

# Driehaus Emerging Markets Small Cap Growth Fund Summary

3<sup>RD</sup> QUARTER 2021

Emerging market (EM) equities experienced a bout of volatility during the third quarter, driven largely by China, as the central government's regulatory campaign weighed on sentiment, while concerns over a power crunch and growing credit risk in the property market led to downward revisions to economic growth forecasts. Further, persistent tightness in global shipping and commodity markets led investors to increasingly question the transitory inflation narrative, as the Federal Reserve (Fed) inches closer to tapering its quantitative easing.

The Driehaus Emerging Markets Small Cap Growth Fund returned -3.78% for the quarter, compared to -2.16% for the MSCI Emerging Markets Small Cap Index.<sup>1</sup>

Key contributors during the quarter included India and the real estate sector, while China and the industrials sector detracted from relative performance.

India remains a large overweight for the Fund, and the country was a strong contributor to performance during the quarter. Standout companies included a hospital operator, an internet company, a property developer, and two specialty chemical producers. We continue to observe a positive transformation of India's information technology (IT) sector as data infrastructure investments in recent years have created opportunities for companies in the SaaS and e-commerce industries. Robust IT hiring trends have fueled gains in the property market in certain cities, as affordability metrics are near all-time highs.

Real estate was the Fund's top performing sector during the quarter, with all of the gains stemming from three Indian property developers. Each company has a distinct strength in India's fastest growing micro markets, and collectively the listed companies have benefited from regulation in recent years, which has created an improved backdrop for formal players, while informal competitors within the sector have lost market share or exited the market entirely.

China detracted from relative performance during the quarter, largely due to the allocation effect associated with the Fund's overweight position in the country. Companies that faced the risk of an intensifying regulatory backdrop, supply chain disruptions, or rising raw material costs underperformed during the quarter. These positions included a provider of diagnostic reagents with a focus on oncology, which sold off in tandem with the health care sector due to the perceived risk of a broadening regulatory campaign, as well as a manufacturer of automotive headlights, which is seeing strong adoption from new customers, but has been hampered by chip shortages facing the industry.

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#### <sup>1</sup>Performance Disclosure

The performance data shown represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. Principal value and investment returns will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Performance data represents the rate that an investor would have earned (or lost), during the given month, on an investment in the Fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.

**Driehaus Emerging Markets Small Cap Growth Fund**

The industrials sector underperformed during the quarter. Underperformance was concentrated in industrial automation equipment manufacturers, which faced margin pressure from rising raw material and power costs, along with uncertainty over end market demand growth.

The Fund remains overweight China relative to the MSCI Emerging Markets Small Cap Index. Our positions are heavily focused on innovative areas where we anticipate strong structural growth despite the uncertain global backdrop. Examples include health care companies engaged in drug development and diagnostics, industrial automation companies that are benefiting from advances in robotics technology, and renewable energy companies that maintain strong policy tailwinds as China seeks to achieve peak carbon emissions by 2030.

From a sector perspective, the Fund is overweight energy. Global oil inventories continue to normalize faster than expected following the COVID-related hit to demand. A multi-year period of underinvestment in the sector, coupled with recent constraints in global hydroelectric power, have led to a supply-demand mismatch, particularly in China and Europe. These conditions are favorable for oil and gas producers with attractive resource bases, as well as oil service companies that are poised to benefit from rising activity levels. One of the Fund's top weightings is a company that produces turbine powered pressure pumping equipment, which maintains lower greenhouse gas emissions and better efficiency than conventional equipment.

The Fund is underweight Korea relative to the benchmark. We have identified a select group of companies with unique exposure to specific themes such as 5G and electric vehicles but remain underweight the broader market due to its relatively limited breadth of earnings growth.

The Fund is underweight the financials sector relative to the MSCI Emerging Markets Small Cap Index. While recent increases in interest rates have provided support for net interest margins across the sector, the recovery has not been uniform across emerging markets, as credit growth trends paint a more mixed picture. We continue to undertake a selective approach to the sector, favoring banks in rapidly growing economies such as Vietnam and India, along with fintech companies that are positioned to gain market share at the expense of slower moving legacy competitors in the sector.

Overall, we maintain a positive medium-term outlook for EM, as well as the small cap segment of the asset class, which is benefiting from trends such as innovation in the technology and health care sectors, the improving perception of local consumer brands, and the increasing emphasis on local supply chains. In the near-term, the pressure on earnings growth resulting from slowing economic growth has resulted in a number of holdings triggering our sell discipline. We are cognizant of the risk of tightening liquidity in tandem with a slowing economy, and expect any near-term volatility associated with these factors to lead to an opportunity to accumulate our highest conviction ideas in the coming quarters.

Until next month,



**Chad Cleaver**, Lead Portfolio Manager  
Driehaus Emerging Markets Small Cap Growth Fund

# Driehaus Emerging Markets Small Cap Growth Fund

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

	MTH	YTD	Annualized				
			1 Year	3 Year	5 Year	10 Year	Inception <sup>1</sup>
Driehaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	-1.79	12.00	37.01	21.54	12.57	9.33	12.51
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup> (Benchmark)	-1.99	17.20	43.24	13.11	9.75	7.21	12.45
MSCI Emerging Markets Small Cap Growth Index (ND) <sup>4</sup> (Index)	-2.09	17.07	40.99	14.64	9.59	7.14	11.93

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

	QTR	YTD	Annualized				
			1 Year	3 Year	5 Year	10 Year	Inception <sup>1</sup>
Driehaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	-3.78	12.00	37.01	21.54	12.57	9.33	12.51
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup> (Benchmark)	-2.16	17.20	43.24	13.11	9.75	7.21	12.45
MSCI Emerging Markets Small Cap Growth Index (ND) <sup>4</sup> (Index)	-2.47	17.07	40.99	14.64	9.59	7.14	11.93

## Top 5 Holdings<sup>5</sup> (as of 8/31/21)

Company	% of Fund
FPT Corp.	2.0
Max Healthcare Institute Ltd	1.8
Estun Automation Co. Ltd. Class A	1.8
KASPI.KZ JSC-144A	1.7
Info Edge India Ltd.	1.6

## Annual Operating Expenses<sup>6</sup>

Gross Expenses	1.68%
Net Expenses <sup>7</sup>	1.25%

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

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<sup>1</sup>The Fund's predecessor limited partnership has an inception date of 12/1/2008. <sup>2</sup>The average annual total returns of the Driehaus Emerging Markets Small Cap Growth Fund include the performance of the Fund's predecessor limited partnership, which is calculated from December 1, 2008 before the Fund commenced operations and succeeded to the assets of its predecessor on August 22, 2011. The predecessor 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 predecessor had been registered under the 1940 Act, its performance may have been adversely affected. The Fund's predecessor performance has been restated to reflect estimated expenses of the Fund. After-tax performance returns are not included for the predecessor limited partnership. The predecessor was not a regulated investment company and therefore did not distribute current or accumulated earnings. <sup>3</sup>The Morgan Stanley Capital International Emerging Markets Small Cap Index (MSCI Emerging Markets Small Cap Index) is a market capitalization-weighted index designed to measure equity market performance of small cap stocks in global emerging markets. Data is in US dollars. The net dividend (ND) index is calculated with net dividend reinvestment. <sup>4</sup>The Morgan Stanley Capital International Emerging Markets Small Cap Growth Index (MSCI Emerging Markets Small Cap Growth Index) is a subset of the MSCI Emerging Markets Small Cap Index and includes only the MSCI Emerging Markets Small Cap Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. An investor cannot invest directly in an index. <sup>5</sup>Holdings subject to change. <sup>6</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2021, as supplemented on December 8, 2020. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary. <sup>7</sup>Driehaus Capital Management LLC, the Fund's investment adviser, has entered into a contractual agreement to waive a portion of its management fee and to reimburse operating expenses to the extent necessary to cap the Driehaus Emerging Markets Small Cap Growth Fund's ordinary annual operating expenses (excluding interest, taxes, brokerage commissions, dividends and interest on short sales and other investment-related costs, acquired fund fees and expenses and extraordinary expenses, such as litigation and other expenses not incurred in the ordinary course of the Fund's business), resulting in the current net expense ratio of 1.25% until the earlier of the termination of the investment advisory agreement, by the Board of Trustees or the Fund's shareholders, or April 30, 2023. Pursuant to the agreement, and so long as the investment advisory agreement is in place, for a period not to exceed three years from the date on which the waiver or reimbursement was made, the investment adviser is entitled to reimbursement or previously waived fees and reimbursed expenses to the extent that the Fund's expense ratio remains below the operating expense cap in place at the time of the waiver or expense reimbursement and below the current operating expense cap.

**Driehaus Emerging Markets Small Cap Growth Fund**

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

	Driehaus Emerging Markets Small Cap Growth Fund (DRESX) (Port) (%)			MSCI Emerging Markets Small Cap Index (ND) <sup>1</sup> (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 <sup>2</sup>
Communication Services	2.19	5.17	0.27	3.83	-5.25	-0.21	0.41
Consumer Discretionary	13.88	-7.10	-1.02	11.70	-8.66	-1.04	0.10
Consumer Staples	7.71	1.67	0.10	5.92	-4.15	-0.24	0.40
Energy	1.59	20.19	0.35	1.96	7.50	0.16	0.23
Financials	6.50	-1.72	-0.18	10.13	0.09	0.01	-0.31
Health Care	8.99	-9.64	-0.98	9.16	-11.63	-1.12	0.12
Industrials	14.91	-8.38	-1.17	15.28	-0.22	-0.03	-1.19
Information Technology	17.90	-6.29	-1.14	19.00	-0.92	-0.19	-0.92
Materials	12.67	4.26	0.49	12.70	3.82	0.46	0.02
Real Estate	3.43	15.40	0.54	6.41	-2.18	-0.13	0.67
Utilities	3.33	-6.72	-0.22	3.89	4.42	0.18	-0.40
Cash	6.88	-0.20	-0.01	0.00	0.00	0.00	0.05
Other	0.00	-82.05	-0.84	0.01	2.14	0.00	-0.84
<b>Total</b>	<b>100.00</b>	<b>-3.82</b>	<b>-3.82</b>	<b>100.00</b>	<b>-2.16</b>	<b>-2.16</b>	<b>-1.67</b>

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. <sup>1</sup>A definition of this index can be found on page 3. <sup>2</sup>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.

## Driehaus Emerging Markets Small Cap Growth Fund

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

MSCI Country	Driehaus Emerging Markets Small Cap Growth Fund (DRESX) (Port) (%)			MSCI Emerging Markets Small Cap Index (ND) <sup>1</sup> (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 <sup>2</sup>
Argentina	0.75	27.11	0.27	0.42	5.70	0.03	0.26
Australia	0.84	7.59	0.09	0.00	0.00	0.00	0.11
Bermuda	0.00	0.00	0.00	0.04	-28.04	-0.01	0.01
Brazil	10.38	-12.77	-1.18	6.53	-18.72	-1.30	0.10
Canada	1.39	-14.31	-0.21	0.00	0.00	0.00	-0.19
Cayman Islands	0.00	0.00	0.00	0.37	-20.97	-0.09	0.08
Chile	0.00	0.00	0.00	0.75	-17.72	-0.14	0.13
China	11.49	-17.66	-2.19	5.88	-15.77	-0.98	-1.08
Colombia	0.00	0.00	0.00	0.19	5.11	0.01	-0.01
Cyprus	0.74	0.20	0.01	0.14	7.87	0.01	0.01
Czech Republic	0.00	0.00	0.00	0.03	9.52	0.00	0.00
Egypt	0.00	0.00	0.00	0.27	4.49	0.01	-0.02
Greece	0.00	0.00	0.00	1.00	-6.54	-0.06	0.05
Hong Kong	3.58	-26.75	-1.08	3.07	-6.55	-0.21	-0.90
Hungary	0.00	0.00	0.00	0.07	-3.39	0.00	0.00
India	25.97	13.86	3.06	18.95	12.92	2.24	1.18
Indonesia	1.89	-4.25	0.13	1.45	9.67	0.14	-0.04
Kazakhstan	2.18	22.26	0.42	0.00	0.00	0.00	0.47
Kuwait	0.00	0.00	0.00	0.84	2.60	0.02	-0.04
Malaysia	0.00	0.00	0.00	2.96	4.74	0.14	-0.20
Mexico	2.14	-8.75	-0.19	1.79	-3.84	-0.07	-0.13
Netherlands	0.00	0.00	0.00	0.11	31.65	0.03	-0.03
Pakistan	0.33	-17.21	-0.07	0.34	-10.30	-0.04	-0.03
Peru	0.00	0.00	0.00	0.07	-11.11	-0.01	0.01
Philippines	0.00	0.00	0.00	0.90	1.13	0.01	-0.03
Poland	1.30	13.00	0.14	1.32	6.33	0.08	0.07
Qatar	0.00	0.00	0.00	0.82	3.47	0.03	-0.04
Russia	1.31	-5.76	-0.10	0.83	-3.53	-0.03	-0.06
Saudi Arabia	0.00	0.00	0.00	2.38	-1.79	-0.05	0.00
Singapore	0.00	0.00	0.00	0.02	-15.27	0.00	0.00
South Africa	0.00	0.00	0.00	3.63	1.07	0.05	-0.12
South Korea	6.08	-9.10	-0.56	17.82	-4.95	-0.96	0.08
Suriname	0.00	0.00	0.00	0.07	0.73	0.00	0.00
Taiwan	13.19	-7.85	-1.13	21.35	-3.97	-0.87	-0.44
Thailand	1.74	-18.89	-0.39	3.38	-5.65	-0.18	-0.23
Turkey	0.90	6.47	0.05	1.32	2.09	0.03	0.01
United Arab Emirates	0.00	0.00	0.00	0.59	2.96	0.02	-0.03
United Kingdom	0.61	-2.41	-0.01	0.00	0.00	0.00	-0.01
United States	0.01	16.72	0.00	0.29	-9.77	-0.03	0.02
Vietnam	6.29	-1.66	-0.07	0.00	0.00	0.00	0.09
Cash	6.88	-0.20	-0.01	0.00	0.00	0.00	0.04
Other	0.02	-66.81	-0.77	0.00	0.00	0.00	-0.76
<b>Total</b>	<b>100.00</b>	<b>-3.82</b>	<b>-3.82</b>	<b>100.00</b>	<b>-2.16</b>	<b>-2.16</b>	<b>-1.67</b>

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**Driehaus Emerging Markets Small Cap Growth Fund**

This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC (“Driehaus”) as of October 14, 2021 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since October 14, 2021 and may not reflect recent market activity. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader.

**Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund.** The Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the Fund has benefited from unusually strong market conditions in the overseas markets. In addition, returns of the Fund 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 Fund invest. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for the Fund.

At times, a significant portion of the Fund’s return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow.

The Fund invests in companies that are smaller, less established, with limited operating histories and less liquid markets for their stock, and therefore may be riskier investments. While small- and medium- sized companies generally have the potential for rapid growth, the securities of these companies often involve greater risks than investments in larger, more established companies because small- and medium-sized companies may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, in many instances the securities of small- and medium-sized companies are traded only over-the-counter or on a regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. The value of securities of smaller, less well known issuers can be more volatile than that of larger issuers.

It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. These are nondiversified funds compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Market Turbulence Resulting from COVID-19. The outbreak of COVID-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of COVID-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

Quantitative Easing - Quantitative easing is a form of unconventional monetary policy in which a central bank purchases longer-term securities from the open market in order to increase the money supply and encourage lending and investment.

**Please consider the investment objectives, risks, fees and expenses of the Fund carefully prior to investing. The prospectus and summary prospectus contain this and other important information about the Fund. To obtain a copy of the prospectus and/or summary prospectus, please call us at (800) 560-6111. Please read the prospectus and summary prospectus carefully before investing.**

Forside Financial Services, LLC, Distributor