Driehaus Small Cap Growth Fund

Investor Class: **DVSMX** Institutional Class: **DNSMX**

Key Features

- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

Inception Date
8/21/2017
The fund's predecessor limited partnership has a performance inception date of 1/1/2007.

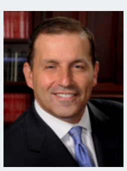
Fund Assets Under Management
DVSMX: $9 million // DNSMX: $156 million

Firm Assets Under Management
$7.1 billion

Investment Style
Growth equity

Available Investment Vehicles:
Mutual Fund
Separately managed account

Portfolio Managers



Jeff James
Portfolio Manager
29 years of industry experience

Michael Buck
Assistant Portfolio Manager
19 years of industry experience

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MARKET OVERVIEW

The first quarter was very strong for US equities as the market experienced one of the best first quarter rallies in years, nearly reversing one of the largest fourth quarter declines in market history. Much of the altitude lost late last year was regained despite a widespread slowdown in economic indicators and expectations for weaker earnings growth. In contrast, while 2018 was a great year for earnings it was less positive for equities. So far so good in 2019 as stocks are strong despite weaker earnings.

Last year's weakness was driven in part by a hawkish Federal Reserve and the threat that continued rate hikes would negatively impact US growth. In addition, the US-China trade war and slowing economic conditions outside the US, namely in the EU and China, were a threat to global and US economic growth and earnings sustainability. In contrast, this year began with the Fed pivoting in a dovish manner by indicating that rate increases were on pause. This brought relief that a monetary policy mistake was going to be avoided for now.

Other drivers of the first quarter rally were a pullback in equity valuations and a stabilization in US economic growth which suggested the recent slowdown was just another growth scare rather than the beginning of a recession. US economic conditions remain mixed but looking at PMIs, labor market data such as jobless claims, and an improvement in some cyclical sectors such as housing, autos and industrials suggest economic conditions will remain positive and possibly improve as 2019 progresses.

Additional positives for equities were improving sentiment toward an eventual US-Chinese trade agreement, the end of the government shutdown and evidence that Chinese stimulus is beginning to result in an improvement in the Chinese economy.

During the first quarter of 2019, market breadth improved, growth outperformed value and small caps outperformed large caps. By sector, health care and technology outperformed as did some cyclical sectors such as industrials.

In our fourth quarter letter, we wrote that prior instances of extreme market declines and poor breadth (like what occurred in the fourth quarter) have yielded forward returns on a 12-month basis that are consistently very positive. For instance, since the inception of the Russell 2000 in 1979, there have been 12 prior declines greater than 20%. In the subsequent 12 months that index was higher 11 out of 12 times (2008 was the lone exception) with a median gain of 15.3%, per SentimenTrader, a leading market researcher. With the strong first quarter performance, the market is well on its way in making it 12 out of 13 times, assuming stable to positive equity performance going forward.

Looking ahead, the outlook for US equities depends on a continuation of the drivers of the first quarter rally. These include some improvement in US economic growth, a rebound in aggregate earnings, continued green shoots out of China, subdued inflation and progress towards or some resolution of US/China trade policy.

One elephant in the room for the market has been the slope of the yield curve. This has been one of the most discussed topics among market participants and a source of much consternation. For the bears, the recent inversion (in some parts of the yield curve) signals that the end is near, an economic recession by 2020 is certain and the Fed will need to cut rates sooner than later.

However, for the bulls, the most reliable parts of the curve (2 year - 10 year and 1 year - 10 year) have not yet sustainably inverted, suggesting that conditions are still trending towards a soft landing. Also, the yield curve is a long lead time indicator and needs to invert for weeks or months rather than for days to be more meaningful. Importantly, there have been some near inversions that did not result in a recession at all such as in 1966 and 1996. Even if the curve does invert on a sustained basis, equities still have generated positive returns for another 18-24 months, historically, before economic conditions trigger a recession and a subsequent decline in equities. Lastly, the yield curve is just one indicator and other measures need to show stress. Fortunately, many credit indicators are still quite benign, such as the US corporate high yield market, consumer delinquencies (near historic lows) and the Chicago Fed's National Financial Conditions Index (a very broad measure of 105 indicators) which is showing low levels of credit stress. Further it can be argued that the current shape of the curve has been exaggerated by the Federal Reserve. Rate hikes by the Fed have boosted short-term maturities but benign inflation has kept the long-end of the curve low. Consider that the yield curves in the EU and in Japan are steeper than in the US, yet the US still has better economic growth.

The terms 'soft landing' and 'Goldilocks' have been mentioned often lately. Stable economic conditions and benign inflation signal the Fed will remain on hold. Looking at the labor markets, the unemployment rate has historically "troughed" about eight months before a downturn, so the fact that it has gone sideways for 11 months is a sign that the Fed has (so far) achieved its soft landing. Jobless claims continue to look strong, but they are volatile on a weekly basis. Smoothing out on a four week or quarterly basis still shows near term recession risk to be effectively nil, and this is supported by most economic indicators.

PERFORMANCE REVIEW

For the first quarter, the Driehaus Small Cap Growth Fund outperformed its benchmark. The fund returned 23.41%, net of fees, while the Russell 2000 Growth Index returned 17.14%.[1]

By sector, the fund's relative outperformance was led by technology, health care and consumer discretionary for the quarter. Technology's outperformance came from the software sector as cloud/Software as a Service (SaaS) enterprise software holdings continued their outperformance as revenue and earnings performance remained robust. IT services and communication equipment also performed well within technology. Within health care, biotech, diagnostics and life science tools holdings outperformed. Materials and consumer staples also outperformed modestly. Financials and industrials both outperformed on a relative basis due to the fund having an underweight position versus the index.

OUTLOOK & POSITIONING

As we discussed above, the economic and market environment changed dramatically from the December quarter to the March quarter. Many of the policy and economic concerns flipped from headwinds to tailwinds. As we assess the outlook in the June quarter and the rest of 2019, economic conditions and earnings remain choppy. However, there are signs that earnings and economic data will improve with monetary policy remaining very dovish as inflation is well contained.

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[1]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 for more current performance information.

Sources: Driehaus Capital Management LLC, Factset, Reuters and MSCI Indices

In terms of portfolio positioning, we remain overweight technology, consumer discretionary and health care. Health care remains our largest absolute weight, followed by technology and then consumer discretionary. During the quarter, we increased technology by a decent amount, health care by a modest amount and decreased our consumer staples and industrial sector weightings. Versus the index, the fund is underweight industrials, financials and energy.

We continue to see broad fundamental strength within health care (biotech, med devices, life science tools and diagnostics) as many companies with innovative products continue to gain market share. Within technology, software, IT services and ecommerce remain robust as the mega-trends of cloud adoption and digitalization are multi-year in nature. Within consumer discretionary, numerous individual companies continue to outperform as the consumer spending remains healthy with the solid labor markets. Mortgage rates have pulled back nicely making homebuilders and housing suppliers more attractive as we added to several positions around the start of the year. We will likely increase our exposure to cyclical sectors as the global and US economies show evidence of improvement.

We look forward to the upcoming earnings season to assess the fundamental progress of our portfolio companies. Even with the recent slowdown and volatile market conditions, we continue to hold and discover an exciting number of companies across a wide number of industries that are hitting growth inflections and will likely exceed expectations and become larger companies over time.

PERFORMANCE as of 3/31/19

	QTR	YTD	1 Year	Annualized Total Return: 3 Year	5 Year	10 Year	Inception[1]
Investor Class: DVSMX[1]	**23.41%**	**23.41%**	**20.18%**	**26.02%**	**13.76%**	**19.75%**	**11.83%**
Institutional Class: DNSMX[1]	**23.50%**	**23.50%**	**20.48%**	**26.19%**	**13.85%**	**19.80%**	**11.87%**
Russell 2000® Growth Index[2]	17.14%	17.14%	3.85%	14.87%	8.41%	16.52%	8.58%

ANNUAL FUND OPERATING EXPENSES[3]

	Investor Class: DVSMX	Institutional Class: DNSMX
Gross	1.48%	7.86%
Net[4]	0.95%	1.20%

SECTOR PERFORMANCE ATTRIBUTION 1st Quarter — 12/31/18 to 3/31/19

	Driehaus Small Cap Growth Fund (Port) (%)		Russell 2000 Growth Index[2] (Bench) (%)		Attribution Analysis (%)		
GICS Sector	Port Avg. Weight	Port Contrib To Return	Bench Avg.Weight	Bench Contrib To Return	Allocation Effect[2]	Selection + Interaction	Total Effect
Comm. Services	1.85	-0.06	3.39	0.56	0.06	-0.41	-0.35
Consumer Discretionary	23.54	5.18	14.87	2.43	-0.02	0.97	0.95
Consumer Staples	3.75	0.43	2.95	0.23	-0.07	0.14	0.06
Energy	1.02	0.19	1.82	0.43	-0.02	0.02	0.00
Financials	0.94	-0.07	7.24	0.84	0.43	-0.24	0.20
Health Care	28.94	8.20	26.36	4.67	0.06	2.99	3.05
Industrials	9.87	1.45	17.67	2.45	0.33	-0.27	0.06
Information Technology	24.11	7.70	18.72	4.28	0.38	2.28	2.66
Materials	2.78	0.59	3.43	0.58	0.03	0.11	0.14
Other	0.00	-0.15	0.00	0.00	-0.12	0.00	-0.12
Real Estate	1.67	0.24	3.05	0.58	-0.01	0.03	0.01
Utilities	1.03	0.07	0.50	0.04	-0.02	0.01	-0.01
Cash	0.50	0.00	0.00	0.00	0.00	0.00	0.00
Unassigned	0.00	0.00	0.00	0.00	0.04	0.00	0.04
Total	**100.00**	**23.78**	**100.00**	**17.08**	**1.07**	**5.63**	**6.70**

Data as of 3/31/19 Sources: Russell Investments, eVestment Alliance, LLC, SS&C Inc., Russell Investments and Standard & Poor's Global Industry Classification Standard and Driehaus Capital Management LLC. 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), 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 for more current performance information. **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. Please read the prospectus carefully before investing.** [1]The average annual total returns and attribution of the Driehaus Small Cap Growth Fund include the performance of one of the Fund's predecessor limited partnerships, which is calculated from January 1, 2007, before it commenced operations as a series of the Driehaus Mutual Funds on August 21, 2017 and succeeded to the assets of the Driehaus Institutional Small Cap, L.P. (the "Predecessor Partnership"), Driehaus Small Cap Investors, L.P., Driehaus Institutional Small Cap Recovery Fund, L.P. and Driehaus Small Cap Recovery Fund, L.P., (together, the "Limited Partnerships"). The Limited Partnerships were managed by the same investment team with substantially the same investment objective, policies and philosophies as the Fund. The investment portfolios of the Limited Partnerships were identical and therefore had similar performance. The performance of the Predecessor Partnership is shown here because it has been in operation the longest. The Predecessor 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 Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Accordingly, future Fund performance may be different than the Predecessor Partnership's past performance. After-tax performance returns are not included for the Predecessor Partnership. The Predecessor Partnership was not a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and therefore did not distribute current or accumulated earnings and profits and was not subject to the diversification and source of income requirements applicable to regulated investment companies. [2]The Russell 2000® Growth Index measures the performance of those Russell 2000® companies with higher price-to-book ratios and higher forecasted growth values. The performance data includes reinvested dividends. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. [3]Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated 4/30/18. 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. [4]Driehaus Capital Management LLC, the Fund's investment adviser (the "Adviser"), has entered into a contractual agreement to cap the Fund's current ordinary annual operating expenses (excluding interest, taxes, brokerage commissions, other investment-related expenses, 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 ratios of 1.20% for the Investor Shares and 0.95% for the Institutional Shares until the earlier of the termination of the investment advisory agreement, by the Board of Trustees or the Fund's shareholders, or August 20, 2020. Pursuant to the agreement, and so long as the investment advisory agreement is in place, for a period of three years subsequent to the Fund's commencement of operations on August 21, 2017, the Adviser is entitled to reimbursement for 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 / expense reimbursement as well as the current operating expense cap.

The Russell Indices are a trademark/service mark of the Frank Russell Company. Russell is a trademark of the Frank Russell® Company. 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. Driehaus Securities LLC, Distributor

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. **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 WEIGHTS

Month-End Absolute Weights

	Comm. Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Cash
DVSMX	1.3	23.5	3.4	1.4	1.6	27.0	9.2	26.6	2.4	2.3	0.9	0.2
Benchmark	3.3	14.6	2.9	1.9	6.9	26.6	17.3	19.3	3.4	3.2	0.5	0.0
Active Weights	*-2.0*	*8.9*	*0.5*	*-0.4*	*-5.4*	*0.4*	*-8.0*	*7.2*	*-1.0*	*-0.9*	*0.4*	*0.2*

PORTFOLIO CHARACTERISTICS

	DVSMX	Benchmark
Number of Holdings	107	1,239
Weighted Avg. Market Cap (M)	$3,810	$2,653
Median Market Cap (M)	$2,675	$875
Active Share	85.30	n/a
Market Cap Breakout (%)		
< $2.5 billion	39.3	54.0
$2.5 - $15 billion	60.7	46.1
> $15 billion	n/a	n/a

5-year period[1]	DVSMX	Benchmark
Annualized Alpha	4.73	n/a
Sharpe Ratio	0.67	0.45
Information Ratio	0.78	n/a
Beta	1.07	1.00
Standard Deviation	19.41	17.05
Tracking Error	6.84	0.00
R-squared	0.88	1.00

TOP 5 HOLDINGS[2] (as of 2/28/19)

Company	% of Fund
Tactile Systems Technology, Inc.	2.2
Everbridge, Inc.	2.2
Five9, Inc.	2.2
Array BioPharma Inc.	2.1
argenx SE ADR	2.1

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 3/31/19. Benchmark: Russell 2000® Growth Index

[1]The 5-year period characteristics of the Driehaus Small Cap Growth Fund include the performance of one of the Fund's predecessor limited partnerships, which is calculated from January 1, 2007, before it commenced operations as a series of the Driehaus Mutual Funds on August 21, 2017 and succeeded to the assets of the Driehaus Institutional Small Cap, L.P. (the "Predecessor Partnership"), Driehaus Small Cap Investors, L.P., Driehaus Institutional Small Cap Recovery Fund, L.P. and Driehaus Small Cap Recovery Fund, L.P., (together, the "Limited Partnerships"). The Limited Partnerships were managed by the same investment team with substantially the same investment objective, policies and philosophies as the Fund. The investment portfolios of the Limited Partnerships were identical and therefore had similar performance. The performance of the Predecessor Partnership is shown here because it has been in operation the longest. The Predecessor 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 Partnership had been registered under the 1940 Act, its performance may have been adversely affected. Accordingly, future Fund performance may be different than the Predecessor Partnership's past performance. After-tax performance returns are not included for the Predecessor Partnership. The Predecessor Partnership was not a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended, and therefore did not distribute current or accumulated earnings and profits and was not subject to the diversification and source of income requirements applicable to regulated investment companies. [2]Holdings subject to change.

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 this Fund may not experience similar performance results as its assets grow. The securities of small and micro-cap companies may be more volatile in price, have wider spreads between their bid and ask prices, and have significantly lower trading volumes than the securities of larger capitalization companies. As a result, the purchase and sale of more than a limited number of shares of the securities of a smaller company may affect its market price. Growth stocks may involve special risks and their prices may be more volatile than the overall market. 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. 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. 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 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. 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.

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