

# Driehaus Emerging Markets Small Cap Growth Fund Commentary

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*“On the ‘fence’—it’s not a fence. It’s a wall. You just misreported it. We’re going to build a wall.”*  
— US President Donald Trump

*“China will not shut the door to the outside world but will open it even wider.”*  
— China’s President Xi Jinping

During periods of extreme policy uncertainty, forecasting can be fraught with challenges. Events like Brexit and the election of Donald Trump as US president were mostly relegated to “tail risks” in market strategy commentaries at the beginning of 2016. And 2017 isn’t looking much clearer, with elections throughout Europe, an uncertain and evolving US policy mix, and a fragile geopolitical backdrop.

Dissecting the views of most market strategists, investors are positioning for a stronger US dollar, higher interest rates, reflation, and the prospect of trade wars, most of which would be viewed as negative for emerging markets. However, with the dense fog of policy uncertainty settling over the world, the words of Yogi Berra resonate, as he famously noted, “it’s tough to make predictions, especially about the future.” When positioning is as one-sided as it has become in recent months, it is an interesting time to consider other views.

Further examining the possibility of trade wars, Mexico has found itself in the eye of the storm of US protectionism. In the weeks leading up to the inauguration, the Trump administration announced a number of “wins” for US manufacturing, convincing corporations to reconsider their plans to relocate or build new capacity in Mexico.

While this perceived affirmation of a hawkish trade policy weighed on the Mexican peso and the local equity market, it is important to remember that such barriers have both short-term and long-term effects. Taking a longer-term view, consider the growing influence of China through the Asian Infrastructure Investment Bank and investments in South and Central Asia as part of its One Belt, One Road initiative.

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## **Disclosures**

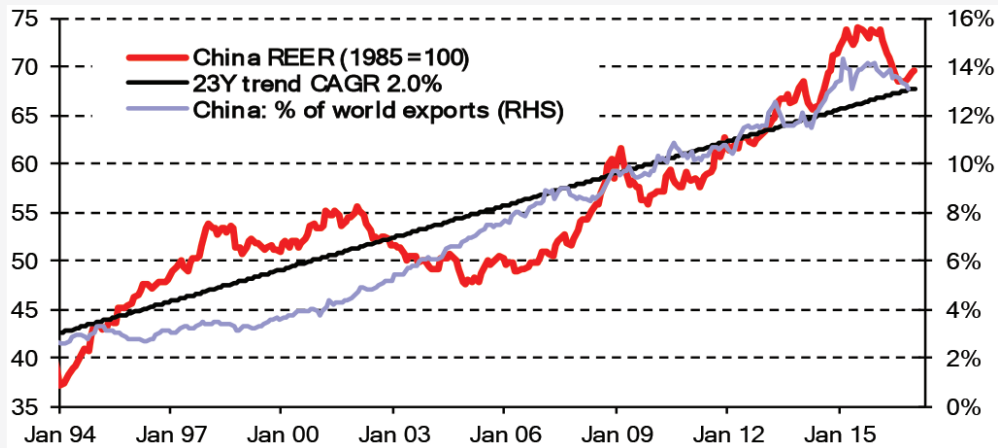
*This material is not intended to be relied upon as a forecast or research. The opinions expressed are those of Driehaus Capital Management LLC (“Driehaus”) as of February 8, 2017 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since February 8, 2017 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.*

*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.*

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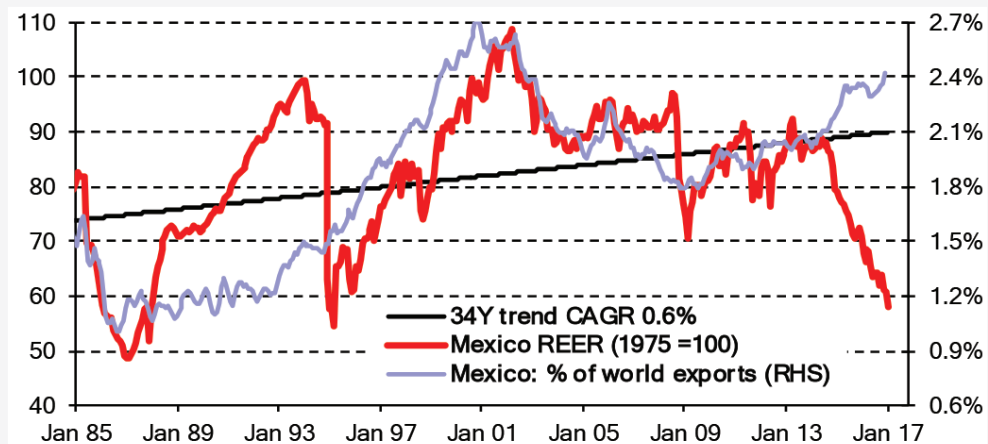
Looking at the inflation-adjusted, trade-weighted exchange rates, we see that the Chinese yuan has steadily appreciated over the past 23 years (defying the logic behind the potential designation of China as a “currency manipulator”), while the Mexican peso is now trading at similar levels to the mid-1990s “Tequila Crisis” on a real effective basis (Exhibit 1 and 2).

**Exhibit 1: China real effective exchange rate**



Source: The Bloomberg Professional service, Credit Suisse

**Exhibit 2: Mexico real effective exchange rate**



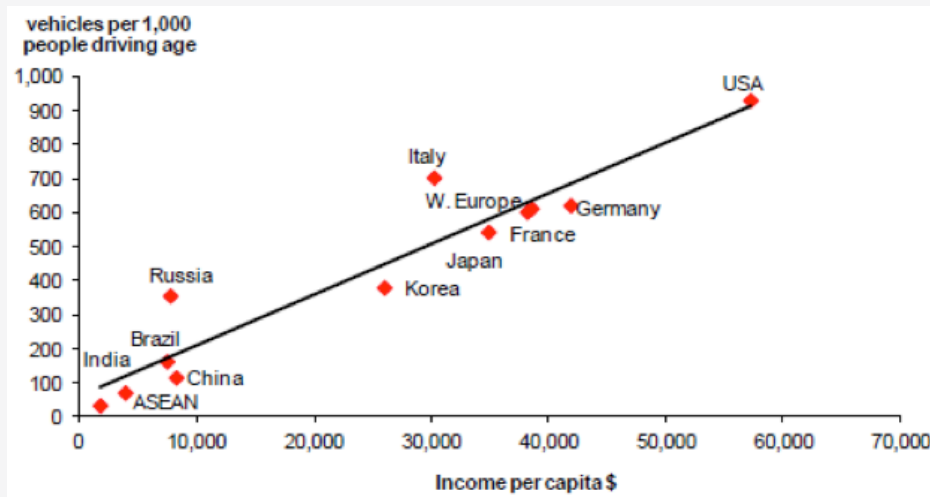
Source: The Bloomberg Professional service, Credit Suisse

Further, as shown in Exhibit 3, the US automotive market remains heavily penetrated, in stark contrast to emerging markets. Many of the emerging economies are likely to see marked increases in incomes in the coming decades and have large populations, suggesting favorable structural underpinnings for auto growth within emerging markets.

Lastly, note that China is already the largest auto market in the world by volume (Exhibit 4).

So if we connect the dots, what prevents China from tapping into the growth of manufacturing in a country like Mexico, which has increasingly shown strong capability as an auto manufacturer, particularly at a time when China's currency is relatively strong while Mexico's is historically cheap? China's working age population has peaked, and while domestic manufacturing remains important, emphasis is likely to be placed on progressive moves up the value chain in a number of industries, while continuing to undertake strategic outbound foreign direct investment.

**Exhibit 3: Light vehicle penetration levels**



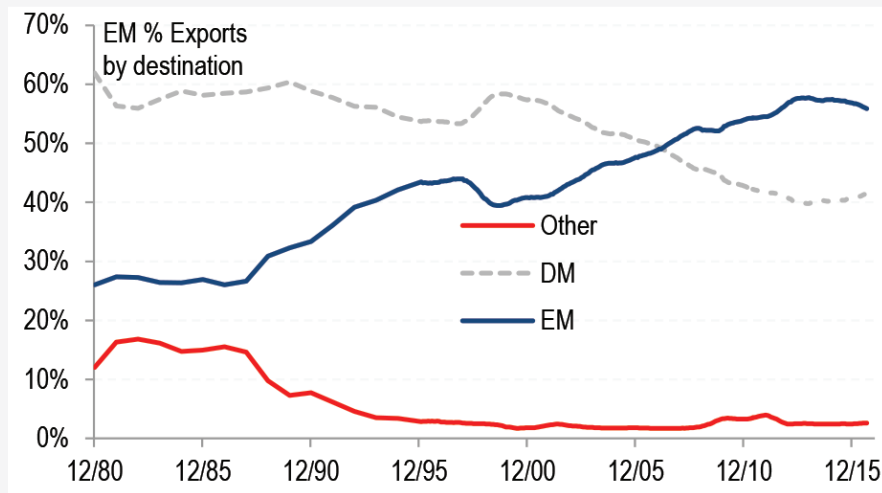
Source: LMC, IMF, UN, Macquarie Research, As of November 2016

**Exhibit 4: Size of major global light vehicle markets (volume & estimated value)**

2016E	Japan	Korea	Europe	US	China	Brazil	India	ASEAN5
Estimate volume ('000)	4,783	1,763	19,477	17,394	24,001	2,007	3,014	2,934
Estimated average selling price \$	\$21,719	\$18,569	\$29,022	\$33,891	\$16,141	\$20,132	\$8,500	\$13,865
Market size in estimated value \$bn	104	33	565	590	387	40	26	41

Source: LMC, Macquarie Research, As of November 2016

**Exhibit 5: EM exports by destinations**



Source: The Bloomberg Professional service, Credit Suisse

Given the prospect of rising trade barriers, the growth of intra-EM trade becomes increasingly important (Exhibit 5). While we maintain a positive structural view on the growth of domestic demand within emerging markets, we also own companies that stand out within their respective supply chains by virtue of a material competitive advantage. Port operators with a meaningful EM presence have shown resilience despite the growing consensus view of trade wars. The aforementioned One Belt, One Road countries already comprise \$995 billion worth of trade with China, representing China’s largest trading bloc at 25% of total trade. With China leading negotiations for the Regional

Comprehensive Economic Partnership, a trade agreement that would cover nearly half of the world’s population, the potential for further increases in intra-EM trade is clear.

Thus, despite the prevailing view that a stronger US dollar, rising interest rates, deflation, and the prospect of trade wars could lead to a negative outcome for emerging markets, there are counterpoints suggesting that investors may be committing the behavioral bias of anchoring. While short-term developments are indeed difficult to predict, the words and actions of China are intriguing, particularly in the context of the data presented above.

## Performance Review

The Driehaus Emerging Markets Small Cap Growth Fund advanced 3.57% in January, compared to the MSCI Emerging Markets Small Cap Index gain return of 4.69%, and the MSCI Emerging Markets Index gain of 5.47%.<sup>1</sup>

At the sector level, the most significant contributors to returns were consumer discretionary, health care, and utilities. Information technology, financials and telecommunications detracted the most value. At the country level, South Korea, China and Argentina added value for the month. Taiwan, Thailand and Mexico were notable detractors from returns.

<sup>1</sup>Performance 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](http://www.driehaus.com) for more current performance information.**  
Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

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## Positioning and Outlook

With the new year bringing about a recovery in EM asset prices, we continue to position for increasing dispersion at the company and macro level. Rising global PMI data and economic surprises remain a tailwind for cyclical companies, along with measures undertaken by China to rein in excess capacity. Most recently, the announced closures of so-called medium-frequency steel furnaces represent a credible follow-up to 2016's largely symbolic efforts to shutter already idled steel mills. The fund maintains positions in steel, cement and paper companies in China, which are benefiting from supply-side reform along with recovering demand. However, we continue to watch for signs that the increases in PPI readings in China are starting to spill over into consumer prices, which could signal a pause in the underlying pricing power of these industries or a shift to incrementally tighter monetary policy.

Elsewhere we note the rebound in Indian equities, following the demonetization policy instituted in early November. Thus far, while the disruption on the ground has been palpable, early indications from earnings season are better than feared, and the evolution of policy and credit

Until next month,



**Chad Cleaver**, *Lead Portfolio Manager*  
*Driehaus Emerging Markets Small Cap Growth Fund*

growth in the coming months will be key, as the economy heals from the exogenous shock. We have added to positions in the agriculture sector and continue to maintain a bias toward domestic demand within India, expecting that the continued push toward formalization of the economy will further market share gains for strong players within the consumer space.

Lastly, the fund maintains an overweight position in Latin America, as we continue to identify new ideas in Brazil and Argentina that would benefit in a cyclical recovery, including areas such as property, industrials and utility companies with a strong presence in transmission and distribution.

From a macro standpoint, we continue to believe that EM in aggregate is in a less vulnerable position than in past periods of broad US dollar strength, and the combination of attractive carry and incremental policy change will support economies that are undertaking positive reform measures. We expect this backdrop to create attractive relative return opportunities within EM and bring about rising macro dispersion.

# DRESX Performance Review

## Month-end Performance as of 1/31/17

Fund/Index	MTD	YTD	1 Year	Average Annual Total Return		
				3 Year	5 Year	Since Inception <sup>1</sup>
Driehaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	3.57%	3.57%	-4.59%	-4.41%	3.55%	10.84%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	4.68%	4.68%	16.22%	1.17%	2.35%	13.33%
MSCI Emerging Markets Small Cap Index (GD) <sup>3</sup>	4.69%	4.69%	16.54%	1.47%	2.66%	13.65%
MSCI Emerging Markets Index (ND) <sup>4</sup>	5.47%	5.47%	25.41%	1.44%	0.19%	9.49%

## Calendar Quarter-end Performance as of 12/31/16

Fund/Index	QTR	YTD	1 Year	Average Annual Total Return		
				3 Year	5 Year	Since Inception <sup>1</sup>
Driehaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	-10.80%	-9.97%	-9.97%	-5.09%	4.31%	10.49%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	-6.23%	2.28%	2.28%	-1.27%	3.51%	12.84%
MSCI Emerging Markets Small Cap Index (GD) <sup>3</sup>	-6.18%	2.56%	2.56%	-0.97%	3.83%	13.16%
MSCI Emerging Markets Index (ND) <sup>4</sup>	-4.16%	11.19%	11.19%	-2.55%	1.28%	8.87%

## Annual Fund Operating Expenses<sup>5</sup>

Management Fee	1.50%
Other Expenses	0.19%
<b>Total Annual Fund Operating Expenses</b>	<b>1.69%</b>

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. 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. Contractual fee waivers were in effect from inception to 8/21/2014. Without such fee waivers, performance numbers would have been reduced. Since Fund performance is subject to change after the month-end, please call (800) 560-6111 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.

<sup>1</sup>Inception Date: 12/1/2008. "Since Inception" is calculated to include performance from the Fund's predecessor limited partnership. <sup>2</sup>The average annual total returns of the Driehaus Emerging Markets Small Cap Growth Fund include the performance of the Fund's predecessor limited partnership, which is calculated from December 1, 2008 before the Fund commenced operations and succeeded to the assets of its predecessor on August 22, 2011. The predecessor limited partnership was not registered under the Investment Company Act of 1940, as amended ("1940 Act") and thus was not subject to certain investment and operational restrictions that are imposed by the 1940 Act. If the predecessor had been registered under the 1940 Act, its performance may have been adversely affected. The Fund's predecessor performance has been restated to reflect estimated expenses of the Fund. After-tax performance returns are not included for the predecessor limited partnership. The predecessor was not a regulated investment company and therefore did not distribute current or accumulated earnings. <sup>3</sup>The Morgan Stanley Capital International Emerging Markets Small Cap Index (MSCI Emerging Markets Small Cap Index) is a market capitalization-weighted index designed to measure equity market performance of small cap stocks in global emerging markets. Data is in US dollars. The net dividend (ND) index is calculated with net dividend reinvestment. The gross dividend (GD) index is calculated with gross dividend reinvestment. The benchmark has changed from the MSCI Emerging Markets Small Cap Index (GD) to the MSCI Emerging Markets Small Cap Index (ND) because the net index is more commonly used industry wide and is a more representative comparison versus the fund because it is presented net of foreign withholding taxes. <sup>4</sup>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. <sup>5</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2016. 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.

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.

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# DRESX Portfolio Characteristics

## Portfolio Snapshot

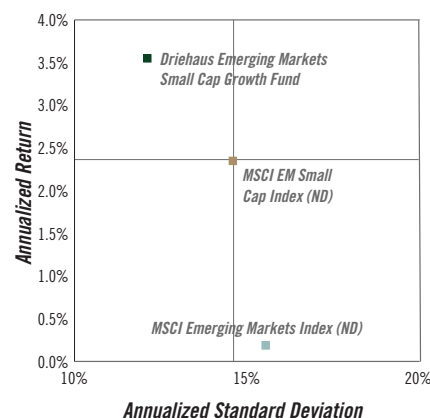
	excluding cash	
Assets Under Management (AUM)	\$269,265,661	
Long Exposure	\$385,673,286	\$373,934,706
Short Exposure	(\$124,331,246)	(\$124,331,246)
Net Exposure	\$261,342,041	\$249,603,461
Net Exposure/AUM	97.06%	92.70%
Gross Exposure	\$510,004,532	\$498,265,952
Gross Exposure/AUM	1.89x	1.85x

## Portfolio Characteristics

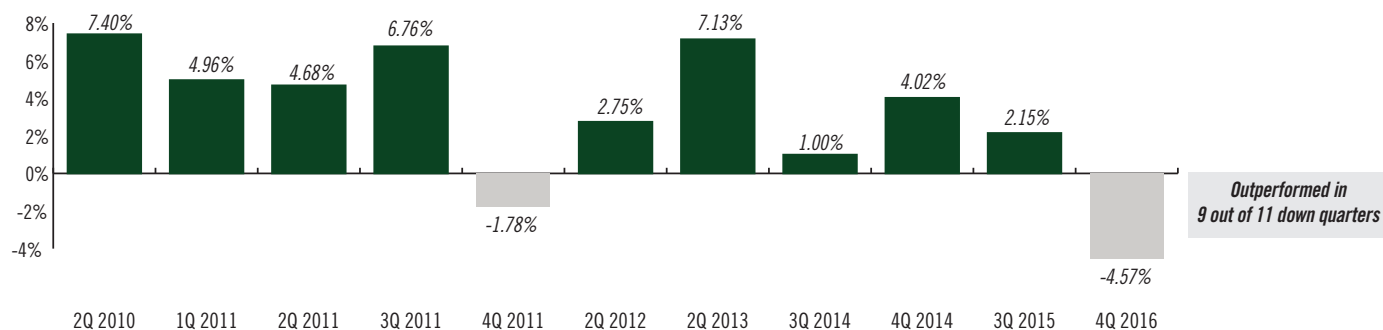
	Fund	Benchmark
Number of Equity Holdings	114	1,837
Active Share (3-year avg.) <sup>1</sup>	101.37	n/a
Est. 3-5 Year EPS Growth	16.5%	14.8%
Weighted Avg. Market Cap (\$M)	\$2,885	\$1,101
Median Market Cap (\$M)	\$1,979	\$603
Mkt. Cap Breakout	< \$5 billion	83.4%
	> \$5 billion	16.6%

## Risk & Return Characteristics (Trailing 5-years)

	Fund	MSCI EM Small Cap Index (ND)	Fund	MSCI Emerging Markets Index (ND)
Annualized Return	3.55	2.35	3.55	0.19
Standard Deviation	12.11	14.59	12.11	15.54
Upside Capture	61.70	100.00	55.45	100.00
Downside Capture	59.78	100.00	49.46	100.00
Beta	0.65	1.00	0.53	1.00
Alpha	2.07	n/a	3.56	n/a
Sharpe Ratio	0.29	0.15	0.29	0.01
R-squared	0.61	1.00	0.47	1.00
Tracking Error	9.15	0.00	11.47	0.00
Information Ratio	0.13	n/a	0.29	n/a
# Negative Monthly Returns	24	27	24	28
# Positive Monthly Returns	36	33	36	32



## FUND'S EXCESS RETURNS<sup>2</sup> (%pts) vs. MSCI EM Small Cap Index (ND) — Quarters with Negative Index Returns, Since Inception (12/1/08)



Source: FactSet Research Systems LLC and Driehaus Capital Management. Data calculated with monthly returns. Data as of 1/31/17. <sup>1</sup>Data is calculated monthly. <sup>2</sup>This chart depicts Driehaus Emerging Markets Small Cap Growth Fund's (DRESX) outperformance (or under-performance) versus the MSCI Emerging Markets Small Cap Index in all instances where the MSCI Emerging Markets Small Cap Index (ND) had a negative quarterly return since DRESX's inception on 12/1/2008. Net of fee performance is used. MSCI Emerging Markets Small Cap Index. Data as of 12/31/16. Performance for the Driehaus Emerging Markets Small Cap Growth Fund (DRESX) is used. The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment

will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted. Performance data current to the most recent month end may be obtained by calling (800) 560-6111 or visiting our website at [www.driehaus.com](http://www.driehaus.com). Fund returns shown include the reinvestment of all dividends and capital gains. Contractual fee waivers were in effect from inception to 8/21/2014. Without such fee waivers, performance numbers would have been reduced. The total annual fund operating expense for DRESX is 1.69% as disclosed in the 4/30/16 prospectus. Please see notes at end of presentation for more information on indices used. A definition of key terms can be found on page 11.



## Portfolio Weights (Net Exposure)

Frontier Market	4.67%
Emerging Market	70.95%
Other Countries	8.18%

Data as of 1/31/17.

## Sector Weights (%)

	Fund	Benchmark	Active Weights
Consumer Discretionary	18.2	16.4	1.8
Consumer Staples	4.5	6.7	-2.2
Energy	5.0	1.8	3.2
Financials	14.8	8.9	5.9
Health Care	4.6	8.4	-3.9
Industrials	18.4	15.1	3.3
Information Technology	11.6	16.8	-5.2
Materials	9.2	11.9	-2.7
Real Estate	2.1	9.1	-7.0
Telecom. Services	1.8	1.0	0.8
Utilities	6.3	3.9	2.4
Cash	4.4	0.0	4.4
Unassigned	-0.7	0.0	-0.7

## Derivative positions (Delta-adjusted exposure %)

Emerging market ETF puts	-1.50%
Taiwan ETF puts	-1.32%

Data as of 1/31/17.

## Country Weights (%)

	Fund	Benchmark	Active Weights
Argentina	1.6	0.0	1.6
Brazil	6.3	4.7	1.7
China/Hong Kong	13.1	22.4	-9.4
Czech Republic	1.8	0.0	1.8
Egypt	0.8	0.4	0.4
India	13.5	11.9	1.6
Indonesia	2.3	2.5	-0.2
Kenya	1.8	0.0	1.8
Malaysia	2.5	3.2	-0.6
Mexico	3.2	2.9	0.3
Pakistan	1.3	0.0	1.3
Philippines	2.7	1.2	1.5
Poland	1.1	1.2	-0.1
Russia	2.8	0.9	1.9
South Africa	5.3	5.8	-0.5
South Korea	6.0	16.4	-10.4
Taiwan	8.8	17.2	-8.4
Thailand	9.9	3.9	5.9
Turkey	1.6	1.1	0.5
United Arab Emirates	1.7	0.8	0.9
Other <sup>1</sup>	8.2	0.8	7.4
Cash	4.4	0.0	4.4
Unassigned	-0.7	0.0	-0.7

<sup>1</sup>Other represents companies with significant emerging markets related exposures that are not domiciled within an emerging market.



**Top 5 Holdings<sup>1</sup>** as of 12/31/16

Company	Country	Description	% of Fund
IRPC Public Co., Ltd. NVDR	Thailand	Engaged in the petrochemical and petroleum industries in Southeast Asia	2.5%
MONETA Money Bank AS	Czech Republic	Provides banking services, accounts, credit cards, personal loans, car leasing, mortgages, investments and insurance products	2.4%
Silergy Corp.	Taiwan	Engaged in the manufacture and sale of power integrated circuits	2.1%
My E.G. Services Bhd.	Malaysia	Provides E-services between the Malaysian Government and its citizens and businesses	1.9%
Safaricom Limited	Kenya	Provides integrated telecommunication services	1.9%

**Sector Attribution** 12/31/16 to 1/31/17 (US Dollar Denominated)

MSCI/GICS Sector	Driehaus Emerging Markets Small Cap Growth Fund (%)		MSCI Emerging Markets Small Cap Index (ND) <sup>2</sup> (%)		Attribution Analysis (%)
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Total Effect <sup>3</sup>
Consumer Discretionary	18.18	1.11	16.43	0.67	0.36
Consumer Staples	4.11	0.05	6.73	0.21	-0.02
Energy	5.19	0.23	1.80	0.04	0.03
Financials	13.89	0.56	8.83	0.53	-0.21
Health Care	4.26	-0.01	8.69	-0.05	0.25
Industrials	18.06	0.71	15.19	0.65	-0.05
Information Technology	12.64	0.23	16.71	0.99	-0.59
Materials	8.08	0.89	11.77	0.93	0.15
Real Estate	1.76	-0.05	9.10	0.36	-0.06
Telecommunication Services	1.78	-0.09	0.99	0.05	-0.18
Utilities	6.95	0.71	3.78	0.30	0.25
Cash	5.48	0.04	0.00	0.00	-0.24
Other <sup>4</sup>	-0.38	-0.54	0.00	0.00	-0.53
<b>Total</b>	<b>100.00</b>	<b>3.83</b>	<b>100.00</b>	<b>4.68</b>	<b>-0.85</b>

Sources: FactSet Research Systems Inc. and Driehaus Capital Management LLC.  
 The information presented is intended for informational purposes only.  
 Attribution data is on a trade date basis and is estimated and unreconciled.

<sup>1</sup>Holdings subject to change.

<sup>2</sup>The Morgan Stanley Capital International Emerging Markets Small Cap Index (MSCI Emerging Markets Small Cap Index) is a market capitalization-weighted index designed to measure

equity market performance of small cap stocks in global emerging markets. Data is in US dollars. The net dividend (ND) index is calculated with net dividend reinvestment.

<sup>3</sup>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.

<sup>4</sup>Includes derivative securities and fees.

A definition of key terms can be found on page 11.

**Country Attribution** 12/31/16 to 1/31/17 (US Dollar Denominated)

	Driehaus Emerging Markets Small Cap Growth Fund (%)		MSCI Emerging Markets Small Cap Index (ND) <sup>1</sup> (%)		Attribution Analysis (%)
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Total Effect <sup>3</sup>
Argentina	1.89	0.32	--	--	0.23
Australia	0.32	-0.06	--	--	-0.07
Bermuda	--	--	0.11	-0.02	0.03
Brazil	6.02	0.63	4.45	0.71	-0.16
Canada	1.07	0.17	--	--	0.12
Cayman Islands	1.14	0.16	0.06	0.00	0.11
Chile	--	--	1.09	0.05	0.00
China	7.04	0.46	11.89	0.44	0.28
Colombia	--	--	0.15	0.01	-0.01
Czech Republic	1.98	0.03	0.04	0.00	-0.07
Egypt	0.83	0.07	0.43	-0.02	0.08
Greece	--	--	0.63	0.01	0.02
Hong Kong	5.16	0.59	10.58	0.49	0.35
Hungary	--	--	0.13	0.01	-0.00
India	12.59	0.91	11.85	0.82	0.07
Indonesia	2.35	0.02	2.54	-0.05	0.08
Kenya	1.78	-0.09	--	--	-0.18
Luxembourg	--	--	0.04	0.00	-0.00
Malaysia	2.88	0.12	3.14	0.17	-0.04
Mexico	4.52	-0.29	2.78	-0.01	-0.36
Pakistan	1.49	0.10	--	--	0.02
Panama	--	--	0.07	-0.01	0.01
Philippines	2.89	0.22	1.16	0.09	0.04
Poland	1.10	0.06	1.11	0.15	-0.08
Qatar	--	--	0.77	0.01	0.02
Russia	2.62	0.31	0.90	0.08	0.16
Singapore	--	--	0.19	0.01	-0.00
South Africa	4.49	0.15	5.75	0.23	-0.02
South Korea	5.42	0.06	16.77	0.23	0.37
Spain	--	--	0.11	0.00	0.00
Taiwan	10.13	0.30	17.06	1.06	-0.45
Thailand	10.26	0.03	3.98	0.15	-0.41
Turkey	1.19	-0.03	1.06	-0.00	-0.03
United Arab Emirates	1.24	-0.01	0.84	0.04	-0.07
United Kingdom	2.36	-0.04	--	--	-0.15
United States	-0.57	-0.34	0.30	0.02	-0.30
Cash	5.48	0.04	--	--	-0.24
Other <sup>2</sup>	2.33	-0.06	0.00	0.00	-0.17
<b>Total</b>	<b>100.00</b>	<b>3.83</b>	<b>100.00</b>	<b>4.68</b>	<b>-0.85</b>

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. Attribution data is on a trade date basis and is estimated and unreconciled. <sup>1</sup>A definition of this index can be found on page 9. <sup>2</sup>Includes derivative securities and fees. <sup>3</sup>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.

## Notes

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](http://www.driehaus.com). Please read the prospectus carefully before investing.**

**TERMS:** **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. **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. **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. **Sharpe ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation. **Downside/Upside capture** is a measure of performance in up markets (upside) and down markets (downside) relative to the Index. **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. **Tracking error** measures of 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. **Information ratio** is a measure of the value added per unit of active risk by a manager over the index. A positive ratio indicates "efficient" use of risk by the manager. **R-Squared** is a statistical measure that represents the percentage of a fund's movements that can be explained by movements in a benchmark index. **At-the-money** is a term used to describe a situation where an option's strike price is identical to the price of the underlying security. **Out-of-the-money** is a term used to describe an option that has no intrinsic value, such as when a call option has a strike price that is higher than the market price of the underlying asset, or a put option with a strike price that is lower than the market price of the underlying asset. **Moneyness** is a description of a derivative relating its strike price to the price of its underlying asset. It describes the intrinsic value of an option in its current state. **Skew** is the difference in implied volatility between out-of-the-money, at-the-money and in-the-money options. Volatility skew, which is affected by sentiment and the supply/demand relationship, provides information on whether fund managers prefer to write calls or puts. **Delta-adjusted exposure** measures the first order price sensitivity of an option or derivative to changes in the price of an underlying security.