

# DEVDX Performance Review

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During the month of January, the fund returned 5.11%<sup>1</sup>. As markets turned the calendar page, sentiment seemingly shifted in lockstep. Buoyed by renewed confidence that the Federal Reserve will slow down, if not pause rate hikes, investors began putting money to work. The fund achieved its return largely through idiosyncratic exposures, while maintaining net adjusted betas in line with long term levels and limiting correlation to broader markets.

Notably, event activity got off to a strong start, supported by a few large deals announced at the outset of the year. Nowhere was this truer than in the healthcare space, where two deals worth a combined \$95 billion were struck in the first four trading days of the year, including a multiyear core holding for the fund. In fact, January deal activity reached \$275 billion globally, the strongest start to a year since the dot com days of 2000. We anticipate that the quick start to mergers and acquisition activity will have implications in the way of financing and competitor positioning in the months ahead and remain committed to utilizing the most attractive risk adjusted asset class when investing in deals.

The fund's equity catalyst driven strategy was the largest contributor for the month at 706 basis points. The primary driver was the aforementioned biotech holding that was acquired in an all cash takeout at a 68% premium. The fund has held exposure to the holding in various weightings since the IPO in 2014, as the company has continued to progress through the clinic on its multi-asset portfolio. The investment is an example of the fund's repeatable process in the healthcare space, where we focus on defined biology and targeted approaches that greatly increase the probability of success for outcomes. In addition to the takeout, there were two other equity catalyst investments that contributed 120 basis points and 103 basis points to performance. The largest detractors in the strategy were each less than 50 basis points, and accounted for -42 basis points, -42 basis points, and -38 basis points respectively.

The bond with catalyst strategy was the second largest contributor for the month and produced 91 basis points of return. The largest contributor in the category was a media company that was aided by the announcement of a global refinance of its credit structure, 23 basis points. The other top contributors in the category were aided by the current income of the positions totaling 21 basis points and 19 basis points, as no material price change occurred in the month. The largest detractors for the month were two floating rate securities that felt pressure due to the changing narrative surrounding the Federal Reserve's path of rate hiking (-9 basis points and -8 basis points).

The risk arbitrage category contributed 11 basis points of positive returns, consisting of two deal spreads, both in the healthcare space. No risk arbitrage positions detracted from performance.

In light of risk on sentiment for the month, the fund's portfolio hedges were the largest detractor. Portfolio hedges detracted 283 basis points to performance, roughly 40% of the positive impact of the equity catalyst driven holdings. The portfolio hedges are focused on industry and market exposures, primarily in the healthcare and financials sectors. Two separate biotech hedges detracted 170 basis points and 84 basis points, and a regional banking hedge detracted 28 basis points during the month.

As the year begins on the right foot, the fund is encouraged by the pipeline of deal activity and corporate actions that our holdings have in the quarters ahead. Importantly, the fund's strong start to the year was driven by idiosyncratic events, particularly the takeout of a core holding. During January the fund realized 69% of the volatility of the S&P and .53 correlation to the broader market, highlighting the underlying point. We continue to see a robust opportunity set for our cross-asset approach during these heightened macro-economic times, and remain focused on the idiosyncratic nature of our holdings.

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## <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 (877) 779-0079 or visit [www.driehaus.com](http://www.driehaus.com) for more current performance information.

# DEVDX Performance Review

## Month-end Performance (%) as of 1/31/19

Fund/Index	MTH	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	5.11	5.11	0.04	5.39	0.34	---	2.49
S&P 500 Index <sup>2</sup>	8.01	8.01	-2.31	14.02	10.96	---	11.62
FTSE 3-Month T-Bill Index <sup>3</sup>	0.20	0.20	1.96	1.05	0.64	---	0.60

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

Fund/Index	QTR	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
Driehaus Event Driven Fund	-8.52	-4.03	-4.03	2.09	-0.29	---	1.58
S&P 500 Index <sup>2</sup>	-13.52	-4.38	-4.38	9.26	8.49	---	10.21
FTSE 3-Month T-Bill Index <sup>3</sup>	0.57	1.86	1.86	0.99	0.60	---	0.57

## Annual Operating Expenses (%)<sup>4</sup>

Gross Expense	1.77
Net Expense	1.77

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<sup>1</sup>The Driehaus Event Driven Fund has an inception date of August 26, 2013. <sup>2</sup>The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value. <sup>3</sup>The FTSE 3-Month T-Bill Index is designed to mirror the performance of the 3-Month U.S. Treasury Bill. The FTSE 3-Month T-Bill Index is unmanaged and its returns include reinvested dividends. <sup>4</sup>Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2018. It is important to understand that a decline in the Fund's average net assets due to unprecedented market volatility or other factors could cause the Fund's expense ratio for the current fiscal year to be higher than the expense information presented. A shareholder may be required to pay a commission to their financial intermediary.

Investments in overseas markets can pose more risks than U.S. investments, and share prices are expected to be more volatile than that of a U.S.-only fund. The Driehaus Event Driven Fund invests in foreign securities, including small and mid cap stocks, which may be subject to greater volatility than other investments. In addition, returns of this Fund will fluctuate with changes in stock market conditions, currency values, interest rates, foreign government regulations, and economic and political conditions in countries in which this Fund invests. These risks are generally greater when investing in emerging markets. These and other risk considerations are discussed in the prospectus for this Fund. At times, a significant portion of the Fund's return may be attributable to investments in initial public offerings (IPOs) or concentrations in certain strong performing

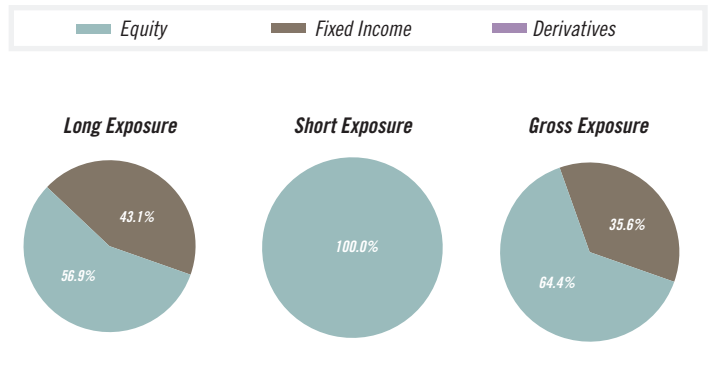
sectors, such as technology. Returns from IPOs or sector concentrations may not be repeated or consistently achieved in the future. In addition, participating in IPOs and other investments during favorable market conditions may enhance the performance of a Fund with a smaller asset base, and this Fund may not experience similar performance results as its assets grow. Stocks of medium-sized companies tend to be more volatile in price than those of larger companies and may have underperformed the stocks of small and large companies during some periods. In addition, investments in medium-sized companies may be more susceptible to particular economic events or competitive factors than are larger, more broadly diversified companies. Growth stocks may involve special risks and their prices may be more volatile than the overall market. The Fund, in addition to investing in unrated and investment grade bonds, may also invest in junk bonds, which involve greater credit risk, including the risk of default. The prices of high yield bonds are more sensitive to changing economic conditions and can fall dramatically in response to negative news about the issuer or its industry, or the economy in general. The use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is a risk that changes in the value of a derivative held by the Fund will not correlate with the Fund's other investments. Further, the Fund may invest in derivatives for speculative purposes. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost and potential losses may be substantial. The Fund may make short sales. Short sales expose the Fund to the risk of loss. No investment strategy, including an absolute return strategy, can ensure a profit or protect against loss. Additionally, investing in an absolute return strategy may lead to underperforming results during an upward moving market. When interest rates increase, bond prices decrease and bond funds become more volatile. It is anticipated that the Fund will experience high rates of portfolio turnover, which may result in payment by the Fund of above-average transaction costs. This is a nondiversified fund compared to other funds, the Fund may invest a greater percentage of assets in a particular issuer or a small number of issuers. As a consequence, the Fund may be subject to greater risks and larger losses than diversified funds.

# DEVDX Portfolio Characteristics\*

## Executive Summary

Assets Under Management (AUM)	\$52,814,311
Long Exposure	\$51,264,320
Short Exposure	\$(10,706,952)
Net Exposure	\$40,557,368
Net Exposure % of AUM	76.79%
Gross Exposure	\$61,971,272
Gross Exposure % of AUM	117.34%
Cash Exposure	\$1,806,630
Cash Exposure % of AUM	3.42%

## Exposure Breakdown by Asset Class



## Trade Type

	Gross Exposure	% of Gross Exposure	% Contribution to Total Return
Bond Catalyst Driven	22,254,249	35.9%	0.91%
Deep Value	316,828	0.5%	0.03%
Equity Catalyst Driven	24,665,203	39.8%	7.06%
Portfolio Hedge	10,120,140	16.3%	-2.83%
Risk Arbitrage	4,614,852	7.4%	0.11%
Cash and Expenses**			-0.13%
<b>Total</b>	<b>61,971,272</b>	<b>100.0%</b>	<b>5.14%</b>

Preliminary data. May differ from data shown by third-party providers because of rounding or for other reasons.

## Portfolio Summary

100 Day Volatility	12.99%
S&P 500 Index 100 Day Volatility	21.55%
Beta vs. S&P 500 Index <sup>1***</sup>	0.44
Beta vs. Merrill Lynch High Yield Index <sup>2</sup> (since inception)	0.92
Beta vs. Barclays US Aggregate Index <sup>3</sup> (since inception)	(0.55)
Correlation vs. S&P 500 Index (since inception)	0.69
Correlation vs. Merrill Lynch High Yield Index (since inception)	0.40
Correlation vs. Barclays US Aggregate Index (since inception)	(0.20)

Source: Bloomberg

\*Exposure: please note exposure may be different than market value. For equities, bonds, foreign exchange forwards and interest rate swap products, exposure is the same as market value. For options, exposure represents delta-adjusted underlying exposure. For credit default swap and credit default swap indices, exposure represents bond equivalent exposure.

\*\*Estimated expenses for the month (not annualized) as a percentage of the fund's net assets for the month. Interest on cash balances are netted against fund expenses.

<sup>1</sup> The Standard & Poor's ("S&P") 500 Index consists of 500 stocks chosen for market size, liquidity, and industry group. It is a market-weighted index (stock price times number of shares outstanding), with each stock's weight in the index proportionate to its market value.

## Characteristics

FIXED INCOME	
Effective Duration	0.18 Years
Spread Duration	2.60 Years
Average % of Par – Long Credit	91.55%
Average % of Par – Short Credit	n/a
EQUITY	
Weighted Average Market Capitalization (USD in billion)	8.05
Weighted Harmonic Average P/E using FY1 Estimation	2.2x

<sup>2</sup> The Bloomberg Barclays Capital US Aggregate Bond Index, an unmanaged index, represents securities that are SEC-registered, taxable and dollar denominated. This index covers the US investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. <sup>3</sup> The BofA Merrill Lynch US High Yield Index is an unmanaged index that tracks the performance of below-investment-grade, US-dollar-denominated corporate bonds publicly issued in the US domestic market.

**Note:** A definition of key terms can be found on page 7

## Product Type

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Bank Loan	6,621,381	12.9%	0	0.0%	6,621,381	10.7%
Corporate	15,452,711	30.1%	0	0.0%	15,452,711	24.9%
<b>Fixed Income</b>	<b>22,074,092</b>	<b>43.1%</b>	<b>0</b>	<b>0.0%</b>	<b>22,074,092</b>	<b>35.6%</b>
ADR/GDR	2,346,304	4.6%	0	0.0%	2,346,304	3.8%
Equity Common	25,929,011	50.6%	(586,812)	5.5%	26,515,823	42.8%
Exchange Traded Fund	0	0.0%	(10,120,140)	94.5%	10,120,140	16.3%
Private Equity	914,021	1.8%	0	0.0%	914,021	1.5%
<b>Equity</b>	<b>29,189,336</b>	<b>56.9%</b>	<b>(10,706,952)</b>	<b>100.0%</b>	<b>39,896,288</b>	<b>64.4%</b>
Currency Forward	892	0.0%	0	0.0%	892	0.0%
Equity Option	0	0.0%	0	0.0%	0	0.0%
<b>Derivatives</b>	<b>892</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>892</b>	<b>0.0%</b>
<b>Total</b>	<b>51,264,320</b>	<b>100.0%</b>	<b>(10,706,952)</b>	<b>100.0%</b>	<b>61,971,272</b>	<b>100.0%</b>

## Region\*

	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Developed	9,097,382	17.7%	0	0.0%	9,097,382	14.7%
Emerging	0	0.0%	0	0.0%	0	0.0%
United States	42,166,938	82.3%	(10,706,952)	100.0%	52,873,890	85.3%
<b>Total</b>	<b>51,264,320</b>	<b>100.0%</b>	<b>(10,706,952)</b>	<b>100.0%</b>	<b>61,971,272</b>	<b>100.0%</b>

## Contributors (by Trade Type)

TOP 5		BOTTOM 5	
Equity Catalyst Driven	3.64%	Portfolio Hedge	-1.70%
Equity Catalyst Driven	1.20%	Portfolio Hedge	-0.84%
Equity Catalyst Driven	1.03%	Equity Catalyst Driven	-0.42%
Equity Catalyst Driven	0.48%	Equity Catalyst Driven	-0.42%
Equity Catalyst Driven	0.43%	Equity Catalyst Driven	-0.38%
<b>Total</b>	<b>6.78%</b>	<b>Total</b>	<b>-3.76%</b>

Source: Bloomberg

\*Region exposure is based on country of domicile

Note: A definition of key terms can be found on page 7

## Sector

GICS <sup>1</sup>	Long Exposure (\$)	% of Long Exposure	Short Exposure (\$)	% of Short Exposure	Gross Exposure (\$)	% of Gross Exposure
Communication Services	6,971,623	13.6%	0	0.0%	6,971,623	11.2%
Consumer Discretionary	5,074,150	9.9%	0	0.0%	5,074,150	8.2%
Consumer Staples	0	0.0%	0	0.0%	0	0.0%
Energy	0	0.0%	0	0.0%	0	0.0%
Financials	14,034,790	27.4%	(1,259,812)	11.8%	15,294,602	24.7%
Health Care	18,656,839	36.4%	(9,447,140)	88.2%	28,103,979	45.4%
Industrials	4,145,106	8.1%	0	0.0%	4,145,106	6.7%
Information Technology	2,380,919	4.6%	0	0.0%	2,380,919	3.8%
Materials	0	0.0%	0	0.0%	0	0.0%
Real Estate	0	0.0%	0	0.0%	0	0.0%
Utilities	0	0.0%	0	0.0%	0	0.0%
Other <sup>2</sup>	892	0.0%	0	0.0%	892	0.0%
<b>Total</b>	<b>51,264,320</b>	<b>100.0%</b>	<b>(10,706,952)</b>	<b>100.0%</b>	<b>61,971,272</b>	<b>100.0%</b>

Source: Bloomberg, Moody's, Standard & Poor's

<sup>1</sup>The Global Industry Classification Standard (GICS), a collaboration between Standard & Poor's and Morgan Stanley Capital International, is a system of classification that identifies a company according to its business activity.

<sup>2</sup>The Other Industry Sector data is not categorized within the GICS classification system

**Notes**

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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 (877) 779-0079. Please read the prospectus and summary prospectus carefully before investing.**

This snapshot is not intended to provide investment advice. Nothing herein should be construed as a solicitation or a recommendation to buy or sell securities or other investments. You should assess your own investment needs based on your individual financial circumstances and investment objectives. Driehaus does not guarantee the accuracy or completeness of this information. This data was prepared on February 12, 2019 and has not been updated since then. It may not reflect recent market activity. Driehaus assumes no obligation to update or supplement this information to reflect subsequent changes. This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by Driehaus to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. 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.

**Driehaus Securities LLC, Distributor**

## FUND INFORMATION

### Types of events in which the fund frequently invests include:

**Corporate action:** Changes to the company's strategy or capital structure as a result of mergers, acquisitions, spin-offs, lawsuits, etc.

**Earnings:** A trade involving an upside or downside surprise to earnings versus market expectations.

**Market dislocation:** Any mispricing of a security for a non-fundamental reason.

**Product cycle:** A key change to the company's product/service offering, or a change in customer preferences for the company's product/service.

**Restructuring:** A change to the company's capital structure or business prospects as a result of bankruptcy, reorganization or corporate distress.

### Types of trades in which the fund frequently invests include:

**Bond catalyst driven:** Event-driven trades that are expressed predominantly through bond positions.

**Deep value:** Trade that attempts to capture the mispricing of an extremely undervalued security.

**Equity catalyst driven:** Event-driven trades that are expressed predominantly through equity positions.

**Portfolio hedge:** A hedge to an unwanted factor exposure, such as equity, volatility, credit or interest rate risk.

**Risk arbitrage:** Trades that attempt to capture a valuation discrepancy between similar securities.

## DEFINITIONS OF KEY TERMS

**Average % of Par – Long Credit** - The average dollar price of a bond the Fund is long as a percentage of par.

**Average % of Par – Short Credit** - The average dollar price of a bond the Fund is short as a percentage of par.

**Beta** - A measure describing the relation of a portfolio's returns with that of the financial market as a whole. A portfolio with a beta of 0 means that its price is not at all correlated with the market. A positive beta means that the portfolio generally follows the market. A negative beta shows that the portfolio inversely follows the market; the portfolio generally decreases in value if the market goes up and vice versa.

**Credit Default Swap (CDS)** - A contract in which the buyer of the CDS makes a series of payments to the seller and, in exchange, receives a payoff if a credit instrument (typically a bond or loan) goes into default. In its simplest form, a credit default swap is a bilateral contract between the buyer and seller of protection.

**Delta** - The ratio that compares the change in the price of a derivative to the corresponding change in the price of an underlying asset.

**Derivatives Premium** – Value of a derivatives contract.

**Effective Duration** - A duration calculation for bonds with embedded options. Effective duration takes into account that expected cash flows will fluctuate as interest rates change.

**Equity Gamma** - The ratio that compares the rate of change for the delta with respect to the underlying asset's price.

**Portfolio Coupon** - The annualized interest earned for the portfolio.

**Portfolio Current Yield** - The annual income (interest or dividends) divided by the current price of the security, aggregated to the portfolio level.

**Portfolio Yield-to-Worst** - The lowest potential yield that can be received on a bond without the issuer actually defaulting, aggregated to the portfolio level. The yield to worst is calculated by making worst-case scenario assumptions on the issue by calculating the returns that would be received if provisions, including prepayment, call or sinking fund, are used by the issuer.

**Spread Duration** - The sensitivity of the price of a bond to a 100 basis point change to its option-adjusted spread. As the rate of the Treasury security in the option-adjusted spread increases, the rate of the option-adjusted spread also increases.

**Sharpe Ratio** is calculated by finding the portfolio's excess return and then dividing by the portfolio's standard deviation.

**Stock Vega** - The change in the price of an option that results from a 1% change in volatility. Vega changes when there are large price movements in the underlying asset and Vega falls as the option gets closer to maturity. Vega can change even if there is no change in the price of the underlying asset (e.g., if there is a change in expected volatility).

**Swap** - A derivative in which two counterparties exchange certain benefits of one party's financial instrument for those of the other party's financial instrument.

**Theta** - A measure of the rate of decline in the value of an option due to the passage of time. Theta can also be referred to as the time decay on the value of an option.