

# Driehaus Frontier Emerging Markets Fund Commentary

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The fourth quarter of 2018 was characterized by a sharp pullback in global equities, led by developed markets, as the US succumbed to declines after decoupling from frontier and emerging markets for the majority of the year. Over the course of 2018, escalating trade tensions between the US and China, a deterioration of external balances, and slowing economic growth were factors that weighed on frontier markets.

From a macro perspective, Argentina faced acute pressure from the buildup of external debt, as widening fiscal and current account deficits and sticky inflation left the country highly vulnerable to the strengthening of the US dollar, which materialized throughout much of 2018. A series of aggressive interest rate hikes by the central bank were ineffective at stemming the crisis, forcing the country to turn to the International Monetary Fund (IMF), implementing a bold plan to reduce money supply growth to zero, while attempting to attract capital back into the country through extremely high real interest rates. As a result of these policy changes, the growth outlook deteriorated significantly, and we see any initial scope for market improvement as most likely driven by cost of equity compression, with growth only improving on a second derivative basis, while remaining lackluster in absolute terms.

Frontier markets exhibit a varying degree of openness and sensitivity to global trade, with Vietnam being the most export driven economy in the index. Vietnam has reaped substantial benefits of the relocation of manufacturing capacity as China's working age population peaked, and companies

in industries such as tech hardware and textiles undertook foreign direct investment to take advantage of the lower cost labor, high levels of literacy, and appealing demographics of Vietnam. In aggregate, frontier markets may benefit from rising trade tensions, as countries such as Bangladesh and Vietnam see rising foreign direct investment, and a tightening labor force in Europe may make countries such as Morocco, Romania, and Egypt well-positioned in an environment of shifting manufacturing capacity and a changing global labor force.

A sharp decline in oil prices materialized during the quarter, carrying implications for a number of frontier markets. Oil importers such as Pakistan and Bangladesh are prime beneficiaries of this decline as lower oil prices relinquish pressure on inflation.

While the picture is improving for many frontier markets, countries such as Kenya, Nigeria, Sri Lanka, and Romania remain saddled with deteriorating fiscal balances and regulatory environments. Romania in particular, experienced a painful end to 2018, as the country's finance ministry presented measures for a bank levy, which would potentially halve the return on equity of the listed banks in one fell swoop. With excess reliance on fiscal spending and underinvestment in productive assets, Romania has enjoyed years of unsustainable growth. While the country holds much potential, the current regulatory backdrop and bleak fiscal picture suggest a more prolonged adjustment phase will be necessary before a revival of growth can unfold.

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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 January 14, 2019 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since January 14, 2019 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.*

*Driehaus Securities LLC, Distributor*

## PERFORMANCE REVIEW

The Driehaus Frontier Emerging Markets Fund, net of fees, returned -9.74% for the quarter, compared to the MSCI Frontier Markets Index (ND) return of -4.33% for the quarter.<sup>1</sup> At the sector level, the most significant contributors to returns were industrials and communication services. The financials and real estate sectors detracted the most value. At the country level, Bangladesh and Cambodia contributed most to performance for the quarter, while Vietnam and Pakistan were notable detractors from performance.

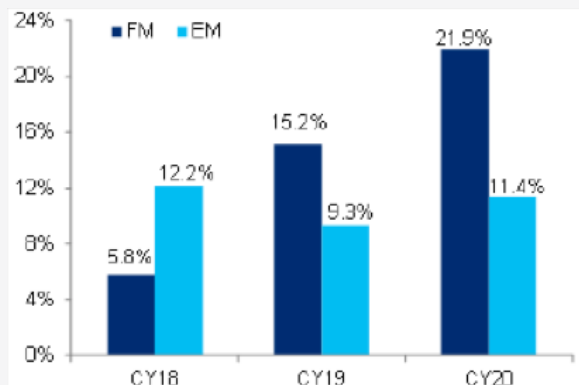
## POSITIONING AND OUTLOOK

Following a disappointing year for frontier markets, we see improvements in both the absolute and relative attractiveness of the asset class. A pronounced valuation de-rating over the past twelve months has taken frontier valuation multiples back to the levels of early 2016, where the asset class bottomed out in tandem with the global market recovery. Importantly, earnings are poised to recover, and frontier offers the appealing combination of accelerating, mid-teens earnings growth, against a low double-digit price to earnings (P/E) multiple. (Exhibits 1-2)

Bangladesh remains an overweight position in the fund, and visibility should improve following elections at year-end 2018, where the ruling Awami League party retained power, with 90% of the popular vote. While liquidity tightness caused growth to take a pause in 2018, we see incremental improvements on this front, and a continuation of the structural case for rising domestic consumption. With the proportion of the middle and affluent population poised to more than double current levels (7%) in the years ahead, underpenetrated consumer companies should realize a superior duration of earnings growth relative to other parts of the world, in our view.

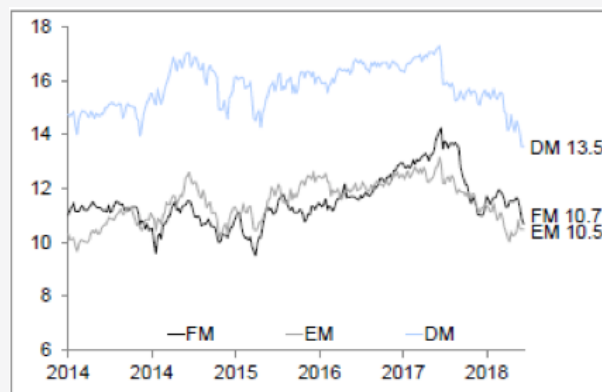
After underperforming during 2017-2018, Pakistan is showing signs of incremental improvement, and the fund has increased its weighting in the market, which offers a combination of strong structural growth and attractive valuation multiples. Newly elected Prime Minister Imran Khan has shown a willingness to tackle Pakistan's external imbalances, while continuing to forge close ties with China, in an effort to improve infrastructure in the country.

Exhibit 1:  
Aggregate consensus earnings growth,  
FM and EM



Source: Citi Research

Exhibit 2:  
Forward P/Es



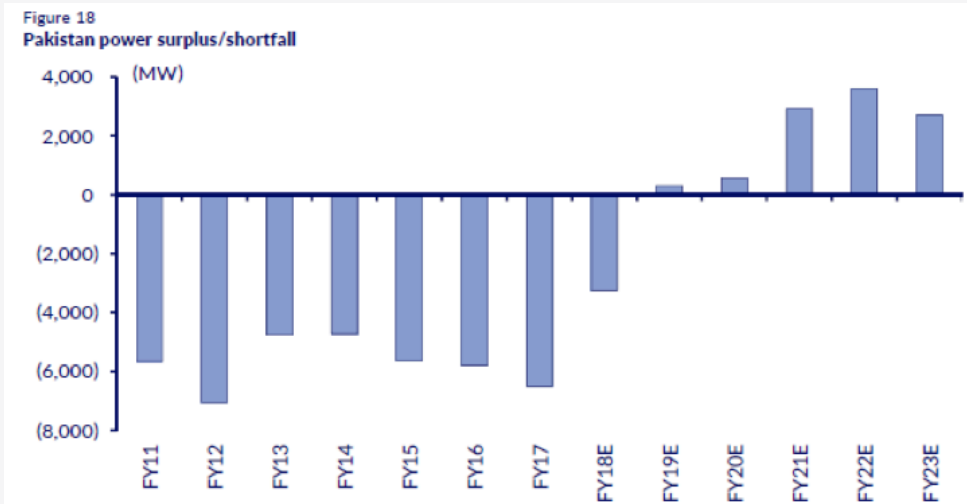
Source: Citi Research

On the latter point, the China-Pakistan Economic Corridor, first announced in 2015, has shown signs of success, most notably in addressing the chronic power deficits that have historically plagued the country. As shown below, Pakistan is on pace to generate surplus power in the years ahead, which would go a long way toward attracting manufacturing into the country.

<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.

Exhibit 3:  
Pakistan power surplus/shortfall



Source: Alfalah Research

Pakistan's export growth has been woeful, growing at only 1/5th the rate of India and Bangladesh over the past 20 years. This has left the country dependent on IMF bailouts, and Pakistan is currently in discussions for its 22nd bailout in the 72-year history of the country.

Amid all this discussion, it is interesting to see the likes of Bill Gates hinting at potential investments in Pakistan's IT and healthcare sectors, which he reportedly communicated in a letter to Prime Minister Khan. If Pakistan's economy is to flourish, it will only be by addressing structural impediments through credible policy and partnerships.

With a more tactical view, the recent decline in oil prices should help stem the tide of a widening current account deficit, as oil and refined products account for nearly 25% of

Pakistan's imports. Banks have been a natural beneficiary of a rate hiking cycle, but as this runs its course, we expect to see opportunities emerge in areas such as autos and consumer.

At the sector level, rising domestic demand is a trend we continue to see across frontier markets, as income growth, supportive demographics, and increasing penetration of basic goods and services create a tailwind for consumption. We continue to favor the travel and tourism industries, along with select consumer staples across a number of frontier markets, and see the disinflationary trend reinforced by the recent oil price decline as lending incremental support.

Wishing you a prosperous 2019,

**Chad Cleaver**  
Lead Portfolio Manager

**PERFORMANCE** as of 12/31/18

	QTR	YTD	1 Year	3 Year	Inception 5/4/15
<b>DrieHaus Frontier Emerging Markets Fund</b>	<b>-9.74</b>	<b>-21.96</b>	<b>-21.96</b>	<b>0.78</b>	<b>-2.81</b>
MSCI Frontier Markets Index (ND) <sup>1</sup>	-4.33	-16.41	-16.41	4.21	-1.05

**ANNUAL OPERATING EXPENSES<sup>2</sup>**

Gross Expense	Net Expense
2.34%	2.01%

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

	DrieHaus Frontier Emerging Markets Fund (Port) (%)		MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
MSCI/GICS Sector							
Communication Services	2.31	-0.32	12.53	-0.87	0.25	-0.13	0.15
Consumer Discretionary	13.73	-0.76	1.02	-0.16	-1.40	1.29	-0.03
Consumer Staples	8.00	-1.21	9.35	-0.67	0.01	-0.56	-0.65
Energy	2.47	-0.81	5.85	-0.58	0.22	-0.44	-0.33
Financials	39.82	-3.67	44.47	-0.92	-0.08	-2.22	-2.83
Health Care	3.05	-0.15	3.06	0.09	-0.01	-0.23	-0.25
Industrials	15.58	0.00	4.39	-0.17	0.21	0.32	0.69
Information Technology	0.57	-0.04	1.55	-0.06	-0.01	0.00	-0.01
Materials	3.49	-0.96	5.14	-0.44	-0.02	-0.55	-0.60
Other	0.00	-0.44	0.00	0.00	-0.44	0.00	-0.44
Real Estate	7.14	-1.42	8.80	-0.48	0.01	-0.91	-0.92
Utilities	1.71	-0.02	3.84	-0.07	-0.08	0.04	-0.04
Cash	2.13	-0.10	0.00	0.00	-0.22	0.00	-0.30
<b>Total</b>	<b>100.00</b>	<b>-9.91</b>	<b>100.00</b>	<b>-4.33</b>	<b>-1.57</b>	<b>-3.39</b>	<b>-5.58</b>

Data as of 12/31/18

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

<sup>1</sup>The Morgan Stanley Capital International Frontier Markets Index provides broad representation of the equity opportunity set while taking investability requirements into consideration within each market MSCI classifies as a frontier market. 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 Frontier Markets Index (GD) to the MSCI Frontier Markets Index (ND) because the net index is more commonly used industry wide and is a more representative comparison versus the strategy because it is presented net of foreign withholding taxes. Per FactSet Research Systems Inc., the attribution report provides an in-depth analysis of relative performance. With this report one can research whether or not a portfolio outperformed a benchmark, and how each group contributed to performance. The performance data shown above is estimated and represents past performance and does not guarantee future results. Current performance may be lower or higher than the performance data quoted. The information presented is intended for informational purposes only. Definitions of the attribution analysis can be found on page 5.

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

MSCI Country	Drieaus Frontier Emerging Markets Fund (Port) (%)			MSCI Frontier Markets 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	Allocation Effect	Selection + Interaction	Total Effect
Argentina	5.05	-1.67	-0.15	14.27	-0.56	0.03	-0.48	-0.07	-0.58
Bahrain	0.00	0.00	0.00	4.19	-8.86	-0.38	0.21	0.00	0.20
Bangladesh	8.98	-0.72	0.04	2.78	0.10	0.01	0.31	0.01	0.33
Cambodia	4.07	2.65	0.12	0.00	0.00	0.00	0.31	0.00	0.32
Canada	0.52	-44.15	-0.28	0.00	0.00	0.00	-0.25	0.00	-0.24
Croatia	0.00	0.00	0.00	1.67	-3.48	-0.06	-0.02	0.00	-0.01
Egypt	3.20	-3.09	-0.27	0.00	0.00	0.00	-0.17	0.00	-0.15
Estonia	0.00	0.00	0.00	0.34	5.60	0.00	-0.02	0.00	-0.02
Ghana	0.64	-41.64	-0.28	0.00	0.00	0.00	-0.27	0.00	-0.26
Ivory Coast	0.00	0.00	0.00	0.12	-27.13	-0.04	0.04	0.00	0.04
Jordan	0.60	-23.81	-0.17	1.19	-4.03	-0.06	-0.07	-0.08	-0.15
Kazakhstan	1.15	-1.71	0.01	0.84	-0.87	-0.01	0.00	0.07	0.05
Kenya	2.31	-11.75	-0.32	4.90	-10.01	-0.51	0.13	-0.04	0.11
Kuwait	9.49	0.98	0.06	22.14	-0.95	-0.23	-0.38	0.18	-0.23
Lebanon	0.00	0.00	0.00	2.15	6.58	0.12	-0.20	0.00	-0.21
Lithuania	0.00	0.00	0.00	0.22	-15.42	-0.04	0.03	0.00	0.03
Luxembourg	0.57	-5.84	-0.04	1.78	-6.76	-0.12	0.01	0.01	0.02
Mauritius	0.00	0.00	0.00	2.03	2.43	0.06	-0.11	0.00	-0.12
Morocco	1.90	-4.88	-0.10	7.95	-0.63	-0.05	-0.30	-0.09	-0.31
Netherlands	1.08	-36.31	-0.45	0.00	0.00	0.00	-0.38	0.00	-0.41
Nigeria	1.94	0.63	0.01	6.65	-2.07	-0.12	-0.07	0.05	-0.06
Norway	0.99	-29.79	-0.34	0.00	0.00	0.00	-0.24	0.00	-0.29
Oman	1.19	-2.27	-0.04	1.64	-2.23	-0.04	0.01	-0.01	0.00
Pakistan	6.60	-13.79	-0.91	0.00	0.00	0.00	0.00	0.00	-0.67
Romania	8.73	-11.87	-1.16	4.57	-15.28	-0.71	-0.55	0.31	-0.23
Saudi Arabia	1.49	-4.88	-0.15	0.00	0.00	0.00	-0.03	0.00	-0.03
Senegal	0.00	0.00	0.00	0.72	-21.68	-0.17	0.13	0.00	0.14
Slovenia	0.00	0.00	0.00	1.66	3.45	0.06	-0.14	0.00	-0.12
Serbia	0.00	0.00	0.00	0.24	3.43	0.01	-0.02	0.00	-0.01
Sri Lanka	1.50	-21.89	-0.36	0.99	6.83	0.08	0.09	-0.45	-0.40
Togo	0.00	0.00	0.00	0.29	-21.55	-0.07	0.06	0.00	0.06
Tunisia	0.00	0.00	0.00	0.68	-12.41	-0.09	0.02	0.00	0.06
Ukraine	1.14	-14.71	-0.25	0.00	0.00	0.00	-0.23	0.00	-0.22
United Arab Emirates	1.20	-23.12	-0.22	0.00	0.00	0.00	-0.16	0.00	-0.19
United Kingdom	0.49	-19.94	-0.11	0.00	0.00	0.00	-0.10	0.00	-0.11
Vietnam	33.08	-11.02	-3.98	15.99	-11.42	-2.00	-1.61	0.31	-1.16
Cash	2.13	25.38	-0.10	0.00	0.00	0.00	-0.22	0.00	-0.30
Unassigned	0.00	-0.46	-0.44	0.00	0.00	0.00	-0.44	0.00	-0.44
<b>Total</b>	<b>100.00</b>	<b>-9.91</b>	<b>-9.91</b>	<b>100.00</b>	<b>-4.33</b>	<b>-4.33</b>	<b>-5.15</b>	<b>0.19</b>	<b>-5.58</b>

Sources: FactSet Research Systems Inc. and Drieaus 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.** A definition of this index can be found on page 4. Definitions of the attribution analysis can be found below.

## ATTRIBUTION ANALYSIS CATEGORIES ARE DEFINED AS:

**Allocation Effect** - Measures the impact of the decision to allocate assets differently than those in the benchmark.

**Security Selection Effect** - Measures the effect of choosing securities, which may or may not outperform those of the benchmark.

**Interaction Effect** - Jointly measures the effect of allocation and selection decisions.

**Currency Effect** - The currency effect is the portion of the total effect the portfolio manager can potentially influence by using currency hedging.

**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.

## SECTOR PERFORMANCE ATTRIBUTION 1-Year— 12/31/17 to 12/31/18

MSCI/GICS Sector	Driehaus Frontier Emerging Markets Fund(Port) (%)		MSCI Frontier Markets Index (ND) <sup>1</sup> (Bench) (%)		Attribution Analysis (%)		
	Port Avg. Weight	Port Contrib To Return	Bench Avg. Weight	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect
Communication Services	4.63	-1.68	12.93	-2.09	0.05	-1.13	-1.01
Consumer Discretionary	10.36	-1.33	0.67	-0.35	-2.38	2.76	0.47
Consumer Staples	7.94	-2.88	10.17	-2.25	0.21	-1.25	-1.15
Energy	2.32	-1.15	6.13	-1.50	0.28	-0.49	-0.33
Financials	35.39	-8.10	44.76	-5.73	-0.23	-3.24	-4.25
Health Care	5.97	-1.25	2.95	-0.12	0.29	-0.83	-0.54
Industrials	12.11	-0.23	4.23	-0.56	0.46	1.07	1.71
Information Technology	1.50	0.30	1.32	0.19	0.32	-0.04	0.31
Materials	6.04	-2.17	4.79	-0.95	0.19	-1.14	-1.23
Other	0.00	-1.33	0.00	0.00	-1.29	0.00	-1.28
Real Estate	4.72	-1.53	8.25	-0.89	-0.41	-0.79	-1.13
Utilities	0.88	-0.26	3.77	-2.15	1.34	-0.06	1.26
Cash	8.13	-0.46	0.00	0.00	1.73	0.00	1.43
Unassigned*	0.00	0.00	0.04	0.00	0.05	0.03	0.10
<b>Total</b>	<b>100.00</b>	<b>-22.07</b>	<b>100.00</b>	<b>-16.41</b>	<b>0.61</b>	<b>-5.11</b>	<b>-5.66</b>

Data as of 12/31/18

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eInvestment Alliance

\*Unassigned refers to securities not recognized by Factset.

<sup>1</sup>The Morgan Stanley Capital International Frontier Markets Index provides broad representation of the equity opportunity set while taking investability requirements into consideration within each market MSCI classifies as a frontier market. 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 Frontier Markets Index (GD) to the MSCI Frontier Markets Index (ND) because the net index is more commonly used industry wide and is a more representative comparison versus the strategy because it is presented net of foreign withholding taxes.

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## SECTOR PERFORMANCE ATTRIBUTION 1-Year— 12/31/17 to 12/31/18

MSCI Country	Driehaus Frontier Emerging Markets Fund (Port) (%)			MSCI Frontier Markets 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	Allocation Effect	Selection + Interaction	Total Effect
Argentina	9.05	-74.82	-6.57	17.32	-53.89	-11.58	3.82	-1.09	2.33
Bahrain	0.00	0.00	0.00	3.82	0.82	0.00	-0.50	0.00	-0.53
Bangladesh	9.00	-16.84	-1.38	2.75	-14.72	-0.40	-0.17	-0.19	-0.36
Botswana	0.41	-3.17	-0.02	0.00	0.00	0.00	0.10	0.00	0.07
Brazil	0.20	-10.14	-0.05	0.00	0.00	0.00	-0.04	0.00	-0.04
Cambodia	2.63	31.17	0.43	0.00	0.00	0.00	0.91	0.00	0.96
Canada	0.21	-40.00	-0.19	0.00	0.00	0.00	-0.15	0.00	-0.14
Croatia	0.06	-5.12	-0.01	1.64	-9.57	-0.16	-0.14	0.00	-0.08
Egypt	6.12	-3.03	-0.86	0.00	0.00	0.00	0.16	0.00	0.20
Estonia	0.19	-15.81	-0.11	0.33	-14.07	-0.06	-0.08	-0.02	-0.08
Georgia	0.47	-34.77	-0.27	0.00	0.00	0.00	-0.21	0.00	-0.22
Ghana	0.54	-62.94	-0.51	0.00	0.00	0.00	-0.38	0.00	-0.41
Ivory Coast	0.00	0.00	0.00	0.16	-36.07	-0.06	0.05	0.00	0.06
Jordan	1.49	-33.11	-0.66	1.26	-4.45	-0.09	-0.09	-0.47	-0.55
Kazakhstan	0.96	-43.55	-0.25	0.87	-1.28	0.10	0.06	-0.32	-0.28
Kenya	2.51	-17.37	-0.68	5.24	-12.51	-0.90	-0.09	-0.12	-0.25
Kuwait	6.84	13.23	0.78	19.17	15.42	2.30	-3.13	-0.11	-3.32
Lebanon	0.00	0.00	0.00	2.17	-12.90	-0.26	-0.06	0.00	-0.08
Lithuania	0.00	0.00	0.00	0.23	-11.09	-0.03	0.00	0.00	0.02
Luxembourg	1.50	8.90	0.30	1.46	8.80	0.06	0.23	0.11	0.35
Mauritius	0.00	0.00	0.00	2.17	-21.28	-0.44	0.08	0.00	0.12
Morocco	1.72	3.57	0.02	7.92	-7.46	-0.66	-0.57	0.18	-0.32
Netherlands	0.45	-34.32	-0.45	0.00	0.00	0.00	-0.34	0.00	-0.37
Nigeria	4.18	-13.99	-0.99	7.02	-14.17	-1.12	-0.15	-0.10	-0.24
Norway	0.26	-29.81	-0.34	0.00	0.00	0.00	-0.22	0.00	-0.26
Oman	0.34	1.35	0.00	1.80	-1.78	-0.04	-0.14	0.03	-0.12
Pakistan	3.59	-34.29	-1.01	0.00	0.00	0.00	0.32	0.00	-0.35
Romania	6.20	-3.87	-0.95	4.22	1.75	-0.15	-0.25	-0.12	-0.38
Saudi Arabia	3.46	-1.64	-0.07	0.00	0.00	0.00	0.59	0.00	0.66
Senegal	0.14	-10.73	-0.04	0.78	-31.16	-0.27	0.06	0.01	0.11
Slovenia	0.00	0.00	0.00	1.63	0.91	0.00	-0.29	0.00	-0.24
Serbia	0.00	0.00	0.00	0.23	2.56	0.00	-0.03	0.00	-0.02
Sri Lanka	1.09	-35.70	-0.60	1.13	-10.71	-0.12	0.06	-0.46	-0.44
Suriname	0.76	2.22	-0.05	0.00	0.00	0.00	0.09	0.00	0.11
Switzerland	0.26	-20.33	-0.17	0.00	0.00	0.00	-0.13	0.00	-0.11
Tanzania	0.04	-4.14	-0.02	0.00	0.00	0.00	-0.04	0.00	-0.04
Thailand	1.15	-43.04	-0.72	0.00	0.00	0.00	-0.41	0.00	-0.44
Togo	0.00	0.00	0.00	0.31	-18.44	-0.08	0.04	0.00	0.04
Tunisia	0.00	0.00	0.00	0.62	13.38	0.00	-0.18	0.00	-0.07
Ukraine	0.76	-23.40	-0.37	0.00	0.00	0.00	-0.26	0.00	-0.23
United Arab Emirates	1.48	-16.74	-0.14	0.00	0.00	0.00	0.09	0.00	0.05
United Kingdom	1.38	-30.60	-0.37	0.00	0.00	0.00	-0.10	0.00	-0.16
United States	0.00	-100.00	0.00	0.26	-21.37	-0.12	0.11	0.01	0.12
Vietnam	22.47	-16.43	-3.95	15.48	-12.71	-2.35	-0.92	0.07	-0.78
Cash	8.13	19.01	-0.46	0.00	0.00	0.00	1.70	0.00	1.40
Unassigned*	0.00	-1.55	-1.33	0.00	0.00	0.00	-1.31	0.00	-1.31
<b>Total</b>	<b>100.00</b>	<b>-22.07</b>	<b>-22.07</b>	<b>100.00</b>	<b>-16.41</b>	<b>-16.41</b>	<b>-1.89</b>	<b>-2.61</b>	<b>-5.66</b>

\*Unassigned refers to securities that are not recognized by FactSet.

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. Definitions of the attribution analysis can be found on page 5.

COUNTRY WEIGHTS (%)						SECTOR WEIGHTS(%)			
	Fund	Benchmark		Fund	Benchmark		Fund	Benchmark	Active Weights
Argentina	6.5	14.7	Mauritius	0.0	1.7	Comm. Services	2.2	12.2	-10.0
Bahrain	0.0	4.1	Morocco	1.6	8.2	Consumer Discretionary	14.2	1.5	12.7
Bangladesh	11.0	2.8	Nigeria	2.0	6.8	Consumer Staples	6.4	9.3	-2.9
Cambodia	4.7	0.0	Norway	0.9	0.0	Energy	1.3	5.4	-4.1
Canada	0.4	0.0	Oman	0.7	1.6	Financials	37.5	44.4	-6.9
Croatia	0.0	1.7	Pakistan	5.2	0.0	Health Care	2.9	3.2	-0.3
Egypt	3.0	0.0	Romania	6.8	3.9	Industrials	17.3	4.5	12.9
Estonia	0.0	0.4	Senegal	0.0	0.6	Information Technology	0.6	1.6	-1.0
Ivory Coast	0.0	0.1	Slovenia	0.0	1.8	Materials	1.0	5.7	-4.7
Jordan	0.0	1.1	Serbia	0.0	0.2	Real Estate	8.7	8.3	0.4
Kazakhstan	1.8	0.8	Sri Lanka	1.5	0.8	Utilities	1.8	3.9	-2.1
Kenya	2.2	4.7	Togo	0.0	0.3	Cash	5.1	0.0	5.1
Kuwait	11.3	23.0	Tunisia	0.0	0.7	Unassigned	0.9	0.0	0.9
Lebanon	0.0	2.6	UAE	0.5	0.0				
Lithuania	0.0	0.2	Vietnam	34.0	15.4				
Luxembourg	0.6	1.8	Cash	5.1	0.0				

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

Company	Sector	Country	% of Fund
Airports Corporation of Vietnam	Industrials	Vietnam	10.2
National Bank of Kuwait K.S.C.	Financials	Kuwait	7.6
NagaCorp Ltd.	Consumer Discretionary	Hong Kong	4.4
Meezan Bank Limited.	Financials	Pakistan	4.2
S.C. Fondul Proprietatea SA	Financials	Romania	3.8

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
Data as of 12/31/18. Benchmark: MSCI Frontier Markets Index (ND)

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

Driehaus Securities LLC, Distributor

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:** **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.