

Item 1: Cover Page

Form ADV Part 2A: Firm Brochure March 30, 2023

HDI Capital LLC

Address: Tecamachalco 65, Interior 1002

Reforma Social, Miguel Hidalgo

Mexico City, Mexico 11650

Attention: Jonathan Arevalo investors@hdicap.com

This brochure provides information about the qualifications and business practices of HDI Capital LLC. If you have any questions about the contents of this brochure, please contact us at investor@hdicap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HDI Capital LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

HDI Capital LLC is registered as an investment adviser with the SEC. Registration with the SEC does not imply a certain level of skill or training.

This Brochure is not an offering or solicitation of interest in the funds managed by HDI Capital LLC or its affiliates.

Item 2. Material Changes

In this Item we are required to disclose material changes since our last annual filing, which was the version dated March 31, 2022. Our material changes updates are as follows:

- The firm's address has changed.
- An additional service has been added.
- The fee schedule has been updated.
- The firm has discontinued management of Private Equity Funds

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Item 4. Advisory Business

HDI Capital LLC (“HDI”, “We” or “Adviser”) is a Registered Investment Adviser with the Securities Exchange Commission (“SEC”). We were founded in March 2012. HDI Provides Investment Management Services. HDI is located in Mexico City, Mexico. The principal owners of HDI are Tufic Salem and Eduardo Camarena.

Investment Management Services

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of Client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client’s particular circumstances are established, we develop a client’s personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation targets. We will also review and discuss a client’s prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth, and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Assets Under Management

As of December 31, 2022, HDI’s Discretionary Regulatory Assets Under Management are \$2,149,000.

Item 5. Fees and Compensation

HDI is compensated for its services to the Fund and Managed Accounts as follows:

The annual fees are pro-rated and paid in arrears on a quarterly basis. The annual advisory fee is 1% of assets under management and applying the fee to the account value as of the last day of the previous quarter. No increase in the annual fee shall be effective without agreement from the Client by signing a new agreement or amendment to their current advisory agreement.

We calculate period-end account values after all dividends settle in the account, therefore, the account value used to calculate advisory fees may differ from that of the custodial account statement. Our billing invoice will indicate the total account value used to calculate the advisory fee.

Advisory fees are directly debited from Client accounts, or the Client may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written

notice at least 15 calendar days in advance. Since fees are paid in arrears, no refund will be needed upon termination of the account.

Other Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 6. Performance-Based Fees and Side-By-Side Management

Adviser and its supervised persons accept performance-based fees. Performance-based fees consist of fees based on a share of capital gains or capital appreciation of the assets of a client. Adviser manages both accounts that are charged a performance-based fee and accounts that are charged another type of fee. As a result, a conflict of interest exists because the Adviser has an incentive to favor accounts for which we receive a performance-based fee. To mitigate this conflict of interest, we consistently charge performance-based fees only on a specific asset allocation model, regardless of the amount of assets being managed for the client.

Item 7. Types of Clients

We provide portfolio management services to individuals, high net-worth individuals, and corporations or other businesses.

We do not have minimum account requirements.

Item 8. Method of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategy

Our primary methods of investment analysis are fundamental, technical, cyclical, and charting analysis.

Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that the information obtained may be incorrect

and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

Cyclical analysis is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Modern Portfolio Theory

The underlying principles of MPT are:

- a) Investors are risk averse. The only acceptable risk is that which is adequately compensated by an expected return. Risk and investment return are related and an increase in risk requires an increased expected return.
- b) Markets are efficient. The same market information is available to all investors at the same time. The market prices every security fairly based upon this equal availability of information.
- c) The design of the portfolio as a whole is more important than the selection of any particular security. The appropriate allocation of capital among asset classes will have far

- more influence on long-term portfolio performance than the selection of individual securities.
- d) Investing for the long-term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
 - e) Increasing diversification of the portfolio with lower correlated asset class positions can decrease portfolio risk. Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.

Use of Outside Managers: We do not refer clients to outside managers.

Material Risks

The material risks presented by the strategies and financial assets pursued by HDI are set forth below. Investing involves risk of loss that an investor should be prepared to bear. Investments by HDI involve significant risks.

Market Risk: Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the Client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions, we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

Risks Associated with Securities

Common Stocks. Stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on factors such as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Bank Obligations including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Exchange Traded Funds. Prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. HDI has no control over the risks taken by the underlying funds in which the Clients invest.

Item 9. Disciplinary Information

Adviser and management persons have not been:

- a) Convicted of or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses.
 - b) Named the subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses.
 - c) Found have been involved in a violation of an investment-related statute or regulation; or
 - d) The subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
1. Adviser and management persons have not been involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority. Adviser and management persons have not been:
- a) Found to have caused an investment-related business to lose its authorization to do business; or
 - i. Found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority:
 - ii. denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business; or
 - iii. barring or suspending your firm’s or a management person’s association with an investment-related business; or
 - iv. otherwise significantly limiting your firm’s or a management person’s investment-related activities; or
 - v. imposing a civil money penalty of more than \$2,500 on your firm or a management person.
2. Adviser and management persons have not been involved in a self-regulatory organization (SRO) proceeding in which the firm or a management person:

- a) was found to have caused an investment-related business to lose its authorization to do business; or was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members or was expelled from membership; otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Item 10. Other Financial Industry Activities and Affiliates

Other Investment Advisers/Sponsors of Limited Partnerships

- a) Adviser and its management persons are not registered, do not have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- b) Adviser and its management persons are not registered, do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.
- c) Adviser and its management persons do not have any relationships or arrangements that are material to its advisory business or to its clients.
- d) Adviser does not recommend other investment advisers.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

- a) Adviser has a written Code of Ethics that covers at minimum Employee Personal Trading Policies, Reporting requirements for Access Persons, Professional Duty to Clients, Standards of Conduct, Reporting of Violations and Sanctions, Disciplinary Actions, Conflicts of Interest, Gift and Entertainment Policy, and Pay to Play (Political Contribution) compliance. Adviser's Code of Ethics is available free upon request to any client or prospective client.
- b) Adviser does not recommend that clients buy or sell any security in which a related person to Adviser or Adviser has a material financial interest.
- c) Adviser or related person may invest in the same securities, or related securities (e.g. warrants, options, or futures) that we or a related person recommend to clients. Conflicts

of interest may arise when the Adviser, in its fiduciary capacity, has influence over the timing and price of orders executed. This conflict of interest is mitigated by ensuring that Access Persons of the Adviser do not intentionally “trade ahead” of clients, a process known as “frontrunning”, by which the Adviser places orders for its own account prior to placing orders for clients, receiving more favorable market conditions.

- d) Adviser or related person may recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that we or a related person buys or sells the same securities for our own accounts. Conflicts of interest may arise when the Adviser, in its fiduciary capacity, has influence over the timing and price of orders executed. This conflict of interest is mitigated by ensuring that Access Persons (and related persons) of the Adviser adhered to the firm’s Code of Ethics in trading practices.

Item 12. Brokerage Practices

- a) Custodian recommendations are made to the Client based on their need for such services, reputation and services provided, quality of execution, and reasonableness of compensation and fees.

Research and Other Soft Dollar Benefits

Adviser receives soft dollar benefits by nature of our relationship with Pershing and Interactive Brokers.

- a) When the Adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Adviser receive a benefit because you do not have to produce or pay for the research, products, or services.
- b) Adviser may have an incentive to select or recommend a broker-dealer based on Adviser’s interest in receiving the research or other products or services, rather than on clients’ interest in receiving most favorable execution.
- c) Adviser does not execute transactions that cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.
- d) Adviser uses soft dollar benefits to service all our clients’ accounts. Adviser does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
- e) Adviser and our related persons did not acquire additional products and services with client brokerage commissions (or markups or markdowns) within our last fiscal year.

- f) Adviser does not direct client transactions to a particular broker-dealer in return for soft dollar benefits received.

Brokerage for Client Referrals.

- a) Adviser does not consider, in selecting or recommending broker-dealers, whether Adviser or a related person receives client referrals from the broker-dealer or third party.

Directed Brokerage

- a) Adviser does not routinely recommend, request, or require that a client direct us to execute transactions through a specified broker-dealer. Not all advisers require their clients to direct brokerage. Adviser and our recommended broker dealers are not affiliated and have no other economic relationship that creates a material conflict of interest.
- b) Adviser does not permit clients to direct brokerage.

Aggregation of Orders

Adviser combines multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading” or “batching”). Order Aggregation refers to the purchase or sale of the same securities for several client accounts simultaneously to facilitate best execution and to reduce brokerage commissions or other costs. Adviser makes reasonable best effort to distribute a portion of the shares to participating accounts in a fair and equitable manner. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment. When Third-Party managers are used, they may aggregate orders based on their trading practices and systems capabilities.

Item 13. Review of Accounts

- a) Adviser periodically reviews client accounts and financial plans, on no less than an annual basis by Jonathan Arevalo.
- b) Additional reviews of client accounts and financial plans may be triggered by volatile market conditions, changes to client profile information and investment objectives, and any communication by the client of imposed investment restrictions.
- c) Adviser does not provide written reports to Investment Advisory clients.

Item 14. Client Referrals and Other Compensation

- a) Adviser does not receive any economic benefit, directly or indirectly, from anyone who is not a client for advice rendered to our clients. Nor does Adviser, directly or indirectly, compensate any person who is not advisory personnel for client referrals.
- b) Adviser and its related persons do not directly or indirectly compensate any person who is not our supervised person for client referrals.

Item 15. Custody

Adviser does not accept custody of Client funds except in the instance of withdrawing Client fees.

For Client accounts in which Adviser directly debits their advisory fee:

- a) Adviser will send a copy of its invoice to the custodian at the same time that it sends the Client a copy.
- b) The custodian will send at least quarterly statements to the Client showing all disbursements for the account, including the amount of the advisory fee.
- c) The Client will provide written authorization to Adviser, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. Clients should carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you.

Item 16. Investment Discretion

Adviser maintains discretion over Client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to Clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the Client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the Client.

Item 17. Voting Client Securities

Adviser does not vote client proxies. Clients will receive their proxies and other solicitations directly from their custodian. Clients can contact us at the phone number/email address on the cover page of this brochure with questions about a particular solicitation.

Item 18. Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients, and we have not been the subject of a bankruptcy proceeding. Adviser does not have custody of Client funds or securities or require or solicit prepayment of more than \$1,200 in fees per Client six months in advance.

Item 1: Cover Page

HDI Capital LLC

Form ADV Part 2B Client Brochure Supplement

Tufic Salem

March 30, 2022

Address: Prol. Paseo de la Reforma 1015, Torre A, Piso 20
Col. Santa Fe, Del. Alvaro Obregon
Mexico City, Mexico 01376

This brochure supplement provides information about Tufic Salem that supplements the HDI Capital LLC brochure. You should have received a copy of that brochure. Please contact compliance@hdicap.com if you did not receive HDI Capital's brochure or if you have any questions about the contents of this supplement. Additional information about Tufic Salem is available on the SEC's website at www.adviserinfo.sec.gov.

Tufic Salem, born 1979

Item 2: Educational Background and Business Experience

Mr. Tufic Salem is the manager of the General Partner and a principal and the Chief Investment Officer of the Investment Manager. Mr. Salem spent nine years at Credit Suisse, where he was the Head of Mexico's Equities Research Team and the Head of Latin America Consumption Research Team.

Mr. Salem holds a Bachelor of Science in Business Administration from Trinity University, Texas and a Chartered Financial Analyst designation from the CFA Institute.

Item 3: Disciplinary Information

None

Item 4: Other Business Activity

None

Item 5: Additional Compensation

None

Item 6: Supervision

As Manager of the General Partner and Chief Investment Officer of the Investment Manager, Mr. Salem has ultimate responsibility for the supervision of firm activities and investment advice to clients. Mr. Salem is supervised by the HDI Capital LLC Compliance Program under regulatory requirements which is administered and implemented by the Chief Compliance Officer.