DRIEHAUS
CAPITAL MANAGEMENT

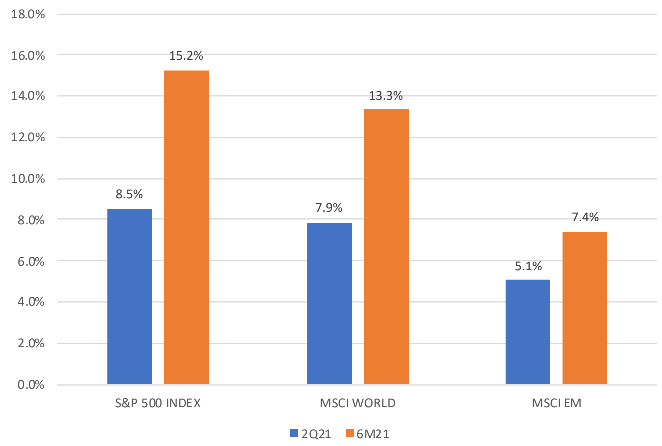
Driehaus Emerging Markets Growth Strategy Summary

2ND QUARTER 2021

Secular growth and work-from-home assets outperformed in 2020 as the world struggled with the initial onset of Covid-19. In the first quarter of 2021 cyclical and value assets rebounded as vaccines were rolled out and the world emerged from lockdown. That quickly led to myriad reports of inflation, with concerns amplified by the Fed's stated willingness to let the economy run hot.

In the second quarter, the backdrop shifted as apprehension grew over peaking economic growth (the World Bank forecasts 5.6% world GDP growth in 2021 followed by 4.3% in 2022). And some of the concerns over inflation began to recede, at least temporarily. Several factors contributed to this. (See Exhibit 1).

Exhibit 1: Global Indices Total Return 2021



Source: Bloomberg

First, the Fed indicated it may not be as dovish as previously thought. Despite the Fed's average inflation targeting framework, the June FOMC meeting showed that most members expect at least two rate hikes in 2023 with some members expecting hikes as early as 2022. This meeting was taken to indicate that the Fed may not let the economy run as hot as previously expected, which in turn lowered long-term growth expectations and flattened the yield curve. After peaking on the last day of the first quarter at 1.74%, the US 10-year yield drifted downwards throughout the spring and finished the quarter below 1.50%.

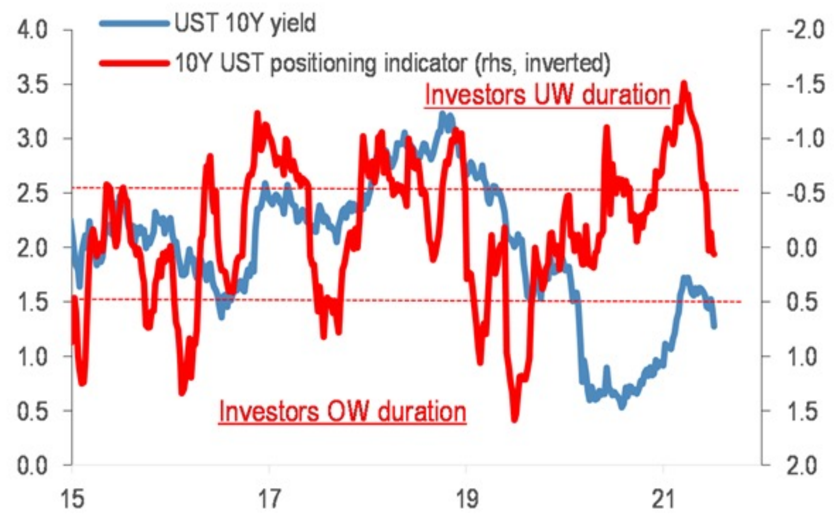
Next, the price of key industrial commodities like copper and lumber rolled over during the quarter as demand softened (to some degree in response to the rapid increase in prices over the last year but also as supply bottlenecks eased). China also acted to contain commodity prices by announcing plans to release strategic reserves of metals onto the market. (One notable exception within commodities was oil where prices have continued to climb as recovery demand has outpaced supply and OPEC+ has not yet been able to agree on production increases.)

Third, Covid-19 has continued to weigh on sentiment, particularly after the emergence of the highly contagious "delta" variant. While early findings indicate that the main vaccines are effective against new variants including delta, much of the world is still struggling to ramp up vaccinations, particularly within Emerging Markets (EM).

Finally, China continued to focus on limiting new credit growth and has been more focused on reorganizing the economy than growing it, at least relative to recent history.

Meanwhile, positioning had become increasingly concentrated in value and cyclical stocks as well as treasury shorts (betting that rates would continue to rise) (Exhibit 2).

Exhibit 2: Treasury yield and positioning



Source: J.P. Morgan

Aside from industry positioning data, our team tracks the factor composition of the quintile of stocks with the highest medium-term momentum to approximate these risks (Exhibit 3). Since the initial vaccine efficacy data was announced, the stocks with the highest momentum were increasingly coming from lower valuation cyclical areas like banks, miners, and construction equipment. Conversely, the momentum of growth stocks had started to fall. These factors contributed to a reversal of factor performance towards the end of the second quarter (i.e. growth rebounding against value).

Exhibit 3: Q1 Medium Term Momentum (With 1M) Decomposition - Factors

Source: Factset

Besides factor and risk rotations, one of the biggest issues for EM at large is what is happening in China. There has been an avalanche of regulatory announcements that have meaningfully weighed on sentiment and performance, especially in the internet industry. Long-time EM investors are well used to parsing policy pronouncements and regulations, but the magnitude of what has been announced recently has made the landscape even more challenging. We address this in more detail in the 'Outlook and Positioning' section below.

Performance Review

The Driehaus Emerging Markets Growth strategy returned 7.14% in the second quarter, ahead of the 5.05% return of the MSCI EM Index.[1]

Information technology was the top performing sector during the quarter. The strategy holds a trio of stocks that benefit from rising demand for artificial intelligence (AI) computing: a chip design company, a leading semiconductor capital equipment maker, and a chip substrate manufacturer. The deployment of AI computing has been broadening out from just the hyperscale cloud services providers to the broader enterprise market as tools like recommendation engines and natural language processing become more common. The strategy also benefitted from its fintech and IT services holdings. The materials sector detracted from performance owing to an active underweight in steel and iron ore related stocks.

China was the highest contributor to positive attribution on a country basis. The strategy is roughly 25% underweight relative to the benchmark owing to a more cautious view on the earnings outlook given adverse regulatory activity and muted economic growth.

India was the largest country detractor. The strategy has a positive active weight which hurt performance as India continued to suffer with Covid-19 during the quarter.

Outlook and Positioning

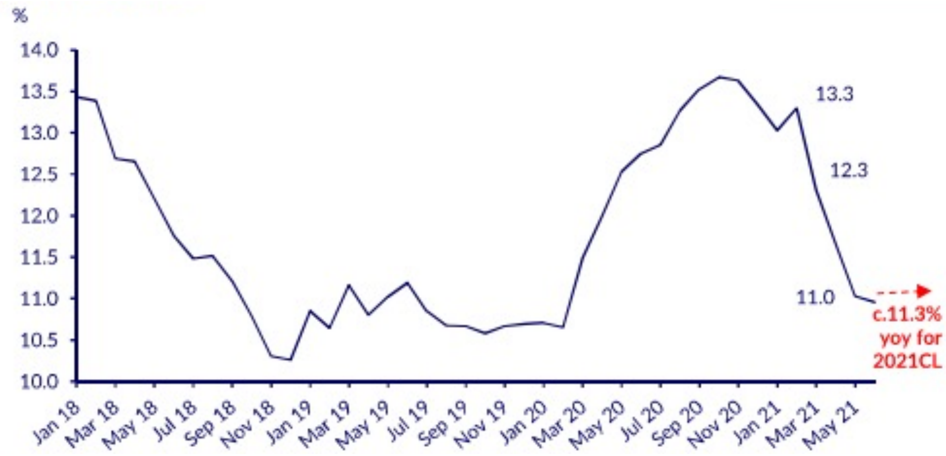
While growth rates will peak this year, the global economic outlook remains on solid ground. US household balance sheets remain healthy due to the high degree of savings and stimulus payments with pent up demand for services. Many industries are still seeing demand run ahead of supply, most notably autos. While some commodities have corrected, the ongoing strength in the price of oil is indicative of robust demand for travel and trade. Both fiscal and monetary policy will remain broadly stimulative even as the Fed moves to marginally scale back monetary accommodation.

The backdrop in China is also starting to shift. After getting the initial outbreak of Covid-19 under control, China's policy makers clamped down on credit growth in pursuit of their longer-term goal to reduce leverage in the system. This dynamic, combined with appreciation in the Chinese Yuan (CNY) and higher commodity prices, acted to tighten financial conditions and weighed on growth in the first half.

However, the country announced a cut in its Reserve Requirement Ratio (RRR) for essentially all banks in early July. The real economic impact of this should be relatively modest. It releases more liquidity into the system but does not directly stimulate consumption (and some of the liquidity will be used to repay maturing medium-term lending facilities rather than supporting new lending).

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

Exhibit 4: China's Total Social Financing Balance Growth (YoY)



Source: CLSA, PBOC, Wind

Nevertheless, the RRR cut is still impactful as a signaling device. The market generally interprets these actions to mean that the People's Bank of China (PBOC) was uncomfortable with the degree that growth is slowing and will take steps as needed to support the economy. We do not take this to indicate a full-blown easing cycle but do think it modestly improves the outlook for Chinese equities, particularly with respect to local investors being willing to take more risk. (Exhibit4).

However, the slightly dovish shift in monetary policy has been more than offset by some of the most extreme regulation on the internet and adjacent industries that we can recall. Last year, a China observer may have concluded that blocking the Ant Group IPO was done to get the company (and its founder) under control and to make sure incentives were aligned as to avoid risky lending practices. But the events of 2021 make clear that the regulators have far more comprehensive ambitions.

It is beyond the scope of this commentary to detail everything that has been announced. Nevertheless, an overview of the key developments offers some perspective as to the scope of the crackdown:

- Penalties for abusive market actions such as: 1) forcing a merchant or restaurant to list exclusively on one ecommerce platform, 2) selling items below cost, 3) failing to get proper approval of past investments.
- Blocking of industry mergers that lead to too much market concentration.
- Mandatory data management and cybersecurity reviews to make sure sensitive data is not brought outside of the country. Also, a crackdown on unnecessary data collection. And banning of apps that do not comply, at least temporarily.
- Expected changes that would clamp down on the variable interest entity (VIE) structure that has enabled foreigners to own companies in certain restricted industries such as internet and education. We don't think this rule will result in forced delisting or annulment of existing VIEs.
- Reduction in online payment and lending fees.
- Expected restrictions on third-party after school tutoring and requirements that schools offer better extracurricular programs. Also, more controls over time spent playing online games by minors.

In isolation, these actions do not really seem overly extreme. While many of them are about increasing state control over the tech giants, some of these things are also being done to help the average citizen or small business. It is not so much any one action that is a problem but more the lingering uncertainty as to how strictly these will be implemented and what else may be in the pipeline.

Clearly, figuring out the outlook amidst all these ongoing actions has become challenging, especially because much of this is not yet finalized. But we can sketch out some of the broad ramifications:

- Investors needing to increase the discount rate assigned to China internet stocks, both because of the increased earnings uncertainty but also because these actions collectively indicate an industry that is operating at the behest of the state rather than shareholders (this has always been true in China but was easier to ignore when the government was not harming the profit outlook).
- Fewer new equity listings in the US, more in Hong Kong and Mainland China. Those that do list will require explicit government clearance (meanwhile, the US is still moving forward with plans to delist foreign companies that do not comply with SEC audit requirements). This will serve to further fracture the technology and financial ecosystems of the West and China.
- Given China internet has long been a favorite industry for investors, we could see outflows to other internet and large cap EM names.

Considering these developments, the strategy maintained its underweight to China during the quarter and modestly brought down its consumer discretionary weight (where many internet stocks are classified). Additionally, rather than trying to call out policy winners and losers, our team has been increasingly focused on anchoring our investment decisions based on our confidence level in the fundamental earnings drivers.

As the second largest economy and manufacturing engine of the world, it is impossible for EM to really disconnect from what's happening in China. Fortunately, there are some positive offsets beginning to emerge. Part of what makes EM challenging is how heterogeneous it is; the "asset class" is nothing more than a loosely linked group of countries across the world. But this also means it offers a highly dynamic opportunity set. Given how fast the world changes, there is usually something positive happening.

We are becoming increasingly positive on two emerging developments. First, India is increasingly building out its domestic manufacturing capabilities. Last year the government instituted a production-linked incentive (PLI) scheme that aims to make domestic manufacturing more competitive and encourage investment. The PLI scheme is targeted at multiple sectors and should help India compete more effectively with other regional manufacturing hubs.

So far PLI has seen good initial traction and anecdotally multiple companies that we follow have talked about increasing production in India. Given the size of the domestic market we think firms are well incentivized to participate. Additionally, India's timing is good as the trade war and pandemic have revealed how fragile supply chains are when too concentrated geographically. If the PLI scheme and similar efforts are successful in building up India's manufacturing base, it could set off a virtuous cycle with rising employment and infrastructure development which in turn would drive up income levels and consumption (GDP per capita in China is still >5x higher than in India).

The second dynamic we're positive about is increased equity capital markets activity in South East Asia and India. These markets have historically had few listed technology and internet stocks. But thanks to rising private market funding, high smartphone penetration, and a relaxation of some listing rules we expect to see several new companies list publicly in the coming years. These companies operate in markets with some of the most attractive demographics where basic services like banking are still highly underpenetrated. Perhaps most importantly, they will likely face a much less adversarial regulatory environment compared to Chinese and Western internet firms.

In conclusion, while the markets are always filled with uncertainty, the current market backdrop is especially challenging. Investors need to manage through a normalization in economic growth and policy even as new Covid-19 variants present risks. It's still not clear whether we're heading back into the 'secular stagnation' world of the last five years or if the second quarter was just a blip on the way to inflation and faster growth. Meanwhile, the regulatory environment globally is increasingly antagonistic which could limit justified valuations and future growth opportunities.

Investors need to be laser focused on observing the world around them and how it has changed because of the pandemic. But disruption and turmoil will lay the foundation for growth and new possibilities. We will continue to work hard on your behalf to find these opportunities and are grateful for your trust and confidence.

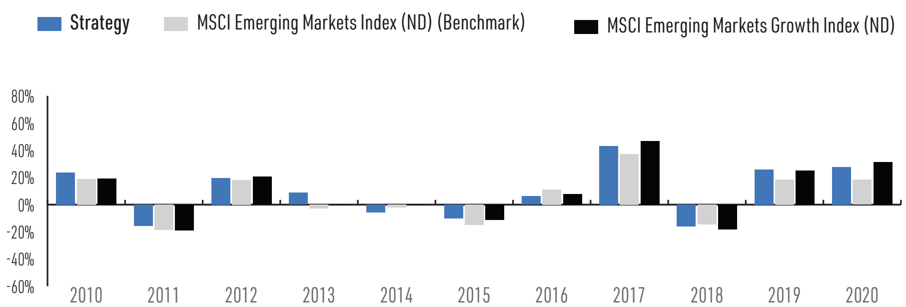
- Driehaus Emerging Markets Growth Team

Driehaus Emerging Markets Growth Strategy

% Month-End Performance (as of 6/30/21)

				Annualized				
	MTH	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception[2]
Driehaus Emerging Markets Growth Composite (Gross)	1.69	7.33	7.15	42.20	16.22	16.74	8.54	13.50
Driehaus Emerging Markets Growth Composite (Net)	1.62	7.14	6.77	41.17	15.28	15.68	7.28	11.82
MSCI Emerging Markets Index (ND) (Benchmark)	0.17	5.05	7.45	40.90	11.27	13.03	4.28	*
MSCI Emerging Markets Growth Index (ND)	0.89	4.42	5.04	40.08	14.44	16.14	6.63	*

% Calendar Year Return, Net of Fees (10 years)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Strategy	23.71	-15.46	19.54	8.73	-5.85	-10.16	6.16	43.10	-15.93	25.96	27.78
MSCI Emerging Markets Index (ND) (Benchmark)	18.88	-18.42	18.22	-2.60	-2.19	-14.92	11.19	37.28	-14.58	18.42	18.31
MSCI Emerging Markets Growth Index (ND)	19.33	-18.97	20.56	-0.18	-0.35	-11.34	7.87	46.80	-18.26	25.10	31.33

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 6/30/21.

*The inception of the strategy predates the inception of the index.

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

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

Key Features

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

Facts

Inception Date	1/1/97
Composite Assets Under Management[1]	$6,147 million
Firm Assets Under Management	$13.8 billion
Investment Universe	EM all cap equity
Investment Style	Growth equity
Investment Vehicles :	Separately managed account Institutional commingled Mutual fund

Portfolio Characteristics[3]

5-year period	Strategy	Benchmark
Annualized Alpha	4.14	n/a
Sharpe Ratio	1.00	0.73
Information Ratio	0.96	n/a
Beta	0.93	1.00
Standard Deviation	15.57	16.24
Tracking Error	3.83	0.00
R-squared	0.94	1.00

Market Cap Breakout	Strategy	Benchmark
<$5 billion	4.3%	6.3%
$5- $15 billion	13.2%	21.6%
> $15 billion	82.5%	71.9%

	Strategy	Benchmark
Number of Holdings	93	1,412
Weighted Avg. Market Cap (M)	$209,968	$165,746
Median Market Cap (M)	$31,899	$7,807
Est. 3-5 Year EPS Growth	24.1%	20.2%
Active Share (3-year avg.)[4]	74.88	n/a

Portfolio Management

Howard Schwab, Lead Portfolio Manager
21 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
19 years industry experience

Richard Thies, Portfolio Manager
14 years of industry experience

Driehaus Emerging Markets Growth Strategy

Sector Weights (%)

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
Strategy	11.7	13.1	4.5	4.3	18.3	4.9	4.4	25.4	5.9	0.4	1.4	5.7
Benchmark	11.3	17.6	5.6	5.0	17.8	5.0	4.9	20.4	8.4	2.0	1.9	0.0
Active Weights	*0.4*	*-4.5*	*-1.1*	*-0.7*	*0.5*	*-0.1*	*-0.5*	*5.0*	*-2.5*	*-1.6*	*-0.5*	*5.7*

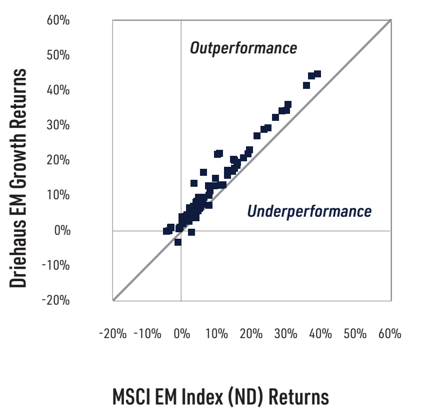
Country Weights (%)

	Strategy	Benchmark	Active Weights
Argentina	0.4	0.1	0.3
Brazil	6.3	5.2	1.1
China/Hong Kong	31.3	37.5	-6.2
Cyprus	0.5	0.2	0.3
Greece	0.3	0.1	0.2
Hungary	1.1	0.2	0.9
India	12.2	9.9	2.3
Indonesia	1.1	1.1	-0.1
Mexico	2.1	1.7	0.4
Russia	3.3	2.8	0.5
Saudi Arabia	0.4	2.8	-2.4
South Africa	0.8	3.5	-2.6
South Korea	9.3	13.2	-3.9
Taiwan	12.2	13.9	-1.8
Other[2]	13.0	0.6	12.4
Cash	5.7	0.0	5.7

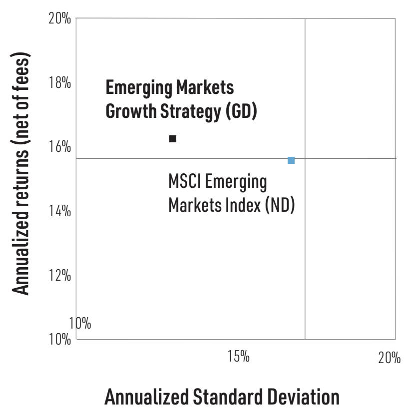
Top 5 Holdings[1] (as of 5/31/21)

Company	Sector	Country	% of Strategy
Taiwan Semiconductor Manufacturing Co., Ltd.	Information Technology	Taiwan	6.5
Tencent Holdings Ltd.	Communication Services	China	5.6
Samsung Electronics Co., Ltd.	Information Technology	South Korea	5.5
ASML Holding NV	Information Technology	Netherlands	2.0
ICICI Bank Limited Sponsored ADR	Financials	India	2.0

Rolling Five-Year Returns, Net of Fees[3]



Risk vs. Return (Five-Years)



Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/21. Benchmark: MSCI Emerging Markets Index (ND)
[1]Holdings subject to change.
[2]Represents companies domiciled in developed countries that have significant emerging markets exposures.
[3]Net of fee returns. Returns are calculated from quarterly returns and shown for every one-quarter interval since the inception of the index (January 1999). The inception of the strategy predates the inception of the index. Data as of June 30, 2021.

Sector Attribution 2nd Quarter – 3/31/21 to 6/30/21

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Communication Services	11.10	5.14	0.71	11.55	1.93	0.24	0.45
Consumer Discretionary	12.06	4.51	0.54	17.18	3.56	0.60	0.24
Consumer Staples	4.41	5.12	0.25	5.65	4.50	0.26	0.02
Energy	3.86	8.78	0.37	4.89	12.44	0.58	-0.17
Financials	18.32	7.07	1.45	18.17	4.16	0.79	0.60
Health Care	4.20	22.61	0.93	4.75	14.10	0.65	0.31
Industrials	6.03	15.58	0.78	4.52	13.17	0.57	0.12
Information Technology	26.63	7.81	2.00	20.70	3.84	0.77	0.93
Materials	7.00	5.53	0.32	8.53	8.19	0.67	-0.25
Real Estate	0.51	6.55	0.04	2.07	-6.01	-0.13	0.24
Utilities	1.12	0.73	0.05	1.99	2.00	0.04	0.04
Cash	4.76	-0.25	-0.01	0.00	0.00	0.00	-0.15
Other	0.00	-0.36	-0.37	0.00	0.00	0.00	-0.37
Total	100.00	7.05	7.05	100.00	5.05	5.05	2.00

Data as of 6/30/21.
Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

[1]The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. [2]**Total Effect** - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

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

Country Performance Attribution 2nd Quarter – 3/31/21 to 6/30/21

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
MSCI Country	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Argentina	0.53	-3.89	0.04	0.11	6.07	0.01	0.01
Australia	0.58	-10.80	-0.08	0.01	-24.07	0.00	-0.10
Brazil	5.56	23.66	1.22	4.89	22.91	1.01	0.17
Canada	0.83	-10.79	0.02	0.00	0.00	0.00	-0.03
Chile	0.08	-27.08	-0.13	0.50	-14.19	-0.08	-0.01
China	25.20	7.66	2.12	34.34	2.66	0.98	1.59
Colombia	0.00	0.00	0.00	0.15	-2.90	-0.01	0.01
Cyprus	0.68	1.15	0.02	0.14	36.54	0.05	-0.05
Czech Republic	0.00	0.00	0.00	0.10	14.56	0.01	-0.01
Egypt	0.04	-6.86	-0.02	0.07	-9.23	-0.01	-0.02
France	1.25	17.05	0.20	0.00	0.00	0.00	0.14
Germany	0.53	-16.92	-0.13	0.00	0.00	0.00	-0.16
Greece	0.21	-2.70	-0.01	0.12	8.18	0.01	-0.02
Hong Kong	5.02	0.88	0.08	2.98	-1.88	-0.05	0.02
Hungary	1.11	25.86	0.27	0.22	14.81	0.03	0.19
India	13.29	3.23	0.44	9.70	6.91	0.66	-0.42
Indonesia	1.17	-1.81	-0.02	1.18	-5.14	-0.06	0.05
Japan	0.99	1.88	0.02	0.00	0.00	0.00	-0.03
Kuwait	0.00	0.00	0.00	0.51	9.52	0.05	-0.02
Luxembourg	0.04	-3.29	0.00	0.10	14.20	0.01	-0.01
Malaysia	0.00	0.00	0.00	1.34	-2.46	-0.03	0.10
Mexico	1.65	15.51	0.20	1.78	9.14	0.16	0.05
Netherlands	2.67	11.88	0.29	0.28	9.62	0.03	0.13
Pakistan	0.00	0.00	0.00	0.02	-6.65	0.00	0.00
Peru	0.00	0.00	0.00	0.13	-11.02	-0.01	0.02
Philippines	0.00	0.00	0.00	0.63	7.55	0.05	-0.01
Poland	0.00	0.00	0.00	0.63	18.24	0.11	-0.08
Qatar	0.00	0.00	0.00	0.66	2.21	0.01	0.02
Romania	0.00	0.00	0.00	0.03	12.29	0.00	0.00
Russia	2.91	11.42	0.34	2.70	13.59	0.36	-0.05
Saudi Arabia	0.23	-1.35	-0.01	2.80	10.08	0.27	-0.16
Singapore	0.85	20.15	0.15	0.02	-11.76	0.00	0.12
South Africa	1.11	10.40	0.13	3.72	-1.58	-0.04	0.31
South Korea	10.79	4.95	0.51	13.36	4.83	0.63	0.00
Suriname	0.00	0.00	0.00	0.01	-0.11	0.00	0.00
Switzerland	0.58	-17.85	-0.10	0.00	0.00	0.00	-0.13
Taiwan	12.17	4.97	0.56	13.95	7.09	0.94	-0.28
Thailand	0.00	0.00	0.00	1.75	-4.87	-0.09	0.18
Turkey	0.00	0.00	0.00	0.27	-0.48	0.00	0.01
United Arab Emirates	0.00	0.00	0.00	0.63	11.18	0.07	-0.03
United Kingdom	0.00	0.00	0.00	0.08	14.69	0.01	0.00
United States	5.18	25.56	1.32	0.08	-3.59	0.00	1.05
Cash	4.76	-0.25	-0.01	0.00	0.00	0.00	-0.15
Other	0.00	-0.36	-0.37	0.00	0.00	0.00	-0.37
Total	100.00	7.05	7.05	100.00	5.05	5.05	2.00

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Notes // Driehaus Emerging Markets Growth Strategy

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

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

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

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

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

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

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

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

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

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

The most recent annual GIPS Report is available here.

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

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