

VENECREDIT SECURITIES, INC.

Member SIPC / FINRA

Form ADV, Part 3: Client Relationship Summary (CRS)

May 11, 2023

Introduction

Venecredit Securities, Inc. (VSI) is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). VSI is approved by the Florida Office of Financial Regulation (FLOFR) to do business in the State of Florida as a broker dealer and investment adviser. VSI is incorporated in the State of Florida and is a wholly-owned company of VBT Holdings, Ltd. Our broker dealer fees can differ from those of an investment adviser, and it is important for you to understand those differences. You can conduct a search of broker-dealer firms and financial professionals at www.investor.gov/CRS, which provides free and simple tools and educational materials for you. *Some of the broker-dealer services and descriptions below may not apply to all clients.*

What Investment services and advice can you provide me?

We offer brokerage services to retail investors. Under Regulation Best Interest we are held to a fiduciary standard that covers all the relationship with you. Please see below.

Our Retail brokerage services focus on buying and selling securities for retail investors acting in a capacity as their agent. (VSI also provides investment adviser services to retail investor clients but it is not addressed here.)

As a client, we will work with you to understand your personal financial situation and help you determine your investment goals and then recommend the products that meet your investment profile. You have discretionary authority over your account. VSI's investment officer will recommend US domestic fixed income, blue chip stocks, ETFs, and mutual funds. However, you make the ultimate decision regarding the purchase or sale of the investments. We'll regularly meet with you to discuss your investments and, if any, capital market changes. We do not monitor your holdings. Should we forecast market conditions that warrant it, we may also recommend defensive strategies in an effort to minimize downside risks.

Regulation Best Interest Disclosures:

You can find more information about our business and services from our Firm Brochures (Form ADV, Part 3), which will be provided to you during the account opening, also on a yearly basis, and see <https://adviserinfo.sec.gov/firm/114419>.

- Most retail investors talk directly with their account representative, but can also act online on a self-directed basis.
- We have one office located in Miami, on Brickell Ave, but your representative can also visit you in Venezuela.
- New accounts have a minimum funding requirement of \$100,000. We may close accounts that are unfunded or dormant.
- As a broker dealer we do not monitor our clients' investments.
- Investment recommendations are made directly to you by our investment officer, and specific securities are chosen including US domestic fixed income, blue chip stocks, ETFs and mutual funds.
- Traditional security products are offered to retail investors and the investment officer offers recommendations.
- No proprietary products are offered by VSI to retail investors.

For additional information, also please see our Regulation Best Interest Disclosures and other applicable documents at our website link below as the SEC limits the length of this form to two pages: <https://venecreditsecurities.com/>

Conversation Starters. Ask your financial professional the following questions:

- Given my financial situation, should I choose a brokerage 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?

What fees will I pay?

You'll pay a flat administrative fee of \$400 every quarter charged to your account. Broker assisted trades can be up to 5% but normally 1%. Self-directed trades are minimum \$60 or .6%. Fixed income corporate, Agency and US Treasury bonds are market price up 150bp. Foreign exchange is up to 1.5%. Mutual funds loads are 1% - 5% determined by the fund family. Wire transfers are \$100. Overnight checks are \$12. All fees are listed on the commission schedule you receive during the account opening and is posted on the website www.venecreditsecurities.com under the heading INFO on the top menu bar, "Commissions and Fees". Should you invest in exchange-traded funds or alike, you will pay 12B-1 fees—generally in the form of an expense ratio—to those issuers. VSI receives a portion of the 12B-1 fee. You will pay fees and costs whether you make or lose money

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on your investments. A retail investor would be charged more when more trades are done in his or her account; the firm has an incentive to encourage frequent trades. 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. You can find more information about the business (Form ADV, Part 3) and the Fees and Commissions schedule at <https://venecreditsecurities.com/en/brochure>.

Conversation Starters. Ask your financial professional the following question:

- 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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your broker, 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 us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

Conflict of Interest

Employee selling most expensive products to customers.

Employee personal account managed by VSI or themselves

Incentive to increase assets

Examples of ways we make money and conflicts of interest

Description of Conflict of Interest

Employees are not compensated on a commission basis that is tied to the activity in a customer's account. Instead employees are paid on a fixed salary to avoid this conflict of interest.

When we manage an employee's personal account conflicts of interest can arise between trades we place for client and employee accounts. Procedures are in place so that at no time our staff of nine employees or affiliated firm benefit at the expense of a client.

The more assets there are in a *retail investor's* advisory account, the more a *retail investor* will pay in fees, and the firm may therefore have an incentive to encourage the *retail investor* to increase the assets in his or her account. The firm only makes unsolicited sales calls.

Sell proprietary products from our affiliates. Receiving payments from third parties when we recommend or sell their products. Share in revenues earned from third party products we sold. Buy or sell from a retail investor for our own investment account. None done by VSI the broker to avoid any conflicts.

Conversation Starters. Ask your financial professional the following question:

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

How do your financial professionals make money?

The financial professionals responsible for the investment decisions regarding your account and those servicing your account receive a base salary. Compensation for them may increase on average between 3-5% per year based on their contribution together as a group and the firm's accomplishments. There is no other compensation paid to your account representatives.

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

The individuals responsible for making investment decisions for your account and all other persons at VSI do not have any legal or disciplinary disclosures. For more information please visit <https://brokercheck.finra.org> Also for free and simple tools and educational materials visit www.investor.gov/CRS

Conversation Starters. Ask your financial professional the following question:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer?
- Who can I talk to if I have Concerns about how this person is treating me?

Additional Information

The retail investor can find additional information about the adviser and receive a copy of the *relationship summary* at our website www.venecreditsecurities.com or call in the United States 8:30-17:30 Monday-Friday at (305) 372-2446 or Venezuela (212) 771-7185 or after hours at (786) 547-0893.