DRIEHAUS
CAPITAL MANAGEMENT

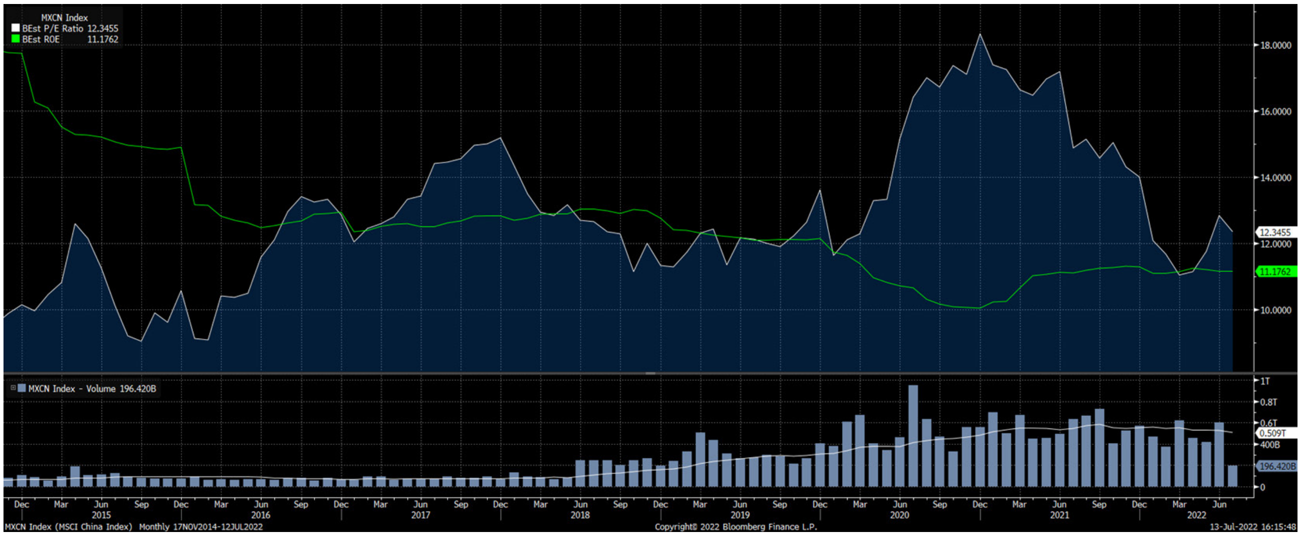
Driehaus Emerging Markets Growth Strategy Summary

2ND QUARTER 2022

Over the past three years, there has been no subject we are asked about more frequently than China. To oversimplify, in 2019 and most of 2020, the majority of those questions were about whether the rest of emerging markets countries were still worth investing in given how obviously more attractive the outlook was in China. Between January 2019 and the fourth quarter of 2020, China had outperformed the rest of EM by over 20% and was up 43% on a total return basis, so the enthusiasm made sense (Exhibit 1). In the nearly two years since, those questions have shifted to whether the country remains investable. As always, the truth is likely somewhere in between those two extremes. It also remains the case that China is explaining more and more of total emerging market returns and getting the portfolio China call correct is increasingly essential to outperformance (Exhibit 2). Given all this, we wanted to use this quarterly update as a quick update on performance in China and our current views.

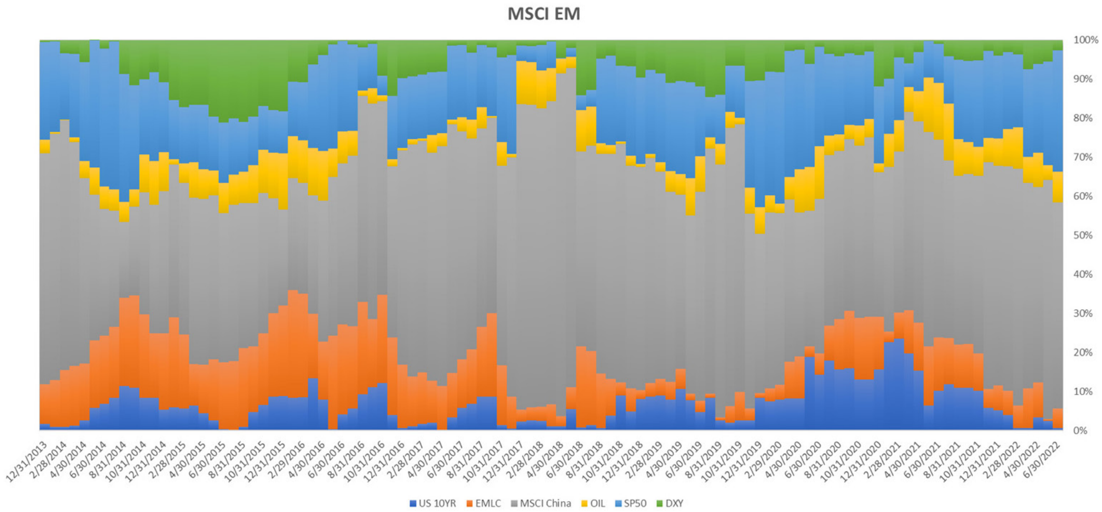
While the China questions continue, we have the sense that most investors have not realized how much Chinese assets have outperformed in the past several months. From the relative bottom, in March 2022, equities in China have outperformed broader emerging markets by nearly 30 percent, erasing the entirety of the past year's underperformance in a matter of a few months. We will touch briefly upon our thoughts on this recent strength as well as the outlook.

Exhibit 1: Chinese equities have seen a derating in forward price-to-earnings (P/E) ratios (white) alongside a years-long decline in return on equity (ROE) (green)



Source: Bloomberg

Exhibit 2: Our data shows China (grey) as having increasingly strong explanatory power of aggregate emerging market returns

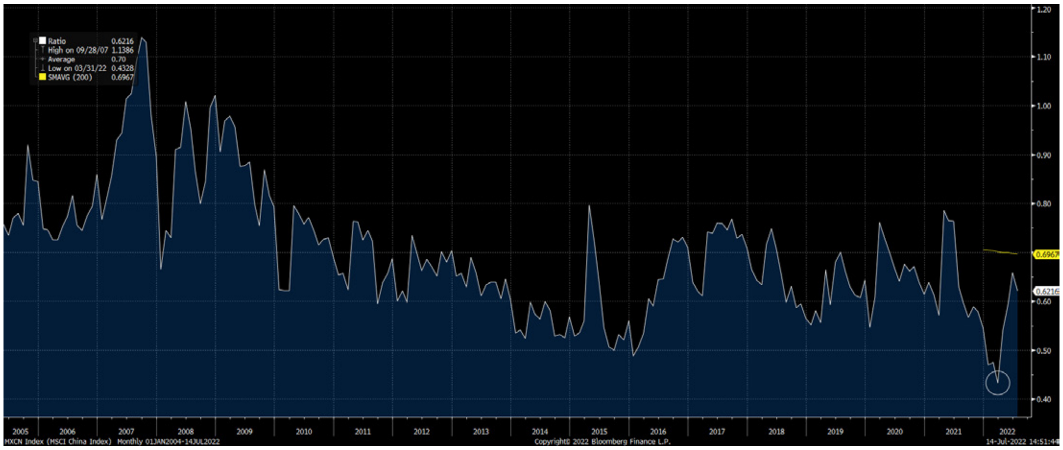


Source: Driehaus, Factset

The Starting Point

The recent outperformance of Chinese stocks has as much to do with its deeply discounted starting point as anything. Both relative to developed markets and major other emerging market countries, Chinese stocks had become very cheap on a relative basis. While this derating has been a general trend for the past few years, and one that is logical in light of a secularly slowing growth outlook, it reached new extremes in the first quarter. Given emerging market investors have the freedom to allocate across the different index constituent countries, it's relevant to see the valuation disconnect between China and markets like India (Exhibit 3). In March, Chinese stocks had gone from trading at 60-80% of the multiple of Indian stocks over the past 6 years to just over 40% on a forward price-to-earnings basis. We aren't arguing that a relative derating hasn't been fair, but it had become very extreme.

Exhibit 3: Chinese stocks price-to-earnings (P/E) discount to India



Source: Bloomberg

Perceptions on the Regulatory Environment

The start of the Chinese derating in the fourth quarter of 2020 coincided with the first attacks on Alibaba and their Ant Financial planned-IPO. While the initial concerns were specific to the company, it quickly evolved into a broader-reaching regulatory effort. This effort encompassed many things, none of which were particularly favorable for shareholders in the large Chinese consumer and internet businesses. The crux of their efforts was to stop the biggest companies from continuing to get bigger and to make sure their biggest companies were being better corporate citizens, however that was defined. Without getting into the specifics of what pieces of the effort seemed reasonable versus those that did not, it ended up turning a fairly specific attack on internet platforms into a perception that there was a war on private capital in China. That latter conclusion justified a larger de-rating than the fundamentals dictated.

For that reason, when the regulatory comments started to shift in April, the market reacted strongly. As is always the case in China, there was not one moment that signaled a change in stance but several changes. We, along with many other investors, assumed that by this fall's Politburo meeting, the government would wish to have concluded its regulatory efforts against the sector and because so many investors had that in mind, the reaction was swift. The government using many of the internet platforms to aid in things like food and medicine delivery during the worst of the recent lockdowns, and publicly celebrating them for their efforts, was the clearest sign of this. We are not arguing that the regulatory crackdown is completely over by any means, but we believe the government has achieved its major goals and this will no longer be the key market driver. The affected companies will likely never regain their former multiples or growth trajectories, but the worst of the chilling effect on private investment is likely over.

"Post" COVID Outlook

Following the extreme lockdowns of March and April, the market was cheered by signs of some much-needed relaxations in major cities. While the western world generally still seems to view the Chinese COVID policy as extreme, it is not going away. Without a reliable domestic mRNA vaccine, the government does not feel comfortable pursuing a herd immunity strategy at this time. Regardless of your feelings about that, it's clearly not changing in the immediate future. Despite that, it also doesn't seem like the extremely harsh, city-wide lockdowns are coming back which is positive. Mobility data has continued to improve despite ongoing episodic lockdowns, as has domestic travel. It's not the opening up we would like to see, but it's an incremental improvement.

Relative Economic Outlook

With the major economies of the world dealing with spiking inflation, higher rates and slowing down strongly above trend consumer and housing activity, China is in the opposite position. The only upside of how poorly China has done economically the past 18 months is that policymakers aren't intentionally making the economy worse, as they are pretty much everywhere else in the world. That's a legitimate positive for equities in a geography where most investors are significantly underweight. It's the one major country where you could reasonably argue that conditions will be better in the near future than they are today. The government is pushing fiscal stimulus, monetary stimulus and inflation is much tamer than in most of the rest of the world.

As always, it will not be this simple. There are major economic challenges still facing the country, some of which have grown in recent weeks. The property sector remains under stress and a recovery in sales momentum has really been needed to help liquidity and selling of in-process inventory. There was initially a very strong bounce in sales post-lockdown, which is already showing signs of fading as confidence wanes amid continuing isolated COVID restrictions. That has exacerbated liquidity issues at developers, while reports that mortgage payors are starting to withhold payments for uncompleted inventory is making the situation worse and is the first link to the banking sector that we've seen. The conclusion of all this is to say that things may be getting better, but nothing sustainably gets better until COVID is left in the rearview mirror which appears to still be several months away. With regard to systemic risk caused by current issues in the property market, it is nerve wracking but ultimately, the central government again holds the cards. In a mostly closed capital account, the true limits to helping the property market are few. We do not expect that Xi Jinping wants this situation getting even worse heading into his likely re-appointment this fall. As such, we expect some policy action soon.

Performance Review

The Driehaus Emerging Markets Growth strategy returned -11.21% in the second quarter, slightly ahead of the MSCI Emerging Markets Index, -11.45%.[1] On a country level, the most notable performer was China, which was up 3.3% during the quarter, well ahead of the rest of the markets. The strategy began the quarter with a large underweight position in the country but through a combination of increasing allocation and the strategy's positions outperforming the Chinese benchmark (+6.04% avg return for fund holdings in China vs. +3.3% for the index during the second quarter), the strategy only lost 79 basis points during the quarter. The strategy more than offset that drag with positive attribution coming from Taiwan and Korea, where the strategy has shifted to a more underweight position in light of growing concerns about consumer demand and the tech hardware cycle. At a sector level, the biggest positive contributor were holdings in industrials companies, mostly in China where renewable energy and automation exposures performed well. The worst performing sector during the quarter for the strategy was consumer discretionary where the fund's continued underweights in some of the large Chinese internet companies, where we still do not see a return to sustainable earnings growth, cost the strategy 92 basis points.

---

[1]The performance data represents the strategy's composite of emerging markets 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.

This update is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment strategy or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives.

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 July 15, 2022 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since July 15, 2022 and may not reflect recent market activity.

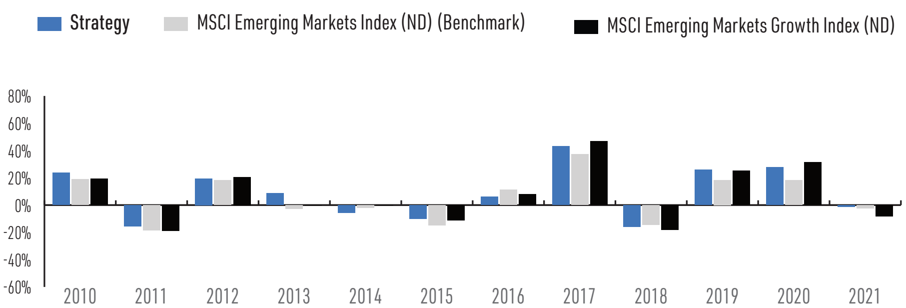
The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable and are not necessarily all inclusive. Driehaus does not guarantee the accuracy or completeness of this information. There is no guarantee that any forecasts made will come to pass. Reliance upon information in this material is at the sole discretion of the reader. A basis point equals 0.01.

Driehaus Emerging Markets Growth Strategy

% Month-End Performance (as of 6/30/22)

				Annualized				
	MTH	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception[2]
Driehaus Emerging Markets Growth Composite (Gross)	-6.04	-11.05	-18.50	-24.41	4.59	6.26	6.85	11.71
Driehaus Emerging Markets Growth Composite (Net)	-6.10	-11.21	-18.90	-25.06	3.71	5.34	5.68	10.08
MSCI Emerging Markets Index (ND) (Benchmark)	-6.65	-11.45	-17.63	-25.29	0.57	2.18	3.06	*
MSCI Emerging Markets Growth Index (ND)	-6.95	-12.04	-21.07	-31.17	1.88	2.92	4.54	*

% Calendar Year Return, Net of Fees (10 years)



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	23.71	-15.46	19.54	8.73	-5.85	-10.16	6.16	43.10	-15.93	25.96	27.78	-1.34
	18.88	-18.42	18.22	-2.60	-2.19	-14.92	11.19	37.28	-14.58	18.42	18.31	-2.54
	19.33	-18.97	20.56	-0.18	-0.35	-11.34	7.87	46.80	-18.26	25.10	31.33	-8.41

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/22.

*The inception of the strategy predates the inception of the index.

The performance data represents the strategy's composite of emerging markets 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]1/1/1997. [3]Portfolio characteristics represent the strategy's composite. [4]Data is calculated monthly.

Key Features

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Facts

Inception Date	1/1/97
Composite Assets Under Management[1]	$4,469 million
Firm Assets Under Management	$11.2 billion
Investment Universe	EM all cap equity
Investment Style	Growth equity
Investment Vehicles :	Separately Managed Account Institutional Commingled Mutual Fund

Portfolio Characteristics[3]

5-year period	Strategy	Benchmark
Annualized Alpha	3.98	n/a
Sharpe Ratio	0.30	0.06
Information Ratio	1.03	n/a
Beta	0.94	1.00
Standard Deviation	16.52	17.09
Tracking Error	3.84	n/a
R-squared	0.95	1.00

Market Cap Breakout	Strategy	Benchmark
<$5 billion	6.4%	9.6%
$5- $15 billion	20.5%	24.3%
> $15 billion	73.2%	66.0%

	Strategy	Benchmark
Number of Holdings	92	1,382
Weighted Avg. Market Cap (M)	$154,239	$107,399
Median Market Cap (M)	$17,713	$6,817
Est. 3-5 Year EPS Growth	15.9%	15.4%
Active Share (3-year avg.)[4]	76.70	n/a

Portfolio Management

Howard Schwab, Lead Portfolio Manager
21 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
19 years industry experience

Richard Thies, Portfolio Manager
14 years of industry experience

Driehaus Emerging Markets Growth Strategy

Sector Weights (%)

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
Strategy	9.2	9.1	9.2	7.0	20.4	4.8	7.7	15.0	3.7	2.3	2.6	9.0
Benchmark	10.6	14.9	6.1	5.0	21.2	4.0	5.7	19.2	8.4	2.1	2.9	0.0
Active Weights	*-1.4*	*-5.7*	*3.1*	*2.0*	*-0.8*	*0.9*	*2.1*	*-4.2*	*-4.7*	*0.2*	*-0.3*	*9.0*

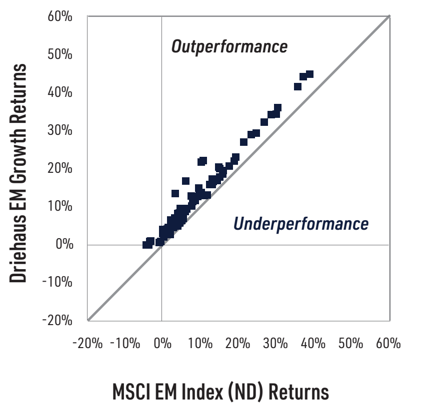
Country Weights (%)

	Strategy	Benchmark	Active Weights
Brazil	4.7	4.9	-0.1
China/Hong Kong	27.4	35.2	-7.8
Greece	0.4	0.3	0.2
India	12.1	12.7	-0.6
Indonesia	3.3	1.8	1.5
Mexico	2.6	2.1	0.5
Philippines	0.2	0.7	-0.5
Qatar	1.2	1.0	0.1
Saudi Arabia	2.7	4.2	-1.5
South Africa	2.7	3.4	-0.8
South Korea	8.0	11.2	-3.3
Taiwan	8.7	14.5	-5.8
Thailand	2.7	1.9	0.8
United Arab Emirates	1.3	1.3	0.1
Uruguay	0.4	0.0	0.4
Vietnam	0.5	0.0	0.5
Other[3]	12.1	0.4	11.7
Cash	9.0	0.0	9.0

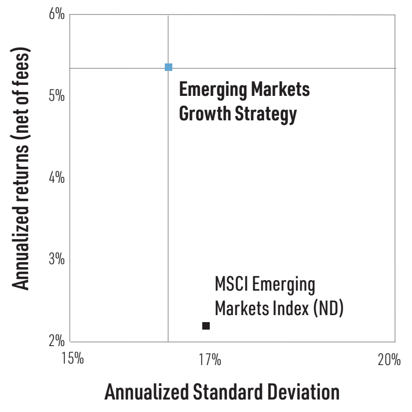
Top 5 Holdings[1] (as of 5/31/22)

Company	Sector	Country	% of Strategy
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Information Technology	Taiwan	7.3
Samsung Electronics Co., Ltd.	Information Technology	South Korea	5.3
Tencent Holdings Ltd.	Communication Services	China	3.3
Meituan Class B	Consumer Discretionary	China	2.8
Reliance Industries Limited	Energy	India	2.4

Rolling Five-Year Returns, Net of Fees[3]



Risk vs. Return (Five-Years)



Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/22. Benchmark: MSCI Emerging Markets Index (ND)
[1]Holdings subject to change.
[2]Represents companies domiciled in developed countries that have significant emerging markets exposures.
[3]Net of fee returns. Returns are calculated from quarterly returns and shown for every one-quarter interval since the inception of the index (January 1999). The inception of the strategy predates the inception of the index. Data as of June 30, 2022.

Driehaus Emerging Markets Growth Strategy

Sector Attribution 2nd Quarter – 3/31/22 to 6/30/22

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (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[2]
Communication Services	9.37	-11.49	-0.90	10.38	-10.45	-1.09	-0.09
Consumer Discretionary	6.23	6.19	0.90	12.77	6.27	1.00	-0.92
Consumer Staples	8.84	-6.33	-0.57	5.96	-4.48	-0.23	0.08
Energy	7.37	-10.04	-0.74	5.04	-5.89	-0.32	-0.14
Financials	21.39	-14.32	-3.11	21.97	-14.12	-3.22	-0.01
Health Care	5.40	-2.23	-0.19	3.73	-8.80	-0.30	0.33
Industrials	6.73	-5.05	-0.11	5.52	-9.44	-0.52	0.41
Information Technology	17.78	-22.81	-4.23	20.62	-20.76	-4.52	-0.11
Materials	5.73	-28.75	-1.78	9.12	-20.57	-1.99	-0.10
Real Estate	1.43	-16.41	-0.12	2.13	-6.07	-0.14	-0.10
Utilities	2.02	-4.27	-0.15	2.77	-4.38	-0.13	-0.10
Cash	7.73	-0.59	-0.05	0.00	0.00	0.00	1.14
Other[3]	0.00	-0.19	-0.18	0.00	-15.80	0.00	-0.17
Total	100.00	-11.22	-11.22	100.00	-11.44	-11.44	0.22

Data as of 6/30/22.
Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

[1]The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. [2]**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.

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.

Driehaus Emerging Markets Growth Strategy

Country Performance Attribution 2nd Quarter – 3/31/22 to 6/30/22

	Driehaus Emerging Markets Growth Strategy (Port) (%)			MSCI Emerging Markets Index (ND)[1] (Bench) (%)			Attribution Analysis (%)
MSCI Country	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg.Weight	Bench Total Return	Bench Contrib To Return	Total Effect[2]
Argentina	0.37	-26.68	-0.07	0.00	0.00	0.00	-0.07
Australia	0.53	-28.04	-0.16	0.02	-7.78	0.00	-0.10
Brazil	5.09	-22.54	-1.16	5.44	-24.40	-1.36	0.16
Canada	2.60	-27.99	-0.78	0.00	0.00	0.00	-0.41
Chile	0.00	0.00	0.00	0.52	-15.90	-0.08	0.03
China	16.34	6.04	1.78	27.64	3.29	1.22	-0.79
Colombia	0.00	0.00	0.00	0.21	-28.01	-0.06	0.03
Czech Republic	0.00	0.00	0.00	0.16	-3.68	-0.01	-0.01
Egypt	0.00	0.00	0.00	0.07	-20.36	-0.02	0.01
France	0.39	-16.99	-0.12	0.00	0.00	0.00	-0.05
Greece	0.43	-1.73	-0.01	0.24	-16.98	-0.05	0.05
Hong Kong	4.65	-8.12	-0.27	3.46	5.35	0.22	-0.38
Hungary	0.00	0.00	0.00	0.18	-26.26	-0.05	0.03
India	14.79	-14.12	-2.11	13.15	-13.65	-1.88	-0.02
Indonesia	3.34	-12.92	-0.46	1.86	-9.01	-0.18	-0.09
Israel	0.54	-18.45	-0.10	0.00	0.00	0.00	-0.03
Japan	0.92	-26.33	-0.27	0.00	0.00	0.00	-0.15
Kuwait	0.00	0.00	0.00	0.80	-7.74	-0.07	-0.03
Luxembourg	0.63	-14.44	-0.05	0.07	-30.02	-0.02	0.04
Malaysia	0.00	0.00	0.00	1.51	-12.78	-0.20	0.02
Mexico	3.13	-19.96	-0.59	2.24	-15.17	-0.31	-0.18
Netherlands	0.90	-5.48	-0.05	0.00	0.00	0.00	0.04
Panama	0.12	-14.16	-0.05	0.00	0.00	0.00	-0.03
Peru	0.00	0.00	0.00	0.17	-29.03	-0.05	0.03
Philippines	0.25	-22.75	-0.06	0.77	-19.49	-0.16	0.03
Poland	0.00	0.00	0.00	0.62	-26.47	-0.18	0.10
Qatar	1.12	-13.59	-0.17	1.03	-10.75	-0.13	-0.04
Romania	0.00	0.00	0.00	0.04	-19.97	-0.01	0.00
Russia	0.00	-100.00	0.00	0.00	0.00	0.00	0.00
Saudi Arabia	2.38	-2.63	-0.13	4.43	-12.60	-0.64	0.18
Singapore	0.03	-10.24	0.00	0.02	8.61	0.00	-0.01
South Africa	3.26	-24.62	-0.82	3.66	-23.03	-0.87	0.02
South Korea	8.73	-18.39	-1.68	12.37	-20.90	-2.71	0.52
Suriname	0.00	0.00	0.00	0.04	1.27	0.00	0.00
Switzerland	0.82	-11.23	-0.13	0.00	0.00	0.00	-0.02
Taiwan	9.39	-20.98	-2.09	15.52	-19.73	-3.25	0.38
Thailand	2.57	-6.43	-0.14	1.90	-10.60	-0.20	0.11
Turkey	0.00	0.00	0.00	0.29	-10.93	-0.04	0.00
United Arab Emirates	0.84	-17.96	-0.18	1.39	-19.39	-0.30	0.05
United States	6.97	-13.29	-0.84	0.16	-24.21	-0.04	-0.03
Uruguay	0.64	-35.28	-0.26	0.00	0.00	0.00	-0.17
Vietnam	0.49	-9.61	-0.06	0.00	0.00	0.00	0.01
Cash	7.73	-0.59	-0.05	0.00	0.00	0.00	1.14
Other[3]	0.00	-0.19	-0.18	0.00	0.00	0.00	-0.17
Total	100.00	-11.22	-11.22	100.00	-11.44	-11.44	0.22

Sources: FactSet Research Systems Inc. and Driehaus Capital Management. Per FactSet Research Systems Inc., the Attribution Report provides an in-depth analysis of relative performance. With this report one can research whether a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. [1]A definition of this index can be found on page 7. [2]Total Effect - The Total Effect for each MSCI Country is equal to the sum of the individual Attribution Effects for that MSCI Country. [3]Other refers to securities not recognized by FactSet.

Notes // Driehaus Emerging Markets 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 Emerging Markets Growth Composite (the Composite) was created in January 1997. An account is considered to be an emerging markets growth account if it seeks capital appreciation by investing primarily in equity securities of rapidly growing companies in emerging markets countries around the world. This strategy may invest substantially all (no less than 80%) of its assets in emerging markets companies.

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.

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

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

Additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Please contact our sales, marketing and relationship management department at 312-932-8621.

TAX EFFECT
Income tax may be withheld on income depending on the tax laws of each country and its treaty, if any, with the U.S. Such withholding taxes are reflected in the performance of accounts.

INDICES
The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The Morgan Stanley Capital International Emerging Markets Growth Index (MSCI Emerging Markets Growth Index) is a subset of the MSCI Emerging Markets Index and includes only the MSCI Emerging Markets Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

The most recent annual GIPS Report is available here.

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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.