

Driehaus Emerging Markets Growth Fund

Investor Class: **DREGX**Institutional Class: **DIEMX**

KEY FEATURES

- All cap global emerging markets exposure
- Benchmark aware, not benchmark constrained
- Opportunistic investment approach
- High active share

INCEPTION DATES

DREGX: 12/31/1997

DIEMX: 7/17/2017

FUND ASSETS UNDER MANAGEMENT

DREGX: \$793 million

DIEMX: \$850 million

FIRM ASSETS UNDER MANAGEMENT

\$7.8 billion

INVESTMENT UNIVERSE

Emerging markets all cap equity

INVESTMENT STYLE

Growth equity

PORTFOLIO MANAGERS



Howard Schwab
Lead Portfolio Manager
18 years of experience



Chad Cleaver, CFA
Portfolio Manager
17 years experience



Richard Thies
Portfolio Manager
12 years of investment experience

MARKET OVERVIEW

Emerging market equities fell in the third quarter as the trade war dragged on and concerns about global growth increased. The MSCI Emerging Markets (EM) index fell by -4.25%, trailing the S&P 500 +1.70% and the MSCI World Index +0.09%.

The back and forth noise from the trade war continued over the quarter. The US announced 10% tariffs on \$300 billion worth of Chinese imports on August 1st but later announced more than half of these would be delayed until December. China announced retaliatory tariffs and halted purchases of US agricultural products. The US labeled China as a currency manipulator. Consumer confidence and business investment are increasingly damaged the longer the dispute lingers. While China and the US each made some small concessions towards the end of the quarter, the two sides remain far apart on the most critical issues but open to a mini-deal in the interim.

The US Federal Reserve (Fed) cut its policy rate twice in the quarter. These were the first cuts since 2008 as the Fed looked to head off slowing growth amidst a slowdown in trade. Despite the loosening in monetary policy, the US Dollar appreciated against nearly all EM currencies due to a flight-to-quality dynamic. The US Dollar strength has been a headwind to EM performance throughout the year.

There was a violent style rotation midway through the quarter. Momentum and low-

volatility stocks lost favor as investors moved into value stocks. The move was triggered by a combination of better-than-expected economic data, dovish central banks, and a brief reduction in trade tensions. The move was exacerbated by crowded positioning and a sharp reversal in interest rates. Along with the value factor, EM assets outperformed developed markets during the rotation. However, the move faded in the second half of the month and conditions reverted towards their previous state.

Turkey was the best performing market in the MSCI EM Index during the quarter, returning 11.5%. Inflation dropped more quickly than expected which enabled the central bank to cut interest rates. The government also pursued fiscal stimulus measures. The supportive backdrop led to an upgrade in growth estimates, FX appreciation, and strong equity performance.

Argentina was the worst performing market, down 48.6%. Local assets plunged in August after a presidential primary vote that indicated the opposition party will win the general election in October. The opposition party is led by Alberto Fernandez with Former President Cristina Kirchner as his running mate. Incumbent President Macri has pursued market friendly reform policies that are likely to be dropped for populist policies if Fernandez wins, despite the country's precarious fiscal position.



This update is not intended to provide investment advice. Nothing herein should be construed as a solicitation, recommendation or an offer to buy, sell or hold any securities, other investments or to adopt any investment fund or strategies. You should assess your own investment needs based on your individual financial circumstances and investment objectives. 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 October 17, 2019 and are subject to change at any time due to changes in market or economic conditions. The material has not been updated since October 17, 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.

PERFORMANCE REVIEW

The Driehaus Emerging Markets Growth Fund fell by -2.30%, net of fees, during the quarter, outperforming the -4.25% drop in the MSCI Emerging Markets Index.¹

Materials was the largest sector contributor to the Fund's relative performance. The Fund was underweight and benefitted from a decline in the sector. The Fund also generated positive performance from its position in a mining stock that performed well along with rising precious metal prices. Information technology was the largest sector detractor of relative performance. An underweight to Korea and Taiwan negatively impacted performance as technology names began to rebound from an inventory-driven cyclical correction earlier in the year.

From a country standpoint, Brazil was the largest contributor to the Fund's relative performance. Stock picking benefitted the Fund as positions in multiple sectors outperformed. Taiwan was the largest detractor of relative performance. The Fund was underweight Taiwan which was one of the best performing countries in the quarter.

OUTLOOK AND POSITIONING

Macroeconomic conditions remain volatile and economic indicators suggest growth continues to slow. Global central banks remain accommodative but more aggressive fiscal stimulus is likely needed at this point in the cycle to drive a rebound in growth. Aside from that, a truce in the trade war would reduce uncertainty and likely increase corporates' willingness to invest. Unfortunately, neither fiscal stimulus nor a trade truce can be counted on to happen in the near-term with any certainty.

While the outlook seems gloomy, we think there is a silver lining for EM assets. The US has been a bastion of growth while other geographies have faltered, led by a strong consumer. But there are some early indicators that growth in the US could now be slowing. If so, investors may look to EM given the valuation relative to the US is at ten-year lows, real yields in many EM countries are still high, growth differentials are improving in favor of EM, and many countries have improved their balance of payments.

We think we are well suited to navigate the ongoing volatility given our synthesis of macro and fundamental analysis. Additionally, our focus on finding growth in multiple areas, especially cyclical and recovery stocks, gives us more options to balance the risk associated from extreme positioning. Despite the incessant trade war headlines and challenging economic backdrop, we are still finding earnings growth inflections in EM equities.

¹Performance 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

PERFORMANCE (%) as of 9/30/19	Annualized Total Return						
	QTR	YTD	1 Year	3 Year	5 Year	10 Year	Inception 12/31/97
Investor Class: DREGX	-2.30	12.45	4.09	7.60	3.69	5.88	10.91
Institutional Class: DIEMX⁺	-2.22	12.63	4.28	7.75	3.78	5.93	10.93
MSCI Emerging Markets Index ¹ (ND) (Benchmark)	-4.25	5.89	-2.02	5.97	2.33	3.37	*
MSCI Emerging Markets Growth Index ² (ND)	-2.04	10.04	1.01	7.04	4.17	4.75	*

⁺Institutional Class performance is that of the Investor Class from December 31, 1997 through the inception of the Institutional Class on July 17, 2017, and actual Institutional Class performance thereafter. Performance has not been adjusted to reflect the expenses of the Institutional Class for the period prior to the Class's inception, and Institutional Class performance results would differ if such expenses were reflected.

ANNUAL FUND OPERATING EXPENSES³

	Gross Expense	Net Expense
Investor Class: DREGX	1.39%	1.39%
Institutional Class: DIEMX	1.18%	1.18%

SECTOR PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/19 to 9/30/19

	Driehaus Emerging Markets Growth Fund (DREGX) (Port) (%)			MSCI Emerging Markets Index (ND) ¹ (Bench) (%)			Attribution Analysis (%)		
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg. Weight	Bench Total Return	Bench Contrib To Return	Allocation Effect	Selection + Interaction	Total Effect ⁴
GICS Sector									
Communication Services	10.05	-5.46	-0.61	11.75	-5.17	-0.63	0.05	-0.02	-0.03
Consumer Discretionary	14.51	-2.85	-0.34	13.58	-2.79	-0.30	0.05	-0.41	0.07
Consumer Staples	11.96	0.55	0.09	6.78	-0.81	-0.06	0.21	0.19	0.34
Energy	5.65	-6.13	-0.34	7.69	-3.99	-0.34	-0.01	-0.25	-0.13
Financials	25.47	-6.04	-1.57	24.77	-8.00	-2.06	-0.02	0.27	0.52
Health Care	3.38	13.23	0.40	2.63	-6.60	-0.17	-0.04	0.58	0.50
Industrials	4.54	-0.36	0.01	5.33	-5.12	-0.28	0.02	0.19	0.22
Information Technology	14.04	3.31	0.43	14.37	5.64	0.79	-0.01	-0.46	-0.41
Materials	2.42	1.37	0.04	7.27	-10.73	-0.80	0.31	0.28	0.62
Real Estate	0.91	-2.91	-0.04	2.94	-8.76	-0.27	0.11	0.06	0.15
Utilities	0.40	-2.74	0.01	2.83	-3.55	-0.11	-0.03	0.03	-0.00
Cash	6.66	-0.35	-0.02	0.00	0.00	0.00	0.25	0.00	0.42
Other Items	0.00	-0.28	-0.28	0.00	0.00	0.00	-0.28	0.00	-0.28
Total	100.00	-2.22	-2.22	100.00	-4.25	-4.25	0.66	0.46	2.03

Data as of 9/30/19

⁺The inception of the fund predates the inception of the index.

Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance, Morgan Stanley Capital International and Standard & Poor's Global Industry Classification Standard. 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 for more current performance information. ¹The Morgan Stanley Capital International Emerging Markets Index (MSCI Emerging Markets Index) is a market capitalization-weighted index designed to measure equity market performance in global emerging markets. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. ²The Morgan Stanley Capital International Emerging Markets Growth Index (MSCI Emerging Markets Growth Index) is a subset of the MSCI Emerging Markets Index and includes only the MSCI Emerging Markets Index stocks which are categorized as growth stocks. Data is in US Dollars. The net dividend (ND) index is calculated with net dividend reinvestment. ³Represents the Annual Fund Operating Expenses as disclosed in the current prospectus dated April 30, 2019. 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**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.

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.

COUNTRY PERFORMANCE ATTRIBUTION 3rd Quarter — 6/30/19 to 9/30/19

MSCI Country	Driehaus Emerging Markets Growth Fund (DREGX) (Port) (%)			MSCI Emerging Markets Index (ND) ¹ (Bench) (%)			Total Effect ²
	Port Avg. Weight	Port Total Return	Port Contrib To Return	Bench Avg. Weight	Bench Total Return	Bench Contrib To Return	
Argentina	0.93	-21.63	-0.16	0.27	-46.83	-0.18	0.05
Bermuda	0.75	-13.24	-0.11	0.00	0.00	0.00	-0.07
Brazil	7.74	7.51	0.65	7.78	-4.58	-0.42	1.02
Canada	0.76	4.87	0.11	0.00	0.00	0.00	0.14
Cayman Islands	0.14	-15.80	-0.06	0.26	-11.63	-0.03	-0.04
Chile	0.50	-6.52	-0.03	0.93	-7.32	-0.07	0.02
China	22.14	-1.52	-0.25	27.53	-4.99	-1.32	0.81
Colombia	0.26	-1.68	-0.01	0.42	-6.12	-0.03	-0.01
Egypt	0.89	7.54	0.07	0.15	7.44	0.01	0.08
France	0.71	-7.62	-0.06	0.00	0.00	0.00	-0.02
Greece	0.62	-3.62	-0.02	0.31	-3.07	-0.01	-0.01
Hong Kong	5.46	-7.23	-0.42	3.70	-2.47	-0.08	-0.26
Hungary	1.19	4.80	0.03	0.30	-3.92	-0.01	0.09
India	10.10	-5.31	-0.55	8.71	-5.15	-0.46	-0.12
Indonesia	2.60	1.31	0.02	2.14	-5.19	-0.11	0.14
Israel	0.55	3.47	0.04	0.00	0.00	0.00	0.06
Japan	0.63	0.66	0.01	0.00	0.00	0.00	0.03
Malaysia	0.60	-5.47	-0.03	2.12	-6.31	-0.14	0.04
Mexico	1.79	4.10	0.09	2.49	-1.72	-0.03	0.10
Netherlands	1.13	-8.69	-0.12	0.08	1.75	0.00	-0.12
Norway	0.66	-12.33	-0.08	0.00	0.00	0.00	-0.05
Panama	0.71	-3.16	-0.03	0.00	0.00	0.00	-0.00
Peru	0.96	-9.93	-0.11	0.34	-8.94	-0.03	-0.03
Philippines	1.39	-2.45	-0.04	1.13	-4.64	-0.06	0.05
Poland	1.51	-4.82	-0.06	1.04	-12.12	-0.14	0.10
Russia	4.33	-4.88	-0.18	3.80	-1.95	-0.08	-0.11
Singapore	0.92	-9.20	-0.11	0.03	11.60	0.00	-0.07
South Africa	3.69	-7.46	-0.32	5.47	-12.89	-0.70	0.33
South Korea	6.45	-4.93	-0.28	11.84	-4.51	-0.55	0.02
Switzerland	0.03	-4.36	-0.01	0.00	0.00	0.00	-0.01
Taiwan	6.29	7.78	0.46	11.14	5.18	0.55	-0.30
Thailand	2.94	-6.05	-0.16	2.96	-5.97	-0.18	-0.01
Turkey	0.20	13.87	0.05	0.55	11.65	0.05	-0.03
United Arab Emirates	0.64	-11.70	-0.13	0.74	-0.16	-0.01	-0.13
United Kingdom	0.95	-3.73	-0.03	0.05	12.06	0.01	-0.01
United States	2.17	-3.60	-0.08	0.51	-3.68	-0.02	0.06
Cash	6.66	-0.35	-0.02	0.00	0.00	0.00	0.42
Other Items	0.00	-0.28	-0.28	0.00	0.00	0.00	-0.28
Total	100.00	-2.22	-2.22	100.00	-4.25	-4.25	2.03

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. ¹A definition of this index can be found on page 3. ²Total Effect - The Total Effect for each MSCI/GICS Sector is equal to the sum of the individual Attribution Effects for that MSCI/GICS Sector.

PORTFOLIO CHARACTERISTICS

	DREGX	Benchmark
Number of Holdings	102	1,202
Weighted Avg. Market Cap (M)	\$92,629	\$88,118
Median Market Cap (M)	\$13,991	\$6,073
Est. 3-5 Year EPS Growth	16.1%	13.5%
Active Share (3-year avg.) ¹	75.96	n/a
Market Cap Breakout		
< \$5 billion	10.3%	12.3%
\$5 - \$15 billion	27.0%	25.6%
> \$15 billion	62.7%	62.1%
5-year period		
Annualized Alpha	1.68	n/a
Sharpe Ratio	0.21	0.09
Information Ratio	0.28	n/a
Beta	0.80	1.00
Standard Deviation	13.10	15.56
Tracking Error	4.90	0.00
R-squared	0.91	1.00

SECTOR WEIGHTS (%)

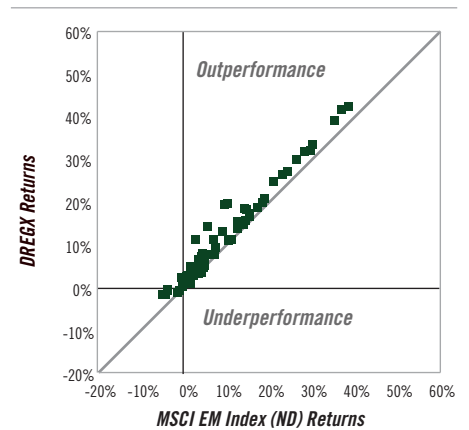
	DREGX	Benchmark
Comm. Services	8.8	11.6
Consumer Discretionary	12.7	13.1
Consumer Staples	12.1	6.9
Energy	5.8	7.7
Financials	24.9	24.7
Health Care	5.4	2.6
Industrials	5.3	5.4
Information Technology	15.7	15.1
Materials	2.6	7.3
Real Estate	0.8	2.9
Utilities	0.2	2.8
Cash	5.7	0.0

COUNTRY WEIGHTS (%)

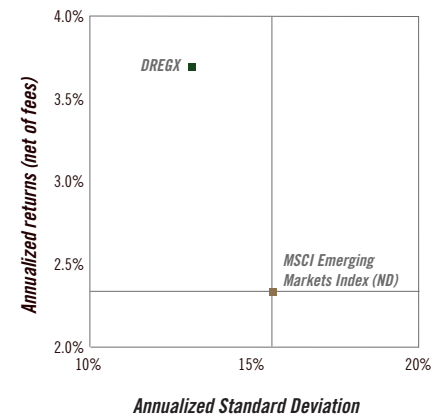
	DREGX	Benchmark
Argentina	0.5	0.1
Brazil	7.8	7.6
Chile	0.5	1.0
China/Hong Kong	28.9	31.2
Colombia	0.5	0.4
Egypt	1.0	0.2
Greece	0.7	0.3
Hungary	1.5	0.3
India	10.3	8.9
Indonesia	2.8	2.1
Malaysia	0.8	2.0
Mexico	1.6	2.5
Panama	0.7	0.0
Peru	0.8	0.3
Philippines	1.1	1.1
Poland	1.2	1.0
Russia	4.6	3.8
South Africa	3.2	4.6
South Korea	6.4	12.2
Taiwan	7.1	11.5
Thailand	2.6	2.9
Turkey	0.8	0.6
UAE	0.9	0.7
Other ²	8.0	1.1
Cash	5.7	0.0

TOP 5 HOLDINGS⁴ (as of 8/31/19)

Company	% of Fund
Alibaba Group Holding Ltd. Sponsored ADR	3.8
Taiwan Semiconductor Manufacturing Co., Ltd.	3.8
Tencent Holdings Ltd.	3.5
Samsung Electronics Co., Ltd.	3.1
Ping An Insurance (Group) Company of China, Ltd.	2.5

ROLLING FIVE-YEAR RETURNS³

RISK VS. RETURN (FIVE-YEARS)



Sources: Driehaus Capital Management LLC, Factset Research Systems, Inc., eVestment Alliance

Data as of 9/30/19. Benchmark: MSCI Emerging Markets Index (ND)

¹Data is calculated monthly. ²Represents companies domiciled in developed countries that have significant emerging markets exposures. ³Net of fee returns. MSCI Emerging Markets Index. Returns are calculated from monthly returns and shown for every quarter interval since the inception of the index (January 1999). The inception of the fund predates the inception of the index. Data as of 9/30/19. ⁴Holdings subject to change.

Driehaus Securities LLC, Distributor

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. 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.