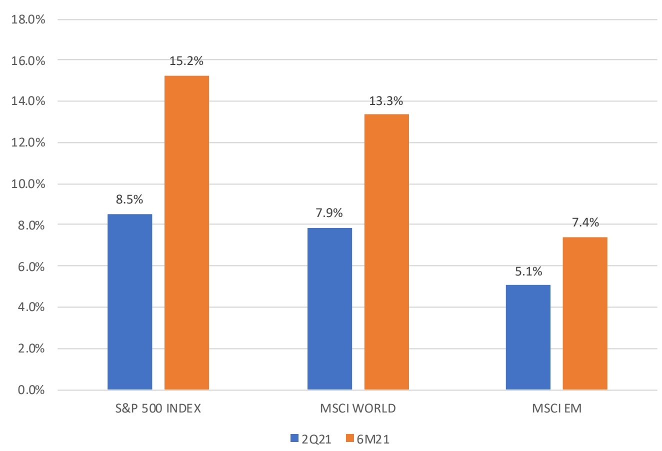
Driehaus Emerging Markets Opportunities Strategy Summary

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 Federal Open Market Committee (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%.

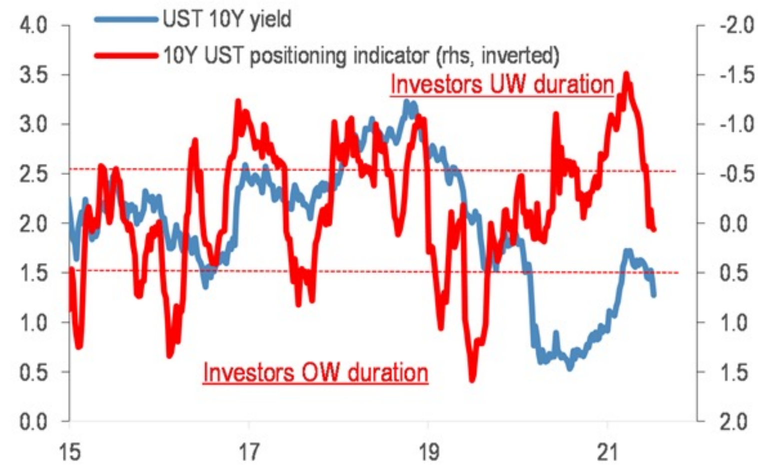
Next, the price of key industrial commodities like copper and lumber rolled over during the quarter as demand softened (to some degree in response to the rapid increase in prices over the last year but also as supply bottlenecks eased). China also acted to contain commodity prices by announcing plans 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 the Organization of the Petroleum Exporting Countries (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) as displayed below in Exhibit 2.

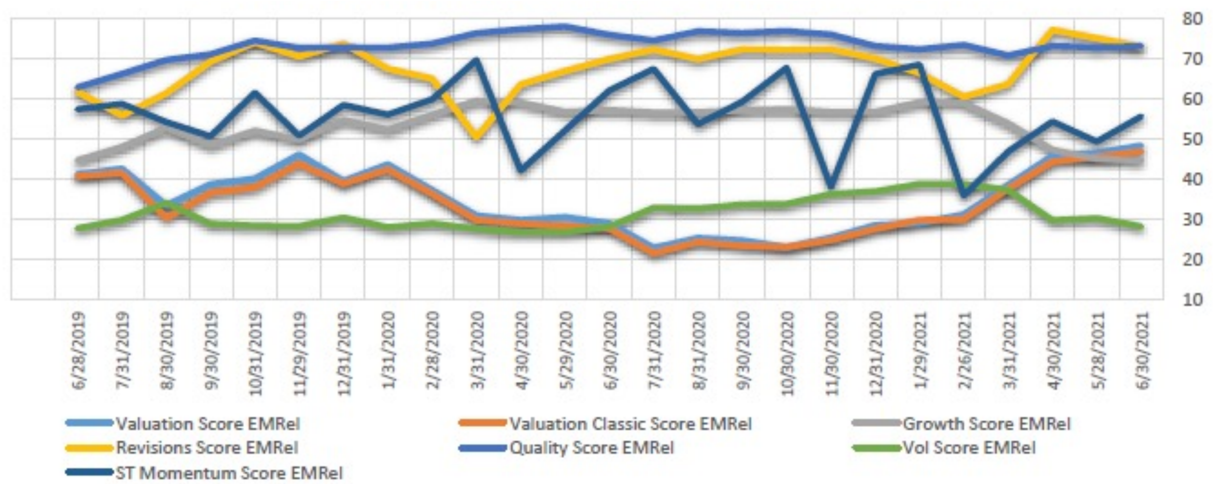
Exhibit 2: Treasury yield and positioning



Source: J.P. Morgan. Data through 6/30/21.

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



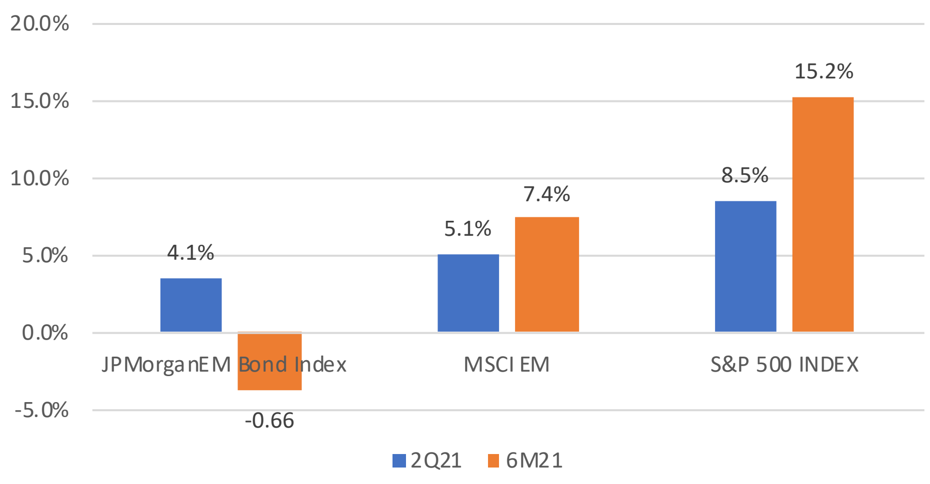
Source: Factset. Valuation EM Relative; Revisions Score EM Relative; Short Term Momentum Score EM Relative, Valuation Classic Score EM Relative, Quality Score EM Relative, Growth Score EM Relative, Volatility Score EM Relative.

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 Opportunities Strategy returned 7.28% in the second quarter, above the 5.05% gain in the MSCI Emerging Markets Index and the 4.10% gain in the JPMorgan Emerging Markets Global Diversified Bond Index.[1] At the end of the quarter, the Strategy had gained 6.92% year-to-date against 7.45% for the MSCI EM and losses of 0.66% for the JP Morgan Emerging Markets Global Diversified Bond Index (Exhibit 4). Despite the unexpected fall in global bond yields throughout the second quarter, EM fixed income could not outperform equities, though they did finally bring positive returns. The Strategy retained its relatively low allocation to non-equities, but the fixed income holdings returned 4.6% overall for the period.

Exhibit 4: 2021 Second Quarter and YTD Return



Source: Bloomberg

[1]The performance data represents the strategy's composite of emerging markets opportunities 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. Please see the notes section for other important information.

Most areas within the Strategy were complementary to returns with all sectors performing positively and only real estate being a modest detractor on a relative basis. The strength was concentrated in three main areas; equity investments in tech, financials and health care. Within the information technology sector, 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. Within financials, the Strategy also benefitted from both its fintech and bank holdings. The returns were led by a company geared to the asset management industry's growth in China, with A-shares continuing to appear attractive to us on a structural basis, we hope this company's dominant position will continue to bring benefits. Finally, the Strategy saw gains from healthcare where holdings in China performed well. Specifically, one holding whose revenue is being boosted by the jump in contract research related to COVID-19 treatments and vaccines did well as did our investment in a leading traditional Chinese medicine drug manufacturer.

Geographically, China was the highest contributor to positive attribution on a country basis. The Strategy is underweight Chinese equities but still outperformed due to strong stock selection and positive returns from our investments in Chinese government bonds. The latter continues to be a core holding for the Strategy in non-equities as we see it as an unfairly high-yielding sovereign with many of the characteristics of the world's lowest yielding sovereigns, but with better prospects long-term for FX appreciation and a very strong external position.

The Strategy's positioning in Taiwan was the largest detractor at the country-level. Taiwanese equities performed well again, led by the continued global strength in semiconductor demand and hardware tightness across numerous areas of the supply chain, of which Taiwan remains a leading supplier.

Outlook and Positioning

There seem to be more crosscurrents than usual as we consider the outlook. On a broad level, the ebbs of flows of COVID-19 infection rates continue to drive short-term asset prices in emerging markets in a way that remains more significant than what we've witnessed in developed markets. Ultimately, vaccination rates are improving but will be much slower than the speed of the spread of the current dominant variants globally. The only positive in that regard is that India has shown us that this global wave is likely to see sharp increases but will burn out relatively more quickly than previous episodes and get us closer to true herd immunity globally. With that in mind, it's hard to get too negative about the economic outlook over the next 6-12 months in emerging markets. In the meantime, we expect plenty of opportunities to fade the volatility across different countries, should it arise. On the other side, we see the export boom that supported emerging economies likely plateauing and fading on a second derivative level and that likely weighing on global growth. China's own economic outlook is also softening from three things: ongoing localized COVID outbreaks causing rolling lockdowns, slowing export growth and the weakening credit impulse starting to weigh on property and other credit-driven sectors of the economy. With the Chinese government not yet in true easing mode, the outlook for asset prices is likely to be mixed and driven by more idiosyncratic factors.

While we see tentative signs of a shift in monetary policy in China, it is far from the start of an easing cycle. We expect they will have to commence one soon, but they will likely wait until it's obviously needed before starting, as has been the roadmap the past several years. In the meantime, we still see good prospects for total returns in Chinese government duration. The currency has been a one-way appreciation trade for the past year and we see less upside there but maintain China as our biggest sovereign allocation in the Strategy. In countries with tepid earnings outlooks broadly and attractive yields on bonds on a relative basis, we shift more capital towards the bond market and that continues to be our preference in China, aided by the ongoing government crackdown toward the internet companies.

We see the spirit of many of the regulation changes as being defensible, but many more are just punitive with the intention of weakening the power of the internet companies and creating an uncertain future earning potential. We remain underweight China broadly and underweight the internet space in particular. While stock multiples are undoubtedly screening as cheap, ascribing value in this environment is much more challenging.

Outside of China, we are becoming increasingly positive on two emerging developments, the recovery from COVID in many countries and the increasing presence of new economy sectors in public markets outside of China. First, the short-term outlook in India is improving to go alongside its still attractive longer-term potential. The COVID crisis in the second quarter was significant but the economic damage done by it appears much less than the previous wave and the case count has already collapsed, suggesting a strong recovery in pent-up demand for the remainder of the year. Further, the market is finally starting to see some of the leading internet platforms coming public. India has long been a favored market for us but until now has really lacked the dynamism brought by heavier presence of internet companies. This trend is not only finally starting in India but also across Southeast Asia, Korea and Latin America as well. We see investors scarred by recent regulatory actions in China being more open to these new opportunities.

Within the non-equity space, the quick action in U.S. rates has changed the EM fixed income landscape quickly. Unlike many other commentators we've seen, we don't think this level of rates in US bonds is 'wrong' but it has quickly discounted the slowing in global economic activity we see coming, reducing the opportunities in EM dollar credit. With inflation staying high globally, especially in the U.S., and nominal yields not moving higher, the investments in local currency bond markets look more attractive to us. EM local curves have steepened significantly this year and even in the presence of bad news, EM FX has performed well thanks to rock bottom real yields in developed markets. Given this, broad earnings pressure in many EM equity areas and the very sharp underperformance of non-equities this year, we have begun allocating somewhat more capital to non-equities. We maintain an overweight position to equities across EM and are growing increasingly selective to areas less at risk to regulatory pressure and more durable, longer-term growth drivers.

- Driehaus Emerging Markets Growth Team

Driehaus Emerging Markets Opportunities Strategy

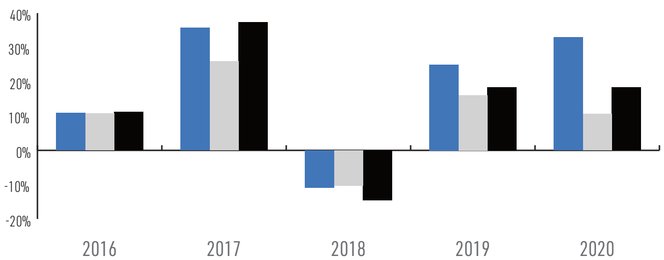
% Month-End Performance (as of 6/30/21)

				Annualized			
	MTH	QTR	YTD	1 Year	3 Year	5 Year	Inception[1]
Driehaus Emerging Markets Opportunities Composite* - Gross	2.23	7.61	7.57	39.02	18.84	17.51	13.80
Driehaus Emerging Markets Opportunities Composite* - Net	2.11	7.28	6.91	37.10	16.08	15.20	11.84
MSCI Emerging Markets Index (ND)[2]	0.17	5.05	7.45	40.90	11.27	13.03	8.40
Equally weighted MSCI EM Index (ND)/ JPMorgan GBI EM Global Diversified[3]	-0.52	4.32	2.02	22.81	7.88	8.23	5.89

*Driehaus Emerging Markets Multi Asset Strategy changed its name to Driehaus Emerging Markets Opportunities Strategy in 2019. There has been no change in the investment style of the strategy.

% Calendar Year Return (Gross of Fee)

Emerging Markets Opportunities Composite | MSCI EM Index[2] | Equally weighted MSCI EM Index (ND) / JPMorgan GBI EM Global Diversified[3]



	2016	2017	2018	2019	2020
Emerging Markets Opportunities Composite	10.90	35.66	-10.83	24.99	32.94
MSCI EM Index	11.19	37.28	-14.57	18.42	18.31
Equally weighted MSCI EM Index (ND) / JPMorgan GBI EM Global Diversified	10.74	25.88	-10.31	16.06	10.59

Source: Factset Research Systems, Inc.

[1]7/1/2015. [2]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. [3]The equally weighted benchmark consists of 50 percent of the MSCI Emerging Market Index (ND) and 50 percent of the JPMorgan GBI Emerging Markets Global Diversified. JPMorgan Global Bond Index Emerging Markets Global Diversified tracks debt instruments in the emerging markets (includes a broader array of countries than the EMBI Plus).

Key Features

- Seeks to provide risk-adjusted returns and higher total return than the MSCI Emerging Markets Index over a full market cycle by investing across the emerging markets asset class.
- Flexible structure that allows the strategy to benefit from positive and negative developments across multiple markets.
- Employs multiple trade-types to manage risk, correlation and volatility.

Facts

Inception Date	7/1/15
Strategy Assets Under Management	$66M
Firm Assets Under Management	$13.8B

Portfolio Characteristics (Since Inception)

	Strategy	MSCI Emerging Markets Index (ND)[2]
Annualized Return	13.8	8.4
Standard Deviation	13.6	17.2
Sharpe Ratio	0.9	0.4
Upside Capture % (MSCI EM)	85.4	100.0
Downside Capture % (MSCI EM)	76.3	100.0
Annualized Alpha	7.0	0.0

Portfolio Management

Richard Thies, Lead Portfolio Manager
13 years of industry experience

Howard Schwab, Portfolio Manager
19 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
18 years industry experience

Jonathon Mershimer, CFA, Assistant Portfolio Manager
12 years industry experience

Country Weights (%)

	Equity Strategy Weight	Fixed Income Strategy Weight	Benchmark Weight
Argentina	0.6	0.0	0.1
Brazil	4.1	0.8	5.3
Cayman Islands	0.0	0.6	0.0
China	26.1	4.0	34.6
Cyprus	0.4	0.0	0.2
Czech Republic	0.8	0.0	0.1
Egypt	0.0	1.6	0.1
France	1.5	0.0	0.0
Hong Kong	4.0	0.0	2.8
India	8.4	0.0	9.9
Indonesia	0.8	1.4	1.1
Japan	1.2	0.0	0.0
Kazakhstan	1.4	0.0	0.0
Malaysia	0.0	0.5	1.2
Mexico	1.1	2.3	1.7
Netherlands	0.9	0.0	0.3
Nigeria	0.0	0.5	0.0
Russia	2.6	0.0	2.8
Saudi Arabia	0.8	0.6	2.8
Singapore	0.9	0.0	0.0
South Africa	1.0	0.5	3.5
South Korea	11.0	0.0	13.2
Taiwan	10.0	0.0	13.9
Turkey	0.0	0.5	0.2
Ukraine	0.0	0.7	0.0
United States	5.0	0.0	0.1
Cash/Other*	3.3	0.0	0.0

Sector Weights (%)

	Strategy	Benchmark	Active Weights
Comm. Services	8.9	11.3	-2.4
Consumer Discretionary	12.6	17.6	-4.9
Consumer Staples	4.1	5.6	-1.6
Energy	4.2	5.0	-0.9
Financials	13.8	17.8	-4.0
Health Care	5.5	5.0	0.5
Industrials	2.1	4.9	-2.8
Information Technology	25.9	20.4	5.5
Materials	2.1	8.4	-6.4
Real Estate	2.4	2.0	0.4
Utilities	1.2	1.9	-0.7
Cash/Other*	3.3	0.0	3.3
Fixed Income	14.0	0.0	14.0

Asset Allocation (%)

Equity	82.7
Fixed Income	14.0
Cash/Other*	3.3

Source: Driehaus Capital Management LLC
Data as of 6/30/21.

*Includes any other non-equity or fixed-income security types.

TERMS
Downside Capture is the down-market capture ratio is a statistical measure of an investment manager's overall performance in down-markets. The ratio is calculated by dividing the manager's returns by the returns of the index during the down-market and multiplying that factor by 100. **Upside Capture** is the up-market capture ratio is the statistical measure of an investment manager's overall performance in up-markets. The ratio is calculated by dividing the manager's returns by the returns of the index during the up-market and multiplying that factor by 100. **Effective duration** takes into account that expected cash flows will fluctuate as interest rates change. **Sharpe Ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Driehaus Emerging Markets Opportunities Strategy

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

	Driehaus Emerging Markets Opportunities Strategy (Port) (%)			MSCI Emerging Markets Index[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	0.90	1.07	-0.00	0.06	6.07	0.00	-0.05
Australia	0.00	0.00	0.00	0.00	-24.07	-0.00	0.00
Brazil	5.08	17.26	0.86	6.84	15.74	0.99	-0.08
Canada	0.79	-18.10	-0.20	0.00	0.00	0.00	-0.24
Cayman Islands	0.57	5.54	0.03	0.00	0.00	0.00	0.01
Chile	0.00	0.00	0.00	1.71	-7.79	-0.14	0.21
China	27.64	9.80	2.79	22.03	2.70	0.63	1.97
Colombia	0.00	0.00	0.00	2.19	-1.33	-0.03	0.12
Cyprus	0.39	-6.90	-0.04	0.07	36.54	0.02	-0.07
Czech Republic	0.60	13.51	0.11	2.01	4.39	0.09	0.10
Dominican Republic	0.00	0.00	0.00	0.71	4.82	0.03	-0.00
Egypt	1.57	4.10	0.07	0.04	-9.23	-0.00	0.01
France	1.51	17.47	0.25	0.00	0.00	0.00	0.19
Germany	0.00	0.00	0.00	0.01	3.57	0.00	0.00
Greece	0.00	0.00	0.00	0.06	8.18	0.00	-0.00
Hong Kong	4.28	4.24	0.19	1.46	-1.18	-0.01	0.08
Hungary	0.00	0.00	0.00	2.01	4.58	0.10	-0.01
India	8.81	3.53	0.25	4.85	6.91	0.33	-0.27
Indonesia	2.14	1.46	0.03	5.12	2.75	0.14	0.01
Ireland	0.00	0.00	0.00	0.03	3.05	0.00	0.00
Japan	1.27	2.43	0.02	0.00	0.00	0.00	-0.04
Kazakhstan	1.84	24.51	0.41	0.00	0.00	0.00	0.35
Kuwait	0.00	0.00	0.00	0.26	9.52	0.02	-0.01
Luxembourg	0.00	0.00	0.00	0.99	4.47	0.05	-0.01
Malaysia	0.56	1.68	0.01	3.53	0.33	0.01	0.13
Mexico	3.29	9.13	0.31	5.82	4.13	0.25	0.17
Netherlands	0.90	13.59	0.12	0.14	9.62	0.01	0.08
Nigeria	0.50	5.18	0.03	0.00	0.00	0.00	0.01
Pakistan	0.00	0.00	0.00	0.01	-6.65	-0.00	0.00
Peru	0.00	0.00	0.00	1.51	-3.85	-0.05	0.12
Philippines	0.00	0.00	0.00	1.01	0.30	0.00	0.04
Poland	0.00	0.00	0.00	2.90	4.41	0.13	-0.01
Qatar	0.00	0.00	0.00	0.33	2.21	0.01	0.01
Romania	0.00	0.00	0.00	1.64	1.11	0.02	0.05
Russia	2.28	14.24	0.28	3.75	7.44	0.27	0.07
Saudi Arabia	1.35	0.57	0.01	1.40	10.08	0.13	-0.13
Serbia	0.00	0.00	0.00	0.00	-0.30	-0.00	0.00
Singapore	0.82	23.01	0.17	0.01	-11.76	-0.00	0.14
South Africa	2.37	-5.01	-0.16	5.50	6.76	0.38	-0.40
South Korea	11.86	7.03	0.84	6.68	4.83	0.32	0.28
Suriname	0.00	0.00	0.00	0.01	-0.11	-0.00	0.00
Sweden	0.24	-1.87	0.00	0.00	0.00	0.00	-0.02
Taiwan	10.26	2.41	0.19	6.98	7.09	0.48	-0.41
Thailand	0.00	0.00	0.00	4.22	-1.63	-0.07	0.26
Turkey	0.46	9.58	0.04	1.56	2.21	0.03	0.06
Ukraine	0.34	1.70	0.01	0.00	0.00	0.00	-0.00
United Arab Emirates	0.20	1.42	0.01	0.31	11.18	0.03	-0.02
United Kingdom	0.00	0.00	0.00	0.21	3.37	0.01	0.00
United States	3.96	15.30	0.63	1.15	1.55	0.02	0.50
Uruguay	0.00	0.00	0.00	0.70	4.72	0.03	-0.00
Cash	3.24	-0.35	-0.01	0.18	0.01	0.00	-0.18
Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**100.00**	**7.23**	**7.23**	**100.00**	**4.23**	**4.23**	**3.00**

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

Driehaus Emerging Markets Opportunities 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 Opportunities Composite (the Composite) was created in July 2015. An account is considered to be an emerging markets opportunities account if it seeks to provide capital appreciation through an investment in securities of companies located in or deriving substantial revenues from growth economies or emerging markets. The style combines macro-economic and fundamental analyses to provide long and short exposures to emerging markets-oriented securities across asset classes.

The style opportunistically invests across multiple asset classes and various security types including equities, currencies, debt securities such as corporate and sovereign/government bonds and derivative securities such as futures contracts, forwards, options and swaps. The use of derivatives is an integral part of the strategy, making up a notable portion of the total investments in an account at any one time.

The Company changed the name of the Composite from Emerging Markets Multi-Asset to Emerging Markets Opportunities in 2019 to more appropriately reflect the investment strategy of the composite.

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.

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

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

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 - Net Dividend (MSCI Emerging Markets Index - ND) is a market capitalization-weighted index designed to measure equity market performance in emerging markets. Data is in U.S. dollars and is calculated with net dividend reinvestment.

The MSCI Emerging Markets/JPMorgan GBI Blended Index is an equally weighted benchmark comprised of 50 percent by the MSCI Emerging Markets Index - ND and 50 percent by the JPMorgan Global Bond Index Emerging Markets Global Diversified (JPMorgan GBI). The MSCI Emerging Markets Index - ND is a market capitalization-weighted index designed to measure equity market performance in emerging markets and the JPMorgan GBI tracks debt instruments in the emerging markets.

The most recent annual GIPS Report is available here.

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.

For Professional, Institutional Investor Use Only