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**Annual Report to Shareholders  
December 31, 2007**



**DRIEHAUS MUTUAL FUNDS**

**Driehaus International Discovery Fund**

**Driehaus Emerging Markets Growth Fund**

**Driehaus International Equity Yield Fund**

**Driehaus International Small Cap Growth Fund**

Distributed by:  
**Driehaus Securities LLC**

This report has been prepared for the shareholders of the Funds and is not an offering to sell or buy any Fund securities. Such offering is only made by the Funds' prospectus.

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*Investment Philosophy:*

The Adviser seeks to achieve superior investment returns primarily by investing in companies outside the U.S. that are currently demonstrating rapid growth in their sales and earnings and which, in its judgment, have the ability to continue or accelerate their growth rates in the future. The Adviser manages the portfolios actively (above average turnover) to insure that the Funds are fully invested, under appropriate market conditions, in companies that meet these criteria. Investors should note that investments in overseas markets can pose more risks than U.S. investments, and the Funds' share prices are expected to be more volatile than those of U.S.-only funds. In addition, the Funds' 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 Funds invest. These risks are generally greater when investing in emerging markets.

**Driehaus International Discovery Fund**

**Driehaus Emerging Markets Growth Fund**

**Driehaus International Equity Yield Fund**

**Driehaus International Small Cap Growth Fund**

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## Driehaus International Discovery Fund — Portfolio Managers' Letter

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Dear Fellow Shareholders,

The Driehaus International Discovery Fund ("Fund") gained 32.32% for the year ended December 31, 2007. This significantly exceeded the performance of the Fund's two major benchmark indices: the Morgan Stanley Capital International All Country ("MSCI AC") World ex USA Index (which gained 17.10% for the year) and the MSCI AC World ex USA Growth Index (which gained 21.40%).

As the year progressed, the impact of the U.S. sub-prime loan problem evolved into a worldwide crisis that impacted the monetary policy of many nations. Contributing to the shifting investment terrain over the course of 2007 was the risk of inflation and higher interest rates. Inflationary pressure in developing countries such as China directly affected commodity prices. The prices of select raw materials have surged in the past twelve months.

Over the course of 2007, a key contributor to performance was the Fund's allocation to and selection of holdings in the energy sector. Holdings such as PT Bumi Resources Tbk (JAK:BUMI), an Indonesia-based coal mining company, favorably contributed to performance. The company is engaged in the mining, manufacturing, production and marketing of coal. This holding benefited from increased Chinese demand for coal, which now accounts for 70% of their energy needs.

Similarly, allocation and stock selection in the information technology sector also beneficially contributed to the performance of the Fund in 2007, including holdings such as Nintendo Co., Ltd. (TYO:7974), a Japan-based company engaged in the leisure equipment business. The leisure equipment segment of the company is engaged in the development, manufacturing, and sale of portable and home-use game machines as well as game software. Overall, the gaming industry is performing well globally.

Additionally, through bottom-up stock selection, we found attractive opportunities that benefited the portfolio in Singapore, Russia, and Indonesia. One of the holdings in Singapore that contributed to the Fund's performance in 2007 was Cosco Corporation (Singapore) Ltd. (SIN:COS), a top ten Fund holding for the second consecutive year. The company's operations are principally shipping, ship repair and marine engineering activities, rental of property, and investment holdings. The ongoing global shortage of bulk shipping capacity has driven freight rates to record levels, which has also bolstered demand for new ships and increased the company's revenue.

Certain sectors and countries, however, detracted from annual performance of the Fund versus its benchmark. These include the materials and the utilities sectors, and holdings in Japan, Germany, and the United Kingdom.

In example of a holding that detracted from 2007 Fund performance within the materials sector is Zinifex Ltd. (ASX:ZFX). Zinifex Ltd. is a base metal mining, exploration and development company. The company owns and operates two mines in Australia and is focused on building a portfolio of exploration and development projects in Australia, Canada, China, Mexico, Sweden, and Tunisia. Deteriorating zinc prices contributed to the weaker performance of this stock.

During the year, the Japanese economy continued to struggle as business spending declined as a result of volatile economic data, sluggish reform of corporate governance standards and weak domestic demand. Sony Corp. (NYSE:SNE), a Japan-based electronics and entertainment company and Intelligence Ltd. (JSD:4757), a company that engages in the general manpower dispatching business operating in personal placement, dispatching and outsourcing, and media experienced negative performance in 2007 attributed to these market factors. Japan was one of a handful of countries that did not reflect a positive contribution to return relative to its benchmark and as a result, the Fund's weighting in this country was reduced over the course of the year.

We have continued to add names with good earnings potential in Europe and North America. As we move into the new year, the Fund reflects increased exposure to such markets as Canada, Russia, and Switzerland relative to exposures from the prior year. Further, we will keep a watchful eye on developments associated with Asia — particularly looking for a rebound in Japan.

In 2007, Driehaus Capital Management LLC added two senior analysts to the international team supporting the Fund. Sebastian Pigeon joined the firm as a senior analyst with coverage responsibility for Western Europe. Jun Xia joined the international team as a senior analyst with coverage responsibility in Japan, Australia, and New Zealand. Three international market analysts who supported the Fund left the Firm during 2007. The Firm's Director of Research, Daniel Rea, was named Co-Portfolio Manager during the year.

As always, we at Driehaus Capital Management LLC thank you for your continued interest in the Driehaus International Discovery Fund. We remain committed to the Driehaus core growth investment philosophy which we believe is a rewarding strategy over the long term.

Sincerely,



Lynette Schroeder  
*Lead Portfolio Manager*



Daniel M. Rea  
*Co-Portfolio Manager*

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Performance is historical and does not represent future results.



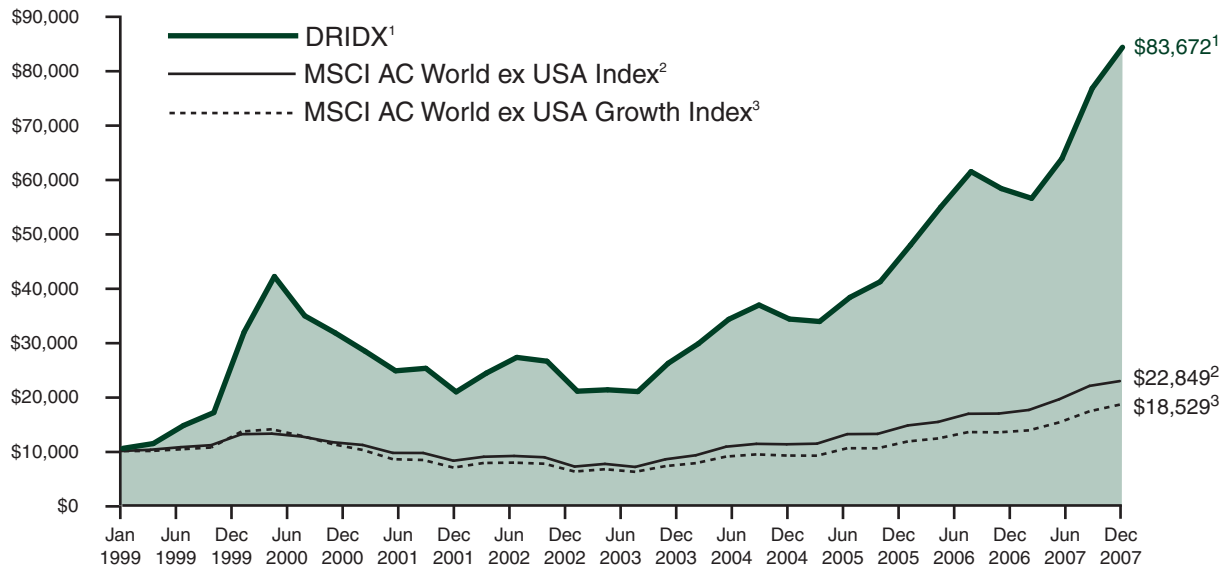
## Driehaus International Discovery Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains. Average annual total return reflects annualized change.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$10,000 investment in the Fund since December 31, 1998 (the date of the Fund's inception), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/07	1 Year	3 Years	5 Years	Since Inception (12/31/98 - 12/31/07)
Driehaus International Discovery Fund (DRIDX) <sup>1</sup>	32.32%	30.41%	32.16%	26.62%
MSCI AC World ex USA Index <sup>2</sup>	17.10%	20.36%	24.49%	9.61%
MSCI AC World ex USA Growth Index <sup>3</sup>	21.40%	20.78%	22.70%	7.09%

You cannot invest directly in any of these indices.



<sup>1</sup> The returns for the periods prior to July 1, 2003, reflect fee waivers and/or reimbursements without which performance would have been lower.

<sup>2</sup> The Morgan Stanley Capital International All Country World ex USA Index (MSCI AC World ex USA Index) is a market capitalization-weighted index designed to measure equity market performance in 47 global developed and emerging markets, excluding the U.S. Data is in U.S. dollars. Source: Morgan Stanley Capital International Inc.

<sup>3</sup> The Morgan Stanley Capital International All Country World ex USA Growth Index (MSCI AC World ex USA Growth Index) is a subset of the MSCI AC World ex USA Index and is composed only of the MSCI AC World ex USA Index stocks which are categorized as growth stocks. Data is in U.S. dollars. Source: Morgan Stanley Capital International Inc.

**Driehaus International Discovery Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EQUITY SECURITIES — 95.2%</b>					
<b>EUROPE — 52.2%</b>					
<b>United Kingdom — 6.9%</b>					
Aggreko PLC . . . . .	1,189,693	\$ 12,622,549			
Autonomy Corp. PLC** . . . . .	784,001	13,796,020			
Chemring Group PLC . . . . .	180,223	7,375,955			
Hikma Pharmaceuticals PLC . . . . .	630,167	5,936,510			
Weir Group PLC . . . . .	621,958	10,022,195			
Wellstream Holdings PLC** . . . . .	431,959	9,312,278			
		<u>59,065,507</u>			
<b>Germany — 5.4%</b>					
Centrotherm Photovoltaics AG** . . . . .	25,999	2,850,893			
Kontron AG . . . . .	229,642	4,606,471			
Q-Cells AG** . . . . .	64,230	9,165,384			
SGL Carbon AG** . . . . .	179,992	9,742,100			
Software AG . . . . .	78,889	6,986,135			
Solarworld AG . . . . .	69,032	4,213,761			
United Internet AG . . . . .	371,254	9,037,500			
		<u>46,602,244</u>			
<b>Finland — 4.9%</b>					
Nokia OYJ . . . . .	336,758	13,057,330			
Nokian Renkaat OYJ . . . . .	155,427	5,465,180			
Outotec OYJ . . . . .	203,306	11,176,376			
Wartsila Corp. OYJ — B . . . . .	158,201	12,048,321			
		<u>41,747,207</u>			
<b>Switzerland — 4.7%</b>					
Lonza Group AG . . . . .	84,538	10,259,702			
Meyer Burger Technology AG** . . . . .	25,916	9,568,421			
Sonova Holding AG . . . . .	75,216	8,497,219			
Syngenta AG . . . . .	25,292	6,445,031			
Temenos Group AG** . . . . .	227,327	5,612,145			
		<u>40,382,518</u>			
<b>Russia — 4.7%</b>					
Sberbank RF . . . . .	1,262,359	5,327,155			
Uralkali-GDR** . . . . .	199,100	7,416,475			
Vimpel- Communications — SP ADR . . . . .	388,114	16,145,542			
Wimm-Bill-Dann Foods — ADR . . . . .	86,618	11,350,423			
		<u>40,239,595</u>			
<b>Luxembourg — 4.0%</b>					
ArcelorMittal . . . . .	141,986	11,006,473			
Evrax Group SA — GDR . . . . .	106,388	8,245,070			
Millicom International Cellular SA** . . . . .	130,302	15,367,818			
		<u>34,619,361</u>			
<b>Norway — 3.3%</b>					
Renewable Energy Corp. AS** . . . . .	76,200	\$ 3,873,256			
Seadrill, Ltd.** . . . . .	606,700	14,804,783			
Tandberg ASA . . . . .	476,300	9,956,085			
		<u>28,634,124</u>			
<b>Sweden — 3.1%</b>					
Axis Communications AB . . . . .	232,000	5,707,390			
Hennes & Mauritz AB — B . . . . .	191,958	11,687,008			
Oriflame Cosmetics SA — SDR . . . . .	147,700	9,438,065			
		<u>26,832,463</u>			
<b>Greece — 2.7%</b>					
Coca-Cola Hellenic Bottling Co. SA . . . . .	224,449	9,713,424			
Diana Shipping, Inc. . . . .	141,612	4,455,113			
National Bank of Greece SA . . . . .	126,998	8,723,140			
		<u>22,891,677</u>			
<b>Spain — 2.4%</b>					
Grifols SA . . . . .	365,454	8,233,762			
Tecnicas Reunidas SA . . . . .	192,737	12,336,836			
		<u>20,570,598</u>			
<b>Italy — 2.1%</b>					
Prysmian SpA** . . . . .	434,487	10,729,250			
Trevi Finanziaria SpA . . . . .	393,691	7,051,062			
		<u>17,780,312</u>			
<b>France — 1.7%</b>					
Alstom SA . . . . .	37,837	8,131,993			
Nexans SA . . . . .	51,176	6,397,280			
		<u>14,529,273</u>			
<b>Netherlands — 1.5%</b>					
Koninklijke Boskalis Westminster NV — CVA . . . . .	214,239	13,049,106			
<b>Denmark — 1.5%</b>					
Novo Nordisk AS — B . . . . .	188,950	12,411,300			
<b>Belgium — 1.3%</b>					
EVS Broadcast Equipment SA . . . . .	36,753	4,277,291			
Telenet Group Holding NV** . . . . .	224,329	6,533,377			
		<u>10,810,668</u>			
<b>Czech Republic — 1.0%</b>					
Komerční Banka AS . . . . .	34,000	8,171,846			
<b>Bermuda — 0.7%</b>					
Excel Maritime Carriers, Ltd. . . . .	152,000	6,108,880			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Discovery Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>Ireland — 0.3%</b>			<b>NORTH AMERICA — 12.3%</b>		
Paddy Power PLC . . . . .	75,781	\$ 2,521,712	<b>Canada — 10.8%</b>		
Total EUROPE . . . . .		<u>446,968,391</u>	Major Drilling Group International, Inc.** . . . . .	163,053	\$ 10,342,082
<b>FAR EAST — 27.1%</b>			Potash Corp. of Saskatchewan, Inc. . . . .	106,162	15,434,607
<b>Japan — 7.7%</b>			Research In Motion, Ltd.** . . . . .	159,600	18,202,113
Capcom Co., Ltd. . . . .	188,300	4,812,214	Rogers Communications, Inc. — B . . . . .	287,825	13,120,469
Daikin Industries, Ltd. . . . .	195,153	10,935,486	Shoppers Drug Mart Corp. . . . .	223,977	12,086,747
GEO Corp. . . . .	3,241	5,860,287	Uranium Participation Corp.** . . . . .	863,942	9,200,092
Kuraray Co., Ltd. . . . .	356,000	4,330,699	Yamana Gold Inc. . . . .	1,108,212	<u>14,473,735</u>
Makita Corp. . . . .	177,200	7,518,489			<u>92,859,845</u>
Nintendo Co., Ltd. . . . .	26,300	15,749,631	<b>Mexico — 1.5%</b>		
Shima Seiki Mfg., Ltd. . . . .	159,700	7,433,559	America Movil SAB de CV — L — ADR . . . . .	200,716	<u>12,321,955</u>
Shinko Plantech Co., Ltd. . . . .	384,700	5,217,030	Total NORTH AMERICA . . . . .		<u>105,181,800</u>
Tokai Carbon Co., Ltd. . . . .	446,000	4,012,263	<b>AFRICA — 2.2%</b>		
		<u>65,869,658</u>	<b>South Africa — 2.2%</b>		
<b>Australia — 6.5%</b>			Aspen Pharmacare Holdings, Ltd.** . . . . .	1,120,263	6,228,829
Boart Longyear Group** . . . . .	6,907,422	14,252,861	Kumba Iron Ore, Ltd. . . . .	180,826	7,540,645
CSL, Ltd. . . . .	396,376	12,654,629	Spar Group, Ltd. . . . .	561,380	<u>4,953,099</u>
Harvey Norman Holdings, Ltd. . . . .	727,471	4,343,530			<u>18,722,573</u>
Incitec Pivot, Ltd. . . . .	68,646	7,058,141	Total AFRICA . . . . .		<u>18,722,573</u>
Oxiana, Ltd. . . . .	2,099,116	6,414,073	<b>SOUTH AMERICA — 0.9%</b>		
Rio Tinto, Ltd. . . . .	33,799	3,975,253	<b>Brazil — 0.9%</b>		
WorleyParsons, Ltd. . . . .	156,884	7,163,087	Dufry South America, Ltd. — BDR** . . . . .	294,741	7,534,110
		<u>55,861,574</u>	Total SOUTH AMERICA . . . . .		<u>7,534,110</u>
<b>Singapore — 4.9%</b>			<b>MIDDLE EAST — 0.5%</b>		
Capitaland, Ltd. . . . .	1,047,000	4,560,554	<b>Egypt — 0.5%</b>		
Cosco Corp., Ltd. . . . .	3,497,809	14,045,181	Egyptian Financial Group- Hermes Holding SAE . . . . .	389,166	4,656,235
Keppel Corp., Ltd. . . . .	1,355,000	12,237,313	Total MIDDLE EAST . . . . .		<u>4,656,235</u>
Swiber Holdings, Ltd.** . . . . .	4,644,000	11,065,977	Total EQUITY SECURITIES (Cost \$662,361,429) . . . . .		<u>815,516,882</u>
		<u>41,909,025</u>	<b>TOTAL INVESTMENTS</b>		
<b>China — 4.3%</b>			<b>(COST \$662,361,429) . . . . .</b>		
AAC Acoustic Technologies Holdings, Inc.** . . . . .	4,948,000	6,662,990	95.2% \$815,516,882		
China Coal Energy Co. — H . . . . .	2,307,000	7,248,762	<b>Other Assets in Excess of</b>		
China Merchants Bank Co., Ltd. — H . . . . .	927,500	3,788,555	<b>Liabilities . . . . .</b>		
Parkson Retail Group, Ltd. . . . .	1,161,000	13,988,759	4.8% 41,523,963		
Rexcapital Financial Holdings, Ltd.** . . . . .	26,160,000	4,998,897	<b>Net Assets . . . . .</b>		
		<u>36,687,963</u>	100.0% \$857,040,845		
<b>Malaysia — 1.5%</b>					
Resorts World BHD . . . . .	11,213,500	13,156,450			
<b>Indonesia — 1.1%</b>					
PT Bumi Resources Tbk . . . . .	14,865,000	9,495,874			
<b>South Korea — 1.1%</b>					
NHN Corp.** . . . . .	39,219	9,473,229			
Total FAR EAST . . . . .		<u>232,453,773</u>			

Notes to Financial Statements are an integral part of this Schedule.

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**Driehaus International Discovery Fund**  
**Schedule of Investments**  
**December 31, 2007**

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*The federal income tax basis and unrealized appreciation (depreciation) for all investments is as follows:*

Basis: . . . . .	<u>\$664,729,378</u>
Gross Appreciation . . . . .	\$165,607,834
Gross Depreciation . . . . .	<u>(14,820,330)</u>
Net Appreciation . . . . .	<u>\$150,787,504</u>

\*\* Non-income producing security  
ADR — American Depository Receipt  
BDR — Bearer Depository Receipt  
CVA — Commanditaire Vennootschap op Andelen  
(Limited Partnership, with Shares)  
GDR — Global Depository Receipt  
SDR — Swedish Depository Receipts  
SP ADR — Sponsored American Depository Receipt

**Regional Weightings\***

Western Europe . . . . .	46.5%
Asia/Far East Ex-Japan . . . . .	19.4%
North America . . . . .	12.3%
Japan . . . . .	7.7%
Eastern Europe . . . . .	5.7%
Africa . . . . .	2.2%
South America . . . . .	0.9%
Middle East . . . . .	0.5%

**Top Ten Holdings\***

Research In Motion, Ltd. . . . .	2.1%
Vimpel-Communications — SP ADR . . . . .	1.9%
Nintendo Co., Ltd. . . . .	1.8%
Potash Corp. of Saskatchewan, Inc. . . . .	1.8%
Millicom International Cellular SA . . . . .	1.8%
Seadrill, Ltd. . . . .	1.7%
Yamana Gold Inc. . . . .	1.7%
Boart Longyear Group . . . . .	1.7%
Cosco Corp., Ltd. . . . .	1.6%
Parkson Retail Group, Ltd. . . . .	1.6%

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\* All percentages are stated as a percent of net assets at December 31, 2007.

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Discovery Fund**  
**Schedule of Investments by Industry**  
**December 31, 2007 (unaudited)**

<u>Industry</u>	<u>Percent of Net Assets</u>	<u>Industry</u>	<u>Percent of Net Assets</u>
Automobiles . . . . .	0.6%	Health Care . . . . .	4.6%
Banking . . . . .	3.0%	Health Care/Multi-Industry . . . . .	1.7%
Basic Industries/Multi-Industry . . . . .	2.3%	Leisure & Tourism . . . . .	1.8%
Beverages & Tobacco . . . . .	1.1%	Machinery & Engineering . . . . .	11.2%
Broadcasting & Publishing Services . . . . .	1.5%	Maritime . . . . .	0.7%
Business & Public Services . . . . .	2.0%	Merchandising . . . . .	2.5%
Capital Goods/Multi-Industry . . . . .	1.4%	Metals — Nonferrous . . . . .	3.2%
Chemicals . . . . .	4.2%	Metals — Steel . . . . .	2.3%
Construction . . . . .	3.8%	Miscellaneous Materials . . . . .	2.5%
Consumer Non-Durables/Multi-Industry . . . . .	1.6%	Precious Metals . . . . .	1.7%
Consumer Services/Multi-Industry . . . . .	2.2%	Real Estate . . . . .	0.5%
Electrical & Electronics . . . . .	4.1%	Recreation . . . . .	2.5%
Electronic Components . . . . .	3.9%	Retailing — Goods . . . . .	3.1%
Electronic Systems/Devices . . . . .	2.1%	Technology/Multi-Industry . . . . .	4.2%
Energy Equipment . . . . .	1.1%	Telecommunications . . . . .	3.1%
Energy/Multi-Industry . . . . .	0.8%	Telephone Utilities . . . . .	3.2%
Energy Sources . . . . .	5.9%	Textiles & Apparel . . . . .	1.1%
Financial Services . . . . .	1.1%	Transportation — Shipping . . . . .	0.5%
Food Processors . . . . .	1.3%	Other Assets in Excess of Liabilities . . . . .	<u>4.8%</u>
Gold Mining . . . . .	0.8%	TOTAL . . . . .	<u>100.0%</u>

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Discovery Fund**  
**Statement of Assets and Liabilities**  
**December 31, 2007**

<b>ASSETS:</b>	
Investments, at market value (Cost \$662,361,429) . . . . .	\$ 815,516,882
Cash . . . . .	43,979,897
Receivables:	
Dividends . . . . .	150,348
Interest . . . . .	528,200
Fund shares sold . . . . .	4,394,175
Net unrealized appreciation on unsettled foreign currency forward contracts from transaction hedges . . . . .	35,393
Prepaid expenses and other assets . . . . .	<u>22,413</u>
<b>TOTAL ASSETS.</b> . . . . .	<u><u>864,627,308</u></u>
<b>LIABILITIES:</b>	
Payables:	
Investment securities purchased . . . . .	5,141,582
Fund shares redeemed . . . . .	1,247,451
Due to affiliates . . . . .	1,017,299
Accrued expenses . . . . .	<u>180,131</u>
<b>TOTAL LIABILITIES</b> . . . . .	<u><u>7,586,463</u></u>
<b>NET ASSETS</b> . . . . .	<u><u>\$ 857,040,845</u></u>
SHARES OUTSTANDING (Unlimited shares authorized, no par value) . . . . .	<u><u>20,624,810</u></u>
<b>NET ASSET VALUE</b> . . . . .	<u><u>\$ 41.55</u></u>
<b>NET ASSETS CONSISTED OF THE FOLLOWING AT DECEMBER 31, 2007:</b>	
Paid-in capital . . . . .	\$ 827,376,830
Accumulated net investment loss . . . . .	(2,321,500)
Accumulated net realized loss . . . . .	(121,174,952)
Unrealized net foreign exchange gain . . . . .	5,014
Unrealized net appreciation on investments . . . . .	<u>153,155,453</u>
<b>NET ASSETS.</b> . . . . .	<u><u>\$ 857,040,845</u></u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Discovery Fund**  
**Statement of Operations**  
**For the year ended December 31, 2007**

INVESTMENT LOSS:	
Income:	
Dividends (Net of non-reclaimable taxes of \$795,538) . . . . .	\$ 7,932,847
Interest . . . . .	1,345,767
Other . . . . .	<u>40,895</u>
Total income . . . . .	<u>9,319,509</u>
Expenses:	
Investment advisory fee . . . . .	10,390,126
Administration fee . . . . .	441,633
Professional fees . . . . .	173,472
Audit and tax fees . . . . .	42,501
Federal and state registration fees . . . . .	60,000
Custodian fees . . . . .	227,884
Transfer agent fees . . . . .	81,340
Trustees' fees . . . . .	62,994
Miscellaneous . . . . .	<u>162,966</u>
Total expenses . . . . .	<u>11,642,916</u>
Fees paid indirectly . . . . .	<u>(304,514)</u>
Net expenses . . . . .	<u>11,338,402</u>
Net investment loss . . . . .	<u>(2,018,893)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized gain from security transactions . . . . .	166,020,880
Net realized foreign exchange loss . . . . .	(82,158)
Net change in unrealized foreign exchange loss . . . . .	(74,254)
Net change in unrealized appreciation on investments . . . . .	<u>26,982,446</u>
Net realized and unrealized gain on investments and foreign currency transactions . . . . .	<u>192,846,914</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .	<u>\$190,828,021</u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Discovery Fund**  
**Statement of Changes in Net Assets**

	<i>For the year ended December 31, 2007</i>	<i>For the year ended December 31, 2006</i>
<b>INCREASE IN NET ASSETS:</b>		
Operations:		
Net investment loss . . . . .	\$ (2,018,893)	\$ (3,520,760)
Net realized gain on investments and foreign currency transactions . . . . .	165,938,722	122,437,854
Net change in unrealized gain (loss) on investments and foreign currency transactions . . . . .	<u>26,908,192</u>	<u>(29,428,906)</u>
Net increase in net assets resulting from operations . . . .	<u>190,828,021</u>	<u>89,488,188</u>
Distributions to shareholders:		
Net investment income . . . . .	(2,158,850)	—
Capital gains . . . . .	<u>(162,304,058)</u>	<u>(114,767,007)</u>
Total distributions to shareholders . . . . .	<u>(164,462,908)</u>	<u>(114,767,007)</u>
Capital share transactions:		
Proceeds from shares sold . . . . .	221,149,826	295,312,959
Reinvestment of distributions . . . . .	159,490,357	112,057,937
Cost of shares redeemed . . . . .	(189,777,550)	(345,776,915)
Redemption fees . . . . .	<u>61,826</u>	<u>186,950</u>
Net increase in net assets derived from capital share transactions . . . . .	<u>190,924,459</u>	<u>61,780,931</u>
Total increase in net assets . . . . .	<u>217,289,572</u>	<u>36,502,112</u>
<b>NET ASSETS:</b>		
Beginning of period . . . . .	<u>\$ 639,751,273</u>	<u>\$ 603,249,161</u>
End of period (Including accumulated net investment loss of \$2,321,500 and \$3,072,458) . . . . .	<u>\$ 857,040,845</u>	<u>\$ 639,751,273</u>
Capital share transactions are as follows:		
Shares issued . . . . .	4,610,299	6,664,745
Shares reinvested . . . . .	4,054,264	2,894,854
Shares redeemed . . . . .	<u>(4,296,417)</u>	<u>(7,944,732)</u>
Net increase from capital share transactions . . . . .	<u>4,368,146</u>	<u>1,614,867</u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Discovery Fund**  
**Financial Highlights**

	<i>For the year ended December 31, 2007</i>	<i>For the year ended December 31, 2006</i>	<i>For the year ended December 31, 2005</i>	<i>For the year ended December 31, 2004</i>	<i>For the year ended December 31, 2003</i>
Net asset value, beginning of period . . . . .	\$ <u>39.35</u>	\$ <u>41.20</u>	\$ <u>31.67</u>	\$ <u>29.28</u>	\$ <u>18.03</u>
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income (loss) . . . . .	(0.03)	(0.21)	0.02	(0.02)	(0.15)
Net realized and unrealized gain (loss) on investments and foreign currency transactions . . . . .	<u>12.19</u>	<u>6.82</u>	<u>13.78</u>	<u>3.45</u>	<u>11.40</u>
Total income from investment operations . . . . .	<u>12.16</u>	<u>6.61</u>	<u>13.80</u>	<u>3.43</u>	<u>11.25</u>
LESS DISTRIBUTIONS:					
Dividends from net investment income . . . . .	(0.13)	—	(0.04)	—	—
Distributions from capital gains . . . . .	<u>(9.83)</u>	<u>(8.47)</u>	<u>(4.23)</u>	<u>(1.05)</u>	<u>—</u>
Total distributions . . . . .	<u>(9.96)</u>	<u>(8.47)</u>	<u>(4.27)</u>	<u>(1.05)</u>	<u>—</u>
Redemption fees added to paid-in capital . . . . .	<u>0.00</u> ~	<u>0.01</u>	<u>0.00</u> ~	<u>0.01</u>	<u>0.00</u> ~
Net asset value, end of period . . . . .	<u>\$ 41.55</u>	<u>\$ 39.35</u>	<u>\$ 41.20</u>	<u>\$ 31.67</u>	<u>\$ 29.28</u>
Total Return . . . . .	32.32 %	16.41 %	43.97 %	11.95 %	62.40%
RATIOS/SUPPLEMENTAL DATA					
Net assets, end of period (in 000's) . . . . .	\$857,041	\$639,751	\$603,249	\$344,986	\$ 260,619
Ratio of expenses before fees paid indirectly to average net assets . . . . .	1.63 %	1.74 %	1.82 %	1.94 %	2.02%†
Ratio of net expenses to average net assets . . . . .	1.59 %#	1.68 %#	1.77 %#	1.70 %#	2.02%†#
Ratio of net investment loss to average net assets . . . . .	(0.28)%#	(0.50)%#	(0.02)%#	(0.05)%#	(1.11)%†#
Portfolio turnover . . . . .	217.86 %	216.29 %	180.42 %	518.81 %	515.76%

~ Amount represents less than \$0.01 per share

† The Adviser agreed to absorb other operating expenses to the extent necessary to ensure that the total Fund operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures, and extraordinary expenses) would not exceed the Fund's operating expense cap for the first fifty-four months of its operations. For the period July 1, 2002 through June 30, 2003, the Fund was reimbursed for expenses exceeding the 2.40% expense cap after reduction of amounts received through commission recapture programs that were applied to Fund expenses.

# Such ratios are net of fees paid indirectly (see Note B in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

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## Driehaus Emerging Markets Growth Fund — Portfolio Managers' Letter

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Dear Fellow Shareholders,

The Driehaus Emerging Markets Growth Fund ("Fund") gained 42.36% for the year ended December 31, 2007. This performance exceeded the performance its two major benchmark indices: the Morgan Stanley Capital International ("MSCI") Emerging Markets Index, which gained 39.78% and the MSCI Emerging Markets Growth Index, which gained 36.96% for the year.

In 2007, emerging market economies continued to enjoy a bull run that has lasted five years and investors continued to invest money into the asset class. Inflows into emerging markets by U.S. investors accounted for a record \$40 billion during 2007. The emerging market sector continues to gain strong investor sentiment as their ability to withstand financial difficulties has been better than many developed markets. This can be partially attributed to the fact that many emerging market governments are paying down debt, running current account surpluses, and have strong foreign exchange reserves. In aggregate, emerging market economies are now a net creditor to the United States. Inflation and global economic weakness remain a large concern for many emerging market economies. Increasing commodity, energy, and food costs and a weakening U.S. dollar threaten to create heightened inflationary pressures.

Over the course of 2007, a key contributor to performance was the Fund's allocation and selection of holdings in the information technology sector. Holdings such as NHN Corporation (KDQ:035420), a Korean-based company engaged in the online media industry, contributed to Fund performance. The company operates an Internet search engine, a multi-player online gaming website, and a wide range of Internet-based services. The company operates the most visited search engine and online gaming sites in Korea and will soon set up additional ventures in Japan, concentrating on web search services.

Similarly, allocation and stock selection in the energy sector beneficially contributed to the performance of the Fund in 2007. Holdings such as PT Bumi Resources Tbk (JAK:BUMI), an Indonesia-based coal mining company, contributed to performance. The company is engaged in the mining, manufacturing, production and marketing of coal. This holding benefited from increased Chinese demand for coal, which now accounts for 70% of their energy needs.

Additionally, through bottom-up stock selection, we found attractive opportunities that benefited the portfolio in Russia, Indonesia, and India. One of the holdings in Russia that contributed to the Fund's performance in 2007 was Mechel OAO (NYSE:MTL), an integrated mining and steel company. The company's business is focused on mining products used in the production of steel, primarily coking coal, iron ore, and nickel. Mechel OAO also produces a significant amount of steam coal. This holding benefited from rising production of high-value added products and declining costs in some of the company's core product groups and a favorable environment across customer markets.

Despite a fairly strong investment pool from which to select stocks, not all holdings contributed positively to performance. Two sectors where allocation or stock selection detracted from Fund performance were the financials and the telecommunication services sectors. Additionally, holdings in Brazil, Turkey, and Egypt detracted from Fund performance versus the benchmark.

Within the financials sector, Shin Kong Financial Holding Co. Ltd. (TPE:2888), headquartered in Taipei, Taiwan, was an example of a holding that detracted from performance in 2007. The company provides banking, credit card, trust, insurance, and various additional investment services. A decline in net profits that was attributed to a write-down contributed to the weaker performance of this stock.

We continue to add names with good earnings potential in the developing world, emphasizing visible and defensible business models with strong pricing power. As we move into the new year, the Fund reflects increased exposure to markets such as India, Turkey, and Russia relative to exposures from the prior year. Given the recent strength of the emerging market asset class, we are slightly more cautious about its near-term return potential.

Emery Brewer, the Fund's Portfolio Manager, retired from Driehaus Capital Management on December 31, 2007. Howard Schwab became Co-Portfolio Manager for the Fund in August and has assumed sole portfolio manager responsibilities since Mr. Brewer's departure. During the course of 2007, Driehaus Capital Management LLC added two senior analysts to the international team supporting the Fund. Sebastian Pigeon joined the firm as a senior analyst with coverage responsibility for Western Europe. Jun Xia joined the international team as a senior

analyst with coverage responsibility in Japan, Australia, and New Zealand. Three international market analysts who supported the Fund left the Firm during 2007.

As always, we at Driehaus Capital Management LLC thank you for your continued interest in the Driehaus Emerging Markets Growth Fund. We remain committed to the Driehaus core growth investment philosophy which we believe is a rewarding strategy over the long term.

Sincerely,



Howard M. Schwab  
*Portfolio Manager*



Daniel M. Rea  
*Assistant Portfolio Manager*

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Performance is historical and does not represent future results.

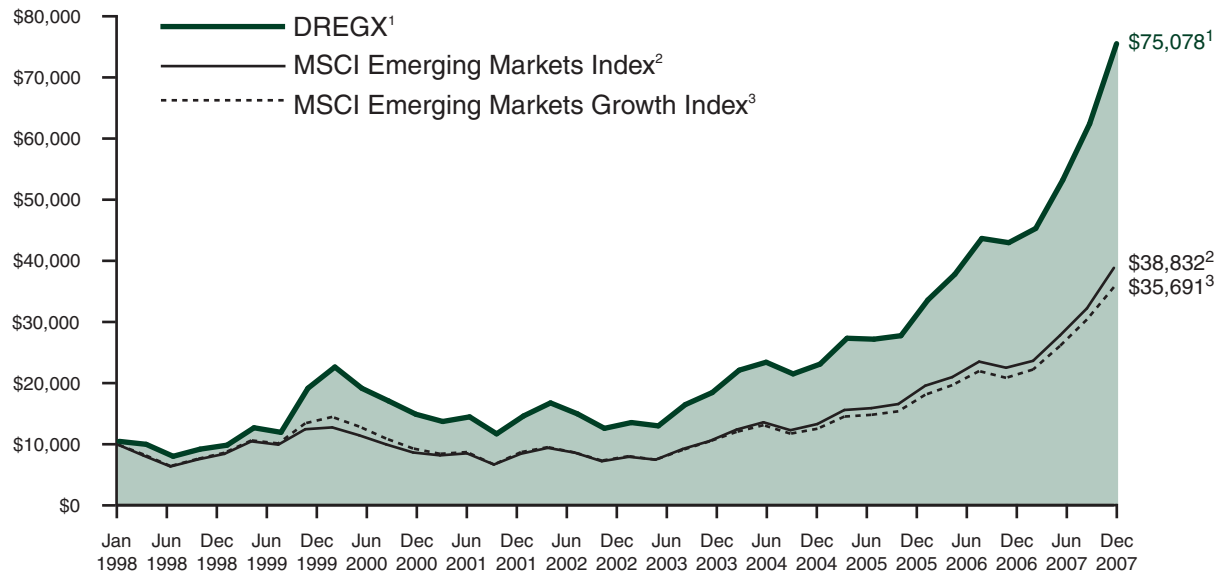
## Driehaus Emerging Markets Growth Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains. Average annual total return reflects annualized change.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$10,000 investment in the Fund since December 31, 1997 (the date of the Fund's inception), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/07	1 Year	3 Years	5 Years	10 Years	Since Inception (12/31/97 - 12/31/07)
Driehaus Emerging Markets Growth Fund (DREGX) <sup>1</sup>	42.36%	40.84%	41.83%	22.33%	22.33%
MSCI Emerging Markets Index <sup>2</sup>	39.78%	35.60%	37.44%	14.52%	14.52%
MSCI Emerging Markets Growth Index <sup>3</sup>	36.96%	35.02%	34.79%	13.56%	13.56%

You cannot invest directly in any of these indices.



<sup>1</sup> The returns for the periods prior to July 1, 2003, reflect fee waivers and/or reimbursements without which performance would have been lower.

<sup>2</sup> 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 25 global emerging markets. Data is in U.S. dollars. Source: Morgan Stanley Capital International Inc.

<sup>3</sup> 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 U.S. dollars. Source: Morgan Stanley Capital International Inc.

**Driehaus Emerging Markets Growth Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EQUITY SECURITIES — 91.3%</b>					
<b>FAR EAST — 47.3%</b>					
<b>China — 13.4%</b>					
AAC Acoustic Technologies Holdings, Inc.**	6,832,000	\$ 9,199,990	Unimicron Technology Corp.	6,743,680	\$ 11,851,262
Airmedia Group, Inc. — ADR**	287,739	6,439,599	Yang Ming Marine Transport.	11,060,187	8,559,117
Belle International Holdings, Ltd.	3,150,000	4,758,894	Yuanta Financial Holding Co., Ltd.**	15,499,000	10,106,641
China Coal Energy Co. — H	3,764,000	11,826,763			<u>81,853,630</u>
China Mengniu Dairy Co., Ltd.	1,895,000	6,950,650	<b>Thailand — 3.1%</b>		
China Merchants Bank Co., Ltd. — H	2,537,000	10,362,871	Asian Property Development Public Co., Ltd. — NVDR	10,336,600	1,963,908
China Mobile, Ltd.	1,074,000	18,994,101	BEC World Public Co., Ltd. — NVDR	17,125,700	14,616,710
Lee & Man Paper Manufacturing, Ltd.	2,530,000	11,112,999	Siam Commercial Bank Public Co., Ltd. — NVDR	4,977,900	12,782,792
New World Department Store China**	7,568,500	10,715,910			<u>29,363,410</u>
Shui On Land, Ltd.	7,277,000	8,492,664	<b>India — 2.7%</b>		
SINA Corp.**	123,514	5,472,905	Rolta India, Ltd.	608,505	11,043,868
Suntech Power Holdings Co., Ltd. — ADR**	120,981	9,959,156	Infosys Technologies, Ltd.	86,515	3,884,889
Zijin Mining Group Co., Ltd. — H	9,235,000	14,330,867	DLF, Ltd.	403,834	11,002,850
		<u>128,617,369</u>			<u>25,931,607</u>
<b>South Korea — 12.7%</b>					
Cheil Communications, Inc.	12,244	3,688,700	<b>Malaysia — 2.4%</b>		
Daewoo Shipbuilding & Marine Engineering Co., Ltd.	122,798	6,769,272	Digi.com BHD	893,100	6,697,575
Hite Brewery Co., Ltd.	62,347	9,491,424	Resorts World BHD	13,552,000	15,900,139
Hyundai Development Co.	102,576	10,026,926			<u>22,597,714</u>
Hyundai Steel Co.	124,896	10,540,873	<b>Indonesia — 2.1%</b>		
Kiwoom Securities Co., Ltd.	77,160	5,316,831	PT Bakrieland Development Tbk**	46,387,500	3,062,044
MegaStudy Co., Ltd.	28,156	8,091,410	PT Bumi Resources Tbk	13,467,500	8,603,141
NHN Corp.**	46,613	11,259,227	PT Perusahaan Gas Negara Tbk	5,092,000	8,321,767
Pyeong San Co., Ltd.	204,316	11,132,008			<u>19,986,952</u>
Samsung Electronics Co., Ltd.	12,511	7,431,351	<b>Philippines — 1.0%</b>		
Shinhan Financial Group Co., Ltd.	227,387	12,996,319	Ayala Land, Inc.	27,477,180	9,486,367
Shinsegae Co., Ltd.	22,588	17,519,243	<b>Pakistan — 0.9%</b>		
SK Telecom Co., Ltd.	26,715	7,106,495	Fauji Fertilizer Bin Qasim, Ltd.	13,210,247	8,537,089
		<u>121,370,079</u>	<b>Singapore — 0.5%</b>		
<b>Taiwan — 8.5%</b>					
Asustek Computer, Inc.	5,212,000	15,651,507	Golden Agri-Resources, Ltd.	3,517,000	5,179,784
AU Optronics Corp.	7,143,837	13,986,146	Total FAR EAST		<u>452,924,001</u>
Delta Electronics, Inc.	3,512,782	12,021,730			
High Tech Computer Corp.	524,000	9,677,227			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus Emerging Markets Growth Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EUROPE — 16.2%</b>					
<b>Russia — 8.8%</b>					
Golden Telecom, Inc. —					
ADR** . . . . .	91,604	\$ 9,247,424			
LUKOIL — SP ADR . . . . .	161,227	13,946,135			
Mechel — ADR . . . . .	156,665	15,218,438			
NovaTek OAO — GDR . . . . .	178,848	13,753,411			
Sberbank RF . . . . .	3,161,640	13,342,121			
Uralkali — GDR** . . . . .	243,800	9,081,550			
X5 Retail Group NV —					
GDR** . . . . .	257,546	9,400,429			
		<u>83,989,508</u>			
<b>United Kingdom — 2.5%</b>					
Hikma Pharmaceuticals					
PLC . . . . .	894,602	8,427,629			
Tullow Oil PLC . . . . .	524,831	6,806,422			
Wellstream Holdings					
PLC** . . . . .	386,374	8,329,545			
		<u>23,563,596</u>			
<b>Turkey — 2.4%</b>					
Dogus Otomotiv Servis ve					
Ticaret AS . . . . .	1,403,548	10,476,473			
Turkcell Iletisim					
Hizmetleri AS . . . . .	419,796	4,583,825			
Türkiye Garanti Bankasi					
AS . . . . .	937,959	8,401,424			
		<u>23,461,722</u>			
<b>Austria — 1.3%</b>					
Raiffeisen International					
Bank Holding AG . . . . .	82,591	12,509,946			
<b>Greece — 1.2%</b>					
Coca-Cola Hellenic					
Bottling Co. SA . . . . .	260,552	11,275,844			
Total EUROPE . . . . .		<u>154,800,616</u>			
<b>SOUTH AMERICA — 14.5%</b>					
<b>Brazil — 12.3%</b>					
Aracruz Celulose SA —					
ADR . . . . .	171,083	12,720,021			
Cyrela Brazil Realty SA . . . . .	1,048,870	14,259,918			
Dufry South America,					
Ltd. — BDR** . . . . .	347,789	8,890,112			
Gerdau SA — ADR . . . . .	468,318	13,585,905			
GVT Holding SA** . . . . .	317,570	6,378,162			
Lupatech SA . . . . .	361,370	12,181,011			
MRV Engenharia e					
Participacoes SA** . . . . .	325,700	6,962,295			
Net Servicos de					
Comunicacao SA					
(Pref.)** . . . . .	236,802	2,886,856			
Petroleo Brasileiro SA —					
ADR . . . . .	265,121	30,552,544			
Unibanco SA — GDR . . . . .	69,248	9,669,791			
		<u>118,086,615</u>			
<b>Argentina — 1.2%</b>					
Mercadolibre, Inc.** . . . . .	159,182	\$ 11,760,366			
<b>Chile — 1.0%</b>					
La Polar SA . . . . .	1,450,820	9,469,736			
Total SOUTH AMERICA . . . . .		<u>139,316,717</u>			
<b>AFRICA — 6.5%</b>					
<b>South Africa — 6.5%</b>					
Aspen Pharmacare					
Holdings, Ltd.** . . . . .	1,589,366	8,837,111			
Kumba Iron Ore, Ltd. . . . .	335,566	13,993,475			
MTN Group, Ltd. . . . .	933,269	17,487,314			
Nedbank Group, Ltd. . . . .	391,760	7,795,820			
Sasol, Ltd. . . . .	293,469	14,556,760			
		<u>62,670,480</u>			
Total AFRICA . . . . .		<u>62,670,480</u>			
<b>NORTH AMERICA — 4.7%</b>					
<b>Mexico — 4.7%</b>					
America Movil SAB de					
CV — L — ADR . . . . .	282,487	17,341,877			
Coca-Cola Femsa SAB de					
CV — L — SP ADR . . . . .	101,155	4,984,918			
Empresas ICA SAB de					
CV** . . . . .	1,532,992	10,111,514			
Grupo Aeroportuario del					
Pacífico SA de CV —					
ADR . . . . .	284,463	12,695,584			
		<u>45,133,893</u>			
Total NORTH AMERICA . . . . .		<u>45,133,893</u>			
<b>MIDDLE EAST — 2.1%</b>					
<b>Egypt — 1.2%</b>					
Egyptian Financial Group-					
Hermes Holding SAE . . . . .	941,725	11,267,410			
<b>Israel — 0.9%</b>					
Makhteshim — Agan					
Industries, Ltd.** . . . . .	1,014,640	9,313,388			
Total MIDDLE EAST . . . . .		<u>20,580,798</u>			
Total EQUITY SECURITIES					
(Cost \$619,220,892) . . . . .		<u>875,426,505</u>			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus Emerging Markets Growth Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EQUITY CERTIFICATES — 3.9% (Note C)</b>		
<b>FAR EAST — 3.9%</b>		
<b>India — 3.9%</b>		
Jaiprakash Associates, Ltd.†	852,000	\$ 9,208,416
Punj Lloyd, Ltd.†	407,325	5,756,480
Reliance Communications, Ltd.†	1,165,280	22,022,627
Total FAR EAST		<u>36,987,523</u>
Total EQUITY CERTIFICATES (Cost \$14,536,989)		<u>36,987,523</u>
<b>TOTAL INVESTMENTS</b>		
(COST \$633,757,881)	95.2%	\$912,414,028
Other Assets In Excess Of Liabilities	4.8%	45,816,189
Net Assets	100.0%	<u>\$958,230,217</u>

*The federal income tax basis and unrealized appreciation (depreciation) for all investments is as follows:*

Basis:	<u>\$644,098,686</u>
Gross Appreciation	\$274,036,180
Gross Depreciation	(5,720,838)
Net Appreciation	<u>\$268,315,342</u>

\*\* Non-income producing security

† Restricted security — Investments in securities not registered under the Securities Act of 1933, excluding 144A securities. At December 31, 2007, the value of these restricted securities amounted to 36,987,523 or 3.9% of net assets.

Additional information on each restricted security is as follows:

<i>Security</i>	<i>Acquisition Date(s)</i>	<i>Acquisition Cost</i>
Jaiprakash Associates, Ltd.	08/05/05 to 10/10/05	\$ 1,079,886
Punj Lloyd, Ltd.	07/02/07 to 08/30/07	\$ 2,738,916
Reliance Communications, Ltd.	10/17/06 to 12/05/07	\$10,718,187

ADR — American Depository Receipt  
BDR — Bearer Depository Receipt  
GDR — Global Depository Receipt  
NVDR — Non-Voting Depository Receipt  
SP ADR — Sponsored American Depository Receipt

**Regional Weightings\***

Asia/Far East Ex-Japan	51.2%
South America	14.5%
Eastern Europe	11.2%
Africa	6.5%
Western Europe	5.0%
North America	4.7%
Middle East	2.1%

**Top Ten Holdings\***

Petroleo Brasileiro SA — ADR	3.2%
Reliance Communications, Ltd.	2.3%
China Mobile, Ltd.	2.0%
Shinsegae Co., Ltd.	1.8%
MTN Group, Ltd.	1.8%
America Movil SAB de CV — L — ADR	1.8%
Resorts World BHD	1.7%
Asustek Computer, Inc.	1.6%
Mechel — ADR	1.6%
BEC World Public Co., Ltd. — NVDR	1.5%

\* All percentages are stated as a percent of net assets at December 31, 2007

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus Emerging Markets Growth Fund**  
**Schedule of Investments by Industry**  
**December 31, 2007 (unaudited)**

<u>Industry</u>	<u>Percent of Net Assets</u>	<u>Industry</u>	<u>Percent of Net Assets</u>
Airlines . . . . .	1.3%	Financial Services . . . . .	4.0%
Alternative Energy . . . . .	1.0%	Food & Household . . . . .	3.2%
Automobiles . . . . .	1.1%	Forest Products . . . . .	1.3%
Banking . . . . .	8.0%	Gold Mining . . . . .	1.5%
Beverages . . . . .	0.5%	Health Care . . . . .	0.9%
Beverages & Tobacco . . . . .	1.2%	Health Care/Multi-Industry . . . . .	0.9%
Broadcasting & Publishing Services . . . . .	0.7%	Leisure & Tourism . . . . .	3.2%
Building Materials . . . . .	1.2%	Machinery & Engineering . . . . .	1.9%
Business & Public Services . . . . .	2.5%	Merchandising . . . . .	3.0%
Capital Goods/Multi-Industry . . . . .	1.8%	Metals — Nonferrous . . . . .	2.6%
Chemicals . . . . .	4.3%	Metals — Steel . . . . .	3.0%
Communications . . . . .	1.5%	Miscellaneous Materials . . . . .	1.2%
Construction . . . . .	2.7%	Oil . . . . .	4.6%
Consumer Durables/Multi-Industry . . . . .	1.2%	Real Estate . . . . .	3.8%
Consumer Services/Multi-Industry . . . . .	4.0%	Retailing — Goods . . . . .	1.2%
Data Processing . . . . .	1.6%	Telecommunications . . . . .	8.0%
Electrical & Electronics . . . . .	2.0%	Telephone Utilities . . . . .	1.8%
Electronic Components . . . . .	6.3%	Textiles and Apparel . . . . .	0.5%
Energy Equipment . . . . .	0.9%	Transportation — Shipping . . . . .	0.9%
Energy Sources . . . . .	3.9%	Other Assets in Excess of Liabilities . . . . .	<u>4.8%</u>
		TOTAL . . . . .	<u>100.0%</u>

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus Emerging Markets Growth Fund**  
**Statement of Assets and Liabilities**  
**December 31, 2007**

<b>ASSETS:</b>	
Investments, at market value (Cost \$633,757,881) . . . . .	\$912,414,028
Foreign currency (Cost \$15,164,476) . . . . .	15,452,098
Cash . . . . .	5,673,081
Receivables:	
Dividends . . . . .	1,013,653
Interest . . . . .	107,346
Investment securities sold . . . . .	39,460,788
Fund shares sold . . . . .	983,594
Prepaid expenses and other assets . . . . .	<u>32,876</u>
<b>TOTAL ASSETS</b> . . . . .	<u><u>975,137,464</u></u>
<b>LIABILITIES:</b>	
Payables:	
Investment securities purchased . . . . .	13,513,528
Fund shares redeemed . . . . .	1,579,803
Net unrealized depreciation on unsettled foreign currency forward contracts from transaction hedges . . . . .	37,937
Due to affiliates . . . . .	1,231,914
Foreign taxes . . . . .	84,241
Accrued expenses . . . . .	<u>459,824</u>
<b>TOTAL LIABILITIES</b> . . . . .	<u>16,907,247</u>
<b>NET ASSETS</b> . . . . .	<u><u>\$958,230,217</u></u>
SHARES OUTSTANDING (Unlimited shares authorized, no par value) . . . . .	<u>22,052,226</u>
<b>NET ASSET VALUE</b> . . . . .	<u>\$ 43.45</u>
<b>NET ASSETS CONSISTED OF THE FOLLOWING AT DECEMBER 31, 2007:</b>	
Paid-in capital . . . . .	\$654,693,605
Accumulated net investment loss . . . . .	(285,145)
Accumulated net realized gain . . . . .	24,869,645
Unrealized net foreign exchange gain . . . . .	295,965
Unrealized net appreciation on investments . . . . .	<u>278,656,147</u>
<b>NET ASSETS</b> . . . . .	<u><u>\$958,230,217</u></u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus Emerging Markets Growth Fund**  
**Statement of Operations**  
**For the year ended December 31, 2007**

INVESTMENT LOSS:	
Income:	
Dividends (Net of non-reclaimable taxes of \$1,163,068) . . . . .	\$ 12,156,435
Interest . . . . .	<u>702,126</u>
Total income . . . . .	<u>12,858,561</u>
Expenses:	
Investment advisory fee . . . . .	13,196,726
Administration fee . . . . .	507,913
Professional fees . . . . .	226,022
Audit and tax fees . . . . .	42,501
Federal and state registration fees . . . . .	60,000
Custodian fees . . . . .	813,536
Transfer agent fees . . . . .	111,485
Trustees' fees . . . . .	71,325
Miscellaneous . . . . .	<u>281,554</u>
Total expenses . . . . .	<u>15,311,062</u>
Fees paid indirectly . . . . .	<u>(481,391)</u>
Net expenses . . . . .	<u>14,829,671</u>
Net investment loss . . . . .	<u>(1,971,110)</u>
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized gain from security transactions . . . . .	227,991,989
Net realized foreign exchange loss . . . . .	(894,842)
Net change in unrealized foreign exchange gain . . . . .	95,289
Net change in unrealized appreciation on investments . . . . .	<u>80,481,721</u>
Net realized and unrealized gain on investments and foreign currency transactions . . . . .	<u>307,674,157</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .	<u><u>\$305,703,047</u></u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus Emerging Markets Growth Fund**  
**Statement of Changes in Net Assets**

	<i>For the year ended December 31, 2007</i>	<i>For the year ended December 31, 2006</i>
<b>INCREASE IN NET ASSETS:</b>		
Operations:		
Net investment loss . . . . .	\$ (1,971,110)	\$ (1,625,478)
Net realized gain on investments and foreign currency transactions . . . . .	227,097,147	23,688,836
Net change in unrealized gain on investments and foreign currency transactions . . . . .	<u>80,577,010</u>	<u>138,159,678</u>
Net increase in net assets resulting from operations . . . .	<u>305,703,047</u>	<u>160,223,036</u>
Distributions to shareholders:		
Net investment income . . . . .	—	—
Capital gains . . . . .	<u>(205,345,104)</u>	<u>(16,462,450)</u>
Total distributions to shareholders . . . . .	<u>(205,345,104)</u>	<u>(16,462,450)</u>
Capital share transactions:		
Proceeds from shares sold . . . . .	186,413,186	599,390,018
Reinvestment of distributions . . . . .	203,595,850	16,441,182
Cost of shares redeemed . . . . .	<u>(321,083,936)</u>	<u>(213,087,995)</u>
Redemption fees . . . . .	<u>156,209</u>	<u>700,347</u>
Net increase in net assets derived from capital share transactions . . . . .	<u>69,081,309</u>	<u>403,443,552</u>
Total increase in net assets . . . . .	<u>169,439,252</u>	<u>547,204,138</u>
<b>NET ASSETS:</b>		
Beginning of period . . . . .	<u>\$ 788,790,965</u>	<u>\$ 241,586,827</u>
End of period (Including accumulated net investment loss of \$285,145 and \$128,569, respectively) . . . . .	<u>\$ 958,230,217</u>	<u>\$ 788,790,965</u>
Capital share transactions are as follows:		
Shares issued . . . . .	4,132,115	17,692,607
Shares reinvested . . . . .	4,942,726	426,164
Shares redeemed . . . . .	<u>(7,202,200)</u>	<u>(6,477,726)</u>
Net increase from capital share transactions . . . . .	<u>1,872,641</u>	<u>11,641,045</u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus Emerging Markets Growth Fund**  
**Financial Highlights**

	<i>For the year ended December 31, 2007</i>	<i>For the year ended December 31, 2006</i>	<i>For the year ended December 31, 2005</i>	<i>For the year ended December 31, 2004</i>	<i>For the year ended December 31, 2003</i>
Net asset value, beginning of period . . . . .	\$ 39.09	\$ 28.29	\$ 23.00	\$ 20.29	\$ 12.26
INCOME (LOSS) FROM INVESTMENT OPERATIONS:					
Net investment income (loss) . . . . .	(0.09)	(0.07)	0.04	(0.01)	0.00
Net realized and unrealized gain (loss) on investments and foreign currency transactions . . . . .	<u>16.00</u>	<u>11.68</u>	<u>8.83</u>	<u>4.75</u>	<u>8.03</u>
Total income from investment operations . . . . .	<u>15.91</u>	<u>11.61</u>	<u>8.87</u>	<u>4.74</u>	<u>8.03</u>
LESS DISTRIBUTIONS:					
Dividends from net investment income . . . . .	—	—	(0.08)	(0.04)	—
Distributions from capital gains . . . . .	<u>(11.56)</u>	<u>(0.84)</u>	<u>(3.51)</u>	<u>(2.00)</u>	<u>—</u>
Total distributions . . . . .	<u>(11.56)</u>	<u>(0.84)</u>	<u>(3.59)</u>	<u>(2.04)</u>	<u>—</u>
Redemption fees added to paid-in capital . . . . .	<u>0.01</u>	<u>0.03</u>	<u>0.01</u>	<u>0.01</u>	<u>0.00</u>
Net asset value, end of period . . . . .	<u>\$ 43.45</u>	<u>\$ 39.09</u>	<u>\$ 28.29</u>	<u>\$ 23.00</u>	<u>\$ 20.29</u>
Total Return . . . . .	42.36 %	41.22 %	38.95 %	24.12 %	65.50%
RATIOS/SUPPLEMENTAL DATA					
Net assets, end of period (in 000's) . . . . .	\$958,230	\$788,791	\$241,587	\$143,480	\$99,986
Ratio of expenses before fees paid indirectly to average net assets . . . . .	1.74 %	1.83 %	2.07 %	2.23 %	2.35%†
Ratio of net expenses to average net assets . . . . .	1.69 %#	1.78 %#	2.01 %#	2.03 %#	2.34%†#
Ratio of net investment income (loss) to average net assets . . . . .	(0.22)%#	(0.32)%#	(0.02)%#	(0.29)%#	0.04%†#
Portfolio turnover . . . . .	165.07 %	181.01 %	349.69 %	356.90 %	432.47%

~ Amount represents less than \$0.01 per share

† The Adviser agreed to absorb other operating expenses to the extent necessary to ensure that the total Fund operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures, and extraordinary expenses) would not exceed the Fund's operating expense cap for the first sixty-six months of its operations. For the period July 1, 2002 through June 30, 2003, the Fund was reimbursed for expenses exceeding the 2.50% expense cap after reduction of amounts received through commission recapture programs that were applied to Fund expenses.

# Such ratios are net of fees paid indirectly (see Note B in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

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## Driehaus International Equity Yield Fund — Portfolio Managers' Letter

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Dear Fellow Shareholders,

The Driehaus International Equity Yield Fund ("Fund") gained 30.78% from its inception on April 2, 2007 through December 31, 2007. This significantly exceeded the performance of the Fund's two major benchmark indices: the Morgan Stanley Capital International All Country ("MSCI AC") World ex USA Index and the MSCI AC World ex USA Growth Index, which gained 12.78% and 16.26%, respectively, for the same period.<sup>1</sup>

As the year progressed, the impact of the U.S. sub-prime loan problem evolved into a worldwide crisis that impacted the monetary policy of many nations. Contributing to the shifting investment terrain over the course of 2007 was the risk of inflation and higher interest rates. Inflationary pressure in developing countries such as China directly affected commodity prices. The prices of select raw materials have surged in the past twelve months.

Since the Fund's inception, a key contributor to performance was the Fund's allocation and selection of holdings in the energy sector. Holdings such as China Coal Energy Company Ltd. (HKG:1898), which engages in the mining and processing of coal and coke products in addition to the manufacturing and sales of coal mining machinery contributed positively to the Fund's performance. This holding benefited from increased Chinese demand for coal, which now accounts for 70% of their energy needs.

Similarly, allocation and stock selection in the financial sector also beneficially contributed to the performance of the Fund since its inception. Holdings such as China Merchants Bank Co., Ltd.(HKG:3968), contributed positively to Fund performance. The company is a commercial bank that offers financial services to both corporate and individual clients. This holding benefited from growth in assets, an increase in deposit and loan interest rate gaps, rising non-interest income, and a decline in credit costs.

Additionally, through bottom-up stock selection, we found attractive opportunities that benefited the portfolio in China, Australia, and Canada. One of the holdings in Australia that contributed to the performance of the Fund was Rio Tinto Limited (ASX:RIO), an international mining company. The company's major products include aluminium, copper, diamonds, energy products, gold, industrial minerals (borates, titanium dioxide, salt and talc), and iron ore. The stock benefited from China's demand for iron ore, which has sent prices rising.

Certain areas, such as the utilities sector, however, detracted from Fund performance versus its benchmark due to a lower sector allocation. Holdings in Singapore, Brazil, and Spain also detracted from Fund performance versus the benchmark.

While overall the Fund benefited from its allocation to and stock selection in the industrials sector, Nexans (EPA:NEX) was an example of a holding that detracted from Fund performance. Europe's largest cable maker, Nexans is a France-based wire and cable manufacturer. The company provides copper and fiber-optic cables, as well as other associated components, to the buildings, industry, and infrastructure markets. The company's stock price declined after they announced plans to acquire the cable business of Medeco, a Chilean copper cable and pipe manufacturer.

We have continued to add names with good earnings potential in Europe and North America. As we move into the new year, the Fund reflects increased exposure to such markets as Canada, Switzerland, and Russia relative to exposures since the inception of the Fund. Further, we will keep a watchful eye on developments associated with Asia — particularly looking for a rebound in Japan.

On August 1, 2007, Lynette Schroeder was named Lead Portfolio Manager of the Fund replacing Howard Schwab. At that same time, the Firm's Director of Research, Daniel Rea, was named Co-Portfolio Manager. In 2007, Driehaus Capital Management LLC also added two senior analysts to the international team supporting the Fund. Sebastian Pigeon joined the firm as a senior analyst with coverage responsibility for Western Europe. Jun Xia joined the international team as a senior analyst with coverage responsibility in Japan, Australia, and New Zealand. Three international market analysts who supported the Fund left the Firm during 2007.

We at Driehaus Capital Management LLC thank you for your interest in the Driehaus International Equity Yield Fund. We remain committed to the Driehaus core growth investment philosophy which we believe is a rewarding strategy over the long term.

Sincerely,



Lynette Schroeder  
*Lead Portfolio Manager*



Daniel M. Rea  
*Co-Portfolio Manager*

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<sup>1</sup> During the period, the Fund's returns reflect fee waivers and/or reimbursements without which performance would have been lower.

Performance is historical and does not represent future results.



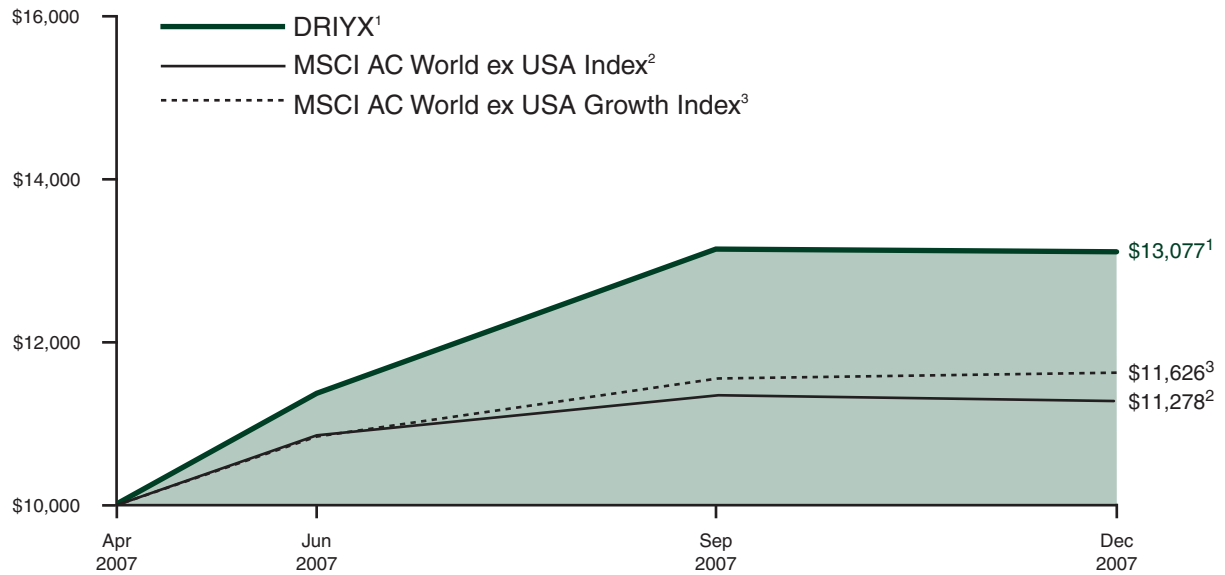
## Driehaus International Equity Yield Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains. Average annual total return reflects annualized change.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$10,000 investment in the Fund since April 2, 2007 (the date of the Fund's inception), with all dividends and capital gains reinvested, with the indicated indices (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/07	Since Inception (4/2/07 - 12/31/07)
Driehaus International Equity Yield Fund (DRIYX) <sup>1</sup>	30.78%
MSCI AC World ex USA Index <sup>2</sup>	12.78%
MSCI AC World ex USA Growth Index <sup>3</sup>	16.26%

You cannot invest directly in any of these indices.



<sup>1</sup> The returns for the period reflect fee waivers and/or reimbursements without which performance would have been lower.

<sup>2</sup> The Morgan Stanley Capital International All Country World ex USA Index (MSCI AC World ex USA Index) is a market capitalization-weighted index designed to measure equity market performance in 47 global developed and emerging markets, excluding the U.S. Data is in U.S. dollars. Source: Morgan Stanley Capital International Inc.

<sup>3</sup> The Morgan Stanley Capital International All Country World ex USA Growth Index (MSCI AC World ex USA Growth Index) is a subset of the MSCI AC World ex USA Index and is composed only of the MSCI AC World ex USA Index stocks which are categorized as growth stocks. Data is in U.S. dollars. Source: Morgan Stanley Capital International Inc.

**Driehaus International Equity Yield Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EQUITY SECURITIES — 89.4%</b>					
<b>EUROPE — 49.4%</b>					
<b>United Kingdom — 6.5%</b>					
Aggreko PLC . . . . .	101,413	\$ 1,075,984			
Autonomy Corp. PLC** . . . . .	66,596	1,171,886			
Chemring Group PLC . . . . .	15,363	628,759			
Hikma Pharmaceuticals PLC . . . . .	52,867	498,035			
Weir Group PLC . . . . .	52,997	853,991			
Wellstream Holdings PLC** . . . . .	36,239	781,249			
		<u>5,009,904</u>			
<b>Germany — 5.1%</b>					
Centrotherm Photovoltaics AG** . . . . .	2,179	238,936			
Kontron AG . . . . .	22,864	458,637			
Q-Cells AG** . . . . .	5,461	779,264			
SGL Carbon AG** . . . . .	15,343	830,443			
Software AG . . . . .	4,612	408,423			
Solarworld AG . . . . .	6,896	420,937			
United Internet AG . . . . .	31,876	775,963			
		<u>3,912,603</u>			
<b>Finland — 4.8%</b>					
Nokia OYJ . . . . .	29,097	1,128,196			
Nokian Renkaat OYJ . . . . .	14,681	516,219			
Outotec OYJ . . . . .	17,619	968,572			
Wartsila Corp. OYJ — B . . . . .	13,541	1,031,260			
		<u>3,644,247</u>			
<b>Switzerland — 4.6%</b>					
Lonza Group AG . . . . .	7,333	889,948			
Meyer Burger Technology AG** . . . . .	2,198	811,521			
Sonova Holding AG . . . . .	6,447	728,323			
Syngenta AG . . . . .	2,145	546,599			
Temenos Group AG** . . . . .	21,495	530,659			
		<u>3,507,050</u>			
<b>Luxembourg — 3.9%</b>					
ArcelorMittal . . . . .	12,477	967,192			
Evrast Group SA — GDR . . . . .	8,900	689,750			
Millicom International Cellular SA** . . . . .	10,954	1,291,915			
		<u>2,948,857</u>			
<b>Russia — 3.7%</b>					
Sberbank RF . . . . .	107,022	451,633			
Uralkali-GDR** . . . . .	16,700	622,075			
Vimpel-Communications — SP ADR . . . . .	32,963	1,371,261			
Wimm-Bill-Dann Foods — ADR . . . . .	3,100	406,224			
		<u>2,851,193</u>			
<b>Norway — 3.2%</b>					
Renewable Energy Corp. AS** . . . . .	7,250	\$ 368,518			
Seadrill, Ltd.** . . . . .	52,000	1,268,912			
Tandberg ASA . . . . .	40,400	844,480			
		<u>2,481,910</u>			
<b>Sweden — 3.1%</b>					
Axis Communications AB . . . . .	21,550	530,148			
Hennes & Mauritz AB — B . . . . .	16,505	1,004,876			
Oriflame Cosmetics SA — SDR . . . . .	12,600	805,143			
		<u>2,340,167</u>			
<b>Greece — 2.6%</b>					
Coca-Cola Hellenic Bottling Co. SA . . . . .	18,806	813,862			
Diana Shipping, Inc. . . . .	13,043	410,333			
National Bank of Greece SA . . . . .	10,653	731,725			
		<u>1,955,920</u>			
<b>Spain — 2.3%</b>					
Grifols SA . . . . .	31,940	719,616			
Tecnicas Reunidas SA . . . . .	16,432	1,051,790			
		<u>1,771,406</u>			
<b>Italy — 2.0%</b>					
Prysmian SpA** . . . . .	37,627	929,164			
Trevi Finanziaria SpA . . . . .	34,689	621,285			
		<u>1,550,449</u>			
<b>France — 1.6%</b>					
Alstom SA . . . . .	3,246	697,636			
Nexans SA . . . . .	4,293	536,648			
		<u>1,234,284</u>			
<b>Netherlands — 1.4%</b>					
Koninklijke Boskalis Westminster NV — CVA . . . . .	18,169	1,106,657			
<b>Denmark — 1.4%</b>					
Novo Nordisk AS — B . . . . .	16,125	1,059,181			
<b>Belgium — 1.2%</b>					
EVS Broadcast Equipment SA . . . . .	3,451	401,625			
Telenet Group Holding NV** . . . . .	19,019	553,911			
		<u>955,536</u>			
<b>Czech Republic — 1.0%</b>					
Komerční Banka AS . . . . .	3,274	786,901			
<b>Bermuda — 0.7%</b>					
Excel Maritime Carriers, Ltd. . . . .	13,000	522,470			
<b>Ireland — 0.3%</b>					
Paddy Power PLC . . . . .	6,482	215,697			
Total EUROPE . . . . .		<u>37,854,432</u>			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Equity Yield Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>FAR EAST — 24.8%</b>			<b>NORTH AMERICA — 11.7%</b>		
<b>Japan — 7.3%</b>			<b>Canada — 10.3%</b>		
Capcom Co., Ltd. . . . .	17,700	\$ 452,343	Major Drilling Group International, Inc.** . . . .	14,062	\$ 891,921
Daikin Industries, Ltd. . . . .	16,700	935,792	Potash Corp. of Saskatchewan, Inc. . . . .	9,000	1,308,486
GEO Corp. . . . .	276	499,056	Research In Motion, Ltd.** . . . .	13,557	1,546,153
Kuraray Co., Ltd. . . . .	30,000	364,946	Rogers Communications, Inc. — B. . . . .	24,402	1,112,362
Makita Corp. . . . .	15,100	640,684	Shoppers Drug Mart Corp. . . . .	19,421	1,048,040
Nintendo Co., Ltd. . . . .	2,200	1,317,460	Uranium Participation Corp.** . . . .	73,454	782,209
Shima Seiki Mfg., Ltd. . . . .	13,700	637,694	Yamana Gold Inc. . . . .	93,559	1,221,922
Shinko Plantech Co., Ltd. . . . .	29,400	398,702			<u>7,911,093</u>
Tokai Carbon Co., Ltd. . . . .	38,000	341,852			
		<u>5,588,529</u>			
<b>Australia — 6.2%</b>			<b>Mexico — 1.4%</b>		
Boart Longyear Group** . . . .	587,189	1,211,613	America Movil SAB de CV — L — ADR . . . . .	17,777	1,091,330
CSL, Ltd. . . . .	33,617	1,073,250	Total NORTH AMERICA . . . .		<u>9,002,423</u>
Harvey Norman Holdings, Ltd. . . . .	62,124	370,926			
Incitec Pivot, Ltd. . . . .	5,759	592,137	<b>AFRICA — 2.2%</b>		
Oxiana, Ltd. . . . .	176,103	538,102	<b>South Africa — 2.2%</b>		
Rio Tinto, Ltd. . . . .	2,866	337,083	Aspen Pharmacare Holdings, Ltd.** . . . .	94,281	524,217
WorleyParsons, Ltd. . . . .	13,326	608,445	Kumba Iron Ore, Ltd. . . . .	15,443	643,990
		<u>4,731,556</u>	Spar Group, Ltd. . . . .	56,347	497,154
					<u>1,665,361</u>
<b>Singapore — 4.7%</b>			Total AFRICA . . . . .		<u>1,665,361</u>
Capitaland, Ltd. . . . .	90,000	392,025	<b>SOUTH AMERICA — 0.8%</b>		
Cosco Corp., Ltd. . . . .	301,000	1,208,642	<b>Brazil — 0.8%</b>		
Keppel Corp., Ltd. . . . .	116,000	1,047,622	Dufry South America, Ltd. — BDR** . . . . .	24,447	624,909
Swiber Holdings, Ltd.** . . . .	398,000	948,376	Total SOUTH AMERICA . . . .		<u>624,909</u>
		<u>3,596,665</u>	<b>MIDDLE EAST — 0.5%</b>		
<b>China — 4.1%</b>			<b>Egypt — 0.5%</b>		
AAC Acoustic Technologies Holdings, Inc.** . . . .	414,000	557,494	Egyptian Financial Group- Hermes Holding SAE . . . .	33,005	394,893
China Coal Energy Co. — H. . . . .	197,000	618,988	Total MIDDLE EAST . . . . .		<u>394,893</u>
China Merchants Bank Co., Ltd. — H. . . . .	79,500	324,733	Total EQUITY SECURITIES (Cost \$63,401,029) . . . . .		<u>68,511,325</u>
Parkson Retail Group, Ltd. . . . .	97,500	1,174,767			
Rexcapital Financial Holdings, Ltd.** . . . .	2,375,000	453,837	<b>TOTAL INVESTMENTS (COST \$63,401,029) . . . . .</b>		
		<u>3,129,819</u>		89.4%	\$68,511,325
<b>Malaysia — 1.5%</b>			<b>Other Assets In Excess Of Liabilities . . . . .</b>		
Resorts World BHD . . . . .	952,400	1,117,421		10.6%	<u>8,144,637</u>
<b>South Korea — 1.0%</b>			<b>Net Assets . . . . .</b>		
NHN Corp. . . . .	3,334	805,317		100.0%	<u>\$76,655,962</u>
Total FAR EAST . . . . .		<u>18,969,307</u>			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Equity Yield Fund**  
**Schedule of Investments**  
**December 31, 2007**

*The federal income tax basis and unrealized appreciation (depreciation) for all investments is as follows:*

Basis: . . . . .	<u>\$63,721,192</u>
Gross Appreciation . . . . .	\$ 7,606,776
Gross Depreciation . . . . .	(2,816,643)
Net Appreciation . . . . .	<u>\$ 4,790,133</u>

\*\* Non-income producing security  
ADR — American Depository Receipt  
BDR — Bearer Depository Receipt  
CVA — Commanditaire Vennootschap op Andelen  
(Limited Partnership, with Shares)  
GDR — Global Depository Receipt  
SDR — Swedish Depository Receipt  
SP ADR — Sponsored American Depository Receipt

**Regional Weightings\***

Western Europe . . . . .	44.7%
Asia/Far East Ex-Japan . . . . .	17.5%
North America . . . . .	11.7%
Japan . . . . .	7.3%
Eastern Europe . . . . .	4.7%
Africa . . . . .	2.2%
South America . . . . .	0.8%
Middle East . . . . .	0.5%

**Top Ten Holdings\***

Research In Motion, Ltd. . . . .	2.0%
Vimpel-Communications — SP ADR . . . . .	1.8%
Nintendo Co., Ltd. . . . .	1.7%
Potash Corp. of Saskatchewan, Inc. . . . .	1.7%
Millicom International Cellular SA . . . . .	1.7%
Seadrill, Ltd. . . . .	1.7%
Yamana Gold, Inc. . . . .	1.6%
Boart Longyear Group . . . . .	1.6%
Cosco Corp., Ltd. . . . .	1.6%
Parkson Retail Group, Ltd. . . . .	1.5%

\* All percentages are stated as a percent of net assets at December 31, 2007

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Equity Yield Fund**  
**Schedule of Investments by Industry**  
**December 31, 2007 (unaudited)**

<u>Industry</u>	<u>Percent of Net Assets</u>	<u>Industry</u>	<u>Percent of Net Assets</u>
Automobiles . . . . .	0.7%	Health Care . . . . .	4.4%
Banking . . . . .	3.0%	Health Care/Multi-Industry . . . . .	1.6%
Basic Industries/Multi-Industry . . . . .	2.2%	Leisure & Tourism . . . . .	1.7%
Beverages & Tobacco . . . . .	1.1%	Machinery & Engineering . . . . .	10.7%
Broadcasting & Publishing Services . . . . .	1.5%	Maritime . . . . .	0.7%
Business & Public Services . . . . .	2.0%	Merchandising . . . . .	2.4%
Capital Goods/Multi-Industry . . . . .	1.3%	Metals — Nonferrous . . . . .	3.0%
Chemicals . . . . .	3.9%	Metals — Steel . . . . .	2.2%
Construction . . . . .	3.6%	Miscellaneous Materials . . . . .	2.3%
Consumer Non-Durables/Multi-Industry . . . . .	1.6%	Precious Metals . . . . .	1.6%
Consumer Services/Multi-Industry . . . . .	2.1%	Real Estate . . . . .	0.5%
Electrical & Electronics . . . . .	3.9%	Recreation . . . . .	2.4%
Electronic Components . . . . .	3.8%	Retailing — Goods . . . . .	2.9%
Electronic Systems/Devices . . . . .	2.0%	Technology/Multi-Industry . . . . .	3.8%
Energy Equipment . . . . .	1.0%	Telecommunications . . . . .	3.0%
Energy/Multi-Industry . . . . .	0.8%	Telephone Utilities . . . . .	3.1%
Energy Sources . . . . .	4.7%	Textiles & Apparel . . . . .	1.1%
Financial Services . . . . .	1.1%	Transportation — Shipping . . . . .	0.5%
Food Processors . . . . .	0.5%	Other Assets in Excess of Liabilities . . . . .	<u>10.6%</u>
Gold Mining . . . . .	0.7%	TOTAL . . . . .	<u>100.0%</u>

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Equity Yield Fund**  
**Statement of Assets and Liabilities**  
**December 31, 2007**

<b>ASSETS:</b>	
Investments, at market value (Cost \$63,401,029) . . . . .	\$68,511,325
Foreign currency (Cost \$1,015,076) . . . . .	1,036,579
Cash . . . . .	7,551,904
Receivables:	
Dividends . . . . .	18,279
Interest . . . . .	16,094
Fund shares sold . . . . .	114,662
Net unrealized appreciation on unsettled foreign currency forward contracts from transaction hedges . . . . .	2,902
Prepaid expenses and other assets . . . . .	42,910
<b>TOTAL ASSETS</b> . . . . .	<b><u>77,294,655</u></b>
<b>LIABILITIES:</b>	
Payables:	
Investment securities purchased . . . . .	429,143
Due to affiliates . . . . .	90,438
Accrued expenses . . . . .	119,112
<b>TOTAL LIABILITIES</b> . . . . .	<b><u>638,693</u></b>
<b>NET ASSETS</b> . . . . .	<b><u>\$76,655,962</u></b>
<b>SHARES OUTSTANDING</b> (Unlimited shares authorized, no par value) . . . . .	<b><u>8,915,029</u></b>
<b>NET ASSET VALUE</b> . . . . .	<b><u>\$ 8.60</u></b>
<b>NET ASSETS CONSISTED OF THE FOLLOWING AT DECEMBER 31, 2007:</b>	
Paid-in capital . . . . .	\$69,126,365
Accumulated net investment loss . . . . .	(811,445)
Accumulated net realized gain . . . . .	3,208,605
Unrealized net foreign exchange gain . . . . .	22,141
Unrealized net appreciation on investments . . . . .	5,110,296
<b>NET ASSETS</b> . . . . .	<b><u>\$76,655,962</u></b>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Equity Yield Fund**  
**Statement of Operations**  
**For the period ended December 31, 2007\***

INVESTMENT INCOME:	
Income:	
Dividends (Net of non-reclaimable taxes of \$120,933) . . . . .	\$ 1,156,798
Interest . . . . .	207,467
Total income . . . . .	1,364,265
Expenses:	
Investment advisory fee . . . . .	1,104,053
Administration fee . . . . .	78,382
Professional fees . . . . .	41,954
Audit and tax fees . . . . .	42,500
Federal and state registration fees . . . . .	24,303
Custodian fees . . . . .	70,000
Transfer agent fees . . . . .	2,754
Trustees' fees . . . . .	23,681
Miscellaneous . . . . .	60,541
Total expenses . . . . .	1,448,168
Investment advisory fees waived . . . . .	(74,643)
Fees paid indirectly . . . . .	(26,757)
Net expenses . . . . .	1,346,768
Net investment income . . . . .	17,497
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized gain from security transactions . . . . .	25,824,252
Net realized foreign exchange loss . . . . .	(122,112)
Net change in unrealized foreign exchange gain . . . . .	22,141
Net change in unrealized appreciation on investments . . . . .	5,110,296
Net realized and unrealized gain on investments and foreign currency transactions . . . . .	30,834,577
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS. . . . .	
	\$30,852,074

\* Fund commenced operations on April 2, 2007.

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Equity Yield Fund**  
**Statement of Changes in Net Assets**

*For the period  
April 2, 2007  
through  
December 31, 2007\**

INCREASE IN NET ASSETS:

Operations:

Net investment income . . . . .	\$ 17,497
Net realized gain on investments and foreign currency transactions . . . . .	25,702,140
Net change in unrealized gain on investments and foreign currency transactions . . . . .	<u>5,132,437</u>

Net increase in net assets resulting from operations . . . . .	<u>30,852,074</u>
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Distributions to shareholders:

Net investment income . . . . .	(2,232,103)
Capital gains . . . . .	<u>(21,090,374)</u>
Total distributions to shareholders . . . . .	<u>(23,322,477)</u>

Capital share transactions:

Proceeds from shares sold . . . . .	130,742,616
Reinvestment of distributions . . . . .	23,181,701
Cost of shares redeemed . . . . .	(84,800,340)
Redemption fees . . . . .	<u>2,388</u>

Net increase in net assets derived from capital share transactions . . . . .	<u>69,126,365</u>
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Total increase in net assets . . . . .	<u>76,655,962</u>
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NET ASSETS:

Beginning of period . . . . .	\$ —
End of period (Including accumulated net investment loss of \$811,445) . . . . .	<u>\$ 76,655,962</u>

Capital share transactions are as follows:

Shares issued . . . . .	13,496,603
Shares reinvested . . . . .	2,844,380
Shares redeemed . . . . .	<u>(7,425,954)</u>

Net increase from capital share transactions . . . . .	<u>8,915,029</u>
--	------------------

\* Fund commenced operations on April 2, 2007.

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Equity Yield Fund**  
**Financial Highlights**

	<i>For the period April 2, 2007 through December 31, 2007</i>
Net asset value, beginning of period . . . . .	\$ 10.00
INCOME FROM INVESTMENT OPERATIONS:	
Net investment income . . . . .	0.17
Net realized and unrealized gain (loss) on investments and foreign currency transactions . . . . .	<u>2.68</u>
Total income from investment operations . . . . .	<u>2.85</u>
LESS DISTRIBUTIONS:	
Dividends from net investment income . . . . .	(0.41)
Distributions from capital gains . . . . .	<u>(3.84)</u>
Total distributions . . . . .	<u>(4.25)</u>
Redemption fees added to paid-in capital . . . . .	<u>0.00</u> ~
Net asset value, end of period . . . . .	<u>\$ 8.60</u>
Total Return . . . . .	30.78 %**
RATIOS/SUPPLEMENTAL DATA	
Net assets, end of period (in 000's) . . . . .	\$76,656
Ratio of expenses before fees paid indirectly to average net assets . . . . .	1.97 %*†
Ratio of net expenses to average net assets . . . . .	1.83 %*†#
Ratio of net investment income to average net assets . . . . .	0.02 %*†#
Portfolio turnover . . . . .	208.49 %**

\* Annualized

\*\* Not Annualized

~ Amount represents less than \$0.01 per share

† The Adviser agreed to waive its investment advisory fee or absorb other operating expenses to the extent necessary to ensure that the total Fund operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures, and extraordinary expenses) would not exceed the Fund's annual operating expense cap of 1.75% of average daily net assets until March 31, 2010. Fund expenses were reimbursed for expenses exceeding the 1.75% expense cap after reduction of amounts received through commission recapture programs that were applied to Fund expenses. The Adviser's expense reimbursement level, which affects the net expense ratio, changed from 2.00% to 1.75% on August 1, 2007.

# Such ratios are net of fees paid indirectly (see Note B in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

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## Driehaus International Small Cap Growth Fund — Portfolio Managers' Letter

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Dear Fellow Shareholders,

The Driehaus International Small Cap Growth Fund ("Fund") gained 18.88% from its inception on September 17, 2007 through December 31, 2007. This performance significantly exceeded the performance of the Fund's primary benchmark index, the Morgan Stanley Capital International World ex USA Small Cap Index, which declined 1.42% for the same period.<sup>1</sup>

International small capitalization stocks trailed international large capitalization stocks throughout 2007, with growth-related stocks modestly outperforming value-related stocks. The impact of the U.S. sub-prime loan problem evolved into a worldwide crisis that impacted the monetary policy of many nations. Contributing to the shifting investment terrain across all market capitalization over the course of 2007 was the risk of inflation and higher interest rates. Inflationary pressure in developing countries such as China directly affected commodity prices. The prices of select raw materials have surged in the past twelve months.

A key contributor to performance was the Fund's allocation and selection of holdings in the industrials sector. Holdings such as Meyer Burger Technology AG (SWF:MBTN), a Switzerland-based company that specializes in the development and manufacture of machines for sawing and processing a wide range of materials, contributed to performance. The company is a market leader in the manufacturing of machines that contain highly precise saws for cutting silicon and other crystals for use in solar power, optics, and semiconductors. This holding benefited from increased alternative energy demand, particularly solar power.

Similarly, allocation and stock selection in the consumer discretionary sector also contributed to Fund performance. Holdings such as Tradus PLC (LON:TRAD), a United Kingdom-based auctioneer that provides online consumer trading platforms and related Internet services in eleven European countries, contributed to performance. Tradus PLC appreciated after Naspers Ltd., Africa's largest media company, agreed to purchase the company.

Additionally, through bottom-up stock selection, we found attractive opportunities that benefited the portfolio in Switzerland, Germany, and Argentina. One of the holdings in Argentina that contributed to the Fund's performance was MercadoLibre Inc. (NASDAQ:MELI). The company hosts online platforms in Latin America. The MercadoLibre marketplace is an automated, topically arranged online trading service that permits both businesses and individuals to list items and conduct their sales and purchases online in either a fixed-price or auction-based format. The company also has an online payment segment that assists the buyers and sellers in completing their transactions. After going public on August 10, 2007, the company has benefited from increased revenue and earnings.

Certain areas, however, detracted from Fund performance. One sector where allocation and stock selection negatively affected the performance of the Fund was financials. Additionally, holdings in Taiwan and Japan detracted from Fund performance versus the benchmark.

In the information technology sector, Av Tech Corporation (TPE:8072) was an example of a holding that detracted from performance. Av Tech Corporation is a Taiwan-based company engaged in the sale of semiconductor components and closed circuit television products. The company's major products include color charged-coupled device cameras and digital video recorders. Declining net profit margins helped contribute to the weaker performance of this stock.

We have continued to add small cap names with good earnings potential throughout Europe and the emerging markets. As we move into the new year, the Fund's exposure to such markets as the United Kingdom, Thailand, and Australia has increased.

During 2007, Driehaus Capital Management LLC added two senior analysts to the international team supporting the Fund. Sebastian Pigeon joined the firm as a senior analyst with coverage responsibility for Western Europe. Jun Xia joined the international team as a senior analyst with coverage responsibility in Japan, Australia, and New Zealand. Three international market analysts who supported the Fund left the firm during 2007.

We at Driehaus Capital Management LLC thank you for your interest in the Driehaus International Small Cap Growth Fund. We remain committed to the Driehaus core growth investment philosophy which we believe is a rewarding strategy over the long term.

Sincerely,



Howard M. Schwab  
*Portfolio Manager*



David Mouser  
*Assistant Portfolio Manager*

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<sup>1</sup> During the period, the Fund's returns reflect fee waivers and/or reimbursements without which performance would have been lower.

Performance is historical and does not represent future results.

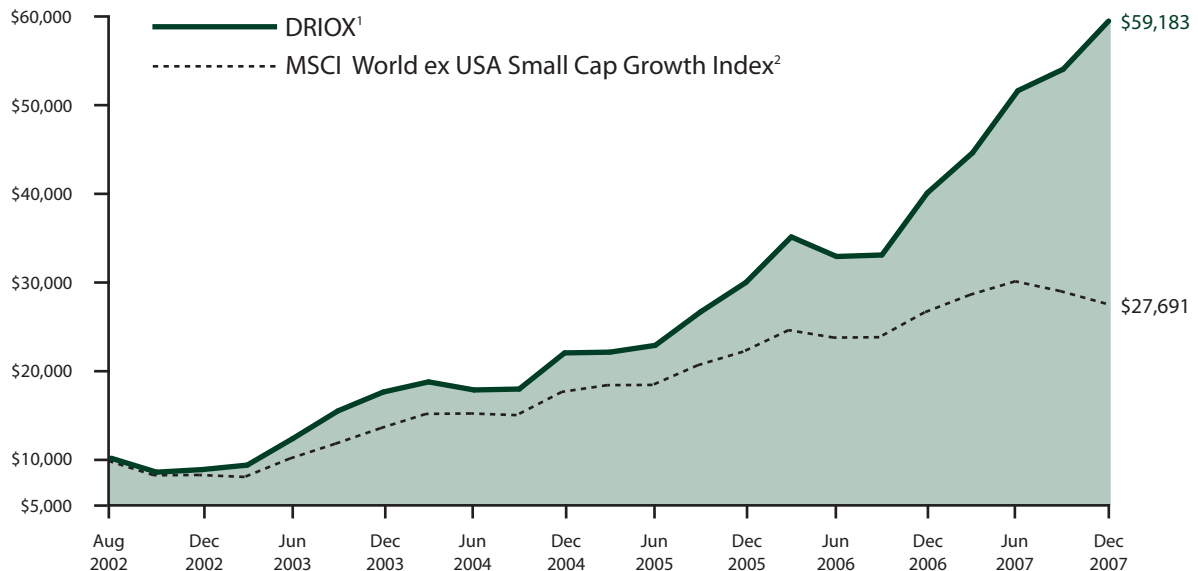
## Driehaus International Small Cap Growth Fund Performance Overview (unaudited)

The performance summarized below is historical and does not represent future results. Investment returns and principal value vary, and you may have a gain or loss when you sell shares. Performance data presented measures the change in the value of an investment in the Fund, assuming reinvestment of all dividends and capital gains. Average annual total return reflects annualized change.

The table does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The graph compares the results of a \$10,000 investment in the Fund since August 1, 2002 (the date of the Predecessor Limited Partnership's inception), with all dividends and capital gains reinvested, with the indicated index (and dividends reinvested) for the same period.

Average Annual Total Returns as of 12/31/07	Fund Only	Including Predecessor Limited Partnership			
	Since Inception (9/17/07 - 12/31/07)	1 Year	3 Years	5 Years	Since Inception (8/1/02 - 12/31/07)
Driehaus International Small Cap Growth Fund (DRIOX) <sup>1</sup>	18.88%	48.55%	39.39%	46.66%	38.86%
MSCI World ex USA Small Cap Index <sup>2</sup>	-1.42%	3.65%	15.94%	26.88%	22.56%

You cannot invest directly in this index.



<sup>1</sup> The Driehaus International Small Cap Growth Fund (the "Fund") performance shown above includes the performance of the Driehaus International Opportunities Fund, L.P. (the "Limited Partnership"), the Fund's predecessor, for the periods before the Fund's registration statement became effective. The Limited Partnership was established on August 1, 2002 and the Fund succeeded to the Limited Partnership's assets on September 17, 2007. The Limited Partnership was not registered under the Investment Company Act of 1940, as amended ("1940 Act"), and thus was not subject to certain investment and operational restrictions that are imposed by the 1940 Act. If the Limited Partnership had been registered under the 1940 Act, its performance may have been adversely affected. The Limited Partnership's performance has been restated to reflect estimated expenses of the Fund.

<sup>2</sup> The Morgan Stanley Capital International World ex-USA Small Cap Index (MSCI World ex-USA Small Cap Index) is a free-float adjusted market capitalization-weighted index designed to measure equity market performance in the global developed and emerging markets. It is a subset of the Morgan Stanley Capital International All Country World Index (MSCI AC World Index) and is composed of only those MSCI AC World Index stocks which are categorized as small cap stocks. Data is in U.S. dollars. Source: Morgan Stanley Capital International, Inc.

**Driehaus International Small Cap Growth Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>EQUITY SECURITIES — 91.7%</b>					
<b>FAR EAST — 37.5%</b>					
<b>China — 10.4%</b>					
AAC Acoustic Technologies Holdings, Inc.** . . . . .					
	1,633,500	\$ 2,199,676			
JA Solar Holdings Co., Ltd. — ADR** . . . . .					
	28,814	2,011,505			
New Oriental Education & Technology Group, Inc. — SP ADR** . . . . .					
	31,200	2,514,408			
New World Department Store China** . . . . .					
	2,976,000	4,213,589			
Tian An China Investments Co., Ltd. . . . .					
	1,840,300	2,586,720			
Xinyuan Real Estate Co., Ltd. — ADR** . . . . .					
	95,944	1,365,283			
		<u>14,891,181</u>			
<b>Australia — 5.3%</b>					
Arrow Energy NL** . . . . .					
	738,226	1,763,098			
Ausenco, Ltd. . . . .					
	55,791	745,585			
Avoca Resources, Ltd.** . . . . .					
	914,461	1,935,087			
Industrea, Ltd. . . . .					
	2,140,456	1,315,596			
NRW Holdings, Ltd.** . . . . .					
	700,628	1,857,858			
		<u>7,617,224</u>			
<b>Japan — 4.4%</b>					
Capcom Co., Ltd. . . . .					
	92,600	2,366,495			
Nippon Synthetic Chemical Industry Co., Ltd. . . . .					
	111,500	578,884			
Shinko Plantech Co., Ltd. . . . .					
	78,900	1,069,986			
Sugi Pharmacy Co., Ltd. . . . .					
	79,400	2,281,466			
		<u>6,296,831</u>			
<b>South Korea — 3.9%</b>					
Credu Corp. . . . .					
	20,638	2,883,874			
MegaStudy Co., Ltd. . . . .					
	1,778	510,958			
Pyeong San Co., Ltd. . . . .					
	41,617	2,267,472			
		<u>5,662,304</u>			
<b>Thailand — 3.2%</b>					
Asian Property Development Public Co., Ltd. — NVDR . . . . .					
	9,789,700	1,859,999			
BEC World Public Co., Ltd. — NVDR . . . . .					
	3,254,300	2,777,531			
		<u>4,637,530</u>			
<b>Taiwan — 2.6%</b>					
GeoVision, Inc. . . . .					
	398,000	3,668,994			
<b>Indonesia — 2.4%</b>					
PT Bakrieland Development Tbk** . . . . .					
	31,287,000	2,065,258			
PT Indo Tambangraya Megah** . . . . .					
	703,500	1,415,614			
		<u>3,480,872</u>			
<b>Singapore — 2.0%</b>					
Swiber Holdings, Ltd.** . . . . .					
	1,182,000	\$ 2,816,534			
<b>Hong Kong — 1.9%</b>					
Midland Holdings, Ltd. . . . .					
	1,692,500	2,674,174			
<b>Philippines — 1.4%</b>					
Megaworld Corp. . . . .					
	22,202,000	2,017,141			
<b>Vietnam — 0.0%</b>					
Luks Group Vietnam Holdings Co., Ltd. . . . .					
	1,500	1,847			
		<u>53,764,632</u>			
<b>EUROPE — 35.2%</b>					
<b>United Kingdom — 9.6%</b>					
Aveva Group PLC . . . . .					
	93,862	1,803,960			
Hikma Pharmaceuticals PLC . . . . .					
	284,393	2,679,134			
Southern Cross Healthcare, Ltd. . . . .					
	170,151	1,795,128			
Tradus PLC** . . . . .					
	143,727	5,129,837			
Wellstream Holdings PLC** . . . . .					
	109,199	2,354,139			
		<u>13,762,198</u>			
<b>Germany — 9.4%</b>					
Aixtron AG** . . . . .					
	290,542	4,039,730			
Centrotherm Photovoltaics AG** . . . . .					
	40,986	4,494,276			
Manz Automation AG** . . . . .					
	8,037	1,938,718			
Roth & Rau AG** . . . . .					
	2,040	766,823			
Wirecard AG** . . . . .					
	135,741	2,294,203			
		<u>13,533,750</u>			
<b>Netherlands — 3.7%</b>					
Koninklijke Boskalis Westminster NV — CVA . . . . .					
	43,058	2,622,624			
Smartrac NV** . . . . .					
	50,726	2,766,320			
		<u>5,388,944</u>			
<b>Norway — 3.6%</b>					
Sevan Marine ASA** . . . . .					
	226,000	3,412,986			
Siem Offshore, Inc.** . . . . .					
	303,020	1,077,062			
Stepstone ASA** . . . . .					
	154,000	680,682			
		<u>5,170,730</u>			
<b>Switzerland — 3.0%</b>					
Meyer Burger Technology AG** . . . . .					
	11,527	4,255,873			
<b>Belgium — 2.5%</b>					
Hansen Transmissions International** . . . . .					
	627,445	3,597,105			
<b>Sweden — 1.6%</b>					
Axis Communications AB . . . . .					
	92,750	2,281,726			
<b>Russia — 1.3%</b>					
Mechel — ADR . . . . .					
	19,103	1,855,665			

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Small Cap Growth Fund**  
**Schedule of Investments**  
**December 31, 2007**

	<i>Number of Shares</i>	<i>Market Value (Note A)</i>		<i>Number of Shares</i>	<i>Market Value (Note A)</i>
<b>Spain — 0.5%</b>			<b>WARRANTS — 0.0%</b>		
Tecnicas Reunidas SA . . . . .	10,447	\$ 668,698	<b>FAR EAST — 0.0%</b>		
Total EUROPE . . . . .		<u>50,514,689</u>	<b>China — 0.0%</b>		
<b>NORTH AMERICA — 8.2%</b>			Tian An China		
<b>Canada — 4.9%</b>			Investments Co., Ltd.,		
5N Plus, Inc.** . . . . .	130,877	1,055,556	Expires 01/02/10 . . . . .		
Labrador Iron Ore Royalty			275,300	\$	—
Income Fund . . . . .	79,733	3,832,548	Total WARRANTS		
Uranium Participation			(Cost \$0) . . . . .		
Corp.** . . . . .	198,627	<u>2,115,173</u>	<u>—</u>		
		<u>7,003,277</u>	<b>TOTAL INVESTMENTS</b>		
<b>United States — 3.3%</b>			(COST \$111,185,811) . . . . .		
PriceSmart, Inc. . . . .	73,722	2,216,084	91.7%	\$131,483,738	
T-3 Energy Services,			Other Assets In Excess Of		
Inc.** . . . . .	54,519	<u>2,562,938</u>	Liabilities . . . . .		
		<u>4,779,022</u>	8.3%	<u>11,880,337</u>	
Total NORTH AMERICA . . . . .		<u>11,782,299</u>	Net Assets . . . . .		
<b>SOUTH AMERICA — 4.9%</b>			100.0%	<u>\$143,364,075</u>	
<b>Brazil — 2.8%</b>			<i>The federal income tax basis and unrealized appreciation</i>		
Cyrela Commercial			<i>(depreciation) for all investments is as follows:</i>		
Properties SA			Basis: . . . . .		
Empreendimentos e			Gross Appreciation . . . . .		
Participacoes** . . . . .	242,300	1,634,844	Gross Depreciation . . . . .		
MRV Engenharia e			Net Appreciation . . . . .		
Participacoes SA** . . . . .	112,400	<u>2,402,708</u>	\$ 21,214,740		
		<u>4,037,552</u>	(2,237,090)		
<b>Argentina — 2.1%</b>			\$ 18,977,650		
Mercadolibre, Inc.** . . . . .	40,683	3,005,660			
Total SOUTH AMERICA . . . . .		<u>7,043,212</u>			
<b>MIDDLE EAST — 4.2%</b>			<b>Regional Weightings*</b>		
<b>Egypt — 2.3%</b>			Western Europe . . . . .		
El Sewedy Cables Holding			Asia/Far East Ex-Japan . . . . .		
Co.** . . . . .	153,735	<u>3,288,598</u>	North America . . . . .		
<b>Israel — 1.9%</b>			South America . . . . .		
Elbit Systems, Ltd. . . . .	44,441	<u>2,648,239</u>	Japan . . . . .		
Total MIDDLE EAST . . . . .		<u>5,936,837</u>	Middle East . . . . .		
<b>AFRICA — 1.7%</b>			Africa . . . . .		
<b>South Africa — 1.7%</b>			Eastern Europe . . . . .		
Spar Group, Ltd. . . . .	276,782	<u>2,442,069</u>	33.9%		
Total AFRICA . . . . .		<u>2,442,069</u>	33.1%		
Total EQUITY SECURITIES			8.2%		
(Cost \$111,185,811) . . . . .		<u>131,483,738</u>	4.9%		
			4.4%		
			4.2%		
			1.7%		
			1.3%		
			<b>Top Ten Holdings*</b>		
			Tradus PLC . . . . .		
			Centrotherm Photovoltaics AG . . . . .		
			Meyer Burger Technology AG . . . . .		
			New World Department Store China . . . . .		
			Aixtron AG . . . . .		
			Labrador Iron Ore Royalty Income Fund . . . . .		
			GeoVision, Inc . . . . .		
			Hansen Transmissions International . . . . .		
			Sevan Marine ASA . . . . .		
			El Sewedy Cables Holding Co. . . . .		

\* All percentages are stated as a percent of net assets at December 31, 2007

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Small Cap Growth Fund**  
**Schedule of Investments by Industry**  
**December 31, 2007 (unaudited)**

<u>Industry</u>	<u>Percent of Net Assets</u>	<u>Industry</u>	<u>Percent of Net Assets</u>
Alternative Energy . . . . .	2.1%	Health Care . . . . .	1.3%
Basic Industries/Multi-Industry . . . . .	1.0%	Health Care/Multi-Industry . . . . .	3.5%
Building Materials . . . . .	1.6%	Leisure & Tourism . . . . .	1.9%
Business & Public Services . . . . .	1.6%	Machinery & Engineering . . . . .	6.5%
Capital Goods/Multi-Industry . . . . .	2.5%	Merchandising . . . . .	4.6%
Chemicals . . . . .	0.4%	Metals — Nonferrous . . . . .	2.7%
Communications . . . . .	1.8%	Metals — Steel . . . . .	1.3%
Construction . . . . .	5.3%	Miscellaneous Materials . . . . .	0.5%
Consumer Services/Multi-Industry . . . . .	7.4%	Oil . . . . .	1.8%
Electronic Components . . . . .	4.1%	Real Estate . . . . .	8.5%
Electronic Systems/Devices . . . . .	1.8%	Retailing — Goods . . . . .	3.6%
Energy Equipment . . . . .	1.6%	Technology/Multi-Industry . . . . .	14.8%
Energy Sources . . . . .	2.7%	Telecommunications . . . . .	2.3%
Finance/Multi-Industry . . . . .	0.8%	Transportation — Shipping . . . . .	2.4%
Gold Mining . . . . .	1.3%	Other Assets in Excess of Liabilities . . . . .	<u>8.3%</u>
		TOTAL . . . . .	<u>100.0%</u>

Notes to Financial Statements are an integral part of this Schedule.

**Driehaus International Small Cap Growth Fund**  
**Statement of Assets and Liabilities**  
**December 31, 2007**

<b>ASSETS:</b>	
Investments, at market value (Cost \$111,185,811) . . . . .	\$131,483,738
Foreign currency (Cost \$3,668,569) . . . . .	3,700,074
Cash . . . . .	7,486,219
Receivables:	
Dividends . . . . .	37,768
Interest . . . . .	47,947
Investment securities sold . . . . .	3,753,128
Fund shares sold . . . . .	170,615
Net unrealized appreciation on unsettled foreign currency forward contracts from transaction hedges . . . . .	8,579
Prepaid expenses and other assets . . . . .	<u>31,257</u>
TOTAL ASSETS . . . . .	<u>146,719,325</u>
<b>LIABILITIES:</b>	
Payables:	
Investment securities purchased . . . . .	3,094,936
Due to affiliates . . . . .	174,758
Accrued expenses . . . . .	<u>85,556</u>
TOTAL LIABILITIES . . . . .	<u>3,355,250</u>
NET ASSETS . . . . .	<u>\$143,364,075</u>
SHARES OUTSTANDING (Unlimited shares authorized, no par value) . . . . .	<u>12,864,051</u>
NET ASSET VALUE . . . . .	<u>\$ 11.14</u>
<b>NET ASSETS CONSISTED OF THE FOLLOWING AT DECEMBER 31, 2007:</b>	
Paid-in capital . . . . .	\$117,877,452
Accumulated net investment loss . . . . .	(1,193,548)
Accumulated net realized gain . . . . .	6,350,695
Unrealized net foreign exchange gain . . . . .	31,549
Unrealized net appreciation on investments . . . . .	<u>20,297,927</u>
NET ASSETS . . . . .	<u>\$143,364,075</u>

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Small Cap Growth Fund**  
**Statement of Operations**  
**For the period ended December 31, 2007\***

INVESTMENT LOSS:	
Income:	
Dividends (Net of non-reclaimable taxes of \$15,265) . . . . .	\$ 159,838
Interest . . . . .	223,812
Total income . . . . .	383,650
Expenses:	
Investment advisory fee . . . . .	537,352
Administration fee . . . . .	35,518
Professional fees . . . . .	8,884
Audit and tax fees . . . . .	42,400
Federal and state registration fees . . . . .	8,999
Custodian fees . . . . .	45,000
Transfer agent fees . . . . .	2,020
Trustees' fees . . . . .	3,000
Miscellaneous . . . . .	11,000
Total expenses . . . . .	694,173
Fees paid indirectly . . . . .	(11,785)
Net expenses . . . . .	682,388
Net investment loss . . . . .	(298,738)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:	
Net realized gain from security transactions . . . . .	13,906,091
Net realized foreign exchange gain . . . . .	53,870
Net change in unrealized foreign exchange gain . . . . .	31,549
Net change in unrealized appreciation on investments . . . . .	20,297,927
Net realized and unrealized gain on investments and foreign currency transactions . . . . .	34,289,437
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS . . . . .	\$33,990,699

\* Fund commenced operations on September 17, 2007.

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Small Cap Growth Fund**  
**Statement of Changes in Net Assets**

*For the period  
September 17, 2007  
through  
December 31, 2007\**

INCREASE IN NET ASSETS:

Operations:

Net investment loss . . . . .	\$ (298,738)
Net realized gain on investments and foreign currency transactions . . . . .	13,959,961
Net change in unrealized gain on investments and foreign currency transactions . . . . .	<u>20,329,476</u>

Net increase in net assets resulting from operations . . . . . 33,990,699

Distributions to shareholders:

Net investment income . . . . .	(1,206,952)
Capital gains . . . . .	<u>(7,297,124)</u>
Total distributions to shareholders . . . . .	<u>(8,504,076)</u>

Capital share transactions:

Proceeds from shares sold . . . . .	144,236,868
Reinvestment of distributions . . . . .	8,498,763
Cost of shares redeemed . . . . .	(35,199,864)
Redemption fees . . . . .	<u>341,685</u>

Net increase in net assets derived from capital share transactions . . . . . 117,877,452

Total increase in net assets . . . . . 143,364,075

NET ASSETS:

Beginning of period . . . . .	\$ —
End of period (Including accumulated net investment loss of \$1,193,548) . . . . .	<u><u>\$143,364,075</u></u>

Capital share transactions are as follows:

Shares issued . . . . .	15,076,803
Shares reinvested . . . . .	807,867
Shares redeemed . . . . .	<u>(3,020,619)</u>
Net increase from capital share transactions . . . . .	<u>12,864,051</u>

\* Fund commenced operations on September 17, 2007.

Notes to Financial Statements are an integral part of this Statement.

**Driehaus International Small Cap Growth Fund**  
**Financial Highlights**

	<i>For the period September 17, 2007 through December 31, 2007</i>
Net asset value, beginning of period . . . . .	\$ 10.00
<b>INCOME FROM INVESTMENT OPERATIONS:</b>	
Net investment loss . . . . .	(0.02)
Net realized and unrealized gain (loss) on investments and foreign currency transactions . . . . .	<u>1.84</u>
Total income from investment operations . . . . .	<u>1.82</u>
<b>LESS DISTRIBUTIONS:</b>	
Dividends from net investment income . . . . .	(0.10)
Distributions from capital gains . . . . .	<u>(0.61)</u>
Total distributions . . . . .	<u>(0.71)</u>
Redemption fees added to paid-in capital . . . . .	<u>0.03</u>
Net asset value, end of period . . . . .	<u>\$ 11.14</u>
Total Return . . . . .	18.88 %**
<b>RATIOS/SUPPLEMENTAL DATA</b>	
Net assets, end of period (in 000's) . . . . .	\$143,364
Ratio of expenses before fees paid indirectly to average net assets . . . . .	1.94 %*†
Ratio of net expenses to average net assets . . . . .	1.90 %*†#
Ratio of net investment loss to average net assets . . . . .	(0.83)%*†#
Portfolio turnover . . . . .	100.45 %**

\* Annualized

\*\* Not Annualized

† The Adviser agreed to waive its investment advisory fee or absorb other operating expenses to the extent necessary to ensure that the total Fund operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures, and extraordinary expenses) would not exceed the Fund's annual operating expense cap of 2.00% of average daily net assets until September 16, 2010. Fund expenses were reimbursed for expenses exceeding the 2.00% expense cap after reduction of amounts received through commission recapture programs that were applied to Fund expenses.

# Such ratios are net of fees paid indirectly (see Note B in the Notes to Financial Statements).

Notes to Financial Statements are an integral part of this Schedule.

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**Driehaus Mutual Funds**  
**Notes to Financial Statements**

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**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The **Driehaus Mutual Funds** (the “**Trust**”) is a registered management investment company, organized as a Delaware statutory trust, with four separate series (“**Funds**”). The **Trust** was organized under an Agreement and Declaration of Trust dated May 31, 1996 and may issue an unlimited number of full and fractional units of beneficial interest (shares) without par value. The four **Funds** included in the **Trust** are as follows:

<i>Fund</i>	<i>Commencement of Operations</i>
<b>Driehaus International Discovery Fund</b>	12/31/98
<b>Driehaus Emerging Markets Growth Fund</b>	12/31/97
<b>Driehaus International Equity Yield Fund</b>	04/02/07
<b>Driehaus International Small Cap Growth Fund</b>	09/17/07

The investment objective of the **Funds** is to maximize capital appreciation.

The **Driehaus International Discovery Fund** seeks to achieve its objective by generally investing in equity securities of small to mid-size foreign companies; however, the **Fund** may shift its focus toward large cap foreign stocks when market conditions suggest doing so will help the **Fund** achieve its objective.

The **Driehaus Emerging Markets Growth Fund** seeks to achieve its objective by investing primarily in equity securities of emerging markets companies.

The **Driehaus International Equity Yield Fund** seeks to achieve its objective by generally investing in equity securities of small to mid-size foreign companies; however, the **Fund** may shift its focus toward large cap foreign stocks when market conditions suggest doing so will help the **Fund** achieve its objective.

The **Driehaus International Small Cap Growth Fund** seeks to achieve its objective by investing primarily in equity securities of smaller capitalization non-U.S. companies exhibiting strong growth characteristics.

**Fiscal Year End**

The fiscal year end for the **Funds** is December 31.

**Securities Valuation and Transactions**

Equity securities are valued at the last sale price as of the close of the appropriate exchange or other designated time. In addition, if quotations are not readily available, if the values have been materially affected by events occurring after the closing of a foreign market, or if there has been a movement in the United States market that exceeds a certain threshold, assets may be valued at fair value as determined in good faith by or under the direction of the **Trust's** Board of Trustees. Events that may materially affect asset values that could cause a fair value determination include, but are not limited to: corporate announcements relating to a specific security; natural and other disasters which may impact an entire market or region; and political and other events which may be global or impact a particular country or region.

Securities transactions are accounted for on trade date. The cost of investments sold is determined by the use of specific identification method for both financial reporting and income tax purposes. Interest income is recorded on an accrual basis. Dividend income, net of non-reclaimable foreign taxes withheld, is recorded on the ex-dividend date or as soon as the information is available.

The **Funds** determine income and expenses daily.

**Federal Income Taxes**

No provision is made for Federal income taxes since each **Fund** has elected to be taxed as a “regulated investment company” under Subchapter M of the Internal Revenue Code (the “Code”) and has made and declared

**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

all the required distributions to its shareholders in amounts sufficient to relieve the **Fund** from all or substantially all Federal income and excise taxes under provisions of current Federal tax law.

During the current year, the **Funds** adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the **Funds'** tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Each of the tax years in the four year period ended December 31, 2007, remains subject to examination by the Internal Revenue Service and state jurisdiction. Foreign taxes are provided for based on the **Funds'** understanding of the tax rules and rates that exist in the foreign markets in which they invest. The adoption of FIN 48 did not result in any material impact to the accompanying financial statements.

The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with Federal income tax regulations, which may differ from generally accepted accounting principles.

For the year ended December 31, 2007, reclassifications were recorded to undistributed net investment income, undistributed net realized foreign exchange loss and undistributed net realized gain for any permanent tax differences. These reclassifications relate primarily to foreign currency losses, sales of passive foreign investment companies and net operating losses. Results of operations and net assets were not affected by these classifications.

	<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund</u>	<u>Driehaus International Small Cap Growth Fund</u>
Undistributed ordinary income . . . . .	\$ 4,928,701	\$ 1,814,534	\$ 1,403,161	\$ 312,142
Undistributed net realized gain . . . . .	(4,928,701)	(1,814,534)	(1,403,161)	(312,142)

During the year ended December 31, 2007, the **Driehaus International Discovery Fund** utilized \$4,700,824 of capital loss carryforwards and as of December 31, 2007, the **Fund** had capital loss carryforwards of \$101,278,177 expiring in 2008 and \$24,839,330 expiring in 2009. During the year ended December 31, 2007, the **Driehaus Emerging Markets Growth Fund** utilized \$402,998 of capital loss carryforwards and as of December 31, 2007, the **Fund** had no capital loss carryforwards. To the extent that the **Driehaus International Discovery Fund** realizes future net capital gains, those capital gains will be offset by any unused capital loss carryforward subject to the limitations described below. For the year ended December 31, 2007, the **Driehaus International Discovery Fund**, the **Driehaus Emerging Markets Growth Fund**, the **Driehaus International Equity Yield Fund** and the **Driehaus International Small Cap Growth Fund** realized no post-October capital losses. The **Driehaus International Discovery Fund** realized post-October foreign currency losses of \$89,755 and post-October passive foreign investment company losses of \$1,210,068, which were deferred for tax purposes and were recognized on January 1, 2008, the **Driehaus Emerging Markets Growth Fund** realized post-October foreign currency losses of \$285,145, which were deferred for tax purposes and were recognized on January 1, 2008, the **Driehaus International Equity Yield Fund** realized post-October foreign currency losses of \$37,227 and post-October passive foreign investment company losses of \$805,870, which were deferred for tax purposes and were recognized on January 1, 2008, and the **Driehaus International Small Cap Growth Fund** realized post-October passive foreign investment company losses of \$515,022, which were deferred for tax purposes and were recognized on January 1, 2008.

Included in the capital loss carryforward amounts stated above are capital losses that the **Driehaus International Discovery Fund** inherited from its merger with the **Driehaus International Growth Fund** on September 29, 2003 of approximately \$126,117,507, which may be applied against any realized net taxable capital gains in future years or until December 31, 2009. Section 382 of the Code imposes certain limitations that will likely reduce the **Fund's** ability to use the majority of these capital loss carryforwards.

**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

**Distributions to Shareholders**

The tax character of distributions paid during the fiscal year ended December 31, 2007 was as follows:

<u>Distributions paid from:</u>	<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund*</u>	<u>Driehaus International Small Cap Growth Fund**</u>
Ordinary income . . . . .	\$ 80,760,251	\$113,140,098	\$21,573,322	\$8,101,758
Net long-term capital gain . . . . .	<u>83,702,657</u>	<u>92,205,006</u>	<u>1,749,155</u>	<u>402,318</u>
Total distributions paid . . . . .	<u>\$164,462,908</u>	<u>\$205,345,104</u>	<u>\$23,322,477</u>	<u>\$8,504,076</u>

The tax character of distributions paid during the fiscal year ended December 31, 2006 was as follows:

<u>Distributions paid from:</u>	<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>
Ordinary income . . . . .	\$ 27,202,119	\$ 1,568,623
Net long-term capital gain . . . . .	<u>87,564,888</u>	<u>14,893,827</u>
Total distributions paid . . . . .	<u>\$114,767,007</u>	<u>\$16,462,450</u>

\* **Driehaus International Equity Yield Fund** commenced operations on April 2, 2007.

\*\* **Driehaus International Small Cap Growth Fund** commenced operations on September 17, 2007.

As of December 31, 2007, the components of net assets on a tax basis were as follows:

	<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund</u>	<u>Driehaus International Small Cap Growth Fund</u>
Undistributed ordinary income . . . . .	\$ 2,740,359	\$ 8,784,434	\$ 3,560,420	\$ 6,501,382
Undistributed long-term capital gain . . . . .	<u>3,548,469</u>	<u>26,426,015</u>	<u>—</u>	<u>491,064</u>
Accumulated earnings . . .	\$ 6,288,828	\$ 35,210,449	\$ 3,560,420	\$ 6,992,446
Paid-in capital . . . . .	827,376,830	654,693,605	69,126,365	117,877,452
Accumulated capital and other losses . . . . .	(127,417,331)	(285,144)	(843,097)	(515,022)
Unrealized appreciation on foreign currency . . . . .	5,014	295,965	22,141	31,549
Unrealized appreciation on investments . . . . .	<u>150,787,504</u>	<u>268,315,342</u>	<u>4,790,133</u>	<u>18,977,650</u>
Net assets . . . . .	<u>\$ 857,040,845</u>	<u>\$958,230,217</u>	<u>\$76,655,962</u>	<u>\$143,364,075</u>

The differences between book-basis and tax-basis unrealized appreciation are attributable primarily to the tax deferral of losses on wash sales and passive foreign investment company (PFIC) mark-to-market.

**Foreign Currency Translation**

Foreign currency and equity securities not denominated in U.S. dollars are translated into U.S. dollar values based upon the current rates of exchange on the date of the **Funds'** valuations.

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**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

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Net realized foreign exchange gains or losses which are reported by the **Funds** result from currency gains and losses on transaction hedges arising from changes in exchange rates between the trade and settlement dates on forward contracts underlying securities transactions, and the difference between the amounts accrued for dividends, interest, and foreign taxes and the amounts actually received or paid in U.S. dollars for these items. Net unrealized foreign exchange gains and losses result from changes in the U.S. dollar value of assets and liabilities (other than investments in securities), which are denominated in foreign currencies, as a result of changes in exchange rates.

Net realized foreign exchange gains or losses on portfolio hedges result from the use of forward contracts to hedge portfolio positions denominated or quoted in a particular currency in order to reduce or limit exposure in that currency. The **Funds** had no portfolio hedges during the year ended December 31, 2007.

The **Funds** do not isolate that portion of the results of operations which results from fluctuations in foreign exchange rates on investments. These fluctuations are included with the net realized gain (loss) from security transactions and the net change in unrealized appreciation (depreciation) of investments.

#### **Use of Estimates**

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net increases or decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

#### **Indemnifications**

Under the **Trust's** organizational documents, the officers and Trustees are indemnified against certain liabilities arising out of the performance of their duties to the **Trust**. In addition, in the normal course of business, the **Trust** enters into contracts that provide general indemnifications to other parties. The **Funds'** maximum exposure under these agreements is unknown as this would involve future claims that may be made against the **Funds** that have not yet occurred. However, the **Funds** have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

#### **New Accounting Pronouncement**

In September, 2006, the FASB issued *Statement on Financial Accounting Standards No. 157, "Fair Value Measurements"* (FAS 157). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. As of December 31, 2007, the **Funds** do not believe the adoption of FAS 157 will impact the amounts reported in the financial statements; however, additional disclosures will be required about the inputs used to develop the measurements of fair value and the effect of certain of the measurements reported in the Statements of Operations for a fiscal period.

#### **B. INVESTMENT ADVISORY FEES, TRANSACTIONS WITH AFFILIATES, AND ADMINISTRATIVE FEES**

Richard H. Driehaus, the President of the **Trust**, is also the Chairman of the Board of Driehaus Capital Management LLC ("DCM" or the "Adviser"), a registered investment adviser, and of Driehaus Securities LLC ("DS LLC" or the "Distributor"), a registered broker-dealer.

DCM serves as the **Funds'** investment adviser. In return for its services to the **Funds**, DCM receives a monthly fee. The **Driehaus International Discovery Fund** pays the Adviser an annual management fee on a monthly basis as follows: 1.50% on the first \$500 million of average daily net assets, 1.35% on the next \$500 million and 1.25% of average daily net assets in excess of \$1 billion. The **Driehaus Emerging Markets Growth Fund**, the **Driehaus International Equity Yield Fund** and the **Driehaus International Small Cap Growth Fund** each pay the

**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

Adviser a monthly fee computed and accrued daily at an annual rate of 1.50% of each **Fund's** average daily net assets.

DCM has entered into an agreement to cap the **Driehaus International Equity Yield Fund's** annual operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures and extraordinary expenses) at 1.75% of average daily net assets until March 31, 2010. The Adviser's expense reimbursement level, which affects the net expense ratio, changed from 2.00% to 1.75% on August 1, 2007. For a period of three years subsequent to the **Fund's** commencement of operations, DCM is entitled to reimbursement for previously waived fees and reimbursed expenses to the extent that the **Fund's** expense ratio remains below the operating expense cap. For the period ended December 31, 2007, the **Fund** had \$74,643 of its fees waived by DCM.

DCM has entered into an agreement to cap the **Driehaus International Small Cap Growth Fund's** annual operating expenses (other than interest, taxes, brokerage commissions and other portfolio transaction expenses, capital expenditures and extraordinary expenses) at 2.00% of average daily net assets until September 16, 2010. For a period of three years subsequent to the **Fund's** commencement of operations, DCM is entitled to reimbursement for previously waived fees and reimbursed expenses to the extent that the **Fund's** expense ratio remains below the operating expense cap. For the period ended December 31, 2007, the **Fund** did not have any fees waived by DCM.

The amounts accrued and payable to DCM during the year ended December 31, 2007, are as follows:

<i>Fund</i>	<i>Advisory Fees</i>	<i>Advisory Fees Payable (included in Due to affiliates)</i>
<b>Driehaus International Discovery Fund</b>	\$10,390,126	\$1,017,299
<b>Driehaus Emerging Markets Growth Fund</b>	13,196,726	1,231,914
<b>Driehaus International Equity Yield Fund*</b>	1,104,053	90,438
<b>Driehaus International Small Cap Growth Fund**</b>	537,352	174,758

\* **Driehaus International Equity Yield Fund** commenced operations on April 2, 2007.

\*\* **Driehaus International Small Cap Growth Fund** commenced operations on September 17, 2007.

The **Funds** direct certain portfolio trades, subject to obtaining the best price and execution, to brokers who have agreed to rebate to the **Funds** part of the commissions generated. Such rebates are currently used to offset a portion of the **Funds'** operating expenses. For the year ended December 31, 2007, these arrangements reduced the expenses of the **Driehaus International Discovery Fund**, the **Driehaus Emerging Markets Growth Fund**, the **Driehaus International Equity Yield Fund** and the **Driehaus International Small Cap Growth Fund** by \$304,514 (2.6%), \$481,391 (3.1%), \$26,757 (1.8%) and \$11,785 (1.7%), respectively.

DS LLC is the **Funds'** distributor. DS LLC also acts as a broker for the **Funds** for domestically traded securities. For the year ended December 31, 2007, the **Funds** paid the following brokerage commissions:

<i>Fund</i>	<i>Total Commissions</i>	<i>Commissions Paid to DS LLC</i>	<i>Shares Traded through DS LLC</i>
<b>Driehaus International Discovery Fund</b>	\$6,116,705	\$115,572	3,222,587
<b>Driehaus Emerging Markets Growth Fund</b>	7,227,952	465,610	14,119,485
<b>Driehaus International Equity Yield Fund*</b>	756,700	34,889	1,708,808
<b>Driehaus International Small Cap Growth Fund**</b>	502,492	45,288	1,013,498

\* **Driehaus International Equity Yield Fund** commenced operations on April 2, 2007.

\*\* **Driehaus International Small Cap Growth Fund** commenced operations on September 17, 2007.

A portion of these commissions are, in turn, paid by DS LLC to third parties for clearing and execution services.

Certain officers of the **Trust** are also officers of DCM and DS LLC. No such officers received compensation from the **Funds**.

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**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

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PFPC Inc. (“PFPC”), an indirect subsidiary of PNC Financial Services Group, Inc., serves as the **Funds’** administrative and accounting agent. In compensation for these services, PFPC receives the larger of a monthly minimum fee or a monthly fee based upon average net assets. PFPC also acts as the transfer agent and dividend disbursing agent for the **Funds**. For these services, PFPC receives a monthly fee based on shareholder processing activity during the month. PFPC has agreed to waive a portion of its monthly fee for transfer agent service for the first two years of operations for the **Driehaus International Equity Yield Fund** and the **Driehaus International Small Cap Growth Fund**. For the year ended December 31, 2007, PFPC waived \$22,500 and \$9,000, respectively, for the **Driehaus International Equity Yield Fund** and the **Driehaus International Small Cap Growth Fund**.

**C. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS**

The **Driehaus International Discovery Fund** and the **Driehaus Emerging Markets Growth Fund** invest in equity certificates which allow the **Funds** to participate in the appreciation (depreciation) of the underlying security without actually owning the underlying security. These instruments are purchased pursuant to an agreement with a financial institution and are valued at a calculated market price based on the value of the underlying security in accordance with the agreement. At December 31, 2007, the **Driehaus International Discovery Fund** had no outstanding investments in equity certificates and the **Driehaus Emerging Markets Growth Fund** had unrealized appreciation of \$22,450,534 as a result of its investment in these financial instruments. The aggregate market values of these certificates for the **Driehaus Emerging Markets Growth Fund** represented 4.1% of its total market value at December 31, 2007.

At December 31, 2007, the **Funds** had foreign currency forward contracts outstanding under which they are obligated to exchange currencies at specified future dates. At December 31, 2007, the **Funds’** currency transactions are limited to transaction hedges.

The contractual amounts of foreign currency forward contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. Risks arise from the possible inability of counter parties to meet the terms of their contracts and from movements in currency values.

**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

The **Funds** had the following outstanding contracts at December 31, 2007:

**Driehaus International Discovery Fund**

Transaction Hedges:

Foreign Currency Purchased:

<i>US Dollars Sold</i>	<i>Foreign Currency Purchased</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation at December 31, 2007</i>
\$2,853,379	3,249,685	Australian Dollar	January 2008	\$ 11,692
1,462,140	11,400,890	Hong Kong Dollar	January 2008	654
826,063	5,645,602	South African Rand	January 2008	23,047
		Net unrealized appreciation		<u>\$ 35,393</u>

**Driehaus Emerging Markets Growth Fund**

Transaction Hedges:

Foreign Currency Purchased:

<i>US Dollars Sold</i>	<i>Foreign Currency Purchased</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation (Depreciation) at December 31, 2007</i>
\$1,365,759	2,431,052	Brazilian Real	January 2008	\$ (6,038)
5,036,733	7,250,126	Singapore Dollar	January 2008	37,164
231,841	1,584,482	South African Rand	January 2008	6,468
1,653,727	1,547,971,540	South Korean Won	January 2008	1,281
				<u>\$ 38,875</u>

Foreign Currency Sold:

<i>US Dollars Purchased</i>	<i>Foreign Currency Sold</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation (Depreciation) at December 31, 2007</i>
\$5,176,214	9,213,661	Brazilian Real	January 2008	\$ 42,364
5,843,907	3,997,057	Euro	January 2008	(95,179)
4,332,484	33,782,108	Hong Kong Dollar	January 2008	(2,915)
2,836,973	19,388,864	South African Rand	January 2008	(8,340)
2,744,104	2,568,618,311	South Korean Won	January 2008	(8,912)
1,865,938	62,854,111	Thailand Baht	January 2008	(3,830)
				<u>\$(76,812)</u>
		Net unrealized depreciation		<u>\$(37,937)</u>

**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

**Driehaus International Equity Yield Fund**

Transaction Hedges:

Foreign Currency Purchased:

<i>US Dollars Sold</i>	<i>Foreign Currency Purchased</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation at December 31, 2007</i>
\$ 243,671	277,514	Australian Dollar	January 2008	\$ 998
119,185	929,331	Hong Kong Dollar	January 2008	54
66,287	453,030	South African Rand	January 2008	1,850
		Net unrealized appreciation		<u>\$ 2,902</u>

**Driehaus International Small Cap Growth Fund**

Transaction Hedges:

Foreign Currency Purchased:

<i>US Dollars Sold</i>	<i>Foreign Currency Purchased</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation (Depreciation) at December 31, 2007</i>
\$ 128,192	64,399	British Pound Sterling	January 2008	\$ (1,176)
1,018,100	1,004,814	Canadian Dollar	January 2008	6,916
747,119	7,017,316,615	Indonesian Rupiah	January 2008	1,983
616,678	887,677	Singapore Dollar	January 2008	4,550
154,425	144,549,497	South Korean Won	January 2008	8
430,421	487,302	Swiss Franc	January 2008	(289)
				<u>\$ 11,992</u>

Foreign Currency Sold:

<i>US Dollars Purchased</i>	<i>Foreign Currency Sold</i>		<i>Settlement Date</i>	<i>Unrealized Appreciation (Depreciation) at December 31, 2007</i>
\$ 517,975	921,996	Brazilian Real	January 2008	\$ (203)
425,775	213,892	British Pound Sterling	January 2008	776
124,289	122,667	Canadian Dollar	January 2008	830
816,471	5,277,015	Swedish Krona	January 2008	(4,816)
		Net unrealized appreciation		<u>\$ 8,579</u>

**D. INVESTMENT TRANSACTIONS**

The aggregate purchases and sales of investment securities, other than short-term obligations, for the year ended December 31, 2007, were as follows:

<i>Fund</i>	<i>Purchases</i>	<i>Sales</i>
<b>Driehaus International Discovery Fund</b>	\$1,498,718,647	\$1,481,708,722
<b>Driehaus Emerging Markets Growth Fund</b>	1,393,460,135	1,538,959,327
<b>Driehaus International Equity Yield Fund*</b>	187,475,505	241,548,062
<b>Driehaus International Small Cap Growth Fund**</b>	132,350,755	109,085,786

\* **Driehaus International Equity Yield Fund** commenced operations on April 2, 2007.

\*\* **Driehaus International Small Cap Growth Fund** commenced operations on September 17, 2007.

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**Driehaus Mutual Funds**  
**Notes to Financial Statements — (Continued)**

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**E. RESTRICTED SECURITIES**

Restricted securities are securities that are not registered for sale under the Securities Act of 1933 or applicable foreign law and that may be re-sold only in transactions exempt from applicable registration. Restricted securities include Rule 144A securities which may be sold normally to qualified institutional buyers. At December 31, 2007, the **Funds** held no restricted securities, other than equity certificates. Since an investment in equity certificates represents an agreement entered into with a financial institution, with terms set by such financial institution, these instruments are also deemed to be restricted (see Note C).

**F. LINE OF CREDIT**

The **Funds** have a \$50 million line of credit consisting of a \$25 million committed line and a \$25 million uncommitted line. This line of credit is available primarily to meet large, unexpected shareholder withdrawals subject to certain restrictions. The **Funds** have agreed to pay commitment fees computed at a rate of 0.125% per annum on the average daily amount of the available committed line. Interest is charged at a rate per annum equal to the Federal Funds Rate in effect at the time of borrowings plus 1%. At December 31, 2007, the **Funds** had no outstanding borrowings under the line of credit.

**G. OFF BALANCE SHEET RISKS**

The **Funds'** investments in foreign securities may entail risks due to the potential for political and economic instability in the countries where the issuers of these securities are located. In addition, foreign exchange fluctuations could affect the value of positions held. These risks are generally intensified in emerging markets.

**H. REDEMPTION FEES**

The **Funds** may charge a redemption fee of 2.00% of the redemption amount for shares redeemed within 60 days of purchase. This redemption fee became effective for shares purchased after July 31, 2000. The redemption fees are recorded in paid-in capital.

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## Report of Independent Registered Public Accounting Firm

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To the Shareholders and Board of Trustees of the Driehaus Mutual Funds:

We have audited the accompanying statements of assets and liabilities of the Driehaus Mutual Funds (comprising the Driehaus International Discovery Fund, the Driehaus Emerging Markets Growth Fund, the Driehaus International Equity Yield Fund, and the Driehaus International Small Cap Growth Fund) (the "Funds"), including the schedules of investments, as of December 31, 2007, and the related statements of operations for each of the periods then ended, the statement of changes in net assets for the periods indicated therein, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of December 31, 2007, by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of each of the respective Funds constituting the Driehaus Mutual Funds at December 31, 2007, the results of their operations for the periods then ended, the changes in their net assets for each of the periods indicated therein and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

*Ernst + Young LLP*

Chicago, Illinois  
February 15, 2008

## Interested and Independent Trustees of the Trust

The following table sets forth certain information with respect to the Trustees of the **Trust**:

<u>Name, Address and Year of Birth</u>	<u>Position(s) Held with the Trust</u>	<u>Term of Office and Length of Time Served**</u>	<u>Principal Occupations(s) During Past 5 Years</u>	<u>Number of Portfolios in the Fund Complex Overseen by Trustee</u>	<u>Other Directorships Held by Trustee</u>
<b><u>Interested Trustee:</u>*</b>					
Richard H. Driehaus 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee and President	Since 1996	Chairman of the Board of the Adviser, the Distributor and Driehaus Capital Management (USVD) LLC (“USVI”); Chief Investment Officer and Portfolio Manager of the Adviser	4	Driehaus Enterprise Management, Inc.; Vintage Properties, Inc.; Davies 53 Limited; The Richard H. Driehaus Foundation; The Richard H. Driehaus Museum; and Vue Model Management, Inc.
<b><u>Independent Trustees:</u></b>					
A.R. Umans c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1927	Trustee and Chairman	Since 1996  Since 2005	Chairman of the Board, Commerce National Group (investment co.) since 2005; Chairman of the Board and Chief Executive Officer, RHC/Spacemaster Corporation (manufacturing corporation) prior thereto.	4	Sinai Health System
Francis J. Harmon c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee	Since 1998	Principal Account Executive — Labor Affairs, Blue Cross and Blue Shield of Illinois.	4	None
Daniel F. Zemanek c/o Driehaus Capital Management LLC 25 East Erie Street Chicago, IL 60611 YOB: 1942	Trustee	Since 1996	Retired; Senior Vice President of Sunrise Development, Inc. (senior living) 2003 to 2007; Consultant, real-estate development, August 1998 to January 2003.	4	None

\* Mr. Driehaus is an “interested person” of the **Trust**, the Adviser and the Distributor, as defined in the Investment Company act of 1940, because he is an officer of the Adviser and the Distributor. In addition, Mr. Driehaus controls the Adviser and the Distributor.

\*\* Each Trustee will serve as a Trustee of the **Trust** until (i) termination of the **Trust**, or (ii) until the Trustee’s retirement, resignation or death, or (iii) as otherwise specified in the **Trust’s** governing documents.

## Officers of the Trust

The following table sets forth certain information with respect to the advisory board member and officers of the **Trust**:

Name, Address and Year of Birth	Position(s) Held with the Trust	Term of Office and Length of Time Served	Principal Occupations(s) During Past 5 Years
Arthur B. Mellin <sup>1</sup> 190 South LaSalle Street Chicago, IL 60603 YOB: 1942	Advisory Board Member	Since 1998	President of Mellin Securities Incorporated and Mellin Asset Management, Inc.
Robert H. Gordon 25 East Erie Street Chicago, IL 60611 YOB: 1961	Senior Vice President	Since 2006 <sup>2</sup>	President and Chief Executive Officer of Adviser, Distributor and USVI as of October 1, 2006; Advisor to Adviser and Distributor since 2006; Chief Executive Officer, Aris Capital Management from 2003-2006; President and Chief Executive Officer with Banc of America Capital Management from 1993-2003.
Michelle L. Cahoon 25 East Erie Street Chicago, IL 60611 YOB: 1966	Vice President and Treasurer	Since 2006 <sup>2</sup> Since 2002 <sup>2</sup>	Vice President, Treasurer and Chief Financial Officer of the Adviser, Distributor and USVI since 2004; Vice President and Controller of the Adviser since 2003; Vice President, Treasurer and Controller of the Distributor since 2003; Vice President and Treasurer of USVI since 2003; Controller of the Adviser and the Distributor since 2002; Manager with Arthur Andersen LLP from 1992-2002.
Janet L. McWilliams 25 East Erie Street Chicago, IL 60611 YOB: 1970	Chief Compliance Officer and Assistant Vice President	Since 2006 <sup>2</sup> Since 2007 <sup>2</sup>	Chief Compliance Officer of the Adviser and Distributor since 2006; Senior Attorney with the Adviser since 2003; Attorney with the Adviser since 2000.
Diane J. Drake 301 Bellevue Parkway Wilmington, DE 19809 YOB: 1967	Secretary	Since 2006 <sup>2</sup>	Vice President and Counsel, PFPC Inc. (financial services company) since 2003; Deputy Counsel, Turner Investment Partners from 2001 to 2003; Associate, Stradley, Ronon, Stevens & Young LLP (law firm) from 1998-2001.
Kelly C. Dehler 25 East Erie Street Chicago, IL 60611 YOB: 1961	Assistant Secretary	Since 2004 <sup>2</sup>	Assistant Secretary of the Adviser and Distributor since 2006; Attorney with the Adviser since 2004; Regulatory Compliance Officer, Allstate Financial Services, LLC (retail broker-dealer) from 2003-2004; Assistant Secretary and Regulatory Associate of the Adviser from 2002-2003; Senior Paralegal with the Adviser from 2000-2002.

<sup>1</sup> Mr. Driehaus and Mr. Mellin are brothers-in-law.

<sup>2</sup> Officers of the **Trust** are elected annually.

The Statement of Additional Information for the **Driehaus Mutual Funds** contains more detail about the **Trust's** Trustees and officers and is available upon request, without charge. For further information, please call 1-800-560-6111.

## Fund Expense Examples

As a mutual fund shareholder, you may incur two types of costs: (1) transaction costs, including sales charges; redemption fees; and exchange fees and (2) ongoing costs, including management fees; distribution (12b-1) fees; and other fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in each **Fund** and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire six months (or since inception period) ended December 31, 2007.

### *Actual Expenses*

The first line of the tables below (“Actual”) provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

### *Hypothetical Example for Comparison Purposes*

The second line of the tables below (“Hypothetical”) provides information about hypothetical account values and hypothetical expenses based on the **Fund’s** actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the **Fund’s** actual return. You may use this information to compare the ongoing costs of investing in the **Funds** versus other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges, redemption fees or exchange fees. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

### Driehaus International Discovery Fund

	Beginning Account Value July 1, 2007	Ending Account Value December 31, 2007	Expenses Paid During Six Months Ending December 31, 2007*
Actual	\$1,000	\$1,099.00	\$8.31
Hypothetical (5% return before expenses)	\$1,000	\$1,017.29	\$7.98

### Driehaus Emerging Markets Growth Fund

	Beginning Account Value July 1, 2007	Ending Account Value December 31, 2007	Expenses Paid During Six Months Ending December 31, 2007*
Actual	\$1,000	\$1,211.60	\$9.64
Hypothetical (5% return before expenses)	\$1,000	\$1,016.48	\$8.79

## Fund Expense Examples — (Continued)

### Driehaus International Equity Yield Fund

	Beginning Account Value July 1, 2007	Ending Account Value December 31, 2007	Expenses Paid During Six Months Ending December 31, 2007*
Actual	\$1,000	\$1,153.20	\$9.66
Hypothetical (5% return before expenses)	\$1,000	\$1,016.23	\$9.05

### Driehaus International Small Cap Growth Fund

	Beginning Account Value September 17, 2007	Ending Account Value December 31, 2007	Expenses Paid During the Period September 17, 2007 through December 31, 2007**
Actual	\$1,000	\$1,188.80	\$6.04
Hypothetical (5% return before expenses)	\$1,000	\$1,009.00	\$5.54

\* Expenses are equal to the **Fund's** annualized expense ratios for the six-month period in the table below multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year (184), then divided by 365 to reflect the half-year period.

\*\* Expenses are equal to the **Driehaus International Small Cap Growth Fund's** annualized expense ratio for the period September 17, 2007 (commencement of operations) through December 31, 2007 in the table below multiplied by the average account value over the period, multiplied by the number of days in the period (106), then divided by 365 to reflect the period since commencement of operations.

Driehaus International Discovery Fund . . . . .	1.57%
Driehaus Emerging Markets Growth Fund . . . . .	1.73%
Driehaus International Equity Yield Fund . . . . .	1.78%
Driehaus International Small Cap Growth Fund . . . . .	1.90%

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## Shareholder Information

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### TAX INFORMATION (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2007

We are providing this information as required by the Internal Revenue Code. The amounts shown may differ from those elsewhere in this report because of differences between tax and financial reporting requirements.

The **Funds'** distributions included capital gain amounts as follows:

	<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund</u>	<u>Driehaus International Small Cap Growth Fund</u>
Total long-term gains				
20% rate gains . . .	\$83,702,657	\$92,205,006	\$1,749,155	\$402,318

For taxable non-corporate shareholders, the following percentages of income and short-term capital gains represent qualified dividend income subject to the 15% rate category:

<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund</u>	<u>Driehaus International Small Cap Growth Fund</u>
9.02%	7.50%	4.14%	0.86%

For corporate shareholders, the following percentages of income and short-term capital gains qualified for the dividends-received deduction:

<u>Driehaus International Discovery Fund</u>	<u>Driehaus Emerging Markets Growth Fund</u>	<u>Driehaus International Equity Yield Fund</u>	<u>Driehaus International Small Cap Growth Fund</u>
9.02%	4.90%	0.69%	0.08%

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### PROXY VOTING POLICIES AND PROCEDURES AND PROXY VOTING RECORD

A description of the **Funds'** policies and procedures with respect to the voting of proxies relating to the **Funds'** portfolio securities is available without charge, upon request, by calling 1-800-560-6111. This information is also available on the **Funds'** website at <http://www.driehaus.com>.

Information regarding how the **Funds** voted proxies related to portfolio securities during the 12-month period ended June 30, 2007 is available without charge, upon request, by calling 1-800-560-6111. This information is also available on the Securities and Exchange Commission's ("SEC") website at <http://www.sec.gov>.

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### HOW TO OBTAIN QUARTERLY PORTFOLIO HOLDINGS

Each **Fund** files a complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The **Funds'** Form N-Q is available electronically on the SEC's website at <http://www.sec.gov>; hard copies may be reviewed and copied at the SEC's Public Reference Room in Washington, DC 20549. For more information on the Public Reference Room, call 1-800-SEC-0330. Each **Fund's** complete schedule of portfolio holdings is also available on the **Funds'** website at <http://www.driehaus.com>.

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## **Board Considerations in Connection with the Approval of the Investment Advisory Agreement for Driehaus International Small Cap Growth Fund**

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The Board of Trustees of the Driehaus Mutual Funds (the “Trust”) approved the investment advisory agreement (the “Agreement”) with Driehaus Capital Management LLC (the “Adviser”) for Driehaus International Small Cap Growth Fund (the “New Fund”) in May 2007. As part of its review process, the Board requested and evaluated all information it deemed reasonably necessary to evaluate the Agreement. The Board reviewed comprehensive materials received from the Adviser and from independent legal counsel. After their review of the information received, the Independent Trustees presented their findings and their recommendation to approve the Agreement to the full Board. In connection with the contract review process, the Board considered the factors discussed below, among others.

*Nature, Quality and Extent of Services.* The Board considered the nature, extent and quality of services to be provided under the Agreement, including portfolio management services and administrative services. The Board considered the experience and skills of senior management and investment personnel, the resources made available to such personnel, the ability of the Adviser to attract and retain high-quality personnel, and the organizational depth of the Adviser. The Board also considered compliance with legal and regulatory requirements, as well as the Adviser’s handling of portfolio brokerage, including the Adviser’s process for evaluating best execution. In addition, the Board considered the investment performance of Driehaus International Opportunities Fund, L.P. (the “Partnership”), and concluded that the Adviser’s performance in managing a product similar to the New Fund exceeded acceptable levels of investment performance and, therefore, was satisfactory.

On the basis of this evaluation and the Board’s experience with the Adviser in managing other series of the Trust, the Board concluded that the nature, quality and extent of services to be provided by the Adviser are satisfactory.

*Fees and Expenses.* The Board considered the New Fund’s proposed advisory fee, operating expenses and estimated total expense ratio, and compared them to fees and expenses of peer groups based on data compiled from Lipper Inc. as of March 31, 2007. The information provided to the Board showed that the New Fund’s advisory fee rate ranked high as compared to its total peer group; however, the Board also considered that the Adviser will reimburse the New Fund for expenses in excess of 2.00% of net assets for the first three years of operations. The Board also considered the fact that the Adviser has agreed to absorb the organizational costs of the New Fund, including legal costs related to organization. In addition, the Board considered the New Fund’s proposed advisory fee rate as compared to fees charged by the Adviser to other series of the Trust and for institutional accounts. With respect to institutional accounts, the Board noted that: (i) both the mix of services to be provided and the level of responsibility required under the Agreement are significantly greater as compared to the Adviser’s obligations for managing institutional accounts; and (ii) the advisory fees for institutional accounts are less relevant to the Board’s consideration because they reflect significantly different competitive forces than those in the mutual fund marketplace.

On the basis of the information provided, the Board concluded that the proposed advisory fee and estimated expense ratio were reasonable and appropriate in light of the quality of services to be provided by the Adviser.

*Profitability.* The Board considered certain financial information for the Adviser and investments made by the Adviser to build its regulatory and compliance team. The Board considered the undertaking by the Adviser to assume Fund organizational expenses as well as to reimburse Fund expenses exceeding a 2.00% cap for a three-year period, in determining that any anticipated profits would not be unreasonable.

*Economies of Scale.* The Board considered whether there are economies of scale with respect to the management of the New Fund and whether the New Fund will benefit from any economies of scale. The Board accepted the Adviser’s conclusion that the Adviser will not experience any economies of scale in connection with its services to the New Fund in its first few years of operations.

*Other Benefits to the Adviser and its Affiliates.* The Board also considered the character and amount of other incidental benefits to be received by the Adviser and its affiliates, including benefits to the Adviser related to soft dollar allocations and execution of portfolio trades by the Adviser’s affiliated broker-dealer. The Board concluded that the proposed advisory fee was reasonable in light of the anticipated fall-out benefits.

Based on all of the information considered and the conclusions reached, the Board determined that the terms of the Agreement for the New Fund were fair and reasonable and that the approval of the Agreement is in the best interests of the New Fund. No single factor was determinative in the Board’s analysis.

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## **Board Considerations in Connection with the Annual Review of the Investment Advisory Agreement**

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The Board of Trustees approved the renewal of the investment advisory agreement (the “Agreement”) with Driehaus Capital Management LLC (the “Adviser”) for Driehaus Emerging Markets Growth Fund (“DEMG”), Driehaus International Discovery Fund (“DIDF”) and Driehaus International Equity Yield Fund (“DIEY”) in September 2007. As part of its review process, the Board requested and evaluated all information it deemed reasonably necessary to evaluate the Agreement. The Board reviewed comprehensive materials received from the Adviser and from independent legal counsel. The Board also received extensive information throughout the year regarding performance and operating results of each Fund. The Independent Trustees, represented by independent legal counsel, met independent of Fund management to consider renewal of the Agreement. After their review of the information received, the Independent Trustees presented their findings and their recommendation to renew the Agreement to the full Board.

In connection with the contract review process, the Board considered the factors discussed below, among others. The Board also considered that the Adviser has managed each Fund since its inception, and the Board believes that a long-term relationship with a capable, conscientious adviser is in the best interests of each Fund. The Board considered, generally, that shareholders invested in each Fund, knowing that the Adviser managed the Fund and knowing the investment advisory fee schedule.

*Nature, Quality and Extent of Services.* The Board considered the nature, extent and quality of services provided under the Agreement, including portfolio management services and administrative services. The Board considered the experience and skills of senior management and investment personnel, the resources made available to such personnel, the ability of the Adviser to attract and retain high-quality personnel, and the organizational depth of the Adviser. The Board also considered compliance with legal and regulatory requirements, as well as the Adviser’s handling of portfolio brokerage, including its processes for seeking and measuring whether the Funds were obtaining best execution. The Board reviewed DEMG’s and DIDF’s performance on a gross and net return basis over 1-, 3- and 5-year periods and year-to-date for the six-months ended June 30, 2007, as well as over various rolling periods from inception of each Fund through June 30, 2007. The Board also reviewed updated DEMG and DIDF performance information through August 31, 2007 and trailing total returns through September 12, 2007. Given the recent inception of DIEY (resulting from the conversion of a limited partnership), the Board considered its performance only for the quarter ended June 30, 2007. The Board noted that the Adviser represented that because its aggressive growth investment style resulted in performance volatility over shorter time periods, it was meaningful to analyze performance over rolling time periods to show the consistent out-performance to their benchmark indices over the life of the Funds. The Board compared short-term and long-term returns to various agreed-upon performance measures, including market indices and peer groups. The Board also considered whether investment results were consistent with each Fund’s investment objective and policies.

On the basis of this evaluation and its ongoing review of investment results, the Board concluded that the nature, quality and extent of services provided by the Adviser continue to be satisfactory. The Board noted that DEMG’s and DIDF’s gross and net performance for the 1-, 3- and 5-year periods, as compared to their respective peer groups (from data compiled from Morningstar Inc. and Lipper Inc., independent providers of mutual fund data), and these Funds’ net performance as compared to their benchmark indices, was satisfactory. The Board noted that DEMG’s and DIDF’s gross and net performance for each of these periods was first or second quartile as compared to its peer groups and that it matched or outperformed its benchmark. The Board noted that DIEY’s net performance for the quarter would have been in the first quartile of its peer group, and that it had outperformed its benchmark for the period. The Board also noted each of DEMG’s and DIDF’s favorable average annualized rolling year performance versus its benchmark.

*Fees.* The Board considered each Fund’s advisory fee rates, operating expenses and total expense ratio, and compared them to fees and expenses of peer group funds based on data compiled from Lipper Inc. as of June 30, 2007. The information provided to the Board showed that each Fund’s advisory fee rate ranked high as compared to its total peer group. However, because of the Funds’ fee structures, total expense ratios were comparatively lower, with DEMG’s total expense ratio below the median of its peer group and with DIDF’s total expense ratio approximating the median of its total peer group. Although DIEY’s total expense ratio was above the median, the Board noted the Fund’s small asset size, the expense reimbursement provided by the Adviser, and the fact that total expenses still fell within the third quartile of its peer group. The Board also considered each Fund’s advisory fee rates as compared to fees charged by the Adviser for similarly managed institutional accounts. With respect to

institutional accounts, the Board noted that (i) both the mix of services provided and the level of responsibility required under the Agreement were significantly greater as compared to the Adviser's obligations for similarly managed institutional accounts; and (ii) other factors that influenced the advisory fees. In considering the reasonableness of the advisory fees, the Board took into account the Adviser's aggressive growth style, which resulted in high portfolio turnover, and relatively small amount of assets under management and the limited capacity of the investment style, while noting that the Funds do not have a Rule 12b-1 fee or shareholder service fee. The Board also noted that the Adviser's directed brokerage program had resulted in reducing expenses of the Funds.

On the basis of the information reviewed, the Board concluded that the advisory fee schedule for each Fund was reasonable and appropriate in light of the nature and quality of services provided by the Adviser.

*Profitability.* The Board reviewed information regarding revenues received by the Adviser under the Agreement and discussed the Adviser's methodology in allocating its costs to the management of the Funds. The Board considered the estimated costs to the Adviser of managing the Funds. The Board concluded that, based on the information provided, the projected profitability appeared to not be unreasonable.

*Economies of Scale.* The Board considered whether there are economies of scale with respect to the management of the Funds and whether the Funds benefit from any such economies of scale. Given the size of the Funds and the capacity constraints of the investment style, the Board concluded that the advisory fee rates under the Agreement are reasonable and reflect an appropriate sharing of any such economies of scale, noting the breakpoints in DIDF's advisory fee schedule.

*Other Benefits to the Advisor and its Affiliates.* The Board also considered the character and amount of other incidental benefits received by the Adviser and its affiliates, including fees received by an affiliate of the Adviser for brokerage services. The Board also considered benefits to the Adviser related to soft dollar allocations. The Board concluded that advisory fees were reasonable in light of these fall-out benefits.

Based on all of the information considered and the conclusions reached, the Board determined that the terms of the Agreement continue to be fair and reasonable and that the continuation of the Agreement is in the best interests of each Fund. No single factor was determinative in the Board's analysis.