
Monex Asset Management, Inc.

(“Monex Asset”)

Business Continuity and Contingency Plan

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PREFACE

Despite the efforts of each business, state and local government and federal agency to renovate, validate, and implement their mission-critical information systems, the financial industry remains vulnerable to the disruption of its business processes. Because most companies in the financial industry are highly dependent on information technology to carry out their business, a business disruption induced failure of one or more mission critical system(s) may have a severe impact on a financial services firm's ability to deliver core business services.

Because of these risks, the United States Securities and Exchange Commission ("SEC") has implemented programs to attempt to mitigate the risks associated with business failures in the financial industry which would be caused by an event causing a failure to deliver financial services as a result of a significant business disruption. Specifically, the SEC has required that firms create and maintain business continuity plans.

Ultimately, the business continuity planning process focuses on reducing the risk of business failures resulting from business disruptions. It safeguards a company's ability to produce a minimum acceptable level of outputs and services in the event of failures of internal or external mission-critical information systems and services. While it does not offer a long-term solution to all situations which create a significant business disruption, it will help Monex Asset Management, Inc. to prepare for a potential crisis.

REGULATORY BACKGROUND

General Overview.

Based upon the survey findings, discussions with the SEC and the United States General Accounting Office, the experiences of September 11th, and comment letters received, firms should be required to create and maintain business continuity plans. Based upon the survey findings, discussions with the SEC and the United States General Accounting Office, the experiences of September 11th, and comment letters received, firms should create and maintain business continuity plans. The SEC takes the position that an advisers fiduciary obligation to its clients includes the obligation to its clients' interests from being placed at risk as a result of the advisers inability to provide advisory services after a disaster, death of a key personnel or other interruption of business. Recordkeeping rule 204-2(g)(3) requires advisers that maintain records in electronic formats to establish and maintain procedures to safeguard the records from destruction or loss.

Plan Elements.

The Business Continuity Plan (the "Plan") for Monex Asset Management, Inc. (referred to herein as "Monex Asset" and/or "Firm") addresses the elements set forth in the Rule. The Rule requires that a member's business continuity plan, at a minimum, address 10 critical elements, those are:

1. Data back-up and recovery (hard copy and electronic);
2. All mission critical systems;
3. Financial and operational assessments;
4. Alternate communications between customers and the member;
5. Alternate communications between the member and its employees;
6. Alternate physical location of employees;
7. Critical business constituents, banks, and counter-party impact;
8. Regulatory reporting;
9. Communications with regulators; and
10. How the member will assure customers' prompt access to their funds and securities in the event that the member determines that it is unable to continue its business.

PLAN OVERVIEW

Firm Policy.

The policy of Monex Asset is to respond to a Significant Business Disruption (“SBD”) by safeguarding employees’ lives and firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the firm’s books and records, and to the extent practicable, allowing our customers to transact business as soon as possible following an SBD. In the event that Monex Asset determines that it is unable to continue its business, the Firm will take steps to assure customers prompt access to investments and the underlying issuers of those investments.

Significant Business Disruptions (“SBDs”)

The Plan anticipates two kinds of SBDs, internal and external. Internal SBDs affect only the ability of Monex Asset to communicate and do business, such as a fire in its building. External SBDs prevent the operation of the securities markets or a number of firms, such as a terrorist attack, a city flood, or a wide-scale, regional disruption. The response of Monex Asset to an external SBD relies more heavily on other organizations and systems.

BCP Designated Principal - Approval and Execution Authority.

Jesus Heiras (the “BCP Designated Principal”) is the registered and designated principal responsible for approving the Plan on behalf of the Firm, and for conducting the required annual review. The BCP Designated Principal or his designee has the authority to execute this Plan.

Plan Location and Access.

Monex Asset will maintain copies of the Plan and the annual reviews, and the changes that have been made to it. The Firm will make such records available for inspection by the SEC and/or the various state regulators. An electronic copy of the Plan is located on Monex Asset’s main server drive labeled “C”, in the folder named “Business Continuity Plan Updates and Annual Review.

Monex Asset will update the Plan whenever there is a material change to the operations, structure, business or location of the Firm. In addition, Monex Asset will review this Plan annually, on or before 12/31 of each respective year, to modify it for any changes in the operations, structure, business or location of the Firm.

Emergency Contact Persons.

Executive management is aware of the potentially devastating financial, organizational, and political consequences of the failure of one or more mission-critical information systems. The two emergency contact persons for Monex Asset are:

Jesus Heiras Vice President; office phone number: (713) 877-8234; facsimile number: (713) 871-1663; e-mail address: jheiras@monexusa.com.

Jorge Ramos Landero: President and Chief Compliance Officer; office phone number: (713) 877-8234; facsimile number: (713) 871-1663; e-mail address: jramos@monex.com.mx.

Business Description.

Monex Asset is registered as an investment adviser with the (SEC and notice filed in various other state regulatory jurisdictions). Monex Asset is organized as a corporation.

Monex Asset furnishes investment advisory services on a discretionary basis. These services include selecting or recommending investments for client's needs, risk tolerance and other assets and obligations of the client. The specific investment style chosen per client is based upon the goals, objectives, and individual needs of the client. As of August 13, 2008, the Firm has six registered representatives located in the main office and has no branch offices.

Office Locations.

Monex Asset has set forth all offices, both registered and unregistered on Attachment A, which is attached hereto and incorporated herein for all purposes. The Firm has additionally set forth on Attachment A the phone number for each respective location, the means of transportation that employees may use to reach each respective facility, and which mission critical systems, as defined herein, take place at each location.

Alternative Physical Location(s) of Employees

In the event of an SBD, we will move our staff to an unaffected locations or they will work from their homes. Staff will use their cell phones for contact purposes.

CUSTOMERS' ACCESS TO FUNDS AND SECURITIES.

Monex Asset does not maintain possession or custody of customers' funds or securities. Both customer funds and securities are maintained by the respective customer at the firm or investment entity where such customer invested their funds. In the event of an internal or external SBD, if telephone service is available, our registered persons will continue to take customer orders or instructions and, to the extent practicable, assist such customers in contacting the issuers of the securities on their behalf. In the event that customers of Monex Asset are unable to access the Firm, either at its primary phone number, or the Firm emergency number customers will be able to contact the respective issuers of securities directly for instructions on how they may obtain, prompt access to funds and securities, subject however, to any limitations set forth previously by such issuers of investment products.

DATA BACK-UP AND RECOVERY.

Electronic and Hard Copy Books and Records.

Monex Asset maintains its primary hard copy books and records and electronic records at 400 Louisiana, Suite 1500, Houston, TX 77002. Jesus Heiras is responsible for the maintenance of these books and records. The Firm maintains the following document types and forms that are not maintained electronically: (i) New account documentation and forms; (ii) client confirmations and account statements; (iii) financial records, including supporting documentation; and (iv) corporate records for the Firm.

Back-up Procedures.

To the extent the Firm does not have electronic copies of hard-copy books and records, the Firm maintains a back-up hard copy of all operational and client critical documents, contracts and other books and records off site. We back up our critical paper records as necessary to assure that a duplicate set of those critical records are maintained, which is generally at the time such documents are finalized or completed. The firm backs up its paper records by copying and taking them to such back-up site.

The Firm backs up its electronic records weekly by backing-up the computer server and maintaining a copy at MX Logic.

In the event of an internal or external SBD that causes the loss of the paper records of Monex Asset, it will physically recover them from its back-up site. If the primary site is inoperable, the Firm will continue operations from its back-up site or an alternate location. For the loss of electronic records, Monex Asset will either physically recover the storage media or electronically recover data from its back-up site, or, if its primary site is inoperable, continue operations from our back-up site or an alternate location.

FINANCIAL AND OPERATIONAL ASSESSMENTS.

Operational Risk.

In the event of an SBD, Monex Asset will immediately identify what means will permit the Firm to communicate with its customers, employees, critical business constituents, critical banks, critical counter-parties, and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options we will employ will generally include (a) facsimile; (b) e-mail; (c) telephone; (d) telephone voice mail; (e) cellular and mobile phone service; and (f) service providers, including compliance consultants, attorneys and accountants; (g) messenger; and (h) mail service. In addition, we will retrieve our key activity records as described in the section, Data Back-Up and Recovery.

Financial and Credit Risk.

In the event of an SBD, Monex Asset will determine if the business interruption causes the company to become net capital deficient or interrupt its operations to the point that the alternative measures discussed in the sections above and below cannot be implemented, the Company's customers shall be referred to the clearing firm.

MISSION CRITICAL SYSTEMS.

Mission Critical Systems - Definition.

"Mission critical systems" are those that ensure prompt and accurate processing of securities transactions, including order taking, entry, execution, comparison, allocation, the maintenance of customer accounts, access to customer accounts, and the delivery of funds and securities.

Identify Business Systems.

Monex Asset will identify the mission critical systems utilized by the Firm in providing services to its clients.

Mission Critical Systems - Assessment.

Monex Asset has primary responsibility for establishing and maintaining its business relationships with customers, and the sole responsibility for maintaining our mission critical functions of order taking and entry. Its mission critical systems include a network server, desktop computers, phone systems and Microsoft Outlook.

Monex Asset's Mission Critical Systems.

Order Taking.

Currently, Monex Asset may correspond with customers in person, via telephone and facsimile. During an SBD, either internal or external, the Firm will continue to correspond any of these methods that are available and reliable, and in addition, as communications permit, the Firm will inform its customers when communications become available to tell them what alternatives are available.

Other Services Currently Provided to Customers.

Monex Asset provides no other services than those listed above in this section.

ALTERNATIVE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS, EMPLOYEES AND REGULATORS.

Customers.

Monex Asset currently communicates with our customers using the telephone, e-mail, U.S. mail, delivery services and in person visits at our offices or at the customer's location. In the event of an SBD, the Firm will assess which means of communication are still available to it, and use the means closest in speed and form, either written or oral, to the means that have been used in the past to communicate with the other party. For example, if Monex Asset has communicated with a party by e-mail but the Internet is unavailable, the Firm will call them on the telephone and follow up where a record is needed with paper copy in the U.S. mail.

Employees.

Monex Asset now communicates with its employees using the telephone, e-mail, and in person. In the event of an SBD, the Firm will assess which means of communication are still available, and use the means closest in speed and form, either written or oral, to the means that have been used in the past to communicate with the other party. The Firm will also employ a call tree so that senior management can reach all employees quickly during an SBD. With respect to the call tree, a copy of the corporate telephone directory, including home phone numbers and e-mail addresses is attached hereto as Attachment B. Jesus Heiras or his designee shall contact and communicate to all supervisors, who shall be responsible to contact and or communicate to the people that they supervise by telephone, e-mail, messenger or in person.

Regulators & Regulatory Reporting.

With respect to regulatory reporting, Monex Asset currently files reports with the respective Regulators using paper copies in the U.S. mail and delivery services, electronically using facsimile, e-mail, and the Internet, and through service providers who provide access through the same methods. In the event of an SBD, the Firm will check with the Regulators to determine which means of filing are still available to it, and use the means closest in speed and form (written or oral) to previous filing method utilized by Monex Asset. In the event that Monex Asset cannot contact its Regulators, it will continue to file required reports using the communication means available to the Firm. Contact information regarding the Regulators with whom the Firm files reports on a regular basis attached hereto on Attachment C.

CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES.

Business Constituents.

Monex Asset has contacted its critical business constituents (businesses with which the Firm has an ongoing commercial relationship in support of its operating activities, such as vendors providing us critical services), and determined the extent to which the Firm can continue its business relationship with them in light of the internal or external SBD. The Firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when needed because of a SBD to them or the Firm. The Critical Business Constituents are set out on Attachment D, including the supplier's name, service and or product, address and phone number and any alternative supplier's name, service, address, and phone number.

Counter-Parties.

Monex Asset has contacted its critical counter-parties, such as other broker-dealers, companies or entities offering investment products, or institutional customers, to determine if it will be able to carry out its transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, the Firm will contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

Succession Plan Policy.

In the event the CCO of Monex Asset is no longer able to serve in this position, the advisory accounts will be managed by Jorge Ramos Landero or referred to the custodian of the account. The clients will be notified within ten days by an employee or designated person for the firm.

SIGNIFICANT BUSINESS DISRUPTIONS.

Internal SBD – Facilities Emergency Evacuation Procedures.

Fire Emergency Evacuation Procedures

If an evacuation of any facility is necessary, follow the directions given by Jesus Heiras, the designated Fire Marshal for Monex Asset. If evacuation of the space is necessary because of fire, on hearing the fire alarm bells sounding continuously, employees should:

- Evacuate the building by the nearest available fire exit. As always, if you see or smell smoke, you should proceed to one of the other fire exits. Remember, if you have visitors or contractors with you, instruct them to follow you.
- The arrangements for people with impaired mobility or pregnant women are as follows: The Monex Asset's Fire Marshall will accompany them to the stairwell at either the north or south emergency staircases. They will report this to ground floor reception and to the Building Fire Official at the Assembly Point at the Randalls parking lot. A security guard or fireman will come to the floor to collect them.
- CLOSE ALL DOORS WITHOUT CAUSING DELAYS, taking risks or obstructing people behind you.
- DO NOT stop to collect personal belongings.
- DO NOT use the elevators.
- Leave the building by calmly walking to the Assembly Point.
- DO *NOT* re-enter the building until instructed to do so.

At the Assembly Point, report your presence to the Fire Marshall for Monex Asset.

Evacuation for Bombs or Other Threats.

If Monex Asset has to evacuate the building facilities because of a bomb or any other threat, we will receive instructions from the building security coordinator to:

- Evacuate the building by an exit route that will be announced if instructions are given to evacuate. Remember, if you have visitors or contractors with you, instruct them to follow you.
- DO NOT turn lights or office equipment, e.g., computers, typewriters, photocopiers ON or OFF. If they are on, leave them on; if they are off, leave them off.
- DO NOT leave handbags/briefcases/etc. behind as they could cause problems for building searches.
- DO NOT use elevators unless instructed to do so by the building security officer or a Fire Marshall for Monex Asset.
- Leave the building by calmly walking to the Assembly Point which you will receive from the Incident Control Point security staff during the evacuation.

At the Assembly Point, report your presence to the Fire Marshall for Monex Asset.

Emergency During Business Hours.

All personnel of Monex Asset should follow the standard emergency evacuation procedures above. Further instructions will be given at the designated Assembly Point.

Emergency Outside of Business Hours.

In an emergency involving any employees' personal safety, it is the responsibility of every employee to check in and report their whereabouts. You should leave a voicemail on one of the following phone lines:

Jesus Heiras:	Cell Phone: 940-368-5733
	Office: 713-877-8234

When leaving your initial message, please include the following information:

- Your name
- Your contact number
- Where you are physically
- Whether you have access to your voicemail and e-mail

EMPLOYEE AWARENESS OF PLAN.

Monex Asset will take steps to both educate and increase the awareness of its employee and associated persons with respect to the Firms' Plan, and the current actions being taken to address such issues by the financial services industry and Monex Asset. To this end, Monex Asset will provide access to the Plan to all associated persons of Monex Asset.

NOTIFICATION.

In addition to any action taken by the Firm with respect to disruption of its business processes which relate to the ability of Monex Asset to deliver financial services to its customer's, Monex Asset Management, Inc. will promptly notify the appropriate regulators of any such problems.

MANAGER APPROVAL.

In my capacity as the BCP Designated Principal for Monex Asset, I have approved this Business Continuity Plan for Monex Asset, effective as of the date set forth herein, as being reasonably designed to enable the Firm to meet its obligations to customers in the event of an SBD.

Jesus Heiras, BCP Designated Principal

GLOSSARY.

Application	A computer program or set of programs designed to help people perform certain types of work.
Assessment	The process of identifying core business areas and processes, completing an inventory and analyzing systems supporting the core business areas, prioritizing their conversion or replacement, identifying risks and the necessary resources.
Business Area	A grouping of business functions and processes that result in the production of specific outputs or services.
Business Function	A group of logically related tasks, which when they are performed, accomplish an objective.
Business Continuity Plan	A contingency plan describes the steps a company would take, including the activation of manual or contract processes, to ensure the continuity of its core business processes in the event which causes a business interruption induced system or process failure.
Defect	A problem or "bug" that, if not removed, could cause a program to either produce erroneous results or otherwise fail.
Firm	Monex Asset Management, Inc.
Infrastructure	The computer and communication hardware, software, databases, people, and policies supporting the company's businesses and operations.
Interface	A connection between two business systems or processes. The hardware or software needed to enable one device to communicate with another.
Mission-Critical System	The loss of these critical functions would cause an immediate stoppage or significant impairment to core business areas.
Monex Asset	Monex Asset Management, Inc.
Outsourcing	Paying another company or individual, to provide services that an organization might otherwise have performed itself, (i.e., software development, payroll).
Platform	The foundation technology of a computer system. Typically, a specific combination of hardware and operating system.

Regulators	Refers collectively to the SEC, FINRA and various other regulatory entities having jurisdiction over the business activities of Monex Asset.
SBD	Significant Business Disruption.
SEC	United States Securities and Exchange.
Quality Assurance	The critical review process to guarantee that all procedures, tasks, analysis, and reporting were correctly performed.
Utilities	To a business this could mean several things: computer programs designed to perform maintenance work on the system or on system components, i.e., a storage backup program, a disk or file recovery program, or a resource editor; or the general phrase used to refer to telecommunication, electrical, gas, water and waste management services.

Attachment A

Monex Asset Management, Inc.

Business Continuity Plan

Office Location

The following sets forth a list of all offices of Monex Asset, both registered and unregistered, along with the phone number for each respective location, the means of transportation that employees may use to reach each respective facility, and which mission critical systems, as defined in the Plan, take place at each location.

Main Office

Our main office is located at 400 Louisiana, Suite 1500, Houston, TX 77002. Its telephone number is (713) 877-8234. Our employees may travel to that office by car. We engage in order taking and entry at this location. Mission critical systems located there include a network server, desktop computers, phone systems and Microsoft Outlook.

Attachment B
Monex Asset Management, Inc.
Business Continuity Plan
Corporate Telephone Directory

<u>Employee</u>	<u>Office Phone</u>	<u>Home Phone</u>	<u>Office E-mail</u>
Jorge Ramos Landero	(281) 814-1187	52 55 56 62 8374	jramos@monex.com.mx
Jesus Heiras	(832) 474-7732	(832) 474-7710	jheiras@monexusa.com

Attachment C

Monex Asset Management, Inc. Business Continuity Plan Regulator Contact Information

The following sets forth a list of the primary Regulators that Monex Asset submits filings and or reports to on a regular basis, including addresses and phone numbers:

Securities and Exchange Commission (“SEC”)

SEC Headquarters

100 F Street, NE
Washington, DC 20549
Office of Investor Education and Assistance
(202) 551-6551

State of Texas

State Securities Board
208 East 10th Street, 5th Floor
Austin, TX 78701

IARD Web Site:

<http://www.iard.com/>

Attachment D

Monex Asset Management, Inc.

Business Continuity Plan Critical Business Constituents.

Primary Suppliers.

MGL Consulting Corporation: Compliance Consulting
9303 New Trails Drive, Suite 400
The Woodlands, Texas 77381
Phone: (281)367-0380
Web site: www.mglconsulting.com

US Property Management
Mustafa K. Guner
440 Louisiana Street Suite 300
Houston TX 77002
(713) 425-5231 Direct
(713) 425-5201 Fax

Paul Smith - IT
6103 Birdwood Rd
Houston, TX 77074
713.261.6302