DRIEHAUS
CAPITAL MANAGEMENT

Driehaus Emerging Markets Growth Strategy Summary

3RD QUARTER 2024

Performance Review

The Driehaus Emerging Markets Growth strategy returned 2.3% net of fees in the third quarter, behind the return for the MSCI Emerging Markets Index (+8.7%).[1] For the year to date, the strategy has returned 14.4% net of fees, 250bps behind the return of the index. The asset class saw unusually high volatility in the last two weeks of the quarter, which is when the majority of the strategy's underperformance occurred. That volatility was caused by a sharp about-face in Chinese policymaking which saw the Chinese market rise over 40% between the middle of September and the end of the month.

Quarter in Review

During the quarter, the strategy's relative underperformance was driven by the sharp strength in Chinese equities. While the strategy carries a significantly smaller underweight position to China than it has the previous few years, the intensity of the rally still weighed on relative performance. Roughly 60% of the 8.4% return for the EM index came from China's performance in September. The underweight that the strategy carried to China and Hong Kong was magnified by most non-China areas underperforming in the quarter, notably India. The strategy's best performers during the period were, not surprisingly, Chinese stocks. Recovery growth names in the financials, travel and consumer services areas were chief contributors.

Chinese stocks were also heavily represented in the strategy's detractors for the period, led by consumer and consumer-driven names. The strategy lost 170bps of relative performance due to underweights in the consumer discretionary space, which includes many of the large ecommerce companies in China. The strategy has been underweight this sector for quite some time as top-line challenges have been accelerating for a few years, with margins broadly under pressure. The space has had poor earnings growth prospects and thus, has not been a major focus. The stimulus measures announced at the end of the quarter will likely not have a major impact on consumption but it still was enough to drive many of these stocks significantly higher.

[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.

Market Outlook

It will not be much of a surprise to know that our outlook for the rest of the year and beyond depends heavily on what happens in China in the coming months. We believe the announcements in September marked an important change in China and find the details less important than the signal. There have been two main reasons for the extremely weak performance of Chinese stocks, in our view. The first reason has been the consistent deterioration of domestic confidence and the weight that has had on consumption and investment. That deterioration of confidence has come from the very weak economic conditions, but also the deflationary environment in real estate and the perception that the government is targeting business and wealth creation. The second is the perception that government either doesn't recognize or doesn't believe in stimulating the economy for ideological reasons. The events of the past few weeks do not change the secular or geopolitical challenges facing China, but they do force a rethink on the headwinds above.

The market has already had a meaningful reaction to this change in stance and from here, stocks will be looking for incremental actions and evidence that stimulus is helping in order to have sustained strength. As such, volatility will likely stay elevated (30-day volatility in Exhibit 1) but we believe they will try to continue supporting the market. At the risk of oversimplification, the power of the Chinese Communist Party (CCP) rests largely on its ability to do what it says it's going to do. The past four years, they have been very clear that they are comfortable with a weaker property market, weaker growth and little stimulus. That is no longer the case. They are now pushing for stabilization of the property market, improvement in capital markets, and better growth. What exact amounts of stimulus they announce and on which days is unknown to us, but our suspicion is they will avoid a big bang announcement and prefer to continue adding support as needed.

There have also been two major changes in the methods behind their stimulus that reflect much about the current state of the economy. The bill of these new efforts is being footed by the Central Government and not at the local level, as has always been the case historically. The central government has fiscal space to do this, it just has never wanted to create the moral hazard of bailing out poorly run cities and provinces. Things are bad enough now (civil servants, teachers, etc. are going unpaid for months at a time due to local government liquidity issues) that they have no choice.

Finally, this latest round of policy announcements has another key distinction which is its reliance on monetary tools. For all the things China has done poorly over recent years, the central bank has been fairly orthodox on its liquidity stance, not adding much to its balance sheet in a period where developed market central banks saw their balance sheets explode. In hindsight it is clear that China was concerned about easing policy too much while the Federal Reserve was hawkish. Immediately following the Fed's recent policy rate cut, China responded with monetary stimulus of its own. There are several tools they will be using to do this, but the short summary is that they are expanding the monetary base again and are doing it to stave off deflation. As long as the dollar doesn't stop them, this is something we've seen many countries use successfully in the post-Global Financial Crisis period.

Many of the effects of that political outcome would run counter to the other changing dynamic, easing monetary policy. We have confidence the Federal Reserve is on the precipice of easing monetary policy given the clear signal from recent economic data. Typically, this would create a clear, weaker-USD dynamic but there are other factors at play. First, increasing tariffs historically drives the home currency higher (offsetting much of the tariffs) and this will be the baseline assumption in the event of a second Trump presidency. Second, central banks around the world have generally had even less of an inflation problem than we've had in the US and the only thing curtailing a synchronized global easing wave has been the hawkishness of the Fed. As such, once the Fed begins to ease, others will quickly follow suit, limiting USD downside.

As far as our own positioning is concerned, we have reduced our underweight slightly since the announcements and have added over 1000bps of exposure to China since Q3 2023. We acknowledge that secular and geopolitical issues are not going anywhere for China and it's hard not to think of how many times a country like Japan announced stimulus over the past several decades, to little avail until more structural changes were also made. We have always viewed the Chinese market with more of a trading mindset than other parts of the emerging market universe and that remains our view more than ever. That said, we do not think pointing out that Chinese growth is slower now than it was before or that major companies have slower growth than they used to as being likely to generate alpha- everyone knows that. What matters to us is what kind of earnings growth these companies are able to deliver in the coming years and that outlook has clearly improved. The extreme negative sentiment on China has been a weight on the asset class for the past few years and we would view even a stabilization of that as a major positive for emerging markets going forward.

Exhibit 1: In Addition to the Rally in China, Volatility has Also Exploded Higher

(30-day volatility of Shanghai Composite)

Source: Bloomberg, Driehaus

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 October 14, 2024 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since October 14, 2024 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 9/30/24)

				Annualized				
	MTH	QTD	YTD	1 YR	3 YR	5 YR	10 YR	Inception[3]
Driehaus Emerging Markets Growth Composite (Gross)	2.25	2.44	14.98	24.73	0.30	7.80	6.53	11.60
Driehaus Emerging Markets Growth Composite (Net)	2.20	2.26	14.35	23.81	-0.45	6.98	5.56	10.04
MSCI Emerging Markets Index (ND) (Benchmark)	6.68	8.72	16.86	26.05	0.40	5.75	4.02	*
MSCI Emerging Markets Growth Index (ND)	7.47	9.26	18.49	27.64	-2.26	5.45	4.81	*

Top 5 Holdings[6] (as of 8/31/24)

Company	Country	Sector	% of Strategy
Taiwan Semiconductor Manufacturing Co., Ltd. Sponsored ADR	Taiwan	Information Technology	7.3
Tencent Holdings Ltd.	China	Communication Services	6.9
Samsung Electronics Co., Ltd.	South Korea	Information Technology	5.1
ICICI Bank Limited Sponsored ADR	India	Financials	2.6
MercadoLibre, Inc.	Argentina	Consumer Discretionary	1.6

Sector Weights (%)

	Strategy	Benchmark	*Active Weights*
Communication Services	10.7	9.4	*1.3*
Consumer Discretionary	10.5	14.0	*-3.5*
Consumer Staples	4.3	5.2	*-0.9*
Energy	5.0	4.8	*0.3*
Financials	24.0	22.8	*1.2*
Health Care	4.0	3.6	*0.4*
Industrials	6.9	6.8	*0.1*
Information Technology	19.7	22.2	*-2.5*
Materials	3.4	6.6	*-3.2*
Real Estate	4.4	1.6	*2.8*
Utilities	3.5	2.9	*0.6*
Cash	3.4	0.0	*3.4*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc.
Data as of 9/30/24.
*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] Strategy assets represent all assets in the emerging markets growth strategy, including those in the composite. [3]1/1/1997. [4]Portfolio statistics represent the strategy's composite. [5]Data is calculated monthly. [6]Holdings subject to change.

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]	$6.1 billion
Strategy Assets Under Management[2]	$7.1 billion
Firm Assets Under Management	$19.7 billion
Investment Universe	EM all cap equity
Investment Style	Growth equity
Investment Vehicles :	Separately Managed Account
	Institutional Commingled
	Mutual Fund

Portfolio Statistics[4]

5-year period	Strategy	Benchmark
Information Ratio	0.21	n/a
Beta	0.86	1.00
Standard Deviation	16.82	18.63
Tracking Error	5.78	n/a
R-squared	0.91	1.00

Portfolio Characteristics

	Strategy	Benchmark
Number of Holdings	117	1,277
Weighted Avg. Market Cap (M)	$170,233	$156,420
Median Market Cap (M)	$20,415	$8,732
Est. 3-5 Year EPS Growth	18.2%	15.6%
Active Share (3-year avg.)[5]	78.21	n/a

Portfolio Management

Howard Schwab, Lead Portfolio Manager
24 years of industry experience

Chad Cleaver, CFA, Portfolio Manager
22 years industry experience

Richard Thies, Portfolio Manager
17 years of industry experience

Driehaus Emerging Markets Growth Strategy

Country Weights* (%)

	Strategy	Benchmark	*Active Weights*
Argentina	1.3	0.0	*1.3*
Brazil	9.8	4.8	*5.0*
Chile	0.0	0.4	*-0.4*
China/Hong Kong	19.0	27.8	*-8.8*
Colombia	0.0	0.1	*-0.1*
Czech Republic	0.2	0.1	*0.1*
Egypt	0.0	0.1	*-0.1*
Greece	1.4	0.5	*1.0*
Hungary	0.8	0.2	*0.5*
India	21.6	19.5	*2.1*
Indonesia	3.0	1.6	*1.3*
Kuwait	0.0	0.7	*-0.7*
Malaysia	0.4	1.5	*-1.1*
Mexico	3.1	1.9	*1.2*
Peru	2.3	0.3	*2.0*
Philippines	1.1	0.6	*0.6*
Poland	0.5	0.8	*-0.3*
Qatar	0.0	0.8	*-0.8*
Romania	0.0	0.1	*-0.1*
Saudi Arabia	2.0	3.8	*-1.8*
South Africa	2.0	2.9	*-0.9*
South Korea	8.9	10.4	*-1.6*
Taiwan	11.5	17.6	*-6.1*
Thailand	0.6	1.5	*-0.9*
Turkey	1.6	0.6	*0.9*
United Arab Emirates	2.4	1.2	*1.2*
Uraguay	0.7	0.0	*0.7*
Other[1]	2.4	0.3	*2.1*
Cash	3.4	0.0	*3.4*

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc.
Data as of 9/30/24. Benchmark: MSCI Emerging Markets Index (ND)
[1]Represents companies domiciled in developed countries that have significant emerging markets exposures.
*Emerging market companies are (i) companies organized under the laws of an emerging market country or having securities which are traded principally on an exchange or over-the-counter in an emerging market country; or (ii) companies which, regardless of where organized or traded, have a significant amount of assets located in and/or derive a significant amount of their revenues from goods purchased or sold, investments made or services performed in or with emerging market countries.

Driehaus Emerging Markets Growth Strategy

Sector Attribution 3rd Quarter – 6/30/24 to 9/30/24

	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	9.98	12.62	1.26	8.92	15.63	1.38	-0.21
Consumer Discretionary	9.15	11.66	1.15	12.33	24.94	3.00	-1.67
Consumer Staples	4.70	0.47	-0.02	5.26	11.05	0.57	-0.54
Energy	6.42	-10.55	-0.76	5.09	-0.32	-0.03	-0.78
Financials	24.84	7.58	1.82	22.66	10.41	2.39	-0.52
Health Care	3.12	10.32	0.35	3.49	22.83	0.77	-0.45
Industrials	6.31	2.57	0.19	6.81	7.01	0.48	-0.31
Information Technology	21.35	-8.64	-2.00	24.20	-2.58	-0.69	-1.27
Materials	3.15	3.89	0.14	6.76	5.40	0.33	0.08
Real Estate	3.49	11.15	0.40	1.48	14.83	0.22	-0.04
Utilities	3.30	3.23	0.10	3.02	9.22	0.27	-0.24
Cash	4.17	-0.38	-0.02	0.00	0.00	0.00	-0.12
Other[3]	0.00	-0.52	-0.54	0.00	0.00	0.00	-0.56
Total	100.00	2.07	2.07	100.00	8.70	8.70	-6.63

Data as of 9/30/24.
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 operating expenses and 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 3rd Quarter – 6/30/24 to 9/30/24

	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	1.15	5.95	0.10	0.00	0.00	0.00	-0.03
Australia	0.00	0.00	0.00	0.02	-6.57	0.00	0.00
Brazil	7.95	11.09	0.83	4.69	7.14	0.36	0.03
Canada	0.33	-23.34	-0.14	0.00	0.00	0.00	-0.15
Chile	0.15	-15.14	-0.04	0.43	5.31	0.02	-0.03
China	15.87	9.19	1.39	22.07	24.04	5.11	-3.18
Colombia	0.00	0.00	0.00	0.10	-0.86	0.00	0.01
Czech Republic	0.49	16.50	0.06	0.13	5.05	0.01	0.07
Egypt	0.00	0.00	0.00	0.07	12.28	0.01	0.00
France	0.00	-2.62	-0.01	0.00	0.00	0.00	-0.01
Greece	1.70	8.29	0.12	0.50	10.40	0.05	0.00
Hong Kong	1.70	19.60	0.23	2.44	17.78	0.40	-0.13
Hungary	0.62	1.38	0.01	0.25	6.32	0.02	-0.04
India	19.47	4.31	0.93	19.87	7.29	1.47	-0.70
Indonesia	2.38	23.67	0.52	1.71	15.33	0.27	0.15
Israel	0.81	7.74	0.07	0.00	0.00	0.00	-0.01
Kuwait	0.00	0.00	0.00	0.74	3.67	0.03	0.04
Luxembourg	0.00	0.00	0.00	0.12	2.53	0.00	0.01
Malaysia	0.66	-16.27	-0.12	1.48	20.54	0.30	-0.33
Mexico	3.44	1.51	0.09	2.10	-3.39	-0.06	0.05
Peru	2.01	11.11	0.24	0.30	7.92	0.03	0.06
Philippines	1.03	24.98	0.23	0.57	21.66	0.12	0.08
Poland	0.99	-9.01	-0.09	0.85	-3.95	-0.04	-0.03
Qatar	0.00	0.00	0.00	0.81	10.55	0.09	-0.01
Romania	0.00	0.00	0.00	0.06	22.05	0.01	-0.01
Saudi Arabia	1.83	-1.36	-0.02	3.96	5.31	0.19	-0.06
Singapore	0.00	0.00	0.00	0.02	18.24	0.00	0.00
South Africa	1.95	17.68	0.33	2.82	16.53	0.48	-0.04
South Korea	11.72	-10.83	-1.39	11.63	-5.59	-0.78	-0.56
Taiwan	12.08	-3.18	-0.41	18.76	0.49	0.17	-0.12
Thailand	0.20	-4.04	-0.03	1.44	28.92	0.40	-0.33
Turkey	2.44	-14.98	-0.40	0.73	-12.55	-0.11	-0.39
United Arab Emirates	2.31	13.18	0.26	1.18	12.02	0.14	0.02
United Kingdom	1.37	-7.82	-0.10	0.00	0.00	0.00	-0.18
United States	0.58	-14.91	-0.05	0.16	6.58	0.01	-0.12
Uruguay	0.61	5.59	0.02	0.00	0.00	0.00	-0.02
Cash	4.17	-0.38	-0.02	0.00	0.00	0.00	-0.12
Other[3]	0.00	-0.52	-0.54	0.00	0.00	0.00	-0.56
Total	100.00	2.07	2.07	100.00	8.70	8.70	-6.63

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 6. [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 operating expenses and 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.

RISKS

All investments have risks. The strategy invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the strategy has benefited from unusually strong market conditions. 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. Investments in overseas markets can pose more risks than U.S. investments. In addition, the strategy's returns will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which the strategy invests. These risks are generally greater when investing in emerging markets.

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.

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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.