DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Small/Mid Cap Growth Strategy Summary

3RD QUARTER 2021

Market Overview

The September quarter was a down period for the U.S. equity market as the number of headwinds and concerns expanded, causing economic growth to slow and equity multiples to contract slightly. While the largest capitalization stocks outperformed, helping the S&P 500 to eke out a tiny gain of .58%, the rest of the market struggled as size was an important driver of returns. Larger cap stocks outperformed mid caps, which outperformed small caps, which outperformed micro caps. Value also managed to outperform growth during the period.

The small and mid cap indices have now consolidated in a sideways fashion since the spring of this year and are off approximately ten percent from their highs earlier this year. The S&P 500, which reached new price highs throughout the quarter, has now declined about five percent from its recent early September high.

The equity market is typically weak during the August to October period, but multiple fundamental concerns have also pressured equities with the Delta variant the most prominent having caused another major wave of new COVID cases. As a result, many parts of the U.S. brought back mask policies and other social distancing restrictions. While most of new cases are among the unvaccinated population, especially in terms of severe disease, this wave certainly impacted the economic momentum that had been accelerating during the first half of 2021. Economic (GDP) growth slowed as consumer travel and leisure spending decelerated, supply chains continued to be severely impacted, labor markets remained extremely stressed and the return to office policies for many companies were delayed.

Inflation, interest rates and monetary policy were also a major focus for equity investors. Despite Fed Chair Jerome Powell's "transitory" description of inflation, the elevated price levels are proving to be stubborn as supply chains and labor markets continue to be impacted by COVID. The extreme, widespread shortages and extended lead times across most industries and the lack of visibility regarding a return to normal for most supply chains is something that has not been witnessed before. The same can be said of the labor markets. The number of open or unfilled jobs (over 11 million) is a record and far exceeds the number of job applicants seeking work (roughly 8 million). Nearly every industry is having a difficult time finding workers. Many believed that as the extended and generous unemployment benefits ended in early September and as schools reopened, workers would return but this process is also proving to be slower than most expected. This is putting additional upward pressure on wages and overall inflation. The supply chain and labor issues are holding back the potential for economic growth and have reduced consensus economic growth assumptions for the second half of this year. Supply chains and labor markets should normalize over time, especially if this Delta wave is the last significant one. As these supply side issues slowly normalize, their recovery will be a tailwind for economic growth. Interest rates, which appear to have bottomed in early August, are rising again and may continue to do so. Increasing rates, within reason, and upward sloping yield curves can be positive signs of economic growth but the pace of the increase in rates (and inflation) and the potential pressure on monetary policy are risks that will need to be monitored carefully.

There are numerous other risks. These include: the U.S. debt ceiling (it needs to be raised by October 18th), Fed tapering and eventual tightening, the re-appointment of Fed Chair Jerome Powell, the passage and the size of the infrastructure bill, rising crude oil prices, tension between China and Taiwan, Evergrande and the over-levered China real estate sector and future potential COVID variants.

Positively, the demand side of the economic equation remains robust. Pent up demand, low inventories, rising incomes, record net worth and the new economic cycle are all driving very strong demand. At the same time, the lack of product, rising prices and extended lead times could impact demand and overall economic potential. Still, we expect demand to remain strong enough as the supply chains and labor market slowly recover over the next several quarters.

Stock and sector leadership continues to be rotational. Cyclicals led in the first half of 2021 fueled by the reopening of the economy. Then as yields fell and Delta cases rose in the September quarter, many WFH (work from home) stocks performed better and many cyclical stocks in the consumer discretionary and industrials sectors lagged. As Delta variant cases peaked in early September and are now steadily declining, many "reopening" cyclicals are beginning to benefit.

Our overall sanguine view is supported by our conviction that the economy is still early in its recovery. Given the COVID-induced recession ended last year, we are just entering the second year of this expansion and historically the last five U.S. economic cycles have lasted five to ten years. No two cycles are the same, but this expansion is off to a stronger start despite many of the unprecedented aspects of this one.

Corporate earnings remain robust and have made new highs, as equities have pulled back from their highs earlier this year. Together, higher earnings and lower stock prices have created more attractive valuations and have set up an attractive dynamic as the market looks ahead towards the year end and into 2022. As the market digests the current macro uncertainties, we are finding many appealing opportunities both among cyclicals as well as secular growth companies.

Performance Review

For the September quarter, the Driehaus Small/Mid Cap Growth Strategy outperformed its benchmark. The Strategy gained 1.57%, net of fees, while the Russell 2500 Growth Index declined -3.53%.[1] The Strategy also outperformed the Russell 2000 which declined -4.36%, the Russell 2500 which fell -2.68% and the S&P 500 which gained .58%.

The relative outperformance versus the Russell 2500 Cap Growth Index was driven by the portfolio's relative outperformance in several sectors including technology, healthcare, industrials, and consumer staples. The market's stock and sector leadership continue to be very rotational. While cyclical and reopening stocks performed best in the first half of the year, within the portfolio secular growth parts of technology and healthcare performed well as Delta cases rose and economic growth slowed in the September quarter.

The portfolio from a bottom-up basis continues to experience strong earnings reports with robust positive surprises, estimate revisions and bullish fundamental outlooks. It also benefitted from good balance and diversification across the various growth categories (secular, cyclical, consistent, recovery) which boosted outperformance.

[1]The performance data represents the strategy's composite of small/mid cap 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.

By sector, the following sectors saw positive absolute returns for the quarter (in order of magnitude): technology, industrials, and financials. As the market declined, several sectors experienced negative absolute returns, including consumer discretionary, communication services, and materials. The positive relative returns for the quarter were primarily from (in order of magnitude): technology, healthcare, industrials, and consumer staples. Consumer discretionary and energy detracted on a relative basis.

Technology

Technology outperformed while contributing 296 basis points on a relative basis. It continues to see strong fundamental trends in most of its sub-industries. IT service stocks remain strong. Software recovered after a choppy first half. The performance of our semiconductor holdings was also strong while semi capital equipment holdings were mixed. Telco equipment holdings continue to perform well as the outlook for rural broadband spending is robust.

Healthcare

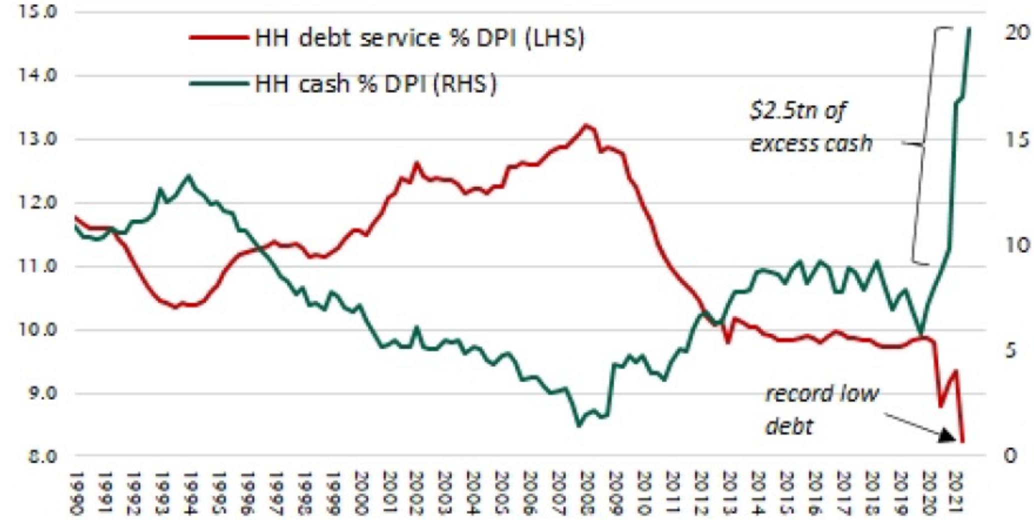
Healthcare outperformed as the sector contributed 151 basis points on a relative basis. The portfolio's holdings were down just .7% versus a decline of 6.6% for the index's healthcare holdings. Several biotech holdings performed well as there was increased optimism on their clinical pipelines and some holdings reported strong clinical trial data.

IPO activity within the group remains strong with many companies coming public during the quarter. The level of innovation we see in healthcare is exciting. Biotech/therapeutics, molecular diagnostics and med-tech all stand to benefit strongly looking forward as these companies improve the standard of care and provide better outcomes for patients.

Consumer Discretionary and Staples

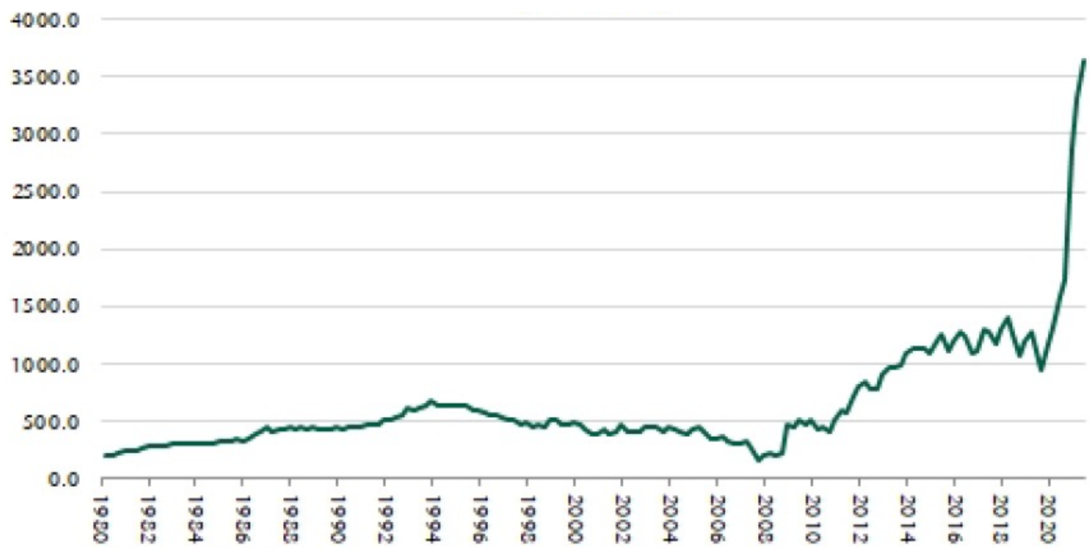
The consumer discretionary sector holdings, which saw strength in the first half of the year, had broad weakness in the September quarter as the Delta-related cases soared. Supply chain, reduced stimulus benefits and labor issues were also sources of the sector's weakness. As a result, and as attractive opportunities developed in other sectors, we reduced our weighting in consumer discretionary from 20.0% to 12.4% during the quarter. As the Delta cases are now falling and most are vaccinated, we do expect the sector to recover. Supply chain issues will linger but they may be discounted in some situations. As the economy continues to grow and labor markets normalize, we expect the very high savings rates and massive pent-up demand to continue to drive solid consumer spending. We remain impressed with robust financial strength of the U.S. consumer as wages, net worth and overall household balance sheets are the strongest we have ever seen. As the consumer is such a core segment of the aggregate U.S. economy, we highlight the strength of the consumer's financial position in Exhibits 1-3.

Exhibit 1: Household Cash & Debt Service



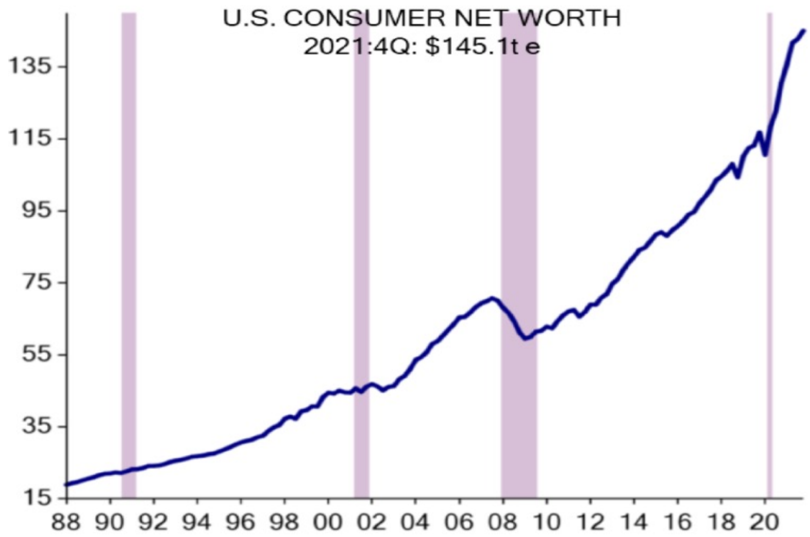
Source: Haver, JEF Economics

Exhibit 2: Household Cash & Checking Deposits (USD bln)



Source: Haver, JEF Economics

Exhibit 3: US Consumer Net Worth



Source: Evercore ISI

Consumer staples also added nicely to outperformance as an energy drink producer and a skin products company performed strongly.

Outlook & Positioning

The outlook for the economy and earnings remains positive as there are multiple drivers supporting this economic expansion. We believe the level of earnings will continue to make new highs. The overall direction of equities will follow the path of earnings as the economic expansion continues. That said, multiple factors are causing stocks to churn sideways. The Delta variant has slowed economic growth over the past few months. The severe stress in supply chains and the labor market don't have recent precedent. Inflation remains elevated and is the highest in years and various political and geopolitical concerns are depressing investor sentiment. Overall, though as the supply side issues slowly improve and we potentially move to a post-pandemic period, the U.S. expansion could prove to be self-sustaining.

The mRNA based COVID-19 vaccines are working very well and appear to provide good protection especially against severe disease. The percentage of adult Americans who are vaccinated is over seventy percent. Delta cases are now in decline after peaking in September and the risk of an additional major COVID wave is low, but naturally unpredictable.

Smaller cap valuations are attractive on a relative basis versus large caps looking at the past four decades. Earnings growth rates for smaller companies are much stronger than large caps. Micro and small caps generally perform well for years from the beginning of a new economic expansion. For instance, post the Nasdaq Bubble and post the Great Financial Crisis, smaller caps outperformed large caps for five to six years.

In terms of portfolio positioning, we have an attractive mix of secular and cyclical growth holdings that should continue to benefit the Strategy as the market continues to be so rotational. By sector healthcare remains our largest absolute weight, followed by technology, consumer discretionary, industrials and financials. Relative to the benchmark, the Strategy is overweight technology, financials, consumer staples, consumer discretionary and energy. The Strategy is underweight health care, industrials, and real estate.

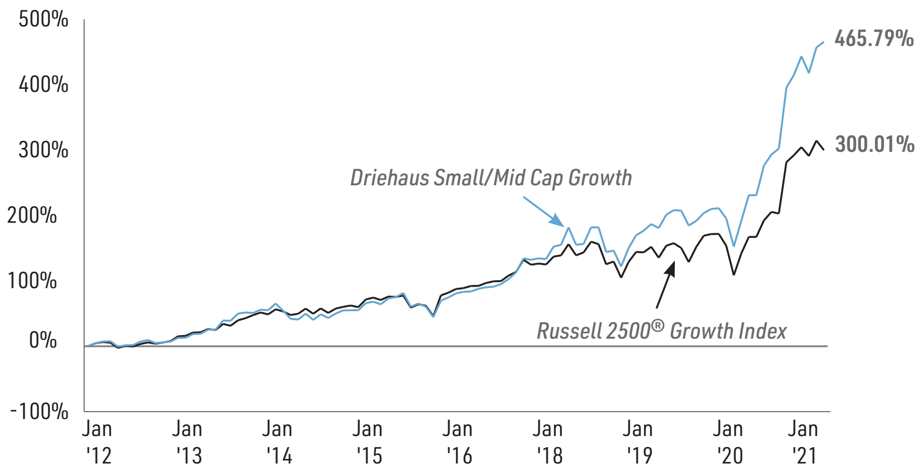
Overall, we see many dynamic investment opportunities in attractive and strong industries, which fit our investment philosophy of companies exhibiting growth inflections, differentiation, market share gains, strong revenues and expanding profitability.

Driehaus Small/Mid Cap Growth Strategy

% Month-End Performance (as of 9/30/21)

				Annualized			
	MTH	QTD	YTD	1 Year	3 Year	5 Year	Inception[2]
Driehaus Small/Mid Cap Growth Composite (Gross)	**-2.20**	**1.76**	**14.84**	**41.66**	**26.93**	**27.05**	**20.42**
Driehaus Small/Mid Cap Growth Composite (Net)	**-2.26**	**1.57**	**14.21**	**40.62**	**26.13**	**26.24**	**19.64**
Russell 2500® Growth Index (Benchmark)	-3.80	-3.53	4.84	31.98	16.01	18.21	15.42

Cumulative Return Since Inception Net of Fees[2] (as of 9/30/21)



Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 9/30/21.

The performance data represents the strategy's composite of small/mid cap 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]2/1/2012. [3]Portfolio characteristics represent the strategy's composite. [4]Data is calculated monthly.

Key Features

- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Facts

Inception Date	2/1/12
Composite Assets Under Management[1]	$79M
Firm Assets Under Management	$14.2B
Investment Style	Growth Equity
Available Investment Vehicles:	Separately Managed Account Mutual Fund

Portfolio Characteristics[3]

5-year period	STRATEGY	BENCHMARK
Annualized Alpha	8.55	n/a
Sharpe Ratio	1.31	0.86
Information Ratio	1.42	n/a
Beta	0.95	1.00
Standard Deviation	19.82	19.81
Tracking Error	6.24	0.00
R-squared	0.90	1.00

Market Cap Breakout	STRATEGY	BENCHMARK
< $2.5 billion	0.9%	17.8%
$2.5 - $15 billion	67.8%	69.6%
> $15 billion	31.3%	12.6%

	STRATEGY	BENCHMARK
Number of Holdings	112	1,453
Weighted Avg. Market Cap (M)	$14,719	$7,736
Median Market Cap (M)	$8,932	$1,744
Active Share (3-year avg.)[4]	82.52	n/a

Portfolio Management

Jeff James , Portfolio Manager
31 years of industry experience

Michael Buck, Portfolio Manager
21 years industry experience

Prakash Vijayan, Assistant Portfolio Manager
16 years industry experience

Top 5 Holdings[1] (as of 8/31/21)

Company	Sector	% of Strategy
Crocs, Inc.	Consumer Discretionary	2.7
Zscaler, Inc.	Information Technology	2.4
monday.com Ltd.	Information Technology	2.3
Natera, Inc.	Health Care	1.8
Roku, Inc. Class A	Communication Services	1.7

Sector Weights (%)

Month-End Absolute Weights (%)

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
Strategy	2.6	13.0	1.8	1.9	3.0	24.0	18.7	29.8	3.7	0.0	0.0	1.4
Benchmark	2.4	15.4	2.7	1.9	5.4	24.7	13.9	27.7	2.9	2.7	0.4	0.0
Active Weights	*0.3*	*-2.3*	*-1.0*	*0.1*	*-2.4*	*-0.7*	*4.8*	*2.1*	*0.7*	*-2.7*	*-0.4*	*1.4*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 9/30/21. Benchmark: Russell 2500® Growth Index
[1]Holdings subject to change.

Driehaus Small/Mid Cap Growth Strategy

Sector Performance Attribution 3rd Quarter – 6/30/21 to 9/30/21

	Driehaus Small/Mid Cap Growth Composite (Port) (%)		Russell 2500 Growth Index[1] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	3.34	-0.56	2.50	-0.47	-0.15	0.05	-0.10
Consumer Discretionary	17.80	-1.41	15.57	-0.75	0.05	-0.68	-0.62
Consumer Staples	1.19	0.04	2.84	-0.45	0.21	0.24	0.45
Energy	1.15	-0.40	1.70	-0.11	-0.12	-0.10	-0.22
Financials	1.96	0.33	4.95	0.24	-0.27	0.25	-0.02
Health Care	24.60	-0.06	24.79	-1.58	0.00	1.52	1.51
Industrials	17.56	0.40	13.94	-0.39	0.04	0.89	0.93
Information Technology	25.56	3.21	27.39	0.14	-0.10	3.06	2.97
Materials	4.74	-0.23	3.19	-0.26	-0.04	0.14	0.10
Real Estate	0.00	0.00	2.73	0.06	-0.17	0.00	-0.17
Utilities	0.00	0.00	0.39	0.01	-0.03	0.00	-0.03
Cash	2.10	0.00	0.00	0.00	0.08	0.00	0.08
Other[2]	0.00	-0.12	0.00	0.00	-0.13	0.00	-0.13
Total	100.00	1.20	100.00	-3.55	-0.61	5.37	4.75

Data as of 9/30/21

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

[1]The Russell 2500® Growth Index measures the performance of those Russell 2500® Index companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. [2]Other refers to securities not recognized by Factset.

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

ATTRIBUTION ANALYSIS CATEGORIES ARE DEFINED AS:

Allocation Effect - Measures the impact of the decision to allocate assets differently than those in the benchmark.

Security Selection Effect - Measures the effect of choosing securities, which may or may not outperform those of the benchmark.

Interaction Effect - Jointly measures the effect of allocation and selection decisions.

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.

Notes // Driehaus Small/Mid Cap 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 Small/Mid Cap Growth Composite was created in February 2012. An account is considered to be a small/mid cap growth account if it primarily invests in U.S equity securities of high growth companies with market capitalization ranges at the time of purchase as those included in the Russell 2500® Growth Index between $500 million and $15 billion. However, there is no requirement to be exclusively invested in small cap and mid cap stocks, and the accounts have invested, to a lesser extent, in stocks with a smaller or larger capitalization from time to time.

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.

INDICES
The Russell 2500® Growth Index measures the performance of the small to midcap growth segment of the U.S equity universe. It measures the performance of those Russell 2500® Index companies with higher growth earning potential as defined by FTSE Russell's leading style methodology. Data includes reinvested dividends.

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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.