

# Driehaus Emerging Markets Small Cap Growth Fund Commentary

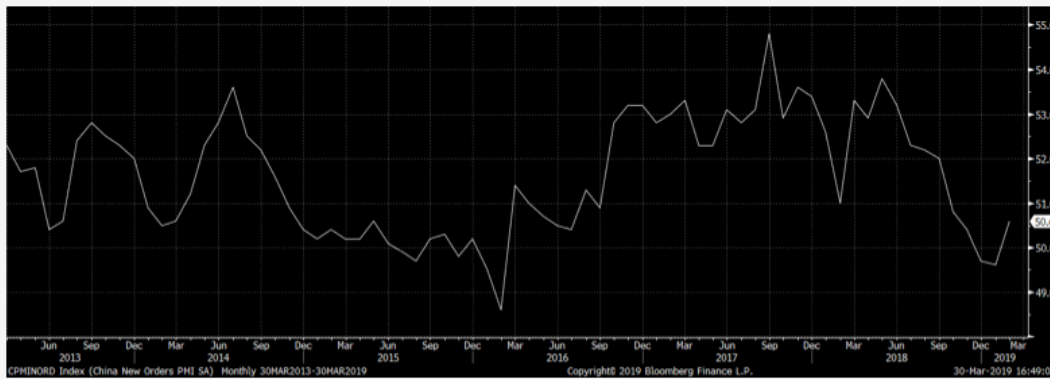
2019 is off to a strong start for global equity markets, as the first quarter of the year was characterized by a nascent, albeit selective improvement in leading economic data, most notably the New Orders component of the China Purchasing Managers Index (“PMI”; Exhibit 1). Additionally, the Federal Reserve’s pivot to an easier monetary policy stance supported financial conditions and asset prices (Exhibit 2).

The Driehaus Emerging Markets Small Cap Growth Fund returned 13.70% during the first quarter, compared to 7.77% for the MSCI Emerging Markets Small Cap Index and 9.90% for the MSCI Emerging Markets Index<sup>1</sup>.

Key contributors included China and the consumer discretionary sector, while detractors were led by Taiwan and the consumer staples sector.

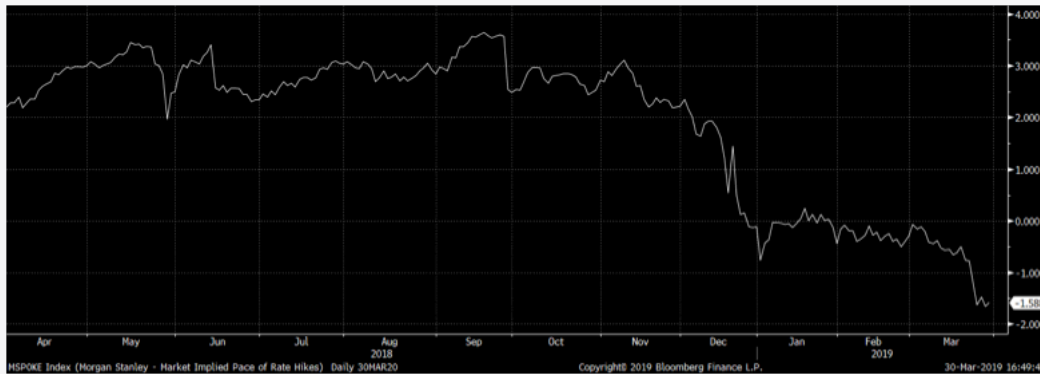
China contributed 498 basis points to the fund’s performance, with 102 basis points from allocation effect, as China was among the strongest performing markets during the quarter. Individual stock contributors included a sportswear apparel company, an operator of datacenters, and a property developer with a strong presence in the Greater Bay Area in southern China.

**Exhibit 1: China PMI New Orders**



Source: Bloomberg

**Exhibit 2: Morgan Stanley Market Implied Pace of Interest Rate Changes**



Source: Bloomberg

**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.**

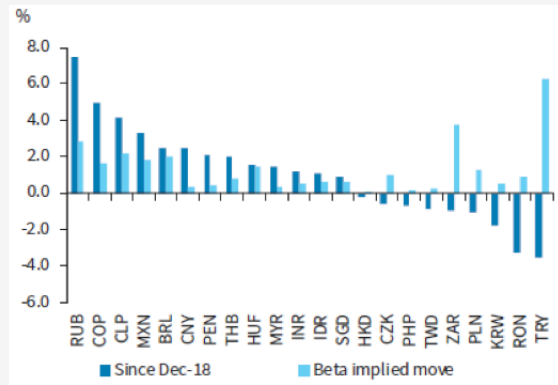
The consumer discretionary sector contributed 286 basis points to the fund's performance, with stock selection accounting for nearly all of the gains. In addition to the aforementioned apparel company, key contributors included a China-based producer of small kitchen appliances, as well as an operator of hotels with an expanding footprint in China.

Taiwan detracted 70 basis points from fund performance during the quarter, of which 50 basis points was driven by an underweight allocation to the country, which performed well as the regional recovery in North Asia materialized. The main stock specific detractor is a producer of functional drinks and skin care products, which saw its growth rate slow from a high base as orders by key customers were deferred during a period of macro uncertainty.

The consumer staples sector detracted 43 basis points from fund performance, balanced between allocation and stock selection. As global markets recovered, the defensive attributes of the sector were less favored by investors, leading the sector to lag on a relative basis. A South Africa-based drug store retailer contributed to underperformance as macro headwinds in the country continued to build.

The fund has been positioned for an environment in which the lagged effect of economic stimulus in China, coupled with the end of the deleveraging campaign of recent years, would follow through to an improvement in corporate earnings. Amid this backdrop, our view was that improving growth differentials and attractive levels of carry would further support emerging market currencies, particularly in countries that also offered supportive macroeconomic policies or reform potential.

**Exhibit 3:  
Emerging Markets Currency Dispersion**



Note: All currency returns are calculated versus the USD.  
Source: Bloomberg, Barclays Research

These developments have led to rising dispersion, both at the country level (Exhibit 3) and from individual companies. Further, in an environment of benign inflation, where the median inflation rate across EM is 2%, representing a 25-year low, we expect the inherently domestically driven small caps to demonstrate improving earnings outlooks.

The inversion of the 3-month/10-year yield curve in the United States (Exhibit 4) toward the end of the quarter drew significant commentary from market observers, resulting from the fact that this indicator has presaged a decline in the US PMI over the subsequent 12 and 18 month periods, and in the view of some, could be a sign of a forthcoming recession.

**Exhibit 4:  
US 3-Month/10-Year Bond Yield Spread**



Source: Bloomberg

Regarding both interpretation and market implications, there is meaningful ambiguity associated with the yield curve inversion. As Bank of America Merrill Lynch strategist Ajay Kapur notes, “For EM equities, in four cases after yield curve inversion, the market was up on average 27.5% after a year (15.2%, 25.2%, 22.3%, and 47.2%) and down on average 17.5% in the other four (-9.4%, -10.7%, -21.2%, and -28.5%).” Similarly, US equities were up 50% of the time in the 12 months following the yield curve inversion.

Additionally, with a resurgence in negative yielding debt in Europe and Japan (Exhibit 5), the US continues to offer superior relative bond yields to the rest of the G7 economies. Further, the growing politicization of the Fed has coincided with the renewed stance of easier policy. Some have compared the current environment to the Fed’s about-face of 1998, where 75 basis points of interest rate cuts followed the market meltdown associated with the Asian Crisis, the failure of a large hedge fund, and Russia’s sovereign default. While no two environments are identical, we see easier monetary policy in pockets of both developed and emerging economies in the near-term. The key question will be the degree to which policymakers stay the course, should asset prices continue to recover or inflation expectations bottom out.

The fund remains significantly overweight China, with the expectation that improving economic data and increasingly supportive policy toward privately owned enterprises will support rising consumer confidence. We continue to favor opportunities in the consumer discretionary sector within the country, as well as innovative healthcare companies. The heightened regulatory backdrop in the healthcare sector felt in 2018, has given way to a more nuanced policy supportive of innovative companies within the sector, which we expect to benefit a number of the specialized leading players.

Until next month,



**Chad Cleaver, Lead Portfolio Manager**

*Driehaus Emerging Markets Small Cap Growth Fund*

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 April 9, 2019 and are subject to change at any time due to changes in market or economic conditions. The commentary has not been updated since April 9, 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.

**Exhibit 5:  
Negative Yielding Bonds Outstanding**



Source: Bank of America Merrill Lynch

Korea continues to be a substantial underweight in the fund, as the high sensitivity to commoditized technology companies, coupled with the low growth rate of an aging and highly leveraged economy, leads us to find more compelling investments elsewhere across emerging markets.

The consumer discretionary sector is the largest active overweight within the fund, as we observe low inflation readings and a continued aspirational consumption dynamic. Specifically, we see increasing demand for lower-ticket, yet premium products, across a number of sub-sectors within the consumer space, with standouts including athletic apparel and travel.

The healthcare sector represents the largest active underweight for the fund. While we have a positive view on innovative companies within China, as well as select companies in India that are benefiting from vertical integration, we currently see a checkered regulatory backdrop for the sector where authorities have limited pricing power, in order to make healthcare more accessible and affordable, leaving our investable opportunity set more selective.

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 3/31/19

Fund/Index	MTH	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
DrieHaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	4.96%	13.70%	-14.13%	2.87%	-1.60%	9.79%	9.61%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	0.94%	7.76%	-12.42%	5.95%	1.76%	10.37%	11.63%
MSCI Emerging Markets Small Cap Growth Index (ND) <sup>4</sup>	0.64%	7.19%	-15.13%	2.87%	-0.12%	9.01%	10.35%

## Calendar Quarter-end Performance as of 3/31/19

Fund/Index	QTR	YTD	1 Year	Average Annual Total Return			
				3 Year	5 Year	10 Year	Since Inception <sup>1</sup>
DrieHaus Emerging Markets Small Cap Growth Fund <sup>2</sup>	13.70%	13.70%	-14.13%	2.87%	-1.60%	9.79%	9.61%
MSCI Emerging Markets Small Cap Index (ND) <sup>3</sup>	7.76%	7.76%	-12.42%	5.95%	1.76%	10.37%	11.63%
MSCI Emerging Markets Small Cap Growth Index (ND) <sup>4</sup>	7.19%	7.19%	-15.13%	2.87%	-0.12%	9.01%	10.35%

## 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 Small Cap Growth Index (MSCI Emerging Markets Small Cap Growth Index) is a subset of the MSCI Emerging Markets Small Cap Index and includes only the MSCI Emerging Markets Small Cap Index stocks which are categorized as growth stocks. 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	4.8	4.2	0.7
Consumer Discretionary	22.0	14.4	7.6
Consumer Staples	9.7	6.7	3.0
Energy	0.6	1.9	-1.3
Financials	10.7	11.1	-0.5
Health Care	4.4	8.4	-4.0
Industrials	13.7	14.2	-0.5
Information Technology	12.9	14.9	-2.0
Materials	8.9	11.7	-2.8
Real Estate	5.2	7.9	-2.7
Utilities	1.6	4.6	-3.0
Cash	5.6	0.0	5.6

**COUNTRY WEIGHTS (%)**

	Fund	Benchmark		Fund	Benchmark
Bangladesh	1.1	0.0	Mexico	0.5	3.0
Brazil	10.6	6.4	Philippines	4.3	1.0
Cambodia	3.2	0.0	Poland	3.8	1.0
China	19.5	7.1	Russia	1.4	0.8
Cyprus	1.1	0.1	Singapore	0.5	0.2
Egypt	0.7	0.5	South Africa	3.3	5.1
Hong Kong	8.6	4.8	South Korea	2.1	17.5
India	18.4	16.1	Taiwan	8.0	19.3
Indonesia	6.6	2.4	Cash	5.6	0.0
Kazakhstan	0.8	0.0			

**TOP 5 HOLDINGS<sup>1</sup>** (as of 2/28/19)

Company	Sector	Country	% of Fund
India Grid Trust Units Series - IV	Financials	India	3.2
NagaCorp Ltd.	Consumer Discretionary	Hong Kong	3.2
Li Ning Company Limited	Consumer Discretionary	Hong Kong	3.0
GDS Holdings Ltd. Sponsored ADR Class A	Information Technology	China	2.7
Megaworld Corp.	Real Estate	Philippines	2.5

**PORTFOLIO CHARACTERISTICS**

	Fund	Benchmark	5-year period	Fund	Benchmark
Number of Holdings	84	1,575	Annualized Alpha	-2.75	n/a
Weighted Avg. Market Cap (M)	\$3,771	\$1,236	Sharpe Ratio	-0.20	0.07
Median Market Cap (M)	\$2,853	\$703	Information Ratio	-0.42	n/a
Est. 3-5 Year EPS Growth	22.0%	19.1%	Beta	0.69	1.00
Active Share <sup>2</sup>	95.20	n/a	Standard Deviation	11.85	14.11
<b>Market Cap Breakout (%)</b>			Tracking Error	8.08	0.00
< \$5 billion	77.0	100.0	R-squared	0.67	1.00
> \$5 billion	23.0	0.0			

Sources: DrieHaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
 Data as of 3/31/19. Benchmark: MSCI EM Small Cap Index (ND)  
<sup>1</sup>Holdings subject to change. <sup>2</sup>Data is calculated monthly.

DrieHaus Securities LLC, Distributor

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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 1st Quarter — 12/31/18 to 3/31/19

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	1.15	-12.35	-0.10	0.00	0.00	0.00	-0.22
Bangladesh	0.66	-7.05	-0.10	0.00	0.00	0.00	-0.12
Bermuda	0.00	0.00	0.00	0.13	24.11	0.03	-0.01
Brazil	10.39	6.84	1.03	6.86	7.16	0.56	0.17
Cambodia	3.01	30.02	0.82	0.00	0.00	0.00	0.59
Canada	0.35	-12.16	-0.07	0.00	0.00	0.00	-0.10
Cayman Islands	0.00	0.00	0.00	0.24	17.52	0.04	-0.02
Chile	0.00	0.00	0.00	1.75	5.54	0.11	0.03
China	17.41	33.39	5.33	6.87	15.55	1.01	3.51
Colombia	0.00	0.00	0.00	0.22	38.13	0.07	-0.05
Cyprus	1.08	18.11	0.15	0.06	0.32	0.00	0.08
Egypt	0.92	2.82	0.03	0.53	16.26	0.08	-0.07
Greece	0.00	0.00	0.00	0.98	21.80	0.20	-0.12
Hong Kong	7.02	35.92	2.26	4.65	14.47	0.64	1.45
Hungary	0.00	0.00	0.00	0.15	0.26	0.00	0.02
India	18.67	3.72	0.55	15.28	4.44	0.57	-0.34
Indonesia	5.66	13.15	0.81	2.64	3.14	0.12	0.48
Kazakhstan	0.68	24.27	0.14	0.00	0.00	0.00	0.10
Luxembourg	0.00	0.00	0.00	0.21	-5.44	-0.01	0.03
Malaysia	0.05	-8.92	-0.06	3.20	12.16	0.38	-0.20
Mexico	1.49	8.60	0.28	3.00	11.62	0.35	0.04
Netherlands	0.00	0.00	0.00	0.16	17.50	0.03	-0.01
Pakistan	0.57	-10.61	-0.03	0.80	3.15	0.03	-0.05
Panama	0.00	0.00	0.00	0.03	2.87	0.00	0.01
Peru	0.00	0.00	0.00	0.08	-11.14	-0.01	0.02
Philippines	3.10	22.83	0.43	1.01	10.30	0.10	0.20
Poland	3.18	28.16	0.85	1.05	3.26	0.04	0.66
Qatar	0.00	0.00	0.00	1.03	7.82	0.08	0.01
Russia	1.10	17.30	0.18	0.82	7.58	0.07	0.11
Singapore	0.02	0.66	0.00	0.25	6.38	0.02	0.01
South Africa	5.49	12.85	0.78	5.41	1.74	0.13	0.58
South Korea	3.27	9.85	0.10	18.08	2.56	0.50	0.73
Spain	0.00	0.00	0.00	0.04	32.26	0.01	0.00
Taiwan	7.44	9.63	0.71	18.67	12.55	2.26	-0.70
Thailand	0.63	6.98	0.03	3.90	9.98	0.39	-0.13
Turkey	0.68	-15.87	-0.11	1.27	-1.12	0.00	-0.07
United Arab Emirates	0.00	0.00	0.00	0.52	-3.56	-0.02	0.07
United States	0.00	0.00	0.00	0.11	-5.84	-0.01	0.02
Cash	5.99	-1.28	-0.06	0.00	0.00	0.00	-0.50
Unassigned*	0.02	-6.30	-0.26	0.00	0.00	0.00	-0.25
<b>Total</b>	<b>100.00</b>	<b>13.71</b>	<b>13.71</b>	<b>100.00</b>	<b>7.76</b>	<b>7.76</b>	<b>5.95</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.

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	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	3.87	31.17	1.07	4.21	6.67	0.28	0.85
Consumer Discretionary	19.67	22.28	4.30	14.47	7.17	1.05	2.84
Consumer Staples	12.68	3.53	0.37	6.90	3.30	0.25	-0.40
Energy	0.84	16.36	0.15	1.88	11.66	0.22	0.03
Financials	13.92	6.99	0.96	10.87	6.69	0.71	-0.08
Health Care	3.63	35.33	0.98	8.59	4.02	0.36	1.04
Industrials	14.70	8.92	1.22	14.40	4.94	0.74	0.50
Information Technology	10.46	21.36	2.10	14.40	14.37	1.97	0.42
Materials	8.89	15.76	1.52	11.76	7.81	0.91	0.80
Real Estate	4.22	26.10	1.17	7.73	13.11	0.98	0.47
Utilities	1.10	6.81	0.20	4.78	5.41	0.28	0.23
Cash	5.99	-1.28	-0.06	0.00	0.00	0.00	-0.50
Unassigned	0.02	-6.30	-0.26	0.00	0.00	0.00	-0.25
<b>Total</b>	<b>100.00</b>	<b>13.71</b>	<b>13.71</b>	<b>100.00</b>	<b>7.76</b>	<b>7.76</b>	<b>5.95</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.