



## **INCA Investments, LLC**

### **Part 2A of Form ADV The Brochure**

March 21, 2023

This Brochure provides information about the qualifications and business practices of INCA Investments, LLC. If you have any questions about the contents of this Brochure, please contact David Borenstein, Chief Compliance Officer, at (305) 722-4300 or via e-mail at [db@incaco.com](mailto:db@incaco.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about INCA Investments, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

INCA Investments, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

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## **SECTION 2- MATERIAL CHANGES**

INCA Investments, LLC's ("INCA") last annual update of this Brochure was filed with the SEC on March 18, 2022 (the "2022 Annual Update"). The information contained herein is provided to clients, and prospective clients upon request. INCA will provide a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary. There were no material changes noted in the 2022 Update. Section 2 of this Brochure discusses material changes since the last Update. There is one material change to note since the 2022 Update:

- On August 22, 2022, INCA moved to a new address located at 78 SW 7<sup>th</sup> St #800, Miami, FL 33130.

Additional information about INCA Investments, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)



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#### **SECTION 4- ADVISORY BUSINESS**

INCA Investments, LLC, (“INCA”) a Delaware limited liability company organized in February 2004, provides investment management and advisory services to institutional investors such as charitable endowments and foundations, corporations, partnerships, limited liability companies, sovereign wealth funds, pooled investment funds, and other business entities. INCA, which is headquartered in Miami, Florida, provides these advisory services on a discretionary basis for domestic and non-US based accounts. Fernando X. Donayre is the Managing Member of INCA as well as its Chief Executive Officer. Efrain Chavez, Portfolio Manager; Jeronimo De Guzman, Portfolio Manager; and, David Borenstein, Director of Operations, are noncontrolling Members of INCA. In 2004, INCA registered with the SEC as an investment advisor under the Investment Advisers Act of 1940, as amended, (the “Advisers Act”). Registration with the SEC does not imply a certain level of skill or training.

INCA provides investment management and advisory services based on written investment objectives between the client and INCA. The advisory service includes, without limitation, advice regarding asset allocation, selection of investments, and performance monitoring; however, the scope of services can vary depending on the needs of the client. INCA invests in a wide variety of securities and financial instruments, US and non-US, primarily focusing on publicly traded equity securities of companies based in Latin America.

INCA provides investment management or investment advisory services for the following Funds:

- INCA Latin American Fund, LP (“ILAF Master”) (Sponsored Master Fund)
- INCA Latin American Offshore Fund, Ltd (“ILAF Offshore”) (Proprietary offshore feeder fund)

The ILAF Master and ILAF Offshore funds’ (collectively, the “Funds”) objective is to generate positive returns through mostly long-only investments in Latin American countries or in companies that generate a substantial amount of revenues from Latin American countries. INCA primarily focus on publicly listed equities.

In addition to providing services to the Funds, INCA provides investment management services to separately managed accounts, including sub-advisory relationships, (“Separate Accounts”) for single investors or groups of affiliated investors. INCA may agree to manage a Separate Account for a client who meets certain criteria, and such Separate Account may have terms that are different than those of the Funds. In general, Separate Accounts may adhere to unique risk guidelines, operating guidelines and investment restrictions imposed by the respective client. These arrangements, including fees and expenses charged to Separate Accounts, are set forth on a case by case basis depending upon such factors as the size of mandate, type of strategy and other unique features of the account.



As of December 31, 2022, INCA had a total of \$441,002,854 in regulatory assets under management.

#### **SECTION 5- FEES AND COMPENSATION**

INCA's fees generally vary depending upon the nature and extent of the mandate and whether the investment is being made into one of the Funds or a Separate Account. INCA charges a management fee on each of the Funds and Separate Accounts it manages. INCA charges investment management fees to clients as a percentage of assets under management (e.g. management and/or incentive fees or allocations). Fees are set forth within Fund governing documents, Fund offering documents (including share class supplements and side letters) and/or Separate Account investment management agreements between INCA and the client, as applicable.

For INCA's sponsored Funds, in accordance with each Fund's offering documents, a management fee shall be payable quarterly and allocated amongst the investors of each Fund on a pro rata basis on assets invested during any quarter. Within ILAF Master, there are two series of interests, Series A and Series C (Long-only Pan-regional Latin America and Long-only Latin America Ex-Brazil, respectively) which have separate rights and obligations. Within ILAF Offshore, there are two share classes, Class A and Class C, which invest substantially all of their assets into the corresponding Series A or Series C interest of ILAF Master through a "master-feeder" relationship. The Series/Class A and Series/Class C standard management fee arrangement is a 1.25% annual management fee payable quarterly in arrears, based on the partnership's net asset value, and an annual performance fee of 10% subject to a high water mark and a hurdle rate. All performance fees charged are in compliance with Rule 205-3 of the Investment Advisers Act of 1940.

The management and/or performance fees for Funds and Separate Accounts are generally negotiable. With respect to Separate Accounts, INCA's fees are negotiated on a case-by-case basis. The fees are generally assessed depending upon the size of the mandate, the scope of the services, the scope of the investor relationship, the type of strategy, the extent of reporting or other administrative services required and any unique features of the arrangement. The compensation method is explained to and agreed upon with clients in advance before any services are rendered and are set forth in their respective investment management agreements, sub-advisory agreements, investment advisory agreements, Fund offering documents, and/or Fund side letters, as applicable. Management and performance fees are waived for knowledgeable employees of INCA that elect to invest in our Funds.

Management fees are described as a percentage of assets under management per annum and paid quarterly, in arrears.



Investors will incur not only our fees, but also other fees and expenses associated with our Funds. Expenses incurred by the Funds may include, but are not limited to:

- Accounting fees, including audit expenses and tax return preparation costs;
- Administration fees;
- Legal fees, including costs of revising Fund documents;
- Transactional fees (brokerage, etc.);
- Custody fees;
- International tax compliance fees

INCA may, in its sole discretion, voluntarily choose to absorb any of these expenses incurred on behalf of the Funds. From time to time, we may enter into side letter agreements with certain clients of the Funds in which preferential terms are granted to such clients. These preferential terms could include, among other things, information rights, fee discounts, or other disclosures.

#### **SECTION 6- PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As stated in the Fees and Compensation section, INCA may charge a performance fee for its services of the Funds. These performance fees are based on the performance of a client's investment in the Fund and are generally payable if the investment has exceeded a specified rate of return, or other metrics, as described in the Fund's governing documents or other applicable agreement. All performance fees are charged in compliance with Rule 205-3 of the Investment Advisers Act of 1940.

INCA manages Funds as well as Separate Accounts that charge an asset based management fee and a performance fee.

The fact that INCA is compensated based on investment profits may create the appearance of an incentive for INCA to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. The charging of different types of fees can create the appearance of the potential for INCA to favor those funds or Separate Accounts that charge higher fees and for which INCA can receive higher compensation. In no instance will clients paying higher fees receive preferential treatment over clients not paying those fees.

As a fiduciary, INCA recognizes its duties to act in good faith and with fairness in all of its dealings with all clients. To minimize potential conflicts of interest, INCA has enacted policies and procedures to ensure that client assets are managed in accordance with the investment mandates of the Funds or Separate Accounts. In addition, INCA has trading policies in place to ensure that trades are equitably allocated to client accounts according to the investment mandate of the account, cash and liquidity requirements of the portfolio and liquidity of the security invested.



## **SECTION 7- TYPES OF CLIENTS**

INCA serves as an investment adviser to various types of clients, including, but not limited to:

- Institutional family offices, high net worth individuals, sovereign wealth funds, and related entities;
- Foundations, endowments, charitable and other nonprofit institutions.
- Funds organized as U.S. or non-U.S. companies

INCA imposes a minimum dollar amount for an investment in either of the Funds. Details concerning applicable eligibility criteria for investors in the Funds are set forth in the Fund offering documents. The minimum amount to invest in either of the Funds is \$500,000, although the General Partner or Management Company of the Funds (INCA Management, LLC, as described further below in Section 10) may waive the minimum amount. Generally, the minimum amount for INCA to manage assets within a Separate Account is \$50,000,000. INCA and INCA Management, LLC maintain discretion to accept less than the minimum investment thresholds.

## **SECTION 8- METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

The investment strategy of INCA is to seek long-term capital appreciation by investing in Latin American securities. The Latin American securities in which INCA invests may be securities which trade in one or more Latin American markets, US Dollar denominated instruments of Latin American issuers such as American Depositary Receipts (ADRs), Global Depositary Receipts (GDRs), and securities of companies where the majority of their business is related to Latin America. Investment mandates of Funds and Separate Accounts managed allow investments in a variety of securities. Generally, investments are made in publicly listed equity securities.

Our research process seeks to identify mispriced or undervalued securities whose underlying fundamental characteristics have been inadequately recognized or valued by the market. The methodology is based on fundamental analysis which primarily includes a bottom-up review, which focuses on the operating, financial and strategic prospects for a particular company, as well as a top-down review of global and local macro factors, such as political and economic conditions. INCA conducts a variety of investment analysis techniques in its efforts to invest in Latin American securities which INCA believes will provide long-term capital appreciation. In seeking investment opportunities, INCA conducts extensive fundamental research with the goal of producing attractive long-term returns for its clients. Each client's unique investment objectives are described in detail in a confidential private placement memorandum or investment advisory agreement. There are no assurances that INCA will attain its investment objectives and clients should be prepared to bear this risk.

With respect to its investment strategy, when analyzing the underlying companies of investment securities, INCA performs both qualitative and quantitative analyses. On the qualitative side, INCA seeks to determine the prospects for the industry in which the prospective company





operates and also seeks to evaluate the operations and business strategies pursued by the company. On the quantitative side, INCA performs a financial analysis of a company's historical financial statements and builds models to project the expected future financial performance of a company.

As part of the quantitative analysis, INCA also examines the valuation levels of the securities by comparing them to peer companies and the expected future financial flows of the company. After analyzing the initial quantitative data, additional qualitative research may be conducted including onsite visits and additional questioning of key company personnel. The bottom-up review also includes analysis of a variety of factors related to specific companies, including industry issues, company dynamics, company management, accounting issues, financial statements as well as valuation. Our bottom-up research process is based on our extensive knowledge of the companies we follow and our ability to identify important marginal changes in the drivers of a company's business and valuation. This process seeks to identify valuation anomalies, whose implicit assumptions are inconsistent with a particular company's business and cash flow prospects; identify key changes in drivers that will lead a company to significantly revise expected earnings, cash flow or return on capital; and to identify the potential catalysts that will cause either or both of the above to be recognized by the market.

Pursuing the investment strategies of INCA involves a high degree of risk and the potential loss of all invested capital. Some of the main risks in the investment strategies of INCA is the high volatility and high potential losses involved in investing in Latin American securities. Countries in Latin America are generally categorized as emerging markets, an area which is considered to have greater risk than investing in developed countries. Securities listed and traded in emerging markets are subject to additional risks associated with emerging market economies. Such risks may include: (i) greater market volatility; (ii) lower trading volume; (iii) greater social, political and economic uncertainty; (iv) governmental controls on foreign investments and limitations on repatriation of invested capital; (v) the risk that companies may be held to lower disclosure, corporate governance, auditing and financial reporting standards than companies in more developed markets; and (vi) the risk that there may be less protection of property rights than in other countries.

Investments in Latin America are subject to operational risks which include, but are not limited to, the risk of default by counterparties, lack of legal enforceability due to a weak judicial system and low or non-existing regulatory oversight. Latin American investments are also subject to adverse economic and political developments which may negatively affect the price of an investment. Latin American investments, which are generally priced in Latin American currencies, are subject to significant devaluations and government controls which could lower the value of an investment or curtail the ability to exchange the investment into another currency. Latin American companies can have low transparency and may provide inaccurate financial information. Moreover, many Latin American companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to companies in the developed world.





Geopolitical and other events (e.g., war, terrorism, or pandemics) may disrupt securities markets and adversely affect global economies and markets, thereby decreasing the value of an account's investments. Sudden or significant changes in the supply or prices of commodities or other economic inputs such as oil may have material and unexpected effects on both global securities markets and individual countries, regions, sectors, companies, or industries, which could significantly reduce the value of an account's investments. War, terrorism and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally.

An investment in INCA's investment strategies may be deemed a speculative investment and is not intended as a complete investment program. INCA's Fund investment services are designed for sophisticated investors who fully understand and are capable of bearing the risk of loss. Prospective investors should read the applicable Fund confidential private placement memorandum and other governing documents prior to investing for a complete description of the Fund's investment objectives, strategies, and inherent risks.

The investment risks described above represent some but not all of the risks associated with various types of investments and investment strategies. Clients should carefully evaluate all applicable risks with any investment or investment strategy, and realize that investing in securities involves a risk of loss that clients should be prepared to bear.

#### **SECTION 9- DISCIPLINARY INFORMATION**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material in evaluating INCA or the integrity of INCA's management. INCA and its employees have not been involved in any legal or disciplinary events since inception.

#### **SECTION 10- OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither INCA nor any of its management persons are registered or have an application pending to register as a broker-dealer, futures commissions' merchant, commodity pool operator, commodity trading adviser, or as a registered representative or an associated person of any of the foregoing entities.

INCA Management, LLC, a Delaware limited liability company, is the General Partner of ILAF Master and the Management Company of ILAF Offshore. Fernando Donayre is the Managing Member of this company. Efrain Chavez, Portfolio Manager; Jeronimo De Guzman, Portfolio Manager; and, David Borenstein, Director of Operations are noncontrolling Members of this company. There are no other such affiliations for other financial industry entities and no other identifiable potential conflicts of interest.

While INCA Management, LLC shares the same ownership as INCA, we do not believe that this relationship causes a conflict of interest for INCA as this relationship is fully disclosed to all investors in Fund documents prior to their investment.



#### **SECTION 11- CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

INCA has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “Code”) which expresses its operating principles of integrity, honesty and fiduciary duties that it owes its clients. The Code provides the standard of business conduct expected of all INCA employees as well as policies and procedures that each employee must follow to prevent activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. INCA requires initial and annual certifications from all employees regarding compliance with the Code of Ethics.

The Code generally prohibits employees of INCA to invest in any publicly-traded equity security of a Latin American company that is part of INCA's universe of possible investments in currently offered mandates. We distribute a copy of the Code of Ethics to all employees prior to hiring and make it available for review year-round through our online compliance platform. INCA manages a pilot portfolio that currently holds three securities that are also held in another of our fund portfolios. The pilot portfolio is currently 100% owned by an INCA employee.

We also require all new employees to submit an initial holdings report of their personal securities accounts, and to provide quarterly updates of such accounts thereafter. INCA’s Chief Compliance Officer monitors the personal trading activities of its employees by reviewing employees’ brokerage statements. We provide training to all employees at the time of hiring and periodically thereafter with annual training updates at a minimum. INCA maintains records of all personal securities accounts of its employees in an effort to monitor all such activity and monitors these accounts through obtaining duplicate copies of their personal securities statements and transaction reports. INCA will not tolerate illegal or improper actions undertaken either for personal benefit or in a misguided effort to achieve gains on behalf of the firm or its clients. Violations of the Code may result in disciplinary action, including dismissal. All INCA employees are prohibited under the Code from executing personal securities transactions which might operate to the detriment of INCA’s clients. INCA’s Code is available for review and will be provided to clients and prospective clients upon request.

#### **SECTION 12- BROKERAGE PRACTICES**

Securities transactions for the portfolios managed by INCA are executed through brokers selected by INCA in its sole discretion and without client consent. Although it is possible for a client to direct the use of a particular broker-dealer, currently all of our clients leave that selection to INCA’s discretion.

Directing brokerage to a particular broker-dealer may involve the following disadvantages to directed brokerage clients: a) impairing the ability to negotiate commission rates and other terms on behalf of directed brokerage clients; b) denying directed brokerage clients the benefit of our experience in selecting broker-dealers who are able to execute difficult trades efficiently; c) limiting directed brokerage clients' opportunities to obtain lower transaction costs and better prices



by aggregating their orders with orders for other clients; d) receiving less favorable prices on securities transactions to the extent that we must place transaction orders for directed brokerage clients after placing aggregated transaction orders for other clients.

In selecting brokers to use for portfolio transactions, INCA will seek to obtain the best execution for the client, taking into account the following factors:

- 1) The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission);
- 2) The operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution;
- 3) The financial strength, integrity and stability of the broker;
- 4) The quality and frequency of available research services considered to be of value; and
- 5) The competitiveness of commission rates in comparison with other brokers satisfying INCA's selection criteria.

Although INCA seeks competitive commission rates and equivalents, it will not necessarily pay the lowest commission available or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services. INCA does not intend to seek lower brokerage commissions to the extent that doing so may detract from receiving valuable brokerage and research services that benefit all of our clients. The commissions or equivalents paid to any one broker-dealer may be greater than the amount charged by another firm for executing the same transactions if we determine in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and research services provided to our clients.

The term "soft dollars" refers to a means of paying brokerage firms for research and other products or services through commission revenue from securities transactions executed on behalf of advisory clients. INCA uses brokers to transact the purchase or sale of securities who provide INCA with proprietary research services. These research services are paid through the higher brokerage commission rates charged by brokers who transact and provide the research services compared to the commission rates of brokers who only conduct security transactions. INCA only uses brokers that provide research services if INCA determines the commissions paid to those brokers are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; discussions with research personnel; and invitations to attend conferences or meetings with company managers or industry consultants.

Since the research services provided by brokers are paid with client brokerage commissions and not by INCA, the practice creates a potential conflict of interest by providing INCA with a benefit for which they do not have to pay. As a result, it may appear as if INCA may have an incentive to use the services of a broker based on the research services received and not based on the broker's ability to provide the most favorable execution. Although INCA attempts to receive



research services that will benefit all of the Funds and Separate Accounts it manages, there can be no assurance that research services paid for by higher commissions will be used to obtain research services which will only benefit the portfolios which paid for the research services.

INCA does not request that its clients' direct execution of transactions be with specific brokers nor does any client currently require INCA to direct the execution of transactions with a specific broker.

INCA may aggregate or "bunch" purchase and sale orders of the same security being made simultaneously for more than one portfolio if in the judgment of INCA such aggregation of orders is reasonably likely to result in an overall economic benefit to the participating portfolios. The economic benefit of aggregating the purchase or sale of securities may include the ability to receive relatively better purchase or sale prices, lower commission expenses, beneficial timing of transactions, or a combination of these and other factors. When aggregated purchase or sale orders are transacted, the average price of all securities purchased or sold in such transactions will be charged or credited to the participating portfolios.

It is the policy of INCA that the utmost care is taken in making and implementing investment decisions on behalf of client accounts. It is INCA's policy to refrain from effecting cross trade transactions unless the opportunity for client benefit significantly outweighs any other options and INCA discloses the capacity in which it is acting to each participating Client in writing before completion of the transaction, and obtains each participating Client's consent to the transaction. INCA has a trade error policy which is provided to potential investors upon request which outlines what constitutes a trade error and our procedures in correcting such trade errors. To the extent that INCA makes any trading errors, they are to be (a) corrected as soon as practicable without disadvantaging the client or benefiting INCA, (b) reported to INCA's management and respective client(s), and (c) scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary.

#### **SECTION 13- REVIEW OF ACCOUNTS**

Funds and Separate Accounts managed by INCA are reviewed, on average, on a daily basis by the firm Chief Executive Officer ("CEO"), Fernando X. Donayre and by the firm Portfolio Managers, Efrain Chavez and Jeronimo De Guzman. There are also weekly investment team meetings conducted between the CEO, the Portfolio Managers, and other members of the investment team to discuss portfolio construction, company profiles, portfolio monitoring, on-site visits, company feedback and risk management. This review is also done to assure conformity with investment mandates and guidelines. The CEO has the final authority to the investment decision-making process. INCA may also meet with clients on a periodic basis, participate in periodic conference calls with clients and/or respond to clients' request for information. In addition, all accounts are reviewed in light of country, industry and company developments to determine if any changes to the portfolios should be considered or enacted.



INCA provides written reports on a regular basis to all clients of Funds and Separate Accounts. The written reports are specific to the Funds or Separate Accounts, but in general the report provides a summary of the performance of the Latin American markets and an overview of the events which affected the region or specific portfolio companies during the month. Quantitative and performance information on the respective portfolio and its holdings is also provided. In addition, clients of the Funds receive a monthly report containing the value of their investment balances and financial activity, as well as the performance of their account for the month, from the administrator of the Funds. Clients of the Funds also receive copies of the Funds' audited financial statements and may receive tax information prepared by the tax accountants of the Funds, generally within 120 days after year-end.

All Separate Account clients receive monthly balance reports directly from the respective custodian and/or administrator of the Separate Account. Additionally, INCA may prepare reports to clients, upon request, which include, but are not limited to, account reconciliations comparing INCA's internal valuation of the Separate Account to the valuation provided by the custodian of the Separate Account.

#### **SECTION 14- CLIENT REFERRALS AND OTHER COMPENSATION**

INCA has entered into written agreements with unaffiliated third party solicitors ("Referring Agents") pursuant to which INCA will compensate Referring Agents for introducing or referring clients to INCA and to the Funds. The agreements were entered into in accordance with Rule 206(4)-1 under the Investment Advisers Act of 1940 and respective disclosures are made to prospective clients by the Referring Agents at the time of the referral. INCA will not charge referred clients any additional fees or expenses as a result of the referral activities of Referring Agents. INCA shall pay to the Referring Agents for the referral of clients to INCA a percentage of the management and performance fees paid to INCA by referred clients. INCA is obliged to pay such a referral fee with respect to referred clients' accounts or investment for as long as the referred clients are advisory clients of INCA or for so long as INCA receives such management and performance fees, and as long as Referring Agents remain qualified and eligible to receive such payments under Rule 206(4)-3 of the Act.

#### **SECTION 15- CUSTODY**

While it is INCA's practice not to accept or maintain physical possession of our clients' assets, INCA is deemed to have custody over the cash and bank accounts held by the Funds under Rule 206(4)-2 of the Investment Advisers Act of 1940 due to its, or an affiliated person's (in this case, INCA Management, LLC) role as General Partner (or similar control capacity) of the Funds and having the authority to access our client's funds and deduct fees and expenses from their accounts, albeit only with client consent.

The Fund's assets are held in custody by an unaffiliated qualified custodian. Separate Accounts are held at unaffiliated qualified custodians who provide account statements directly to clients at their address of record. Generally, clients in the Funds will not receive account statements from





the Fund custodian. Instead, clients of the Funds receive monthly account statements from the administrator of the Funds, which they should carefully review.

In keeping with INCA's fiduciary duties and regulatory requirements, the firm complies with the Advisers Act Rule 206(4)-2, which requires an investment adviser with custody of client assets to maintain the Fund assets with a qualified custodian in a separate account for each Fund under that Fund's name, conduct an annual audit of fund assets and distribute those audited financial statements to all limited partners, members or other beneficial owners of the Fund within 120 days following the end of each fiscal year. The Funds are subject to an annual audit and the audited financial statements, issued by our auditors Ernst and Young, Ltd., in accordance with Generally Accepted Accounting Principles, are distributed to each investor within 120 days of the fiscal year end.

#### **SECTION 16- INVESTMENT DISCRETION**

INCA has discretionary authority to provide investment advisory services to Funds and Separate Accounts managed. INCA's discretionary authority, as well as any limitations to that authority, is described in the offering documents of the Funds and in the respective investment management agreements of the Separate Accounts. INCA has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the allocation of the securities to be bought or sold. Clients may place certain restrictions on security types, regional allocation, or asset classes. An advisory contract authorizing discretionary authority is executed with clients before we begin managing any client account.

#### **SECTION 17- VOTING CLIENT SECURITIES**

In general, INCA has the authority to vote client securities and monitor corporate actions and has adopted written policies and procedures to address this authority. INCA has a proxy voting team that is charged with implementing and supervising the policies and procedures of INCA in relation to voting client securities. INCA has adopted these policies and procedures to ensure that proxy votes are voted in the best interest of our clients, in accordance with our fiduciary duties and Adviser Act Rule 206(4)-6.

Records of proxy votes cast are kept in compliance with SEC Rule 206(4)-6 by retaining the following:

- Copies of all proxy policies and procedures
- Copies of each proxy statement received
- Records of each vote cast by INCA on behalf of a client
- If applicable, copies of documents created by INCA that are material in the decision-making process for how to vote proxies or that articulates the basis for that decision



- Copies of each written client request for information on how INCA voted proxies on his or her behalf, as well as copies of any written responses by INCA to any written or oral client request for information

In general, the proxy voting policy of INCA is to vote specific proxies, based on our reasonable judgment, in the best interest of our clients which is generally “with management” unless instructed otherwise by the investment analyst in charge of the company or if directed to vote specifically by a client.

In addition to proxy voting, INCA believes that high standards of corporate responsibility make good business sense and have the potential to protect and enhance our client's investment returns. We actively analyze Environmental, Social and Governance "ESG" factors within our investment process. The firm Investment Committee will use these analyses as part of its decision to include or exclude a security in client portfolios.

Clients may obtain information from INCA on how their securities were voted and also obtain a copy of our proxy voting policy and procedures upon request.

#### **SECTION 18- FINANCIAL INFORMATION**

It is important to clients of firm investment advisory services that INCA has the financial wherewithal to meet its contractual commitments to its clients. As such, INCA has never filed for bankruptcy and is not aware of any financial condition or event that would impair the ability of INCA to meet its contractual obligations to the clients of its Funds or Separate Accounts.

We do not have any adverse financial information to disclose. Firm management believes that the firm is financially sound, well capitalized, and has no financial issues that would preclude us from meeting our contractual commitments to our clients.