensation plan to earn a living. These financial representatives are compensated under their incentive compensation plan based on their success in selling our brokerage products and investment advisory services. Specifically, the financial representatives will be paid a percentage of identified “cash compensation components” such as transaction-based compensation, third-party payments (for example, 12b-1 fees and trailers) and managed account fees attributable to activity in your accounts. The higher the financial representative’s sales production level over the preceding 12-month period, the higher the earning potential for the financial representative under the incentive compensation plan. In addition, many of our financial representatives who earn a salary also will receive additional compensation under our incentive plan or otherwise based on revenues generated from the sale of financial products they are approved and licensed to sell. These compensation arrangements create conflicts of interest between you as a customer and your financial representative, specifically: 1) your financial representative’s compensation depends, in many cases entirely, on whether they sell you brokerage products or an advisory services relationship; 2) your financial representative can earn more by encouraging you to conduct more brokerage transactions, to invest more dollars and to invest in products that generate a higher level of revenue for us; 3) the more sales your financial representative can generate, the greater the percentage of transaction-based compensation, third-party payments and managed account fees he or she will be paid by us; and 4) your financial representative can have an incentive to recommend that you open an advisory account relationship if there is an expectation that you will conduct a limited number of brokerage transactions.

Our financial representatives also receive various forms of non-cash compensation from investment product providers that is not in connection with any particular customer or investment, including promotional items, meals, entertainment, customer workshops or events, marketing or advertising initiatives and other forms of non-cash compensation. Investment product providers also pay, or reimburse us and/or our financial representatives, for the costs associated with education or training events that may be attended by our employees and financial representatives and for conferences and events we sponsor. The product recommendations offered by our financial representatives may be influenced by receipt of such non-cash compensation from a product provider.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. You should visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

QUESTIONS YOU SHOULD ASK OUR FINANCIAL PROFESSIONAL

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

WHERE CAN I FIND ADDITIONAL INFORMATION?

For additional information regarding our brokerage services see the Services Guide (available as noted below or by calling us at 713-980-4600. For information regarding BAM's advisory services, see BAM's Form ADV Part 2A Firm Brochure and Form ADV Part 2A, Appendix 1 Wrap Fee Program Brochure (available by calling BAM at 713-980-4600 or by emailing compliance@banortesecurities.com). You may also request an up-to-date copy of this Form CRS/Client Relationship Summary, also by calling 713-980-4600 or e-mailing compliance@banortesecurities.com.

QUESTIONS YOU SHOULD ASK OUR FINANCIAL PROFESSIONAL

Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer. Who can I talk to if I have concerns about how this person is treating me?