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**Investment Services Guide**  
**Monex Casa de Bolsa**

V.4

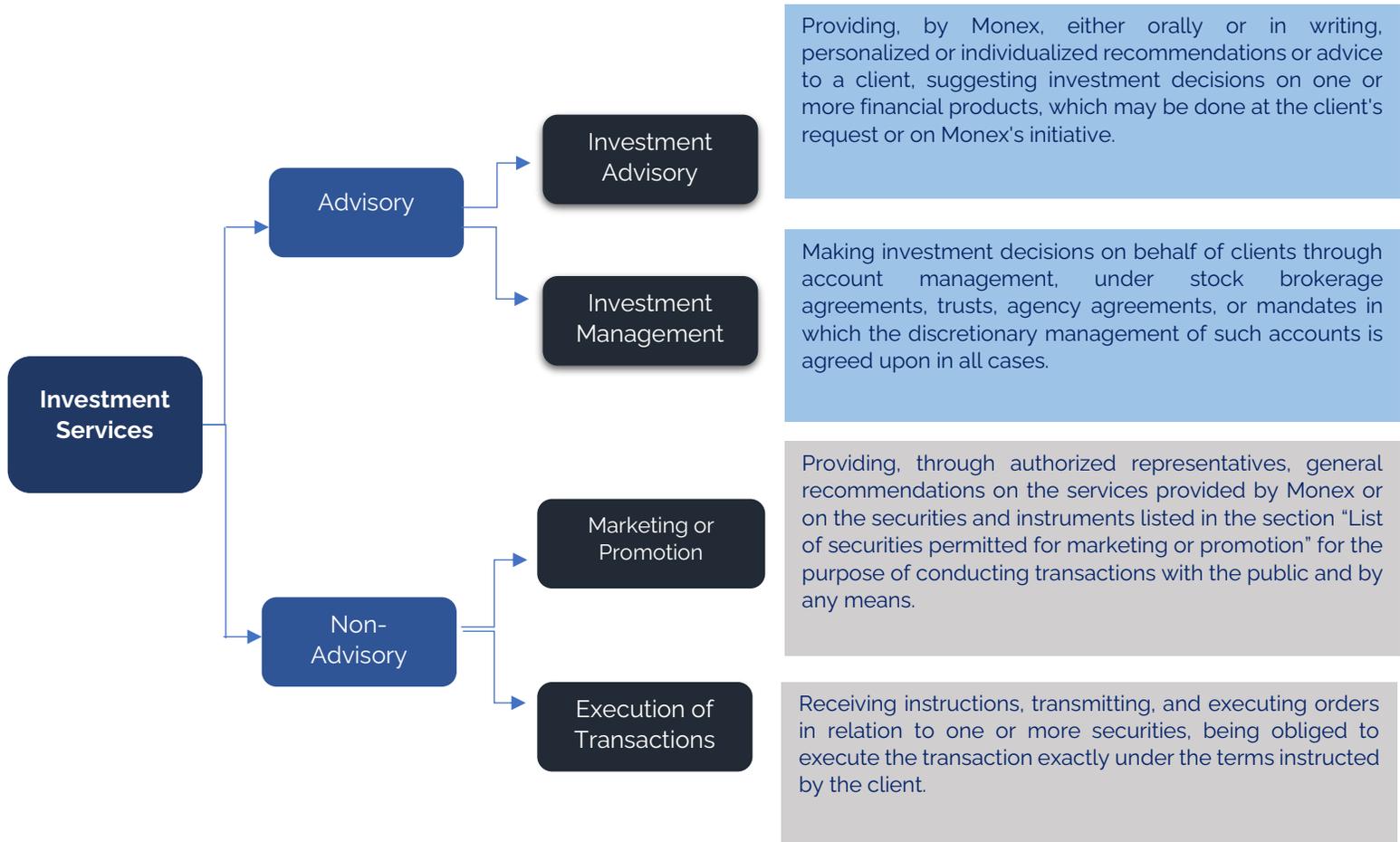
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## Introduction:

In compliance with the "General provisions applicable to financial institutions and other persons providing investment services (the Provisions)" issued by the Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) and published in the Federal Official Gazette (*Diario Oficial de la Federación*) on January 9, 2015, and their respective amendments; Monex Casa de Bolsa shares the Investment Services Guide, which has been approved by the Financial Products Analysis Committee.

## Investment Services offered by Monex Casa de Bolsa



## Types of clients in accordance with the Provisions

<p><b>Non-sophisticated clients:</b></p>	<p>Prior to providing Investment Services, Monex will assume that its clients (individuals or legal entities) are not sophisticated clients for the purposes of the Investment Services Provisions, unless the client represents that it is a sophisticated client.</p>
<p><b>Sophisticated clients:</b></p>	<p><b>A person (natural or legal)</b> who has maintained, on average over the last twelve months, investments in securities in one or more financial institutions, for an amount equal to or greater than 3,000,000 (three million) investment units, or who has obtained, in each of the last two years, gross annual income equal to or greater than 1,000,000 (one million) investment units in each of the last two years. <sup>1</sup></p> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <p><sup>1</sup> In order to prove that they are sophisticated, clients must sign a letter stating that they are aware of the risks and what this entails, as well as the level of income required to be considered as such, in accordance with the form contained in the exhibit to the aforementioned Provisions.</p> </div>
<p><b>Institutional clients:</b></p>	<ul style="list-style-type: none"> <li>- <b>Institutional Investors</b> (unless they request treatment as any other client)</li> <li>- <b>Foreign Financial Institutions</b> (including those referred to in the LIC).</li> <li>- <b>Foreign investors</b> who represent that they are institutional investors or equivalent in their country of origin in accordance with the applicable legislation.</li> <li>- <b>Issuers</b> that have securities registered in the Registry with preventive registration in their generic form.</li> <li>- <b>Similar to Institutional Investors:</b> a) Issuers with registered securities or subsidiaries thereof that are part of the same Business Group; b) Trust Institutions; c) Agencies and entities of the Federal Public Administration.</li> </ul>

## Types or categories of securities offered by Monex Casa de Bolsa

Monex Casa de Bolsa offers the following securities investment products:

CATEGORIES		Issued by Third Parties	Issued by Monex CB or financial entities belonging to the Monex Group
MONEY MARKET	Government Instruments	YES	NO
	Bank Instruments	YES	YES
	Corporate Instruments	YES	NO
CAPITAL MARKETS	Shares, SIC, Fibras, Trac's, Development Capital Certificates	YES	YES
FUNDS	Investment Funds Equities	YES	YES
	Debt Investment Funds Debt Funds	YES	YES
DERIVATIVES MARKET	Derivatives	YES	YES
STRUCTURED	Capital-guaranteed notes (F)	YES	YES
	Notes without capital guarantee (J)	YES	YES

## Marketing or promotion specifications

Purchase, sale, or repurchase transactions may be carried out on the securities or instruments detailed below:

- I. Government securities as defined in Circular Letter 3/2012 issued by the Bank of Mexico or the instrument that replaces it, as well as those securities guaranteed or endorsed by the United Mexican States the maturity date of which at the time of providing the marketing or promotion service is equal to or less than three years;
- II. Bank deposit instruments that, under the terms of the Bank Savings Protection Law (*Ley de Protección al Ahorro Bancario*), are obligations guaranteed by the Institute for the Protection of Bank Savings (*Instituto para la Protección al Ahorro Bancario*) or securities that have a rating of AAA or its equivalent from a securities rating agency, issued by financial institutions that are part of the same financial group to which a full service bank (*institución de banca múltiple*) belongs, provided that the maturity date of both instruments or securities at the time of providing the Marketing or Promotion service is equal to or less than one year and requires, upon maturity, the settlement of an amount at least equal to the principal amount invested by the client;
- III. Structured securities referred to in Article 1, section XXV of the General Provisions applicable to securities issuers and other securities market participants, published in the Federal Official Gazette on March 19, 2003, and its respective amendments, provided that the maturity of the instrument at the time of providing the Marketing or Promotion service is equal to or less than one year, they require settlement at maturity of an amount at least equal to the principal amount invested by the client, and that the entity backing the payment of the principal amount invested has a rating of AAA or its equivalent from a securities rating agency;
- IV. Securities that are debt instruments issued by legal entities or trusts, provided that the maturity date of the instrument at the time of providing the Marketing or Promotion service is equal to or less than one year and they have a rating of AAA or its equivalent from a Securities Rating Agency;
- V. Shares of investment companies whose investment assets are exclusively the Securities indicated in sections I and IV above, or shares of investment companies in debt instruments that are classified according to the term of their investment assets as short or medium term in accordance with the General Provisions applicable to investment companies and the persons who provide services to them, published in the Federal Official Gazette on December 4, 2006, and its respective amendments; and
- VI. Indexed trust certificates referenced to government securities as defined in Circular Letter 3/2012 issued by the Bank of Mexico or the instrument that replaces it, as well as those securities guaranteed or endorsed by the United Mexican States, provided that they are managed by financial institutions and investment advisors.

## Policies for portfolio diversification, investment advice

Monex Casa de Bolsa has policies for the diversification of its clients' investment portfolios based on investment profiles, approved by the Financial Products Analysis Committee. The policies establish the maximum limits to be considered when making investment recommendations with respect to a single security, financial instrument, issuer, or counterparty.

The maximum limits depend on the investment profile level and the type of product.

For advised clients, Monex has four investment profiles, each identifying the level of risk associated with the client, which are:

- Conservative – Low risk profile.
- Moderate – Medium risk profile.
- Aggressive – High risk profile.
- Specialized – Very high risk profile.

**Conservative:** Clients with little or no knowledge of finance, specifically investments, so that the instruments and transactions we offer them will be those that correspond to someone who is starting out as an investor, and we will guide them to a better understanding of these over the time they remain with us.

Funds whose value the client wishes to preserve, accepting the probability of lower returns for this purpose. The holder has little tolerance for loss. Depending on the term during which it plans to hold the investment. This profile can be short-term or long-term.

**Moderate:** Refers to a person who has some knowledge and experience in investments but is not an expert in finance or specialized in this field.

A balanced investment is sought with a proportionate component of fixed and variable income instruments and a medium-term horizon. The holder has a higher tolerance for short-term losses.

**Aggressive:** This is a person who has a high level of knowledge of the market and whose investment horizon is generally long term. This profile tends to take risks in order to obtain high returns.

**Specialized:** This is a person with extensive knowledge of investments who has invested in all or most types of securities with a higher degree of complexity. They seek to obtain the highest possible returns and are therefore willing to take on the necessary risk. Ideal for long-term investments, the holder has a high tolerance for losses, taking into account the potential for higher returns on investments.

The determination of the investment profile applies only to advised clients and will be made by answering a questionnaire considering:

- Client knowledge and experience
- The client's financial position and capacity
- The client's investment objectives with respect to the amounts invested in the account.

## Limits by investment profile and market categories

CATEGORIES		CONSERVATIVE	MODERATE	AGGRESSIVE	SPECIALIZED
MONEY MARKET	Government Instruments	AA ↑ 100%	BB ↑ 100%	B ↑ 100%	B ↑ 100%
	Bank Instruments	AA ↑ 90%	BB ↑ 100%	B ↑ 100%	B ↑ 100
	Corporate Instruments	AA ↑ 80 (Max. 60% per issuer)	BB ↑ 100%	B ↑ 100%	B ↑ 100
CAPITAL MARKETS	Shares, SIC, Fibras, Tracs, Development capital certificates	Not available	70%	100%	100%
FUNDS	Investment Funds Equities	Not available	70%	90%	100%
	Investment Funds Debt	100%	100%	100%	100%
DERIVATIVES MARKET	Derivatives	Not available	Not available	80%	100%
STRUCTURED	Capital-guaranteed notes (F)	40 (Max. 60% per issuer)	80	100	100%
	Notes without capital guarantee (J)	Not available	Not available	90%	100%

## Considerations:

- Money market transactions include spot and repo transactions.
- Investment fund transactions include own funds and third-party funds.
- For transactions with Structured Notes, these may be issued by Banco Monex and third parties.

## Fees, costs, and charges

In accordance with the Provisions, Monex Casa de Bolsa provides you with the following information:

**Fees:** No fee is charged for investment advisory services.

**Investment Funds:** Fees are described in the Prospectus for Public Investors. [Click to view the Investment Funds section.](#)

**Capital markets, money markets, and investment strategies:** The fees charged for these products are described below:

DIRECT FEES		
Item	Fee	Investment Advisory Fee
Purchase/sale of capital market shares <sup>(1)</sup>	Up to 1.70% per transaction	Not applicable
Securities custody	No fee charged	Not applicable
Investment funds	Based on the prospectus for public investors	Not applicable
Money market transactions	No fee charged	Not applicable
For debit balances greater than \$1,000.00 <sup>(2)</sup>	Minimum \$500 - Maximum TIE x 3	Not applicable
SPEI Transfer <sup>(3)</sup>	Up to \$5 per transaction	Not applicable

**DIRECT FEES FOR INVESTMENT MANAGEMENT <sup>(4)</sup>**

STRATEGIES IN PESOS	\$3 - \$19.9 *	\$20 - 99.9	\$100 to \$499	\$500 and above
DEBT	0.70	0.55	0.40	0.25
CONSERVATIVE	0.85	0.70	0.55	0.40
WEALTH	1.00	0.85	0.70	0.55
GROWTH	1.15	1.00	0.85	0.70

STRATEGIES IN DOLLARS	\$3 - \$19.9 *	\$20 - 99.9	\$100 to \$499	\$500 and above
CP DEBT	0.50	0.4	0.30	0.20
DOL DEBT	0.60	0.50	0.40	0.30
GLOBAL CONSERVATIVE	0.68	0.58	0.48	0.38
GLOBAL MODERATE	0.76	0.66	0.56	0.46
GLOBAL AGGRESSIVE	0.84	0.74	0.64	0.54
GLOBAL EQUITY	1.00	0.90	0.80	0.70

(1) The calculation basis will be the total amount of each transaction + VAT.

(2) The calculation basis will be the total debt balance multiplied by TIIE<sub>x3</sub>. If the result is less than \$500 pesos, this will be the minimum amount to be charged + VAT.

(3) Fee derived from bank transfers that are made, which do not relate to any investment service. The amount to be charged will be + VAT.

(4) Annual fee percentage charged monthly. Charges effective as of January 4, 2016.

For more information, please contact your investment advisor.

## Mechanisms for receiving and handling complaints

Unlike a complaint, suggestion, question, or comment, any client may file a claim for unrecognized securities and/or securities transactions, disagreement, or if they detect an operational error on the part of the Entity.

Once the claim, disagreement, or error has been identified, it must be reported within 90 days of the date of issue of your account statement through the following means:

- a) To the Monex Specialized Client Service Unit, Monday through Friday from 9:00 a.m. to 6:00 p.m., email: [une@monex.com.mx](mailto:une@monex.com.mx) or by phone at 5230 02 00 extension 4576.
- b) On the following Monex website:

<https://www.monex.com.mx/portal/ayuda/reclamaciones>

If you filed a claim through the website and have not received a claim number within 48 hours, you can contact the Call Center at 5231 4500 in Mexico City and the Metropolitan Area, and 01 800 74 66639 from within Mexico, Monday through Friday from 9:00 a.m. to 6:00 p.m.

To file a claim, it is important that you have your contract number handy.

The response time to your claim is 45 calendar days, which may be longer or shorter depending on the case.

Likewise, please be advised that if you have any questions, complaints, claims, or wish to consult information on fees for informational and comparison purposes, you may contact **CONDUSEF** (National Commission for the Protection and Defense of Financial Services Users - *Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros*), located at Insurgentes Sur, No. 762, Col. del Valle, Benito Juárez Mayor's Office, C.P. 03100, Mexico City, Telephone 555340 0999 or consult the website [www.condusef.gob.mx](http://www.condusef.gob.mx) and email: [asesoria@condusef.gob.mx](mailto:asesoria@condusef.gob.mx)

## Policies and guidelines to avoid conflicts of interest

Monex Casa de Bolsa is governed by policies and guidelines that monitor the proper performance of its agents in the area of investment services at all levels. These policies ensure compliance with the Provisions.

A conflict of interest arises when a personal interest in a transaction or an obligation to third parties conflicts with the obligations of employees to Monex Casa de Bolsa and its clients. This includes using one's position to obtain personal gain by using confidential information.

Monex Casa de Bolsa has a Code of Ethics, approved by the Board of Directors of Grupo Financiero Monex, which is disseminated via the Intranet to all employees for their understanding and compliance. In this Code, there is a specific section on Conflicts of Interest that all employees must observe.

In addition to the foregoing, the following must be complied with in relation to Investment Services:

- No officer or agent may make recommendations, advice, or suggestions or carry out transactions that are not in line with the client's investment profile. It is prohibited to provide false or misleading information in exchange for income, commission, or any other consideration from Monex Casa de Bolsa for such activities.
- It is prohibited to execute transactions under the Transaction Execution service if there is evidence that recommendations, advice, or suggestions have been provided to the client.
- The client must be informed in advance of any recommendations or transactions that would involve the provision of the Investment Service in question, in addition to being informed of the fee that would be paid.
- Monex Casa de Bolsa has policies and guidelines in place to regulate the flow of sensitive data when departments are dealing with information that could cause conflicts between business lines.
- It is prohibited to pressure, persuade, or transmit confidential information to lines that offer investment advisory services that could generate conflict with respect to their client relationship activities.
- Analysts are prohibited from accepting any remuneration or receiving any benefit based on the direction of their recommendation or advice.

This document was prepared by Monex Casa de Bolsa in compliance with the General Provisions that apply to Financial Institutions and other persons providing investment services, which can be consulted at <https://www.gob.mx/cnbv> in the Regulations section.

For more information, please contact your investment advisor.