DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Micro Cap Growth Fund Summary

4TH QUARTER 2021

Market Overview

The December quarter was a volatile period for the U.S. equity market as inflation, interest rates, monetary policy, and COVID-19 concerns dominated the headlines and the attention of investors. Large caps outperformed mid caps, small caps, and micro caps in that order, as size was a key factor in terms of performance. The outperformance of the value indices continued as they again outgained the growth indices in the quarter. This capped a year, 2021, that in many ways was nearly the opposite of 2020 in terms of what drove U.S. market performance. Cyclicals, large caps, and value dominated, whereas secular industries, small caps and growth dominated 2020.

While the narrow leadership of big tech continued to drive the S&P 500 and the Nasdaq, the rest of the U.S. market lagged for the quarter. The micro cap and small cap indices traded sideways in October, briefly broke out to new highs in early November but then steadily declined before the annual Santa Claus rally over the last couple weeks of the quarter.

The year and the quarter were characterized by strong economic growth and robust corporate earnings as the economy is in year two of a new cycle post the COVID-19 recession in the first half of 2020. The rate of economic growth has come down from peak levels in the second quarter of 2021 as year-over-year comparisons got tougher, fiscal stimulus eased, supply and labor shortages accelerated and Delta and now the Omicron variant waves cycled through.

From November 2021 into early January, the market has struggled as inflation remains elevated and persistent. Investors fear the potential impact of more hawkish monetary policy and higher rates and how both might impact economic growth. In late November, Fed Chair Jerome Powell signaled a more hawkish pivot in tone and accelerated the pace of tapering the Fed's Quantitative Easing (QE) program. This is then expected to lead to several rate hikes in 2022. This pivot by the Fed in response to persistent inflation and already low unemployment rates has sparked another Taper Tantrum in the equity market.

One of the biggest debates currently is whether the surge in inflation is likely to prove more temporary or sustained. Over the past year, inflation has been higher than many expected. Fiscal and monetary policy, pent-up demand, rising rent and home prices, and severe labor shortages and supply chain disruptions have all contributed to the rise in inflation. Some of these factors are more temporary such as fiscal policy stimulus. Other factors will ease gradually, such as the supply chain stress and inventory and staffing shortages. Yet factors such as rising wages and rents will likely be sticky and continue to put upward pressure on inflation risks. Overall, we agree with several key market strategists that the rate inflation will gradually ease later in 2022. The next couple years ahead will likely see diminished rates of inflation, ending with levels modestly above the pre-covid average.

Looking ahead for the new year, we continue to expect above trend economic growth, strong earnings growth, especially for smaller cap equities, elevated but ultimately easing inflation and overall higher interest rates. We see the largest market risks as the following:

- The current Taper Tantrum (the market's response to Fed tapering) is pressuring equity multiples. This is the fourth Taper Tantrum since the start of QE, post the Great Financial Crisis 2008. As in the past, we believe this current episode, while impactful, will prove to be a temporary negative for equity prices.
- The market historically can handle higher interest rates. However, the market responds poorly to a sudden rise in rates, so the rate of change is key. The rate of change seen so far in early January and the poor response by the equity market (outside of the S&P 500) appears similar to what we saw in February and March of 2020.
- The potential range of outcomes from COVID remains wide. A more negative scenario and continuing risk to the market is the potential for more serious disease outcomes from a current or new variant.
- Upward pressure on inflation could be more persistent and force the Fed to be more aggressive with tightening.
- Double ordering in response to shortages may result in inventory gluts and rapid backlog declines as supply chains and demand normalize.
- Continued COVID outbreaks globally and geopolitical risks could cause supply chain issues to persist or to improve more slowly than what would otherwise be expected.
- US political and geopolitical risks remain, including Russia/Ukraine, China/Taiwan, and Kazakhstan.

Broadly, however, we believe these risks are being outweighed by the multiple reasons to be optimistic in 2022, such as:

- The post COVID reopening and normalization process is still underway and ahead of us.
- Vaccines and therapeutics are helping manage COVID, even as it may prove to be endemic.
- The Omicron new case wave will likely peak relatively soon, similar to prior waves.
- Omicron, while far more transmissible, appears to be less severe. Currently, while new cases are far above prior waves, the rates of severe disease and fatalities are far lower. Diminished severity, new therapeutics, and some effect from vaccines and boosters may be transitioning COVID from a pandemic to the endemic stage.
- While monetary and fiscal policy have transitioned from tailwinds to headwinds, policy remains largely supportive of economic growth and financial conditions remain strong.
- Large pent-up savings and demand can offset the incremental drag from reduced stimulus.
- Economic growth and earnings growth seems likely to remain strong and above the long-term trend. Near-term, the upcoming earnings season is expected to be robust once again.
- Innovation, record high new business formation and secular growth themes across many industries should prove to be long tailwinds.
- The labor markets are extremely robust and rising wages will drive consumer spending.
- The supply chain and inventory normalization process will likely serve as a long tailwind for economic growth.
- Outside of the S&P 500 and mega-caps, market sentiment may be too negative on the impact of policy and inflation on economic growth.

- Inflation will remain elevated but will ease as tough compares are lapped and various transient inflationary drivers run their course. To some extent inflation will actually be a positive driver for earnings growth.
- Small caps have historically attractive relative valuations versus large caps with higher earnings growth prospects.
- Taper tantrums and Fed policy risk concerns typically end as rates stabilize or as the market gains comfort that the Fed will not tighten to the extent that it would threaten the economic recovery.
- Absent a severe policy mistake or an exogenous shock, U.S. economic expansions traditionally have been long lasting.

Performance Review

For the December quarter, the Driehaus Micro Cap Growth Fund solidly outperformed its benchmark. The Fund gained 7.06%, net of fees, while the Russell Microcap Growth Index declined a sharp -7.97%.[1] The Fund also outperformed the small cap indices, such as the Russell 2000 which gained 2.14% and the Russell 2000 Growth which was up just 0.01%, but it did trail the large cap S&P 500 which gained 11.03%.

For the full calendar year of 2021, the Driehaus Micro Cap Growth Fund also solidly outperformed its benchmark. The Fund gained 24.73%, net of fees, while the Russell Microcap Growth Index gained 0.88%. The Fund also outperformed the small cap indices, such as the Russell 2000 which gained a solid 14.82% and the Russell 2000 Growth which was up 2.83%, but it did trail the large cap S&P 500 which surged 28.71%.

Outperformance was largely driven by idiosyncratic stock selection as from a bottom-up basis the portfolio experienced strong earnings reports, positive estimate revisions and favorable fundamental outlooks. It also benefitted from good balance and diversification across the various growth categories (secular, cyclical, consistent, recovery) which boosted outperformance.

By sector, the following sectors saw positive absolute returns for the quarter (in order of magnitude): technology, consumer discretionary, and financials. Despite the index declining nearly eight percent, only the healthcare and consumer staples sectors experienced negative absolute returns within the portfolio. The positive relative returns for the quarter were primarily from (in order of magnitude): healthcare, technology, consumer discretionary and financials, while industrials and consumer staples detracted on a relative basis.

[1]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 for more current performance information. A basis point equals 0.01.

Healthcare

Healthcare outperformed as the sector contributed 653 basis points on a relative basis. The portfolio's holdings were down just -2.87% versus a decline of -18.30% for the index's healthcare holdings. Several biotech holdings performed well, up 4.06% overall versus a decline of -18.74% for the index, as there was increased optimism on their clinical pipelines and some holdings reported strong clinical trial data. The healthcare services group positively contributed as a staffing company performed well in the face of continued labor shortages. The IPO of an aesthetic service provider company also drove returns.

Stock selection led the outperformance, yet the portfolio maintains an underweight position as the sector remains the market's worst performing group for the year and the quarter. Looking ahead, the level of innovation we see in healthcare is exciting. Biotech/therapeutics, molecular diagnostics and med-tech all stand to benefit as these companies improve the standard of care and provide better outcomes for patients.

Technology

Technology outperformed while contributing 518 basis points on a relative basis. The portfolio's holdings were up 27.09% versus a small gain of 1.32% for the index's tech holdings. The sector continues to see strong fundamental trends in most of its sub-industries. IT services stocks remain strong. The portfolio's semiconductor and semi capital equipment holdings were positive contributors across the board. Telecommunication equipment holdings continue to perform well as the outlook for rural broadband spending is robust.

Consumer Discretionary and Staples

Consumer discretionary outperformed while contributing 302 basis points on a relative basis. The portfolio's holdings were up 12.53% versus a decline of -4.95% for the index's consumer discretionary holdings. The strength was led by solid performance from some retailers, restaurants, and homebuilders. The fundamentals of the U.S. consumer remain robust with a strong labor market, rising wages and record savings and net worth. A clear current headwind for the group is the Omicron variant as the rise in cases pauses spending and face to face interaction for many consumer businesses.

Consumer staples as a sector underperformed detracting 42 basis points on a relative basis. Our staples holdings declined -14.72% vs a decline of -10.78% for the index's staples holdings. An energy beverage holding, and a few specialty food producers underperformed. Fundamentally they continued to perform well but they did decline in price overall as the sector lagged.

Financials

The financial sector outperformed while contributing 135 basis points on a relative basis. The portfolio's holdings were up 16.26% versus a gain of 8.82% for the index's financials holdings. The strength was led by solid performance from banks. The bank group performed well with several individual bank holdings outperforming as they posted continued strong quarterly results due to technology, end market and/or geographic differentiation and solid execution.

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 likely continue to make new highs. However, near-term, the difficult market action has been dominated by concerns about the pace of Fed tapering, likely interest rate hikes in 2022, elevated inflation and the rise in Omicron cases. As described above in the Market Overview commentary, we do see many reasons for optimism looking ahead to 2022, but near-term the focus is on Fed policy.

In terms of portfolio positioning, we have an attractive mix of secular and cyclical growth holdings. By sector healthcare remains our largest absolute weight, followed by technology, consumer discretionary, industrials and financials. Relative to the benchmark, the Fund is overweight technology, financials, consumer staples, consumer discretionary and energy. The Fund 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.

Corporate earnings remain robust and have made new highs, as equities have pulled back from their highs earlier this year. 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. Together, higher earnings and lower stock prices have created more attractive valuations and have set up an attractive dynamic as the market looks ahead 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.

Driehaus Micro Cap Growth Fund

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

			Annualized				
	MTH	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
Driehaus Micro Cap Growth Fund	**1.07**	**24.73**	**24.73**	**45.80**	**31.97**	**25.66**	**20.72**
Russell Microcap® Growth Index[2]	-2.57	0.88	0.88	20.36	11.78	12.65	9.98

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

			Annualized				
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
Driehaus Micro Cap Growth Fund	**7.06**	**24.73**	**24.73**	**45.80**	**31.97**	**25.66**	**20.72**
Russell Microcap® Growth Index[2]	-7.97	0.88	0.88	20.36	11.78	12.65	9.98

Top 5 Holdings[3] (as of 11/30/21)

Company	% of Fund
Grid Dynamics Holdings, Inc. Class A	2.8
Boot Barn Holdings, Inc.	2.3
Calix, Inc.	2.2
Aspen Aerogels Inc	2.0
Impinj, Inc.	2.0

Annual Operating Expenses[4]

Gross Expenses	1.46%
Net Expenses	1.46%

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

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 for more current performance information.

[1]The average annual total returns of the Driehaus Micro Cap Growth Fund include the performance of one of the Fund's predecessor limited partnerships, which is calculated from January 1, 2003, before the Fund commenced operations and succeeded to the assets of its predecessors on November 18, 2013. The Fund's predecessors are the Driehaus Micro Cap Fund, L.P. (1996 inception) and the Driehaus Institutional Micro Cap Fund, L.P. (2011 inception). The performance of the Driehaus Micro Cap Fund, L.P., which was selected because it has the longer track record of the two predecessor partnerships, has been restated to reflect estimated expenses of the Fund. The predecessor limited partnerships were not registered under the Investment Company Act of 1940, as amended ("1940 Act") and thus were not subject to certain investment and operational restrictions that are imposed by the 1940 Act. If the predecessors had been registered under the 1940 Act, their performance may have been adversely affected. After-tax performance returns are not included for the Driehaus Micro Cap Fund, L.P. The predecessors were not regulated investment companies and therefore did not distribute current or accumulated earnings. [2]Benchmark: The Russell Microcap® Growth Index is constructed to provide a comprehensive and unbiased barometer of the microcap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate microcap growth manager's opportunity set. The index has an inception date of July 2000. An investor cannot invest directly in an index. [3]Holdings subject to change. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2021. 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.

Driehaus Micro Cap Growth Fund / DMCRX

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

	Driehaus Micro Cap Growth Fund (Port) (%)		Russell Microcap Growth Index[1] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect[2]	Selection + Interaction[2]	Total Effect[2]
Communication Services	1.64	0.03	2.01	-0.18	0.00	0.21	0.21
Consumer Discretionary	17.18	1.77	14.93	-0.90	0.05	2.97	3.02
Consumer Staples	6.50	-0.91	2.36	-0.27	-0.14	-0.28	-0.42
Energy	6.04	0.08	5.19	-0.65	-0.06	0.90	0.84
Financials	7.82	1.17	2.67	0.19	0.85	0.50	1.35
Health Care	30.02	-0.19	40.53	-7.43	1.17	5.35	6.53
Industrials	9.20	0.32	11.60	0.30	-0.34	-0.13	-0.47
Information Technology	20.62	4.83	15.68	0.17	0.53	4.65	5.18
Materials	0.85	0.26	2.37	0.18	-0.26	0.20	-0.06
Real Estate	0.00	0.00	2.08	0.30	-0.47	0.00	-0.47
Utilities	0.00	0.00	0.58	0.02	-0.07	0.00	-0.07
Cash	0.13	0.00	0.00	0.00	0.00	0.00	0.00
Other[3]	0.00	-0.31	0.00	0.00	-0.31	0.00	-0.31
Total	100.00	7.04	100.00	-8.27	0.96	14.36	5.44

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

	Driehaus Micro Cap Growth Fund (Port) (%)		Russell Microcap® Growth Index[1] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect[2]	Selection + Interaction[2]	Total Effect[2]
Communication Services	2.98	-0.95	2.05	0.05	0.44	-1.33	-0.89
Consumer Discretionary	18.93	5.67	14.04	-0.33	0.53	4.19	4.72
Consumer Staples	5.87	1.37	2.04	-0.02	0.24	1.13	1.37
Energy	4.87	2.52	3.00	-0.90	0.14	3.29	3.43
Financials	7.52	3.20	2.48	0.78	1.70	0.21	1.91
Health Care	27.96	0.31	44.51	-4.16	2.07	3.08	5.14
Industrials	11.05	4.51	9.76	1.08	-0.28	3.26	2.98
Information Technology	18.86	8.91	17.44	3.13	1.04	6.05	7.09
Materials	0.90	0.18	1.76	0.33	-0.44	-0.18	-0.62
Real Estate	0.18	0.51	2.25	0.63	-0.38	0.32	-0.06
Utilities	0.29	-0.13	0.67	0.08	-0.08	-0.12	-0.21
Cash	0.60	0.00	0.00	0.00	0.33	0.00	0.33
Other[3]	0.00	-1.33	0.00	0.00	-1.03	-0.07	-1.11
Total	100.00	24.76	100.00	0.68	4.27	19.82	24.09

Data as of 12/31/21

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

[1]The definition of this index can be found on page 6. [2]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. [3]Other refers to securities not recognized by Factset.

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 January 10, 2022 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since January 10, 2022 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.

At times, a significant portion of a 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 securities of micro-cap companies may be more volatile in price, have wider spreads between their bid and ask prices, and have significantly lower trading volumes than the securities of larger capitalization companies. As a result, the purchase and sale of more than a limited number of shares of the securities of a smaller company may affect its market price. Growth stocks may involve special risks and their prices may be more volatile than the overall market. 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 and other risk considerations are discussed in the Fund's prospectus.

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.

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.

Foreside Financial Services, LLC, Distributor