DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Small Cap Growth Strategy Summary

1ST QUARTER 2023

Market Overview

The March quarter saw gains for U.S. equities but there was a large dispersion by month, market cap as well as style and sectors.

- January was a strong month to start the year with the small cap indices leading the way as they appreciated nearly ten percent. Optimism about easing inflation, along with buoyant economic data encouraged risk taking and aggressive short covering.
- In February, equities pulled back as the better-than-expected economic data boosted January's inflation data (both Consumer Price Index (CPI) and Producer Price Index (PPI)) above expectations. While inflation continued to trend lower year-over-year since peaking in June, January inflation was discouraging as it supported the Federal Reserve's hawkish monetary policy.
- March was dominated by a series of regional bank failures, most notably Silicon Valley Bank, which quickly morphed into a banking crisis. Bank stocks and the financial sector were hard hit causing value to underperform sharply versus growth. The threat of contagion and rising uncertainty caused large caps and the tech sector to become safe havens havens as they outperformed as just 10 mega cap technology stocks drove 90% of the year-to-date gains for the S&P 500.

Silicon Valley Bank (SVB) and the regional bank crisis

Federal Reserve (Fed) rate tightening cycles historically result in a crisis or a shock. Such shocks typically cause the Fed to change its monetary policy and it either pauses or eases interest rate hikes. See a historical list below. This current crisis is hitting U.S. regional banks. Silicon Valley Bank was the 16th largest bank in the U.S. and a key financial artery in the Silicon Valley ecosystem and it failed in a matter of days. The SVB collapse has been well documented, but it is important to stress that it had some unique characteristics. It had a concentrated exposure to VC/PE (venture capital and private equity) and their portfolio companies, namely early-stage technology and life science companies. SVB's concentrated deposit base resulted in an unusually high percentage of its deposits being uninsured (95% were above the Federal Deposit Insurance Corporation's (FDIC's) $250,000 guarantee). Ironically, banks were incentivized to hold safe treasury securities as they were considered very safe and highly liquid by regulators. As it faced heavy customer withdrawals it had to sell treasuries at a loss which caused further stress on its earnings. On March 9th, SVB saw nearly a quarter of its deposits leave in a classic run-on-the-bank situation. Facing suddenly mounting losses, further withdrawal requests and a complete loss of confidence, SVB was forced to close its doors the next day. Signature Bank collapsed two days later in a similar fashion, and contagion risk threatened other key regional banks. The loans and deposits of both failed banks were acquired later in the month by other competing banks. While no additional U.S. banks have yet suffered the same fate, the far larger Credit Suisse collapsed later in March and was rescued by Swiss regulators and its closest competitor UBS.

Exhibit 1: Historical Financial Shock/Crisis

Financial Shock/Crisis		Fed Reaction	
1971	Penn Central	Eased	*recession*
1974	Franklin National	Eased	*recession*
1984	Continental Illinois	Eased	
1987	Black Monday	Eased	
1990	S&L Crisis	Eased	*recession*
1994	Tequila Crisis	Eased	
1997	Asia	Paused	
1998	Russia/LTCM	Eased	
2000	Tech Bubble	Eased	*recession*
2007	GFC	Eased	*recession*
2012	Eurozone Crisis	More QE	
2016	Oil collapse	Paused	
2023	SVB	???	

Source: Evercore ISI

Once SVB and Signature failed, the Fed and the FDIC quickly implemented some extraordinary measures, including the FDIC guaranteeing all deposits at the two banks. Then the Fed established the Bank Term Funding Program, an emergency liquidity facility to provide loans and funding to banks at very attractive terms. Thus far, these two measures have gone a long way to promote stability and restore confidence in the regional banks. Importantly and unlike during the 2008 Global Financial Crisis (GFC), these bank runs were not related to defaults or the credit quality of their loan books. The U.S. banking system is actually in far better shape in terms of reserves and other liquidity key metrics than it was during the GFC. One key silver lining to these events is that bond yields have declined substantially since early March.

The market continues to be very influenced by macro conditions versus the typical bottom-up characteristics that commonly dominate during a bull market. We have carefully looked at the market's tendencies over a handful of decades focusing on prior multiple cycles, inflationary periods, Fed tightening cycles and market bottoms. While history does not repeat itself exactly, it often consistently rhymes. Consider the following:

<u>Historical consistencies to be mindful of</u>

- Fed rate hike cycles lead to a financial shock/crisis.
- Financial shocks do not end until the Fed has at least paused.
- The Fed had not hiked rates during a prior financial crisis, until it did last month.
- Financial shocks/crises are typically needed to trigger or tip the economy into a recession.
- Recessions typically begin at least one year before the yield curve inverts. The last six recessions started 17, 10, 18, 13, 22 and 6 months after the initial inversion of the yield curve.
- The yield curve (the 2 year – 10 year) inverted on April 1 of 2022.
- Equity markets bottom before aggregate earnings bottom.
- The equity market bottoms after the 2-year treasury yield peaks (in all 12 instances since 1962), as the 2-year treasury yield closely tracks the Fed Funds rate. Thus far 2-year treasury yields appear to have peaked when SVB collapsed.
- The 2-year treasury yield and the Fed Funds rate typically peak prior to or at the beginning of a recession.
- Equities bottom when inflation peaks. CPI did peak in June of last year. However, CPI typically peaks during a recession.
- The equity markets bottom during a recession not before.

The U.S. Economy and Inflation are both slowing

Economic growth in the first quarter remained non-recessionary with U.S. GDP expected to be in the 1.5 to 2% range. In many ways the economy has been resilient over the past year despite higher interest rates and tighter financial conditions. Equities have been resilient also. The large cap indices such as the S&P 500 and the NASDAQ 100 are holding up well. Large cap and small cap indices have consolidated for over nine months dating back to the June quarter of last year (when CPI peaked). However, market breadth and other technical indicators are far weaker than the widely followed indices are.

Looking forward, recent data suggest the economy is slowing. Labor market data (March Job Openings and Labor Turnover Survey (JOLTS) data showed the largest drop in job openings in years) and ISM manufacturing and services PMIs are both weakening (March ISM manufacturing dropped to 46.3). Loan officer surveys are pointing to reduced credit availability. Leading economic indicators (LEIs) and bond yields are also weakening.

While financial crises are unwelcome events, they are inevitable. They are also a part of the market's bottoming process. A true market bottom will depend on several key questions surrounding SVB, the regional bank crisis and the tremendous Fed tightening to date:

- To what extent will overall bank lending be impacted?
- Will another key area or industry be next to see severe stress? Will it be private companies reliant on non-bank financing or perhaps commercial real estate?
- Will the widely anticipated recession get pulled forward? Does it increase the chances of one occurring?
- Will it increase the severity of a potential recession? Will it be a mild recession as the consensus expects or perhaps a deeper one?
- Will the Fed be quick to respond to economic weakness or be slow to pivot?

Time will determine the answers to these questions. Overall bank lending levels have been holding up thus far. However, regional Fed districts are beginning to report weakness. Specifically, the Dallas Fed is now reporting in its most recent bank conditions survey that bank lenders are "expecting a contraction in loan demand and business activity and an increase in non-performing loans over the next six months." Bank lending standards have been tightening and are expected to get more restrictive. Will these initial observations worsen?

The likelihood of a recession remains high as reliable historical indicators such as the inverted yield curve, steep Fed tightening, and declining LEIs all suggest an economic contraction will occur later this year. While it is possible we have seen rolling recessions across various industries already, it would be historically unique if a recession did not occur. Based on current conditions, we believe a mild recession is the most likely outcome. A hard landing or a severe recession likely requires a more widespread credit crisis, a severe geopolitical event or some other shock.

Inflation and the Fed

Outside of the bank crisis, market participants remain focused on inflation and the Fed. Monthly inflation data has been volatile versus consensus expectations, but we believe inflation will continue to ease. Some components of the official monthly CPI work on a lag (such as housing inputs and services), but most indicators of inflation continue to trend solidly lower. Further, the four key Covid-related drivers of inflation continue to ease or normalize:

- Money supply (M2)
- Excess saving
- Supply chain issues
- Labor shortages

The Fed is steadfast in its focus on additional rate hikes to tame inflation. However, weakening economic data, additional banking stress and further proof of lower inflation will likely force the Federal Open Market Committee (FOMC) to pause additional rate increases.

Performance Review

For the March quarter, the Driehaus Small Cap Growth strategy underperformed its benchmark. The Strategy gained 4.18%, net of fees, while the Russell 2000 Growth Index gained 6.07%., the Russell 2000 appreciated 2.47%, and the S&P 500 rose 7.50%. It was a quarter where growth outperformed value, and large caps outperformed smaller caps. Relative to the Russell 2000 Growth Index, the Strategy's underperformance in Q123 was isolated to the month of January. The Strategy outperformed in February and March. The primary reason for this underperformance in January was atypical dispersion amongst risk factors. Specifically, those factors more closely aligned with our investment approach (e.g., earnings surprises, estimate revisions, EPS growth, and medium term momentum) all lagged significantly in January. Conversely, factors that are de-emphasized in our approach (e.g., volatility, leverage, and high short interest) and therefore we are minimally exposed to, outperformed. This unusual leadership dynamic is shown below in the data table listing factor performance within the Russell 2000 Index. The YTD column circled in red is as of January 31st, so it represents the month of January.

Exhibit 2: Leadership Dynamic

	Style	Factor/Driver Name (15)	1D Ret	1Wk	YTD	1Yr	10Yr
	Highlights	Filter					
1)	Volatility	3M Volatility	3.69%	4.62%	24.50%	-23.72%	-59.73%
2)	Short Interest	SI Days to Cover	1.15%	0.11%	1.87%	-19.98%	-52.49%
3)	Leverage	PORT US Leverage	1.09%	2.62%	6.21%	2.29%	2.96%
4)	Growth	5Y Actual Sales Growth	0.18%	-0.48%	0.37%	-8.13%	5.71%
5)	Dispersion	Rev Est Dispersion (FY1)	-0.23%	-1.40%	1.11%	3.92%	-50.09%
6)	Share Buybacks	1Y Share Buyback	-0.57%	0.34%	-4.61%	24.24%	149.37%
7)	Revisions	3M EPS Revision % (FY1)	-0.78%	0.57%	-5.62%	4.21%	85.07%
8)	Surprises	EPS Surprise % (Last)	-0.98%	-0.47%	-3.04%	1.32%	89.13%
9)	Dividends	Dividend Yield (Indicated)	-1.25%	-1.95%	-9.44%	8.43%	6.36%
10)	Size	Market Capitalization	-1.80%	-4.25%	-16.25%	3.96%	44.25%
11)	Growth	1Y Fwd EPS Growth (FY) %	-1.97%	-2.21%	-8.38%	14.46%	52.14%
12)	Profitability	PORT US Profit	-2.04%	-2.16%	-11.05%	11.57%	44.41%
13)	Value	PORT US Value	-2.17%	-3.19%	-13.19%	15.78%	51.18%
14)	Revisions	3M Target Price Change %	-3.93%	-6.58%	-21.51%	4.23%	152.48%
15)	Momentum	PORT US Momentum	-4.56%	-9.22%	-24.39%	8.38%	57.65%

Source: Bloomberg

We believe this unusual factor leadership was in part due to hedge funds and other quantitative investors rapidly and significantly de-grossing their short books in January to reduce risk as signs that the worst of inflation (and potentially the Federal Reserve's interest rate hikes) were behind us. This type of laggards being "leadership" rally can happen but it is infrequent. In our multi-decade experience, it has never proved to be sustainable leadership. Note the column labeled 10 year, on the far right side of the above table, it shows the factors consistent with our investment approach (and that trailed in January) are all very attractive factors over longer periods of time. Conversely the risk factor "volatility", which performed well in January, is the biggest laggard over time. So, despite being encouraged by our portfolio companies reporting strong earnings during January, we believe this risk factor and laggard rally accounted for the vast majority of our underperformance during the month, and therefore for the quarter.

By sector, the March quarter performance is summarized as follows:

[1]The performance data represents the strategy's composite of small cap growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

Consumer Discretionary

After a challenging 2022 for the sector overall, consumer discretionary rebounded and our holdings outperformed by 45 basis points on a relative basis. Our holdings gained 16.1% vs 13.2% for the index. This strength was led by auto suppliers, restaurants, a fitness chain operator, a specialty retailer, and homebuilders. We increased our sector exposure from just under 10% to nearly 15%. This increase was partly due to the appreciation of existing positions on strong earnings reports and the initiation of new positions in leisure, specialty retail and homebuilding related companies. The leisure and retailer positions are stock specific in nature. Homebuilders are looking increasingly attractive as the shortage of homes nationwide continues. Mortgage rates appear to have peaked with interest rates overall, incrementally improving home affordability and re-accelerating orders for the builders.

Consumer Staples

Staples outperformed by 36 basis points. Our holdings rose 14.9% for the quarter outperforming the benchmark staples holdings, which gained 8.7%. The sector's outperformance came from two cosmetic/beauty suppliers, both of which appreciated over 40% supported by positive earnings surprises and strong upward estimate revisions. A specialty food company gained over 30% also with strong earnings. These gains were offset by modest declines in our specialty beverage holdings. We continue to maintain an overweight in the sector.

Financials

Financials outperformed by 26 basis points. Our holdings rose 6.3% for the quarter outperforming the benchmark financials holdings, which gained 1.3%. That strength came from holdings in specialty insurance which continue to have strong earnings reports. Within the banking group, we maintained zero exposure due to fundamental concerns heading into the SVB crisis.

Technology

Technology underperformed by 94 basis points. The Strategy's tech holdings gained 7.8% while the benchmark's tech holdings appreciated 12.5%. The underperformance was entirely driven by declines in the telecom equipment sub-industry. After sharply growing their backlogs, revenues, and earnings and thereby generating strong stock performance over the past two years, two portfolio companies saw a pause in demand and a sequential decline in their backlog. We believe over the intermediate term strong demand will resume as the enormous federal programs kick in to further penetrate rural broadband access in the US.

Semiconductors saw robust performance, as our holdings appreciated 28% versus the 21% for the index's semi positions. The strength was again due to an RFID chip supplier which beat earnings as it grows supply to catch up to its overwhelming demand. Also, a couple semi cap equipment holdings continue to perform well as they benefit from increased spending and adoption of silicon carbide (SiC). As a specialized alternative to silicon, SiC is seeing strong adoption in specific applications in the automotive sector, especially within EVs (electric vehicles).

Software was mixed as several positions performed well as they exceeded expectations and continued to gain market share. However, one holding saw macro pressures within its customers' IT budgets causing that stock to underperform. Overall, valuations have stabilized within the industry and we believe cloud/SaaS software remains a compelling long-term theme.

The portfolio maintained a modest overweight to the tech sector, but that exposure declined 200 basis points during the quarter as the telecom equipment overweight was reduced due to weakness in that group; partially offset by increased exposure to semiconductors and fintech.

Healthcare

Healthcare underperformed by 145 basis points vs the benchmark. After the impressive performance in the September and December quarters for our holdings in the sector, that performance was mostly unwound as our healthcare holdings lagged the market during the March quarter. Healthcare holdings were down 9.9% versus near flat performance for healthcare in the benchmark. Nearly two-thirds of the underperformance came from biotech/pharma. MedTech and healthcare staffing also underperformed.

The portfolio's exposure to healthcare, which is currently underweight, was reduced during the quarter by approximately 400 basis points as the biotech, med tech, and services sub-industries each experienced relative strength weakness during the quarter.

Biotech holdings modestly underperformed the benchmark. We did reduce our exposure by nearly 200 basis points to end the quarter at equal weight. We remain quite encouraged with clinical trial updates and outlooks for our therapeutic holdings. We anticipate 2023 will be a promising year for them as various clinical trials demonstrate successful outcomes.

Industrials

Industrials gained 130 basis points in absolute terms but detracted 60 basis points in relative terms. We have increased exposure to the industrial sector by 100 basis points and maintain an overweight as we see attractive holdings and several strong end market themes within the sector.

After multiple decades of moving manufacturing and supply chains overseas that process is now being reversed. Due to headaches from Covid-led supply chain disruptions and uncertain behavior by China, many companies are in the process of "reshoring" large parts of their manufacturing and supply chains back to the US. Additionally, multiple very large federal stimulus programs offer big opportunities for US companies. These include programs worth well over $1 trillion such as new infrastructure spending, the Inflation Reduction Act, Rural Broadband Spending programs and the Chips Act to name just a few.

We see attractive individual companies that should benefit within the following sub-industries: engineering & construction, infrastructure, machinery, aerospace, building materials, consulting, distribution and rental equipment.

Energy

Energy continued to be very volatile, as the price of crude oil and natural gas were weak pressuring the sector. The sector generated 18 basis points in relative outperformance, as we were underweight. It was the market's best performing sector last year, but the worst performing sector for the March quarter. One bright spot was oil service companies with offshore and/or international exposures. For the quarter, we decreased exposure to the sector by 200 basis points as we reduced exposure to E&Ps, domestic oil service and LNG transport providers. We remain underweight the sector.

Outlook & Positioning

Market conditions remain challenging. Inflation, Fed tightening, higher interest rates and recession fears remain at the top of the market's mind. The key topic remains the direction of inflation and the Fed's continued policy response. Rapidly falling inflation, a soft economic landing and a Fed that responds to the data will be bullish developments. Stubbornly high inflation, a hard economic landing and a Fed policy mistake are the market's primary fears.

Current conditions are highly uncertain over the near-term, yet they offer tremendous opportunity looking out over the next 12 months and beyond. Positively, valuations have declined for our portfolio as we see many holdings trading at attractive discounts versus their own history. Micro/small cap stocks in general continue to trade at a deep discount versus large caps, the second largest discount in 40 years. Additionally, current small cap valuations are at levels similar to past recessions. While the odds of a recession have materially increased, this is a widely anticipated recession that the market has been discounting for over a year. Lastly, while history is clear that micro/small caps stocks underperform during bear markets (this one began in February of 2021), history is also clear that micro/small caps typically outperform during the first five years or more of a new market cycle.

In terms of portfolio positioning, we have an attractive mix of secular and cyclical growth holdings. By sector, healthcare is our largest absolute weight, followed by technology, industrials, consumer discretionary, consumer staples, financials, energy, and materials. On a relative basis, the strategy is overweight industrials, consumer staples, technology, and consumer discretionary. The Strategy is underweight health care, financials, and energy. Overall, we still see many dynamic investment opportunities. Fundamentally these holdings fit our investment philosophy well as they are companies exhibiting growth inflections, with important differentiation, market share gains, strong revenues and expanding profitability.

Driehaus Small Cap Growth Strategy

% Month-End Performance (as of 3/31/23)

				Annualized				
	MTH	QTD	YTD	1 Year	3 Year	5 Year	10 Year	Inception[2]
Driehaus Small Cap Growth Composite (Gross)	-1.95	4.32	4.32	-14.47	21.96	13.95	16.34	17.52
Driehaus Small Cap Growth Composite (Net)	-2.00	4.18	4.18	-14.95	21.15	13.17	15.43	16.73
Russell 2000® Growth Index (Benchmark)	-2.47	6.07	6.07	-10.60	13.36	4.26	8.49	8.48

Top 5 Holdings[5] (as of 2/28/23)

Company	Sector	% of Strategy
Visteon Corporation	Consumer Discretionary	2.2
Kinsale Capital Group, Inc.	Financials	2.1
Xenon Pharmaceuticals Inc.	Health Care	2.1
WillScot Mobile Mini Holdings Corp. Class A	Industrials	2.0
e.l.f. Beauty, Inc.	Consumer Staples	2.0

Sector Weights (%)

	Strategy	Benchmark	*Active Weights*
Communication Services	3.2	2.5	*0.7*
Consumer Discretionary	15.8	11.5	*4.3*
Consumer Staples	7.0	4.7	*2.3*
Energy	4.0	6.5	*-2.5*
Financials	4.2	5.7	*-1.4*
Health Care	14.3	21.6	*-7.3*
Industrials	23.1	18.5	*4.6*
Information Technology	23.3	20.6	*2.8*
Materials	3.6	4.7	*-1.0*
Real Estate	0.0	2.1	*-2.1*
Utilities	0.0	1.7	*-1.7*
Cash	1.3	0.0	*1.3*

Key Features

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

Facts

Inception Date	1/1/80
Composite Assets Under Management[1]	$2.4B
Firm Assets Under Management	$13.4B
Investment Style	Growth Equity
Available Investment Vehicles:	Separately Managed Account Mutual Fund

Portfolio Characteristics[3]

5-year period	STRATEGY	BENCHMARK
Information Ratio	1.04	n/a
Beta	1.06	1.00
Standard Deviation	27.05	24.30
Tracking Error	8.56	n/a
R-squared	0.90	1.00

Market Cap Breakout	STRATEGY	BENCHMARK
< $1 billion	3.4%	9.7%
> $1 billion	96.6%	90.3%

	STRATEGY	BENCHMARK
Number of Holdings	113	1,095
Weighted Avg. Market Cap (M)	$5,026	$3,351
Median Market Cap (M)	$4,378	$1,178
Active Share (3-year avg.)[4]	81.87	n/a

Portfolio Management

Jeff James , Lead Portfolio Manager
32 years of industry experience

Michael Buck, Portfolio Manager
23 years industry experience

Prakash Vijayan, Assistant Portfolio Manager
17 years industry experience

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance Data as of 3/31/23.

The performance data represents the strategy's composite of small cap growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. The performance data shown above represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted.

[1]Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see the notes at the end of this document for additional information. [2]1/1/1980. [3]Portfolio characteristics represent the strategy's composite. [4]Data is calculated monthly. [5]Holdings subject to change.

Driehaus Small Cap Growth Strategy

Sector Performance Attribution 1st Quarter – 12/31/22 to 3/31/23

	Driehaus Small Cap Growth Strategy (Port) (%)		Russell 2000 Growth Index[1] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	2.02	0.43	2.45	0.32	-0.04	0.19	0.15
Consumer Discretionary	12.05	1.24	11.34	1.33	-0.03	0.09	0.06
Consumer Staples	6.90	0.96	4.43	0.39	0.00	0.36	0.36
Energy	4.88	-0.51	6.88	-0.51	0.22	-0.03	0.19
Financials	4.14	0.20	6.05	0.06	0.06	0.21	0.27
Health Care	16.39	-1.67	22.16	0.09	0.32	-1.78	-1.45
Industrials	23.05	1.26	18.31	1.41	0.08	-0.67	-0.59
Information Technology	24.71	2.03	19.88	2.37	0.29	-1.22	-0.93
Materials	3.33	0.29	4.64	0.45	-0.09	0.15	0.06
Real Estate	0.02	-0.01	2.17	0.02	0.12	-0.01	0.11
Utilities	0.00	0.00	1.70	0.08	0.03	0.00	0.03
Cash	2.53	0.00	0.00	0.00	-0.02	0.00	-0.02
Other[2]	0.00	-0.14	0.00	0.00	-0.14	0.00	-0.14
Total	100.00	4.10	100.00	6.01	0.79	-2.70	-1.91

Data as of 3/31/23

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

[1]The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. [2]Other refers to securities not recognized by Factset.

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

ATTRIBUTION ANALYSIS CATEGORIES ARE DEFINED AS:

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

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

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

Total Effect - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

Notes // Driehaus Small Cap Growth Strategy

FIRM DEFINITION
Driehaus Capital Management LLC (DCM) is a registered investment adviser with the United States Securities and Exchange Commission (SEC). DCM provides investment advisory services using growth equity and credit strategies to individuals, organizations, and institutions. The firm consists of all accounts managed by DCM (the Company).

DCM claims compliance with the Global Investment Performance Standards (GIPS®).

COMPOSITE DESCRIPTION
The Small Cap Growth Composite was created in January 1993. An account is considered to be a small cap growth account if it primarily invests in U.S. equity securities of high growth companies within market capitalization ranges of generally followed small cap indices at the time of purchase. However, there is no requirement to be exclusively invested in small cap stocks, and the accounts have invested, to a lesser extent, in stocks with a smaller or larger capitalization from time to time.

PERFORMANCE RESULTS
Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings.

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

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

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

RISKS
All investments have risks. At times, a significant portion of an account'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 strategy with a smaller asset base, and the strategy 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 strategy will experience high rates of portfolio turnover.

INDICES
The Russell 2000® Growth Index measures the performance of the small cap growth segment of the U.S equity universe. It includes those Russell 2000® companies with higher price- value ratio and higher forecasted growth values. The performance data includes reinvested dividends.

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TERMS
Active share represents the share of portfolio holdings that differ from the benchmark index holdings. **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. **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.