

# Driehaus Emerging Markets Small Cap Growth Fund Commentary

The fourth quarter of 2018 brought about a continuation of headwinds that faced emerging market (EM) equities throughout much of the year, namely rising trade tensions between China and the United States, a slowing of economic growth across many EM economies, and a tightening regulatory environment in countries including China, India, and Mexico.

The growing trends of protectionism, automation, and the relocation of manufacturing capacity outside of China have contributed to a deterioration in consumer confidence. Additionally, regulatory measures in industries such as pharmaceuticals, gaming, and education have dampened business sentiment in the country. However, against this backdrop, Chinese government authorities have undertaken both fiscal and monetary stimulus, the lagged effects of which should act to help offset these headwinds, in our view.

A number of other EM countries have adopted a prudent policy mix throughout 2018, which positions their economies to benefit as the backdrop for growth incrementally improves. For example, Indonesia reined in fiscal spending, while hiking interest rates multiple times. Brazil elected a reform-minded president, Jair Bolsonaro, who has an opportunity to improve the long-term fiscal trajectory of the country through pension reform and privatizations. Countries such as Turkey and Argentina undertook difficult measures to address their external vulnerabilities, with economic rebalancing already starting to unfold. Amid

these macroeconomic policy changes, the long-term growth trajectory for industries such as healthcare, infrastructure, education, tourism, and financial services remains strong throughout many emerging markets.

A sharp decline in oil prices materialized during the quarter, carrying implications for a number of emerging markets. Oil importers such as India and Indonesia are prime beneficiaries of this decline as their current account balances improve. Additionally, as inflation had already begun to slow in most EM countries, the decline in oil prices should further the nascent disinflationary backdrop and potentially provide room for certain EM central banks to undertake monetary easing if needed.

After decoupling from emerging markets over the prior six months and handily outperforming EM over seven out of the last eight years, US equity markets succumbed to an intense selloff into year-end, leading EM to outperform the US on a relative basis for the quarter. As late-cycle indicators build in US economic data and credit markets, EM stands in contrast, with many EM economies exhibiting improving growth rates after a downturn from 2014-2016, while corporate balance sheets are largely in good health as capital spending budgets have been slashed and operating expenses are running at much leaner levels than in previous years. As investor allocations to EM stand at multi-year lows, the relative case for EM equities continues to build, albeit amid a world that remains fraught with uncertainty and fragility.

## Performance Review

The Driehaus Emerging Markets Small Cap Growth Fund, net of fees, returned -3.92% in December, compared to the MSCI Emerging Markets Small Cap Index, net dividend, return of -1.61%<sup>1</sup>. At the sector level, the most significant contributors to returns were real estate and financials.

Health care and information technology sectors detracted the most value. At the country level, South Africa and Pakistan contributed most to performance for the month, while China and India were notable detractors from performance.

### <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. 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](http://www.driehaus.com) for more current performance information.**

## Positioning and Outlook

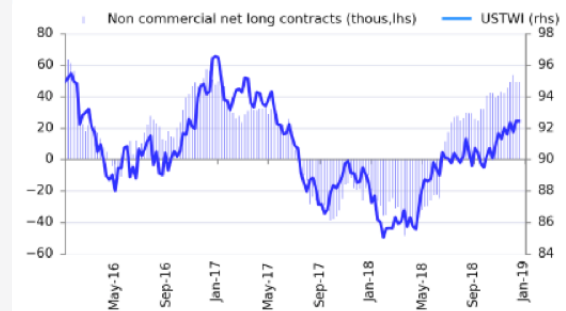
As many EM economies tightened monetary policy throughout 2018, in part to defend their currencies as the Federal Reserve hiked interest rates and the US dollar strengthened, EM bond spreads over US Treasuries rose to multi-year highs, with attractive levels of carry now found in a number of countries including India, Indonesia, Brazil, Mexico, and South Africa. Heading into 2019, we expect higher yielding markets to outperform, particularly if a turning point in developed market monetary policy becomes evident.

While GDP growth tends to have a low correlation to equity prices over time, the growth differential between EM and developed economies has been an explanatory factor for capital flows. Following upside surprises to US growth during the first half of 2018, spurred by tax reform, growth differentials should again turn more favorable for EM in the coming year as the US economy slows incrementally. We see this as lending further support for capital flows into higher yielding markets, while also bolstering the case for “second derivative” improvement in countries such as China that have undertaken economic stimulus.

At the sector level, we see an improving backdrop for the consumer, as inflation in many emerging economies hovers in sub-3% territory and targeted stimulus in China and India supports low-middle income classes. Key to the long-term development of emerging markets will be China’s navigation of the “middle income trap,” along with India’s potential realization of a “demographic dividend,” and consumption will remain an important driver in both of these markets. We see local brands benefiting in areas such as sports apparel, snacks and confectionaries, and restaurants. Additionally, digital innovation and infrastructure improvements have helped EM consumer companies better understand consumer behavior and more effectively reach customers through e-commerce.

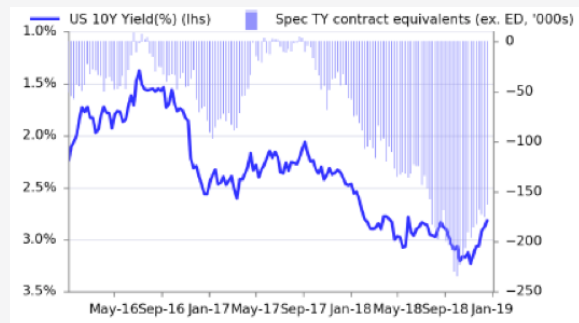
From a positioning standpoint, the current environment looks similar to that of early-2017, as market participants exited 2016 universally long the US dollar, while expressing the view that interest rates were poised to head higher (Exhibits 1 and 2).

**Exhibit 1:**  
**US dollar speculative futures positioning**



Source: Deutsche Bank

**Exhibit 2:**  
**US Treasury speculative futures positioning**



Source: Deutsche Bank

In an environment in which US growth slows, particularly relative to the rest of the world, and monetary tightening peaks, this positioning could swing back in favor of a weaker US dollar and lower interest rates, similar to the trajectory observed in 2017. However, the risk remains that continued increases in US fiscal spending could hold long-term interest rates at stubbornly high levels even in a slower growth, disinflationary backdrop.

While 2018 was particularly challenging for small cap securities within emerging markets, we see a number of similarities between the current environment and that of 2011, which preceded an exceptionally strong, multi-year period of outperformance by growth and small caps within EM. Both periods featured an inflationary backdrop to start the year, which gave way to disinflation in the second half of the year as commodity prices corrected and risk sentiment deteriorated, while interest rates rose and macro vulnerability built over the course of the year. In 2011, the existential threat faced by the euro area was in the eye of the storm, while the US nearly breached the debt ceiling in August of that year. As liquidity tightened, factors such as earnings growth and small size underperformed as expected, however policy stimulus and improving growth differentials acted as a precursor to a period of strong performance by small cap growth within EM during 2012-2014.

Ironically, this performance came at a time in which passive allocations to EM grew substantially, as the consensus view post the global financial crisis was for a renewed growth upturn in emerging markets, while the US and developed economies digested the longer lasting negative effects of the macroeconomic shock that occurred during 2008. While history may not repeat, there is a distinct possibility that it rhymes, as \$55 billion of passive inflows came into emerging market equities during 2018, following a historically narrow market backdrop led by a small number of megacap stocks. Timing an exact turning point to this trend is a fool's game, however in our view, the setup for small cap stocks in emerging markets has grown increasingly attractive, as we articulated in a recent piece, "[The Underrated Opportunity Set in EM Small Caps.](#)"

Wishing you a prosperous 2019,



**Chad Cleaver, Lead Portfolio Manager**

*Driehaus Emerging Markets Small Cap Growth Fund*

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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.

Driehaus Securities LLC, Distributor

# DRESX Performance Review

## Month-end Performance as of 12/31/18

Fund/Index	MTH	YTD	Average Annual Total Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
DrieHaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	-3.92%	-24.00%	-24.00%	-3.02%	-2.83%	8.08%	8.46%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	-1.61%	-18.59%	-18.59%	3.68%	0.95%	9.87%	11.11%
MSCI Emerging Markets Index (ND) <sup>4</sup>	-2.66%	-14.58%	-14.58%	9.25%	1.65%	8.02%	8.76%

## Calendar Quarter-end Performance as of 12/31/18

Fund/Index	QTR	YTD	Average Annual Total Return				
			1 Year	3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
DrieHaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	-10.22%	-24.00%	-24.00%	-3.02%	-2.83%	8.08%	8.46%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	-7.18%	-18.59%	-18.59%	3.68%	0.95%	9.87%	11.11%
MSCI Emerging Markets Index (ND) <sup>4</sup>	-7.47%	-14.58%	-14.58%	9.25%	1.65%	8.02%	8.76%

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

Gross Expenses	1.47%
Net Expenses	1.45%

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. <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, 2018 as supplemented on September 17, 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. DrieHaus Capital Management LLC, the Fund's investment adviser, has entered into a contractual agreement to waive a portion of its management fee and to reimburse operating expenses to the extent necessary to cap the DrieHaus Emerging Markets Small Cap Growth Fund's ordinary annual operating

expenses (excluding interest, taxes, brokerage commissions, dividends and interest on short sales and other investment-related costs, acquired fund fees and expenses and extraordinary expenses, such as litigation and other expenses not incurred in the ordinary course of the Fund's business), resulting in the current net expense ratio of 1.45% until the earlier of the termination of the investment advisory agreement, by the Board of Trustees or the Fund's shareholders, or October 31, 2021. Pursuant to the agreement, and so long as the investment advisory agreement is in place, for a period not to exceed three years from the date on which the waiver or reimbursement was made, the investment adviser is entitled to reimbursement or previously waived fees and reimbursed expenses to the extent that the Fund's expense ratio remains below the operating expense cap that was in place at the time of the waiver as well as the existing operating expense cap.

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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## SECTOR WEIGHTS (%)

	Fund	Benchmark	Active Weights (%)
Communication Services	2.7	4.2	-1.5
Consumer Discretionary	18.9	14.4	4.5
Consumer Staples	14.6	7.0	7.5
Energy	1.7	1.8	-0.1
Financials	17.5	11.2	6.3
Health Care	5.5	8.7	-3.2
Industrials	11.3	14.5	-3.2
Information Technology	10.0	14.0	-4.0
Materials	9.9	11.8	-2.0
Real Estate	2.3	7.5	-5.3
Utilities	1.7	4.8	-3.1
Cash	4.0	0.0	4.0

## COUNTRY WEIGHTS (%)

	Fund	Benchmark		Fund	Benchmark
Argentina	1.2	0.0	Mexico	2.4	2.9
Brazil	11.2	6.5	Philippines	0.6	1.0
Cambodia	2.7	0.0	Poland	2.6	1.0
Canada	0.6	0.0	Russia	0.9	0.8
China	15.6	6.8	South Africa	6.8	5.4
Cyprus	1.0	0.1	South Korea	4.3	18.2
Hong Kong	6.0	4.6	Taiwan	6.7	18.5
India	22.9	16.6	Thailand	2.5	3.8
Indonesia	5.6	2.5	Turkey	1.0	1.2
Kazakhstan	0.9	0.0	Cash	4.0	0.0
Malaysia	0.6	3.2			

TOP 5 HOLDINGS<sup>1</sup> (as of 11/30/18)

Company	Sector	Country	% of Fund
India Grid Trust Units Series - IV	Financials	India	3.2
Sterlite Technologies Limited	Information Technology	India	2.6
NagaCorp Ltd.	Consumer Discretionary	Hong Kong	2.0
Bandhan Bank Ltd.	Financials	India	2.0
Metlurgica Gerdau SA Pfd	Materials	Brazil	1.9

## PORTFOLIO CHARACTERISTICS

	Fund	Benchmark	5-year period	Fund	Benchmark
Number of Holdings	81	1,587	Annualized Alpha	-3.45	n/a
Weighted Avg. Market Cap (M)	\$3,085	\$1,128	Sharpe Ratio	-0.30	0.02
Median Market Cap (M)	\$2,318	\$652	Information Ratio	-0.47	n/a
Est. 3-5 Year EPS Growth	20.4%	19.4%	Beta	0.66	1.00
Active Share (3-year avg.) <sup>2</sup>	113.29	n/a	Standard Deviation	11.37	14.11
<b>Market Cap Breakout (%)</b>			Tracking Error	8.06	0.00
< \$5 billion	85.1	100.0	R-squared	0.67	1.00
> \$5 billion	14.9	0.0			

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
Data as of 12/31/18. Benchmark: MSCI EM Small Cap Index (ND)

DrieHaus Securities LLC, Distributor

<sup>1</sup>Holdings subject to change. <sup>2</sup>Data is calculated monthly.

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**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.

## COUNTRY PERFORMANCE ATTRIBUTION 4th Quarter — 9/30/18 to 12/31/18

MSCI Country	DrieHaus Emerging Markets Small Cap Growth Fund (DRESX) (Port) (%)			MSCI Emerging Markets Small Cap Index (ND) <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	0.30	-11.25	-0.10	0.00	0.00	0.00	-0.10
Bermuda	0.00	0.00	0.00	0.16	-26.73	-0.05	0.04
Brazil	10.47	18.54	1.52	6.24	22.76	1.18	0.62
Cambodia	1.84	1.39	0.08	0.00	0.00	0.00	0.17
Canada	0.62	-46.23	-0.34	0.00	0.00	0.00	-0.27
Cayman Islands	0.00	0.00	0.00	0.21	-4.84	-0.01	-0.01
Chile	0.00	0.00	0.00	1.64	-6.80	-0.12	0.00
China	17.89	-24.14	-4.84	7.11	-12.47	-0.93	-3.09
Colombia	0.00	0.00	0.00	0.22	-26.27	-0.07	0.05
Cyprus	0.76	-14.53	-0.11	0.06	11.21	0.01	-0.08
Egypt	0.00	0.00	0.00	0.52	-11.61	-0.07	0.03
Greece	0.00	0.00	0.00	0.75	-9.76	-0.07	0.02
Hong Kong	5.07	-7.89	-0.25	4.96	-9.71	-0.49	0.13
Hungary	0.00	0.00	0.00	0.14	4.88	0.01	-0.02
India	17.20	-4.83	-0.26	14.96	6.35	1.14	-1.50
Indonesia	4.75	-2.27	-0.06	2.34	-1.50	-0.03	0.09
Israel	0.14	2.30	0.03	0.00	0.00	0.00	0.10
Kazakhstan	0.92	-4.57	-0.03	0.00	0.00	0.00	0.02
Kenya	0.13	-4.34	-0.03	0.00	0.00	0.00	0.02
Luxembourg	0.00	0.00	0.00	0.17	-7.79	-0.01	0.00
Malaysia	0.84	-25.88	-0.26	3.43	-13.78	-0.51	0.08
Mexico	3.33	-29.22	-1.58	3.10	-21.42	-0.81	-0.55
Netherlands	0.83	-36.01	-0.42	0.14	-11.12	-0.02	-0.32
Pakistan	0.00	7.47	0.01	0.80	-20.07	-0.17	0.13
Panama	0.00	0.00	0.00	0.04	-28.23	-0.01	0.01
Peru	0.00	0.00	0.00	0.08	-9.97	-0.01	0.00
Philippines	0.12	0.75	0.01	0.93	6.84	0.06	-0.13
Poland	1.74	-13.25	-0.08	1.02	-4.39	-0.05	-0.02
Qatar	0.00	0.00	0.00	1.00	0.09	-0.01	-0.06
Russia	1.22	-15.62	-0.22	0.87	-12.86	-0.12	-0.03
Singapore	0.00	0.00	0.00	0.22	1.81	0.01	-0.02
South Africa	5.26	2.51	0.44	5.26	-4.01	-0.18	0.44
South Korea	6.72	-19.62	-1.80	18.79	-13.52	-2.87	0.15
Spain	0.00	0.00	0.00	0.04	-37.35	-0.02	0.02
Taiwan	5.14	-13.29	-0.82	18.83	-10.07	-2.00	0.15
Thailand	5.24	-19.97	-0.99	4.21	-19.71	-0.92	0.00
Turkey	1.07	8.07	0.02	1.12	-2.72	-0.04	0.06
United Arab Emirates	1.34	-23.52	-0.21	0.52	-10.89	-0.06	-0.08
United States	0.04	-7.59	-0.04	0.10	53.46	0.05	-0.08
Vietnam	0.12	-12.75	-0.08	0.00	0.00	0.00	-0.04
Cash	6.84	2.21	0.02	0.00	0.00	0.00	0.81
Unassigned*	0.09	-219.07	0.12	0.00	0.00	0.00	0.12
<b>Total</b>	<b>100.00</b>	<b>-10.28</b>	<b>-10.28</b>	<b>100.00</b>	<b>-7.18</b>	<b>-7.18</b>	<b>-3.11</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. <sup>1</sup>A definition of this index can be found on page 4. <sup>2</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.

\*Unassigned refers to securities not recognized by Factset.

## SECTOR PERFORMANCE ATTRIBUTION 4th Quarter — 9/30/18 to 12/31/18

	DrieHaus Emerging Markets Small Cap Growth Fund (DRESX) (Port) (%)			MSCI Emerging Markets Small Cap Index (ND) <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>
Communication Services	0.95	-21.08	-0.21	4.11	-8.04	-0.34	-0.11
Consumer Discretionary	16.36	1.02	0.48	14.64	-1.31	-0.10	0.47
Consumer Staples	9.63	0.24	0.37	7.01	-7.91	-0.57	0.82
Energy	3.92	-27.45	-1.24	2.04	-19.12	-0.43	-0.63
Financials	13.85	1.51	0.36	10.35	-4.39	-0.40	0.85
Health Care	8.75	-29.25	-2.81	8.75	-13.41	-1.28	-1.55
Industrials	10.48	-12.57	-1.55	14.36	-4.89	-0.69	-0.85
Information Technology	10.22	-25.20	-2.73	14.19	-12.39	-1.87	-1.24
Materials	15.65	-16.84	-3.02	12.37	-9.14	-1.18	-1.34
Other	0.00	-0.25	-0.24	0.00	0.00	0.00	-0.24
Real Estate	2.33	-2.92	-0.04	7.64	-7.72	-0.60	0.16
Utilities	0.93	1.39	-0.04	4.45	6.35	0.27	-0.61
Cash	6.84	2.21	0.02	0.00	0.00	0.00	0.81
Unassigned*	0.09	---	0.36	0.09	-2.82	0.00	0.35
<b>Total</b>	<b>100.00</b>	<b>-10.28</b>	<b>-10.28</b>	<b>100.00</b>	<b>-7.18</b>	<b>-7.18</b>	<b>-3.11</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. <sup>1</sup>A definition of this index can be found on page 4. <sup>2</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.

\*Unassigned refers to securities not recognized by Factset.

## 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.