

# Citi International Financial Services, LLC Client Relationship Summary



Effective June 30, 2020

Citi International Financial Services, LLC (“we” or “us”) is a broker-dealer registered with the U.S. Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority, Inc. ([finra.org](http://finra.org)) and the Securities Investor Protection Corporation ([sipc.org](http://sipc.org)). We offer brokerage services but do not offer investment advisory services. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. This relationship summary is designed to provide you with information about the brokerage services that we offer and how we charge for those services. *Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.*

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

We offer brokerage services to our clients and to clients of our affiliates. The principal services, accounts, and investments we make available are described below:

- We accept your orders and execute your securities transactions.
- We make recommendations for you to buy, sell or hold securities, but you make the ultimate investment decisions for your account.
- After we provide investment recommendations, we are not required to monitor any investments you make.
- We provide brokerage accounts that allow you to access a broad range of proprietary and non-proprietary investment products, such as stocks, bonds, options, exchange-traded funds (“ETFs”) and mutual funds.
- Your brokerage account may have specific account requirements, such as a minimum account size or investment amount. Ask your financial professional for more details.



### Ask us:

Given my financial situation, should I choose a brokerage service? How will you choose investments to recommend to me? What is your relevant experience, including licenses, education and other qualifications? What do these qualifications mean?

Detailed information about our services can be found at [ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf](http://ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf).

## What fees will I pay?

- We charge a transaction-based fee each time you buy or sell an investment, and the amount you pay varies according to the particular investment and amount invested.
- For investments in stocks, options, mutual funds and ETFs, the transaction-based fee is charged separately and is often referred to as a “commission” or “load.” For investments in bonds, the fee is typically included as part of the price you pay for the investment and is known as a “mark-up” or “mark-down”.
- The more investment transactions (“trades”) you make, the more transaction-based fees we earn. This gives us an incentive to encourage you to trade more often.

### Other Fees and Costs

- **Account-Level Fees:** You may pay other fees and costs at the account level, including (1) account maintenance fees, such as custody fees, (2) cash management fees, such as wire transfer fees, (3) fees for transactions involving certain types of investment products, such as foreign securities, and (4) fees and other costs, such as interest payments, for margin or other loans that are secured by the assets in your account.
- **Investment-Level Fees:** Investment-level fees and costs may be charged by the particular investment product in which you invest. These fees and costs are typically charged by mutual funds and ETFs and include advisory and 12b-1 fees.



### Ask us:

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?

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.

Detailed information about our fees and costs can be found at [ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf](http://ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf).

## What are your legal obligations to me when providing recommendations?

## How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, 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 recommendations we provide you. Here are some examples to help you understand what this means.

- **Proprietary Products:** We sometimes recommend investment and lending products (including purpose and non-purpose loans) that are issued, sponsored or managed by us or our affiliates. We and our affiliates receive varying levels of compensation in connection with these proprietary products. This compensation gives us, and if shared with your financial professional, gives him or her, an incentive to recommend proprietary products to you over non-proprietary products.

- **Third-Party Payments:** We and our affiliates receive compensation from some investment products, such as mutual funds, and their sponsors in connection with investments you make in those products. We may also receive ongoing compensation based on the amount you invest in a product or how long you hold the investment. In addition, we receive fees from investment products and their sponsors for providing certain services related to those products, such as distribution, administrative and shareholder services. Third-party payments give us an incentive to recommend investment products for which we receive these payments. We also share some of these payments with your financial professional, which gives him or her a similar incentive.
- **Revenue Sharing:** We and our affiliates receive revenue sharing payments from some investment product sponsors. Revenue sharing payments compensate us for administrative and other services provided for these products (such as some mutual funds). Unlike the third-party payments described above, these payments are typically paid directly from the product sponsor's own assets. The revenue sharing payments we receive generally are not shared with your financial professional, but the payments give us an incentive to recommend the products of sponsors that share revenue.
- **Principal Trading:** We sometimes effect transactions for your account on a "riskless principal" basis. This means that we buy from, or sell securities to, you from our own account but only after we have received an offsetting order to sell or buy the same securities. You generally pay or receive a mark-up or mark-down in a riskless principal transaction, which gives us an incentive to engage in such transactions and to buy securities from you at the lowest possible price and sell securities to you at the highest possible price.



### Ask us:

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

Detailed information about our conflicts of interest can be found at [ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf](http://ipbus.citi.com/assets/pdf/CIFS/Reg-BI.pdf).

## How do your financial professionals make money?

Our financial professionals typically receive variable forms of compensation (a bonus and/or incentive compensation) and, in certain locations, may also earn a salary. The amount of variable compensation is based on factors such as the size of the total annual revenue attributed to the financial professional, the performance of our business, the fees or commissions that you pay for our services, and the growth in revenue or assets under management.

The receipt of compensation influences the recommendations that our financial professionals make to clients. For instance, our financial professionals have an incentive to encourage you to trade more frequently, trade on margin, or collateralize your account holdings through certain loan products. In addition, our financial professionals may receive different amounts of compensation for selling different types of investment and loan products or services, which may lead them to favor the ones that provide the greatest compensation.

Investment product sponsors and other third parties may provide our financial professionals occasional meals, leisure or entertainment outings, small gifts, and promotional items. These third parties may also pay for certain expenses—including travel, lodging and meals—that are related to training or promotional meetings with clients or prospective clients. These benefits may incline our financial professionals to favor one fund investment manager or product over another that doesn't provide the same benefits.

Although your financial professional must make recommendations that are in your best interest, these forms of compensation may encourage your financial professional to act in a way that maximizes his or her compensation.

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

Yes. A free and simple search tool to research us and our financial professionals can be found at [investor.gov/CRS](http://investor.gov/CRS).



### Ask us:

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

## Additional Information

Please visit [ipbus.citi.com/en/investing](http://ipbus.citi.com/en/investing) for more information about our brokerage services. To request up-to-date information or a copy of this relationship summary, please call us at 1-787-756-4998 (TTY 1-787-766-3670), available from Monday through Friday from 8:30 a.m. to 4:30 p.m. Eastern Time.



### Ask us:

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?

Investment products and services are provided by Citi International Financial Services, LLC ("CIFS"), member FINRA and SIPC, and a broker-dealer registered with the Securities and Exchange Commission that offers investment products and services to non-U.S. citizens, residents, or non-U.S. entities. Investment accounts are carried by Pershing LLC, member FINRA, NYSE, and SIPC. CIFS and Citibank, N.A. are affiliated companies under common control of Citigroup Inc.

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