

**Part 2A of Form ADV: Firm Brochure**

**Item 1 – Cover Page BANORTEASSET MANAGEMENT, INC.**

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Program): Web Address:  
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**March 31, 2023**

This brochure provides information about the qualifications and business practices of BANORTE ASSET MANAGEMENT, INC. (hereinafter sometimes referred to as the “Advisor” or the “Firm”). If you have any questions about the contents of this brochure, contact us at 713-980-4600 or [Compliance@banortesecurities.com](mailto:Compliance@banortesecurities.com). 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.

Additional information about BANORTE ASSET MANAGEMENT, INC. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The Firm’s CRD number is 290555.

## Item 2 – Material Changes

This Firm Brochure dated March 31, 2023, is our disclosure document. As requested, Banorte Asset Management, Inc. must discuss material changes since the last update.

The firm has not made material updates to the Firm Brochure since the October 11, 2022 update. We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will provide you with a copy of the Firm's most updated Form ADV Brochure, at any time, without charge, upon request. Obtain a copy of this Firm Brochure, in its most updated version, by contacting us at 713- 980-4600 or through e-mail, by contacting: [Compliance@banortesecurities.com](mailto:Compliance@banortesecurities.com).

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## Item 4 – Advisory Business

BANORTE ASSET MANAGEMENT, INC. is a SEC-registered investment adviser with its principal place of business located in Houston, Texas, USA. BANORTE ASSET MANAGEMENT, INC. began conducting business in 2001.

Listed below are the Firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- BANORTE SECURITIES HOLDINGS, INTERNATIONAL INC., SOLE SHAREHOLDER OF APPLICANT

In addition, the following information identifies publicly held subsidiaries that indirectly own 25% or more of the Firm:

- CASA DE BOLSA BANORTE SA DE CV, SOLE SHAREHOLDER OF AFIN INTERNATIONAL HOLDINGS, INC.
- GRUPO FINANCIERO BANORTE SA DE CV, SOLE SHAREHOLDER OF CASA DE BOLSA BANORTE SA DE CV

BANORTE ASSET MANAGEMENT, INC. offers the following products and services to our clients:

### **ADVISORY SERVICES - PORTFOLIO MANAGEMENT**

The Firm provides continuous asset management of client funds.

Apart from the digital, discretionary account management provided through our BAM Digital division (see Wrap Fee Appendix), we manage our advisory accounts on both a discretionary and non-discretionary basis. Collectively, the non-discretionary and discretionary advisory accounts are referred to as “BAM Traditional.” Account supervision for BAM Traditional accounts is guided by the client's stated objectives (i.e., growth, income, speculation, etc.).

*LIMITATIONS:* Individuals of BANORTE ASSET MANAGEMENT, INC. are registered as representatives of an affiliated broker-dealer and also as insurance agents. While this set of arrangements may connote that a conflict of interest could exist, strict procedures are in place to ensure that Investment Advisor Representatives of BANORTE ASSET MANAGEMENT, INC. always act in the best interest of their clients and place their interest above their own and that of the firms they represent.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2022, we were managing \$139,381,819 of our clients' assets on both a discretionary and a non-discretionary basis.

### **INSURANCE POLICIES**

BANORTE ASSET MANAGEMENT, INC. is licensed as a life insurance agency with the State of Texas, and as such those persons licensed as insurance agents with BANORTE ASSET MANAGEMENT, INC. may offer clients life insurance products underwritten by those insurance companies with whom BANORTE ASSET MANAGEMENT, INC. has an agreement.

## Item 5 – Fees and Compensation

### PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and generally range from **0.85%** to **1.85%**.

A minimum of **\$ 300,000.00** of portfolio asset size is required for this service we refer to as “BAM Traditional”. This account size may be negotiable under certain circumstances. Separately, the Wrap Fee account minimum account size is smaller (\$10,000) and pertains to the BAM Digital platform. More information regarding the Wrap Fee program can be found in Appendix 1.

Our fees are billed quarterly, at the end of each quarter based upon a percentage of the value (market value or fair market value in the absence of market value) of the average daily assets held within the client's account during each calendar quarter. The market value is determined by the custodian. Fees will be debited from the account in accordance with the client authorization to deduct Advisory Fees in the Investment Advisory Agreement.

BANORTE ASSET MANAGEMENT, INC.'s advisory fees are negotiable.

### GENERAL INFORMATION

**Termination of the Advisory Relationship:** The Agreement may be terminated by Adviser upon thirty (30) days' prior written notice to Client and may be terminated by Client upon written notice to Adviser; provided, however, that in the event that Client terminates this Agreement, Adviser shall have up to seven (7) business days to affect the termination. Without limiting the foregoing, upon written notice to Adviser within five (5) business days of entering into this Agreement, Client shall have the right of termination without penalty or payment of fees. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

If terminated by Client, termination of this Agreement shall take effect no later than on the seventh (7th) business day following receipt by Adviser of written notice of termination. If terminated by Adviser, termination of this Agreement shall take effect at least thirty (30) calendar days after written notice of termination is sent to Client. Notice of termination to Client shall be deemed to be delivered one (1) business day following the date on which Adviser mailed such notice to Client's last known address as identified in Adviser's records.

**Mutual Fund Fees:** All fees paid to BANORTE ASSET MANAGEMENT, INC. for investment advisory services is separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses for mutual funds are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Wrap Fee Programs and Separately Managed Account Fees:** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by the Firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee

arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients. Please see the Wrap Fee Appendix 1 following this Firm Brochure.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

***Additional Compensation:*** Adviser or an affiliate of Adviser may be entitled to such other fees that are customarily charged for maintenance of certain investment accounts, such as 12b-1 fees or similar fees (often known as "trailer fees"). Nevertheless, the Advisor will waive receipt of any such fees and ensure that any affiliate entitled to such simply based on a client's account with Advisor, are remunerated to client.

## **INSURANCE POLICY FEES**

Fees that are assessed for the sale of insurance policies are generally those which are standard rates in the industry. All insurance agents of BANORTE ASSET MANAGEMENT, INC. are also the Investment Advisor Representatives who serve clients in a portfolio management capacity. As such, the offering of life insurance products is typically seen to be a complimentary service to clients, as opposed to the main line business of BANORTE ASSET MANAGEMENT, INC., which is portfolio management.

**Item 6 – Performance-Based Fees and Side-by-Side Management**

BANORTE ASSET MANAGEMENT, INC. does not charge performance-based fees.

### **Item 7 – Types of Clients**

BANORTE ASSET MANAGEMENT, INC. provides advisory services to Individuals and Corporations, and non-profit organizations.

The majority of clients are Latin American citizens and primarily from Mexico.



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

### INVESTMENT STRATEGY OVERVIEW AND METHODS OF ANALYSIS

BANORTE ASSET MANAGEMENT, INC.'s investment strategy is summarized below and detailed in the governing documents as negotiated with each Client.

BANORTE ASSET MANAGEMENT, INC. seeks to produce superior, risk adjusted returns through the Portfolio Management Services for each of its clients by employing various investments including equities, fixed income, ETFs, mutual funds, etc.

With regard to accounts managed on a fully discretionary basis, clients are consulted with regard to a variety of unique factors characterized by their individual circumstance, needs and investment objectives. An Investment Policy Statement is put into place to lay the groundwork for portfolio construction and approach to markets for a given client's investment management arrangement.

BANORTE ASSET MANAGEMENT, INC. offers six (6) available models that can be utilized in varying percentage amounts with the goal of achieving desired investment objectives. The aforementioned six portfolio models are not exclusive, and clients are able to customize, in conjunction with their investment advisor representative, how they would like to have their portfolio account managed.

The six-model portfolios available are: (1) Ultra Short Duration portfolio, (2) the Conservative portfolio, (3) the Growth Portfolio (4) the Moderate Portfolio (5) the Fixed Income Portfolio; and (6) Equity Portfolio. The Ultra Short Duration portfolio invests in government and corporate fixed income securities which are U.S. dollar denominated and which have readily available liquidity. The Conservative Portfolio is designed to generate modest returns with relatively low risk to principal. The Growth Portfolio is designed to maximize long-term potential growth of principal. The Fixed Income Portfolio is designed for investment in fixed income asset classes and the Equity Portfolio is designed to maximize long-term potential growth of principal through investments in the equity markets.

We also provide non-discretionary asset management services as agreed-to in writing with a client and consistent with a client's investment objectives, risk tolerance, and time horizons, among other considerations. For non-discretionary accounts, strategies are discussed with the customer prior to order entry.

#### RISK OF LOSS

**Risks for all forms of analysis:** All analysis methods rely on the assumption that the companies whose securities that are purchased or sold, 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 an analysis may be compromised by inaccurate or misleading information.

**Investment and Trading Risks:** All securities investments bear a significant risk of capital loss. No guarantee or representation is made that the Clients' trading programs will be successful or that the Clients will not incur losses.

**Investment Judgment; Market Risk:** The profitability of a significant portion of the Adviser's investment program depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that the Adviser

will be able to predict accurately these price movements.

**Inflation:** There has been an unusually low rate of inflation in the United States and most other developed economies for some time. At the same time, the central governments have been injecting unprecedented amounts of financial stimulus into these economies — historically a recurring cause of serious inflation. Were significant inflation to occur, the effect on the Adviser’s strategy could be materially adverse — while unpredictable, stocks have traditionally been considered a form of “hedge” against inflation, but that is not always the case (particularly in the case of any individual stock).

**Availability of Suitable Investments:** While the Adviser believes that there are currently available many attractive investments of the type in which the Clients currently invest, there can be no assurance that such investments will continue to be available for the Clients’ investment activities, or that available investments will meet the Clients’ investment criteria.

**Custody Risk:** The Clients, prime brokers and their affiliates, and other primary custodians may, subject to the restrictions imposed by the Advisers Act, appoint sub-custodians in certain non-U.S. jurisdictions to hold the assets of the Client. The Clients’ primary custodians may not be responsible for cash or assets held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by the Client as a result of the misconduct, bankruptcy or insolvency of any such sub-custodian.

**Margin Risk:** Clients who choose to borrow funds from the Broker-Dealer will receive the Margin Risk Disclosure Statement at the time they open their margin account. A Margin account involves higher risk due to the risk of leveraging. Some risks include, but are not limited to the following:

- You can lose more funds than You deposit into your Margin Account
- You are fully liable for the funds that You have borrowed
- The Broker-Dealer can force the sale of Securities and Other Property in Your Account without contacting you
- The Broker-Dealer can increase “house” maintenance margin requirements at any time without advance written notice
- You are not entitled to an extension of time to meet a margin maintenance call
- Short sales can result in unlimited liability.
- Interest rates on margin debit balance may vary.

**THE LIST OF RISK FACTORS ABOVE IS NOT INTENDED TO BE A COMPLETE LIST OR EXPLANATION OF ALL OF THE RISKS INVOLVED IN ADVISER’S METHODS OF ANALYSIS AND INVESTMENT STRATEGIES USED IN FORMULATING INVESTMENT ADVICE OR MANAGING ASSETS.**

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

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The Firm and our management personnel have no reportable disciplinary events to disclose.

## Item 10 – Other Financial Industry Activities and Affiliations

### FIRM REGISTRATIONS:

In addition to BANORTE ASSET MANAGEMENT, INC. being a registered investment adviser, our affiliate, BANORTE-IXE SECURITIES INTERNATIONAL, LTD., is registered as a FINRA member broker-dealer. A list of affiliated broker-dealers is specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1, which can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

### MANAGEMENT PERSONNEL REGISTRATIONS:

Management personnel of the Firm are separately licensed as registered representatives of **BANORTE-IXE SECURITIES INTERNATIONAL, LTD.**, an **affiliated** FINRA member broker-dealer.

Clients should be aware that BANORTE ASSET MANAGEMENT, INC. and its management persons or employees do NOT receive additional compensation when making advisory recommendations. BANORTE ASSET MANAGEMENT, INC. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and its employees to earn compensation from advisory clients in addition to the Firm's advisory fees.
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies.
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance.
- The Firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest 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 the Firm.
- We educate our employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients.

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

The Firm has adopted a Code of Ethics which sets forth the high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BANORTE ASSET MANAGEMENT, INC. and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement, and recordkeeping provisions.

BANORTE ASSET MANAGEMENT, INC.'s Code of Ethics further includes the Firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [Compliance@banortesecurities.com](mailto:Compliance@banortesecurities.com), or by calling us at 713-980-4600.

BANORTE ASSET MANAGEMENT, INC. and individuals associated with the Firm are prohibited from engaging in principal transactions.

BANORTE ASSET MANAGEMENT, INC. and individuals associated with the Firm are prohibited from engaging in agency cross transactions.

As disclosed in the preceding section of this Brochure (Item 10), related persons of the Firm are separately registered as securities representatives of a broker-dealer. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 – Brokerage Practices

BANORTE ASSET MANAGEMENT, INC. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As a matter of policy and practice, BANORTE ASSET MANAGEMENT, INC. does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

BANORTE ASSET MANAGEMENT, INC.'s policy is to direct brokerage transactions to its affiliate, Banorte-Ixe Securities International, Ltd. Should the client wish to direct brokerage transactions to a different outside broker or dealer, it would have to provide instructions and obtain approval from BANORTE ASSET MANAGEMENT.

### Item 13 – Review of Accounts

#### **REVIEWS:**

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed on a trade date basis by reviewing applicable order tickets and again on a quarterly basis by reviewing customer account statements. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by a member of the Products and Strategy department under the supervision of the Chief Investment Officer and a member of the office of Compliance.

#### **REPORTS:**

Monthly statements and confirmations of transactions are sent from the account's broker-dealer/custodian.

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

It is BANORTE ASSET MANAGEMENT, INC.'s policy not to engage solicitors or to pay related or non-related persons to refer potential clients to the Firm, for its traditional investment management relationships. However, with respect to the Wrap Fee program for the BAM Digital investment product, BANORTE ASSET MANAGEMENT, INC. uses a solicitor, also known as a Promoter, to attract customers and, BANORTE ASSET MANAGEMENT, INC has entered into a Solicitation Agreement with such solicitor, or Promoter. Presently, such solicitation is only with regard to the BAM Digital Wrap Fee program, and the solicitation arrangement with Banco Mercanti del Norte, an affiliated company of BANORTE ASSET MANAGEMENT, INC whereby BANORTE ASSET MANAGEMENT, INC may pay Banco Mercanti del Norte for the referrals that the Promoters of Banco Mercanti del Norte bring to the BAM Digital platform. The fee for such referrals is an ongoing fee that ranges from 5% to 30% of the fee that BANORTE ASSET MANAGEMENT, INC receives from the client (see the Wrap Fee Program APPENDIX).

It is BANORTE ASSET MANAGEMENT, INC.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.



### **Item 15 – Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that the Firm directly debits advisory fees from client accounts.

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

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial 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.

The Firm is deemed to have custody of client assets because it has the ability to have fees and other expenses deducted directly from a client's account, thus must meet the requirements listed under Rule 206(4)-2 of the Investment Advisers Act, however, the Firm is exempt from the surprise examination requirements of the Independent Verification.

### **Item 16 – Allocation Policy**

Banorte Asset Management will aggregate client orders to purchase or sell and make investment when appropriate and when doing so is likely to result in a better overall price. The Firm will allocate trades to clients on an equitable basis to each account.

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

BANORTE ASSET MANAGEMENT, INC. shall have no obligation or authority to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities held in the Accounts. The client expressly retains the authority and responsibility for, and the Adviser is expressly precluded from rendering any advice or taking any action with respect to, the voting of any such proxies.

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

BANORTE ASSET MANAGEMENT, INC. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

**BANORTE ASSET MANAGEMENT, INC. has not been the subject of a bankruptcy petition at any time during the past ten years.**

**BANORTE ASSET MANAGEMENT, INC.**  
**It is on-line digital investment platform**  
**Also known as “BAM Digital.”**

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Web Address: <https://bam.globalinvest.us/>

**Part 2A of Form ADV, Appendix 1**  
**Wrap Fee Program Brochure**

**October 11, 2022**

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Banorte Asset Management Inc. (“Banorte Asset Management,” or the “Firm”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at 713-980-4600 or [Compliance@banortesecurities.com](mailto:Compliance@banortesecurities.com). 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.

Registration with the SEC or notice filing with any state securities authority does not imply a certain level of skill or training.

Additional information about Banorte Asset Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 290555.

**The Outline of Contents Featured in this Wrap Fee Program Brochure Appendix**

1. BAM Digital Wrap Fee Program Description
2. About the Sub Advisor
3. BCP Global Advisory Services to the BAM Digital Platform
4. Directed Brokerage and arrangement with Sub Advisor, BCP Global
5. BAM Digital Model Portfolios
6. BAM Digital Account Opening Process
7. Fees and Compensation
8. Account Requirements and Types of Clients for BAM Digital
9. Methods of Analysis, Investment Strategies and Risk of Loss in BAM Digital
10. Model Portfolios Construction Process
11. Investment Risk Disclosures
12. Voting Client Securities (i.e., Proxy Voting)
13. Client Information Provided to Portfolio Managers
14. Client Contact with Customer Support or Investment Advisor Representatives

### **1. BAM Digital Wrap Fee Program Description**

This Brochure relates to the wrap fee program offered by BCP Global, a sub advisor to Banorte Asset Management, Inc. In the wrap fee program, BCP Global bundles, or “wraps,” investment advisory, brokerage, custody, clearance, settlement, and other administrative services together and charges a single fee. The fee is based on the value of assets under management.

### **2. About the Sub Advisor**

BCP Advisors LLC doing business as BCP Global (“BCP Global”) is a limited liability company organized under the laws of the State of Florida on December 6, 2010. For any inquiries regarding the BAM Digital platform functionality, questions may be directed to BCP Global by calling (305) 415-0060. BCP Global, as sub-advisor for the management of the funds held in the BAM Digital platform. As a sub-advisor, BCP Global has been registered with the United States Securities and Exchange Commission (“SEC”) since May 23, 2018, and certain state securities authorities. The CRD number for the registration of BCP Global is 157973. Additional information is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

### **3. BCP Global Advisory Services to the BAM Digital Platform**

BCP Global provides the following types of investment advisory services for the BAM Digital platform:

On a continuous and regular basis, BCP Global provides discretionary investment advisory services to clients through virtual interaction over the Internet using a technology platform developed and maintained by the BCP Global firm. This service is based on the client profiles referred to the BAM Digital platform and that are entered into BCP Global’s online technology platform through its website and mobile application, under the brand name “BAM Digital”.

Our investment advisory services are provided through our interactive platform that may be accessed using our website and/or mobile application.

### **4. Directed Brokerage and arrangement with Sub Advisor, BCP Global**

Each BAM Digital client enters into a discretionary investment management agreement with both Banorte Asset Management, Inc. as Advisor, and BCP Global as sub advisor. BCP Global has an arrangement with Interactive Brokers, LLC (“Interactive Brokers” or “custodian”), a FINRA registered broker dealer, who serves as the custodian of client assets. Clients will open a cash account at Interactive Brokers to maintain their assets.

### **5. BAM Digital Model Portfolios**

Within the BAM Digital platform six (6) portfolios are made available to clients. BCP Global manages the platform but Banorte Asset Management, Inc. has entered into an agreement with BlackRock’s Model Portfolio Solutions (“BlackRock”) whereby Blackrock selects an appropriate balance of Undertakings for Collective Investment in Transferable Securities (“UCITS”), for each portfolio. UCITS are mutual funds registered in Europe under a unified regulatory framework that can be sold to investors worldwide. Consequently, we believe they provide excellent diversification and liquidity. There are six portfolios that are available through the BAM Digital platform: (1) The Ultra Short Duration portfolio, (2) The Fixed Income portfolio, (3) The Conservative portfolio, (4) The Moderate portfolio, (5) The Growth portfolio, and the (6) The Equity portfolio. More information about these portfolios can be found at: <https://bam.globalinvest.us/portfolios>

On a monthly basis, Blackrock communicates the appropriate balance allocation of UCITS to BCP Global for the purpose of effecting the necessary transactions, through InterActive Brokers, in order to bring each of the portfolio models into balance with the required allocation mix stipulated by Blackrock.

#### **6. BAM Digital Account Opening Process**

To open an account, each client enters personal information, including age, financial resources, and investment experience, goals, and objectives into our automated digital platform via an interactive questionnaire (“Questionnaire”) presented on the platform as part of the registration process. Based on the information provided by the client via the Questionnaire, the automated digital platform uses an “Algorithm” to analyze such information. With this information, we will recommend a portfolio that is designed to meet the client’s investment needs. The client will have the ability to switch among suitable portfolios we offer at any time.

BCP Global is responsible for maintaining the Algorithm. However, BCP Global does not override the Algorithm to provide alternative recommendations to any particular client, whether based on any additional criteria provided by the client, market and/or economic conditions, or otherwise. Clients should be aware that the Algorithm relies upon their answers to questions relating to their risk tolerance, investment objectives, and investment time horizon provided through the Questionnaire, and that such answers serve as inputs to the Algorithm.

Clients should also understand that BCP Global does not utilize the entirety of all information provided by the client in providing investment recommendations. BCP Global does not consider any additional information about the client not covered in the Questionnaire in making recommendations.

Furthermore, although the BAM Digital platform relies on the information provided by the client through the Questionnaire in order to provide investment recommendations, representatives of the Firm who are qualified to do so will be available to provide support services on our behalf.

Blackrock does not have the authority to place orders for the execution of transactions or to give instructions to BCP Global with respect to any particular BAM Digital clients’ assets. As such, it shall be the sole responsibility of BCP Global to:

- Determine whether a Model Portfolio and each security included therein initially is and remains appropriate and suitable for a client; and
- Make discretionary determinations as to the securities to be bought and sold for each account.

#### **7. Fees and Compensation**

Banorte Asset Management, Inc. allows BCP to charge clients for its BAM Digital investment management services based on a percentage of the market value of the Assets Under Management (“AUM”) in each account. The tiered fee structure is shown below:

- For the first \$100,000, the client pays an annual fee up to 1.85% of the AUM.
- Then, from \$100,001 to \$500,000, the client pays an annual fee up to 1.65% of the AUM.

- Then, from \$500,001 to \$1,000,000, the client pays an annual fee up to 1.25% of the AUM.
- Then, from \$1,000,001 and up, the client pays an annual fee up to 1.10% of the AUM.

Note that the calculation of the fees varies depending on the type of account that the Client maintains at Interactive Brokers. BCP Global encourages Clients to carefully review the calculation of advisory fees. The advisory fee is automatically calculated by Interactive Brokers. The calculation is made daily based on the ending market value (“EMV”) of the assets managed by the Advisor the previous month. To make the daily calculation Interactive Brokers applies the annual tiered rate to the EMV and then divides it by 252 business days for the year. The fee charged is the sum of the daily fee calculations at the end of the month.

The client shall pay BCP Global in arrears for services provided under the contract during each calendar month.

Clients agree that all fees are deducted monthly from their accounts regardless of the type of account (cash and/or margin) held by the custodian. When services provided are for less than one calendar month, the fee will be prorated based upon the number of business days services were provided within the month.

Commissions charged by Interactive Brokers for trade execution will be absorbed by BCP Global. You may grant us authority to receive our advisory fees from your account at Interactive Brokers. Alternatively, in cases where this arrangement is not in place, we will bill you directly for our services.

The Investment Advisory Agreement may be terminated by either party at any time by written notice. Termination of the Agreement will not affect (a) the validity of any actions previously taken by us under the Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the Agreement; or (c) your obligation to pay the advisory fees (pro-rated through the date of termination).

#### **8. Account Requirements and Types of Clients for BAM Digital**

BAM Digital provides investment advisory services to individuals only. BAM Digital requires its clients to maintain a minimum account size of \$10,000.

#### **9. Methods of Analysis, Investment Strategies and Risk of Loss in BAM Digital**

Based on the client’s answers to the online Questionnaire at the opening of the account, our automated algorithms recommend suitable Model Portfolios that meet each client’s risk tolerance, investment objectives, and investment time horizon.

Most of our model portfolios are designed and managed by BlackRock’s Model Portfolio Solutions. Each portfolio is designed to meet particular investment goals and objectives, considering the client’s financial situation, circumstances, and risk tolerance.

Our investment philosophy is based on the tenets of the Modern Portfolio Theory. The investment strategy seeks to maximize returns at the same time as it seeks to minimize risk by diversifying the portfolio among uncorrelated asset classes. The goal is to create an asset allocation that yields the highest possible return for the lowest amount of risk.



The purpose of these BAM Digital model portfolios is to deliver efficiency, transparency, and cost effectiveness. The selected UCITS ETFs that are part of the Model Portfolios are designed to meet specific goals, such as global diversification, tactical exposures, and tax efficiency. The BCP Global implementation procedure guides each individual investor on how to invest in the most appropriate vehicle for their profile. The vehicle selection process is primarily driven by exposure, efficiency, and cost, leveraging more than 300 UCITS ETFs.

## **10. Model Portfolios Construction Process**

### **Variables**

The variables in the systematic optimization process are Return-Risk-Efficiency.

**SYSTEMATIC** – by translating investor outcomes into well-diversified allocations through a proprietary optimization process.

**DISCRETION** – when evaluating risks and opportunities associated with attractively priced asset classes.

**CONSTRUCTION** – through identifying cost-effective and efficient holdings and selecting them for constructing the portfolio.

**MONITOR** – a team of professionals are constantly monitoring the portfolio to quickly adapt to changing market conditions.

### **Investment Vehicles**

In order to create globally diversified portfolios, the BAM Digital Model Portfolios use across-the-board uncorrelated asset-classes. In order to accomplish this, it only uses UCITS ETFs. Regularly, the universe of UCITS ETFs in the BAM Digital Model Portfolios are reviewed to identify those that are most appropriate to represent each of the asset classes. The Model Portfolios include the UCITS ETFs that offer market liquidity, minimize tracking error and are tax efficient.

A UCITS ETF is a security that usually tracks a basket of stocks, bonds, or assets like an index fund, but trades like a stock on a stock exchange. They are managed with the intention of closely tracking their benchmarks, such as Dow Jones Industrial Average or the S&P 500.

The BAM Digital Model Portfolios only use UCITS ETFs that have a definite mandate to passively track benchmark indexes. This restricts the fund manager from simply replicating the performance of the benchmark they follow and ensures the same level of investment diversification as the benchmark itself.

### **Asset Allocation**

Based on the systematic investment process and after an in-depth analysis of each asset class, BlackRock determines the optimal mix for your portfolio to generate a return at the lowest risk. The objective is to create an asset allocation that produces the maximum possible return while respecting your particular risk tolerance. Translating investor outcomes and restrictions into globally well-diversified allocations:

Return – Risk – Cost.

### **Monitoring and Rebalancing**

To keep portfolios on track with long-term goals, the Model Portfolios are monitored and regularly rebalanced back to their target mix in an effort to optimize returns for their intended level of risk. The Portfolios are rebalanced at least once per year but will be rebalanced more frequently if market conditions and the weight of holdings of a given portfolio merit rebalancing.

## **11. Investment Risk Disclosures**

The risks below are disclosed in a good faith effort to inform current and prospective clients of issues that could adversely affect the value of a portfolio. The disclosure below does not attempt to convey that the risks disclosed are the only risks present when investing. Future circumstances may present additional risks to any investment portfolio. There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Market Risk: Our clients are subject to market risks that will affect the value of their portfolios, including adverse issuer, political, regulatory, market or economic developments, as well as developments that have an impact on specific economic sectors, industries, or segments of the market.

Investment Style or Class Risk: Specific types of investments and investment classes tend to go through cycles of doing better, or worse, than the stock market in general. These periods have, in the past, lasted for as long as several years.

Growth Risk: The risk of lack of earnings increases or lack of dividend yield.

Mid-Cap Company Risk: Mid-Cap companies may have narrower commercial markets, less liquidity, and less financial resources than Large-Cap companies.

Small-Cap Company Risk: Small-Cap companies may have narrower commercial markets, less liquidity, and less financial resources than Mid-Cap or Large-Cap companies.

Sector Risk: The risk of holding an investment in similar businesses or a single investment class, which could all be affected by the same economic or market conditions.

High-Yield Risk: The risk that results from investments in below investment grade bonds, which have a greater risk of loss of money, are susceptible to rising interest rates, and have greater volatility.

Fixed Income Risk: This risk arises if an issuer of a fixed income security is unable to meet its financial obligations or goes bankrupt.

Interest Rate Risk: Investments may be adversely affected by changes in global interest rates.

Foreign Security Risk: The risk of instability in currency exchange rates, political unrest, economic conditions, or foreign law changes.

Emerging Markets Risk: Investing in emerging markets has great political uncertainty, dependence on foreign aid, and a limited number of buyers.

Concentration Risk: Concentration risk results from maintaining exposure to issuers conducting business in a specific industry or related to a specific investment theme. The risk of concentrating investments in a particular industry or tied to a specific theme is that a portion of the client's portfolio will be more susceptible to the risks associated with that industry or theme.

Credit Risk: Credit risk is the risk that an issuer or guarantor of a security or counterparty to a financial instrument may default on its payment obligations or experience a decline in credit quality.

Debt Instrument Risk: Debt instruments may have varying levels of sensitivity to changes in interest rates, credit risk and other factors affecting debt securities. Typically, the value of outstanding debt instruments falls when interest rates rise. The value of debt instruments with longer maturities may fluctuate more in response to interest rate changes than those of instruments with shorter maturities.

Geographic Concentration Risk: Investments in a particular geographic region may be particularly susceptible to political, diplomatic, or economic conditions and regulatory requirements. Thus, investments that focus on a particular geographic region may be more volatile than a more geographically diversified fund.

## **12. Voting Client Securities (i.e., Proxy Voting)**

We do not have, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

## **13. Client Information Provided to Portfolio Managers**

The mobile application and the website rely on the information provided by the client through the Questionnaire in order to provide investment recommendations. However, we also have access to clients' non-public personal information, as our portfolio managers remain available to provide support to clients of the wrap fee program described above. Pursuant to applicable Privacy Regulations, we maintain the confidentiality of this non-public information on each of our clients.

We must obtain pertinent information and review your financial situation and investment profile, including your risk tolerance, to determine and set the appropriate short and long- term investment goals and objectives. We encourage you to notify us if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions or modify any existing reasonable restrictions on the management of your account.

## **14. Client Contact with Customer Support and Investment Advisor Representatives**

Although, the mobile application and the website rely on the information provided by the client through the Questionnaire in order to provide investment recommendations, we have not placed any restrictions on your ability to contact and consult with Customer Support or Investment Advisor Representatives.