

# Driehaus Micro Cap Growth Strategy

## % Month-End Performance (as of 8/31/23)

|  |       |       |       | Annualized |        |        |         |                        |
|--|-------|-------|-------|------------|--------|--------|---------|------------------------|
|  | MTH   | QTD   | YTD   | 1 Year     | 3 Year | 5 Year | 10 Year | Inception <sup>2</sup> |
| Driehaus Micro Cap Growth Composite (Gross)            | -4.29 | -0.86 | 11.11 | 4.09       | 10.05  | 12.83  | 17.51   | 21.01                  |
| Driehaus Micro Cap Growth Composite (Net)              | -4.36 | -0.99 | 10.53 | 3.27       | 9.17   | 11.89  | 16.32   | 20.08                  |
| Russell Microcap <sup>®</sup> Growth Index (Benchmark) | -6.33 | -4.74 | 2.08  | -4.95      | -2.93  | -1.98  | 4.60    | 4.11                   |

## Top 5 Holdings<sup>5</sup> (as of 7/31/23)

| Company                    | Sector                 | % of Strategy |
|----------------------------|------------------------|---------------|
| TransMedics Group, Inc.    | Health Care            | 2.5           |
| Aehr Test Systems          | Information Technology | 2.5           |
| e.l.f. Beauty, Inc.        | Consumer Staples       | 2.4           |
| Xenon Pharmaceuticals Inc. | Health Care            | 2.1           |
| Axcelis Technologies, Inc. | Information Technology | 2.1           |

## Sector Weights (%)

|                        | Strategy | Benchmark | Active Weights |
|------------------------|----------|-----------|----------------|
| Communication Services | 4.0      | 2.6       | 1.4            |
| Consumer Discretionary | 13.9     | 10.1      | 3.8            |
| Consumer Staples       | 7.4      | 2.7       | 4.7            |
| Energy                 | 4.2      | 3.5       | 0.7            |
| Financials             | 4.3      | 7.8       | -3.4           |
| Health Care            | 30.3     | 35.0      | -4.8           |
| Industrials            | 16.5     | 15.2      | 1.3            |
| Information Technology | 15.4     | 17.3      | -1.9           |
| Materials              | 2.7      | 3.2       | -0.5           |
| Real Estate            | 0.0      | 1.2       | -1.2           |
| Utilities              | 0.0      | 1.4       | -1.4           |
| Cash                   | 1.3      | 0.0       | 1.3            |

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance  
Data as of 8/31/23.

The performance data represents the strategy's composite of micro cap growth accounts managed by Driehaus Capital Management LLC (DCM). These returns are estimated for the period as the underlying accounts' data is yet to be reconciled to the custodian bank. Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings. 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.

<sup>1</sup>Composite assets include those accounts that meet the composite objectives and eligibility requirements. Please see the notes at the end of this document for additional information. <sup>2</sup>1/1/1996. <sup>3</sup>Portfolio characteristics represent the strategy's composite. <sup>4</sup>Data is calculated monthly. <sup>5</sup>Holdings subject to change.

\*The Index's performance is presented for all periods except "Since Inception" because the Index was not established until August 2000.

## Key Features

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

## Facts

|  |   |
|--|---|
| Inception Date                                 | 1/1/96                                    |
| Composite Assets Under Management <sup>1</sup> | \$1.8B                                    |
| Firm Assets Under Management                   | \$14.7B                                   |
| Investment Style                               | Growth Equity                             |
| Investment Vehicles:                           | Separately Managed Account<br>Mutual Fund |

## Portfolio Characteristics<sup>3</sup>

| 5-year period      | STRATEGY | BENCHMARK |
|--------------------|----------|-----------|
| Information Ratio  | 1.55     | n/a       |
| Beta               | 1.00     | 1.00      |
| Standard Deviation | 28.81    | 27.40     |
| Tracking Error     | 8.93     | n/a       |
| R-squared          | 0.90     | 1.00      |

| Market Cap Breakout | STRATEGY | BENCHMARK |
|---------------------|----------|-----------|
| < \$1 billion       | 16.0%    | 72.2%     |
| > \$1 billion       | 84.0%    | 27.8%     |

|   | STRATEGY | BENCHMARK |
|---|----------|-----------|
| Number of Holdings                      | 122      | 833       |
| Weighted Avg. Market Cap (M)            | \$2,437  | \$751     |
| Median Market Cap (M)                   | \$1,529  | \$167     |
| Active Share (3-year avg.) <sup>4</sup> | 82.58    | n/a       |

## Portfolio Management

**Jeff James**, Portfolio Manager  
33 years of industry experience

**Michael Buck**, Portfolio Manager  
23 years industry experience

**Prakash Vijayan**, Assistant Portfolio Manager  
17 years industry experience

## Notes // Driehaus Micro Cap Growth Strategy

**FIRM DEFINITION**

Driehaus Capital Management LLC (DCM) is a registered investment adviser with the United States Securities and Exchange Commission (SEC). DCM provides investment advisory services using growth equity and credit strategies to individuals, organizations, and institutions. The firm consists of all accounts managed by DCM (the Company).

DCM claims compliance with the Global Investment Performance Standards (GIPS®).

**COMPOSITE DESCRIPTION**

The Micro Cap Growth Composite was created in January 1996. An account is considered to be a micro cap growth account if it primarily invests in U.S. equity securities of growth companies with market capitalization ranges of generally followed micro cap indices at the time of purchase. However, there is no requirement to be exclusively invested in micro cap stocks, and the accounts have invested, to a lesser extent, in stocks with a larger capitalization from time to time.

**PERFORMANCE RESULTS**

Net of fee returns reflect the payment of advisory fees and in some instances, other fees and expenses such as administrative and custodian fees while the gross of fee returns do not. Both are net of brokerage commissions charged to the accounts and reflect the reinvestment of income and other earnings.

Valuations and returns are computed and stated in U.S. dollars. Returns are presented on a pretax basis.

Past performance is not indicative of future results. All investments have risks and you could lose money.

Additional information regarding policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. A list of composite descriptions and a list of broad distribution pooled funds are available upon request. Please contact our sales, marketing and relationship management department at 312-932-8621.

**RISKS**

All investments have risks. At times, a significant portion of an account'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 strategy with a smaller asset base, and the strategy may not experience similar performance results as its assets grow. The securities of 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 strategy will experience high rates of portfolio turnover.

**INDICES**

The Russell Microcap Growth® Index measures the performance of the microcap growth segment of the U.S. equity universe. It includes those Russell Microcap® companies that are considered more growth oriented relative to the overall market as defined by FTSE Russell's leading style methodology.

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**TERMS**

**Active share** represents the share of portfolio holdings that differ from the benchmark index holdings. **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. **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. **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** is a divergence between the price behavior of a position or a portfolio and the price behavior of a benchmark. This is often in the context of a hedge or mutual fund that did not work as effectively as intended, creating an unexpected profit or loss instead.

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