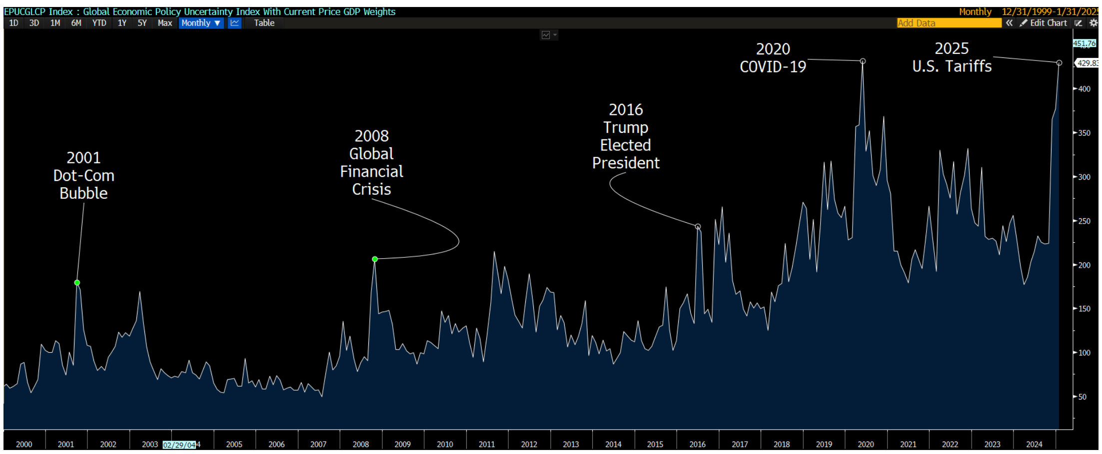
# Of This Much, We Can Be (Un)Certain

1ST QUARTER 2025

Uncertainty, driven by concerns surrounding tariffs, fiscal policy, and monetary policy, is the dominant theme in the markets today. The path, implementation, and ultimate levels of tariffs, as well as the regions and sectors that will bear the most impact remain fluid.

The charts below illustrate: (i) the significant rise in global economic uncertainty; and (ii) expectations for increased equity market volatility, as reflected by the CBOE Volatility Index, often referred to as "the fear gauge."

### Exhibit 1: Global Economic Uncertainty Index Approaches Covid Era Highs



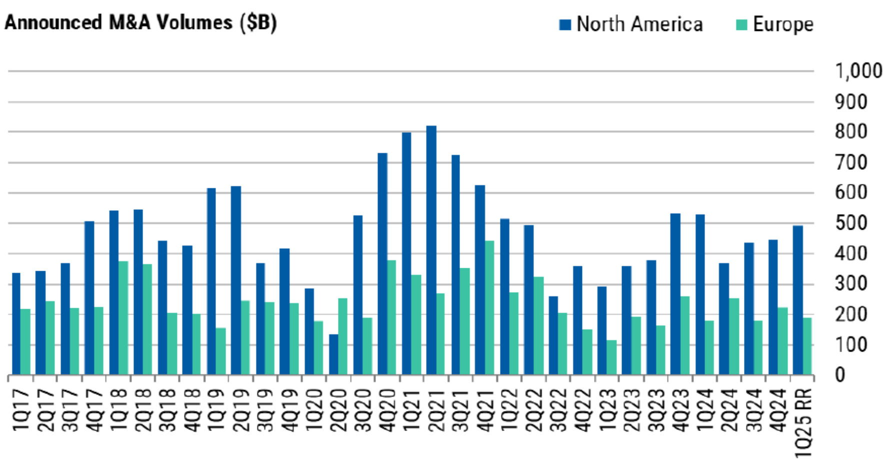

Source: Bloomberg

### Exhibit 2: Volatility Expectations for the S&P 500 Increase 25% as of 3/31/25


Source: Bloomberg

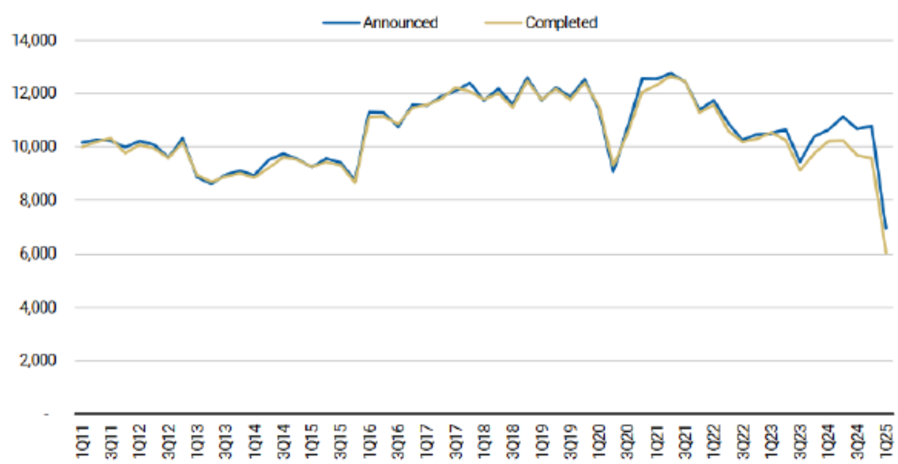
Bullish expectations for M&A activity in 2025 have not yet been realized due to the uncertainty outlined above. Both buyers and sellers are seeking clarity regarding the impact of policies including tariffs, onshoring, and immigration and how these factors will influence corporate spending, consumer sentiment, and inflationary expectations.

## Exhibit 3: Announced M&A Volume and Deal Count Sluggish in 1Q25




Source: Morgan Stanley Research, Morgan Stanley Special Situations Deck 3/31/25

## Exhibit 4: Global M&A Deal Count QTD (#)




Source: Morgan Stanley Research, Morgan Stanley Special Situations Deck 3/31/25

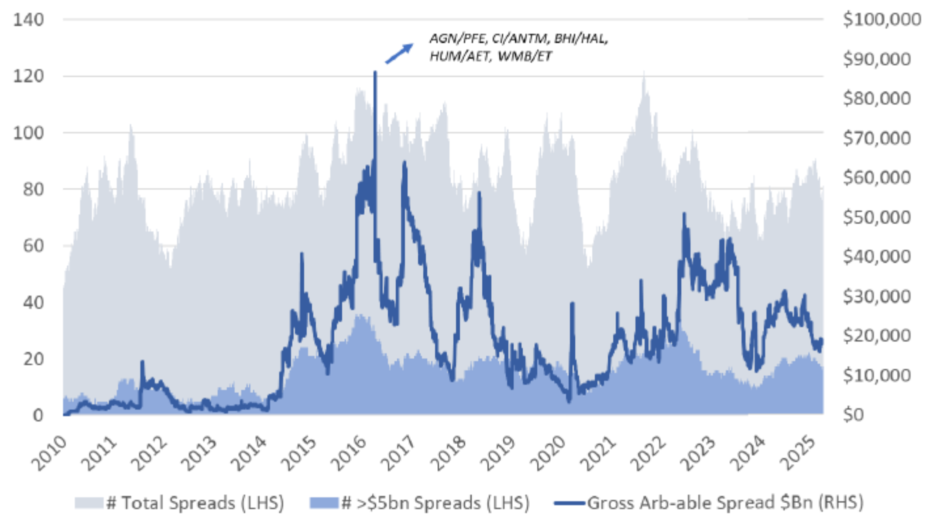
In uncertain and volatile markets, relative value relationships across sectors, asset classes, and even within capital structures can break down, or diverge from historical valuation ranges. These dislocations present opportunities for absolute return-oriented investors. When combined with identifiable catalysts to unlock value, and position level hedges that ensure the ability to see an investment through to its catalyst, these investments can be a powerful source of alpha.

As we look ahead, we will examine the current environment and opportunity set for each of the fund's three primary event driven sub-strategies: Risk Arbitrage, Catalyst Driven Credit, and Catalyst Driven Equities.

## Risk Arbitrage

The strict merger arbitrage opportunity set remains muted, consistent with the softer-than-expected M&A environment. As shown in the chart below, as of 3/31/25 – the Gross "Arbitrage-able" opportunity set is more than 50% lower than the recent peak in 2023.

### Exhibit 5: US Listed Merger Arbitrage Spreads




Source: Morgan Stanley Research, Morgan Stanley Special Situations Deck 3/31/25

The fund's mandate is not overly reliant on merger arbitrage as the key source of investment opportunities. We continue to see compelling catalyst driven opportunities of the activist and capital allocation variety, an ongoing trend continued from last year.

Juxtaposed with the tepid M&A and IPO backdrop, Special Purpose Acquisition Companies (SPACs) have come back to life in 2025. There were 20 SPAC IPOs in the first quarter, a greater than 3x increase from the same period in 2024. While a far cry from the boom-and-bust period of 2020-2022, rational and respected sponsors are finding a niche opportunity to bring strong private companies to the public markets.

An example of a Risk Arbitrage position in the fund is below. This not a classic merger-arbitrage position, rather a hybrid arbitrage / activism-based investment indicative of the types of opportunities the fund encounters by casting a broader event-driven net.

### Holding Company "A" Position Overview

- The equity of Company A trades at a significant discount to its intrinsic, or net asset value. Core to our thesis is the belief that the Chairman and majority owner, a seasoned and well-respected investor and capital allocator, would take steps to reduce the discount to net asset value, which all other things being equal, would increase Company A's share price.
- Recently, he took action to make changes to the C-Suite and initiated a plan to unlock value through asset sales, beginning with the sale of a portfolio company.

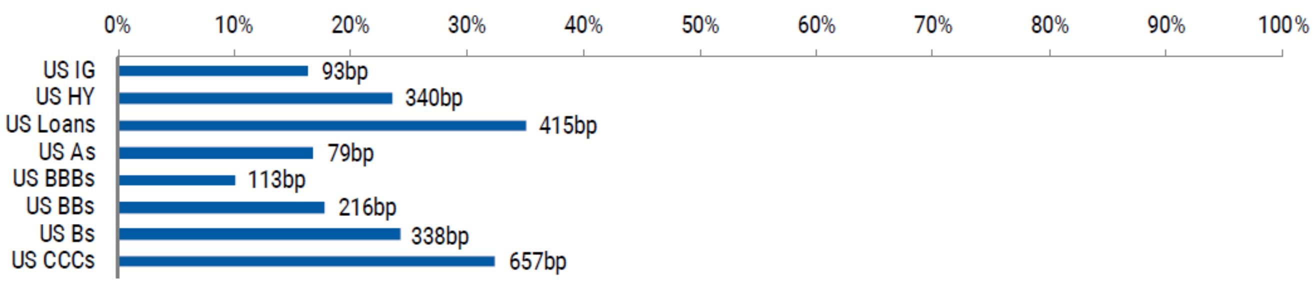
- In late March, an activist investor announced a 4.6% position in Company A and advocated for greater urgency in monetizing its publicly traded assets, and utilizing the proceeds for share repurchases.
- On March 31, Company A announced its intention to allocate at least 72% of the proceeds from the portfolio company sale to repurchase shares, pay future quarterly dividends, and retire existing debt. We expect this action, and additional forthcoming catalysts, may effectuate a narrowing of Company A's discount to its net asset value over time.

## Catalyst Driven Credit

In the first quarter of 2025, high yield bond spreads widened by 68 basis points to 355 basis points, even as the relevant risk free rate remained approximately unchanged at 4.21%. The Bank of America High Yield Index returned -1.07%, its worst month since November 2023, underperforming both investment grade credit (-0.28%) and U.S. leveraged loans (-0.31%).

Despite the widening, BB and B high yield bond credit spreads ended the first quarter near the tighter quartile of their historical range, as exhibited below.

### Exhibit 6: Last 20Yr % - Tile Ranges - Global Credit Spreads by Rating & Maturity




Source: BofA Global Research High Yield Strategy Chartbook 4/1/25

The fund is prepared, however, to be opportunistic should spreads gap wider. We maintain a robust and active watchlist, with targeted entry points for certain high yield bonds and leveraged loans. We anticipate adding to existing credit positions and initiating new catalyst-driven credit investments should this initial bout of credit spread widening persist.

## Catalyst Driven Equity

The S&P 500's sell-off, which began in February, culminated in a 10% correction in March. The index experienced its worst month since December 2022 (-5.6% total return) and its worst quarter since 2Q22 (-4.3%). This period of market weakness was characterized by a pronounced sector rotation, with 95% of the 1Q25 return attributable to the tech sector's sell-off.*

*BAML research

## Exhibit 7: Equity Indices: A Dismal Beginning to 2025

Market Index Performance (Absolute Price Return) – 03/31/2025

| | | Price Performance % Change | | | | |
|---|---|---|---|---|---|---|
| | Index | 1 M | 3 M | 6 M | 12 M | YTD |
| Dow Jones Industrials | 42,001.76 | -4.20 | -1.28 | -0.78 | 5.51 | -1.28 |
| S&P 500 | 5,611.85 | -5.75 | -4.59 | -2.61 | 6.80 | -4.59 |
| S&P Financials | 829.46 | -4.31 | 3.11 | 9.98 | 18.27 | 3.11 |
| S&P Utilities | 400.81 | 0.06 | 4.12 | -2.31 | 20.19 | 4.12 |
| S&P Midcap | 2,919.22 | -5.68 | -6.46 | -6.49 | -4.17 | -6.46 |
| S&P Smallcap | 1,277.06 | -6.36 | -9.31 | -10.20 | -5.03 | -9.31 |
| NASDAQ Comp | 17,299.29 | -8.21 | -10.42 | -4.89 | 5.62 | -10.42 |
| NASDAQ Ind | 10,753.78 | -7.00 | -9.68 | 1.05 | 9.01 | -9.68 |
| NASDAQ 100 | 19,278.45 | -7.69 | -8.25 | -3.90 | 5.61 | -8.25 |
| Russell 1000 | 3,066.42 | -5.91 | -4.80 | -2.50 | 6.40 | -4.80 |
| Russell 2000 | 2,011.91 | -6.99 | -9.79 | -9.78 | -5.30 | -9.79 |
| Russell 3000 | 3,187.86 | -5.96 | -5.03 | -2.85 | 5.81 | -5.03 |
| Wilshire 5000 | 55,933.38 | -6.03 | -5.15 | -2.96 | 5.72 | -5.15 |
| MSCI EAFE ® (in USD) | 2,400.82 | -0.90 | 6.15 | -2.75 | 2.19 | 6.15 |

Source: BofA US Equity & Quant Strategy, FactSet. Past performance cannot predict future results. 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.

If the market pullback persists, it will likely be fertile ground for activism, and "self-help" corporate actions such as spin-offs, asset sales, and capital allocation reassessments. The fund witnessed a similar trend last year in the absence of a robust M&A environment. Below is an overview of one of the fund's Catalyst Driven Equity positions.

### Holding Company "B" Position Overview

- The fund invested in a Private Placement of a Public Equity ("PIPE") in the summer of 2023.
- Company B was formed to identify and acquire a company in the building products distribution space.
- In November of 2024, rumors circulated that Company B identified and engaged with a prospective acquisition target, but Company B's initial acquisition terms were rebuffed.
- In January of 2025, Company B formally announced its tender for the outstanding stock of the acquisition target. In March, Company B ultimately reached an agreement to acquire the target company.
- The fund was able to monetize the investment at a gain, as expectations for the prospects of Company B, and subsequent M&A, were more appropriately reflected in the equity price.

## Performance Review

For the first quarter of 2025, the Driehaus Event Driven Fund returned -3.90%.[1] The Catalyst Driven Equity strategy detracted -6.42%, Portfolio Hedges contributed 1.30%, Risk Arbitrage contributed 0.73%, and Catalyst Driven Credit contributed 0.67%.

The largest contributors for the quarter were Portfolio Hedges in the life sciences (+0.91%) and gaming (0.25%) sectors, and a Risk Arbitrage position in the consumer sector (+0.25%). The largest detractors were Catalyst Driven Equities in the life sciences sector which detracted (-1.38%, -1.10%, and -0.50%), and were partially offset by the accompanying portfolio hedge in the sector.

## Conclusion

The DEVDX team will continue to identify and invest in opportunities that offer compelling risk adjusted returns, and identifiable catalysts that can unlock value. We are steadfast in our belief that the fund's multi-asset approach and ability to invest in a broad spectrum of event-driven situations will afford the fund a robust opportunity set in today's uncertain times and in the future.

As always, we are happy to discuss the current market environment, portfolio, and/or individual investments at any time. Thank you.

*Best,*

*Yoav and Mike*

*[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.*

# Driehaus Event Driven Fund

Ticker
**DEVDX**

## % Quarter-End Performance (as of 3/31/25)

| | | | Annualized | | | | |
|---|---|---|---|---|---|---|---|
| | QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Inception[1] |
| **Driehaus Event Driven Fund** | -3.90 | -3.90 | -2.99 | -0.15 | 7.58 | 4.65 | 4.68 |
| S&P 500 Index[2] | -4.27 | -4.27 | 8.25 | 9.06 | 18.59 | 12.50 | 13.11 |
| Morningstar Event Driven Category[3] | 1.34 | 1.34 | 4.61 | 3.18 | 5.68 | 3.54 | 3.64 |
| Alpha to S&P 500 Index | -- | -- | -5.02% | -2.29% | 3.06% | 1.10% | 0.89% |
| Beta to S&P 500 Index | -- | -- | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| Correlation to S&P 500 Index | -- | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Volatility as a % of S&P 500 Index | -- | -- | 38% | 35% | 43% | 47% | -- |

## Morningstar Event Driven Rankings[5] (as of 3/31/25)

| | 1 Year | 3 Year | 5 Year | 10 Year |
|---|---|---|---|---|
| Number of Funds in Category | 38 | 35 | 35 | 29 |
| Position - DEVDX | 38 | 35 | 6 | 3 |
| **Percentile Ranking - DEVDX** | **100%** | **100%** | **17%** | **10%** |

Source: Driehaus Capital Management, FactSet
Data as of 3/31/25

**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 Morningstar Event Driven Category is generally representative of mutual funds that primarily employ strategies that seek to profit from corporate actions, such as mergers and acquisitions. Mutual funds in this category typically focus on equity securities but can invest across the capital structure. However, they typically have low to moderate equity market sensitivity since company-specific developments tend to drive security prices. [4]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2024. 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 38, 35, 35 and 29 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.

### 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 | $191M |
| Strategy Assets | $408M |
| Firm Assets Under Management | $18.3B |

| *Annual Operating Expenses[4]* | |
|---|---|
| Gross Expenses | 1.60% |
| Net Expenses | 1.60% |

## Portfolio Management

**Yoav Sharon**, Portfolio Manager
*19 years industry experience*

**Michael Caldwell**, Portfolio Manager
*17 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 | 22.2% | -1.4% | 23.6% | 20.8% |
| Credit | 32.1% | -0.6% | 32.7% | 31.5% |
| Equity | 25.6% | 0.0% | 25.6% | 25.6% |
| Hedges | 0.1% | -15.0% | 15.1% | -14.9% |

**Overall Morningstar Rating™**

Based on risk-adjusted returns as of 3/31/25

★★★

All Share Classes among 38 Funds in the Event Driven Category

## Sector

| GICS[1] | Long Exposure | Short Exposure | Gross Exposure | Net Exposure |
|---|---|---|---|---|
| Communication Services | 1.6% | 0.0% | 1.6% | 1.6% |
| Consumer Discretionary | 10.8% | -1.6% | 12.4% | 9.2% |
| Consumer Staples | 2.3% | 0.0% | 2.3% | 2.3% |
| Energy | 0.0% | 0.0% | 0.0% | 0.0% |
| Financials | 32.9% | -2.2% | 35.1% | 30.7% |
| Health Care | 8.1% | -5.1% | 13.2% | 3.0% |
| Industrials | 14.2% | -1.3% | 15.6% | 12.9% |
| Information Technology | 2.2% | 0.0% | 2.2% | 2.2% |
| Materials | 0.0% | 0.0% | 0.0% | 0.0% |
| Real Estate | 0.0% | 0.0% | 0.0% | 0.0% |
| Utilities | 7.8% | 0.0% | 7.8% | 7.8% |
| Other[2] | 0.0% | -6.7% | 6.7% | -6.7% |

## Top Contributors/Detractors (by Investment Strategy)

| Top 5 | |
|---|---|
| Hedges | 0.91% |
| Hedges | 0.25% |
| Arbitrage | 0.25% |
| Arbitrage | 0.23% |
| Credit | 0.15% |
| Total | 1.79% |

| Bottom 5 | |
|---|---|
| Equity | -1.38% |
| Equity | -1.10% |
| Equity | -0.50% |
| Equity | -0.49% |
| Equity | -0.46% |
| Total | -3.94% |

Source: Driehaus Capital Management, FactSet

## Quarterly Contribution to Return (by Investment Strategy)

| | January | February | March | 1st Quarter |
|---|---|---|---|---|
| Arbitrage | 0.09% | 0.64% | 0.00% | 0.73% |
| Credit | 0.27% | 0.32% | 0.08% | 0.67% |
| Equity | -0.76% | -2.57% | -3.18% | -6.42% |
| Hedges | -0.39% | 0.56% | 1.16% | 1.30% |
| Cash/Expenses[3] | -0.08% | -0.14% | -0.05% | -0.19% |
| Total | -0.87% | -1.19% | -1.98% | -3.92% |

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 is 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 one star rating for the three year period, and four star rating for the five and ten year periods, with 35, 35 and 29 funds respectively in the category.

## Sector Breakout by Top Weighted Investment Strategy

| Sector | Investment Strategy | Security Type | Average Weight | Contribution To Return |
|---|---|---|---|---|
| **Communication Services** | | | **1.45** | **0.01** |
| | Credit | Bank Loan | 1.45 | 0.01 |
| **Consumer Discretionary** | | | **12.32** | **-0.63** |
| | Equity | Equity Common | 2.77 | -0.46 |
| | Credit | Corporate | 2.35 | -0.01 |
| | Credit | Bank Loan | 2.15 | 0.04 |
| | Hedges | Total Return Swap | -1.68 | 0.25 |
| | Equity | Equity Common | 1.61 | -0.04 |
| **Consumer Staples** | | | **2.02** | **0.25** |
| | Arbitrage | Equity Common | 2.02 | 0.25 |
| **Financials** | | | **26.48** | **-0.03** |
| | Arbitrage | Equity Common | 4.73 | -0.34 |
| | Equity | Equity Common | 3.55 | -0.20 |
| | Credit | Corporate | 3.21 | 0.10 |
| | Credit | Corporate | 2.66 | 0.01 |
| | Arbitrage | Equity Common | 2.58 | 0.07 |
| **Health Care** | | | **3.42** | **-2.61** |
| | Hedges | Total Return Swap | -5.39 | 0.91 |
| | Equity | Equity Common | 3.15 | -1.38 |
| | Equity | Equity Common | 2.58 | -0.39 |
| | Equity | Equity Common | 1.53 | -0.50 |
| | Equity | Equity Common | 0.90 | -1.10 |
| **Industrials** | | | **15.80** | **-1.55** |
| | Credit | Corporate | 3.28 | 0.04 |
| | Equity | Equity Common | 2.82 | -0.49 |
| | Credit | Preferred | 2.56 | 0.04 |
| | Equity | Equity Common | 2.25 | -0.23 |
| | Credit | Corporate | 2.23 | 0.04 |
| **Information Technology** | | | **1.33** | **0.16** |
| | Credit | Corporate | 1.33 | 0.15 |
| | Arbitrage | Warrant / Right | 0.01 | 0.00 |
| **Utilities** | | | **7.20** | **0.16** |
| | Credit | Corporate | 4.48 | 0.10 |
| | Credit | Corporate | 2.72 | 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 April 11, 2025 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.

**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.

**Basis Point (BP)** – a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument.

**Percentage Point (PP)** – the term is used when comparing two different percentages.
**Return-to-Risk Ratio** – marks the prospective reward an investor can earn for every dollar they risk on an investment.

**Volatility** – a measure of dispersion around the mean or average return of a security. We define volatility as standard deviation.

**Standard Deviation** – A statistical measure of the degree to which an individual portfolio return tends to vary from the mean, based on the entire population. The greater degree of dispersion, the greater degree of risk.

**CBOE Volatility Index (VIX)** –also known as the Fear Index, measures expected market volatility using a portfolio of options on the S&P 500.

**Global Economic Uncertainty Index** – is calculated by taking a Gross Domestic Product (GDP)-weighted average of national Economic Policy Uncertainty (EPU) indices for 21 countries.

**Bank of America High Yield Index** – tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market.

**Bank of America leveraged loan index (LLI)** – is a market-weighted index that tracks the performance of institutional leveraged loans.

**Bank of America leveraged loan index (LLI)** – is a market-weighted index that tracks the performance of institutional leveraged loans.
**Bloomberg U.S. Corporate Investment Grade Index** – futures are designed to bring liquidity and efficiency to the broad corporate credit market. These contracts allow for new hedging and risk management solutions in investment grade credit, making them ideal for expressing tactical views, implementing relative value trades, hedging or improving liquidity management strategies.

**Dow Jones Industrial** – market index that tracks 30 large, publicly owned blue-chip companies trading on the New York Stock Exchange (NYSE) and Nasdaq.

**S&P 500** – is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

**S&P Financials** – comprises those companies included in the S&P 500 that are classified as members of the GICS financials sector.

**S&P Utilities** – comprises those companies included in the S&P 500 that are classified as members of the GICS utilities sector.

**S&P Midcap** – index comprises 400 companies that broadly represent companies with mid-sized market capitalization.

**S&P Smallcap** –index comprises 600 companies that broadly represent companies with small market capitalization.

**NASDAQ Composite** – a market capitalization-weighted index of more than 2,500 stocks listed on the Nasdaq stock exchange. It is a broad index that is heavily weighted toward the important technology sector. The index is composed of both domestic and international companies.

**NASDAQ Ind** – is a stock market index that includes almost all stocks listed on the Nasdaq stock exchange.

**NASDAQ 100** – a collection of the 100 largest, most actively traded companies listed on the Nasdaq stock exchange.

**Russell 1000** – a stock market index used as a benchmark by investors. It is a subset of the larger Russell 3000 Index and represents the 1,000 top companies by market capitalization in the United States.

**Russell 2000** – a stock market index that measures the performance of the 2,000 smaller companies included in the Russell 3000 Index.

**Russell 3000** – a market index that measures the performance of the largest 3,000 U.S. companies representing approximately 96% of the investable U.S. equity market.

**Wilshire 5000** – a market-capitalization-weighted index of the market value of all American stocks actively traded in the United States.

**MSCI EAFE** – a performance benchmark for the major international equity markets. It includes companies in 21 countries in Europe, Australasia, and the Far East (East Asia)—forming the acronym EAFE.

**ICE BofA US Corporate Index (C0A0 Index)** – which tracks the performance of US dollar denominated investment grade rated corporate debt publicly issued in the US domestic market.

**SPBDALB index (Morningstar LSTA US Leveraged Loan Index (Price))** – is a market-value weighted index designed to measure the performance of the US leveraged loan market.