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: $11 million // DNSMX: $162 million

Firm Assets Under Management

$8.1 billion

Investment Style

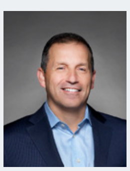
Growth equity

Available Investment Vehicles:

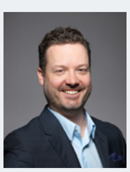
Mutual Fund

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

In the June quarter, the US major indices finished with positive, low single digit percentage returns as US equities generally consolidated, digesting the large gains achieved in the March quarter. This was impressive performance considering the slowing earnings backdrop and the weaker economic conditions in the US and around the world.

Equities held in and achieved gains despite worsening headlines and macro factors. Bond yields have fallen and inflation expectations have plummeted as US economic growth has slowed for the past few months after several quarters of growth slowing around the world. Manufacturing private mortgage insurance (PMIs) have continued to weaken as the US-China trade war continues to drag on. Last year's Federal Reserve rate hikes, along with slowing inflation and weaker economic growth have all contributed to the flattening/inverting of much of the yield curve. While slowing economic conditions and the shape of the yield curve have made many investors question the sustainability of the economic expansion, the market expectation that the Federal Reserve will soon cut rates and hope of an eventual trade deal have both supported stock prices.

The Federal Reserve's dovish pivot from its hawkish stance in December to 'a pause' in January to now a likely rate cut in July has been remarkable and has been the key driver of stock prices year-to-date. The trade war uncertainty, weaker economic conditions and an inverted yield curve have forced the Federal Reserve's hand to change its interest rate policy. The Federal Reserve Fund futures are now pricing in a 100% chance of a 25-basis point rate cut in July.

Historically, equities respond well to Federal Reserve rate hikes, and especially so when there is not a recession ahead. While some indicators are flashing yellow signals regarding a recession, most forward-looking economic indicators point to further economic growth but with a 1 to 2% handle, a steep slowdown from the past couple of years.

Besides monetary policy, trade policy has been the market variable consuming all the air in the room. The uncertainty of the US-China trade war has slowed trade, delayed business investment and has hurt sentiment, which together have slowed global economic growth. Despite a seemingly intractable stand-off between Trump and China, the market does seem to be hopeful "something will eventually happen". The Trump-Xi meeting at the G20 in late June produced a "trade truce" with pending tariffs now on hold. The truce produced little in terms of actual concrete details, but the market is hopeful they are getting close to some resolution. The future path of these trade negotiations is highly uncertain but for now a truce is much preferred to the recent escalation.

During the quarter, market breadth worsened but has recently improved. Growth as a style continued to outperform value and large caps outperformed micro caps and small caps. Stock dispersion increased, which is supportive for stock selection and active management. By sector; technology, financials and industrials outperformed within the benchmark while health care, consumer discretionary and energy lagged. But within each sector, dispersion between stocks and industries was high. In technology, software and information technology services were strong, but semiconductors were mixed and hardware was in general weak. In financials, lower rates took their toll on banks but supported real estate investment trusts (REITs) and other areas like specialty insurance were strong. Health care, consumer discretionary and industrials were very mixed and stock specific.

Across the various sectors; monetary policy, interest rates and trade policy drove much of the sentiment. For instance, stock performance in industrials was stronger than would be normally expected given the slower economic conditions as the market is anticipating the Federal Reserve to cut rates and some improvement on the trade front. Some areas of the market that are far removed from monetary and trade policy performed well and signaled a 'risk-on' environment. For instance, cloud software was very strong during the quarter, as it continues to be a secular growth area with high revenue visibility and little to no exposure to the slowing macro conditions.

Additionally, the initial public offering (IPO) market is proving as strong as advertised as many IPOs are performing very well. A long list of Unicorns and other smaller IPOs in cloud software, biotech, diagnostics, financials, e-commerce and consumer have performed quite well and there is a healthy list of future IPOs expected in the second half of this year.

Looking ahead, the outlook for US equities will depend on: how the market responds to the expected Federal Reserve rate cuts; whether the US and China can reach an actual trade deal that will put a huge uncertainty in the rear view mirror; whether US economic conditions can stabilize/improve as well as in China, Europe and elsewhere; and as always, the strength of corporate earnings.

PERFORMANCE REVIEW

For the June quarter, the Driehaus Small Cap Growth Fund outperformed its benchmark. The fund returned 8.62%, net of fees, while the Russell 2000 Growth Index returned 2.75%.[1]

By sector, the fund's relative outperformance was led by technology, health care and consumer discretionary for the quarter. Technology's outperformance again came from software and information technology services. The core driver of the outperformance in software was the continued strong revenue and earnings performance as robust corporate information technology spending remains focused on the secular adoption of applications in the Cloud. Information technology services also continues to benefit from robust enterprise spending on digital trends. Within health care, biotech was the clear outperformer as numerous holdings performed well due to actual data releases or the anticipation of future readouts. Life science tools, med devices and diagnostics returned modest gains. The outperformance in consumer discretionary was led by strong performance from a handful of consumer companies across specialty retail, e-commerce, education, restaurants and home builders. Communication services, real estate and financials also outperformed. On the downside, energy, materials and industrials had relative underperformance versus the index.

OUTLOOK & POSITIONING

As we discussed above, the economic and market environment has been very consumed by monetary policy and trade policy. Both have arguably been weighing on economic conditions, which have in turn been headwinds for earnings. However, equity performance has been buoyant as economic growth has remained positive and market participants are anticipating second half rate cuts by the Federal Reserve and an eventual (but elusive) trade deal with the Chinese.

[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 and consumer discretionary. On an absolute basis, technology is our largest sector weight. Health care is our second largest absolute weight, followed by consumer discretionary and industrials. During the quarter, in terms of sector shifts, we increased the portfolio weights in industrials and technology. We reduced health care, consumer discretionary and energy. Versus the index, the fund is underweight health care, financials, real estate, materials, energy and industrials.

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, information technology 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 consumer spending and labor markets remain healthy. We added to several positions around the start of the year in homebuilders and housing suppliers as mortgage rates have pulled back nicely. 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 6/30/19

	QTR	YTD	1 Year	3 Year (Annualized Total Return)	5 Year (Annualized Total Return)	10 Year (Annualized Total Return)	Inception[1] (Annualized Total Return)
Investor Class: DVSMX[1]	**8.62%**	**34.05%**	**14.89%**	**26.84%**	**16.12%**	**18.96%**	**12.32%**
Institutional Class: DNSMX[1]	**8.72%**	**34.27%**	**15.21%**	**27.05%**	**16.24%**	**19.02%**	**12.37%**
Russell 2000® Growth Index[2]	2.75%	20.36%	-0.49%	14.69%	8.63%	14.41%	8.63%

ANNUAL FUND OPERATING EXPENSES[3]

	Investor Class: DVSMX	Institutional Class: DNSMX
Gross	2.57%	1.04%
Net[4]	1.20%	0.95%

SECTOR PERFORMANCE ATTRIBUTION 2nd Quarter — 3/31/19 to 6/30/19

	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	1.14	0.04	3.32	-0.18	0.19	0.08	0.28
Consumer Discretionary	23.37	1.82	14.94	0.26	0.02	1.41	1.42
Consumer Staples	2.98	0.14	2.97	0.01	0.00	0.08	0.11
Energy	1.16	-0.21	1.79	-0.18	0.09	-0.10	-0.01
Financials	2.10	0.37	7.21	0.32	-0.14	0.28	0.15
Health Care	24.44	1.78	25.92	0.14	-0.10	1.81	1.71
Industrials	13.23	1.34	18.00	1.62	-0.39	0.10	-0.29
Information Technology	26.37	3.76	18.69	0.63	0.03	2.78	2.82
Materials	1.87	-0.25	3.42	0.03	-0.01	-0.20	-0.21
Other	0.00	-0.15	0.00	0.00	-0.15	0.00	-0.15
Real Estate	2.06	0.16	3.23	-0.01	0.03	0.17	0.20
Utilities	0.57	-0.08	0.52	0.02	0.02	-0.10	-0.07
Cash	0.71	0.00	0.00	0.00	0.08	0.00	0.08
Total	**100.00**	**8.71**	**100.00**	**2.67**	**-0.32**	**6.31**	**6.04**

Data as of 6/30/19 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 4/30/19. 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	0.8	20.0	2.7	1.0	2.9	24.8	16.5	28.0	1.1	1.9	0.0	0.3
Benchmark	3.1	14.6	2.9	1.7	7.1	26.4	18.5	18.5	3.4	3.2	0.5	0.0
Active Weights	*-2.3*	*5.4*	*-0.2*	*-0.7*	*-4.2*	*-1.7*	*-2.0*	*9.5*	*-2.3*	*-1.3*	*-0.5*	*0.3*

PORTFOLIO CHARACTERISTICS

	DVSMX	Benchmark
Number of Holdings	108	1,228
Weighted Avg. Market Cap (M)	$4,418	$2,917
Median Market Cap (M)	$3,104	$892
Active Share	82.13	n/a
Market Cap Breakout (%)		
< $2.5 billion	30.5	49.2
$2.5 - $15 billion	67.6	50.8
> $15 billion	1.9	---

5-year period[1]	DVSMX	Benchmark
Annualized Alpha	7.02	n/a
Sharpe Ratio	0.81	0.45
Information Ratio	1.13	n/a
Beta	1.02	1.00
Standard Deviation	18.94	17.38
Tracking Error	6.64	0.00
R-squared	0.88	1.00

TOP 5 HOLDINGS[2] (as of 5/31/19)

Company	% of Fund
Everbridge, Inc.	2.2
Zscaler, Inc.	2.1
Endava Plc Sponsored ADR Class A	2.1
Eldorado Resorts Inc	2.0
Tandem Diabetes Care, Inc.	1.9

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance
Data as of 6/30/19. 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]Data is calculated monthly.

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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