

iCapital Advisors, LLC

Form ADV Part 2A

expenses than does investment in U.S. securities traded on a U.S. securities exchange or market.

Among numerous other types of securities, certain Funds will purchase American Depositary Receipts (ADRs), European Depositary Receipts (EDRs) and Global Depositary Receipts (GDRs). ADRs, EDRs and GDRs are certificates evidencing ownership of shares of a non-U.S. issuer and are alternatives to directly purchasing the underlying non-U.S. securities in their national markets and currencies. However, such investments continue to be subject to many of the risks associated with investing directly in non-U.S. securities. These risks include the political and economic risks of the underlying issuer's country, as well as in the case of depositary receipts traded on non-U.S. markets, foreign exchange risk. ADRs, EDRs and GDRs may be sponsored or unsponsored. Unsponsored receipts are established without the participation of the issuer. Unsponsored receipts may involve higher expenses, they may not pass-through voting or other shareholder rights, and they may be less liquid. The performance of ADRs, EDRs and GDRs may be different from the performance of the ordinary shares of the non-U.S. issuer to which they relate.

*Investment in Emerging Markets.* Certain Funds will invest in securities of companies based in, traded on an exchange in, or with substantial business in or issued by the governments of, emerging markets, including, but not limited to, certain Central and Eastern European countries, Asian countries and Latin American countries. These securities involve risks and may be highly volatile and subject to significant market swings, due to the inexperience of financial intermediaries, the lack of modern technology, the lack of a sufficient capital base to expand business operations, and the possibility of temporary or permanent termination of trading. Political and economic structures in many emerging markets may be undergoing significant evolution and rapid development, and emerging markets lack the social, political and economic stability characteristics of more developed countries. As a result, the risks relating to investments in foreign securities described above, including the possibility of nationalization or expropriation, may be heightened. In addition, certain countries may restrict or prohibit investment opportunities in issuers or industries deemed important to national interests. Such restrictions may affect the market price, liquidity and rights of securities that may be purchased by a Fund. Settlement mechanisms in emerging securities markets may be less efficient and less reliable than in more developed markets and placing securities with a custodian or broker-dealer in an emerging country may also present considerable risks. The small size of securities markets in such countries and the low volume of trading may result in a lack of liquidity and in substantially greater price volatility.

*Foreign Currency.* Because a Fund may invest its assets in instruments quoted or denominated in currencies other than the U.S. dollar or the price of which is determined with reference to currencies other than the U.S. dollar, changes in the U.S. dollar exchange rate will affect the dollar value of securities in such Fund's portfolio and the realized and unrealized appreciation or depreciation of investments. A Fund will, however, value its securities and other assets in U.S. dollars. A Fund may, but is not required to, hedge the currency exposure inherent in the Fund's investments in non-U.S. securities. To the extent unhedged, the value of a Fund's assets will fluctuate with U.S. dollar exchange rates as well as the price changes of the Fund's investments in the various local markets and currencies. Thus, an increase in the value of the U.S. dollar compared to the other currencies in which a Fund makes its investments will reduce the effect of increases and magnify the effect of declines in the values of the Fund's securities denominated in currencies of their local markets. Conversely, a decline in the value of the U.S. dollar will have the opposite effect on a Fund's non-U.S. dollar-denominated securities. Currency exchange rates may fluctuate significantly over short periods of time.