DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Emerging Markets Growth Strategy Summary

2ND QUARTER 2023

The Driehaus Emerging Markets Growth strategy returned 2.07%, net of fees, during the second quarter, ahead of the MSCI Emerging Markets index, which rose 0.90% over the same period.[1] For the year-to-date, the strategy has advanced 6.42%, ahead of the 4.89% rise in the index. A calm quarter for index returns hides a fairly divergent one for the asset class on the whole. The worst performing major market, was again China, after two strong quarters of performance. The MSCI China index fell 9.80% during the second quarter as the reopening trade lost steam and questions about the sustainability of the growth recovery returned. Conversely, other markets like Brazil rose sharply (+20.8%) during the period as sovereign risks from the new government were repriced lower and expectations for interest rate cuts rose. The tech hardware sector did outperform slightly as well (+5%) but notably lagged the second quarter performance of developed market peer tech companies.

The strategy's underweight position in China continued to support relative performance. The scale of the underweight is smaller than at its most extreme point last year but remains the strategy's largest deviation from the benchmark. The other major supports to relative performance came from positive stock selection within tech hardware, where some select positions benefited from the enthusiasm toward generative artificial intelligence. Positive stock selection also was a driver of outperformance in materials, where exposure to a Korean battery materials company aided returns. Similarly, in healthcare, attribution was positive mostly driven by a holding in the Indian hospital sector which continues to see positive secular demand drivers and positive earnings on a shorter-term basis.

Outlook and Positioning

On the whole, emerging markets have been driven by two major themes thus far in 2023. The primary one has been the situation in China and the disappointing recovery thus far. We think that part of the reaction in the market this year has been a natural resetting of high expectations, post the COVID reopening at the end of 2022. High expectations left the market vulnerable to disappointment and that disappointment has indeed materialized. Several areas of the Chinese economy have seen flagging momentum following a strong Q1 and confidence remains low. We see a mixed outlook for Chinese equities, but with notably more positives than over the past few months.

[1]The performance data represents the strategy's composite of emerging markets growth accounts managed by Driehaus Capital Management LLC (DCM) (the composite). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

The hardest thing to predict in markets, and in economics, is sentiment. The market has thus far underappreciated how negative consumer sentiment has been in China. This weak sentiment has limited the efficacy of the government's easing measures over the past few years and such efforts, while still muted, have had almost no impact on the economy. There's clearly no data set that tells you exactly why Chinese consumers are negative, but some explanations are fairly easy to see. The first is that the hangover from the post-COVID lockdowns likely is persisting. A multi-year rolling lockdown, which looks questionable in hindsight, created a lasting negative shock to household confidence. The second, and more concerning point, is that prospects indeed look dimmer to many households in the country. The export sector is weaker, incremental foreign direct investment (FDI) in the space has reduced which has had an adverse impact on hiring. The crackdown on the tech sector and on private entrepreneurs more broadly has really had an impact on the job prospects of the under-30, educated, demographic- a very key demographic for consumer spending. Finally, for the first time in recent history, there is a sense of reduced confidence in the governance of the country from the professional class and what it means for their prospects. The only thing that we could see changing in that regard is a clear change in tone in the US-China relationship.

Much of that sounds bad, and it is, but it is starting to bring some important positives from a market perspective. We see the government's stance toward the private sector shifting significantly, from an openly combative approach to a surprising one of overt co-opting. To put our view simply, the government made the calculation that it could afford to attack some of its key industries over the past few years to 'remedy' them. With an economic performance that has greatly disappointed expectations, and increasingly broad frustrations about employment, that antagonistic calculation no longer makes sense. Xi has been quick not to overly stimulate, which is understandable, but the government is also now getting frustrated with the weak consumption recovery. Over the past month, the tone shift has gone from 'rectifying' the tech sector to openly celebrating their role in boosting consumer demand, driving innovation and employment. Even the gaming sector, which has been in the doghouse for years, is now being pushed as a way for Chinese culture to be exported to the rest of the world. We have long-expected that the tech crackdown was over, but we're now moving to an era where private enterprise more broadly is being co-opted to support growth. Given where valuations are, that shift alone could be material for the market.

The second major theme so far this year has been the meteoric rise in generative artificial intelligence. While artificial intelligence (AI) has long been seen as an interesting technology and attractive investment theme, the release of ChatGPT for public use in late 2022 may be looked back upon as a Cambrian explosion for the technology. Generative AI models will have significant and far-reaching effects for many years to come, for both markets and society at large. The important point for us today is that almost every large company has now realized that they need an AI strategy or else risk existential disruption.

So far, companies have offered varying degrees of detail on their AI strategies. Some are more fleshed out than others and some are more natural fits to the company's existing business and capabilities. Over time all of this will undoubtedly come into sharper focus. But companies cannot wait to invest until after they figure out exactly what they need to do. Rather, they need to invest in the capabilities now to make sure they don't get left behind. At this point, the earliest and most direct beneficiaries of this spending ramp will likely be semiconductor and hardware companies.

Within emerging markets, AI investment quickly emerged as one of the dominant drivers during the second quarter, especially in Taiwan and Korea. These countries are home to many companies that supply components that are critical to the global buildout of generative-AI capabilities. Most notably, the large semiconductor foundry in Taiwan and the memory companies in Korea are irreplaceable contributors and will see a meaningful inflection in demand in the years to come. Besides chip manufacturing, these countries are also home to many companies that provide other essential components in areas such as networking, power supply, and chip packaging. Even the more mundane areas like server assembly have become critically important. We expect AI to be one of the most powerful drivers of earnings growth and market sentiment for the rest of the decade and believe the EM investment universe offers some of the most direct exposure to this trend.

Finally, we see the dollar being an increasingly important driver of relative performance globally, with emerging markets a key beneficiary. While the dollar is down roughly 10% since its October 2022 peak, it has not been a major market driver thus far. The things that typically correlate with a weaker greenback, (commodities outperforming, international equities beating US equities, etc) have not happened and in fact, it's been the opposite thus far. We believe this is due to the idiosyncratic nature of tech's first-half strength in the US along with the fact that the inflation trend in the US has been far more favorable year to date than in most countries. We expect the outlook for a softer dollar will start to be a more important market driver and help ex-US markets catch back up to the US market to some extent. Along with likely better sentiment toward Chinese equities, we see the potential for a shift in sector performance as well globally with more cyclically-oriented industries having better odds to outperform.

Driehaus Emerging Markets Growth Strategy

% Month-End Performance (as of 6/30/23)

				Annualized				
	MTH	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception[2]
Driehaus Emerging Markets Growth Composite (Gross)	5.04	2.26	6.82	3.00	3.49	4.12	5.53	11.37
Driehaus Emerging Markets Growth Composite (Net)	4.98	2.07	6.42	2.24	2.72	3.30	4.47	9.78
MSCI Emerging Markets Index (ND) (Benchmark)	3.80	0.90	4.89	1.75	2.32	0.93	2.95	*
MSCI Emerging Markets Growth Index (ND)	3.54	-0.65	3.32	-0.45	-1.36	0.53	3.79	*

Top 5 Holdings[5] (as of 5/31/23)

Company	Country	Sector	% of Strategy
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Taiwan	Information Technology	6.8
Samsung Electronics Co., Ltd.	South Korea	Information Technology	5.7
Tencent Holdings Ltd.	China	Communication Services	4.7
ICICI Bank Limited Sponsored ADR	India	Financials	2.2
Industrial and Commercial Bank of China Limited Class H	China	Financials	2.1

Sector Weights (%)

	Strategy	Benchmark	*Active Weights*
Communication Services	8.8	9.8	*-1.0*
Consumer Discretionary	10.6	13.2	*-2.6*
Consumer Staples	7.6	6.4	*1.2*
Energy	7.1	5.0	*2.1*
Financials	19.8	21.9	*-2.1*
Health Care	4.3	3.8	*0.6*
Industrials	7.0	6.3	*0.7*
Information Technology	21.1	21.2	*0.0*
Materials	2.5	8.1	*-5.6*
Real Estate	2.6	1.7	*0.9*
Utilities	3.3	2.6	*0.6*
Cash	5.2	0.0	*5.2*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 6/30/23.
*The inception of the strategy predates the inception of the index.
The performance data represents the strategy's composite of emerging markets growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

[1]Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see the notes at the end of this document for additional information.[2]1/1/1997. [3]Portfolio characteristics represent the strategy's composite. [4]Data is calculated monthly. [5]Holdings subject to change.

Key Features

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Facts

Inception Date	1/1/97
Composite Assets Under Management[1]	$5.3 billion
Firm Assets Under Management	$14.4 billion
Investment Universe	EM all cap equity
Investment Style	Growth equity
Investment Vehicles :	Separately Managed Account Institutional Commingled Mutual Fund

Portfolio Characteristics[3]

5-year period	**Strategy**	**Benchmark**
Information Ratio	0.46	n/a
Beta	0.88	1.00
Standard Deviation	17.21	18.86
Tracking Error	5.21	n/a
R-squared	0.93	1.00

Market Cap Breakout	**Strategy**	**Benchmark**
<$5 billion	7.1%	9.2%
$5- $15 billion	21.2%	25.2%
> $15 billion	71.7%	65.6%

	Strategy	**Benchmark**
Number of Holdings	118	1,423
Weighted Avg. Market Cap (M)	$137,259	$107,711
Median Market Cap (M)	$17,142	$6,447
Est. 3-5 Year EPS Growth	16.2%	15.3%
Active Share (3-year avg.)[4]	77.74	n/a

Portfolio Management

Howard Schwab, Lead Portfolio Manager
23 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
20 years industry experience

Richard Thies, Portfolio Manager
16 years of industry experience

Driehaus Emerging Markets Growth Strategy

Country Weights* (%)

	Strategy	Benchmark	*Active Weights*
Argentina	0.9	0.0	*0.9*
Brazil	8.6	5.5	*3.1*
Chile	0.0	0.5	*-0.5*
China/Hong Kong	23.5	29.5	*-6.0*
Colombia	0.0	0.1	*-0.1*
Czech Republic	0.0	0.2	*-0.2*
Egypt	0.0	0.1	*-0.1*
Greece	1.1	0.5	*0.7*
Hungary	0.0	0.2	*-0.2*
India	17.5	14.6	*2.8*
Indonesia	2.9	2.0	*0.9*
Kuwait	0.0	0.8	*-0.8*
Malaysia	0.0	1.3	*-1.3*
Mexico	5.2	2.8	*2.4*
Panama	1.3	0.0	*1.3*
Peru	0.8	0.3	*0.6*
Philippines	0.8	0.6	*0.1*
Poland	0.5	0.8	*-0.2*
Qatar	0.4	0.9	*-0.5*
Romania	0.0	0.0	*0.0*
Saudi Arabia	2.3	4.2	*-1.9*
South Africa	0.4	3.1	*-2.7*
South Korea	8.6	12.3	*-3.7*
Taiwan	12.1	15.6	*-3.5*
Thailand	1.4	1.9	*-0.5*
Turkey	0.4	0.6	*-0.2*
United Arab Emirates	2.3	1.3	*1.0*
Other[1]	3.6	0.2	*3.4*
Cash	5.2	0.0	*5.2*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc.
Data as of 6/30/23. Benchmark: MSCI Emerging Markets Index (ND)
[1]Represents companies domiciled in developed countries that have significant emerging markets exposures.
*Emerging market companies are (i) companies organized under the laws of an emerging market country or having securities which are traded principally on an exchange or over-the-counter in an emerging market country; or (ii) companies which, regardless of where organized or traded, have a significant amount of assets located in and/or derive a significant amount of their revenues from goods purchased or sold, investments made or services performed in or with emerging market countries.

Sector Attribution 2nd Quarter – 3/31/23 to 6/30/23

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Communication Services	8.34	-7.31	-0.69	10.03	-6.76	-0.72	0.06
Consumer Discretionary	12.26	-11.94	-1.55	13.32	-6.31	-0.87	-0.65
Consumer Staples	7.77	-0.27	-0.02	6.25	0.31	0.01	-0.05
Energy	6.31	11.24	0.73	4.98	12.14	0.56	0.13
Financials	19.64	5.80	1.09	21.85	5.71	1.19	-0.10
Health Care	4.96	4.59	0.23	3.88	-2.50	-0.09	0.32
Industrials	6.39	2.68	0.18	6.10	1.76	0.11	0.07
Information Technology	20.38	9.11	2.01	20.53	5.00	1.08	0.80
Materials	2.31	-2.72	-0.06	8.56	-4.17	-0.37	0.35
Real Estate	2.98	6.95	0.20	1.85	-4.88	-0.10	0.30
Utilities	3.15	12.29	0.38	2.66	4.16	0.10	0.25
Cash	5.51	-0.35	-0.02	0.00	0.00	0.00	0.08
Other[3]	0.00	-0.43	-0.44	0.00	-5.02	0.00	-0.43
Total	100.00	2.04	2.04	100.00	0.90	0.90	1.14

Data as of 6/30/23.
Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

[1]The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. [2]**Total Effect** - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector. [3]Other refers to securities not recognized by FactSet.

Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only.

Driehaus Emerging Markets Growth Strategy

Country Performance Attribution 2nd Quarter – 3/31/23 to 6/30/23

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
MSCI Country	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Argentina	0.59	28.41	0.19	0.00	0.00	0.00	0.18
Australia	0.51	2.85	0.02	0.00	0.00	0.00	0.01
Brazil	7.47	9.00	0.79	5.20	20.67	0.97	-0.29
Canada	0.65	-5.67	-0.02	0.00	0.00	0.00	-0.06
Chile	0.00	0.00	0.00	0.55	2.40	0.01	-0.01
China	23.29	-10.84	-2.77	26.88	-10.13	-2.93	0.23
Colombia	0.00	0.00	0.00	0.10	11.73	0.01	-0.01
Czech Republic	0.00	0.00	0.00	0.18	-5.14	-0.01	0.01
Egypt	0.00	0.00	0.00	0.08	3.92	0.00	0.00
Greece	0.84	19.77	0.14	0.42	23.85	0.09	0.04
Hong Kong	5.05	-8.31	-0.42	3.95	-7.14	-0.32	-0.12
Hungary	0.00	0.00	0.00	0.21	24.77	0.05	-0.04
India	16.41	12.32	1.99	13.75	12.23	1.62	0.31
Indonesia	3.14	-0.97	-0.02	1.98	2.79	0.06	-0.07
Israel	0.39	23.93	0.08	0.00	0.00	0.00	0.08
Japan	0.90	30.74	0.30	0.00	0.00	0.00	0.27
Kuwait	0.00	0.00	0.00	0.84	-0.92	-0.01	0.02
Luxembourg	0.00	0.00	0.00	0.09	10.74	0.01	-0.01
Malaysia	0.00	0.00	0.00	1.41	-8.37	-0.12	0.13
Mexico	4.60	6.59	0.30	2.73	5.59	0.15	0.14
Netherlands	0.49	27.55	0.11	0.00	0.00	0.00	0.10
Panama	0.50	20.47	0.10	0.00	0.00	0.00	0.09
Peru	0.97	3.93	0.02	0.27	6.46	0.01	0.01
Philippines	0.37	-7.38	-0.02	0.68	-1.29	-0.01	0.00
Poland	0.34	14.35	0.07	0.71	26.49	0.16	-0.10
Qatar	0.43	17.45	0.07	0.91	-2.40	-0.02	0.09
Romania	0.00	0.00	0.00	0.04	0.43	0.00	0.00
Saudi Arabia	2.42	3.38	0.08	4.10	6.33	0.24	-0.14
Singapore	0.00	0.00	0.00	0.02	7.22	0.00	0.00
South Africa	0.73	-2.82	-0.12	3.26	-5.13	-0.19	0.11
South Korea	7.59	13.99	1.05	12.26	4.43	0.56	0.50
Spain	0.11	4.19	0.03	0.00	0.00	0.00	0.04
Suriname	0.00	0.00	0.00	0.05	4.26	0.00	0.00
Taiwan	10.93	6.70	0.76	15.30	4.52	0.72	0.04
Thailand	1.70	-5.41	-0.09	2.06	-8.20	-0.18	0.09
Turkey	0.15	-36.12	-0.15	0.59	-10.67	-0.06	-0.07
United Arab Emirates	1.94	1.07	0.02	1.29	5.80	0.07	-0.04
United Kingdom	0.69	-0.83	0.02	0.02	-5.92	0.00	0.03
United States	1.31	-1.21	-0.06	0.06	43.16	0.02	-0.07
Cash	5.51	-0.52	-0.03	0.00	0.00	0.00	0.07
Other[3]	0.00	-0.43	-0.44	0.00	0.00	0.00	-0.43
Total	100.00	2.02	2.02	100.00	0.91	0.91	1.11

Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. [1]A definition of this index can be found on page 6. [2]Total Effect - The Total Effect for each MSCI Country is equal to the sum of the individual Attribution Effects for that MSCI Country. [3]Other refers to securities not recognized by FactSet.

Notes // Driehaus Emerging Markets Growth Strategy

FIRM DEFINITION
Driehaus Capital Management LLC (DCM) is a registered investment adviser with the United States Securities and Exchange Commission (SEC). DCM provides investment advisory services using growth equity and credit strategies to individuals, organizations, and institutions. The firm consists of all accounts managed by DCM (the Company).

DCM claims compliance with the Global Investment Performance Standards (GIPS®).

COMPOSITE DESCRIPTION
The Emerging Markets Growth Composite (the Composite) was created in January 1997. An account is considered to be an emerging markets growth account if it seeks capital appreciation by investing primarily in equity securities of rapidly growing companies in emerging markets countries around the world. This strategy may invest substantially all (no less than 80%) of its assets in emerging markets companies.

PERFORMANCE RESULTS
Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings.

Past performance is not indicative of future results. All investments have risks and you could lose money.

Valuations and returns are computed and stated in U.S. dollars. Returns are presented on a pretax basis .

Additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Please contact our sales, marketing and relationship management department at 312-932-8621.

RISKS
All investments have risks. The strategy invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the strategy has benefited from unusually strong market conditions. At times, a significant portion of an account's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a strategy with a smaller asset base, and the strategy may not experience similar performance results as its assets grow. Investments in overseas markets can pose more risks than U.S. investments. In addition, the strategy's returns will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which the strategy invests. These risks are generally greater when investing in emerging markets.

TAX EFFECT
Income tax may be withheld on income depending on the tax laws of each country and its treaty, if any, with the U.S. Such withholding taxes are reflected in the performance of accounts.

INDICES
The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The Morgan Stanley Capital International Emerging Markets Growth Index (MSCI Emerging Markets Growth Index) is a subset of the MSCI Emerging Markets Index and includes only the MSCI Emerging Markets Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The most recent annual GIPS Report is available here.

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TERMS
Active share represents the share of portfolio holdings that differ from the benchmark index holdings. **Beta** is a measure of a portfolio's volatility. A beta of 1.00 implies perfect historical correlation of movement with the market. A higher beta manager will rise and fall more rapidly than the market, whereas a lower beta manager will rise and fall slower. **Information Ratio (IR)** measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait. **R-Squared** is a statistical measure that represents the percentage of a fund or security's movements that can be explained by movements in a benchmark index. For fixed-income securities, the benchmark is the T-bill. For equities, the benchmark is the S&P 500. **Standard Deviation** is a measure of the average deviations of a return series from its mean; often used as a measure of portfolio volatility. A large standard deviation implies that there have been large swings or volatility in the manager's return series. **Tracking Error** is a divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

For more information about Driehaus Capital Management LLC, please contact us at 312.932.8621.