

# Driehaus Emerging Markets Small Cap Equity Strategy Summary

4<sup>TH</sup> QUARTER 2021

Emerging market (EM) equities struggled during the fourth quarter, amid ongoing concerns about China's growth outlook as well as a shift toward tighter monetary policy by the Federal Reserve (Fed). Geopolitical concerns ratcheted higher as tensions escalated between Russia and Ukraine, while negotiations continue over the Iran Nuclear Deal.

The Driehaus Emerging Markets Small Cap Equity Strategy returned 3.52% for the quarter, compared to 1.33% for the MSCI Emerging Markets Small Cap Index. This brings the fund's cumulative 2021 total return to 15.94%, against the index's 18.75%.<sup>1</sup>

Key contributors during the quarter included South Korea and the materials sector, while Taiwan and the industrials sector detracted from relative performance.

South Korea contributed positively to the strategy's relative outperformance during the quarter, driven by gains stemming from companies that supply key components within the electric vehicle battery supply chain. Contributors include a company that produces high-end additives for electrolytes used in batteries, a cathode producer that is a leader in the development of next generation technologies, and a copper foil manufacturer, which is a niche, yet highly profitable, battery component.

The materials sector was the strategy's top performing sector during the quarter, with gains driven by copper producers based in Indonesia and the Democratic Republic of Congo, as well as a company that produces rare earth minerals, with operations based in Malaysia. Despite a generally weak cyclical profile for commodity demand during the quarter, these companies all benefited from the structural demand driven by investments in renewable energy and electric vehicles.

Taiwan detracted from relative performance during the quarter, due to the allocation effect associated with the strategy's underweight position in the country. Stock specific attribution was positive in Taiwan in the fourth quarter, however the strategy undertakes a selective approach to the market, tending to favor innovative companies within the technology and industrials sectors, while remaining underweight the lower growth areas tied to the domestic economy.

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

The performance data represents the strategy's composite of emerging markets small cap equity 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.**

**Driehaus Emerging Markets Small Cap Equity Strategy**

The industrials sector underperformed slightly during the quarter, as the strategy held positions in several strong contributors, as well as a number of companies that detracted from performance. On a net basis, stock selection in the sector detracted 15 basis points, while the allocation effect detracted 8 basis points. Underperformance was driven by a dry bulk shipping company, which struggled amid lower spot freight rates, despite delivering strong operational performance. Additionally, a truck leasing company based in Brazil detracted amid sharp rises in domestic interest rates.

The strategy 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 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 strategy is overweight consumer discretionary. A few of the themes favored within the sector include auto parts suppliers in China and India, home improvement retailers in Southeast Asia, and China-based companies that are poised to benefit from a cyclical recovery in consumption.

The strategy is underweight Taiwan relative to the benchmark. We have identified a select group of companies with unique exposure to specific themes such as the localization of the semiconductor supply chain, 5G, datacenters, and auto electronics, but remain underweight the broader market due to its relatively limited breadth of earnings growth.

The strategy is underweight the communication services sector relative to the MSCI Emerging Markets Small Cap Index, carrying no exposure to the sector at year-end, relative to the 480 basis point weighting in the benchmark. Many companies in the sector have been hit hard by COVID, due to the curtailment of in-person activity or advertisement spending, while other pockets such as telecommunications remain heavily penetrated or highly competitive in many markets. These factors have led us to find opportunities more consistent with our investment philosophy outside of the sector.

Moving into 2022, we remain optimistic on emerging markets and the alpha generation potential for the small cap segment of the asset class.

First, China's policy mix has changed from one of regulatory and macroeconomic tightening to an approach that emphasizes stability and growth. Continued prioritization of strategic goals related to artificial intelligence, renewable energy, electric vehicles, and the localization of the semiconductor supply chain, along with moderate easing in property and fixed asset investment should support China's economy after a challenging 2021.

Second, EM central banks proactively tightened monetary policy during 2021 and are better equipped to manage through tightening of Fed monetary policy than in past cycles. Monetary policy in Asia remains sound, which is a contributing factor to the strong performance of currencies such as the Chinese yuan over the past year.

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Third, the shift of local savings from hard assets into equities continues to gain traction in large markets such as China and India. Real estate accounts for over 50% of household savings in these countries, while equity allocations are around 5%. India has already begun to benefit from an inflection point in equity allocations, and there is much more room for domestic flows into equities to grow over time. China may see a similar inflection as recent developments in property markets may lead local investors to diversify their savings mix. These countries maintain large pools of domestic savings, and incremental flows into local equity markets could be highly impactful in the years ahead.

While 2021 has been a challenging year for performance relative to the MSCI Emerging Markets Small Cap Index, the strategy has maintained top decile performance in the Morningstar Diversified Emerging Markets Category. The Driehaus Emerging Markets Small Cap Equity Strategy ranked 4% on the one year, 3% for the three year and 7 % on the 5 year versus peers in the Morningstar Diversified Emerging Markets Index.<sup>1</sup> Additionally, the strategy's trailing three-year outperformance relative to the benchmark is in excess of 1,000 basis points per year. After facing macro and stylistic headwinds between 2016 and 2020, small caps handily outperformed large caps in emerging markets in 2021. While the regulatory constraints faced by many large technology firms in China were a significant driver of the relative outperformance, 2021 has demonstrated both the low correlation and strong return potential of small caps. We close out 2021 with a full pipeline of investment ideas and remain excited about the opportunity set in EM small cap.

Until next month,



**Chad Cleaver**, Lead Portfolio Manager  
Driehaus Emerging Markets Small Cap Equity Strategy

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<sup>1</sup>Morningstar Diversified Emerging Markets Category (primary share classes). Data based on monthly returns of 216, 197 and 175 mutual funds (primary share classes) for the one, three and five year periods respectively. Net of fees. Past performance is no guarantee of future results

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# Driehaus Emerging Markets Small Cap Equity Strategy

## % Month-End Performance (as of 12/31/21)

	Annualized						
	MTH	QTD	YTD	1 Year	3 Year	5 Year	Inception <sup>1</sup>
Driehaus Emerging Markets Small Cap Equity-Gross (2/1/16)	2.47	3.89	17.53	17.53	29.50	19.00	16.17
Driehaus Emerging Markets Small Cap Equity-Net (2/1/16)	2.34	3.52	15.94	15.94	27.45	17.56	14.82
MSCI Emerging Markets Small Cap Index (ND) (Benchmark)	4.21	1.33	18.75	18.75	16.46	11.47	11.56
MSCI Emerging Markets Small Cap Growth Index (ND)	4.18	2.85	20.41	20.41	19.20	12.22	10.82

## Top 5 Holdings<sup>5</sup> (as of 11/30/21)

Company	Sector	Country	% of Strategy
Sona BLW Precision Forgings Ltd.	Consumer Discretionary	India	2.5
Max Healthcare Institute Ltd	Health Care	India	2.3
FPT Corp.	Information Technology	Vietnam	2.2
Parade Technologies, Ltd.	Information Technology	Taiwan	2.2
KASPI.KZ JSC-144A	Financials	Kazakhstan	1.9

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 12/31/21.

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<sup>1</sup>2/1/2016. <sup>2</sup>Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see notes at the end of this presentation for additional information. <sup>3</sup>Portfolio characteristics represent the strategy's composite. <sup>4</sup>Data is calculated monthly. <sup>5</sup>Holdings subject to change.

## Key Features

- Emerging markets small cap exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

## Facts

Inception Date	2/1/16
Composite Assets Under Management <sup>2</sup>	\$117 million
Firm Assets Under Management	\$15.1 billion

## Portfolio Characteristics<sup>3</sup>

Market Cap Breakout	Strategy	Benchmark
<\$5 billion	61.4%	96.2%
\$5- \$15 billion	34.3%	3.8%
> \$15 billion	4.3%	0.0%

  

	Strategy	Benchmark
Number of Holdings	96	1,793
Weighted Avg. Market Cap (M)	\$4,858	\$1,934
Median Market Cap (M)	\$4,008	\$1,022
Est. 3-5 Year EPS Growth	28.6%	24.9%
Active Share (3-year avg.) <sup>4</sup>	95.78	n/a

## Portfolio Management

**Chad Cleaver, CFA**, Lead Portfolio Manager  
19 years industry experience

**Howard Schwab**, Portfolio Manager  
21 years of industry experience

**Richard Thies**, Portfolio Manager  
14 years of industry experience

## Driehaus Emerging Markets Small Cap Equity Strategy

### Sector Weights (%)

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
Strategy	NA	14.4	7.4	3.8	7.0	6.9	17.2	16.0	13.6	5.2	1.9	6.5
Benchmark	NA	11.5	5.5	2.0	10.8	8.7	15.2	19.2	12.5	6.3	3.5	0.0
Active Weights	NA	2.9	1.9	1.9	-3.8	-1.8	2.0	-3.2	1.1	-1.0	-1.7	6.5

### Country Weights (%)

	Strategy	Benchmark	Active Weights
Argentina	0.9	0.0	0.9
Australia	1.1	0.0	1.1
Brazil	6.4	5.7	0.7
Canada	3.0	0.0	3.0
China	12.8	5.1	7.8
Hong Kong	4.6	3.2	1.4
India	28.6	21.8	6.8
Indonesia	3.0	1.9	1.1
Kazakhstan	2.3	0.0	2.3
Mexico	2.0	1.7	0.3
Phillipines	0.9	1.0	-0.1
Poland	0.8	1.2	-0.4
South Korea	7.2	16.3	-9.0
Taiwan	9.8	22.3	-12.5
Thailand	1.4	3.7	-2.2
United Kingdom	1.0	0.0	1.0
United States	0.4	0.3	0.2
Vietnam	7.3	0.0	7.3
Cash	6.5	0.0	6.5

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

Data as of 12/31/21.

Benchmark: MSCI Emerging Markets Small Cap Index (ND)

## Driehaus Emerging Markets Small Cap Equity Strategy

### Sector Performance Attribution 4th Quarter – 9/30/21 to 12/31/21

	Driehaus Emerging Markets Small Cap Equity Composite (Port) (%)			MSCI Emerging Markets Small Cap Index <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	0.69	-37.33	-0.44	4.38	6.98	0.28	-0.68
Consumer Discretionary	12.55	2.61	0.30	11.33	-2.03	-0.21	0.47
Consumer Staples	6.11	6.03	0.55	5.68	-6.05	-0.35	0.83
Energy	3.58	-8.70	-0.30	2.13	-7.48	-0.17	-0.17
Financials	6.26	9.19	0.38	10.80	0.81	0.11	0.38
Health Care	7.85	7.23	0.42	8.33	-6.80	-0.58	1.06
Industrials	18.57	-3.13	-0.59	15.15	-1.86	-0.26	-0.38
Information Technology	16.61	19.38	2.87	19.43	16.72	2.98	-0.16
Materials	13.69	9.04	1.23	12.51	-2.90	-0.37	1.55
Real Estate	4.57	2.04	0.15	6.34	-2.73	-0.17	0.34
Utilities	2.30	-2.94	-0.15	3.92	1.69	0.06	-0.21
Cash	7.22	-3.18	-0.29	0.00	0.00	0.00	-0.24
Other <sup>3</sup>	0.00	NA	-0.48	0.00	0.00	0.00	-0.48
<b>Total</b>	<b>100.00</b>	<b>3.64</b>	<b>3.64</b>	<b>100.00</b>	<b>1.33</b>	<b>1.33</b>	<b>2.31</b>

Data as of 12/31/2021.

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

<sup>1</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>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. <sup>3</sup>Other refers to securities not recognized by FactSet.

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## Driehaus Emerging Markets Small Cap Equity Strategy

## Sector Performance Attribution 1-Year – 12/31/20 to 12/31/21

	Driehaus Emerging Markets Small Cap Equity Composite (Port) (%)			MSCI Emerging Markets Small Cap Index <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	2.39	5.00	1.66	3.91	14.69	0.60	1.11
Consumer Discretionary	14.32	5.11	0.85	11.96	10.02	1.52	-1.32
Consumer Staples	5.37	14.03	0.93	5.75	2.43	0.18	1.09
Energy	2.12	76.07	0.87	2.09	10.44	0.25	0.76
Financials	7.05	65.26	3.81	10.53	22.31	2.41	1.93
Health Care	8.24	28.57	2.66	8.98	-11.52	-1.07	3.86
Industrials	15.56	-5.08	-0.78	15.01	28.29	4.09	-4.96
Information Technology	20.65	27.98	4.68	18.63	36.38	6.14	-2.43
Materials	11.70	32.03	3.43	12.51	30.28	3.53	0.19
Real Estate	3.42	26.00	0.58	6.57	-1.01	-0.02	1.46
Utilities	3.56	0.66	0.06	4.02	28.67	1.10	-1.08
Cash	5.61	-5.25	-0.37	0.00	0.00	0.00	-0.94
Other	0.00	NA	-2.28	0.04	46.71	0.03	-2.31
<b>Total</b>	<b>100.00</b>	<b>16.10</b>	<b>16.10</b>	<b>100.00</b>	<b>18.75</b>	<b>18.75</b>	<b>-2.65</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 6. <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 Equity Strategy

## Country Performance Attribution 4th Quarter – 9/30/21 to 12/31/21

MSCI Country	Driehaus Emerging Markets Small Cap Equity Composite (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	0.82	10.54	0.11	0.29	-15.26	-0.07	0.15
Australia	0.98	54.39	0.44	0.00	0.00	0.00	0.43
Bermuda	0.00	0.00	0.00	0.03	-13.77	0.00	0.01
Brazil	6.63	-14.93	-0.98	5.62	-12.70	-0.74	-0.39
Canada	2.30	22.16	0.22	0.00	0.00	0.00	0.20
Cayman Islands	0.00	0.00	0.00	0.36	-9.63	-0.04	0.04
Chile	0.00	0.00	0.00	0.66	0.38	0.00	0.01
China	13.61	2.71	0.39	5.17	-12.39	-0.71	0.97
Colombia	0.00	0.00	0.00	0.21	2.03	0.01	0.00
Cyprus	0.00	0.00	0.00	0.17	-1.04	0.00	0.00
Czech Republic	0.00	0.00	0.00	0.03	1.33	0.00	0.00
Egypt	0.00	0.00	0.00	0.28	16.20	0.04	-0.04
Greece	0.00	0.00	0.00	0.92	5.45	0.05	-0.04
Hong Kong	3.78	-12.72	-0.54	2.92	-1.00	-0.04	-0.54
Hungary	0.00	0.00	0.00	0.06	-10.89	-0.01	0.01
India	28.06	3.35	1.23	21.03	1.99	0.49	0.62
Indonesia	3.52	15.24	0.52	1.76	0.27	0.00	0.52
Kazakhstan	2.47	11.75	0.21	0.00	0.00	0.00	0.17
Kuwait	0.00	0.00	0.00	0.90	4.06	0.03	-0.02
Malaysia	0.00	0.00	0.00	3.03	-2.09	-0.06	0.10
Mexico	2.04	4.00	0.08	1.69	3.08	0.06	0.02
Netherlands	0.00	0.00	0.00	0.11	29.44	0.04	-0.04
Pakistan	0.00	0.00	0.00	0.21	-3.95	-0.01	0.00
Peru	0.00	0.00	0.00	0.08	21.04	0.02	-0.01
Philippines	0.19	-8.27	-0.07	1.01	8.08	0.08	-0.16
Poland	1.12	9.23	0.11	1.35	-1.64	-0.01	0.11
Qatar	0.00	0.00	0.00	0.87	3.06	0.03	-0.01
Russia	0.46	-10.32	-0.07	0.83	-10.30	-0.08	0.04
Saudi Arabia	0.00	0.00	0.00	2.27	-8.63	-0.21	0.24
Singapore	0.00	0.00	0.00	0.02	9.79	0.00	0.00
South Africa	0.00	0.00	0.00	3.69	-0.35	0.01	0.05
South Korea	5.85	19.70	1.08	16.95	-0.84	-0.23	1.39
Suriname	0.00	0.00	0.00	0.07	-21.12	-0.02	0.02
Taiwan	9.26	17.55	1.36	21.66	12.71	2.60	-1.08
Thailand	1.50	-0.60	-0.01	3.52	5.96	0.20	-0.18
Turkey	1.36	-12.14	-0.26	1.24	-14.53	-0.18	-0.03
United Arab Emirates	0.00	0.00	0.00	0.69	18.09	0.11	-0.10
United Kingdom	0.98	-6.68	-0.14	0.00	0.00	0.00	-0.14
United States	0.80	-18.99	-0.26	0.30	-3.69	-0.01	-0.24
Vietnam	7.05	14.48	0.99	0.00	0.00	0.00	0.93
Cash	7.22	-3.18	-0.29	0.00	0.00	0.00	-0.24
Other <sup>3</sup>	0.00	-0.46	-0.47	0.00	0.00	0.00	-0.47
<b>Total</b>	<b>100.00</b>	<b>3.64</b>	<b>3.64</b>	<b>100.00</b>	<b>1.33</b>	<b>1.33</b>	<b>2.31</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 6. <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. <sup>3</sup>Other refers to securities not recognized by FactSet.



## Driehaus Emerging Markets Small Cap Equity Strategy

## Country Performance Attribution 1-Year – 12/31/20 to 12/31/21

MSCI Country	Driehaus Emerging Markets Small Cap Equity Composite (Port) (%)			MSCI Emerging Markets Small Cap Index <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	0.68	41.65	0.38	0.41	-8.64	-0.03	0.37
Australia	0.72	103.69	0.57	0.06	33.44	0.04	0.48
Bermuda	0.00	0.00	0.00	0.04	-47.75	-0.03	0.04
Brazil	8.70	11.44	1.40	6.22	-14.94	-0.80	1.56
Canada	1.82	-12.71	-0.05	0.00	0.00	0.00	-0.46
Cayman Islands	0.00	0.00	0.00	0.35	-8.46	-0.04	0.11
Chile	0.00	0.00	0.00	0.79	-19.42	-0.15	0.32
China	14.56	-6.38	0.14	6.11	-8.84	-0.02	-1.76
Colombia	0.00	0.00	0.00	0.22	-16.19	-0.05	0.10
Cyprus	0.65	92.80	0.78	0.19	105.18	0.31	0.37
Czech Republic	0.00	0.00	0.00	0.03	11.64	0.00	0.00
Egypt	0.00	0.00	0.00	0.27	20.14	0.05	0.00
Greece	0.00	0.00	0.00	1.15	7.62	0.13	0.13
Hong Kong	4.70	-20.03	-0.08	3.45	0.47	0.24	-0.72
Hungary	0.00	0.00	0.00	0.07	-7.56	0.00	0.02
India	23.86	34.78	7.57	18.31	51.13	7.62	-0.68
Indonesia	1.90	-3.46	0.29	1.73	1.19	0.03	0.37
Kazakhstan	2.26	133.21	1.90	0.00	0.00	0.00	1.53
Kuwait	0.00	0.00	0.00	0.81	28.94	0.21	-0.07
Luxembourg	0.00	0.00	0.00	0.01	-26.50	-0.01	0.01
Malaysia	0.00	0.00	0.00	3.02	-3.82	-0.11	0.70
Mexico	1.97	-4.15	-0.09	1.78	10.46	0.20	-0.34
Netherlands	0.00	0.00	0.00	0.11	109.06	0.10	-0.08
Pakistan	0.14	-24.58	-0.12	0.36	-6.64	0.00	-0.08
Peru	0.00	0.00	0.00	0.09	-14.27	-0.02	0.04
Philippines	0.05	-8.27	-0.07	0.87	7.81	0.08	-0.03
Poland	1.03	11.90	0.10	1.27	31.19	0.38	-0.23
Qatar	0.00	0.00	0.00	0.85	19.13	0.16	0.00
Russia	1.51	-4.99	0.10	0.82	-8.31	-0.05	-0.06
Saudi Arabia	0.00	0.00	0.00	2.23	16.09	0.33	0.06
Singapore	0.00	0.00	0.00	0.02	1.03	0.00	0.00
South Africa	0.32	24.37	0.30	3.57	31.66	1.12	-0.25
South Korea	6.68	8.91	0.59	17.70	10.67	1.89	0.46
Suriname	0.00	0.00	0.00	0.16	2.24	0.06	-0.02
Switzerland	0.23	50.29	0.44	0.00	0.00	0.00	0.37
Taiwan	13.62	26.36	2.58	21.16	35.84	6.65	-3.14
Thailand	1.41	0.81	-0.07	3.48	16.62	0.62	-0.24
Turkey	0.80	-27.54	-0.37	1.38	-26.27	-0.35	0.24
United Arab Emirates	0.00	0.00	0.00	0.59	32.22	0.18	-0.08
United Kingdom	0.93	-26.70	-0.36	0.00	0.00	0.00	-0.58
United States	0.25	-33.27	-0.45	0.33	-1.17	0.01	-0.39
Vietnam	5.62	83.33	3.27	0.00	0.00	0.00	2.52
Cash	5.61	-5.25	-0.37	0.00	0.00	0.00	-0.94
Other	0.00	-2.15	-2.28	0.00	0.00	0.00	-2.29
<b>Total</b>	<b>100.00</b>	<b>16.10</b>	<b>16.10</b>	<b>100.00</b>	<b>18.75</b>	<b>18.75</b>	<b>-2.65</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 6. <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. <sup>3</sup>Other refers to securities not recognized by FactSet.

## Notes // Driehaus Emerging Markets Small Cap Equity 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 Small Cap Equity Composite (the Composite) was created in February 2016. An account is considered to be an emerging markets small cap equity account if it seeks to maximize capital appreciation through active investment primarily in a portfolio of emerging market traded equity and equity-convertible securities of smaller capitalization companies with perceived high growth potential.

**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 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.

The 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.

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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.

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