

Driehaus Emerging Markets Growth Fund

Investor Class: **DREGX**Institutional Class: **DIEMX**

KEY FEATURES

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

INCEPTION DATES

DREGX: 12/31/1997
DIEMX: 7/17/2017

FUND ASSETS UNDER MANAGEMENT

DREGX: \$963 million
DIEMX: \$707 million

FIRM ASSETS UNDER MANAGEMENT

\$8.6 billion

INVESTMENT UNIVERSE

Emerging markets all cap equity

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Howard Schwab
Lead Portfolio Manager
17 years of experience



Chad Cleaver, CFA
Portfolio Manager
16 years experience



Richard Thies
Portfolio Manager
11 years of investment experience



MARKET OVERVIEW

Emerging markets ended their recent streak of outperformance over global markets in the second quarter. A number of issues weighed on EM equities that resulted in an 8.0% (USD) decline in the MSCI Emerging Markets Index. Developed markets were more resilient as the MSCI World Index and S&P 500 managed to hold onto small positive returns, up 1.2% and 2.9%, respectively.

The quarter opened with a sharp fall in Russia's markets after the US imposed new sanctions on government officials and oligarchs. The growing tensions between the US and its key trading partners, especially China, continued to intensify throughout the quarter. Meanwhile, rising US rates, USD appreciation, and worries of fading global growth also pressured markets. Central banks in India, Indonesia, Turkey and other emerging markets raised benchmark interest rates to combat portfolio outflows and bolster their currencies. Higher oil prices weighed on energy-importer India.

The only EM countries with positive performance in USD terms were Colombia and Qatar. Both of these countries have energy-driven economies and benefited from rising oil prices in the quarter. Many markets were plagued by currency depreciation as the USD climbed sharply throughout the quarter.

Turkey was the worst performing market, down 28.4% (USD terms), as concerns over its twin deficits and political risk led to sharp pressure on equities and the Turkish Lira. Late in the quarter, President Erdogan won the presidential election and now has an unprecedented amount of power. Brazil was another notable laggard, down 26.6% (USD terms) as the market was negatively impacted by a trucker strike that disrupted the economy as well as uncertainty ahead of a presidential election scheduled for later this year. China and Hong Kong were under pressure due to concerns over the looming trade war with the US and fears that the government is more focused on deleveraging and reform than sustaining growth. The Chinese Renminbi posted the sharpest depreciation against the USD since 2016.

Cyclical sectors such as financials, real estate, and industrials posted the worst performance. But aside from healthcare, the traditional defensive sectors like telecoms and utilities did not offer much in the way of protection. Tech and energy proved to be the most resilient sectors.

PERFORMANCE REVIEW

The Driehaus Emerging Markets Growth Fund (DREGX and DIEMX) outperformed the MSCI Emerging Markets Index during the quarter as the fund returned -7.7% and the index fell by -8%.¹

¹Performance Disclosure

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. The fund will charge a redemption fee of 2.00% on shares held less than 60 days. Performance data represents the rate that an investor would have earned (or lost) on an investment in the fund (assuming reinvestment of all dividends and distributions). Average annual total return reflects annualized change, while cumulative total return reflects aggregate 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. Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

On a sector basis, financials were the largest contributor of the fund's outperformance. An off-benchmark position in a Saudi Arabian bank outperformed due to the company's high earnings leverage to higher local interest rates and prospects of a stronger local economy over time.

Consumer staples was the worst performing sector as the fund's position in a large brewer detracted from performance. While this brewer has a very strong franchise and competitive position, weaker beer volumes in Brazil in the first quarter led to a sell-off in the stock.

From a country standpoint, China and Hong Kong were key drivers of the fund's outperformance as the fund benefitted from strong stock selection. A Chinese datacenter operator benefitted as the market began to increasingly recognize the enormous demand tailwind from Chinese internet companies. The company has a strong competitive position and the market remains highly underpenetrated. An airport in China is benefitting from traffic growth and increasing mix of international travelers, who tend to spend more while waiting in the airport. A textile manufacturer for athletic-wear makers, has benefitted from strong demand and cost savings from new production in Vietnam.

Taiwan was the worst performing country for the fund, negatively impacted by a number of technology holdings. Many companies in the global technology supply chain were weak after Apple iPhone sales disappointed. Concerns over rising trade tensions also weighed on the technology sector given how the supply chain is highly global and vulnerable to free trade barriers.

OUTLOOK AND POSITIONING

Over the quarter the fund shifted towards defensive sectors like consumer staples and health care. The fund's weighting in more cyclical sectors such as financials and materials was slightly reduced. The fund also added to its weight in China during the quarter. Despite the concerns over the deceleration in economic growth, China is shifting towards higher quality growth and there are a rising number of innovative companies that are quickly moving up the value chain. Conversely, the fund decreased its weighting in Brazil, where economic growth remains muted and an election this fall could result in increasing country risk.

While there seem to be more pitfalls than normal in emerging markets of late given increasing anti-trade rhetoric from the US, we think risks are beginning to be much more priced in. Barriers to free trade are unequivocally negative, but the actual first order impact of the tariffs is not likely

to have a meaningful impact on global economic growth in the immediate term, though increasing barriers to trade do lower potential global GDP on a long-term basis without question. We remain highly focused on whether the recent volatility in FX and trade policy leads to a material tightening in financial conditions and credit standards in emerging markets and are pleased that thus far, that has not occurred. While growth has been disappointing year-to-date, we still see most economies (ex-China) as being in the very early stages of an upcycle in bank credit including those worst hit by the volatility, like Brazil.

As we have commented in other reports, many emerging market countries have improved their external financial position and hold less hard-currency debt. Many corporates are putting in measures to improve governance and capital allocation. Valuations in emerging markets look attractive to us, particularly after the pronounced weakness in the second quarter. While we certainly recognize that today's market backdrop is challenging for emerging markets and with potential pitfalls still remaining on trade, Chinese growth, and the US dollar, we think those risks are now more adequately priced. In times like these, when markets are volatile and leadership changes quickly, we think our ability to be nimble is a critical advantage and will remain so going forward.

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 fund 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 July 13, 2018 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since July 13, 2018 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.

PERFORMANCE (%) as of 6/30/18	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 12/31/97
Investor Class: DREGX	-7.74	-5.90	12.24	6.72	5.31	3.95	11.61
Institutional Class: DIEMX⁺	-7.72	-5.81	12.40	6.78	5.34	3.96	11.62
MSCI Emerging Markets Index ¹ (ND) (Benchmark)	-7.96	-6.66	8.20	5.60	5.01	2.26	*
MSCI Emerging Markets Growth Index ² (ND)	-7.01	-5.88	11.92	8.34	7.16	3.28	*

⁺Institutional Class performance is that of the Investor Class from December 31, 1997 through the inception of the Institutional Class on July 17, 2017, and actual Institutional Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Institutional Class for the period prior to the Class's inception, and Institutional Class performance results would differ if such expenses were reflected.

ANNUAL FUND OPERATING EXPENSES³

	Management Fee ⁴	Other Expenses ⁵	Acquired Fund Fees and Expenses	Total Annual Fund Operating Expenses
Investor Class: DREGX	1.04%	0.38%	0.01%	1.43%
Institutional Class: DIEMX	1.04%	0.16%	0.01%	1.21%

SECTOR PERFORMANCE ATTRIBUTION 2nd Quarter — 3/31/18 to 6/30/18

	Driehaus Emerging Markets Growth Fund (DREGX) (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 ⁶
MSCI/GICS Sector							
Consumer Discretionary	10.88	-7.75	-0.75	7.42	-9.05	-0.69	0.15
Consumer Staples	4.13	-14.50	-0.55	6.41	-6.16	-0.38	-0.27
Energy	3.61	-3.24	-0.05	7.11	-4.66	-0.31	0.01
Financials	27.94	-11.67	-3.25	23.49	-12.78	-3.04	0.07
Health Care	2.85	-1.68	-0.07	2.90	-5.05	-0.14	0.10
Industrials	6.18	-8.45	-0.59	5.18	-11.55	-0.61	0.16
Information Technology	28.29	-5.36	-1.31	30.05	-4.58	-1.39	-0.23
Materials	7.40	-7.87	-0.56	7.63	-5.51	-0.43	-0.18
Real Estate	0.64	-7.42	-0.05	2.94	-11.21	-0.35	0.12
Telecommunication Services	0.75	-24.95	-0.18	4.42	-9.71	-0.42	-0.08
Utilities	1.49	0.59	0.01	2.46	-8.13	-0.20	0.13
Cash	5.85	-1.72	-0.10	0.00	0.00	0.00	0.56
Unassigned**	0.00	-0.31	-0.29	0.00	0.00	0.00	-0.30
Total	100.00	-7.72	-7.72	100.00	-7.96	-7.96	0.24

Data as of 6/30/18

*The inception of the fund predates the inception of the index. **Unassigned refers to securities not recognized by Factset.

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance, Morgan Stanley Capital International and Standard & Poor's Global Industry Classification Standard. 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. ¹The 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. ²The 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. ³Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2018. 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. ⁴Effective July 17, 2017, the Driehaus Emerging Markets Growth Fund pays the Adviser an annual management fee on a monthly basis as follows: 1.05% of average daily net assets up to \$1.5 billion and 0.75% of average daily net assets in excess of \$1.5 billion. ⁵"Other Expenses" for the Investor Shares have been estimated to reflect a full year of the shareholder services fee arrangement. "Other Expenses" for the Institutional Shares are estimated for the current fiscal year because the class had less than 6 months of operating results. ⁶**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.

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.

SECTOR PERFORMANCE ATTRIBUTION 2nd Quarter — 3/31/18 to 6/30/18

MSCI Country	Driehaus Emerging Markets Growth Fund (DREGX) (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
Argentina	0.89	-39.78	-0.35	0.00	0.00	0.00	-0.32
Australia	0.00	0.00	0.00	0.01	-3.70	0.00	0.00
Austria	0.52	-16.67	-0.10	0.00	0.00	0.00	-0.07
Brazil	7.53	-27.97	-2.19	6.60	-26.39	-1.85	-0.26
Cayman Islands	0.77	-0.02	0.07	0.25	0.93	0.00	0.10
Chile	0.00	0.00	0.00	1.18	-11.49	-0.14	0.05
China	23.84	-1.66	-0.54	26.83	-3.67	-1.15	0.47
Colombia	0.00	0.00	0.00	0.46	6.74	0.03	-0.06
Czech Republic	0.00	0.00	0.00	0.18	-5.38	-0.01	-0.01
Egypt	0.48	-5.58	-0.03	0.12	-6.02	-0.01	0.01
France	1.38	8.27	0.04	0.00	0.00	0.00	0.16
Germany	0.47	-26.80	-0.11	0.00	0.00	0.00	-0.07
Greece	0.30	-15.50	-0.05	0.32	-2.20	-0.01	-0.06
Hong Kong	5.48	-0.05	0.07	3.94	-2.44	-0.13	0.30
Hungary	1.04	-17.70	-0.20	0.30	-14.40	-0.04	-0.10
India	11.11	-1.46	-0.16	8.39	-0.60	-0.07	0.11
Indonesia	1.61	-11.17	-0.20	1.97	-12.54	-0.26	0.02
Luxembourg	0.46	3.11	0.03	0.05	-19.10	-0.01	0.05
Macau	1.41	-0.64	-0.01	0.00	0.00	0.00	0.11
Malaysia	0.74	-8.35	-0.05	2.44	-11.44	-0.28	0.09
Mexico	2.41	-4.59	-0.07	2.83	-3.59	-0.08	-0.02
Netherlands	1.89	-5.49	0.04	0.03	-50.84	-0.02	0.24
Pakistan	0.00	0.00	0.00	0.07	-20.75	-0.02	0.01
Peru	1.33	-6.18	-0.04	0.34	-0.66	0.00	0.02
Philippines	0.64	-12.91	-0.09	0.97	-11.23	-0.11	-0.01
Poland	0.00	0.00	0.00	1.17	-11.43	-0.14	0.04
Qatar	0.00	0.00	0.00	0.65	3.53	0.01	-0.07
Romania	0.00	0.00	0.00	0.07	-7.94	-0.01	0.00
Russia	5.30	-12.19	-0.71	3.37	-5.94	-0.18	-0.39
Saudi Arabia	1.45	13.96	0.18	0.00	0.00	0.00	0.29
Singapore	0.02	-1.51	-0.01	0.01	3.31	0.00	-0.01
South Africa	3.12	-25.02	-0.78	6.45	-11.78	-0.72	-0.34
South Korea	7.66	-7.61	-0.50	15.13	-9.15	-1.39	0.26
Switzerland	0.30	7.63	0.04	0.00	0.00	0.00	0.08
Taiwan	7.94	-12.82	-1.13	11.50	-6.29	-0.72	-0.79
Thailand	2.21	-11.97	-0.26	2.36	-15.00	-0.36	0.09
Turkey	0.21	-27.61	-0.12	0.83	-25.91	-0.24	0.06
United Arab Emirates	0.71	-1.64	-0.01	0.61	-4.35	-0.03	0.03
United States	0.96	-14.34	-0.09	0.58	-7.55	-0.04	-0.04
Cash	5.85	-1.72	-0.10	0.00	0.00	0.00	0.56
Unassigned*	0.00	-0.31	-0.29	0.00	0.00	0.00	-0.29
Total	100.00	-7.72	-7.72	100.00	-7.96	-7.96	0.24

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. ¹A definition of this index can be found on page 3. ²Total Effect - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

*Unassigned refers to securities not recognized by Factset.

PORTFOLIO CHARACTERISTICS

	DREGX	Benchmark
Number of Holdings	91	1,138
Weighted Avg. Market Cap (M)	\$107,755	\$95,429
Median Market Cap (M)	\$19,360	\$6,252
Est. 3-5 Year EPS Growth	17.6%	15.9%
Active Share (3-year avg.) ¹	78.58	n/a
Market Cap Breakout		
< \$5 billion	9.6%	12.3%
\$5 - \$15 billion	16.8%	26.2%
> \$15 billion	73.6%	61.6%
3-year period		
Annualized Alpha	2.08	n/a
Sharpe Ratio	0.45	0.31
Information Ratio	0.22	n/a
Beta	0.80	1.00
Standard Deviation	13.40	16.05
Tracking Error	5.17	0.00
R-squared	0.91	1.00

SECTOR WEIGHTS (%)

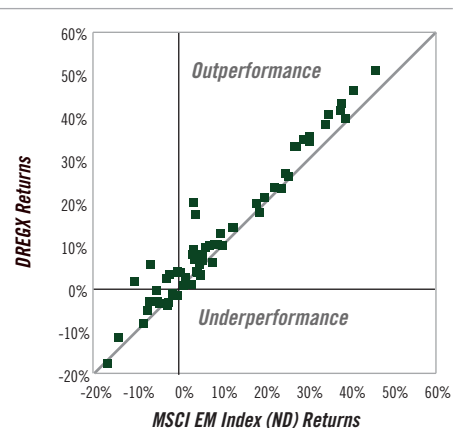
	DREGX	Benchmark
Consumer Discretionary	9.3	9.8
Consumer Staples	6.9	6.7
Energy	5.0	7.2
Financials	27.3	22.8
Health Care	4.9	3.2
Industrials	5.9	5.2
Information Technology	27.7	27.9
Materials	4.3	7.6
Real Estate	0.8	3.0
Telecomm. Services	1.1	4.3
Utilities	1.0	2.4
Cash	5.7	0.0

COUNTRY WEIGHTS (%)

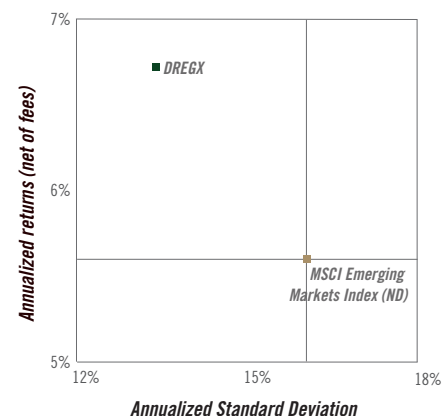
	DREGX	Benchmark
Argentina	0.8	0.0
Brazil	5.0	5.8
China/Hong Kong	31.5	31.9
Egypt	0.5	0.1
Hungary	1.2	0.3
India	12.9	8.6
Indonesia	2.0	1.9
Malaysia	0.4	2.3
Mexico	2.7	2.9
Peru	0.5	0.3
Philippines	0.6	0.9
Russia	6.2	3.5
Saudi Arabia	1.3	0.0
South Africa	3.2	6.4
South Korea	6.4	14.6
Taiwan	6.6	11.6
Thailand	2.0	2.2
Turkey	0.5	0.8
United Arab Emirates	0.8	0.6
Other ²	9.1	1.0
Cash	5.7	0.0

TOP 5 HOLDINGS⁴ (as of 5/31/18)

Company	% of Fund
Tencent Holdings Ltd.	5.2
Alibaba Group Holding Ltd. Sponsored ADR	4.3
Samsung Electronics Co., Ltd.	4.1
HDFC Bank Limited Sponsored ADR	3.2
Sberbank Russia OJSC Sponsored ADR	3.0

ROLLING THREE-YEAR RETURNS³

RISK VS. RETURN (THREE-YEARS)



Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/18. Benchmark: MSCI Emerging Markets Index (ND)

Driehaus Securities LLC, Distributor

¹Data is calculated monthly. ²Represents companies domiciled in developed countries that have significant emerging markets exposures. ³Net of fee returns. MSCI Emerging Markets Index. Returns are calculated from monthly returns and shown for every quarter interval since the inception of the index (January 1999). The inception of the fund predates the inception of the index. Data as of December 31, 2017.

⁴Holdings subject to change.

The Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. During certain periods, the Fund has benefited from unusually strong market conditions. At times, a significant portion of a 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 the Fund may not experience similar performance results as its assets grow. **Investments in overseas markets can pose more risks than U.S. investments, and the Fund's share prices are expected to be more volatile than that of a U.S.-only fund.** In addition, the Fund'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 Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the Fund's prospectus. **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 or visit www.driehaus.com. Please read the prospectus carefully before investing.**

TERMS: **Active share** represents the share of portfolio holdings that differ from the benchmark index holdings. Average drawdown is the arithmetic average of declines in value during a given period of time. Downside risk is a measure of the average deviations of a negative return series. A large downside risk implies that there have been large swings or volatility in the manager's return series. **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. **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** measures the amount of active risk that is being taken by a manager. Tracking error accounts for the deviation away from the benchmark and does not indicate in which direction it occurred, either positive or negative. Source: eVestment Alliance. **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. **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.