

# Investment Principals



## Driehaus Active Income

We conduct in-depth fundamental research in order to determine the intrinsic value of a company and the securities within its capital structure.

We employ an absolute return based investment framework to ensure preservation of capital and to identify investments that offer compelling risk adjusted returns.

We seek to limit interest rate based volatility by hedging duration; the strategy maintains a target portfolio duration of +/- 1 year.

We construct our portfolio to generate an attractive current yield and optimize our portfolio by sizing individual positions based on a combination of downside protection and potential for capital appreciation.

## Driehaus Event Driven

We conduct in-depth fundamental research to determine a company's fundamental positioning and the implications surrounding upcoming specific corporate events or catalysts.

We perform comprehensive capital structure analysis in search of attractive opportunities based on our fundamental thesis, with a focus on superior risk adjusted returns.

We focus on equity, credit, and derivative securities to optimize trade structures and promote nimbleness.

We hedge unattractive and unintended exposures out of the portfolio, at both the trade specific and portfolio level.

Our cross asset approach of investing in event driven situations, cultivated over multiple Event cycle regimes, has enabled us to develop and continually refine a highly specialized event investing framework that supports our goal of seeking to provide attractive risk adjusted returns.