

## Banorte Asset Management, Inc.

April 24, 2025

### Item 1. Introduction

Banorte Asset Management, Inc (“BAM”), also doing business as Banorte Wealth Advisors, is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser. Please note that investment advisory services differ from brokerage services, and it’s important to understand these distinctions when selecting a provider. Free and simple tools are available for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### Item 2. Relationship and Services

#### **What investment services and advice can you provide me?**

**Description of Service:** BAM offers investment advisory accounts to retail investors through two service programs: BAM Traditional and BAM Digital. Investment advisory accounts under BAM Traditional can be managed on either a discretionary or non-discretionary basis by our Investment Advisor Representatives (IARs). BAM Digital accounts, however, are managed on a discretionary basis via a technology platform developed by our sub-advisor, BCP Global. BAM Traditional advisory accounts are offered under a bundled “wrap” fee structure, which includes investment management, trade execution, custody, and other administrative services in a single fee. For BAM Digital, we provide an online investment platform managed in collaboration with our sub-advisor BCP Advisors LLC, (doing business as BCP Global). This program also follows a wrap fee structure that consolidates fees for investment advisory, brokerage, custody, clearance, settlement, and other administrative services, based on the total value of assets under management.

- **Monitoring:** For BAM Traditional accounts, we conduct periodic monitoring of your account(s) to ensure alignment with your stated investment strategy and any specific constraints. For BAM Digital accounts, we focus on monitoring the sub-advisor’s platform for due diligence and oversight, ensuring the effective administration of clients’ accounts.
- **Investment Authority:** For BAM Traditional discretionary accounts, BAM executes transactions without prior approval, while in non-discretionary accounts, we require client consent for each transaction. Our engagement will continue until you notify us, otherwise in writing. BAM Digital accounts are managed with limited discretionary authority through our online platform.
- **Limited Investment Offerings:** For BAM Traditional advisory accounts, available investments include mutual funds, ETFs, stocks, bonds, SMAs, Structured Notes and Third-party investments models. These offerings allow clients to access a broad range of asset classes and investment strategies designed to meet diverse portfolio needs. In contrast, our BAM Digital advisory accounts primarily focus on UCITS-compliant funds for offshore clients and U.S. - domiciled ETFs for domestic clients. While BAM offers a variety of core investment products, certain complex or high-risk products such as variable annuities and leveraged instruments are not included within our program.
- **Account Minimums and Other Requirements:** Traditional accounts, the minimum investment is \$50,000 (discretionary) and \$1,500,000 (non-discretionary), with BAM Digital requiring a \$10,000 minimum. Minimums may be negotiable based on client-specific factors.

**Additional Information:** For additional information, please see our Form ADV Part 2A (Firm Brochure), with special emphasis on Items 4 and 7, and Appendix 1 (Wrap Fee Program Brochures). These are available in a combined document at [www.banortewealthmanagement.com/downloads](http://www.banortewealthmanagement.com/downloads).

#### **Conversation Starters:**

- ❖ Given my financial situation, should I choose an investment advisory service? 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?

### Item 3. Fees, Costs, Conflicts and Standard of Conduct

#### **A. What Fees Will I Pay?**

**Description of Principal Fees and Costs:** Our fees vary based on account size and are typically charged as a percentage of assets under management. For BAM Traditional accounts, fees are charged quarterly, while BAM Digital accounts incur monthly fees. All BAM accounts participate in wrap-fee programs, which bundle advisory, transaction, and custodial costs into a single fee.

**Description of Other Fees and Costs:** Clients may incur other fees and costs, such as:

- Fees charged by third-party investment managers. These fees are embedded in the funds used in your portfolio (e.g., U.S. ETFs, UCITS or Mutual Funds).
- Account maintenance fees charged by the custodian, if applicable (e.g., fees for wire transfers or paper statements).
- Non-US (Foreign) Account Annual Fee for offshore accounts.

**Additional Information:** 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. More detailed information about our fees and costs can be found in our Form ADV Part 2A (Firm Brochure), with special emphasis on Item 5, and Appendix 1 (Wrap Fee Program Brochures). These are available in a combined document at [www.banortewealthmanagement.com/downloads](http://www.banortewealthmanagement.com/downloads).

#### **Conversation Starter:**

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

**B. What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**Standard of Conduct:** When we act as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means.

Since BAM is paid based on the assets in your advisory account, the more assets there are in your account, the more you will pay in fees, so BAM has an incentive to encourage you to increase the assets in your advisory account. Here are additional examples of incentives created by certain payments BAM receives.

- **Proprietary Products:** BAM may offer or recommend bonds issued by our parent company, Grupo Financiero Banorte S.A.B. de C.V, located in Mexico, as part of our advisory services when appropriate for your financial goals. While we are not involved in the underwriting or issuance of these bonds, and we only recommend them when they align with your investment objectives, this affiliation may create a conflict of interest. When we offer or recommend you a proprietary product, BAM and our financial professionals do not receive additional compensation or other types of financial benefits.
- **Revenue Sharing:** Certain service providers for BAM's advisory programs, such as clearing firms and custodians, may share part of the revenue, such as sweep in a money market fund, they earn from client assets with BAM's affiliated broker-dealer, Banorte Securities International Ltd. (BSI). Although BAM does not receive this revenue, this arrangement creates an incentive for BAM to select or recommend these providers for client advisory accounts and encourage clients to increase account assets.

**Examples of Conflicts of Interest:**

**Dual Registration and Potential Conflicts of Interest:** Investment Adviser Representatives (IARs) of BAM are also registered representatives of our affiliated broker-dealer, Banorte Securities International Ltd. (BSI) and may be licensed insurance agents offering insurance products through Banorte Enterprises Ltd., an affiliated general lines agency, which operates under the DBA Banorte Wealth Strategies. These affiliate relationships and the dual registration of IARs create inherent conflicts of interest. Specifically, IARs may have an incentive to maximize their compensation by recommending brokerage or insurance products alongside advisory services. This may result in splitting client investments between advisory accounts and brokerage accounts to earn higher compensation.

**Wrap Account Potential Conflicts of Interest:** All BAM accounts participate in wrap-fee programs. Fees associated with the wrap fee program will include the advisory fee and most of the costs for the execution of securities transactions and custody of these assets, and therefore are higher than the advisory fees for non-wrap programs. A wrap fee presents a conflict because it creates an incentive for BAM and third-party money managers to minimize the trades in your advisory account to reduce the portion of the wrap fee used to cover transaction costs.

**Other Potential Conflicts of Interest:** Since the amount you pay depends upon the value of your account, we acknowledge that this creates an incentive for us to encourage you to increase the size of your relationship with us. In addition, in some cases, BAM receives more compensation when its representatives provide advisory services to clients than when they solely provide brokerage services, as they receive a portion of the advisory fees deducted from client accounts on a regular and continuous basis.

**Conversation Starter:**

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

**Additional Information:** More detailed information about our conflicts of interest can be found in our Form ADV Part 2A (Firm Brochure), with special emphasis on Item 10 and Item 12, and Appendix 1 (Wrap Fee Program Brochures). These are available in a combined document at [www.banortewealthmanagement.com/downloads](http://www.banortewealthmanagement.com/downloads).

**C. How do your financial professionals make money?**

**Description of How Financial Professionals Make Money:** BAM's financial professions receive a portion of the ongoing investment advisory fees you pay us based on assets in your account. Advisory fees BAM receives generally vary based on the investment advisory program selected, the amount of assets in the program, and the advisory fee you negotiated with your financial professional. The portion of the fees BAM pays to their financial professionals also varies among financial professionals depending on the financial professional's performance. These compensation arrangements create conflicts of interest between you as a customer and your financial professional.

In the case of certain investment funds, the issuer or the sponsor provides financial professionals associated with BAM other forms of compensation, including business entertainment, expense reimbursement for travel associated with educational or similar business meetings, and financial assistance in covering the cost of marketing and sales events. The receipt of these payments presents a conflict because it creates an incentive for financial professionals to recommend those investments or funds whose issuers or sponsors offer these forms of compensation.

**Item 4. Disciplinary History**

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

Yes. Banorte Asset Management, Inc., and its financial professionals may have legal or disciplinary history.

**Search Tool:** Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter:**

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

**Item 5. Additional Information**

For additional information regarding BAM's investment advisory services, please visit: [www.banortewealthmanagement.com/downloads](http://www.banortewealthmanagement.com/downloads). You may also request an up-to-date copy of this Form CRS Customer Relationship Summary by calling 713-980-4600 or e-mailing [compliance@banorteusa.com](mailto:compliance@banorteusa.com).

**Conversation Starter:**

- ❖ 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?