

# Regime Change

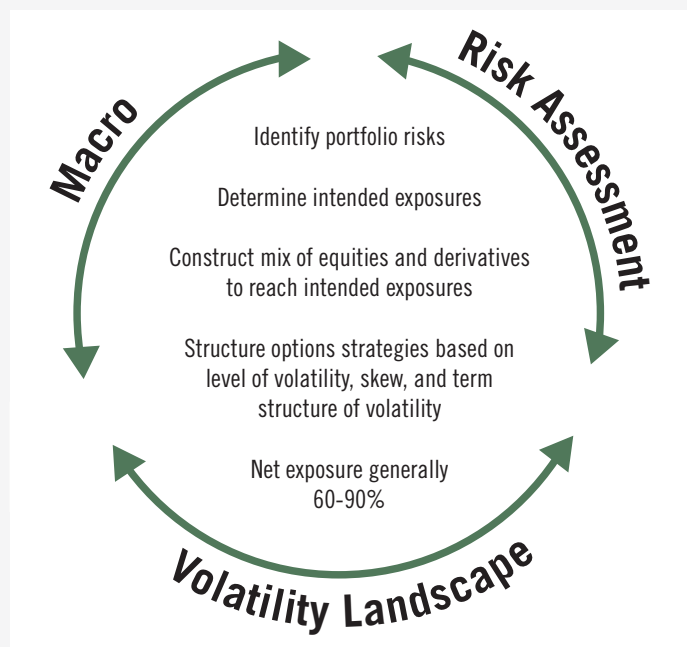
Within our hedging framework, three components are considered in tandem (Exhibit 1):

- » macro analysis focused on incremental change or major turning points;
- » a risk assessment of long positions within the portfolio that identifies areas where we may need to hedge; and
- » an understanding of the volatility landscape, which helps to construct and monetize hedges in what we believe to be the most cost-effective manner.

One aspect of the market volatility analysis is to understand the levels and trends of volatility, skew, as well as the term structure of volatility to identify extremes, which suggest timely points to put on hedges or monetize gains.

The starting point for this analysis is a discussion about what type of volatility regime we are in. Our approach, particularly regarding the monetization of our hedges, is heavily influenced by the volatility regime.

**Exhibit 1: Hedging framework**



For example, since January 2012, markets have been entrenched in a low volatility regime. This doesn't mean that volatility stays low at all times, just that spikes in volatility tend to be short-lived and quickly suppressed. This has resulted from coordinated central bank intervention on the part of the major developed world central banks, which began in earnest with the LTRO (long-term refinancing operations) facilities undertaken by the European Central Bank in 2012.

Over the past two years, it has been our view that the end of the low volatility regime was nearing, as the Federal Reserve began tapering its quantitative easing efforts and then subsequently hiked interest rates. However, with other central banks still in easing mode throughout 2014-2015, bond yields remained exceptionally low, and market participants increasingly viewed equities, particularly in the developed world, as the only attractive alternative to own within their portfolios.

We now believe that markets have transitioned to a high volatility regime. Our rationale is part fundamental—[last month](#) we discussed a hesitation on the part of central banks to provide further policy support. While the Fed remains fixated on lagging indicators such as the unemployment rate and seemingly tied to an ideological desire to extricate itself from the zero bound, those of us who actually follow markets are left scratching our heads.

At face value, discussion of four interest rate hikes at a time when high yield spreads are blowing out, loan officer surveys suggest tightening credit, year-on-year monetary base growth is negative, manufacturing surveys are coming in at the lowest readings since 2008, inventory/sales ratios are the highest since 2008, and commodity prices are breaching 2008 levels (I could go on and on), seems absurd.

And this is the crux of the matter—markets are telling us things aren't good in the world, yet there is no meaningful evidence of imminent policy support for the first time since the global financial crisis. Furthermore, the Fed's emphasis of a Phillips Curve-based reaction function, rather than adherence to market-based indicators, foretells that it could be some time before such policy support arrives. This is the ultimate recipe for volatility.

Beyond our fundamental view, the psychology of the market has shown a pronounced shift over the past month. Gone is the Pavlovian dip-buying that has been evident over the past few years. This has been replaced by a tendency to sell rallies, and we expect this mentality to persist until the point at which markets anticipate a policy response.

...an astonishing \$5.5 trillion of government bonds globally now have negative yields, representing 23% of global GDP. Stop and think about that.

With the prevailing macro trends continuing to point to deflation, and monetary policy failing to step in for the first time since the GFC, allocators may further question whether there is in fact no alternative to owning equities. In a normal environment, a 2.8% yield on a 30-year government bond may not sound like much, but in a deflationary world in which equity valuations are compressing and monetary easing is absent, bonds may be viewed as a credible alternative. Following the Bank of Japan's crossing of the proverbial Rubicon into negative interest rate policy, an astonishing \$5.5 trillion of government bonds globally now have negative yields, representing 23% of global GDP. Stop and think about that.

Thus, for the first time since 2012, we have adjusted our bigger picture approach to accommodate a high volatility regime. While there will undoubtedly be relief rallies in equities that will lead to temporary compression of

volatility, we expect the overarching trend to favor high volatility. In this environment, we will not be as quick to monetize hedges, and we will use any temporary subsiding of volatility as an opportunity to add to those positions.

Lastly, unlike past high volatility regimes, which lasted several years, we see the potential for a sharp rise in volatility at some point in 2016, which may act as a "crescendo," ultimately ushering in a renewal of central bank easing in the developed world. Thus, markets may exhibit similarities to the v-shaped outcomes of 2009 and 2011 if we are correct in our view that the deteriorating macro data and a sharp rise in volatility are antecedents to meaningful policy shifts.

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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 5, 2016 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since February 5, 2016 and may not reflect recent market activity.*

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**Driehaus Securities LLC, Distributor**

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## Performance Review and Portfolio Positioning

For January, the Driehaus Emerging Markets Small Cap Growth Fund returned -2.28%, the MSCI EM Small Cap Index returned -7.87%, and MSCI Emerging Markets Index returned of -6.48%.<sup>1</sup>

At the sector level, security selection within consumer discretionary and industrials made notable contributions to fund returns. Selection within health care and a significant underweight to materials detracted value for the period. From a country perspective, security selection within Taiwan and

an underweight to China added to relative returns, while the largest detractors were India and an underweight to Malaysia.

From a positioning standpoint, portfolio hedges remain at the higher end of our range due to our concerns over continued market volatility. As of month-end, the fund was overweight the consumer sectors, as well as India, Turkey and Pakistan. The fund was underweight materials and information technology, as well as China, South Korea and Malaysia.

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## Outlook

Given our views on volatility, along with the characterization of China's "Impossible Trinity" that we put forth in several of our notes last year, we maintain a defensive posture within the portfolio.

At risk of sounding like a broken record, this positioning has led us to favor North Asia (particularly specific themes within Korea and Taiwan), India (on account of its relative lack of integration with the global industrial economy and status as a commodity importer), and companies with a high degree of visibility or idiosyncratic growth profiles relative to the EM universe.

To put some context behind these themes, the following are a few areas we have favored in recent months:

- » **Auto electronics.** As safety regulation evolves and the driverless car ecosystem starts to take shape, there will be increasing demand for sensors, cameras, and Advanced Driver Assistance Systems (ADAS). The increasing integration of technology in the auto supply chain has yielded several attractive opportunities in Taiwan.

Until next month,



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

- » **Cinemas.** Demand for entertainment has increased rapidly, and Asia continues to have significant room to grow. In China, for example, the number of movies watched per person is only 0.6, while aggregate box office revenue is poised to overtake the US, having risen from only \$1 billion in 2009 to approximately \$7 billion in 2015.
- » **Defense.** Governments have boosted defense budgets as geopolitical tensions have escalated. They are increasingly procuring orders from local players that have improved technology through R&D investments, as well as partnerships with developed market defense companies.

Our strategy for navigating the slowing industrial economy and risks associated with the drying up of US dollar liquidity remains based on positioning in companies with defensible business models, while maintaining a nimble hedge to protect against a meaningful rise in volatility.

<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

# DRESX Performance Review

## Month-end Performance as of 1/31/16

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>	-2.28%	-2.28%	-13.38%	-0.09%	3.25%	13.19%
MSCI Emerging Markets Small Cap Index <sup>3</sup>	-7.87%	-7.87%	-15.15%	-4.88%	-3.94%	13.26%
MSCI Emerging Markets Index <sup>4</sup>	-6.48%	-6.48%	-20.62%	-8.91%	-5.23%	7.79%

## Calendar Quarter-end Performance as of 12/31/15

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>	-2.15%	-10.22%	-10.21%	2.11%	3.29%	13.73%
MSCI Emerging Markets Small Cap Index <sup>3</sup>	3.33%	-6.57%	-6.57%	-1.37%	-2.99%	14.73%
MSCI Emerging Markets Index <sup>4</sup>	0.73%	-14.60%	-14.60%	-6.42%	-4.47%	8.90%

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

Management Fee	1.50%
Other Expenses	0.23%
<b>Total Annual Fund Operating Expenses</b>	<b>1.73%</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. 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 22 global emerging markets. <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 25 global emerging markets. <sup>5</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2015. 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.

**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.**

Sources: Morgan Stanley Capital International Inc., eVestment Alliance, LLC, SS&C Inc.

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# DRESX Portfolio Characteristics

## Portfolio Snapshot

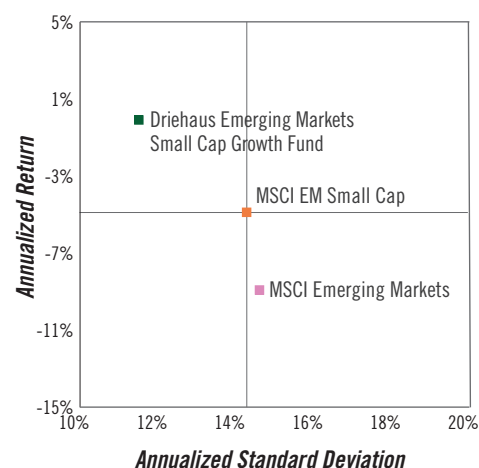
	excluding cash	
Assets Under Management (AUM)	\$408,141,202	
Long Exposure	\$404,481,989	\$346,250,748
Short Exposure	(\$137,383,429)	(\$137,383,429)
Net Exposure	\$267,098,560	\$208,867,319
Net Exposure/AUM	65.44%	51.18%
Gross Exposure	\$541,865,418	\$483,634,177
Gross Exposure/AUM	1.33x	1.18x

## Portfolio Characteristics

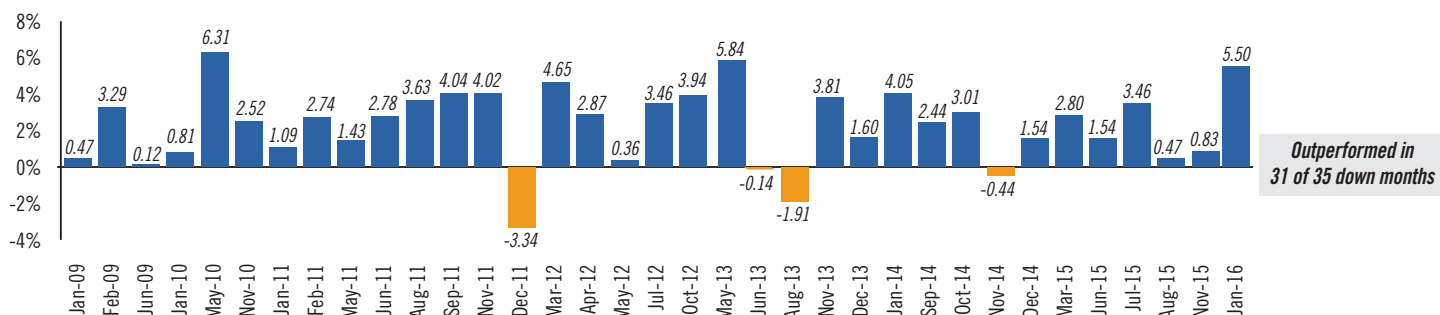
	Fund	Benchmark
Number of Holdings	131	1,882
Active Share (3-year avg.) <sup>1</sup>	95.62	n/a
Est. 3-5 Year EPS Growth	26.5%	16.4%
Weighted Avg. Market Cap (\$M)	\$1,924	\$909
Median Market Cap (\$M)	\$1,462	\$504
Mkt. Cap Breakout	< \$5 billion	97.1%
	> \$5 billion	2.9%
		100.0%
		0.0%

## Risk & Return Characteristics (Trailing 3-years)

	Fund	MSCI EM Small Cap	Fund	MSCI Emerging Markets
Annualized Return	-0.09	-4.88	-0.09	-8.91
Standard Deviation	11.51	14.28	11.51	14.61
Upside Capture	53.74	100.00	47.91	100.00
Downside Capture	49.65	100.00	39.10	100.00
Beta	0.64	1.00	0.49	1.00
Alpha	3.16	n/a	4.72	n/a
Sharpe Ratio	-0.01	-0.34	-0.01	-0.61
R-squared	0.62	1.00	0.39	1.00
Tracking Error	8.78	0.00	11.69	0.00
Information Ratio	0.55	n/a	0.75	n/a
# Negative Monthly Returns	16	16	16	20
# Positive Monthly Returns	20	20	20	16



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



Source: FactSet Research Systems LLC and Driehaus Capital Management. Data calculated with monthly returns. Data as of 1/31/16. <sup>1</sup>Data is calculated monthly. <sup>2</sup>This chart depicts Driehaus Emerging Markets Small Cap Growth Fund's (DRESX) outperformance (or underperformance) versus the MSCI Emerging Markets Small Cap Index in all instances where the MSCI Emerging Markets Small Cap Index had a negative monthly return since DRESX's inception on 12/1/2008. Net of fee performance is used. MSCI Emerging Markets Small Cap Index. Data as of January 31, 2016. 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 are currently in effect. Without such fee waivers, performance numbers would be reduced. The total annual fund operating expense for DRESX is 1.73% as disclosed in the 4/30/15 prospectus. Please see notes at end of presentation for more information on indices used. **A definition of key terms can be found on page 10.**

## Country Exposures<sup>1</sup>

	Equity Weights	Long Hedges <sup>3</sup>	Short Hedges <sup>3</sup>	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Argentina	1.67			1.67	--	1.67
Brazil	3.61		-0.28	3.32	2.14	1.19
Chile	--			--	0.89	-0.89
China	10.33			10.33	22.26	-11.93
Colombia	--			--	0.16	-0.16
Czech Republic	--			--	0.05	-0.05
Egypt	0.33			0.33	0.67	-0.34
Greece	--			--	0.53	-0.53
Hungary	--			--	0.12	-0.12
India	14.04			14.04	11.33	2.71
Indonesia	2.64			2.64	2.21	0.42
Kenya	0.53			0.53	--	0.53
Malaysia	--			--	3.69	-3.69
Mexico	4.91			4.91	3.35	1.56
Pakistan	2.13			2.13	--	2.13
Panama	--			--	0.03	-0.03
Philippines	1.51			1.51	1.27	0.24
Poland	0.33			0.33	0.99	-0.67
Qatar	--			--	0.38	-0.38
Russia	2.52			2.52	0.56	1.96
South Africa	1.02			1.02	4.63	-3.62
South Korea	13.74			13.74	20.58	-6.84
Taiwan	15.01			15.01	17.72	-2.71
Thailand	4.24			4.24	3.77	0.47
Turkey	3.68			3.68	1.25	2.44
United Arab Emirates	--			--	0.82	-0.82
Other Countries <sup>2</sup>	2.50			2.50	0.59	1.91
EM Index Equity Hedges			-3.08	-3.08		-3.08
US Index Equity Hedges				--		--
Other - Sector/Currency/Volatility Hedges		--	-30.30	-30.30		-30.30
<b>Total Exposure (ex-cash)</b>	<b>84.72</b>	<b>0.00</b>	<b>-33.66</b>	<b>51.06</b>	<b>100.00</b>	<b>-48.94</b>

<sup>1</sup>Data is on a trade date basis and has not been reconciled. Exposures reflect hedged positions.

<sup>2</sup>Other represents companies with significant emerging markets related exposures that are not

domiciled within an emerging market. <sup>3</sup>Delta-adjusted and underlying exposures include ETFs that may be domiciled in the U.S. but provide specific sector, country or market related exposure.

## Sector Exposures<sup>1</sup>

	Equity Weights	Long Hedges <sup>2</sup>	Short Hedges <sup>2</sup>	Net Exposure	Benchmark Weight	Net Exposure Over-/Underweight
Consumer Discretionary	18.73			18.73	16.46	2.27
Consumer Staples	6.47			6.47	7.53	-1.07
Energy	--			--	1.49	-1.49
Financials	14.41			14.41	17.81	-3.40
Health Care	7.41			7.41	9.32	-1.92
Industrials	18.33		--	18.33	15.86	2.47
Information Technology	12.99			12.99	17.21	-4.23
Materials	2.24			2.24	10.44	-8.20
Telecom. Services	0.53			0.53	0.90	-0.37
Utilities	3.63			3.63	2.96	0.66
Other - Sector/Currency/Volatility Hedges			-33.66	-33.66	--	-33.66
<b>Total Exposure (ex-cash)</b>	<b>84.72</b>	<b>0.00</b>	<b>-33.66</b>	<b>51.06</b>	<b>100.00</b>	<b>-48.94</b>

## Portfolio Weights (Net Exposure)

Frontier Market: 4.33%	Emerging Market: 44.23%	Other Countries: 2.50%
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## Sector Performance Attribution 12/31/15 to 1/31/16 (US Dollar Denominated)

MSCI/GICS Sector	Driehaus Emerging Markets Small Cap Growth Fund (Port) (%)			MSCI Emerging Markets Small Cap Index <sup>3</sup> (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 <sup>4</sup>
Consumer Discretionary	20.17	-0.86	-0.18	16.42	-7.92	-1.30	1.51
Industrials	19.43	-4.75	-0.91	16.10	-10.52	-1.74	1.09
Information Technology	11.51	-2.95	-0.23	17.07	-8.15	-1.37	0.65
Financials	14.00	-5.80	-0.83	17.82	-8.77	-1.58	0.48
Utilities	3.15	-3.95	-0.08	3.00	-9.49	-0.30	0.20
Energy	--	--	--	1.52	-12.27	-0.20	0.07
Telecom. Services	0.56	-7.15	-0.04	0.90	-6.06	-0.05	-0.03
Consumer Staples	7.46	-4.65	-0.41	7.32	-4.31	-0.29	-0.03
Materials	1.95	-3.86	-0.06	10.48	-5.87	-0.60	-0.16
Health Care	8.39	-13.27	-1.23	9.37	-4.62	-0.44	-0.80
Cash	12.40	-1.30	-0.16	--	--	--	0.74
Other <sup>5</sup>	0.98	145.92	1.43	--	--	--	1.42
<b>Total</b>	<b>100.00</b>	<b>-2.72</b>	<b>-2.72</b>	<b>100.00</b>	<b>-7.87</b>	<b>-7.87</b>	<b>5.15</b>

<sup>1</sup>Data is on a trade date basis and has not been reconciled. Exposures reflect hedged positions.

<sup>2</sup>Delta-adjusted and underlying exposures include ETFs that may be domiciled in the U.S. but provide specific sector, country or market related exposure.

<sup>3</sup>The Morgan Stanley Capital International Emerging Markets Small Cap Index (MSCI Emerg-

ing Markets Small Cap Index) is a market capitalization-weighted index designed to measure equity market performance of small cap stocks in 22 global emerging markets.

<sup>4</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>5</sup>Includes derivative securities and fees.



**Country Attribution** 12/31/15 to 1/31/16 (US Dollar Denominated)

MSCI/GICS Sector	Driehaus Emerging Markets Small Cap Growth Fund (Port) (%)			MSCI Emerging Markets Small Cap Index <sup>1</sup> (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 <sup>2</sup>
Argentina	1.51	3.26	0.08	--	--	--	0.18
Bermuda	--	--	--	0.11	-23.29	-0.03	0.02
Brazil	2.64	3.02	0.14	2.10	-10.51	-0.22	0.37
British Virgin Islands	0.57	-3.36	0.01	--	--	--	0.04
Cayman Islands	--	--	--	0.14	-14.70	-0.02	0.01
Chile	--	--	--	0.87	-0.79	-0.00	-0.06
China	7.45	-11.94	-0.94	12.34	-14.72	-1.94	0.60
Colombia	--	--	--	0.15	-1.54	-0.00	-0.01
Czech Republic	--	--	--	0.04	7.91	0.00	-0.01
Egypt	0.10	12.42	0.04	0.68	-12.65	-0.09	0.06
Greece	--	--	--	0.53	-6.03	-0.03	-0.01
Hong Kong	5.10	-21.11	-1.16	11.11	-15.50	-1.87	0.29
Hungary	--	--	--	0.12	-1.25	-0.00	-0.01
India	16.67	-12.30	-2.34	11.55	-10.46	-1.28	-0.45
Indonesia	2.28	1.61	0.04	2.20	-4.92	-0.10	0.12
Kenya	0.56	-7.15	-0.04	--	--	--	-0.00
Luxembourg	--	--	--	0.04	-4.66	-0.00	-0.00
Malaysia	--	--	--	3.60	-1.38	-0.04	-0.24
Mexico	5.15	-3.59	-0.17	3.30	-6.22	-0.20	0.18
Nigeria	0.19	-59.04	-0.14	--	--	--	-0.11
Pakistan	2.18	-2.95	-0.08	--	--	--	0.10
Panama	--	--	--	0.03	-12.16	-0.00	-0.00
Philippines	1.46	-0.10	0.00	1.29	-12.32	-0.17	0.18
Poland	0.29	9.49	0.03	1.01	-9.28	-0.10	0.06
Qatar	--	--	--	0.40	-16.29	-0.07	0.04
Russia	2.57	-0.33	-0.04	0.55	-6.42	-0.04	0.18
Saudi Arabia	0.21	-10.82	-0.06	--	--	--	-0.03
Singapore	--	--	--	0.02	-12.73	-0.00	-0.00
South Africa	0.96	-1.46	-0.01	4.40	-4.01	-0.14	-0.13
South Korea	12.81	1.60	0.27	20.19	-3.33	-0.60	0.29
Spain	--	--	--	0.10	-9.25	-0.01	-0.00
Taiwan	14.72	3.58	0.60	17.15	-4.63	-0.69	1.15
Thailand	4.21	-6.89	-0.29	3.72	-2.11	-0.07	-0.20
Turkey	3.35	3.94	0.13	1.21	-3.33	-0.03	0.32
United Arab Emirates	--	--	--	0.84	-11.10	-0.10	0.03
United Kingdom	0.67	-7.01	0.01	--	--	--	0.04
United States	1.46	377.79	1.62	0.21	-3.34	-0.01	1.68
Cash	12.40	-1.30	-0.16	--	--	--	0.74
Other <sup>3</sup>	0.52	-28.56	-0.25	--	--	--	-0.24
<b>Total</b>	<b>100.00</b>	<b>-2.72</b>	<b>-2.72</b>	<b>100.00</b>	<b>-7.87</b>	<b>-7.87</b>	<b>5.15</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 6. <sup>2</sup>A definition of this key term can be found on page 7. <sup>3</sup>Includes derivative securities and fees.



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**Top 5 Holdings<sup>1</sup>** as of 12/31/15

<b>Company</b>	<b>Country</b>	<b>Description</b>	<b>% of Fund</b>
CJ CGV Co., Ltd	South Korea	Korea-based company engaged in the operation of theaters	3.2%
Hota Industrial Manufacturing Co., Ltd.	Taiwan	Engaged in the manufacture and trade of the gears and axles for automobiles and motorcycles	2.4%
Ennoconn Corp.	Taiwan	Taiwan-based company mainly engaged in the manufacture and sale of embedded systems and boards	2.4%
Medy-Tox Inc.	South Korea	Korea-based company engaged in the development, manufacture and marketing of biopharmaceuticals	2.2%
COSMAX INC	South Korea	Korea-based company mainly engaged in the manufacture and distribution of cosmetics	2.2%

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

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.**

## 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.