Capitalizing on Opportunity

3RD QUARTER 2023

The fund returned 2.39% during the third quarter, which compares to negative returns of -3.27% for the S&P 500 and -5.13% for the Russell 2000 indexes[1]. By strategy, risk arbitrage (+1.38%) made the largest contribution to the fund's return, followed by portfolio hedging (+0.63%), catalyst driven credit (+0.58%), and catalyst driven equity (-0.04%).

Macroeconomic forecasting has always been a difficult undertaking, and we don't envy those tasked with making those calls. Over the last two years, however, the accuracy of macro forecasters is rivaling that of meteorologists on the local evening news. There is seemingly no better predictor of rain than a beautiful three-day forecast. Similarly, in the markets, each week there seems to be a new illustration of the futility of predicting recessions, sovereign bond yields and short-term price targets for market indexes.

Thankfully the fund has never been in the business of investing based on macroeconomic predictions. We don't pretend to know what the price reaction will be to the next macro headline. Instead, we have always stuck to our core principle of using fundamental research to opportunistically invest in corporate securities that offer attractive risk adjusted returns – and catalysts to achieve those returns. Adhering to that process has enabled the fund to generate 8.0% over the trailing twelve months, driven by 625 basis points of alpha relative to the Russell 2000.

While we are not willing to make investments based on a macro forecast, we recognize that beta to macroeconomic news is the primary driver of short-term prices in today's market. As we write this, the market for US Treasury bonds is convulsing daily amidst a swirling current of ever-changing narratives; that volatility bleeds into corporate security prices, which impacts the opportunity set for the fund. So, within that context, we thought it would be helpful to provide a recap and outlook for what it all means for our three core strategies: Risk Arbitrage, Catalyst Driven Credit, and Catalyst Driven Equity.

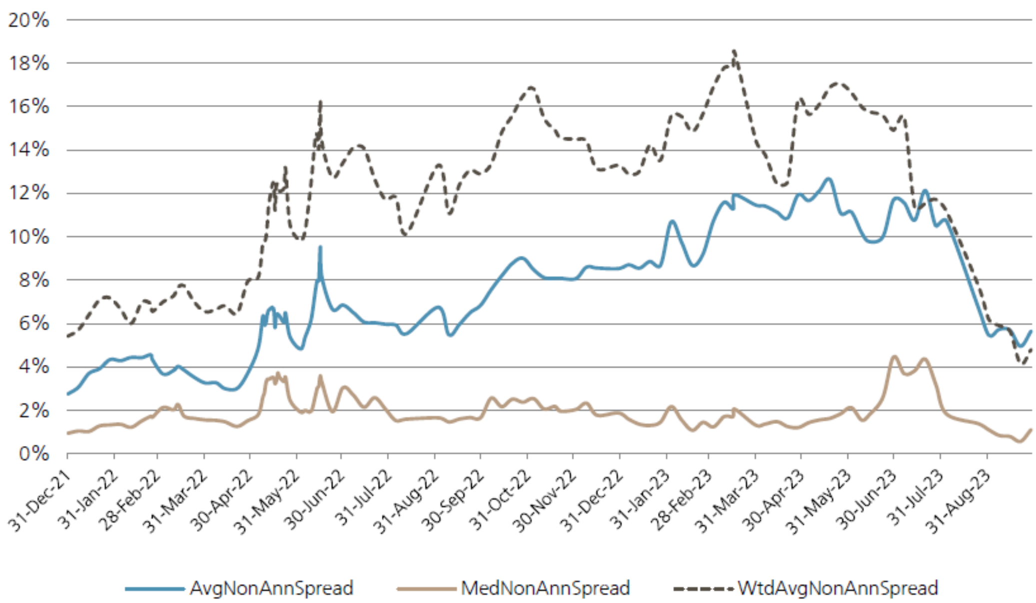
Risk Arbitrage

In our Q2 letter, found here, we discussed how the Federal Trade Commission ("FTC"), under the leadership of Lina Khan, had broadened the scope of its authority to challenge traditional interpretations of antitrust law. That bold definition of authority created a high level of uncertainty in the merger arbitrage market, which led to a widening of deal spread pricing. This created pockets of investment opportunities for the fund – two specifically that we wrote about in the letter were the acquisitions of Activision Blizzard ("ATVI") and Horizon Therapeutics ("HZNP")[2].

[1]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.
[2]For 9/30/23, the fund's weighting to Activision Blizzard ("ATVI") consisted of 3.08% and 1.74% to Horizon Therapeutics ("HZNP").

In the third quarter, the cases of ATVI and HZNP were arbitrated – both inside and outside of court – and the ultimate authorities sided with the established interpretation of antitrust law. As we expected, the securities in which we invested during the period of uncertainty reacted favorably to these rulings. The rulings in ATVI and HZNP had the additional impact of calming the arbitrage markets more broadly – as illustrated in Exhibit 1, merger arbitrage spreads across the market tightened due to the interpretation that FTC authority to challenge future mergers would be kept in relative check going forward.

Exhibit 1: Merger Arbitrage Spreads



Source: UBS

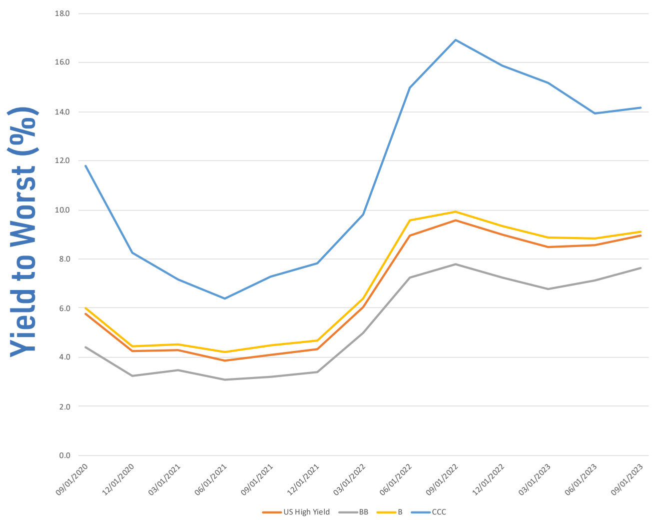
With concerns about FTC overreach dissipated, we believe the risk premium in merger arbitrage will remain relatively low over the next several quarters, particularly as capital from those deals that were "challenged" by the FTC will be reinvested into other pending deals. However, we believe there will be pockets of opportunity for attractive risk-adjusted returns in misunderstood situations – and we have seen those developing in the fourth quarter thus far. We have the luxury of being selective in both when and how we participate in merger arbitrage and we often use multiple security classes as a core tool in expressing our view.

Against this backdrop, we believe the fund's allocation to arbitrage could be in-line with its historical average of 10-30% and we will invest within that bandwidth based on the prevailing prices and projected return profiles.

Catalyst Driven Credit

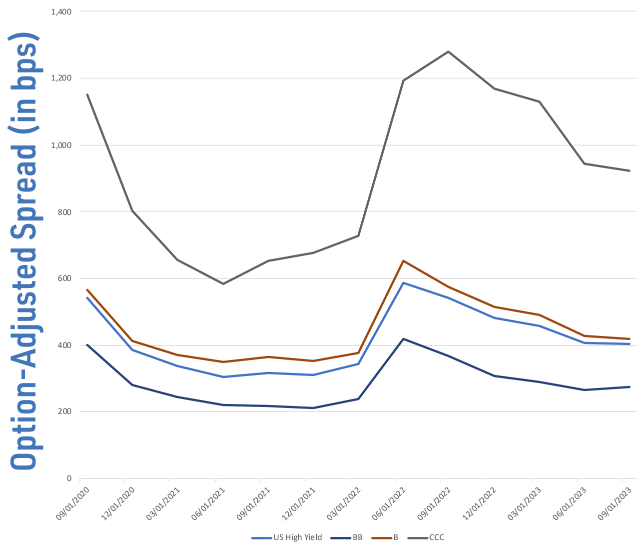
In the span of the last 18 months, the fund's allocation to credit has increased from near all-time lows to near all-time highs (as a percentage of AUM). The reason is simple: the opportunity to make attractive risk-adjusted returns in credit is the best it has been in years. We're not alone in this sentiment; Steve Schwarzman, founder and CEO of Blackstone, recently commented "If you can earn 12 percent...in senior secured bank debt, what else do you want to do in life? If you are living in a no-growth economy and somebody can give you 12 to 13 percent with almost no prospect of loss, that's about the best thing you can do." While we would not go so far as to say it's the only attractive investment right now, we do believe we are in a very compelling time for credit investing, and we have meaningfully increased our allocation to catalyst driven credit over the last year.

Exhibit 2: Non-Investment Grade Bond Yields



Source: Bank of America, Driehaus

Exhibit 3: Non-Investment Grade Bond Credit Spreads



Source: Bank of America, Driehaus

Throughout the second and third quarters, the fund had multiple credit positions that realized catalysts – most of which did so by proactively addressing their capital structures, calling bonds and refinancing near dated maturities. In the last quarter alone, three different credit positions in the fund (accounting for over 10% of AUM) were either called or exchanged. Going forward, there are signs that this favorable market backdrop for catalyst driven credit will continue, particularly as companies adjust to the new reality of their capital bases and seek to optimize their balance sheets.

We target investments in credit positions with a projected total return of 10% (yield plus capital appreciation) with catalyst(s) to drive capital appreciation. After years of unattractive returns for credit markets, we believe the market is finally offering opportunities to make attractive absolute returns with enhanced downside protection. Today, the credit positions in the fund carry an average yield of 9%; they are secured by both high-quality tangible assets and strong free cash flow generation, and have near-term catalysts that will unlock value.

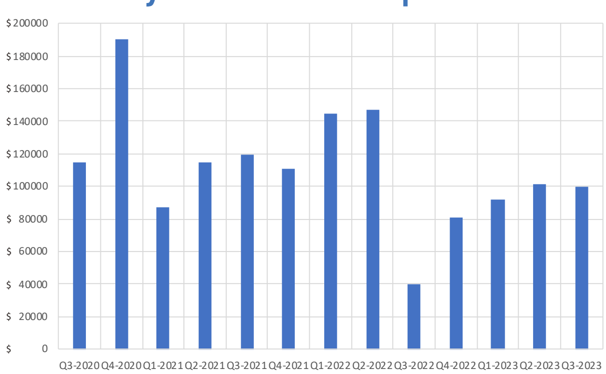
We expect that the fund's allocation to catalyst driven credit will continue to be in line with its recent level of between 40% and 60%.

Catalyst Driven Equity

During the third quarter, we saw multiple signs of life in the catalyst driven equity market that bode well for future opportunities.

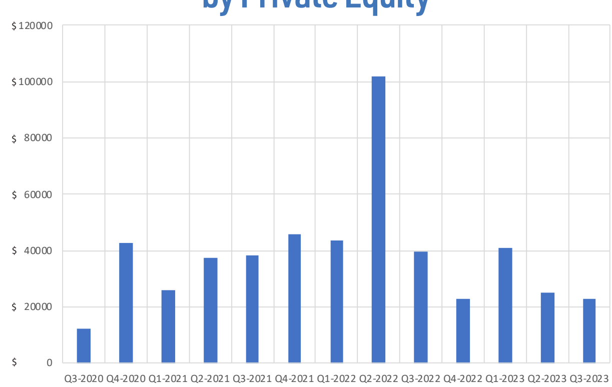
- **Capital Markets Rewarding and Funding Success:** In September, two separate fund investments in the healthcare sector released data that were well received by the market, and were accompanied by follow-on stock offerings in which the fund invested. Positively received follow-on offerings were sparse during 2022, and we believe the activity and reaction are signs of strengthening capital markets in 2023. As we have discussed in previous letters, healthy capital markets facilitate corporate activity, and greater amounts of corporate activity lead to a rich investment backdrop for the fund.
- **Increasing Spin-Off Activity:** The fund is currently evaluating investments in a number of different spin-offs – stocks that were recently spun off from larger parent companies. When a larger company floats shares of a smaller subsidiary to create a separate standalone public company, it often allows both companies to unlock value by creating simplified business models with focused management teams and greater flexibility to pursue growth. Despite these improvements, the spun off company often faces difficult trading dynamics in its early days – most commonly, forced selling from passive and closeted-passive holders who owned the large cap stock but aren't allowed to own the new smaller cap stock – and this creates a chance for opportunistic investors to buy shares at meaningful discounts to underlying value. We welcome the increased activity in spin-offs and are closely monitoring a number of potential new investments in this space.
- **Corporates as Active, Opportunistic Acquirers:** Another development that we are tracking closely is the Strategic/Corporate buyer replacing Private Equity as the opportunistic buyer in today's mergers and acquisitions (M&A) market. If you had told us a year ago that Private Equity would be sitting on record amounts of unused capital and most public equity sectors would be trading at-or-near 52-week lows, we would have expected to see record amounts of buying activity from Private Equity. But, Private Equity has been very quiet – the only headlines we see out of the industry are regarding the magnitude of capital they are raising. We're not sure why they raise so much capital and then do nothing with it, but that's a topic for a longer letter. In the third quarter, Private Equity effectuated $21.4 billion worth of buyouts of U.S. public companies; that number was a 40% decline relative to the third quarter of last year. Private Equity buyout activity has not been this low since 2020, when capital markets were closed due to Covid-19.

Exhibit 4: Public Companies Acquired by Other Public Companies



Source: Driehaus, FactSet

Exhibit 5: Public Companies Acquired by Private Equity



Source: Driehaus, FactSet

However, Corporates have stepped in as the incremental buyer. In fact, as we write this letter, energy company Exxon Mobil Corp recently announced a $59.5 billion acquisition of one of its rivals[1]. This is Exxon's largest acquisition since 1999 and one of the largest takeovers of 2023. Corporate buyers have access to more affordable financing, are hungry for new growth avenues and their acquisition targets are cheap. So, this shift from Private Equity to Corporates as the predominant buyer is logical to us, and we expect this dynamic will persist.

We expect that the fund's allocation to catalyst driven equity will continue to be in line with its recent level of between 30% and 50% (long exposure; net exposure of approximately 20%).

Conclusion

While we refrain from making investments based on projections about the next move in the economy, we do attempt to always be aware of the prevailing narratives because they impact the functionality of capital markets and can lead to opportunity in the form of overreaction and mispricings. After a lull in corporate activity during 2022, corporations seem to have accepted their new macroeconomic reality and have been active in 2023 – pursuing acquisitions, launching new products and optimizing balance sheets. This increase in corporate action is providing a robust backdrop for event driven investing in general, and our strategy specifically, given our ability to invest in both announced and anticipated events across asset classes.

Best,

Mike, Tom and Yoav

[1]For 9/30/23, the fund's weighting to Exxon Mobil Corp consisted of 0.00%.

Driehaus Event Driven Fund

% Quarter-End Performance (as of 9/30/23)

			Annualized				
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception[1]
Driehaus Event Driven Fund	2.39	5.34	7.99	4.51	6.77	4.76	5.08
S&P 500 Index[2]	-3.27	13.07	21.62	10.15	9.92	11.91	11.93
FTSE 3-Month T-Bill Index[3]	1.38	3.80	4.71	1.78	1.74	1.12	1.11
Alpha to S&P 500 Index	--	--	3.30%	1.70%	4.07%	1.19%	1.49%
Beta to S&P 500 Index	--	--	0.2	0.3	0.3	0.3	0.3
Correlation to S&P 500 Index	--	0.5	0.6	0.6	0.6	0.6	0.6
Volatility as a % of S&P 500 Index	--	--	34%	43%	42%	49%	--

Morningstar Event Driven Rankings[5] (as of 9/30/23)

	1 Year	3 Year	5 Year	10 Year
Number of Funds in Category	35	35	35	26
Position - DEVDX	1	5	3	5
Percentile Ranking - DEVDX	**1%**	**13%**	**7%**	**17%**

Source: Driehaus Capital Management, FactSet
Data as of 9/30/23

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 Driehaus Event Driven Fund has an inception date of August 26, 2013. [2]The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. [3]The FTSE 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The FTSE 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. An investor cannot invest directly in an index. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2023. 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. [5]Morningstar Event Driven (all share classes). Data based on monthly returns of 35, 35, 35 and 26 mutual funds (all share classes) for the one, three, five and ten year periods respectively. Net of fees. Past performance is no guarantee of future results.

Terms. **Beta:** A measure of a portfolio's volatility compared to that of the market as a whole. **Effective Duration:** Duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change. **Spread Duration:** The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread.

Ticker
DEVDX

Fund Overview

- The Driehaus Event Driven Fund seeks to generate consistently high alpha, low beta and low correlation to major market indexes.
- The fund invests long and short in equities and bonds that we believe are mispriced due to an announced or anticipated idiosyncratic corporate action and/or special situation.
- The fund's long/short hedged portfolio construction is designed to generate idiosyncratic returns, reduce market exposure and provide downside protection.
- The opportunistic mandate across asset classes ensures a robust investment landscape throughout the market cycle.

The Driehaus Event Driven Fund seeks to provide:

- Superior risk-adjusted returns
- Consistently strong alpha with minimized beta
- Low volatility and correlation to major asset classes
- Absolute Returns with low market exposure

Facts

Inception Date	8/26/13
Fund Assets Under Management	$219M
Strategy Assets	$530M
Firm Assets Under Management	$14.1B

Annual Operating Expenses[4]	
Gross Expenses	1.71%
Net Expenses	1.71%

Portfolio Management

Yoav Sharon, Portfolio Manager
18 years industry experience

Tom McCauley, Portfolio Manager
17 years industry experience

Michael Caldwell, Portfolio Manager
16 years of industry experience

DEVDX Portfolio Characteristics*

Fund Information

Catalyst Spectrum

Hard								Soft
	Mergers & Acquisitions	**Opportunistic Credit** Reorganizations Refinancings Recapitalizations	**Capital Allocation** Repurchases Divestitures & Asset Sales	**Special Situations** Spin-offs SPACs IPOs	**Activism** Collaborative Incentive Alignment	**Regulatory** Data Releases Bank Regulation	**Post M&A Combinations** Synergies Shareholder Transition	

Investment Strategy

	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Arbitrage	18.4%	-4.4%	22.8%	14.0%
Credit	36.8%	0.0%	36.8%	36.8%
Equity	27.8%	-0.4%	28.2%	27.3%
Hedges	0.0%	-9.7%	9.7%	-9.7%

Overall Morningstar Rating™

Based on risk-adjusted returns as of 9/30/23

★★★★

All Share Classes among 35 Funds in the Event Driven Category

Sector

GICS[1]	Long Exposure	Short Exposure	Gross Exposure	Net Exposure
Communication Services	3.1%	0.0%	3.1%	3.1%
Consumer Discretionary	28.3%	-2.7%	31.0%	25.6%
Consumer Staples	3.9%	0.0%	3.9%	3.9%
Energy	3.3%	0.0%	3.3%	3.3%
Financials	11.0%	-1.8%	12.8%	9.3%
Health Care	10.5%	-2.2%	12.8%	8.3%
Industrials	8.7%	-1.1%	9.7%	7.6%
Information Technology	4.9%	-1.8%	6.7%	3.1%
Materials	2.3%	0.0%	2.3%	2.3%
Real Estate	0.0%	0.0%	0.0%	0.0%
Utilities	4.6%	0.0%	4.6%	4.6%
Other[2]	2.4%	-5.0%	7.4%	-2.6%

Top Contributors/Detractors (by Investment Strategy)

Top 5	
Equity	1.65%
Equity	0.90%
Arbitrage	0.35%
Hedges	0.32%
Arbitrage	0.30%
Total	3.54%

Bottom 5	
Equity	-0.73%
Equity	-0.56%
Equity	-0.54%
Equity	-0.31%
Equity	-0.27%
Total	-2.41%

Source: Driehaus Capital Management, FactSet

Quarterly Contribution to Return (by Investment Strategy)

	July	August	September	3rd Quarter
Arbitrage	0.18%	0.78%	0.42%	1.38%
Credit	0.23%	0.25%	0.10%	0.58%
Equity	0.93%	-2.16%	1.20%	-0.04%
Hedges	-0.63%	0.57%	0.69%	0.63%
Cash/Expenses[3]	0.02%	0.07%	0.07%	0.16%
Total	0.73%	-0.49%	2.47%	2.72%

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices,-exposure represents bond equivalent exposure. [1]The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity. [2]The Other Industry Sector data is not categorized within the GICS classification system. [3]Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances are netted against fund expenses.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. The Driehaus Event Driven Fund has a four star rating for the three and five year periods, with 37 and 37 funds respectively in the category.

Sector Breakout by Top Weighted Investment Strategy

Sector	Investment Strategy	Security Type	Average Weight	Contribution To Return
Communication Services			**2.74**	**0.25**
	Arbitrage	Equity Common	2.74	0.25
Consumer Discretionary			**25.76**	**-0.40**
	Credit	Corporate	5.31	0.06
	Equity	Equity Common	4.92	-0.73
	Credit	Corporate	4.83	0.10
	Credit	Corporate	4.69	-0.21
	Credit	Bank Loan	2.91	0.08
Consumer Staples			**2.45**	**0.09**
	Arbitrage	Equity Common	1.61	0.08
	Credit	Preferred	0.84	0.01
Energy			**1.23**	**0.04**
	Credit	Corporate	0.78	0.01
	Credit	Corporate	0.36	0.04
	Equity	Equity Common	0.07	-0.01
	Credit	Corporate	0.02	0.00
Financials			**10.20**	**-0.52**
	Equity	Equity Common	2.99	-0.56
	Equity	Equity Common	2.60	-0.05
	Arbitrage	Equity Common	2.59	0.04
	Hedges	Exchange Traded Fund	-1.95	-0.07
	Credit	Corporate	1.45	0.02
Health Care			**7.99**	**2.88**
	Equity	Equity Common	2.83	1.65
	Arbitrage	Equity Common	2.77	0.35
	Hedges	Exchange Traded Fund	-2.56	0.32
	Equity	Equity Common	2.28	-0.27
	Equity	Equity Common	0.82	-0.31
Industrials			**7.81**	**-0.74**
	Equity	Equity Common	3.84	-0.54
	Equity	Equity Common	2.06	-0.16
	Credit	Corporate	2.01	0.05
	Equity	Equity Common	1.32	-0.09
	Hedges	Exchange Traded Fund	-1.27	0.02
Information Technology			**2.84**	**0.36**
	Arbitrage	Equity Common	2.33	0.19
	Credit	Corporate	1.66	0.04
	Arbitrage	Equity Common	-1.54	0.11
	Credit	Corporate	0.39	0.02
Materials			**1.98**	**0.01**
	Credit	Corporate	1.98	0.01
Utilities			**4.69**	**0.30**
	Credit	Corporate	3.93	0.25
	Credit	Corporate	0.76	0.05

Important Disclosures

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market.

The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales.

Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to under performing results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. 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. This is a non diversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

Fund holdings are subject to change and should not be viewed as a recommendation to buy or sell any security. Dividends are not guaranteed and may fluctuate.

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.

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on October 12, 2023 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. 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.

Foreside Financial Services, LLC, Distributor

FUND INFORMATION

Types of events in which the fund frequently invests include:

Corporate action: Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

Earnings: A trade involving an upside or downside surprise to earnings versus market expectations.

Market dislocation: Any mispricing of a security for a non-fundamental reason.

Product cycle: A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

Restructuring: A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

Types of trades in which the fund frequently invests include:

Bond catalyst driven: Event-driven trades that are expressed predominately through bond positions.

Deep value: Trade that attempts to capture the mispricing of an extremely undervalued security.

Equity catalyst driven: Event-driven trades that are expressed predominately through equity positions.

Portfolio hedge: A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

Risk arbitrage: Trades that attempt to capture a valuation discrepancy between similar securities.

DEFINITIONS OF KEY TERMS

Credit Default Swap (CDS) - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

Delta - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

Derivatives Premium – Value of a derivatives contract.

Effective Duration - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

Portfolio Coupon - The annualized interest earned for the portfolio.

Portfolio Current Yield - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

Portfolio Yield-to-Worst - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

Spread Duration - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

Swap - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

Special Purpose Acquisition Company (SPAC) - a company with no commercial operations that is formed strictly to raise capital through an initial public offering (IPO) for the purpose of acquiring or merging with an existing company.

Leveraged Buyout (LBO) - the acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition.

Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) - a measure of a company's overall financial performance and is used as an alternative to net income in some circumstances.

Return on Invested Capital (ROIC) - a calculation used to assess a company's efficiency at allocating the capital under its control to profitable investments.

Mortgage Servicing Rights (MSR) - a contractual agreement in which the right to service an existing mortgage is sold by the original mortgage lender to another party that specializes in the various functions involved with servicing mortgages.

High Yield (HY) - are bonds that pay higher interest rates because they have lower credit ratings than investment-grade bonds.

Investment Grade (IG) - Bonds that are believed to have a lower risk of default and receive higher ratings by the credit rating agencies.

World Government Bonds Benchmark – yields over a variety of short-, medium- and long-term time frames for a global array of government bonds.

Russell 2000 Index (RTY) – is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

Credit Default Index (CDX) – is a financial instrument composed of a set of credit securities issued by North American or emerging market companies.

Driehaus Event Driven Fund

Risk-Free Rate – the theoretical return attributed to an investment that provides a guaranteed return with zero risks.

Risk Premium – the investment return an asset is expected to yield in excess of the risk-free rate of return.

Par – the fact value of a bond or stock, as stated in the issuing company's corporate charter.

Drawdown – a peak-to-trough decline during a specific period for an investment, trading account, or fund.

Yield to Call – refers to the return a bondholder receives if the bond is held until the call date, which occurs sometime before it reaches maturity.

Hurdle Rate – is the minimum required rate of return or target rate that investors are expecting to receive on an investment

Free Cash Flow – is the amount by which a business's operating cash flow exceeds its working capital needs and expenditures on fixed assets

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.

Sharpe Ratio – is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

Arbitrage Spread – is a difference in price between two markets or exchanges for a particular security, currency, or commodity.